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FEDERAL RESERVE BULLETIN

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

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reserve pressure might be acceptable, over the intermeeting period, depending on indications of inflationary pressures, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated by the Committee were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 5 percent respectively over the three-month period from March to June. It was understood that operations would continue to be conducted with some flexibility in light of the persisting uncertainty in the relationship between the demand for borrowed reserves and the federal funds rate.

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Recent Developments in the Profitability and Lending Practices of Commercial Banks

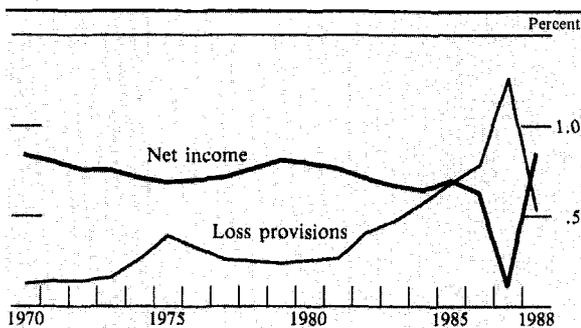
Martin H. Wolfson and Mary M. McLaughlin, of the Board's Division of Monetary Affairs, prepared this article. Douglas Carpenter and Vernon McKinley provided research assistance.

The profitability of U.S.-chartered insured commercial banks recovered in 1988, after a year of record low earnings. Large banks registered the sharpest turnaround; their rates of profitability were the highest in many years after huge losses in 1987. At all commercial banks, the lowest level of loss provisions in five years, in conjunction with higher net interest income, contributed to a return on assets of 0.84 percent, the highest in two decades (chart 1). The return on equity increased sharply to 13.52 percent. This strong performance allowed banks to pay dividends to shareholders that were generous by historical standards, while still increasing their equity capital ratios somewhat. Banks chose to provision at a lower level last year, even though charge-offs increased, particularly on foreign loans. Net charge-offs in fact exceeded provisions, and consequently, banks ended 1988 with loss reserves down from a year earlier (chart 2).

Short-term interest rates rose steadily throughout most of last year as the Federal Reserve took steps to restrain inflation (chart 3). With the demand for bank credit generally strong and its cost rising, the rate of return on banks' loan portfolios rose significantly. In contrast, rates paid on many retail deposits at commercial banks adjusted only partially to the increases in market rates. As a result, the spread between interest income and interest expense (net interest margin) widened (table 1).

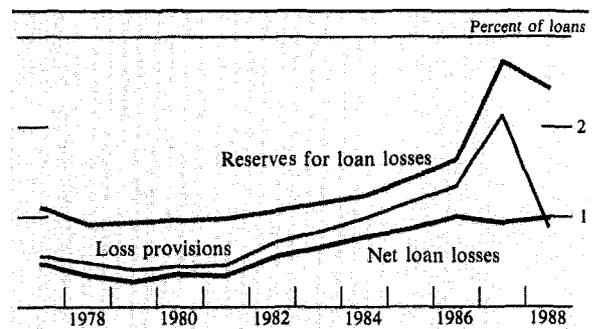
Despite strong domestic demand for loans, overall asset growth of U.S. banks remained moderate last year. Acquisitions of securities slowed, in part to accommodate higher domestic loan growth in the context of tighter monetary policy and in part as a result of the continued runoff of tax-exempt securities following the 1986 tax law change. Foreign loans declined as large banks reduced their exposure to developing countries by recognizing losses and slowing new loan growth. Partly to improve capital ratios, money center banks reduced their assets by stepping up loan sales and striving to pare back holdings of narrow-margin assets.

1. Net income and loss provisions as a percent of assets



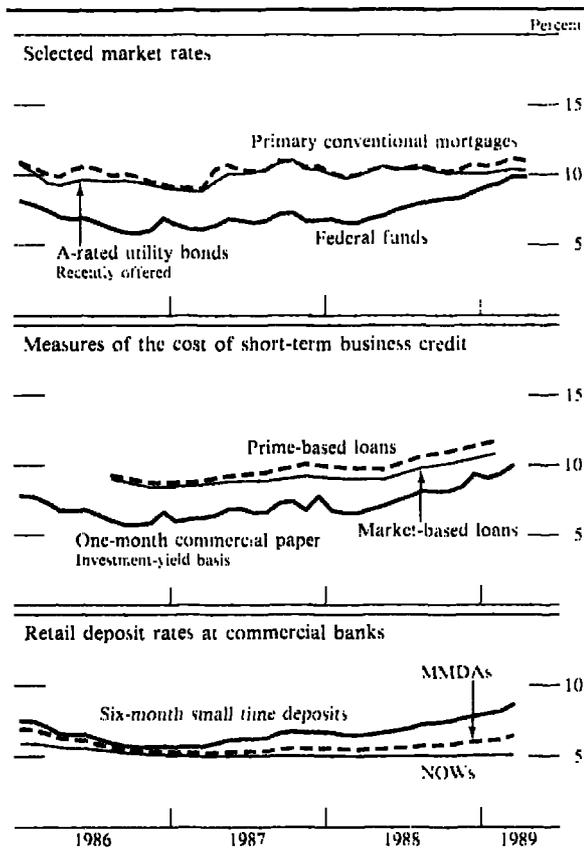
Annual data.

2. Reserves for loan losses, loss provisions, and net loan losses



Annual data. The denominator for reserves for loan losses, a stock, is total loans outstanding at year-end. Loss provisions and net loan losses are flows; their denominator is average loans for the year.

3. Selected market and commercial bank interest rates



Rates on prime based and on market-based loans (shown in the middle panel) are quarterly; all other rates are monthly

In their funding strategy last year, banks relied heavily on both large and small time deposits. In contrast to other retail deposits, interest rates paid on small time deposits generally kept pace with rising market rates, and the rate of growth of these deposits picked up sharply. In the category of managed liabilities, a strong advance in large time deposits reflected in part a shift of funding sources from foreign office deposits, which declined.

A record 198 commercial banks insured by the Federal Deposit Insurance Corporation failed last year. As in 1987, the majority of the nation's failed banks were located in the Southwest, where real estate losses remained high. On the other hand, the farm economy continued to improve last year, despite the drought, and the profitability of agricultural banks exceeded that of the banking system as a whole.

1. Income and expense as a percent of average net assets, all insured commercial banks,^{1,2}

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|-------|------|------|------|------|
| Gross interest income..... | 10.33 | 9.58 | 8.50 | 8.34 | 8.95 |
| Gross interest expense..... | 6.98 | 6.08 | 5.11 | 4.95 | 5.42 |
| Net interest margin..... | 3.35 | 3.50 | 3.39 | 3.40 | 3.53 |
| Noninterest income..... | 1.09 | 1.20 | 1.28 | 1.41 | 1.47 |
| Loss provision..... | .57 | .68 | .78 | 1.27 | .54 |
| Other noninterest expense.. | 3.04 | 3.17 | 3.22 | 3.30 | 3.33 |
| Securities gains (losses).... | -.01 | .06 | .14 | .05 | .01 |
| Income before taxes..... | .83 | .90 | .80 | .28 | 1.14 |
| Taxes..... | .19 | .21 | .19 | .18 | .33 |
| Extraordinary items..... | .01 | .01 | .01 | .01 | .03 |
| Net income..... | .64 | .70 | .62 | .11 | .84 |
| Cash dividends declared.. | .32 | .33 | .33 | .36 | .44 |
| Net retained earnings..... | .32 | .37 | .29 | .24 | .40 |
| MEMO | | | | | |
| Net interest margin, taxable equivalent ⁴ | 3.71 | 3.88 | 3.79 | 3.61 | 3.78 |

1. Assets are fully consolidated and net of loss reserves

2. In 1984, data are based on averages for call dates at the beginning and end of the year only. After 1984, data are based on averages of the call date in December of the preceding year and all four call dates in the current year

3. Includes all taxes estimated to be due on income, extraordinary gains, and security gains.

4. For each bank with profits before taxes greater than zero, income from tax-exempt state and local obligations was increased by $[t(1-t)]$ times the lesser of profits before tax or interest earned on tax-exempt obligations (t is the marginal federal income tax rate). This adjustment approximates the equivalent pretax return on tax exempt obligations.

BALANCE SHEET DEVELOPMENTS

Interest-Bearing Assets

Expansion of bank credit increased slightly last year, as a marked slowdown in the acquisition of securities offset an acceleration in the growth of loans. All size groups of banks registered strong loan growth except for money center banks, at which loan volume contracted. The fastest-growing component of bank credit was real estate loans. Domestic business loans registered a sharp increase in their growth rate, while foreign business loans contracted. Growth of U.S. government securities slowed while municipal securities ran off. At large banks, holdings of total securities shrank. Several very large banks that act as primary dealers of government securities registered declines in their security holdings because their parent holding companies spun off their dealer departments into nonbank subsidiaries. These subsidiaries were formed to engage in newly authorized activities, including underwriting securities such as commercial paper, bonds

secured by one- to four-family mortgages, and municipal bonds.

Awareness of the new risk-based capital guidelines, due to go into effect in a transitional stage in 1990 and to take full effect in 1992, probably was an important influence on banks' portfolio decisions in 1988. The new guidelines rank asset categories by credit risk and require that banks have capital equal to 7.25 percent of risk-weighted assets by the end of 1990 and 8 percent by year-end 1992. In addition, half of the capital requirement must be met with "core" capital, defined as common equity, retained earnings, and perpetual preferred stock.

Commercial and Industrial (C&I) Loans. C&I loans made by U.S. commercial banks to domestic borrowers expanded nearly 7 percent in 1988, up strongly from the weak pace in 1987 (table 2). The pickup in domestic business loan demand was associated with an increase in the gap between capital expenditures and internal funds of nonfinancial corporations, a typical development as a business cycle progresses, and with continued strong credit demands associated with acquisitions, mergers, and other corporate restructurings. Business loan demand also accelerated

because nonfinancial corporations focused their credit demands last year on short-term markets, despite the considerable increase in the level of short-term interest rates. Other short-term non-financial corporate debt instruments expanded even more strongly last year. Commercial paper growth accelerated to 18 percent and C&I loans to U.S. residents made by U.S. branches and agencies of foreign banks advanced almost 17 percent. Firms apparently chose to postpone longer-term issues in the expectation that lower credit costs were on the horizon. Also, investors began to shun corporate investment-grade bonds after the announcement late last year of the RJR Nabisco leveraged buyout. Fears developed that the value of such debt could decline if the issuing firms became takeover targets—so-called event risk.

The faster growth of domestic C&I loans resulted mainly from expansion at banks with assets of more than \$5 billion other than money center banks, although C&I loan growth increased at smaller banks as well. At money center banks, the volume of business loans contracted in 1988, as it typically has in recent years. Partly as a result of loan sales, C&I loans at these banks have fallen from 32 percent of average

2. Annual growth rate of selected balance sheet items, all insured commercial banks¹

Percent, except as noted

| Balance sheet item | 1984 | 1985 | 1986 | 1987 | 1988 | Outstanding, Dec. 31, 1988 (billions of dollars) |
|---|------|-------|-------|-------|-------|---|
| Interest-earning assets..... | 8.6 | 9.3 | 8.0 | 3.9 | 4.1 | 2,694 |
| Loans..... | 16.1 | 7.6 | 7.6 | 4.2 | 6.1 | 1,879 |
| Commercial and industrial loans..... | 9.2 | 1.8 | 4.0 | -1.2 | 2.5 | 595 |
| U.S. addressees..... | n.a. | 5.9 | 9.6 | .8 | 6.9 | 512 |
| Other..... | n.a. | -6.2 | 12.1 | 5.5 | -14.0 | 83 |
| Consumer..... | 17.9 | 14.2 | 7.3 | 3.3 | 6.3 | 354 |
| Real estate..... | 14.8 | 13.1 | 17.7 | 16.6 | 13.8 | 659 |
| Foreign government..... | 1.4 | -3.8 | -.3 | -.2 | -9.7 | 35 |
| Agricultural..... | 1.6 | -10.0 | -11.1 | -6.2 | 3.2 | 30 |
| Security loans..... | 13.7 | 21.5 | 22.2 | -11.2 | -.4 | 16 |
| Securities..... | -8.3 | 13.9 | 10.2 | 7.2 | 1.9 | 514 |
| U.S. government..... | -2.0 | 2.5 | 17.3 | 10.0 | 5.0 | 321 |
| State and local..... | n.a. | 32.9 | -12.6 | -13.7 | -12.0 | 104 |
| Deposits..... | 6.6 | 7.7 | 7.8 | 2.3 | 4.2 | 2,359 |
| Foreign office..... | 3.0 | 1.2 | -2.7 | 8.8 | -7.8 | 312 |
| Domestic office..... | 7.3 | 9.0 | 9.7 | 1.4 | 6.3 | 2,047 |
| Demand..... | 6.6 | 8.9 | 13.6 | -10.3 | 1.4 | 451 |
| Other checkable deposits..... | n.a. | 17.8 | 33.4 | 8.3 | 8.1 | 199 |
| Savings (includes MMDAs)..... | n.a. | 16.6 | 17.5 | .9 | 1.3 | 526 |
| Small time..... | n.a. | 3.4 | -1.1 | 7.6 | 14.6 | 522 |
| Large time..... | 8.6 | 2.0 | -1.5 | 13.0 | 8.9 | 316 |
| Other liabilities for borrowed money..... | 39.9 | 36.1 | 13.4 | 10.3 | 14.0 | 152 |

¹ Growth rates calculated on an end-of-year-to-end-of-year basis. n.a., Not available

3. Loans made at rates below prime as a percent of total short-term business loans at large banks

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|-------------|-------------|-------------|-------------|-------------|
| Total | 80.6 | 85.2 | 82.8 | 72.6 | 67.7 |
| Excluding overnight loans | 76.4 | 72.6 | 69.7 | 59.4 | 54.6 |
| Excluding loans with a maturity of a month or less | 57.9 | 52.1 | 53.2 | 46.5 | 43.3 |
| MEMO: Prevailing prime rate less the one-month commercial paper rate (basis points) | 199 | 194 | 175 | 158 | 167 |

Short-term loans are those with maturities of less than one year.
SOURCE: Survey of Terms of Bank Lending.

assets in 1984 to 23 percent last year. This trend also reflects the continuing ability of money center banks' most creditworthy business borrowers to go directly to the money and capital markets for funds. Many of these borrowers have better credit ratings than most of the money center banks. Capital pressures, which have caused money center banks to deemphasize narrow-margin loans, also have contributed to their runoff of C&I loans. Data from the Federal Reserve's Survey of Terms of Bank Lending illustrate this development. Over the period from 1985 through 1988, the percentage of gross business loan extensions made by large banks at rates below prime has declined (table 3). Loans made at rates below prime typically are priced at rather narrow spreads over funding costs.

Overnight loans provide a good example of this type of lending. These loans tend to be made in very large denominations, on the order of \$5 million to \$20 million. Among other purposes, they are used by firms to facilitate a delay in issuing commercial paper or bonds in the expectation of improving market conditions. Banks have raised the cost of these loans relative to the federal funds rate in the past couple of years (table 4), and the amount of overnight loans on banks' balance sheets has declined.

These developments notwithstanding, money center banks continue to be heavily involved in the C&I loan business. By selling loans without recourse, these banks have been able to exploit their well-developed capabilities of originating loans and to generate fee income without increasing required capital. According to the general pattern revealed by the Senior Loan Officer Opinion Survey of Bank Lending Practices

4. Volume of overnight loans and the spread of the overnight loan rate over the federal funds rate

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|-------------|-------------|-------------|-------------|-------------|
| Volume (billions of dollars)... | 18.1 | 15.2 | 16.6 | 14.4 | 13.2 |
| Spread (basis points) | 50 | 52 | 46 | 62 | 58 |

Average loans extended over four survey weeks of each year.
SOURCE: Survey of Terms of Bank Lending.

(LPS),¹ the leading sellers of C&I loans are the money center banks, although other large banks are becoming increasingly important participants in this market. About 80 percent of C&I loans sold by LPS respondents are purchased by other banks—presumably those with lower costs of capital or cheaper deposits, as well as banks wishing to diversify their portfolios or banks whose total production costs for these loans exceed the purchase price. Particularly important purchasers have been domestic branches and agencies of foreign banks. Nonbank purchasers include nonfinancial corporations, life insurance companies, and thrift institutions.

About 43 percent of loan sales at LPS respondents in 1988 involved merger-related loans. Although large banks have been active in selling merger credits, these institutions also hold considerable amounts of merger-related loans in their own portfolios. As of December 31, 1988, merger-related loans—defined to include loans made to finance leveraged buyouts (LBOs), other mergers and acquisitions, and defensive or other financial restructurings—accounted for about 11½ percent of LPS respondents' C&I loan portfolios, down from 15¾ percent a year earlier. About 80 percent of these loans were made to finance LBOs. Such loans frequently have quite attractive yields (prime plus 1½ percentage points or LIBOR plus 2½ percentage points represent typical terms). To date, the losses on these loans have been low, and thus they apparently have worked to boost banks' net interest income and profitability. Moreover, large upfront and commitment fees, particularly for lead banks, have contributed to noninterest income.

1. The LPS provides the Board with information on evolving lending practices of 60 large domestically chartered banks, including the money center banks. The appendix describes this survey in more detail.

The loan sales market has grown rapidly in recent years, with the outstanding dollar volume of loans sold by LPS respondents rising almost 40 percent in the 15 months ending with June 1988, to \$53 billion. When this market began several years ago, it consisted predominantly of loans made to investment-grade borrowers; as it has grown and matured, however, an increasing share of loans sold have been those made to non-investment-grade borrowers.

In addition to loan sales, banks have expanded their involvement in several other types of off-balance-sheet activities such as loan commitments, interest rate swaps, and foreign-exchange trading. Reflecting growth of these activities, noninterest income of commercial banks rose to 1.47 percent of average consolidated assets last year, up from 1.41 percent the year before. Since 1984, noninterest income at all banks relative to assets has risen 38 basis points. Of course, these activities add to costs, but noninterest expense (other than loss provisions) has risen less in recent years, up 29 basis points over the same period, measured as a percentage of assets.

Loan commitments constitute one of the most important types of off-balance-sheet activity. The predominant form of loan commitment for C&I loans is the revolving line of credit. According to the LPS survey, business borrowers prefer formal revolving loan commitments to other lending arrangements for several reasons. These include convenience, minimization of loan arrangement costs, and access to credit at a predetermined spread over reference rates. This assured access can be advantageous in case of a general credit tightening or a deterioration in the borrower's creditworthiness. Banks often protect themselves against this latter event, however, by including in loan commitments "material adverse change" clauses that allow them to void a commitment if a borrower's credit condition deteriorates beyond limits specified in the commitment contract.

Real Estate Loans. Although growth of real estate loans decelerated a bit in 1988, these loans increased faster than any other major component of bank credit, as they have for the past five years. As a result of this rapid growth, real estate

loans in 1988 climbed to more than 20 percent of commercial bank assets, edging out C&I loans as banks' largest single loan category. Although real estate loans are relatively more important at smaller banks, all size groups of banks have shared in this growth. Indeed, even at money center banks, real estate loans accounted for nearly 14 percent of assets last year, up from less than 10 percent in 1984.

For banks of all sizes, the largest category of real estate loans outstanding is that secured by one- to four-family residences. Expansion of this component last year included an increase of 37 percent in revolving home equity loans. This debt instrument has become much more popular in response to a provision of the Tax Reform Act of 1986 that phased out the tax deductibility of household interest payments for nonmortgage debt. Even at very large banks, where business-oriented mortgages (such as those for construction and land development and those secured by nonfarm nonresidential properties) rival home mortgages in importance, growth of home equity loans was strong last year.

High vacancy rates and other difficulties experienced recently in the commercial real estate market have slowed the growth of the nonfarm nonresidential component of real estate loans, especially in areas of the Southwest where the energy industry is important. For banks in Texas, Oklahoma, and Louisiana, real estate loans dropped 4 percent overall in 1988, with major declines in the commercial area. Net charge-offs of real estate loans accounted for a considerable part of this decline. Problems with real estate loans, including the necessity for larger loss provisions and interest lost from non-performing assets, contributed to the poor profit performance of these banks. In the northeastern United States, where the volume of real estate construction has been well above average for several years, concerns have developed about overbuilding.

The growth of real estate loans secured by farmland slowed last year, likely owing to improvements in the agricultural economy. In periods of stress, such as the mid-1980s, farm production loans often are collateralized by farm real estate, causing loans secured by farmland to expand while damping the growth of unsecured

loans for agricultural production and other loans to farmers.

Consumer Loans. Growth of loans to individuals picked up in 1988, but remained moderate. Demand for consumer loans has slowed in recent years because of burgeoning home equity loans, the proceeds of which frequently are used to pay down more expensive credit card and consumer installment loans. Consumer loan growth also was held down last year by the securitization of consumer receivables by several very large banks. This development boosted noninterest income and contributed to the contraction of consumer loans at money center banks last year.

Loans to Foreign Addressees. Both loans to foreign governments and business loans to non-U.S. addressees contracted substantially last year.² These two categories, especially loans to foreign governments, contain many of the loans made to developing countries. Such loans are made almost exclusively by large banks. These banks, particularly regional banks, made a concerted effort last year to reduce their exposure to heavily indebted developing countries. The primary methods used were secondary market sales, debt exchanges (such as Mexico's exchange of some of its debt for new bonds backed by U.S. Treasury zero-coupon bonds), and prepayments (with reductions) of debt by private-sector borrowers. All of these methods have required that banks recognize a loss on their loans outstanding.

At large regional banks, loans to foreign governments fell 26 percent and C&I loans to foreign addressees declined almost 19 percent last year. At money center banks, loans to foreign governments were about unchanged, while foreign C&I loans declined 12.8 percent. For the most part, loans to developing countries represent a smaller share of regional banks' total assets than is the case for the money center banks. Thus, regional banks have been able to write off or otherwise reduce their holdings of these loans with less capital erosion.

Regional banks charged off \$1.9 billion of loans to foreign governments and also allowed their loans outstanding to drop an additional \$1.4 billion. In contrast, \$1.3 billion in charge-offs at money center banks was offset by \$1.4 billion in new lending. At both groups of banks a relatively small share of the decline in foreign business loans was due to charge-offs.

Security Loans. The volume outstanding of these loans, extended mainly to brokers and dealers, was little changed last year after two years of considerable declines. The market for security loans is dominated by money center banks. These banks apparently have chosen to deemphasize this type of credit, perhaps because of its relatively low rate of return. As with C&I loans, large banks are in the practice of selling some of the security loans they have originated.

Agricultural Loans. With some improvement in the farm economy, the three-year decline in the volume of farm borrowing from banks halted in 1988. Total loans to farmers (unsecured production loans plus loans secured by farmland) rose slightly, both on average and for all sizes of banks. This development had particular implications for the smallest banks, where agricultural credit represents a substantial 10 percent of their portfolio and where more than 70 percent of all loans to farmers are booked. In 1988, agricultural banks charged off loans at only three-fourths the national rate, an improvement over the preceding few years, and their nonperforming assets represented a smaller portion of their total loans than that for the industry as a whole.

Farm debt at all lenders has declined almost 25 percent since the early 1980s. Difficulty in servicing debt incurred earlier to expand real estate holdings and changes in federal farm subsidy programs resulted in a lower level of agricultural loan extensions. Charge-offs by several farm lenders, especially around mid-decade, further reduced the stock of such loans. Because banks' portfolios were affected by these developments less than those of other agricultural lenders, banks' share of all agricultural credit has risen to 30 percent, more than any other lender.

2. Loans to foreign banks (not shown separately in table 2) also declined.

5. Loan losses and recoveries, all insured commercial banks

Millions of dollars, except as noted

| Year and size of bank ¹ | Loan losses | Recoveries | Net charge-offs | | Loss provisions |
|------------------------------------|-------------|------------|-----------------|---------------------------------------|-----------------|
| | | | Amount | Percent of average loans ² | |
| <i>1988</i> | | | | | |
| All banks | 21,742 | 4,024 | 17,718 | .97 | 15,825 |
| Less than \$300 million | 3,545 | 779 | 2,766 | .78 | 3,280 |
| \$300 million to \$5 billion | 5,260 | 898 | 4,362 | .85 | 4,864 |
| \$5 billion or more | | | | | |
| Money center banks | 4,589 | 1,107 | 3,482 | .90 | 2,324 |
| Others | 8,348 | 1,240 | 7,108 | 1.25 | 5,358 |
| <i>1987</i> | | | | | |
| All banks | 19,674 | 3,627 | 16,047 | .92 | 36,457 |
| Less than \$300 million | 4,430 | 847 | 3,583 | 1.00 | 4,230 |
| \$300 million to \$5 billion | 5,298 | 840 | 4,458 | .88 | 6,278 |
| \$5 billion or more | | | | | |
| Money center banks | 4,120 | 1,024 | 3,096 | .79 | 14,012 |
| Other | 5,826 | 916 | 4,910 | 1.00 | 11,937 |

1. Size categories are based on fully consolidated assets at year end

2. See table 1, note 2

Securities. Commercial banks' security holdings were up slightly last year. Securities issued by states and political subdivisions in the United States ran off, as they have since passage of the Tax Reform Act of 1986. A provision of that act disallowed the deduction from taxable income of 80 percent of the interest costs of funding most tax-exempt obligations acquired after August 7, 1986. In anticipation of that date, many banks, particularly larger ones, had acquired a considerable volume of long-term grandfathered instruments, which are likely to be running off well into the next decade.

Growth of U.S. government securities slowed to 5 percent last year, well under the pace of the past two years, as large regional banks ran off these liquid instruments and their growth at money center banks fell by half. Banks' holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages increased 22 percent in 1988, about half the rate of the preceding two years.³ Growth of this instrument was strong at all size groups of banks. These large increases in holdings of mortgage-backed securities, along with continued strong real estate lending, underscore the expanded role for commercial banks in real estate markets.

3. Holdings of mortgage pools issued or guaranteed by the U.S. government exceed private mortgage pools in banks' portfolios by more than 20 to 1.

Trading account assets grew 8 $\frac{2}{3}$ percent last year. Three-fourths of these assets are held by the money center banks. These very large banks realized larger trading gains and fees, relative to total assets, than other banks did on average. They also earned sharply higher interest income on these assets than other banks did.

Asset Quality

The overall charge-off rate resumed its upward climb last year, after falling somewhat in 1987. Partly as a result of this development, nonperforming assets reported by banks declined as a percentage of the loan portfolio.

In the aggregate, banks charged off 0.97 percent of their loan portfolio last year, up from 0.92 percent the year earlier (table 5). Banks with assets of more than \$5 billion were responsible for the increase. In particular, large banks other than money center banks reported a ratio of net charge-offs to loans of 1.25 percent, up sharply from 1.00 percent in 1987. As noted earlier, charge-offs of loans to developing countries were an important factor contributing to the increase.

Detailed data on charge-offs net of recoveries by type of loan are available for banks with assets of more than \$300 million (table 6). Small improvements in 1988 were reported in several areas: domestic business loans, loans to consumers, and real estate loans. (The overall figure for real estate charge-offs, however, is an aggregate of relatively

6. Net charge-offs, by type of loan, insured commercial banks with assets of more than \$300 million or with foreign offices

Percent of average total loans

| Item | 1985 | 1986 | 1987 | 1988 |
|--|------|------|------|------|
| Total loans..... | .75 | .89 | .91 | 1.03 |
| Commercial and industrial | 1.02 | 1.14 | .96 | .95 |
| U.S. addressees..... | .94 | 1.10 | .86 | .82 |
| Foreign addressees..... | 1.25 | 1.29 | 1.35 | 1.55 |
| Consumer..... | 1.24 | 1.58 | 1.58 | 1.52 |
| Credit-card..... | 2.57 | 3.28 | 3.26 | 3.08 |
| Installment..... | .63 | .75 | .74 | .73 |
| Real estate..... | .22 | .38 | .47 | .42 |
| Foreign government..... | .84 | .47 | 2.58 | 9.35 |
| Depository institutions ¹ | .15 | .36 | .56 | .98 |
| U.S. banks..... | .12 | .33 | .11 | .15 |
| Foreign banks..... | .15 | .36 | .96 | 1.83 |

1. Includes acceptances of other banks

high losses on commercial real estate and relatively low losses on one- to four-family residential properties.) Significant increases were reported in charge-offs of foreign loans: foreign business loans, loans to foreign banks, and especially, loans to foreign governments.

With some of their most troubled loans charged off, the reported quality of commercial banks' nonperforming assets improved in 1988 (table 7). For all banks, the proportion of loans either past due or not accruing interest fell somewhat, to 4.65 percent. The

7. Nonperforming assets, all insured commercial banks

Percent of total loans outstanding, except as noted

| Year and size of bank ¹ | Past due | Nonaccrual loans | | | | Total nonaccrual loans plus other real estate owned ³ |
|------------------------------------|----------|------------------|----------------------------------|---------------------------|----------|--|
| | | Total | Selected components ² | | | |
| | | | Real estate | Commercial and industrial | | |
| | | | | Foreign | Domestic | |
| 1988 | | | | | | |
| All banks..... | 2.14 | 2.51 | 1.92 | n.a. | n.a. | 3.08 |
| Less than \$300 million..... | 2.70 | 1.44 | 1.38 | n.a. | n.a. | 2.56 |
| \$300 million to \$5 billion..... | 2.13 | 1.45 | 1.88 | 8.70 | 1.73 | 2.08 |
| \$5 billion or more | | | | | | |
| Money center banks..... | 1.60 | 5.60 | 2.25 | 10.06 | 3.34 | 5.90 |
| Other..... | 2.16 | 2.14 | 2.35 | 6.56 | 1.60 | 2.50 |
| 1987 | | | | | | |
| All banks..... | 2.18 | 2.86 | 1.94 | n.a. | n.a. | 3.41 |
| Less than \$300 million..... | 2.91 | 1.60 | 1.48 | n.a. | n.a. | 2.70 |
| \$300 million to \$5 billion..... | 2.16 | 1.56 | 1.83 | 13.96 | 1.86 | 2.13 |
| \$5 billion or more | | | | | | |
| Money center banks..... | 1.48 | 5.85 | 2.70 | 9.16 | 4.61 | 6.16 |
| Other..... | 2.23 | 2.69 | 2.13 | 12.16 | 2.28 | 3.05 |

1. See table 5, note 1.

2. As a percent of total loans in that category

total of nonaccrual loans plus other real estate owned (OREO)—mostly foreclosed real estate—also registered improvement over 1987. Real estate loans on nonaccrual status were about unchanged: at large banks other than money center banks, however, they increased sharply.

Banks are not required to report data on nonperforming loans to foreign governments; they do, however, report such information for three other categories of foreign loans. Of these, the largest by far is foreign business loans. A significant proportion of these loans did not accrue interest last year. At money center banks, foreign business loans on nonaccrual status increased in 1988, in contrast to all other banks reporting these data, where the proportion of such loans on nonaccrual status declined sharply.

Liabilities

Growth of commercial bank deposits advanced last year despite declines at foreign offices (table 2). At domestic offices, deposits accelerated strongly. This pickup stemmed partly from a small expansion in demand deposits after a major contraction in 1987. Growth of small time deposits nearly doubled last year. Their yields responded relatively promptly to increases in mar-

3. As a percent of total loans outstanding plus other real estate owned. n.a. Not available.

8. Profit rates, all insured commercial banks

Percent

| Type of return and size of bank ¹ | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|-------|-------|-------|--------|-------|
| <i>Return on assets</i> ^{2,3} | | | | | |
| All banks | .64 | .70 | .62 | .11 | .84 |
| Less than \$300 million | .83 | .74 | .58 | .63 | .74 |
| \$300 million to \$5 billion | .81 | .83 | .76 | .58 | .76 |
| \$5 billion or more | | | | | |
| Money center banks | .52 | .45 | .46 | -.86 | 1.06 |
| Others | .34 | .74 | .68 | -.02 | .82 |
| <i>Return on equity</i> ^{1,4} | | | | | |
| All banks | 10.59 | 11.18 | 9.97 | 1.80 | 13.52 |
| Less than \$300 million | 10.40 | 9.19 | 7.21 | 7.76 | 8.89 |
| \$300 million to \$5 billion | 13.03 | 12.83 | 11.52 | 8.79 | 11.39 |
| \$5 billion or more | | | | | |
| Money center banks | 11.42 | 9.60 | 9.50 | -19.46 | 23.40 |
| Others | 6.58 | 13.56 | 12.18 | -.28 | 15.16 |
| MEMO: Return on assets | | | | | |
| Agricultural banks | .71 | .51 | .44 | .68 | .90 |
| Banks in Texas, Oklahoma and Louisiana | .65 | .43 | .47 | -.86 | .96 |

1. See table 5, note 1

2. Net income as a percent of average fully consolidated assets net of loss reserves.

3. See table 1, note 2

4. Net income as a percent of average equity capital

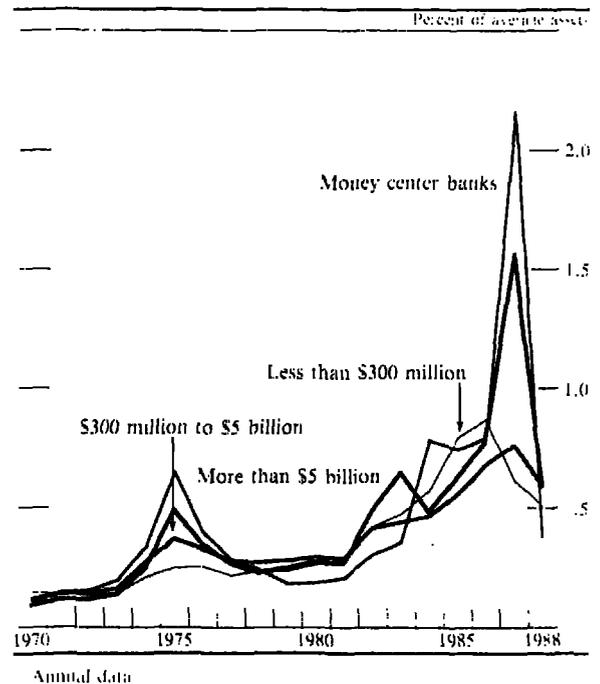
ket rates, likely drawing in funds from more liquid deposit categories for which deposit rates tend to be more sluggish. Nevertheless, retail liquid deposits grew a bit over the moderate pace of 1987. Retail deposits at commercial banks may have been augmented last year by funds that were withdrawn or diverted from thrift institutions. Thrift institutions historically have offered higher deposit rates than banks. Last year, however, this premium narrowed, in part due to pressure by regulators. Depositor reaction to the relative decline in the overall attractiveness of thrift deposits, perhaps along with increased concern late in the year about the financial condition of these institutions, probably reduced their deposit growth and led to higher growth at banks.

TRENDS IN PROFITABILITY

Commercial banks of all sizes enjoyed improved profitability last year, although large banks did best and sectoral differences remained.⁴ At the money center banks, a return on assets of 1.06 percent was about double their performance in

any recent profitable year and well above the previous peak, reached in the early 1970s. Other large banks registered a return on assets that was about even with that for the industry as a whole (table 8). At money center banks, loss provisions relative to assets were at their lowest level since

4. Loss provisions, by size of bank



4. The profitability picture is less improved when examined from the perspective of the National Income and Product Accounts. This accounting system reduces net income by the amount of net charge-offs rather than by the amount of loss provisions.

1983; at other large banks, this ratio was lower last year than at any time since 1984 (chart 4).

At money center banks, about 60 percent of loss provisions in 1988 were attributable to international business, well below the record 1987 share but a little above the average of previous years. A quarter of loss provisions made by other large banks was ascribed to international business, in line with the average of the mid-1980s. For all banks with foreign offices, profits from business abroad last year rose to the pre-1987 share of about one-fifth of total net income; for money center banks the contribution was about one-third.

The increased level of profitability of banks with assets of less than \$5 billion resulted almost entirely from declines in provisions for losses, as other factors affecting the earnings of these banks were not much changed on balance. Losses at banks in Texas, Oklahoma, and Louisiana deepened for the third consecutive year, and in 1988 were equivalent to almost 1 percent of assets. Late last year, the subsidiary banks of the largest bank holding company in Texas, First Republic Corporation, were taken over by NCNB Corporation in an FDIC-assisted merger. Apparently recovered from their problems earlier in the decade, agricultural banks outperformed the industry average. Their return on assets, 0.90 percent, has doubled over the past two years.

Net Interest Margin

Higher interest rates lifted both interest income and interest expense last year. Increased returns on commercial bank loan portfolios accounted for most of the increase in gross interest income in 1988. Rates paid on deposits, however, rose less steeply, and the taxable equivalent net interest margin widened 17 basis points over the year, to 3.78 percent.

The net interest margin at money center banks improved considerably more than it did at other banks, despite a relatively large increase of three-quarters of a point in interest expense. Interest income accounted for more than a percentage point more of their assets in 1988 than in the previous year. This component was boosted substantially by the signing by

Brazil of a refinancing plan late last year that brought current the interest on its loans with U.S. banks.⁵ The wider interest rate margin at the money center banks also is consistent with their efforts to reduce holdings of narrow-margin assets, discussed previously. Nevertheless, at 3.07 percent, the margin at these banks remained well below the industry average. Other large banks also benefited from the higher interest income from Brazilian loans, which helped to increase their margin 18 basis points.

Medium-sized banks, with assets between \$300 million and \$5 billion, registered slightly smaller changes in both interest income and expenses than large banks other than money center banks. They finished the year with interest income somewhat below and with interest expenses significantly below the industry's levels as a proportion of assets. Thus, their margin continued to exceed the average.

The smallest banks registered growth in interest income and expense that was less than half that for all banks. Over time, this group has tended to have higher interest income and lower interest expense than larger institutions. Small banks' net interest margin, at 4.33 percent of assets, continued to be well above the average spread for all banks. While rates paid on interest-bearing deposits nationally rose 38 basis points from 1987 to 1988, at this group of banks the increase was only 20 basis points. This difference likely reflects both a lower degree of interest rate pass-through to depositors at smaller banks and a higher proportion of retail deposits.

Noninterest Income and Expense and Security Gains

The increase in noninterest income in 1988 was twice that of noninterest expense (excluding loss provisions). As a result, the negative spread between these two components continued to contract.

An important part of the improvement in income was attributable to increased fees from merger-related financing activities at banks with

5. Despite the receipt of past-due interest income, most money center banks did not remove Brazilian loans from nonperforming status.

assets of \$5 billion or more, as well as fee income and gains on assets held in trading accounts. However, these large banks earned less from foreign exchange transactions last year than they did in 1987. Large banks also spent slightly more in 1988 for all types of noninterest expenses. In particular, money center banks' wages and benefits as a percentage of assets rose 2 percent last year (compared with no change at all banks) and remained above those for all banks for a second year, likely indicative of the costs of managing growing off-balance-sheet activities.

Both noninterest income and expense were little changed at banks with assets of less than \$5 billion. Noninterest income, 1.11 percent of assets, remained $\frac{1}{4}$ of a percentage point lower at these banks than at larger banks. This development was likely attributable to less involvement in off-balance-sheet and trading account activities. Deposit service charges and trust income accounted for half of their noninterest income but showed no growth over 1987. Expenses for salaries and premises declined relative to assets at these banks for the second consecutive year.

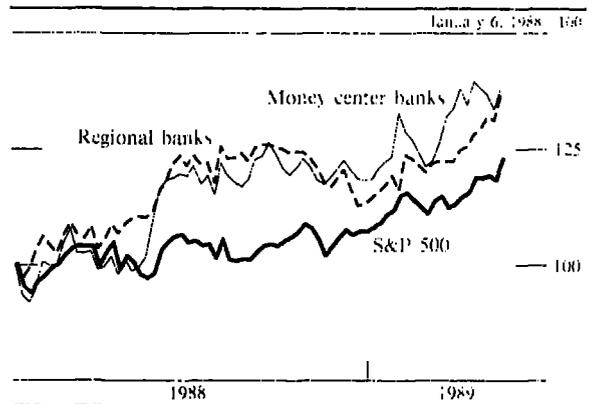
Capital gains on the sale of securities held in investment accounts fell for a second straight year across all sizes of banks. The money center banks hold about one-third as much of their assets in securities as banks on average do; yet their gains on sales from investment accounts, expressed as a share of assets, were triple the average for all banks last year.

Dividends and Retained Earnings

Commercial banks paid dividends equal to 0.44 percent of their assets in 1988, a higher rate than in any of the past 20 years. While most smaller institutions paid out about 64 percent of profits in dividends, the share for money center banks was only about 36 percent. As a group, these latter banks had to dip into capital in 1987 to pay dividends, and they retained a larger proportion of their net income this past year to replenish those funds. Nevertheless, even at money center banks dividends were paid out at a rate well above the average of recent years.

The stock price index of regional banks rose relative to the Standard and Poor's 500 index until the third quarter of last year and fell off

5. Stock price indexes



Weekly data as of Wednesday

somewhat after that (chart 5). Nonetheless, it outperformed the general market overall in 1988, likely reflecting the boost to dividends. The growth of the index of stock prices for money center banks was little different from that of the S&P 500 during the first four months of 1988. But it trended upward thereafter and since late 1988 has even gained on the index for regional banks.

Capital

Retained earnings funded three-fifths of the additions to equity capital in 1988 (table 9). The industry's ratio of regulatory primary capital to

9. Changes in total equity capital, all insured commercial banks

Millions of dollars, except as noted

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|---|--------|--------|--------|---------|--------|
| <i>Retained income</i> ¹ | | | | | |
| All banks | 7,795 | 9,348 | 8,069 | 7,324 | 11,691 |
| Large banks ² | 2,239 | 4,177 | 4,121 | -10,142 | 7,567 |
| <i>Net change in equity capital</i> | | | | | |
| All banks | 14,940 | 15,399 | 16,103 | 2,226 | 19,340 |
| Large banks | 6,095 | 5,559 | 7,446 | -5,554 | 10,914 |
| <i>Retained income as a percent of the net change in equity capital</i> | | | | | |
| All banks | 52 | 61 | 50 | n.m. | 60 |
| Large banks | 37 | 75 | 55 | n.m. | 69 |

1. Net income less cash dividends declared on preferred and common stock

2. Banks with fully consolidated assets of \$5 billion or more at year-end

n.m.: Not meaningful.

10. Growth of assets and equity capital in 1988

Percent

| Asset size of bank | Ratio of equity capital to assets ¹ | | Growth ² | |
|-----------------------|--|---------|-------------------------|----------------|
| | Quartile | Average | Interest-bearing assets | Equity capital |
| Less than \$5 billion | 1 | 5.49 | 6.19 | 12.41 |
| | 2 | 7.38 | 7.67 | 5.93 |
| | 3 | 8.82 | 6.88 | 5.94 |
| | 4 | 12.88 | 10.16 | 4.93 |
| \$5 billion or more | 1 | 3.17 | -2.70 | 33.76 |
| | 2 | 4.86 | -1.31 | 12.00 |
| | 3 | 5.66 | 5.85 | 12.64 |
| | 4 | 7.23 | 11.49 | 3.71 |

1. Total equity capital divided by total assets, as of December 31, 1987.

2. Measured from end-of-year to end-of-year.

assets increased 13 basis points to 7.93 percent in 1988. While on average banks showed only a small change in capitalization, money center banks, which as a group have relatively low capital ratios, improved their capital positions substantially. A full 90 percent of the increase in their equity capital came from retained earnings.

Regardless of size, there was a general connection between banks' equity positions at the beginning of the year and subsequent expansion of interest-earning assets and equity capital last year (table 10). Banks that began the year with relatively low equity capital made greater efforts to boost its level; those that started 1988 with less need for additional capital showed slower equity growth. At the same time, banks' growth of interest-earning assets was inversely correlated with expansion of holdings of equity. For example, large banks in the lowest quartile shrank their interest-earning assets 2.7 percent and increased their equity one-third. Conversely, the best-capitalized large banks expanded interest-earning assets 11½ percent and added less than 4 percent to their equity. Smaller banks, which are in general better capitalized, exhibited less sensitivity than larger banks in terms of the relation

of the growth of equity and assets to initial capitalization.

Smaller banks also had a wider dispersion of capital ratios than large banks did. For banks with assets of less than \$5 billion, the average ratio of equity capital to assets for those in the top quartile was more than 7 percentage points higher than it was for those in the lowest quartile. For larger banks, this range was about half as wide.

DEVELOPMENTS IN EARLY 1989

The profitability of commercial banks continued to increase during the first quarter of 1989. The improvement resulted from higher net interest margins, continued low provisions for loan losses, and slow growth of expenses. Banks of all sizes registered gains. Some of the largest banks, however, suffered declines in net income, in part due to lower profits from trading in bonds and foreign exchange.

The spring of this year witnessed the failure of MCorp, the last large Texas banking company to have remained independent of banking interests outside the state. In what is likely to be the third largest failure in U.S. banking history (exceeded only by Continental Illinois and First Republic), the FDIC took control of 20 of MCorp's 25 subsidiary banks. In total, 86 banks had failed in the United States as of June 3 (compared with 74 for a similar period of time last year).

Another development early in the year was the announcement by Secretary of the Treasury Nicholas F. Brady of a new plan to address the economic situation of heavily indebted countries. A key element of the Secretary's initiative involves encouraging commercial banks to reduce debt payments for those countries that implement acceptable economic adjustment programs. Financial guarantees for banks that reduce their debt loads would be provided by the World Bank and the International Monetary Fund.

APPENDIX: DATA SOURCES

The basic source of data for this article is the Report of Condition and Income (the Call Report) filed by every insured commercial bank with its regulatory agency. This report provides a complete balance sheet and income statement for each bank. Unless otherwise noted, the data reflect the foreign and domestic operations of banks on a fully consolidated basis. Supplementary sources of data used in this article are the Survey of Terms of Bank Lending (STBL) and the Senior Loan Officer Opinion Survey of Bank Lending Practices (LPS). Details on these

two surveys may be found in an appendix to the article by Thomas F. Brady, "Changes in Loan Pricing and Business Lending at Commercial Banks," FEDERAL RESERVE BULLETIN, vol. 71 (January 1985), page 13. Results of the LPS may be obtained by writing to the Banking and Money Market Statistics Section, stop 81, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Since February 1984, questions have been asked in the LPS concerning a variety of bank lending practices as listed below.

| Date | Topic | Date | Topic |
|----------------|---|----------------|---|
| May 1989 | Commercial and industrial (C&I) loans secured by real estate; adjustable-rate mortgages. | February 1986 | Sales of participations in domestic C&I loans |
| February 1989 | Bank lending related to mergers and other financial restructurings | November 1985 | Compensating balances for loan commitments; business loan demand |
| November 1988 | Growth of C&I lending | August 1985 | Standby letters of credit |
| August 1988 | Sales of C&I loans and participations | June 1985 | Sales of participations in domestic C&I loans; delinquency rates on closed-end consumer installment loans |
| May 1988 | Security loans; business borrowing under loan commitments | April 1985 | Bankers acceptances |
| February 1988 | Bank lending related to mergers and other financial restructurings; growth of C&I lending | February 1985 | Growth of C&I lending; commercial paper market as an alternative to bank loans; sales of interest rate caps; trends in consumer installment lending |
| December 1987 | Changes in bank credit since the stock market crash | November 1984 | Loan sales and participations; interest rate swaps; growth of C&I lending |
| November 1987 | Home equity lines of credit | September 1984 | Trends in consumer and business loan growth |
| September 1987 | Growth of C&I lending | June 1984 | Impact on bank lending practices of recent disruptions in financial markets; financial futures |
| June 1987 | Sales of C&I loans and participations | April 1984 | Booking of domestic C&I loans offshore; loans to finance mergers and acquisitions; growth of consumer and C&I lending |
| February 1987 | Business lending related to mergers and other financial restructurings | February 1984 | Adjustable-rate mortgages |
| January 1987 | Home equity lines of credit | | |
| November 1986 | Tax reform affecting bank credit | | |
| August 1986 | Lending to "middle-market" business customers | | |
| June 1986 | Security loans; credit-card lending and delinquency rates | | |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks

A. All banks

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Balance sheet items as a percent of average consolidated assets | | | | |
| Interest-earning assets | 86.47 | 86.58 | 86.97 | 87.43 | 87.94 |
| Loans | 57.56 | 59.85 | 59.44 | 59.75 | 60.59 |
| Commercial and industrial | 22.52 | 22.26 | 20.96 | 20.04 | 19.55 |
| U.S. addressees | ... | 17.50 | 16.93 | 16.60 | 16.55 |
| Non-U.S. addressees | ... | 4.76 | 4.03 | 3.44 | 3.00 |
| Real estate | 14.77 | 15.71 | 16.71 | 18.69 | 20.56 |
| Construction | 2.80 | 3.20 | 3.49 | 3.87 | 4.01 |
| Farmland | .40 | .41 | .43 | .46 | .49 |
| 1- to 4-family | 7.12 | 7.20 | 7.31 | 8.00 | 9.03 |
| Home equity | ... | ... | ... | ... | 1.13 |
| Other | ... | ... | ... | ... | 7.90 |
| Multifamily residential | .41 | .44 | .49 | .56 | .58 |
| Nonfarm nonresidential | 3.64 | 4.00 | 4.43 | 5.21 | 5.77 |
| Consumer | 9.97 | 10.80 | 11.06 | 11.10 | 11.31 |
| Credit card | ... | 2.48 | 2.75 | 2.97 | 3.13 |
| Installment and other | ... | 8.32 | 8.31 | 8.13 | 8.18 |
| Foreign government | 1.68 | 1.56 | 1.43 | 1.34 | 1.23 |
| Agricultural production | 1.65 | 1.51 | 1.22 | 1.03 | .99 |
| Security | .75 | .83 | .79 | .63 | .53 |
| Other | 6.16 | 7.19 | 7.27 | 6.92 | 6.43 |
| Securities | 16.47 | 15.53 | 16.11 | 16.67 | 16.84 |
| U.S. government | 9.96 | 9.50 | 9.26 | 10.03 | 10.35 |
| U.S. Treasury | 5.63 | 4.50 | 4.29 | 5.58 | 5.47 |
| Government-backed mortgage pools | ... | .96 | 1.16 | 2.08 | 2.59 |
| Other government | ... | 4.05 | 3.80 | 2.38 | 2.29 |
| State and local government | 5.73 | 4.95 | 5.31 | 4.34 | 3.69 |
| Tax exempt | ... | ... | ... | 4.28 | 3.63 |
| Taxable | ... | ... | ... | .06 | .06 |
| Other bonds and stocks | .93 | 1.08 | 1.55 | 2.29 | 2.80 |
| Trading account assets | ... | 1.24 | 1.55 | 1.32 | 1.26 |
| Gross federal funds sold and reverse repurchase agreements | 4.17 | 4.43 | 4.72 | 4.43 | 4.26 |
| Interest-bearing deposits | 6.33 | 5.53 | 5.15 | 5.26 | 4.99 |
| Deposit liabilities | 77.93 | 77.30 | 76.72 | 76.43 | 76.22 |
| In foreign offices | 12.94 | 12.61 | 11.61 | 11.38 | 10.85 |
| In domestic offices | 64.99 | 64.69 | 65.11 | 65.06 | 65.37 |
| Demand deposits | 16.47 | 15.63 | 16.03 | 15.41 | 14.34 |
| Other checkable deposits | 4.34 | 4.57 | 5.21 | 6.01 | 6.27 |
| Other core deposits | ... | ... | ... | ... | ... |
| MMDA | 10.32 | 11.72 | 12.64 | 12.32 | 11.44 |
| Savings | 5.10 | 4.64 | 4.79 | 5.76 | 6.08 |
| Small time | 16.53 | 16.67 | 15.68 | 14.95 | 16.16 |
| Large time deposits | 12.23 | 11.46 | 10.76 | 10.60 | 11.08 |
| Gross federal funds purchased and repurchase agreements | 7.51 | 7.68 | 8.25 | 8.06 | 7.72 |
| Other liabilities for borrowed money | 2.78 | 3.44 | 4.02 | 4.45 | 4.93 |
| MEMO | | | | | |
| Money market liabilities | 35.46 | 35.19 | 34.63 | 34.49 | 34.58 |
| Loss reserves | .70 | .80 | .92 | 1.36 | 1.54 |
| Total equity capital | 6.01 | 6.17 | 6.21 | 6.06 | 6.10 |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks
—Continued

A. All banks—Continued

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|--------|--------|--------|--------|
| | Effective interest rate (percent) | | | | |
| <i>Rates earned</i> | | | | | |
| Securities | 9.67 | 9.42 | 8.49 | 7.95 | 8.06 |
| State and local government | 6.16 | 7.15 | 7.17 | 7.27 | 7.38 |
| Loans, gross | 13.99 | 11.93 | 10.71 | 10.34 | 10.99 |
| Net of loss provision | 12.87 | 10.78 | 9.37 | 8.21 | 10.10 |
| Taxable equivalent | | | | | |
| Securities | 11.39 | 11.88 | 10.96 | 8.89 | 9.06 |
| Securities and gross loans | 13.56 | 11.93 | 10.77 | 10.09 | 10.67 |
| <i>Rates paid</i> | | | | | |
| Interest-bearing deposits | 9.92 | 8.20 | 6.98 | 5.82 | 6.20 |
| Large certificates of deposit | 10.67 | 8.72 | 7.31 | 6.86 | 7.39 |
| Deposits in foreign offices | 12.62 | 9.48 | 7.78 | 7.90 | 8.92 |
| Other deposits | 8.84 | 7.66 | 6.67 | 5.10 | 5.34 |
| All interest-bearing liabilities | 10.20 | 8.29 | 7.01 | 6.11 | 6.59 |
| | Income and expenses as a percent of average net consolidated assets | | | | |
| Gross interest income | 10.33 | 9.58 | 8.50 | 8.34 | 8.95 |
| Gross interest expense | 6.98 | 6.08 | 5.11 | 4.95 | 5.42 |
| Net interest margin | 3.35 | 3.50 | 3.39 | 3.40 | 3.53 |
| Taxable equivalent | 3.71 | 3.88 | 3.79 | 3.61 | 3.78 |
| Noninterest income | 1.09 | 1.20 | 1.28 | 1.41 | 1.47 |
| Loss provision | .57 | .68 | .78 | 1.27 | .54 |
| Other noninterest expense | 3.04 | 3.17 | 3.22 | 3.30 | 3.33 |
| Securities gains or losses () | -.01 | .06 | .14 | .05 | .01 |
| Income before tax | .83 | .90 | .80 | .29 | 1.14 |
| Taxes | .19 | .21 | .19 | .18 | .33 |
| Extraordinary items | .01 | .01 | .01 | .01 | .03 |
| Net income | .64 | .70 | .62 | .11 | .84 |
| Cash dividends declared | .32 | .33 | .33 | .36 | .44 |
| Net retained income | .32 | .37 | .29 | -.25 | .40 |
| MEMO | | | | | |
| Average assets (billions of dollars) | 2,401 | 2,559 | 2,753 | 2,883 | 2,959 |
| Number of banks | 13,952 | 13,898 | 13,733 | 13,273 | 12,691 |

See notes to tables in the text

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks

B. Banks with less than \$300 million in assets

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Balance sheet items as a percent of average consolidated assets | | | | |
| Interest-earning assets | 89.33 | 89.85 | 90.00 | 90.50 | 90.83 |
| Loans | 52.39 | 54.21 | 53.10 | 53.29 | 54.32 |
| Commercial and industrial | 14.51 | 15.00 | 14.01 | 13.23 | 12.74 |
| U.S. addressees | ... | 14.96 | 13.99 | 13.21 | 12.72 |
| Non-U.S. addressees | ... | .04 | .02 | .02 | .02 |
| Real estate | 19.57 | 20.69 | 21.75 | 23.78 | 25.69 |
| Construction | 1.99 | 2.22 | 2.22 | 2.22 | 2.19 |
| Farmland | 1.19 | 1.27 | 1.38 | 1.55 | 1.73 |
| 1- to 4-family | 10.69 | 11.20 | 11.48 | 12.55 | 13.89 |
| Home equity | ... | ... | ... | .64 | .72 |
| Other | ... | ... | ... | 12.96 | 13.16 |
| Multifamily residential | .45 | .49 | .53 | .59 | .60 |
| Nonfarm nonresidential | 5.25 | 5.70 | 6.14 | 6.87 | 7.29 |
| Consumer | 12.57 | 12.78 | 12.15 | 11.51 | 11.28 |
| Credit card | ... | .48 | .53 | .66 | .74 |
| Installment and other | ... | 12.29 | 11.62 | 10.85 | 10.53 |
| Foreign government | .01 | .02 | .02 | .01 | .01 |
| Agricultural production | 4.50 | 4.27 | 3.62 | 3.23 | 3.24 |
| Security | .13 | .08 | .07 | .06 | .06 |
| Other | .91 | 1.37 | 1.48 | 1.47 | 1.30 |
| Securities | 28.64 | 27.19 | 26.80 | 27.44 | 28.07 |
| U.S. government | 19.33 | 18.39 | 17.73 | 18.70 | 19.64 |
| U.S. Treasury | ... | ... | ... | 9.11 | 9.77 |
| Government-backed mortgage pools | ... | 1.52 | 1.40 | 2.58 | 3.25 |
| Other government | ... | ... | ... | 7.01 | 6.61 |
| State and local government | 8.90 | 8.12 | 8.01 | 6.65 | 5.72 |
| Tax exempt | ... | ... | ... | 6.48 | 5.52 |
| Taxable | ... | ... | ... | .17 | .20 |
| Other bonds and stocks | .63 | .68 | 1.06 | 2.09 | 2.71 |
| Trading account assets | ... | .03 | .06 | .07 | .05 |
| Gross federal funds sold and reverse repurchase agreements | 5.36 | 5.55 | 7.01 | 6.45 | 5.29 |
| Interest-bearing deposits | 2.92 | 2.86 | 3.03 | 3.25 | 3.10 |
| Deposit liabilities | 87.61 | 87.81 | 88.14 | 88.11 | 87.96 |
| In foreign offices | .06 | .09 | .06 | .03 | .04 |
| In domestic offices | 87.56 | 87.71 | 88.08 | 88.09 | 87.92 |
| Demand deposits | 16.73 | 15.39 | 15.03 | 14.41 | 13.74 |
| Other checkable deposits | 7.64 | 8.03 | 9.00 | 10.30 | 10.68 |
| Other core deposits | ... | ... | ... | ... | ... |
| MMDAs | 12.77 | 13.99 | 14.94 | 14.77 | 13.21 |
| Savings | 7.98 | 7.07 | 7.25 | 8.41 | 8.73 |
| Small time | 31.39 | 31.61 | 30.46 | 29.25 | 30.67 |
| Large time deposits | 11.05 | 11.61 | 11.40 | 10.95 | 10.89 |
| Gross federal funds purchased and repurchase agreements | 1.85 | 1.59 | 1.36 | 1.34 | 1.32 |
| Other liabilities for borrowed money | .49 | .49 | .50 | .53 | .55 |
| MEMO | | | | | |
| Money market liabilities | 13.45 | 13.79 | 13.32 | 12.85 | 12.80 |
| Loss reserves | .60 | .68 | .77 | .84 | .85 |
| Total equity capital | 7.96 | 8.04 | 8.01 | 8.09 | 8.26 |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks
Continued

B. Banks with less than \$300 million in assets. Continued

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|--------|--------|--------|--------|
| | Effective interest rate (percent) | | | | |
| <i>Rates earned</i> | | | | | |
| Securities | 10.34 | 9.63 | 8.71 | 7.89 | 7.91 |
| State and local government | 7.17 | 7.47 | 7.48 | 7.51 | 7.58 |
| Loans, gross | 14.36 | 12.44 | 11.44 | 10.78 | 11.00 |
| Net of loss provision | 13.11 | 10.98 | 9.81 | 9.59 | 10.07 |
| Taxable equivalent | | | | | |
| Securities | 12.07 | 11.45 | 10.49 | 8.95 | 8.84 |
| Securities and gross loans | 13.61 | 12.11 | 11.13 | 10.18 | 10.31 |
| <i>Rates paid</i> | | | | | |
| Interest-bearing deposits | 9.48 | 7.92 | 6.91 | 5.47 | 5.67 |
| Large certificates of deposit | 10.92 | 8.67 | 7.31 | 6.54 | 7.09 |
| Other deposits | 9.23 | 7.79 | 6.84 | 5.31 | 5.46 |
| All interest-bearing liabilities | 9.49 | 7.92 | 6.91 | 5.50 | 5.70 |
| | Income and expenses as a percent of average net consolidated assets | | | | |
| Gross interest income | 10.76 | 10.17 | 9.18 | 8.63 | 8.91 |
| Gross interest expense | 6.69 | 5.99 | 5.21 | 4.67 | 4.89 |
| Net interest margin | 4.07 | 4.18 | 3.97 | 3.96 | 4.03 |
| Taxable equivalent | 4.58 | 4.67 | 4.45 | 4.27 | 4.33 |
| Noninterest income | .78 | .81 | .81 | .83 | .85 |
| Loss provision | .58 | .79 | .87 | .64 | .51 |
| Other noninterest expense | 3.25 | 3.34 | 3.35 | 3.33 | 3.35 |
| Securities gains or losses (-) | -.01 | .07 | .15 | .03 | .01 |
| Income before tax | 1.02 | .92 | .71 | .86 | 1.01 |
| Taxes | .20 | .19 | .15 | .24 | .29 |
| Extraordinary items | .01 | .01 | .02 | .02 | .02 |
| Net income | .83 | .74 | .58 | .63 | .74 |
| Cash dividends declared | .41 | .43 | .40 | .41 | .47 |
| Net retained income | .42 | .32 | .19 | .23 | .27 |
| MEMO | | | | | |
| Average assets (billions of dollars) | 638 | 652 | 664 | 666 | 647 |
| Number of banks | 13,218 | 13,100 | 12,871 | 12,414 | 11,796 |

See notes to tables in the text

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks

C. Banks with \$300 million to \$5 billion in assets

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Balance sheet items as a percent of average consolidated assets | | | | |
| Interest-earning assets | 86.14 | 87.43 | 87.67 | 88.27 | 88.82 |
| Loans | 55.25 | 59.63 | 60.41 | 61.99 | 63.23 |
| Commercial and industrial | 19.02 | 19.32 | 18.70 | 18.51 | 18.22 |
| U.S. addressees | ... | 18.79 | 18.33 | 18.13 | 17.99 |
| Non-U.S. addressees | ... | .53 | .37 | .38 | .23 |
| Real estate | 16.55 | 17.99 | 19.66 | 22.00 | 24.23 |
| Construction | 3.61 | 4.05 | 4.42 | 4.82 | 4.80 |
| Farmland | .20 | .20 | .23 | .24 | .27 |
| 1- to 4-family | 7.52 | 7.93 | 8.23 | 9.07 | 10.49 |
| Home equity | ... | ... | ... | 1.51 | 1.70 |
| Other | ... | ... | ... | 8.47 | 8.79 |
| Multifamily residential | .50 | .55 | .64 | .65 | .66 |
| Nonfarm nonresidential | 4.71 | 5.25 | 6.13 | 7.21 | 8.01 |
| Consumer | 12.68 | 13.93 | 13.96 | 14.28 | 14.66 |
| Credit card | ... | 3.28 | 3.46 | 4.01 | 4.02 |
| Installment and other | ... | 10.65 | 10.50 | 10.28 | 10.64 |
| Foreign government | .49 | .43 | .33 | .33 | .23 |
| Agricultural production | .69 | .69 | .57 | .46 | .46 |
| Security | .73 | .65 | .61 | .54 | .39 |
| Other | 5.08 | 6.62 | 6.59 | 5.86 | 5.03 |
| Securities | 19.69 | 18.34 | 18.28 | 18.10 | 18.17 |
| U.S. government | 11.59 | 11.09 | 10.43 | 11.01 | 11.18 |
| U.S. Treasury | 8.32 | 7.96 | 7.20 | 6.86 | 6.37 |
| Government-backed mortgage pools | ... | 1.01 | 1.18 | 2.13 | 2.39 |
| Other government | ... | 2.12 | 2.04 | 2.02 | 2.43 |
| State and local government | 7.21 | 6.06 | 6.35 | 4.92 | 4.14 |
| Tax exempt | ... | ... | ... | 4.87 | 4.10 |
| Taxable | ... | ... | ... | .05 | .05 |
| Other bonds and stocks | 1.02 | 1.19 | 1.50 | 2.17 | 2.84 |
| Trading account assets | ... | .29 | .34 | .26 | .32 |
| Gross federal funds sold and reverse repurchase agreements | 5.51 | 5.14 | 5.26 | 4.71 | 4.16 |
| Interest-bearing deposits | 5.38 | 4.03 | 3.38 | 3.21 | 2.94 |
| Deposit liabilities | 79.26 | 79.74 | 79.90 | 78.56 | 78.75 |
| In foreign offices | 2.91 | 2.69 | 2.42 | 2.50 | 2.31 |
| In domestic offices | 76.35 | 77.05 | 77.49 | 76.05 | 76.44 |
| Demand deposits | 20.24 | 18.72 | 18.68 | 17.43 | 16.10 |
| Other checkable deposits | 5.08 | 5.36 | 6.31 | 7.08 | 7.44 |
| Other core deposits | ... | ... | ... | ... | ... |
| MMDAs | 12.67 | 14.75 | 15.92 | 15.22 | 13.87 |
| Savings | 5.33 | 5.98 | 6.12 | 6.90 | 7.37 |
| Small time | 17.99 | 18.68 | 17.91 | 16.88 | 19.13 |
| Large time deposits | 14.04 | 13.57 | 12.55 | 12.54 | 12.53 |
| Gross federal funds purchased and repurchase agreements | 9.49 | 8.56 | 8.60 | 9.17 | 8.79 |
| Other liabilities for borrowed money | 1.88 | 2.33 | 2.27 | 3.03 | 3.20 |
| MEMO | | | | | |
| Money market liabilities | 28.31 | 27.14 | 25.84 | 27.24 | 26.83 |
| Loss reserves | .70 | .77 | .85 | 1.02 | 1.02 |
| Total equity capital | 6.17 | 6.39 | 6.52 | 6.51 | 6.59 |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks
- -Continued

C. Banks with \$300 million to \$5 billion in assets - Continued

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Effective interest rate (percent) | | | | |
| <i>Rates earned</i> | | | | | |
| Securities | 9.17 | 9.13 | 8.26 | 7.69 | 7.86 |
| State and local government | 5.63 | 6.87 | 6.94 | 7.02 | 7.14 |
| Loans, gross | 13.74 | 11.75 | 10.70 | 10.23 | 10.72 |
| Net of loss provision | 12.80 | 10.80 | 9.56 | 8.97 | 9.76 |
| Taxable equivalent | | | | | |
| Securities | 10.86 | 11.87 | 11.04 | 8.80 | 8.85 |
| Securities and gross loans | 13.21 | 11.79 | 10.78 | 10.05 | 10.44 |
| <i>Rates paid</i> | | | | | |
| Interest-bearing deposits | 9.25 | 7.82 | 6.77 | 5.46 | 5.78 |
| Large certificates of deposit | 10.55 | 8.55 | 7.23 | 6.79 | 7.39 |
| Deposits in foreign offices | 11.11 | 8.63 | 6.96 | 6.79 | 7.65 |
| Other deposits | 8.74 | 7.58 | 6.64 | 5.11 | 5.37 |
| All interest-bearing liabilities | 9.40 | 7.82 | 6.75 | 5.63 | 6.00 |
| | Income and expenses as a percent of average net consolidated assets | | | | |
| Gross interest income | 9.95 | 9.43 | 8.54 | 8.24 | 8.73 |
| Gross interest expense | 6.38 | 5.67 | 4.87 | 4.57 | 4.98 |
| Net interest margin | 3.58 | 3.76 | 3.67 | 3.67 | 3.75 |
| Taxable equivalent | 4.05 | 4.26 | 4.19 | 3.99 | 4.04 |
| Noninterest income | 1.27 | 1.32 | 1.27 | 1.32 | 1.33 |
| Loss provision | .46 | .56 | .69 | .78 | .61 |
| Other noninterest expense | 3.43 | 3.55 | 3.44 | 3.42 | 3.41 |
| Securities gains or losses (-) | -.01 | .04 | .11 | .04 | .00 |
| Income before tax | .95 | 1.00 | .93 | .83 | 1.06 |
| Taxes | .15 | .18 | .18 | .26 | .31 |
| Extraordinary items | .01 | .01 | .01 | .01 | .01 |
| Net income | .81 | .83 | .76 | .58 | .76 |
| Cash dividends declared | .36 | .37 | .39 | .42 | .46 |
| Net retained income | .45 | .45 | .37 | .16 | .30 |
| MIMO | | | | | |
| Average assets (billions of dollars) | 640 | 685 | 738 | 808 | 804 |
| Number of banks | 668 | 724 | 779 | 777 | 800 |

See notes to tables in the text.

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks

D. Nine money center banks

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Balance sheet items as a percent of average consolidated assets | | | | |
| Interest-earning assets | 82.72 | 83.86 | 84.59 | 84.76 | 84.84 |
| Loans | 63.39 | 62.94 | 61.09 | 59.23 | 58.53 |
| Commercial and industrial | 31.78 | 29.46 | 26.49 | 24.23 | 22.77 |
| U.S. addressees | ... | 14.34 | 13.24 | 12.57 | 12.04 |
| Non-U.S. addressees | ... | 15.12 | 13.25 | 11.60 | 10.73 |
| Real estate | 9.81 | 10.49 | 11.45 | 12.52 | 13.71 |
| Construction | 1.97 | 2.18 | 2.52 | 2.88 | 2.96 |
| Farmland | .07 | .07 | .06 | .04 | .04 |
| 1- to 4-family | 4.22 | 4.22 | 4.17 | 4.35 | 5.03 |
| Home equity | ... | ... | ... | .43 | .55 |
| Other | ... | ... | ... | 4.26 | 4.48 |
| Multifamily residential | .32 | .38 | .45 | .56 | .60 |
| Nonfarm nonresidential | 1.71 | 1.89 | 2.09 | 2.33 | 2.34 |
| Consumer | 5.28 | 5.78 | 6.13 | 5.99 | 5.82 |
| Credit card | ... | 2.21 | 2.21 | 2.05 | 1.77 |
| Installment and other | ... | 3.57 | 3.92 | 3.94 | 4.04 |
| Foreign government | 4.11 | 3.92 | 3.82 | 3.65 | 3.67 |
| Agricultural production | .61 | .49 | .36 | .28 | .26 |
| Security | .98 | 1.21 | 1.16 | .82 | .65 |
| Other | 10.82 | 11.57 | 11.67 | 11.75 | 11.65 |
| Securities | 5.78 | 5.75 | 7.08 | 8.15 | 8.65 |
| U.S. government | 2.31 | 2.31 | 2.28 | 2.75 | 3.08 |
| U.S. Treasury | 1.79 | 1.85 | 1.58 | 1.43 | 1.34 |
| Government-backed mortgage pools | ... | .38 | .61 | 1.25 | 1.64 |
| Other government | ... | .09 | .09 | .07 | .10 |
| State and local government | 2.17 | 1.61 | 2.07 | 2.00 | 1.85 |
| Tax exempt | ... | ... | ... | 1.99 | 1.84 |
| Taxable | ... | ... | ... | .01 | .01 |
| Other bonds and stocks | 1.45 | 1.82 | 2.73 | 3.40 | 3.72 |
| Trading account assets | ... | 3.67 | 4.90 | 4.52 | 4.33 |
| Gross federal funds sold and reverse repurchase agreements | 2.51 | 3.54 | 3.62 | 3.95 | 4.64 |
| Interest-bearing deposits | 8.29 | 7.95 | 7.91 | 8.91 | 8.69 |
| Deposit liabilities | 72.08 | 70.74 | 69.92 | 70.16 | 69.57 |
| In foreign offices | 35.21 | 35.86 | 34.64 | 35.03 | 34.02 |
| In domestic offices | 36.88 | 34.88 | 35.28 | 35.13 | 35.56 |
| Demand deposits | 11.83 | 11.51 | 12.46 | 12.34 | 11.53 |
| Other checkable deposits | 1.24 | 1.30 | 1.63 | 2.03 | 2.23 |
| Other core deposits | ... | ... | ... | ... | ... |
| MMDAs | 6.36 | 7.35 | 7.70 | 6.89 | 6.72 |
| Savings | 1.89 | 1.77 | 2.06 | 3.09 | 3.56 |
| Small time | 4.95 | 4.76 | 4.12 | 3.95 | 4.38 |
| Large time deposits | 10.62 | 8.18 | 7.30 | 6.83 | 7.14 |
| Gross federal funds purchased and repurchase agreements | 7.42 | 7.66 | 8.17 | 6.87 | 6.02 |
| Other liabilities for borrowed money | 5.25 | 6.51 | 7.95 | 8.69 | 9.52 |
| MEMO | | | | | |
| Money market liabilities | 58.49 | 58.21 | 58.07 | 57.41 | 56.69 |
| Loss reserves | .69 | .83 | 1.02 | 2.11 | 2.69 |
| Total equity capital | 4.56 | 4.69 | 4.78 | 4.33 | 4.42 |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks
--Continued

D. Nine money center banks --Continued

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Effective interest rate (percent) | | | | |
| <i>Rates earned</i> | | | | | |
| Securities | 9.37 | 9.88 | 8.85 | 8.72 | 8.67 |
| State and local government | 5.28 | 7.09 | 7.33 | 7.52 | 7.70 |
| Loans, gross | 14.10 | 11.98 | 10.44 | 10.34 | 11.67 |
| Net of loss provision | 13.22 | 10.78 | 9.12 | 6.68 | 11.02 |
| Taxable equivalent | | | | | |
| Securities | 11.05 | 12.76 | 11.69 | 9.00 | 9.78 |
| Securities and gross loans | 13.98 | 12.05 | 10.58 | 10.18 | 11.50 |
| <i>Rates paid</i> | | | | | |
| Interest-bearing deposits | 11.06 | 8.91 | 7.41 | 6.70 | 7.43 |
| Large certificates of deposit | 10.70 | 9.07 | 7.45 | 7.33 | 8.04 |
| Deposits in foreign offices | 12.90 | 9.59 | 7.88 | 8.01 | 9.01 |
| Other deposits | 7.83 | 7.43 | 6.47 | 4.47 | 5.00 |
| All interest-bearing liabilities | 11.55 | 7.96 | 7.57 | 7.30 | 8.25 |
| | Income and expenses as a percent of average net consolidated assets | | | | |
| Gross interest income | 10.50 | 9.50 | 8.26 | 8.41 | 9.55 |
| Gross interest expense | 7.85 | 6.75 | 5.58 | 5.85 | 6.63 |
| Net interest margin | 2.65 | 2.75 | 2.68 | 2.57 | 2.91 |
| Taxable equivalent | 2.83 | 2.92 | 2.89 | 2.60 | 3.07 |
| Noninterest income | 1.15 | 1.35 | 1.62 | 1.99 | 2.11 |
| Loss provision | .50 | .75 | .79 | 2.16 | .38 |
| Other noninterest expense | 2.53 | 2.71 | 2.96 | 3.17 | 3.27 |
| Securities gains or losses (-) | .02 | .06 | .13 | .08 | .03 |
| Income before tax | .78 | .71 | .68 | -.70 | 1.40 |
| Taxes | .26 | .26 | .22 | .15 | .41 |
| Extraordinary items | 0 | 0 | 0 | 0 | .08 |
| Net income | .52 | .45 | .46 | -.86 | 1.06 |
| Cash dividends declared | .24 | .25 | .21 | .28 | .38 |
| Net retained income | .29 | .21 | .25 | -1.14 | .69 |
| MEMO | | | | | |
| Average assets (billions of dollars) | 590 | 618 | 645 | 650 | 641 |
| Number of banks | 9 | 9 | 9 | 9 | 9 |

See notes to tables in the text.

A.1. Portfolio composition, interest rates, and income and expenses, all insured commercial banks

F. Large banks other than money center banks

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|---|--|-------|-------|-------|-------|
| | Balance sheet items as a percent of average consolidated assets | | | | |
| Interest-earning assets..... | 83.12 | 84.89 | 85.57 | 86.17 | 87.30 |
| Loans..... | 60.07 | 63.02 | 62.87 | 63.45 | 64.33 |
| Commercial and industrial..... | 26.04 | 26.02 | 24.79 | 23.98 | 23.42 |
| U.S. addressees..... | ... | 21.96 | 21.60 | 21.36 | 21.42 |
| Non-U.S. addressees..... | ... | 4.06 | 3.19 | 2.62 | 1.99 |
| Real estate..... | 12.40 | 13.09 | 13.72 | 16.05 | 18.49 |
| Construction..... | 3.74 | 4.33 | 4.61 | 5.15 | 5.43 |
| Farmland..... | .06 | .08 | .10 | .11 | .12 |
| 1- to 4-family..... | 5.56 | 5.29 | 5.32 | 6.04 | 7.08 |
| Home equity..... | ... | ... | ... | 1.16 | 1.33 |
| Other..... | ... | ... | ... | 5.43 | 5.75 |
| Multifamily residential..... | .34 | .33 | .34 | .44 | .47 |
| Nonfarm nonresidential..... | 2.55 | 2.91 | 3.18 | 4.11 | 5.15 |
| Consumer..... | 8.80 | 10.25 | 11.52 | 11.78 | 12.35 |
| Credit card..... | ... | 4.00 | 4.60 | 4.68 | 5.09 |
| Installment and other..... | 2.43 | 6.26 | 6.91 | 7.10 | 7.26 |
| Foreign government..... | 2.43 | 2.08 | 1.71 | 1.59 | 1.23 |
| Agricultural production..... | .57 | .50 | .42 | .38 | .35 |
| Security..... | 1.27 | 1.43 | 1.32 | 1.04 | .91 |
| Other..... | 8.57 | 9.64 | 9.40 | 8.63 | 7.57 |
| Securities..... | 9.89 | 9.79 | 12.09 | 13.11 | 13.42 |
| U.S. government..... | 5.27 | 5.47 | 6.46 | 7.73 | 8.15 |
| U.S. Treasury..... | 3.95 | 4.14 | 4.45 | 4.72 | 4.55 |
| Government-backed mortgage pools..... | ... | .88 | 1.41 | 2.29 | 3.00 |
| Other government..... | ... | .45 | .60 | .71 | .60 |
| State and local government..... | 4.13 | 3.68 | 4.65 | 3.74 | 3.14 |
| Tax exempt..... | ... | ... | ... | 3.72 | 3.13 |
| Taxable..... | .59 | .64 | .97 | 1.64 | 2.13 |
| Trading account assets..... | ... | 1.12 | 1.14 | .79 | .74 |
| Gross federal funds sold and reverse repurchase agreements..... | 2.98 | 3.33 | 3.01 | 2.80 | 3.31 |
| Interest-bearing deposits..... | 9.38 | 7.64 | 6.46 | 6.03 | 5.50 |
| Deposit liabilities..... | 71.25 | 69.94 | 68.90 | 69.41 | 70.17 |
| In foreign offices..... | 15.76 | 13.57 | 10.97 | 10.28 | 9.40 |
| In domestic offices..... | 55.49 | 56.37 | 57.93 | 59.13 | 60.77 |
| Demand deposits..... | 16.79 | 16.61 | 17.48 | 16.77 | 15.26 |
| Other checkable deposits..... | 2.94 | 3.26 | 3.77 | 4.59 | 4.96 |
| Other core deposits..... | ... | ... | ... | ... | ... |
| MMDAs..... | 8.97 | 10.29 | 11.56 | 11.79 | 11.40 |
| Savings..... | 3.73 | 3.44 | 3.60 | 4.56 | 4.83 |
| Small time..... | 9.82 | 10.48 | 10.06 | 9.91 | 11.48 |
| Large time deposits..... | 13.24 | 12.28 | 11.45 | 11.50 | 12.84 |
| Gross federal funds purchased and repurchase agreements..... | 12.01 | 13.24 | 14.40 | 13.76 | 12.73 |
| Other liabilities for borrowed money..... | 3.86 | 4.75 | 5.55 | 5.73 | 6.34 |
| MEMO | | | | | |
| Money market liabilities..... | 44.86 | 43.84 | 42.37 | 41.27 | 41.31 |
| Loss reserves..... | .83 | .92 | 1.06 | 1.54 | 1.68 |
| Total equity capital..... | 5.08 | 5.42 | 5.50 | 5.29 | 5.29 |

A.1. Portfolio composition, interest rates, and income and expenses, insured commercial banks
Continued

E. Large banks other than money center banks

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--|-------|-------|-------|-------|
| | Effective interest rate (percent) | | | | |
| <i>Rates earned</i> | | | | | |
| Securities | 8.76 | 9.15 | 8.17 | 8.04 | 8.25 |
| State and local government | 5.27 | 6.90 | 6.92 | 7.15 | 7.26 |
| Loans, gross | 13.75 | 11.60 | 10.35 | 10.12 | 10.78 |
| Net of loss provision | 12.30 | 10.57 | 9.06 | 7.61 | 9.80 |
| Taxable equivalent | | | | | |
| Securities | 10.56 | 12.69 | 11.44 | 8.88 | 9.31 |
| Securities and gross loans | 13.48 | 11.75 | 10.54 | 9.98 | 10.64 |
| <i>Rates paid</i> | | | | | |
| Interest-bearing deposits | 10.11 | 8.34 | 6.90 | 5.88 | 6.26 |
| Large certificates of deposit | 10.58 | 8.80 | 7.34 | 7.06 | 7.40 |
| Deposits in foreign offices | 12.28 | 9.37 | 7.67 | 7.83 | 8.93 |
| Other deposits | 8.73 | 7.68 | 6.47 | 6.63 | 5.29 |
| All interest-bearing liabilities | 10.56 | 8.09 | 6.87 | 6.18 | 6.64 |
| | Income and expenses as a percent of average net consolidated assets | | | | |
| Gross interest income | 10.08 | 9.19 | 8.03 | 8.14 | 8.76 |
| Gross interest expense | 7.11 | 5.94 | 4.85 | 4.82 | 5.33 |
| Net interest margin | 2.97 | 3.25 | 3.18 | 3.31 | 3.42 |
| Taxable equivalent | 3.26 | 3.59 | 3.58 | 3.48 | 3.66 |
| Noninterest income | 1.19 | 1.32 | 1.42 | 1.53 | 1.61 |
| Loss provision | .78 | .64 | .79 | 1.58 | .62 |
| Other noninterest expense | 2.87 | 3.02 | 3.09 | 3.25 | 3.29 |
| Securities gains or losses (-) | -.02 | .07 | .16 | .05 | .00 |
| Income before tax | .49 | .96 | .88 | .06 | 1.13 |
| Taxes | .16 | .23 | .21 | .08 | .33 |
| Extraordinary items | .01 | .01 | .01 | .00 | .02 |
| Net income | .34 | .74 | .68 | -.02 | .82 |
| Cash dividends declared | .24 | .26 | .32 | .35 | .45 |
| Net retained income | .10 | .48 | .36 | -.36 | .37 |
| MUMO | | | | | |
| Average assets (billions of dollars) | 534 | 605 | 707 | 759 | 867 |
| Number of banks | 57 | 65 | 74 | 73 | 86 |

See notes to tables in the text.

A.2. Report of income, all insured commercial banks

Millions of dollars

| Item | 1984 | 1985 | 1986 | 1987 | 1988 |
|---|----------------|----------------|----------------|----------------|----------------|
| Operating income, total | 274,255 | 275,741 | 269,152 | 281,218 | 308,580 |
| Interest, total..... | 248,034 | 245,152 | 233,961 | 240,548 | 264,999 |
| Loans..... | 181,897 | 181,368 | 172,712 | 177,217 | 196,119 |
| Balances with banks..... | 16,556 | 13,660 | 11,139 | 11,874 | 13,198 |
| Gross federal funds sold and reverse repurchase agreements..... | 10,455 | 9,404 | 8,918 | 8,810 | 10,025 |
| Securities (excluding trading accounts)..... | 36,730 | 37,387 | 37,860 | 38,698 | 40,738 |
| Tax exempt..... | 8,238 | 8,752 | 10,594 | 9,085 | 8,014 |
| Taxable..... | 28,491 | 28,635 | 27,266 | 29,613 | 32,724 |
| Trading account assets..... | 2,396 | 3,333 | 3,332 | 3,948 | 4,918 |
| Service charges on deposits..... | 6,518 | 7,333 | 7,908 | 8,659 | 9,323 |
| Other operating income..... | 19,703 | 23,257 | 27,282 | 32,012 | 34,258 |
| Operating expense, total | 254,285 | 254,184 | 250,821 | 274,330 | 275,050 |
| Interest, total..... | 167,670 | 155,549 | 140,762 | 142,649 | 160,455 |
| Deposits..... | 139,331 | 129,439 | 115,898 | 113,687 | 125,961 |
| Large certificates of deposit..... | 25,767 | 22,705 | 19,281 | 18,935 | 21,907 |
| Deposits in foreign offices..... | 35,782 | 30,117 | 24,440 | 25,946 | 28,248 |
| Other deposits..... | 77,782 | 76,618 | 72,177 | 68,806 | 75,806 |
| Gross federal funds purchased and repurchase agreements..... | 19,322 | 16,432 | 15,745 | 15,472 | 18,146 |
| Other borrowed money ¹ | 9,017 | 9,677 | 9,119 | 13,220 | 16,347 |
| Salaries, wages, and employee benefits..... | 36,463 | 39,467 | 42,262 | 44,463 | 45,595 |
| Occupancy expense..... | 11,760 | 13,137 | 14,291 | 15,041 | 15,496 |
| Loss provision..... | 13,704 | 17,504 | 21,538 | 36,534 | 15,990 |
| Other operating expense..... | 24,688 | 28,527 | 31,968 | 35,643 | 37,515 |
| Securities gains or losses (-)..... | -146 | 1,506 | 3,785 | 1,397 | 285 |
| Income before tax | 19,824 | 23,063 | 22,115 | 8,286 | 33,815 |
| Taxes..... | 4,660 | 5,499 | 5,184 | 5,267 | 9,871 |
| Extraordinary items..... | 216 | 237 | 271 | 162 | 833 |
| Net income | 15,379 | 17,802 | 17,202 | 3,181 | 24,777 |
| Cash dividends declared..... | 7,584 | 8,455 | 9,133 | 10,505 | 13,086 |

1. Includes interest paid on U.S. Treasury tax and loan account balances and on subordinated notes and debentures

Treasury and Federal Reserve Foreign Exchange Operations

This quarterly report, covering the period February through April 1989, provides information on Treasury and System foreign exchange operations. It was presented by Sam Y. Cross, Manager of Foreign Operations of the System Open Market Account and Executive Vice President in charge of the Foreign Group of the Federal Reserve Bank of New York. Daniel Brotman was primarily responsible for preparation of the report.¹

The dollar traded with a firm undertone during most of the three months ending in April, buoyed by persistent investment and commercial demand for the currency. At times, upward pressure intensified and, in keeping with Group of Seven (G-7) undertakings to foster exchange rate stability, the U.S. monetary authorities intervened to resist the dollar's rise. On occasion, the upward pressure subsided and the dollar eased back somewhat. Overall, dollar exchange rates remained more stable than in recent quarterly periods, although throughout the period the dollar continued to edge back toward the highs reached in the fall of 1988. On balance, the dollar rose ¼ percent against the German mark and Canadian dollar, 2¼ percent against the Japanese yen, 4 percent against the British pound, and 5 percent against the Swiss franc. The dollar ended the three-month period 1 percent higher on a trade-weighted basis as measured by the staff of the Board of Governors of the Federal Reserve System.

A variety of factors contributed to the investment demand for dollars and dollar assets during this period. The currency's stronger performance in 1988 and early 1989 relative to preceding years

prompted investors to feel more confident about increasing the share of dollar assets in their overall portfolios and reducing the hedged proportion of their dollar assets. By such actions, they could benefit more from the relatively wide short-term interest rate differentials favoring the dollar and avoid the increased costs of maintaining hedges.

Meanwhile, as positive sentiment toward the dollar mounted, commercial market participants also began to alter their trading strategies. Those, such as Japanese exporters, who at times in the past had been heavy forward sellers of dollar receivables, scaled back their selling in advance of payment. Similarly, those who had dollars to buy in the future began to buy more dollars during the period lest the U.S. currency rise further. With the dollar consistently well bid in the market, interbank and speculative position-takers became more willing to take on long-dollar positions.

Underpinning the more positive sentiment toward the dollar were two key factors: interest rate differentials and political developments. Interest rate differentials continued to favor the dollar, providing a strong incentive for investors to purchase dollar assets so long as they presumed the dollar would remain stable or rise. During the three months ending in April, short-term interest rate differentials against the yen increased from what were already considered high levels, while against the mark they remained sizable but in about the same range as earlier.

At times during the period, political developments abroad also weighed against several major foreign currencies. In Japan, investigations of an insider trading scandal brought the government of Prime Minister Takeshita under increasing pressure and raised concerns about its viability. In Germany, electoral setbacks to the governing coalition's leading party and other centrist par-

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.

ties gave rise to market uncertainty at a time when there was already considerable confusion in the market surrounding the imposition and subsequent removal of a withholding tax on interest income.

Under these circumstances, market participants appeared increasingly willing to overlook, at least for the time being, developments cited last year as giving rise to concerns about the dollar. Trade data released by the United States and other countries during the period suggested that the pace of adjustment of world trade and current account balances might be slowing. Similarly, market observers at times expressed disappointment over the absence of plans for substantial, long-term reduction of the U.S. budget deficit.

During the period, the degree of upward pressure on the dollar varied in response to shifting market views regarding inflationary pressures and the appropriate tightness of monetary policy in the United States and abroad. Changing market assessments of official commitments to exchange rate stability at times also affected market demand for the U.S. currency. Upward pressure was most pronounced at the opening of the period in February, during March, and toward the end of April. Upward pressure abated, and the dollar settled back somewhat in mid-February and mid-April.

THE DOLLAR SETTLES BACK IN MID-FEBRUARY

When the three-month period opened in February, market sentiment toward the dollar was distinctly bullish. Market participants, mindful of Chairman Greenspan's earlier indications in congressional testimony of the Federal Reserve's strong anti-inflationary stance, interpreted evidence of robust U.S. economic growth as a portent of higher dollar interest rates. In particular, the early February report of an unexpectedly large rise in U.S. employment in January reinforced expectations that a buoyant economy would lead to further tightening of U.S. monetary policy. As the dollar firmed above its January highs, the U.S. monetary authorities sold a total of \$350 million against marks during the

period from February 2 through February 6 in the only intervention operations during the month.

Thereafter, sentiment toward the dollar took on a more cautious tone. This change in sentiment appeared, in part, to reflect concern about central bank intervention. The dollar was approaching levels at which central banks had acted forcefully to counter its rise in 1988. Believing that the central banks would again seek to limit the dollar's rise to these levels, market participants appeared less aggressive about bidding for dollars in the exchange market. Also, after President Bush's budget address before Congress on February 9, market participants began to adopt a more realistic view regarding the difficulties the Administration and the Congress would face in negotiating a long-term plan to reduce the U.S. fiscal deficit. After rising in early February to DM1,8880 and ¥130.67, the dollar began to edge lower, and upward pressure abated.

By mid-February, inflation and monetary policy had become the most immediate market concerns. A variety of economic statistics released at that time seemed to indicate a surprising upturn in inflation in several industrialized countries, including the United States and Germany, as well as a worrisome persistence of high inflation in the United Kingdom. There was also considerable uncertainty about the extent to

1. Federal Reserve reciprocal currency arrangements

Millions of dollars

| Institution | Amount of facility, April 28, 1989 |
|--|------------------------------------|
| Austrian National Bank | 250 |
| National Bank of Belgium | 1,000 |
| Bank of Canada | 2,000 |
| National Bank of Denmark | 250 |
| Bank of England | 3,000 |
| Bank of France | 2,000 |
| Deutsche Bundesbank | 6,000 |
| Bank of Italy | 3,000 |
| Bank of Japan | 5,000 |
| Bank of Mexico | 700 |
| Netherlands Bank | 500 |
| Bank of Norway | 250 |
| Bank of Sweden | 300 |
| Swiss National Bank | 4,000 |
| <i>Bank for International Settlements</i> | |
| Dollars against Swiss francs | 600 |
| Dollars against other authorized European currencies | 1,250 |
| Total | 30,100 |

which tax changes in several foreign countries might give rise to inflationary wage demands in the coming months. Against this background, market participants began to wonder whether efforts to subdue inflation worldwide might prove more difficult, and require higher interest rates, than had previously been assumed. The management of monetary policy by central banks in various countries tended to come under greater market scrutiny.

As for the United States, some market observers questioned whether the successive moves toward moderate tightening by the Federal Reserve over the past year would be sufficient to prevent an acceleration of inflation. At the same time, market participants expressed concern that the potential economic, financial, and political implications of further policy tightening might deter the U.S. central bank from acting as forcefully as needed.

In contrast, market analysts at that time appeared more certain that signs of accelerating inflation in Germany would lead to a quick tightening of the German central bank's policy stance. This market view showed through in a significant increase in German money market rates as German banks aggressively bid for funds in anticipation of a near-term increase in the Bundesbank's official interest rates.

In this environment, dollar exchange rates eased from their earlier levels. By February 20, the dollar had declined to its period low against the yen of ¥125.25. Against the mark, the dollar continued to edge lower for another week, reaching its period low of DM1.8095 on February 27. Even at these levels, however, the dollar remained well above where it had opened the year.

RESUMPTION OF THE DOLLAR'S ADVANCE IN MARCH

In late February, market assessments of the relative tightness of monetary policy in the United States and abroad underwent an abrupt shift.

Questions regarding the U.S. central bank's counter-inflationary stance were put to rest, and U.S. short-term market interest rates began to edge higher when the Federal Reserve unexpectedly drained liquidity from the banking system on February 23 and on the following day increased its discount rate $\frac{1}{2}$ percentage point.

Shortly thereafter, the Bundesbank appeared to send a signal through its public statements and money market operations that it saw no need at that time to tighten its policy stance. Market participants also noted the constraints on Bundesbank monetary policy stemming from currency relationships within the European Monetary System (EMS). With the German mark approaching the upper limit of its bilateral parity with another EMS currency, the Danish krone, further German tightening was viewed as unlikely, and short-term mark interest rates began to decline. Elsewhere, market participants interpreted actions by both the Bank of Japan and the Bank of England as indicating that these monetary authorities were also reluctant to see further increases in short-term interest rates.

Observers concluded that the Federal Reserve's increase in the discount rate was unlikely to lead to an immediate tightening of policy elsewhere. With U.S. economic statistics released during the month continuing to suggest generally strong economic performance, market participants expected that the recent widening of

2. Drawings and repayments by foreign central banks under special swap arrangements with the U.S. Treasury¹

Millions of dollars: drawings or repayments (+/-)

| Central bank drawing on the U.S. Treasury | Amount of facility | Outstanding, January 31, 1989 | February | March | April | Outstanding, April 30, 1989 |
|--|--------------------|-------------------------------|----------|-------|---------|-----------------------------|
| Central Bank of the Argentine Republic | 265.0 | .8 | -.8 | * | * | * |
| Central Bank of Venezuela | 450.0 | 0 | 0 | 450.0 | - 450.0 | 0 |

1. Data are on a value date basis.

*Facility expired on February 28, 1989.

interest rate differentials favoring the dollar would be maintained. The report that U.S. producer prices had increased a full percentage point in February, in particular, fueled expectations that dollar interest rates would remain firm.

Under these circumstances, upward pressure on the dollar reemerged, and by mid-March the dollar had more than fully recouped its February decline. As the dollar moved up against most major currencies, the U.S. monetary authorities resumed selling dollars against marks on March 8, generally operating in coordination with other central banks.

At the same time that sentiment toward the U.S. currency was becoming more positive, sentiment toward other currencies, most notably the Swiss franc and Japanese yen, was worsening. In Switzerland, reports surfaced of heavy selling of the Swiss franc as that currency broke out of the range in which it had traded for several years against the German mark. As the Swiss currency declined, upward pressure on the dollar increased, and the dollar rose against not only the franc but other continental currencies as well.

In Japan, the political atmosphere in March became increasingly tense and uncertain as allegations spread of insider trading and influence peddling by prominent individuals in business and politics. Reports that foreign investors were looking to liquidate some of their Japanese bond and equity holdings added to the selling pressure on the Japanese yen. Indeed, whereas until mid-month the dollar was advancing most strongly against the mark among the major currencies, by the end of the month upward pressure had shifted to the dollar-yen exchange rate. Thus, at the end of March, U.S. intervention operations were expanded to include dollar sales against yen. In all, the U.S. monetary authorities sold \$1,419 million against marks and \$100 million against yen between March 8 and March 30.

By the end of March, the dollar's renewed rise led market participants to question the firmness of official commitments to exchange rate stability. As an early April meeting of the G-7 Finance Ministers and Central Bank Governors approached, some observers speculated that the G-7 might tolerate a further rise in dollar exchange rates as a consequence of the need to deal with inflation. In this atmosphere, the dollar

3. Net profits or losses () on U.S. Treasury and Federal Reserve current foreign exchange operations, February 1-April 30, 1989¹

Millions of dollars

| Item | Federal Reserve | U.S. Treasury Exchange Stabilization Fund |
|---|-----------------|---|
| Realized..... | 0 | 0 |
| Valuation profits and losses on outstanding assets and liabilities as of April 30, 1989 | 941.9 | 734.5 |

1. Data are on a value date basis.

reached its period highs of DM1.9025 against the mark and ¥133.50 against the yen at the end of March. At these levels, the dollar was trading about 5 percent and 6½ percent respectively above its late-February lows against these two currencies.

DISSIPATION OF UPWARD PRESSURE ON THE DOLLAR IN APRIL.

Around the time of the G-7 meeting in Washington on April 2, however, market participants began to revise their assessment of official attitudes toward the dollar. A communiqué issued after the meeting stated that "a rise of the dollar which undermined adjustment efforts, or an excessive decline, would be counterproductive." Market participants interpreted this asymmetrical statement as a sign that the authorities remained committed to resisting the dollar's rise but were prepared to see some decline in the dollar. U.S. intervention sales of dollars against yen during the previous week and market reports of similar operations by the Bank of Japan after the G-7 meeting served to highlight this commitment. So, too, did operations on April 10 and 11 when the U.S. monetary authorities were quick to reenter the market, selling a total of \$170 million against marks, as soon as the dollar began to recover from its initial decline after the G-7 meeting.

Around the same time, accumulating, though still ambiguous, evidence that the pace of U.S. economic growth might be easing added to a more cautious sentiment surrounding the dollar. In particular, a number of economic reports on

April 14 suggested that earlier fears of a sharp rise in U.S. inflation might have been premature and that capacity pressures in the economy might have peaked.

Meanwhile, market expectations of a possible tightening of monetary policy abroad began to resurface. The announcement on April 13 that the Swiss National Bank would increase its discount and Lombard rates drew market attention once again to the possibility that interest rates abroad might need to be raised. Around the same time, pressures within the EMS eased, and the Bundesbank was thus seen as having more scope to tighten its credit stance if it so chose. In Japan, rumors that the Bank of Japan was making preparations to raise its discount rate also became more widespread. Moreover, reports that the newly appointed German Finance Minister would seek to repeal the recently imposed withholding tax on interest earnings from domestic securities lent some support to the mark against both the dollar and the yen.

When the Bundesbank in fact announced an increase of $\frac{1}{2}$ percentage point in its discount and Lombard rates on April 20, and several other continental European central banks joined in by increasing their own official rates, the dollar initially eased further. The dollar moved as low as DM1.8410 against the mark and ¥130.90 against the yen, to trade $3\frac{1}{4}$ percent and 2 percent respectively, below its March highs.

STRONG CLOSE AT THE END OF THE PERIOD

The dollar then quickly began to rebound. Market participants, noting that the Bundesbank's tightening move had had only a limited effect on market interest rates in Germany, reportedly began to take profits on long-mark positions established earlier in the month. By the following day, the dollar was already above the levels at which it had been trading before the German interest rate announcement.

At the same time, expectations diminished that other countries would soon follow the Bundesbank's move. Market expectations of higher interest rates in Japan lessened after a Japanese

price report that suggested that the inflationary effect of Japan's new consumption tax might prove less than initially had been feared. Similarly, in Switzerland, comments by a senior central bank official countered the view that the Swiss central bank would further tighten its credit stance.

In these circumstances, sentiment toward the dollar again became bullish, and investment-related purchases of dollars reportedly began to accelerate. With the dollar approaching the levels of its period highs of late March, the U.S. monetary authorities intervened on the last trading day of the period to sell \$100 million, half against marks and half against yen. The dollar closed the quarterly period at DM1.8810 against the mark and ¥133.02 against the yen.

For the period as a whole, the U.S. monetary authorities sold a total of \$2,139 million, \$1,989 million against German marks and \$150 million against Japanese yen. The U.S. Treasury, through the Exchange Stabilization Fund (ESF), and the Federal Reserve participated equally in these intervention operations.

The U.S. authorities also acquired \$228.2 million equivalent of Japanese yen through nonmarket operations. Of this amount, the authorities sold \$99.1 million and \$84.8 million equivalent of Special Drawing Rights to official institutions for yen and separately received \$44.3 million equivalent of yen in repayments under the Supplementary Financing Facility of the International Monetary Fund.

Other ESF foreign currency transactions that took place during the period were the following:

- The Central Bank of the Argentine Republic repaid the remaining \$0.8 million of its swap arrangement with the ESF on February 28. The \$265 million facility with the ESF, part of a \$500 million short-term financing package arranged in October 1988, expired on February 28.
- The U.S. Treasury, through the ESF, agreed to establish a facility to provide up to \$450 million in short-term financing to Venezuela on March 13. On March 15, Venezuela drew the the entire amount in the facility, and on April 3, repaid the Treasury in full.

As of the end of April, cumulative bookkeeping or valuation gains on outstanding foreign currency balances were \$941.9 million for the

Federal Reserve and \$734.5 million for the ESF. These valuation gains represent the increase in the dollar value of outstanding currency assets valued at end-of-period exchange rates, compared with the rates prevailing at the time the foreign currencies were acquired.

The Federal Reserve and the ESF regularly invest their foreign currency balances in a variety

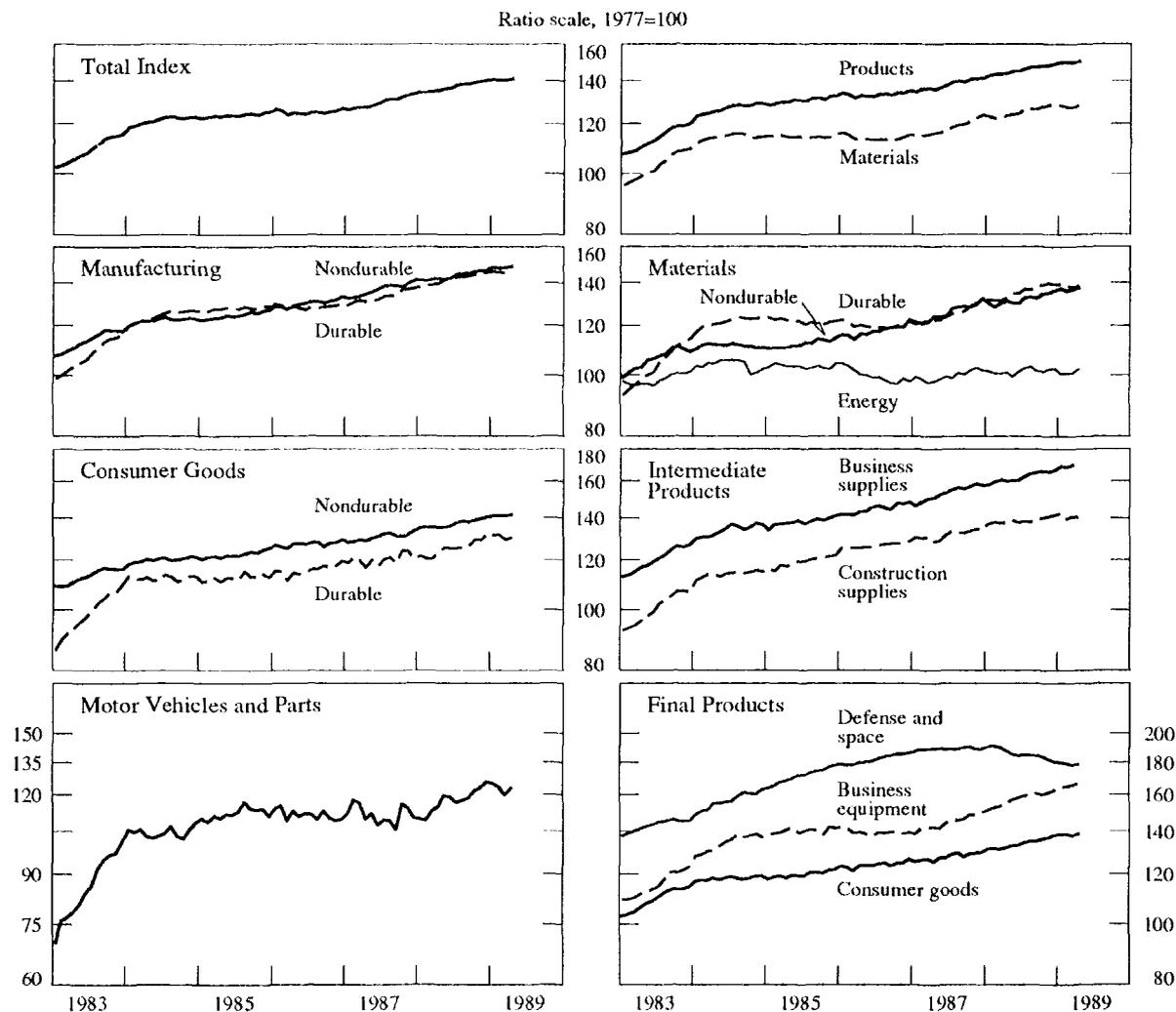
of instruments that yield market-related rates of return and that have a high degree of quality and liquidity. A portion of the balances is invested in securities issued by foreign governments. As of the end of April, holdings of such securities by the Federal Reserve amounted to \$1,503.3 million equivalent, and holdings by the Treasury amounted to the equivalent of \$1,985.0 million.

Industrial Production

Released for publication May 15

Industrial production increased 0.4 percent in April after having been unchanged in March and having declined a revised 0.3 percent in February. The April rise resulted from further gains in business equipment and increases in the output of durable consumer goods, mainly motor vehicles, and materials. In contrast, production of

construction supplies declined in April and, on balance, has weakened noticeably since January. At 141.1 percent of the 1977 average, the total index in April was 4.2 percent higher than it was a year earlier. Manufacturing output also rose 0.4 percent in April; capacity utilization in manufacturing edged up to 84.0 percent, but was still 0.7 percentage point below the January rate. Detailed data for capacity utilization are shown



All series are seasonally adjusted. Latest series: April.

| Group | 1977 = 100 | | Percentage change from preceding month | | | | Percentage change, Apr. 1988 to Apr. 1989 | |
|--|--------------|--------------|--|-----------|------------|-----------|---|------------|
| | 1989 | | 1988 | 1989 | | | | |
| | Mar. | Apr. | Dec. | Jan. | Feb. | Mar. | | Apr. |
| Major market groups | | | | | | | | |
| Total industrial production | 140.5 | 141.1 | .4 | .3 | -.3 | .0 | .4 | 4.2 |
| Products, total | 150.0 | 150.6 | .6 | .5 | -.1 | .1 | .3 | 4.5 |
| Final products | 148.2 | 149.1 | .7 | .3 | -.2 | -.1 | .5 | 4.6 |
| Consumer goods | 137.8 | 138.6 | 1.0 | .2 | .1 | -.6 | .5 | 5.0 |
| Durable | 129.2 | 130.3 | 2.1 | -.4 | .1 | -1.8 | .9 | 5.7 |
| Nondurable | 141.0 | 141.6 | .6 | .4 | .1 | -.2 | .4 | 4.8 |
| Business equipment | 165.4 | 166.3 | .8 | .8 | .5 | .4 | .6 | 7.6 |
| Defense and space | 178.5 | 178.7 | -.9 | -.3 | -.4 | -.5 | .1 | -4.9 |
| Intermediate products | 156.3 | 155.8 | .6 | 1.0 | -.9 | .7 | -.3 | 4.1 |
| Construction supplies | 140.7 | 140.3 | .5 | .6 | -1.9 | .9 | -.3 | 2.0 |
| Materials | 127.4 | 128.2 | .0 | -.1 | -.6 | .0 | .6 | 3.8 |
| Major industry groups | | | | | | | | |
| Manufacturing | 146.7 | 147.3 | .3 | .6 | -.3 | .0 | .4 | 4.6 |
| Durable | 145.5 | 146.1 | .3 | .3 | -.3 | -.2 | .4 | 4.6 |
| Nondurable | 148.3 | 148.9 | .3 | .9 | -.3 | .2 | .4 | 4.6 |
| Mining | 102.1 | 103.3 | .2 | -1.8 | -1.9 | 1.0 | 1.2 | -1.4 |
| Utilities | 115.9 | 116.0 | 1.5 | -1.3 | 2.2 | -.5 | .1 | 4.5 |

NOTE. Indexes are seasonally adjusted.

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

In market groups, within consumer goods, auto assemblies increased to an annual rate of 7.4 million units from a rate of 7.1 million units in March; the output of light trucks for consumer use also advanced. Most other consumer goods posted moderate gains. Business equipment rose

Total industrial production—Revisions

Estimates as shown last month and current estimates

| Month | Index (1977=100) | | Percentage change from previous months | |
|-----------|------------------|---------|--|---------|
| | Previous | Current | Previous | Current |
| Jan. | 141.0 | 140.8 | .4 | .3 |
| Feb. | 141.0 | 140.4 | .0 | -.3 |
| Mar. | 141.0 | 140.5 | .0 | .0 |
| Apr. | ... | 141.1 | ... | .4 |

again, reflecting continued strength in most sectors and a rebound in transit equipment, primarily motor vehicles. Materials production rose 0.6 percent in April, but was only slightly above the January level. During the first quarter, most major material sectors weakened; however, by April, output of these sectors, except basic metals, had rebounded, and in some industries, notably chemicals, output in April was considerably above their first-quarter averages.

In industry groups, within manufacturing, most industries, except primary metals and the construction-related sectors, posted gains in April; the largest increases occurred in motor vehicles, paper, and petroleum products. Outside manufacturing, mining output increased 1.2 percent, owing, in part, to a sharp increase in coal. Production at utilities was essentially unchanged.

Statements to Congress

Statement by Martha R. Seger, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 16, 1989.

Thank you for the opportunity to offer the comments of the Board of Governors on H.R. 736, the "Truth in Savings Act." H.R. 736 would require that certain information be provided to existing or potential deposit account holders regarding the terms of a deposit account. Depository institutions would have to disclose rate and cost information in advertisements, to provide more detailed rate and cost information in a schedule, and to inform account holders when terms are changed. The Board would be required to write rules to implement these requirements.

The Board is mindful of the interest in ensuring that account holders have adequate information on which to base their saving decisions, and fully supports that concept. In fact, the Board's Regulation Q has, for many years, required disclosure of account terms in advertisements, and institutions have been encouraged to make schedules of their fees available to their account holders.

It appears that the industry recognizes the value of full disclosure as well. Our experience in examining state member banks tells us that the majority of our institutions already provide comprehensive written disclosures outlining their fees and the terms of their accounts. Further, consumer surveys conducted by the Board reflect that most depositors believe that they are receiving adequate information.

With this as background, the Board is ambivalent about H.R. 736. On the one hand, the goal of the legislation is consistent with the Board's objectives and with general banking practice. On the other hand, any set of complex rules of the type that will be required by this legislation will

increase an already heavy regulatory burden. Particularly for small institutions, the cumulative effect of individual regulations, each well intended in its purpose to address a specific problem, can be overwhelming. For example, just since the beginning of last year, extensive new requirements have been mandated relating to funds availability, adjustable-rate mortgages, credit and charge card solicitations, and home equity lines. Each of these new regulations has required institutions to revise or create printed forms, adopt conforming policies and procedures, provide training for personnel, and, particularly in the case of funds availability, make extensive data processing system changes. And, of course, these additional requirements are over and above the ongoing regulatory burdens financial institutions bear.

Because of our experience with these recent laws—as well as with numerous other consumer statutes for which we have rule-writing authority—we know firsthand that simple concepts invariably result in complex regulations. For example, the concepts of improved funds availability and uniform consumer credit disclosures appeared to be simple and straightforward. Yet, as history has shown, to encompass the diversity of business practices and products among financial institutions, the implementing regulations of necessity are intricate and voluminous. Moreover, we have learned that even rules that are not designed to affect the number or diversity of products—such as simple disclosure requirements—may have the practical effect of standardizing products. If fewer options are available, consumers may be deprived of the benefits of variety. Consequently, we believe that a compelling need should be demonstrated before new legal requirements are added to the array of existing rules.

In the case of account disclosures, our best information suggests that, by and large, institutions are providing the information that deposi-

tors say they need, either voluntarily or as a result of existing account advertising regulations such as Regulation Q. We would, therefore, question the need for H.R. 736 at this time, particularly because of the additional regulatory burden it would impose on depository institutions.

If the Congress nevertheless decides to go forward with legislation, H.R. 736 should be carefully tailored to avoid unnecessary complications and burdens. In particular, we recommend the following actions.

H.R. 736 would require the disclosure of an "effective percentage yield" on accounts with maturities of less than one year besides the annual percentage yield (APY) that must be disclosed for all accounts. Requiring a yield relating to a portion of a year would directly conflict with the notion of APY, and would tend to confuse the consumer about the return on the account. Consumers have become accustomed to the concept of annual percentage figures through the "annual percentage rate" disclosed in consumer credit transactions pursuant to the Truth in Lending Act. The Board recommends that disclosures in advertisements and account schedules for a rate other than an APY on accounts with maturities of less than one year be deleted from H.R. 736; alternatively, a statement could be appended to the APY that discloses that the "yield assumes that the funds are on deposit for a full year."

The bill would require depository institutions to send "in a regular mailing" schedules of terms and conditions to existing account holders no later than 90 days after the effective date of regulations implementing the act. The Board believes that 90 days is too brief a period for depository institutions to review the new regulation, effectively reexamine their entire deposit product line, and prepare, print, and mail account schedules to existing customers. In our view, an appropriate minimum time period for mandating compliance is 180 days after the effective date of the regulation. Also, depository institutions should be given flexibility to decide in what manner to mail the required schedule to their existing customers. For example, if a depository institution wished to send its schedule in a special mailing, it should be permitted to do so.

Language requiring the schedule to be included in a "regularly scheduled" mailing should be deleted.

We note that the civil liability provisions of this bill are quite sweeping, and, in covering advertising, are broader than those in other consumer disclosure laws such as the Truth in Lending Act. A violation of the advertising provision of H.R. 736 would be subject to statutory penalties that would allow an individual to recover a minimum of \$100 and allow class actions with the potential for recoveries far out of proportion to any actual harm. Further, suits could be brought by individuals who have no relationship with the financial institution or its consumer deposit products other than having viewed a newspaper advertisement. Particularly since financial institutions will be examined for compliance by federal regulatory agencies, the Board believes that the Congress can achieve the purposes of the legislation without subjecting institutions to costly litigation by the public at large.

To clarify coverage, H.R. 736 should expressly provide in its definition of "account" that the act applies only to consumer deposit accounts, and not to business purpose accounts. This provision would reduce the compliance burden somewhat and would focus the disclosures on the class of depositors who might most need them. In addition, H.R. 736 should make clear that the requirement to notify account holders of a change in a term that "may reduce the yield" is not intended to govern a decrease in yield in accordance with a variable-rate term previously disclosed. This will avoid institutions having to mail a "change in term" notice when yields vary as a result of routine rate adjustments.

H.R. 736 would preempt state laws relating to the disclosure of deposit account information to the extent the state law is inconsistent with the new federal law. H.R. 736 does not, however, provide a mechanism for determining if a given state law is preempted. Similarly, the bill would allow depository institutions to rely on rules issued by the Board, but does not provide a means for interpretation of formal Board actions. To ease compliance burdens by alleviating uncertainty, and to promote greater uniformity of enforcement of H.R. 736, the Board recommends that it be given the express authority both to

determine if state laws are preempted under the act and to authorize an official to issue interpretations of the regulation. This follows the approach taken in other consumer financial services legislation such as the Truth in Lending Act and the Electronic Fund Transfer Act. We have found that such provisions allow us to provide greater certainty about disclosure requirements in an efficient and flexible manner.

Finally, while the focus of our comments has been on reducing the burden of regulatory compliance, we note that accounts of depository institutions are being advertised by organizations that are not subject to H.R. 736. For example,

national brokerage firms offer certificates of deposit of selected depository institutions to consumers in conjunction with some of their accounts. While we have reservations about the need for the bill, as a matter of equitable coverage we encourage the Congress to consider whether consumers should be afforded the same protections under the act whether they deal directly with the institution of account or through an intermediary.

We appreciate the opportunity to offer our views on the proposed legislation and hope that they will be helpful to you. □

Statement by H. Robert Heller, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Investigations of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 17, 1989.

I am pleased to appear before this subcommittee to present the views of the Board of Governors on the legislative proposals to limit the use of brokered deposits by troubled federally insured financial institutions. The Board recognizes that the use of brokered deposits by troubled institutions can have a potentially adverse impact on the deposit insurance system. For this reason, the Board supports reasonable efforts to limit the use of brokered deposits by such institutions. However, brokered funds can also improve the efficiency of capital markets by channelling investment funds to their optimal use and by helping institutions address short-term liquidity and funding needs. In attempting to control the potential abuses of brokered deposits, we must be careful to preserve their benefits.

The administration's legislative proposal to address the thrift industry's problems calls for a study that would, among other things, review the role of brokered deposits and the need for any limitations on the use of these funds. Thus, while the Board shares the concern of Congress over the use of brokered deposits by troubled institutions, we believe that it would be more appropriate at this time to defer legislative action on

brokered deposits pending the findings of the anticipated study. After a full review of the relevant issues and problems, the merits of the proposed legislation can be better determined.

In my remarks today, I will briefly discuss the extent to which financial institutions have used brokered deposits, the potential benefits and problems the deposits may present, and the supervisory approach the Federal Reserve has taken toward these accounts. I will also offer some suggestions for strengthening the legislative proposals, should you decide to pursue this approach. In general, my comments will focus on *fully insured* (retail) brokered deposits that are either initially obtained in amounts of less than \$100,000 or that are subsequently divided into deposits of that size. These deposits represent a potential for abuse and the main risk to the federal deposit insurance system.

ROLE OF BROKERED DEPOSITS

Depository institutions have used brokered deposits for several years to attract funds from outside their traditional geographic markets. In recent years, the use of these deposits has increased substantially. At the end of 1984, the first year we collected data on retail brokered deposits, insured commercial banks held \$25 billion in total brokered deposits, of which \$7 billion were insured retail deposits. By the end of 1988, total brokered deposits had increased to more than

\$53 billion, of which \$19 billion were retail. State member banks, which are subject to supervision by the Federal Reserve, held \$7 billion in brokered deposits at the end of 1988, of which \$3 billion were in the form of insured retail deposits.

Savings and loan associations currently hold about \$72 billion in brokered deposits, of which \$59 billion are insured.

Over all, brokered deposits represent about 2.5 percent of all domestic deposits at commercial banks and about 7.4 percent of the deposits at savings and loans. Fully insured retail brokered deposits represent less than 1 percent of the domestic deposits at banks and about 6 percent of the domestic deposits at thrift institutions. The vast majority of depository institutions, about 90 percent, do not make use of brokered deposits at all.

Much of the overall growth in these deposits occurred because they increased the efficiency of financial markets. Indeed, a significant portion of these funds are held by large banks that currently meet or exceed the minimum primary capital standard and that are otherwise in satisfactory condition. Banks that specialize in credit card activities, those that have little or no local deposit-taking powers, and those that are affiliates of much larger institutions are often active users of brokered deposits. Brokered deposits contribute to more open competition for depositor funds and increase sources of liquidity to financial institutions. This is particularly true for organizations that do not otherwise have access to national money markets.

Most brokered deposits in commercial banks are not federally insured and do not inherently raise the issue of "moral hazard," whereby investors gain increased income while the government absorbs any increased risk. Providers of large amounts of uninsured funds normally have both the incentive and the capacity to evaluate the creditworthiness of the banks in which they are investing. Nonetheless, even uninsured brokered deposits can increase the risk to the insurance system if they are used to fund poor investments by the purchasing bank.

However, the unintended expansion of insurance coverage by troubled institutions through the use of retail brokered deposits significantly increases the risks to the deposit insurance sys-

tem. Institutions that seek rapid asset and earnings growth can often raise substantial funds nationwide by offering higher-than-market rates for insured brokered funds. To reach their growth targets and to cover their high funding costs, these institutions may then invest in increasingly risky ventures. This could lead to increased losses, and possibly failures, rather than to higher profits. As their condition declines, these institutions may seek to raise additional brokered funds and acquire additional high-risk, high-yielding assets. This may further contribute to their deterioration and raise the ultimate cost to the federal deposit insurance fund.

The evidence also shows that the use of brokered deposits appears to increase the costs of resolving failures that do occur. An examination of the use of brokered deposits by banks that eventually failed indicated that failed banks with large ratios of brokered deposits to total deposits imposed greater resolution costs per dollar of deposits on the Federal Deposit Insurance Corporation (FDIC) than failed banks with smaller ratios of brokered deposits. In statistical tests, this relationship was highly significant. The analysis also indicates that banks that failed in 1988 had higher ratios of brokered deposits in the previous two years than banks in the same size classes that did not fail. However, in the vast majority of cases, failed banks did not make excessive use of brokered deposits.

Clearly, bank managers can make poor investments with funds from any source. They can also raise insured deposits directly through telephone solicitations or by advertising for the deposits nationwide—thereby avoiding brokers altogether, as some institutions have done. The critical factor is to maintain an adequate level of supervision over insured institutions to detect and prevent undue exposure of the insurance system.

FEDERAL RESERVE SUPERVISORY APPROACH

In recognition of the potential for abuse, the bank regulatory agencies began in 1983 to collect information from banks about their use of brokered

funds. At that time, the Federal Reserve also developed and implemented specific procedures for monitoring the use of brokered deposits by state member banks and for taking actions to detect and deter abusive actions involving such funds. These procedures involve the monitoring of changes in the level of an institution's brokered funds and an identification of the use of these funds. When appropriate, excessive use can trigger an onsite credit evaluation or a full-scope examination.

An evaluation of the use of brokered deposits is also part of all onsite examinations. In light of the potential risks that these deposits present, examiners focus on various aspects of asset quality and growth rates in banks with substantial use of brokered funds. Specifically, when brokered deposits exceed 5 percent of total deposits, or are otherwise of concern, examiners are required to evaluate the bank's use of such deposits, the role they have in the bank's overall funding strategy, their effect on the condition of the bank, the quality of the loans funded by them, and other relevant factors.

Examiners also review the activities of banks that *place* deposits with money brokers to ensure that they have exercised appropriate credit judgment. Deficiencies in this area can constitute an unsafe or unsound banking practice.

Virtually all formal enforcement actions undertaken by the Federal Reserve against state member banks that involve issues of safety and soundness include provisions relating to the use of brokered deposits. These provisions typically require the banks to give prior notice to the Federal Reserve before acquiring further brokered deposits and to provide periodic information about the intended and actual use of the funds. The Federal Reserve may halt those plans when considered appropriate.

Active enforcement of these procedures has enabled the Federal Reserve to minimize the use of brokered deposits among problem state member banks.¹ At the end of 1988, problem banks held only \$25 million of brokered deposits—less than 1/2 of 1 percent of the total brokered deposits

held by all state member banks. Thus, regulatory action by the Federal Reserve has significantly curtailed the use of brokered deposits in troubled state member banks.

PROPOSED LEGISLATION

As we understand it, the proposed House bill would prohibit a bank or thrift institution that does not meet minimum capital standards from *increasing* its use of brokered deposits. However, the legislation appears to permit institutions to maintain existing levels of brokered deposits through the "rollover" or renewal of such accounts. The Senate version would likewise grandfather existing brokered deposits in troubled institutions, but would otherwise prohibit the use of brokered deposits, including existing deposits if they are subsequently increased or renewed.

Both versions of the legislation define troubled institutions as federally insured financial institutions that do not meet minimum capital requirements according to the FDIC. Both versions would also allow the FDIC to waive these restrictions after finding that accepting such deposits does not constitute an unsafe or unsound banking practice.

The Senate approach would appear to reduce or eliminate the use of brokered deposits by troubled institutions more quickly than the House bill. It would do so by, in effect, prohibiting the renewal of brokered accounts. At the same time, this approach could create significant liquidity pressures for troubled institutions that rely heavily on brokered funds, unless they receive supervisory waivers. Without such waivers, these institutions would need to find alternative sources of funds or could be forced to the discount window. In either event, their liquidity problems would surface earlier and could be resolved more quickly, either by forcing them to reduce their size or to cease operations.

As I have already stated, the Board believes that the Congress should defer any legislative action on brokered deposits pending the results of the proposed study of the deposit insurance system. However, if the Congress chooses to proceed with these legislative proposals at this

1. Problem banks are institutions that have been rated 4 or 5 under the rating system used by federal bank regulatory agencies.

time, the Board would recommend four changes to render the legislation more effective.

One, as currently drafted, the legislation gives to the FDIC the authority to determine if an institution does not meet minimum capital standards, as well as the authority to grant any waivers on the legislation's brokered funds restrictions. We strongly believe that in the case of commercial banks it would be more appropriate and consistent with the current supervisory structure to assign these responsibilities to the bank's primary federal regulator, rather than to the insuring agency. The primary supervisor sets the capital standards for commercial banks under its jurisdiction and is the appropriate agency for determining whether a bank meets the minimum capital standard. The primary supervisor should also have the authority to grant waivers, since it is the agency whose longstanding supervision of the bank best enables it to assess the potential risks stemming from the institution's use of brokered deposits.

Two, Congress may also wish to consider whether the definition of "troubled institution" should be expanded to include factors other than the capital ratio. The relative level of problem loans and other measures of overall financial strength may be important factors to be considered.

Three, the Board notes that the proposed legislation is directed at all brokered funds. Since insured brokered deposits have been the principal source of concern, the Congress might consider focusing any legislation only on those deposits.

Four, we believe that any legislation that is adopted should cover all insured financial institutions. However, as currently drafted the proposed restriction would apply only to banks because of the manner in which "deposit broker" is defined.

CONCLUSION

In summary, the Board supports vigorous efforts to restrict the use of brokered deposits in troubled depository institutions. Indeed, while the Federal Reserve has been generally successful in limiting the misuse of brokered deposits in state member banks, we recognize the potential for abuse of the insurance system that they may present. In this regard, we believe the legislative proposals contained in the House and Senate bills properly focus on restricting the use of brokered deposits by troubled institutions, while avoiding unnecessary limitations on the prudent use of such funds by sound banks and thrift institutions.

We also believe, however, that the use of brokered funds by depository institutions raises several complex issues and questions. For this reason, we believe it would be more appropriate to defer legislative action at this time and to await the outcome of the anticipated study of the deposit insurance system, which will include a detailed review of the advantages and disadvantages of brokered deposits. □

Statement by Glenn E. Loney, Assistant Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, before the Subcommittee on Policy Research and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 31, 1989.

Thank you for inviting me to speak to you about the Federal Reserve System's enforcement of the mandatory flood insurance purchase requirements for mortgages secured by improved real estate and manufactured homes located in design-

ated flood hazard areas. I appreciate the opportunity to discuss the Board's examination procedures, as well as our examination experience in this area.

As you may know, the regulatory provisions for the flood insurance requirements for state member banks are in the Federal Reserve Board's Regulation H, the regulation that governs membership in the Federal Reserve System. I believe that the placement of flood insurance provisions in the membership regulation emphasizes the importance the Board places on this area. Specifically, these flood insurance require-

ments are detailed in the "Banking Practices" section of the regulation. This section lists practices considered generally unsafe and unsound for state member banks. Including the mandatory flood insurance provisions in this section indicates to present, as well as potential state member banks, that the Board expects its members to comply with these provisions.

Before I discuss the Federal Reserve's experiences with the mandatory flood insurance purchase requirements, I would like to tell you a little about the structure of the Board's compliance examination program and how the flood insurance provisions are handled by our examiners.

First, the Federal Reserve Board has had a cadre of specialized consumer compliance examiners since 1977. The twelve Federal Reserve Banks hire and manage the day-to-day activities of the examiners while the Board exercises general policy oversight and management of the program. I mention this to let you know that our examiners who deal with the flood insurance provisions are full-time specialists in their field who are operating in an ongoing professional program. These examiners are well-versed in all aspects of the consumer regulations, including those for flood insurance.

Second, we examine state member banks for compliance with the consumer laws at least once every 24 months. The actual interval between examinations of a particular bank will vary, depending on its compliance posture as reflected in its most recent examination. Banks with lesser compliance records, of course, are examined more frequently. We have also offered an educational advisory service for member banks experiencing difficulties in any area of the compliance program. Through this service, member banks have requested an examiner's assistance with any compliance difficulties it is experiencing, outside a regularly scheduled examination. The strong compliance background of our examiners, the frequency with which we examine banks under our supervisory authority, and the open communication between our Reserve Banks and our state member banks, we believe, have contributed to the prompt corrective action that is usually taken by state member banks and the improved compliance posture that ensues.

Third, our examiners use the interagency flood insurance examination procedures developed by the Federal Financial Institutions Examination Council. These procedures, which were reviewed and updated last summer, require examiners to review loan originations, extensions, and renewals secured by improved real estate or manufactured homes. Specifically, Federal Reserve System examiners review a sample of loans made within 30 days of the date of the examination. We use a 30-day sample period to obtain an adequate sample of loans that is reflective of current bank policy.

The Board's sampling procedures instruct examiners to expand sample sizes whenever necessary to reach a conclusion about whether the bank is in compliance. For example, if the bank under examination made few real estate loans during the sample period, the examiner would extend the sample period back several months to obtain an adequate sample size. In fact, because of the small asset size of, and correspondingly low volume of real estate loans extended by most state member banks, our examiners often expand the sample sizes of real estate loans.

To illustrate the relatively small percentage of lending covered by the flood insurance provision engaged in by the banks we directly supervise, I would point out that a large number of the approximately 1,100 state member banks are small or rural banks with relatively small real estate lending portfolios. Only 5 percent of the institutions reporting Home Mortgage Disclosure Act (HMDA) data for 1987 were state member banks. These banks made less than 3 percent of the home purchase loans and less than 4 percent of the total of all other categories of the HMDA loans reported. I mention this to indicate that while our efforts to enforce the flood insurance provisions have been effective, the loan volume of the banks we examine, compared with that of other lending institutions, is small.

To check on flood insurance policy renewals, examiners are instructed to refer to work papers from the previous examination report for a list of loans requiring flood insurance that were reviewed during the last examination. These loan files are then to be reviewed to see whether a current flood insurance policy is in effect. In addition, examiners are also instructed to review

any refinanced loans that may be included in the normal statistical sample to see that any necessary flood insurance policy renewal was purchased.

Based on our examination experience, we have found state member bank compliance with the flood insurance provisions to be good. For example, of the 639 banks examined for compliance in 1988, 530 banks, or 83 percent, had no flood insurance violations. The majority of the violations that were cited involved the bank's failure to document adequately that a flood check had been performed. Upon further review, however, examiners found few cases in which flood insurance should have been purchased and was not. Examination data for 1987 and 1986 are similar. In fact, 78 percent of all banks examined in 1987, and 81 percent of those examined in 1986 had no flood insurance violations.

Fourth, to ensure that System examiners understand the importance of flood insurance, we provide extensive training in this area. During the Board's formal three-week basic consumer compliance examinations school, System examiners are taught the flood insurance requirements contained in Regulation H, as well as the practical applications of how to determine whether the improved real property or manufactured home securing a loan is located in a flood hazard area. This training enables our examiners to conduct their own independent determinations of whether flood insurance is necessary for the loans sampled during the examination. For example, our examiners learn how to use flood maps, and community status books, as well as other methods for determining whether property is located in a flood hazard area. Incidentally, I might add, we use training materials developed by the Federal Emergency Management Agency (FEMA) as part of our curriculum.

To reinforce classroom lectures, each student in our school is required to participate in conducting a "mock examination" as part of the curriculum. For this mock examination, the students use the interagency examination procedures for flood insurance, along with our work papers, to review the mock loan files for violations of the flood insurance provisions and other consumer regulations. This approach allows examiners to resolve many of their questions about

examination procedures and techniques in a classroom setting, rather than in the field under the tight constraints of an examination deadline. We have found this training approach to be an effective means of teaching examination procedures and techniques.

Besides teaching the flood insurance requirements in the Board's consumer examinations schools, staff members also teach the flood insurance provisions in one of the Board's commercial examination schools. Although examination responsibility for this area rests with the consumer compliance examiners, we believe that alerting the commercial examiners to the need for flood insurance on all types of properties, including commercial real estate located in a flood plain, will help ensure that state member banks comply with the mandatory purchase requirements.

To ensure that the Reserve Banks are implementing all the consumer regulations uniformly and effectively, Board staff members regularly review compliance examination reports prepared by the Reserve Banks, participate in field examinations, and also review Reserve Bank compliance examination work papers in conjunction with regularly scheduled operations reviews of the Reserve Banks. As part of the Board's normal oversight function, staff members routinely compare and analyze data on examination hours and numbers of violations found, as well as the types of violations discovered by each Federal Reserve District. Discrepancies noted in the use of our work papers or the interagency examination procedures are brought to Reserve Bank management's attention as necessary. In addition, staff members regularly participate in the workshops and conferences that FEMA holds for the financial institution regulatory agencies. Reserve Banks have also participated in FEMA's flood awareness campaigns by distributing FEMA material to state member banks. I mention these matters to indicate that our program does not stop with the examiner or the examination report and that we have tried to manage this effort effectively and stay current regarding developments in this area.

The System has been stressing the importance of complying with the flood insurance requirements over the years. As it does for all of its examination responsibilities, the Board takes its

responsibilities for enforcing the flood insurance provisions seriously. While there is always room for improvement, I believe that the few violations that we have noted during our examinations indicate that the Federal Reserve System's ex-

amination process is satisfactorily addressing the mandatory flood insurance purchase requirements and that the banks we supervise are adequately addressing their responsibilities under this law. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON MARCH 28, 1989

1. Domestic Policy Directive

Information reviewed at this meeting suggested that activity in the nonfarm economy expanded appreciably further in the first quarter. Gains in jobs and personal income were sizable in the first two months of the year. The available indicators on domestic demand presented a mixed picture, but preliminary data for January suggested some improvement in the external sector. The latest price data indicated some pickup in inflation from recent trends, only in part reflecting jumps in food and energy prices.

Total nonfarm payroll employment rose markedly further in January and February after strong gains in the fourth quarter. The rise was paced by continuing steady advances in service-producing industries. Appreciable increases in factory and construction jobs also were recorded over the two months, but unusually mild winter weather contributed to a bunching of construction employment gains in January followed by some retrenchment in February. The civilian unemployment rate fell to 5.1 percent in February.

Industrial production was unchanged in February after rising considerably over the previous several months. A reduced rate of automobile assemblies and weakness in the output of materials contributed to the leveling of industrial activity. In other areas, production gains were well maintained for consumer goods, and the output of business equipment rose rapidly following weakness in the fourth quarter. Total industrial capacity utilization edged down in February. Despite appreciable drops in utilization rates in primary metals, petroleum products, and paper, these industries continued to operate at relatively high levels. In manufacturing, the operating rate moderated a bit but remained high.

After a weather-related surge in January, housing starts fell in February to a level somewhat below their average in the fourth quarter.

Growth in consumer spending moderated in January and February. Purchases of cars and light trucks fell back considerably, and the unusually warm weather held down expenditures on heating bills. Outlays for goods other than motor vehicles changed little, while purchases of nonenergy services posted another sizable rise.

Indicators of business capital spending suggested a rebound from a decline in the fourth quarter. Shipments of nondefense capital goods excluding aircraft were well above the fourth-quarter level in January and February. Nonresidential construction activity rose strongly for a second month in January, with gains recorded in almost all categories of building. Petroleum drilling, which declined through much of last year, appeared to be stabilizing. Inventory investment in the manufacturing sector picked up in early 1989. Much of the rise was recorded in the aircraft industry, where work-in-progress inventories were growing in reflection of booming production, and in nonelectrical machinery, where computer demand had flattened out in the fourth quarter. At the retail level, the pace of non-auto inventory investment generally remained in line with the pattern of sales.

Producer prices of finished goods rose sharply in both January and February, mostly reflecting higher prices for food and energy, but prices of a broad range of other finished goods also increased at a faster rate. Among intermediate materials, prices continued to rise at a substantial pace. Excluding food and energy, consumer prices advanced in January and February at a rate a shade above the average for 1988. Revised data for labor costs in the fourth quarter and the limited data available for early 1989 continued to

suggest that these costs remained under upward pressure.

After a considerable increase in the fourth quarter of last year, the nominal U.S. merchandise trade deficit narrowed in January, according to preliminary estimates. The value of imports declined substantially, reflecting an apparent reversal of the strong rise in non-oil imports that had occurred in the fourth quarter. The value of exports also declined, but by less than that for imports, with decreases recorded in almost all major trade categories. Economic growth slackened in most of the major foreign industrial nations in the fourth quarter, but data available so far in 1989 did not indicate further slowing.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies rose somewhat on balance over the intermeeting period. The dollar was under downward pressure through most of February, partly in response to unexpectedly large increases in U.S. price indexes. After the Federal Reserve Board approved an increase in the discount rate on February 24, the dollar rebounded as U.S. short-term interest rates rose relative to key foreign interest rates.

At its meeting on February 7-8, the Committee adopted a directive calling for no immediate change in the degree of pressure on reserve positions. It was agreed that policy would be tightened promptly if incoming information tended to confirm expectations of growing inflationary pressures. The contemplated reserve conditions were expected to be consistent with growth of M2 and M3 at annual rates of about 2 and 3½ percent respectively over the period from December through March.

In the context of incoming data tending to reinforce earlier evidence of mounting inflation, the Manager for Domestic Operations adjusted the provision of reserves in mid-February to incorporate a higher level of adjustment plus seasonal borrowing. Subsequently, on February 24, the Board approved an increase in the discount rate from 6½ percent to 7 percent. The federal funds rate moved up from about 9 to 9½ percent at the time of the February meeting to an average a little above 9¾ percent from late February to late March.

The uncertainties about the relationship be-

tween borrowing and the federal funds rate that had complicated open market operations for many months persisted during the intermeeting period. Adjustment plus seasonal borrowing continued to fall considerably short of expectations in relation to the federal funds rate and, as contemplated by the Committee, operations continued to be implemented with some flexibility. In light of accumulating indications of additional weakness in borrowing demands relative to earlier patterns, the borrowing assumption was adjusted downward in the maintenance period beginning March 9. This technical adjustment was made to bring the assumed level of borrowing in line with recent experience and with desired overall conditions in reserve markets. Adjustment plus seasonal borrowing averaged about \$450 million in the three reserve maintenance periods ending during the intermeeting interval.

The tightening of monetary policy along with growing market concerns about inflation led to sizable increases in interest rates during this period. In short-term markets, rates on most private issues rose nearly 1 percentage point, somewhat more than the increase in the federal funds rate, and the prime rate was raised in two steps of ½ percentage point. Rates on Treasury bills moved up appreciably less, at a time when there was no overall growth in the size of the weekly auctions and the supply available for competitive awards was reduced by substantial retail demand through noncompetitive tenders. In longer-term debt markets, yields generally were up about ⅓ to ½ percentage point, but yields on fixed-rate mortgages rose somewhat more. Major indexes of stock prices declined somewhat over the intermeeting period.

After weakening appreciably in January, growth of M2 and M3 strengthened in February and was estimated to have picked up further in March. On balance, however, the expansion of both aggregates had remained quite subdued this year, apparently reflecting increases in short-term market rates that had widened the opportunity costs of holding deposits. In addition, the outflows of funds and other adjustments associated with the problems of financially troubled thrift depository institutions probably reduced slightly the growth of the broader monetary aggregates. On average in the first quarter,

growth of M2 was a little below the Committee's earlier expectations, while that of M3 was close to expectations. The levels of M2 and M3 in March were estimated to be respectively, a little below and a little above the lower bounds of the Committee's 1989 ranges for those aggregates. M1 apparently declined on balance in the first quarter, while total domestic nonfinancial debt grew at a rate near the midpoint of the Committee's monitoring range for the year.

The staff projections prepared for this meeting suggested that the expansion in the nonfarm economy was likely to moderate appreciably during 1989. The projections assumed that the drought had ended and that normal growing conditions would prevail in agriculture this year. The staff anticipated somewhat faster increases in consumer prices and further cost pressures over the year ahead, especially because of reduced margins of unutilized labor and other production resources. A monetary policy to contain inflation necessarily would involve slower growth of overall demand and an easing of pressures on resources; to the extent the strength in demand were to persist, such a policy could imply additional pressures in financial markets. On that basis, the staff projected slower growth in consumer spending and in business fixed investment than had occurred in 1988 and some decline in housing construction. Foreign trade was expected to make a smaller contribution to growth in domestic output than it did in 1988. It was assumed that fiscal policy would become somewhat more restrictive over the year.

In the Committee's discussion of the economic situation and outlook, members focused on recent indicators of business activity that pointed at least tentatively to some moderation in the rate of economic growth. The members agreed that the extent and possible duration of any slowing in the expansion were subject to a great deal of uncertainty, and that more time was needed to assess whether recent developments augured for a sustained period of reduced expansion. The most recent softening in some of the economic data reflected at least in part a normal adjustment to unusual, weather-related strength at the start of the year and thus did not provide a firm basis for concluding that more than a pause, such as often occurs during an expansion, might be in-

involved. Indeed, in the view of many members, the economy retained considerable momentum and there was a substantial risk that without further policy action the expansion might not slow sufficiently to relieve inflationary pressures. Others believed that policy already might have been tightened sufficiently to contain price pressures in 1989 and to permit progress to be made over time in bringing inflation under control. In addition to the indications of possible moderation in the expansion, these members pointed to the sluggish growth of the monetary aggregates and to the recent increases in interest rates and in the exchange value of the dollar as consistent with a less robust economy and a less inflationary environment over time.

In their review of specific developments bearing on the economic outlook, members reported that the expansion continued to display considerable vigor in many regions of the country, while at least modest overall improvement was occurring in some previously depressed areas. At the same time, many business contacts around the country provided indications of marginally less ebullient business conditions or business expectations. Manufacturing continued to bolster economic activity in many regions and was in turn buttressed by sales in export markets. Another positive factor was the apparent absence of excessive inventories in most industries relative to current sales. Some members referred to strength in the agricultural sector, although concerns about drought conditions were growing in some regions. With regard to developments pointing to reduced economic expansion, several members referred to signs that the growth in consumer spending had moderated, but it also was noted that the recent softness in the major automobile component had followed a spurt in late 1988 and might be reversed later. Some slowing in the growth of consumer spending was deemed to be desirable to assure satisfactory economic performance, given the need to ease inflationary pressures on labor and capital resources while accommodating continuing gains in exports. In addition, the rise in mortgage rates together with reduced investor demand had dimmed the outlook for housing, although unusual weather early this year made developments in this sector of the economy especially difficult

to assess. Prospects for business investment were tempered by ongoing indications of weak construction activity in many areas and by some softness in new orders for business equipment. However, overall spending on business equipment was being well maintained and some rebound in total business fixed investment appeared likely after the slowdown in the latter part of 1988. On the whole, the expansion, while apparently moderating, showed few signs of the kinds of imbalances that might lead to substantial or cumulative weakening.

The members recognized that the appreciation of the dollar over the past year, a byproduct of reliance on monetary policy to resist inflationary pressures, would help to damp price increases. On the other hand, a stronger dollar implied slower progress in reducing the nation's trade deficit. Nonetheless, many domestic industries remained competitive in world markets at current dollar exchange rates, and further growth in exports was seen as a reasonable expectation, at least over the quarters immediately ahead.

As at earlier meetings, the members gave considerable attention to the outlook for inflation. Recent large increases in key price indexes were disappointing, if not entirely unexpected, and depending on the performance of the volatile food and energy sectors, the rate of inflation might well remain relatively high over the near term. Labor market conditions remained tight in many areas, especially for skilled workers, and many business contacts reported pressures on both labor and nonlabor costs. There also were indications that businesses were finding it less difficult to pass on rising costs by increasing prices, although efforts to meet competitive pressures by curbing costs were continuing. At the same time, historical experience suggested that a sustained pickup of inflation was unlikely in light of the reduced rate of money growth that had been experienced for an extended period, especially if such growth were to continue to be relatively restrained.

In the Committee's discussion of policy implementation for the intermeeting period ahead, a majority of the members expressed a clear preference for maintaining unchanged conditions of reserve availability. They emphasized the uncertainties surrounding the current business outlook

and the desirability of waiting to see if the tentative indications of some slowing in the expansion signaled the start of a sustained period of slower economic growth and reduced inflationary pressures. Because of the usual lags in the impact of monetary policy on the economy and prices, the full effect of the firming in 1988 had not yet been felt, much less the effect of the substantial further policy tightening this year. Other members, while willing to accept an unchanged policy for now, preferred an immediate move to further restraint. They gave more weight to the possibility that the current slowing of the expansion might be inadequate to restrain inflationary pressures, and they felt that additional restraint should be implemented promptly to provide better assurance that sufficient monetary restraint was in place.

Most members endorsed the view that, in the absence of unexpected developments, policy implementation should resist any perceptions that monetary policy might be easing. A number also commented that they would not oppose some further small rise in money market interest rates. More generally, a majority of the members felt that policy implementation over the intermeeting period should be adjusted more readily and promptly toward greater restraint than toward ease. Some who preferred an immediate move to more restraint indicated that such an understanding would make an unchanged policy acceptable to them at this time. Other members preferred not to bias the approach to intermeeting adjustments although all but one could accept an asymmetric directive. A number of members urged caution in implementing any policy change; in particular, they wanted to avoid reacting to a single new piece of information and preferred instead to wait for evidence to accumulate on the possible need for a further tightening of policy.

The members took account of a staff projection that indicated that with unchanged reserve conditions, expansion of M2 and M3 was likely to remain subdued during the second quarter, although such growth probably would be somewhat faster than in the current quarter. The expansion in these monetary aggregates was likely to continue to be held back by the relatively slow adjustment of offering rates on liquid

deposit accounts in response to the increases that had occurred in market interest rates. Additionally, developments at thrift institutions might continue to depress growth of the broad aggregates, but probably by less than in the first quarter, assuming no new developments that aggravated depositor concerns. On a cumulative basis from the fourth quarter to June, the projection implied expansion of M2 at a rate just below the lower bound of the Committee's 3 to 7 percent range for the year, while expansion of M3 would be in the lower half of the Committee's 3½ to 7½ percent range. A number of members stressed that slow monetary growth was a desirable development in current circumstances, but some also expressed concern that the slowing could be overdone.

In light of the tightening of reserve conditions that had occurred since the February meeting and the related increase in the federal funds rate, the members decided to raise the intermeeting range for the federal funds rate 1 percentage point to 8 to 12 percent. Such an increase implied that the expected federal funds rate would average closer to the middle of the range. That range provides one mechanism for initiating consultation of the Committee when its boundaries are persistently exceeded.

At the conclusion of the Committee's discussion, all but one member indicated that they favored or could accept a directive that called for maintaining the current degree of pressure on reserve positions and that provided for giving particular weight to potential developments that might require some firming during the intermeeting period. Accordingly, some added reserve restraint would be acceptable, or some slight lessening of reserve pressure might be acceptable, over the intermeeting period depending on indications of inflationary pressures, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated by the Committee were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 5 percent respectively over the three-month period from March to June. It was understood that operations would continue to be conducted with some flexibility in light of the

persisting uncertainty in the relationship between the demand for borrowed reserves and the federal funds rate.

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

The information reviewed at this meeting suggests that activity in the nonfarm economy has expanded appreciably further in the current quarter. After strong gains in the fourth quarter, total nonfarm payroll employment rose markedly further in January and February. The civilian unemployment rate fell considerably to 5.1 percent in February. Industrial production was unchanged in February after rising substantially over the previous several months. After a weather-related surge in January, housing starts fell in February to a level somewhat below their average in the fourth quarter. Growth in consumer spending moderated in January and February. Recent indicators of business capital spending suggest a rebound after a decline in the fourth quarter. The nominal U.S. merchandise trade deficit was larger in the fourth quarter than in the third quarter; the preliminary estimate of the deficit for January was smaller than the average for the fourth quarter. The latest information on prices suggests some pickup in inflation from recent trends.

Interest rates in both short- and long-term markets have risen considerably since the Committee meeting in early February. On February 24 the Federal Reserve Board approved an increase in the discount rate from 6½ to 7 percent. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies rose somewhat on balance over the intermeeting period.

Growth of M2 and M3 strengthened in February and apparently picked up further in March; over the first quarter such expansion was about in line with Committee expectations. M1 appears to have declined marginally since December.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability, promote growth in output on a sustainable basis, and contribute to an improved pattern of international transactions. In furtherance of these objectives, the Committee at its meeting in February established ranges for growth of M2 and M3 of 3 to 7 percent and 3½ to 7½ percent, respectively, measured from the fourth quarter of 1988 to the fourth quarter of 1989. The monitoring range for growth of total domestic nonfinancial debt was set at 6½ to 10½ percent for the year. The behavior of the monetary aggregates will continue to be evaluated in the light of movements in their velocities, developments in the economy and financial markets, and progress toward price level stability.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing

degree of pressure on reserve positions. Taking account of indications of inflationary pressures, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, somewhat greater reserve restraint would, or slightly lesser reserve restraint might, be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of M2 and M3 over the period from March through June at annual rates of about 3 and 5 percent, respectively. The Chairman may call for Committee consultation if it appears to the Manager for Domestic Operations that reserve conditions during the period before the next meeting are likely to be associated with a federal funds rate persistently outside a range of 8 to 12 percent.

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

Ms. Seger supported the decision to keep policy unchanged in the period immediately ahead, but she could not accept a directive that allowed intermeeting adjustments to be made more readily in a firming than in an easing direction as new information became available. The lagged effects of the substantial tightening that had been implemented earlier coupled with current indications of slower economic growth suggested that policy already had been tightened enough to lead to lower inflation over time. Under current circumstances, further firming carried substantial risks to interest-sensitive sec-

tors of the economy, the level of the dollar in foreign exchange markets, and the continued growth of the economy.

2. *Authorization for Domestic Open Market Operations*

Effective March 29, 1989, the Committee approved a temporary increase of \$2 billion, to \$8 billion, in the limit between Committee meetings on changes in System Account holdings of U.S. government and federal agency securities that is specified in paragraph 1(a) of the Authorization for Domestic Open Market Operations. The increase was effective for the intermeeting period ending with the close of business on May 16, 1989.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Guffey, Heller, Johnson, Keehn, Kelley, LaWare, Melzer, Ms. Seger, and Mr. Syron. Votes against this action: None.

This action was taken on the recommendation of the Manager for Domestic Operations. The Manager had advised that the usual leeway of \$6 billion for changes in System Account holdings might not be sufficient over the intermeeting period because of seasonal increases in currency in circulation and in required reserves and a large rise in Treasury balances at the Federal Reserve Banks after the tax payment date in mid-April.

Announcements

REVISIONS TO MONEY STOCK DATA

Measures of the money stock were revised in February of this year to include changes in annual benchmarks and seasonal factors. Data in tables 1.10 and 1.21 in the statistical appendix to the BULLETIN reflected these changes beginning with the issue for April 1989.

Deposits of commercial banks and thrift institutions were benchmarked using call report data through June 1988 and also incorporate revisions from other sources. Changes in seasonal factors were based on the X-11-ARIMA procedure used in recent years. Seasonally adjusted M1 is constructed

by summing currency, demand deposits, other checkable deposits (OCDs), and traveler's checks, each seasonally adjusted separately. Seasonally adjusted M2 is calculated by adjusting its non-M1 component as a whole, and seasonally adjusted M3 by adjusting its non-M2 component as a whole.

More detail on the revisions is available in the H.6 release, "Money Stock, Liquid Assets and Debt Measures," dated February 9, 1989. Historical data are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Mail Stop 75, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1. Monthly seasonal factors used to construct M1, M2 and M3, January 1988–March 1990

| Year and month | Currency | Nonbank traveler's checks | Demand deposits | Other checkable deposits | Nontransactions components | |
|--------------------|----------|---------------------------|-----------------|--------------------------|----------------------------|------------|
| | | | | | in M2 | in M3 only |
| 1988—January | .9924 | .9229 | 1.0225 | 1.0089 | 1.0018 | .9973 |
| February | .9886 | .9435 | .9688 | .9888 | 1.0010 | 1.0007 |
| March | .9922 | .9600 | .9706 | .9970 | 1.0019 | 1.0018 |
| April | .9962 | .9576 | 1.0061 | 1.0267 | 1.0014 | .9937 |
| May | 1.0008 | .9684 | .9825 | .9950 | .9985 | .9994 |
| June | 1.0052 | 1.0446 | 1.0050 | 1.0023 | .9996 | .9974 |
| July | 1.0079 | 1.1317 | 1.0093 | .9971 | 1.0014 | .9926 |
| August | 1.0043 | 1.1307 | .9970 | .9962 | 1.0004 | 1.0002 |
| September | .9970 | 1.0709 | .9952 | .9959 | .9983 | 1.0056 |
| October | .9967 | 1.0024 | .9996 | .9910 | .9998 | 1.0018 |
| November | 1.0039 | .9451 | 1.0081 | .9961 | .9986 | 1.0079 |
| December | 1.0145 | .9186 | 1.0356 | 1.0049 | .9972 | 1.0025 |
| 1989—January | .9926 | .9232 | 1.0227 | 1.0087 | 1.0016 | .9967 |
| February | .9889 | .9453 | .9681 | .9885 | 1.0012 | 1.0005 |
| March | .9923 | .9619 | .9703 | .9971 | 1.0020 | 1.0016 |
| April | .9963 | .9582 | 1.0064 | 1.0269 | 1.0015 | .9931 |
| May | 1.0009 | .9687 | .9825 | .9953 | .9986 | .9992 |
| June | 1.0052 | 1.0453 | 1.0050 | 1.0025 | .9997 | .9975 |
| July | 1.0078 | 1.1301 | 1.0094 | .9972 | 1.0014 | .9931 |
| August | 1.0041 | 1.1294 | .9972 | .9963 | 1.0004 | 1.0008 |
| September | .9969 | 1.0710 | .9950 | .9961 | .9983 | 1.0055 |
| October | .9965 | 1.0026 | .9997 | .9911 | .9997 | 1.0018 |
| November | 1.0039 | .9447 | 1.0081 | .9957 | .9986 | 1.0087 |
| December | 1.0145 | .9185 | 1.0354 | 1.0044 | .9970 | 1.0024 |
| 1990—January | .9927 | .9237 | 1.0229 | 1.0086 | 1.0014 | .9962 |
| February | .9890 | .9462 | .9679 | .9884 | 1.0013 | 1.0001 |
| March | .9923 | .9625 | .9703 | .9974 | 1.0022 | 1.0013 |

2. Monthly seasonal factors for selected components of the monetary aggregates, January 1988–March 1990

| Year and month | Commercial bank deposits | | | Thrift institution deposits | | |
|----------------|--------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|
| | Savings | Small-denomination time | Large-denomination time | Savings | Small-denomination time | Large-denomination time |
| 1988—January | .9924 | 1.0040 | .9996 | .9865 | 1.0065 | 1.0061 |
| February | .9893 | 1.0031 | .9993 | .9844 | 1.0063 | 1.0047 |
| March | .9953 | 1.0015 | 1.0045 | .9941 | 1.0043 | .9994 |
| April | 1.0030 | .9957 | .9950 | 1.0026 | 1.0010 | .9916 |
| May | 1.0061 | .9928 | .9973 | 1.0058 | .9947 | .9943 |
| June | 1.0098 | .9957 | .9959 | 1.0119 | .9939 | .9903 |
| July | 1.0127 | .9991 | .9926 | 1.0162 | .9978 | .9885 |
| August | 1.0050 | .9995 | 1.0016 | 1.0080 | .9963 | .9957 |
| September | .9985 | 1.0013 | 1.0057 | 1.0031 | .9959 | 1.0026 |
| October | 1.0022 | 1.0009 | 1.0043 | 1.0055 | 1.0009 | 1.0107 |
| November | .9972 | 1.0030 | 1.0031 | .9964 | 1.0007 | 1.0100 |
| December | .9886 | 1.0023 | 1.0018 | .9865 | 1.0003 | 1.0068 |
| 1989—January | .9919 | 1.0045 | .9990 | .9855 | 1.0065 | 1.0068 |
| February | .9891 | 1.0039 | .9996 | .9836 | 1.0072 | 1.0050 |
| March | .9956 | 1.0022 | 1.0040 | .9933 | 1.0050 | .9993 |
| April | 1.0031 | .9959 | .9946 | 1.0028 | 1.0015 | .9914 |
| May | 1.0065 | .9925 | .9969 | 1.0063 | .9948 | .9936 |
| June | 1.0099 | .9955 | .9962 | 1.0125 | .9937 | .9894 |
| July | 1.0128 | .9988 | .9931 | 1.0167 | .9975 | .9879 |
| August | 1.0051 | .9991 | 1.0019 | 1.0085 | .9960 | .9952 |
| September | .9985 | 1.0008 | 1.0054 | 1.0037 | .9954 | 1.0022 |
| October | 1.0020 | 1.0007 | 1.0042 | 1.0055 | 1.0008 | 1.0110 |
| November | .9971 | 1.0033 | 1.0036 | .9958 | 1.0007 | 1.0107 |
| December | .9885 | 1.0027 | 1.0026 | .9860 | 1.0003 | 1.0075 |
| 1990—January | .9915 | 1.0047 | .9980 | .9851 | 1.0065 | 1.0074 |
| February | .9891 | 1.0042 | .9995 | .9834 | 1.0076 | 1.0052 |
| March | .9958 | 1.0024 | 1.0037 | .9932 | 1.0054 | .9986 |

3. Weekly seasonal factors used to construct M1, M2, and M3, December 1988–March 1990

| Week ending | Currency | Nonbank traveler's checks | Demand deposits | Other checkable deposits | Nontransactions components | |
|-----------------|----------|---------------------------|-----------------|--------------------------|----------------------------|------------|
| | | | | | in M2 | in M3 only |
| 1988—December 5 | 1.0048 | .9229 | 1.0279 | 1.0097 | .9982 | 1.0021 |
| 12 | 1.0138 | .9207 | 1.0236 | 1.0088 | .9988 | 1.0004 |
| 19 | 1.0135 | .9186 | 1.0322 | 1.0026 | .9967 | .9985 |
| 26 | 1.0249 | .9165 | 1.0220 | .9944 | .9950 | 1.0100 |
| 1989—January 2 | 1.0071 | .9144 | 1.0833 | 1.0085 | .9975 | 1.0013 |
| 9 | 1.0057 | .9175 | 1.0705 | 1.0455 | 1.0022 | .9878 |
| 16 | .9967 | .9215 | 1.0348 | 1.0244 | 1.0025 | .9983 |
| 23 | .9869 | .9254 | .9987 | .9973 | 1.0022 | .9996 |
| 30 | .9786 | .9294 | .9702 | .9678 | 1.0005 | .9996 |
| February 6 | .9909 | .9345 | .9854 | 1.0034 | 1.0013 | .9987 |
| 13 | .9927 | .9411 | .9761 | .9970 | 1.0016 | 1.0042 |
| 20 | .9909 | .9477 | .9608 | .9826 | 1.0013 | .9974 |
| 27 | .9808 | .9543 | .9516 | .9703 | 1.0006 | 1.0012 |
| March 6 | .9936 | .9587 | .9760 | 1.0074 | 1.0008 | 1.0020 |
| 13 | .9956 | .9605 | .9786 | 1.0026 | 1.0020 | 1.0023 |
| 20 | .9922 | .9622 | .9679 | .9946 | 1.0016 | .9996 |
| 27 | .9894 | .9639 | .9495 | .9847 | 1.0022 | 1.0024 |
| April 3 | .9908 | .9655 | .9999 | 1.0067 | 1.0042 | 1.0016 |
| 10 | 1.0054 | .9622 | 1.0142 | 1.0349 | 1.0053 | .9944 |
| 17 | .9977 | .9588 | 1.0216 | 1.0465 | 1.0014 | .9915 |
| 24 | .9905 | .9555 | .9987 | 1.0233 | .9996 | .9895 |
| May 1 | .9901 | .9522 | .9920 | 1.0039 | .9980 | .9935 |
| 8 | 1.0074 | .9566 | .9891 | 1.0203 | .9967 | .9970 |
| 15 | 1.0037 | .9639 | .9914 | 1.0021 | .9982 | .9946 |
| 22 | .9991 | .9712 | .9714 | .9871 | .9995 | 1.0014 |
| 29 | .9987 | .9785 | .9662 | .9708 | .9992 | 1.0052 |

Table 3 continues on page 510.

3. Weekly seasonal factors used to construct M1, M2, and M3, December 1988–March 1990—Continued

| Week ending | Currency | Nonbank traveler's checks | Demand deposits | Other checkable deposits | Nontransactions components | |
|--------------|----------|---------------------------------|--------------------|--------------------------------|-------------------------------|------------|
| | | | | | in M2 | in M3 only |
| 1989—June | | | | | | |
| 5 | 1.0070 | .9916 | 1.0141 | 1.0075 | 1.0013 | .9977 |
| 12 | 1.0104 | 1.0194 | 1.0087 | 1.0217 | 1.0004 | .9997 |
| 19 | 1.0041 | 1.0471 | 1.0117 | 1.0107 | .9987 | .9967 |
| 26 | .9970 | 1.0750 | .9830 | .9807 | .9981 | .9988 |
| July | | | | | | |
| 3 | 1.0069 | 1.1028 | 1.0173 | .9883 | 1.0009 | .9926 |
| 10 | 1.0180 | 1.1149 | 1.0271 | 1.0251 | 1.0020 | .9865 |
| 17 | 1.0085 | 1.1270 | 1.0145 | 1.0022 | 1.0019 | .9909 |
| 24 | 1.0020 | 1.1390 | .9897 | .9863 | 1.0012 | .9948 |
| 31 | .9986 | 1.1510 | .9960 | .9717 | 1.0006 | 1.0002 |
| August | | | | | | |
| 7 | 1.0146 | 1.1495 | 1.0089 | 1.0102 | 1.0008 | 1.0002 |
| 14 | 1.0119 | 1.1380 | 1.0127 | 1.0038 | 1.0007 | .9993 |
| 21 | 1.0059 | 1.1265 | .9958 | .9936 | 1.0010 | .9984 |
| 28 | .9941 | 1.1151 | .9757 | .9795 | .9998 | 1.0039 |
| September | | | | | | |
| 4 | 1.0056 | 1.1031 | 1.0033 | 1.0087 | .9992 | 1.0036 |
| 11 | 1.0043 | 1.0876 | 1.0095 | 1.0228 | .9993 | 1.0021 |
| 18 | .9944 | 1.0721 | 1.0038 | 1.0032 | .9979 | 1.0055 |
| 25 | .9858 | 1.0566 | .9671 | .9700 | .9970 | 1.0084 |
| October | | | | | | |
| 2 | .9861 | 1.0412 | .9927 | .9714 | .9989 | 1.0074 |
| 9 | 1.0066 | 1.0253 | 1.0043 | 1.0102 | .9997 | 1.0040 |
| 16 | .9997 | 1.0092 | 1.0135 | 1.0032 | .9996 | .9977 |
| 23 | .9947 | .9932 | .9887 | .9819 | 1.0001 | 1.0003 |
| 30 | .9882 | .9773 | .9863 | .9708 | .9995 | 1.0032 |
| November | | | | | | |
| 6 | 1.0039 | .9636 | 1.0125 | 1.0077 | 1.0001 | 1.0043 |
| 13 | 1.0084 | .9530 | 1.0121 | 1.0059 | .9989 | 1.0083 |
| 20 | 1.0041 | .9424 | 1.0071 | .9949 | .9997 | 1.0065 |
| 27 | 1.0041 | .9320 | 1.0011 | .9786 | .9954 | 1.0178 |
| December | | | | | | |
| 4 | 1.0040 | .9228 | 1.0278 | 1.0092 | .9993 | 1.0021 |
| 11 | 1.0134 | .9207 | 1.0255 | 1.0114 | .9991 | 1.0036 |
| 18 | 1.0119 | .9187 | 1.0321 | 1.0004 | .9962 | 1.0036 |
| 25 | 1.0245 | .9167 | 1.0183 | .9939 | .9932 | 1.0091 |
| 1990—January | | | | | | |
| 1 | 1.0065 | .9148 | 1.0692 | .9994 | .9984 | .9920 |
| 8 | 1.0083 | .9171 | 1.0749 | 1.0455 | 1.0028 | .9835 |
| 15 | .9980 | .9212 | 1.0510 | 1.0261 | 1.0032 | .9981 |
| 22 | .9892 | .9253 | 1.0071 | 1.0012 | 1.0014 | 1.0009 |
| 29 | .9797 | .9294 | .9672 | .9696 | .9991 | 1.0017 |
| February | | | | | | |
| 5 | .9896 | .9343 | .9848 | 1.0019 | 1.0002 | 1.0002 |
| 12 | .9938 | .9411 | .9745 | .9969 | 1.0013 | 1.0037 |
| 19 | .9908 | .9478 | .9627 | .9816 | 1.0017 | .9972 |
| 26 | .9812 | .9545 | .9523 | .9732 | 1.0016 | .9992 |
| March | | | | | | |
| 5 | .9927 | .9596 | .9750 | 1.0033 | 1.0016 | 1.0010 |
| 12 | .9966 | .9611 | .9767 | 1.0048 | 1.0020 | .9992 |
| 19 | .9925 | .9625 | .9720 | .9959 | 1.0018 | .9971 |
| 26 | .9863 | .9638 | .9502 | .9844 | 1.0014 | 1.0041 |
| April | | | | | | |
| 2 | .9886 | .9652 | .9830 | .9980 | 1.0045 | 1.0066 |

4. Weekly seasonal factors for selected components of the monetary aggregates, December 1988—March 1990

| Week ending | Commercial bank deposits | | | Thrift institution deposits | | |
|-----------------|--------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|
| | Savings | Small-denomination time | Large-denomination time | Savings | Small-denomination time | Large-denomination time |
| 1988—December 5 | .9933 | 1.0027 | .9987 | .9923 | 1.0002 | 1.0056 |
| 12 | .9918 | 1.0021 | 1.0008 | .9896 | .9988 | 1.0069 |
| 19 | .9873 | 1.0007 | .9986 | .9848 | .9987 | 1.0065 |
| 26 | .9835 | 1.0015 | 1.0041 | .9796 | 1.0008 | 1.0072 |
| 1989—January 2 | .9880 | 1.0049 | 1.0077 | .9876 | 1.0041 | 1.0080 |
| 9 | .9958 | 1.0053 | .9993 | .9919 | 1.0073 | 1.0058 |
| 16 | .9937 | 1.0058 | .9987 | .9877 | 1.0081 | 1.0072 |
| 23 | .9908 | 1.0047 | .9967 | .9834 | 1.0075 | 1.0062 |
| 30 | .9888 | 1.0023 | .9992 | .9784 | 1.0037 | 1.0076 |
| February 6 | .9884 | 1.0032 | .9977 | .9851 | 1.0073 | 1.0069 |
| 13 | .9898 | 1.0044 | 1.0001 | .9849 | 1.0082 | 1.0060 |
| 20 | .9898 | 1.0046 | .9993 | .9826 | 1.0081 | 1.0052 |
| 27 | .9880 | 1.0036 | 1.0007 | .9813 | 1.0055 | 1.0027 |
| March 6 | .9906 | 1.0032 | 1.0019 | .9879 | 1.0060 | 1.0022 |
| 13 | .9935 | 1.0042 | 1.0023 | .9911 | 1.0054 | 1.0015 |
| 20 | .9954 | 1.0028 | 1.0016 | .9934 | 1.0039 | .9974 |
| 27 | .9973 | 1.0006 | 1.0088 | .9934 | 1.0038 | .9974 |
| April 3 | 1.0041 | .9992 | 1.0054 | 1.0051 | 1.0075 | .9975 |
| 10 | 1.0093 | .9971 | .9993 | 1.0093 | 1.0043 | .9930 |
| 17 | 1.0030 | .9955 | .9923 | 1.0020 | 1.0010 | .9879 |
| 24 | .9998 | .9959 | .9894 | .9972 | .9992 | .9843 |
| May 1 | .9991 | .9933 | .9928 | 1.0013 | .9987 | .9990 |
| 8 | 1.0045 | .9926 | .9926 | 1.0064 | .9969 | .9953 |
| 15 | 1.0065 | .9921 | .9942 | 1.0073 | .9954 | .9949 |
| 22 | 1.0078 | .9920 | .9982 | 1.0063 | .9938 | .9921 |
| 29 | 1.0071 | .9931 | 1.0023 | 1.0043 | .9931 | .9926 |
| June 5 | 1.0100 | .9936 | .9991 | 1.0119 | .9933 | .9894 |
| 12 | 1.0127 | .9947 | .9965 | 1.0144 | .9933 | .9898 |
| 19 | 1.0093 | .9952 | .9930 | 1.0118 | .9920 | .9888 |
| 26 | 1.0074 | .9962 | .9970 | 1.0085 | .9933 | .9883 |
| July 3 | 1.0107 | .9983 | .9965 | 1.0179 | .9988 | .9919 |
| 10 | 1.0161 | .9983 | .9917 | 1.0224 | .9981 | .9881 |
| 17 | 1.0149 | .9981 | .9889 | 1.0197 | .9966 | .9860 |
| 24 | 1.0127 | .9985 | .9930 | 1.0153 | .9956 | .9883 |
| 31 | 1.0084 | 1.0004 | .9972 | 1.0090 | .9991 | .9876 |
| August 7 | 1.0089 | .9992 | .9978 | 1.0128 | .9978 | .9897 |
| 14 | 1.0079 | .9986 | .9998 | 1.0115 | .9961 | .9918 |
| 21 | 1.0048 | .9986 | 1.0014 | 1.0079 | .9954 | .9963 |
| 28 | 1.0015 | .9990 | 1.0067 | 1.0034 | .9947 | 1.0005 |
| September 4 | .9992 | 1.0011 | 1.0061 | 1.0042 | .9955 | 1.0018 |
| 11 | 1.0009 | 1.0008 | 1.0039 | 1.0053 | .9946 | .9974 |
| 18 | .9981 | 1.0003 | 1.0032 | 1.0030 | .9942 | .9983 |
| 25 | .9963 | 1.0008 | 1.0069 | 1.0007 | .9945 | 1.0044 |
| October 2 | .9981 | 1.0015 | 1.0080 | 1.0064 | .9997 | 1.0117 |
| 9 | 1.0052 | 1.0018 | 1.0072 | 1.0122 | 1.0013 | 1.0114 |
| 16 | 1.0043 | 1.0004 | 1.0031 | 1.0087 | 1.0008 | 1.0093 |
| 23 | 1.0030 | .9998 | 1.0022 | 1.0033 | 1.0008 | 1.0110 |
| 30 | .9972 | 1.0003 | 1.0036 | .9982 | 1.0005 | 1.0120 |
| November 6 | .9984 | 1.0032 | 1.0029 | 1.0007 | 1.0005 | 1.0121 |
| 13 | .9990 | 1.0037 | 1.0040 | .9990 | 1.0009 | 1.0110 |
| 20 | .9978 | 1.0026 | 1.0041 | .9947 | 1.0011 | 1.0093 |
| 27 | .9954 | 1.0033 | 1.0045 | .9910 | 1.0003 | 1.0118 |
| December 4 | .9930 | 1.0040 | 1.0006 | .9926 | 1.0008 | 1.0079 |
| 11 | .9934 | 1.0035 | 1.0041 | .9926 | 1.0006 | 1.0084 |
| 18 | .9882 | 1.0003 | 1.0011 | .9837 | .9991 | 1.0062 |
| 25 | .9832 | .9986 | 1.0049 | .9797 | .9986 | 1.0045 |

Table 4 continues on page 512.

4. Weekly seasonal factors for selected components of the monetary aggregates,
December 1988–March 1990—Continued

| Week ending | Commercial bank deposits | | | Thrift institution deposits | | |
|---------------------|--------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|
| | Savings | Small-denomination time | Large-denomination time | Savings | Small-denomination time | Large-denomination time |
| 1990—January 1..... | .9862 | 1.0082 | 1.0012 | .9838 | 1.0028 | 1.0109 |
| 8..... | .9957 | 1.0068 | .9967 | .9905 | 1.0069 | 1.0062 |
| 15..... | .9931 | 1.0054 | .9979 | .9874 | 1.0071 | 1.0072 |
| 22..... | .9897 | 1.0035 | .9969 | .9831 | 1.0061 | 1.0062 |
| 29..... | .9895 | 1.0028 | 1.0001 | .9795 | 1.0059 | 1.0092 |
| February 5..... | .9877 | 1.0035 | .9980 | .9850 | 1.0087 | 1.0083 |
| 12..... | .9902 | 1.0048 | .9999 | .9848 | 1.0088 | 1.0073 |
| 19..... | .9899 | 1.0046 | .9991 | .9824 | 1.0080 | 1.0062 |
| 26..... | .9882 | 1.0039 | 1.0000 | .9808 | 1.0059 | 1.0018 |
| March 5..... | .9895 | 1.0033 | 1.0018 | .9868 | 1.0059 | .9990 |
| 12..... | .9936 | 1.0039 | 1.0023 | .9912 | 1.0050 | .9978 |
| 19..... | .9958 | 1.0023 | 1.0019 | .9934 | 1.0037 | .9947 |
| 26..... | .9977 | 1.0011 | 1.0072 | .9927 | 1.0041 | .9987 |
| April 2..... | 1.0027 | 1.0011 | 1.0052 | 1.0025 | 1.0098 | 1.0046 |

HEARING SCHEDULED

The Board of Governors of the Federal Reserve System announced on May 4, 1989, that it had ordered a public hearing on the application filed by Metrocorp, Inc., East Moline, Illinois, to engage through its wholly owned subsidiary, Metro Armored Courier, Inc., East Moline, Illinois, in armored car activities.

The Board invited public comment on the

application concerning whether the proposed activity is so closely related to banking or managing or controlling banks as to be a proper incident thereto. The National Armored Car Association, Seattle, Washington, informed the Board that it opposed the application and requested a public hearing to explore the questions on which the Board requested comment.

The hearing was set before a hearing officer at a time determined by the hearing officer.

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

The Bank of Bermuda Limited
Hamilton, Bermuda

Bermuda (U.S.) Holdings Limited
Dover, Delaware

Order Approving Formation of Bank Holding Company

The Bank of Bermuda Limited ("BBL"), Hamilton, Bermuda, and its subsidiary, Bermuda (U.S.) Holdings Limited ("BUSH"),¹ Dover, Delaware, have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C § 1842(a)(1)) ("BHC Act"), to become bank holding companies by acquiring all of the outstanding voting shares of Bank of Bermuda (New York) Limited, New York, New York ("Bank").²

Notice of the application, affording an opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the BHC Act (53 *Federal Register* 38,345 (1988)). 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.

BBL is the largest banking organization in Bermuda, with total assets of \$4.2 billion.³ It owns or controls several financial institutions and other companies located in Bermuda, the Cayman Islands, Europe, and China. The only companies BBL owns or controls in the United States are BUSH and Bank of Bermuda International Limited ("BBIL"), New York, New

York. BUSH is a non-operating company that, following consummation of the acquisition, will directly own Bank. BBIL is a corporation incorporated under section 25(a) of the Federal Reserve Act (12 U.S.C § 611) (the "Edge Act").

Bank, a *de novo* institution, will provide a broad range of domestic and international banking and trust services in the New York banking market.⁴ In view of the *de novo* status of Bank and based upon the facts of record, the Board concludes that the proposed transaction will have no adverse effects on existing or future competition, nor will it increase the concentration of resources in any relevant market.

Section 3(c) of the Act requires in every case that the Board consider the financial resources of the applicant organization and the bank to be acquired. In accordance with the principles of national treatment and competitive equity, the Board has stated that it expects a foreign bank to meet the same general standards of financial strength as domestic bank holding companies and to be able to serve as a source of strength to its United States banking operations.⁵ In considering applications of foreign banking organizations, the Board has noted that foreign banks operate outside the United States in accordance with different principles, asset quality standards, and banking practices and traditions, and that these differences have made it difficult to compare the capital positions of domestic and foreign banks. The Board, however, recently adopted a proposal to supplement its consideration of capital adequacy with a risk-based system that has been agreed to by the member countries of the Basle Committee on Banking Regulations and Super-

4. The Metropolitan New York - New Jersey market includes New York City; Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties in New Jersey; and parts of Fairfield County in Connecticut.

5. *Toyo Trust and Banking Co., Ltd.*, 74 FEDERAL RESERVE BULLETIN 623 (1988); *Taiyo Kobe Bank, Ltd.*, 74 FEDERAL RESERVE BULLETIN 621 (1988); *Sumitomo Trust & Banking Co., Ltd.*, 73 FEDERAL RESERVE BULLETIN 749 (1987); *Ljubljanska Banka-Associated Bank*, 72 FEDERAL RESERVE BULLETIN 489 (1986); *The Mitsubishi Trust and Banking Corporation*, 72 FEDERAL RESERVE BULLETIN 256 (1986); *The Industrial Bank of Japan, Ltd.*, 72 FEDERAL RESERVE BULLETIN 71 (1986); *The Mitsubishi Bank, Limited*, 70 FEDERAL RESERVE BULLETIN 518 (1984). See also Policy Statement on Supervision and Regulation of Foreign-Based Bank Holding Companies, Federal Reserve Regulatory Service 44-835 (1979).

1. Immediately prior to the acquisition of Bank stock, BBL will purchase from its wholly owned shell investment company in the Cayman Islands all outstanding preferred shares of BUSH. Thus, at the time of consummation, BBL will own all outstanding common and preferred shares of BUSH.

2. In connection with this application, Bank also has applied for approval under section 9 of the Federal Reserve Act and section 208.4 of Regulation H to become a member of the Federal Reserve System. 12 U.S.C § 321, *et seq.*; 12 C.F.R. 208.4.

3. Financial data for BBL are as of June 30, 1988.

visory Practices and the other domestic federal banking agencies.⁶ The Board considers the Basle Committee proposal an important step toward a more consistent and equitable international standard for assessing capital adequacy.

In this case, the Board notes that the primary capital ratio of BBL is below the minimum capital guidelines for United States multinational bank holding companies. However, BBL's consolidated ratios of core capital and total capital to risk-adjusted assets exceed the 1992 minimum capital standards adopted by the Basle Committee. The Board also notes that Bank is a newly chartered bank, will initially be small in relation to BBL, and will be strongly capitalized. As Bank's size increases, the Board will expect Applicants to maintain Bank among the more strongly capitalized banking organizations of comparable size in the United States. In view of these and other facts of record, the Board finds that considerations relating to the financial and managerial resources and future prospects of BBL, BUSH, and Bank are consistent with approval. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval of the application.

Based on the foregoing and other facts of record, the Board has determined that consummation of the proposal would be in the public interest and that the application should be, and hereby is, approved.⁷ The transaction shall not be consummated before the thirtieth day following the effective date of this Order, or later than three months following the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

By order of the Board of Governors, effective May 2, 1989.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

CB&T Financial Corp.
Fairmont, West Virginia

Order Approving Merger of Bank Holding Companies

CB&T Financial Corp., Fairmont, West Virginia ("CB&T Financial"), has applied for the Board's

approval under section 3 of the Bank Holding Company Act ("Act") (12 U.S.C. § 1842) to merge with Consolidated Banc Shares, Inc., Clarksburg, West Virginia ("Consolidated"), and thereby indirectly to acquire Consolidated's sole bank subsidiary, The Lowndes Bank, Clarksburg, West Virginia.¹

Notice of the applications, affording opportunity for interested persons to submit comments, has been published (54 *Federal Register* 10,585 (1989)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act.

CB&T Financial is the eighth largest commercial banking organization in West Virginia, controlling total deposits of \$300.4 million, representing approximately 2.2 percent of total deposits in commercial banking organizations in the state.² Consolidated is the twenty-fourth largest banking organization in West Virginia, controlling total deposits of \$128.4 million, which represents less than one percent of total deposits in commercial banking organizations in the state.³ Upon consummation of this proposal, CB&T Financial would become the fifth largest commercial banking organization in the state, controlling total deposits of \$428.8 million, representing approximately 3.1 percent of total statewide commercial bank deposits. Consummation of this proposal would not increase significantly the concentration of banking resources in West Virginia.

CB&T Financial competes directly with Consolidated in the Clarksburg, West Virginia, banking market.⁴ CB&T Financial is the sixth largest of ten commercial banking organizations in the market, controlling deposits of \$49.5 million, representing approximately 6.9 percent of the market's total bank deposits.⁵ Consolidated is the second largest commercial banking organization in the market, controlling deposits of \$132.7 million, representing approximately 18.4 percent of the market's total bank deposits. Upon consummation of this proposal, CB&T Financial

1. In order to effect this transaction, CB&T Financial has caused to be formed a second-tier subsidiary, CB&T Clarksburg Corp., Clarksburg, West Virginia, which has applied for the Board's approval to become a bank holding company by acquiring Community Bank & Trust of Harrison County, Clarksburg, West Virginia, an existing bank subsidiary of CB&T Financial. Consolidated and The Lowndes Bank would then be merged with and into CB&T Clarksburg and its respective bank subsidiary.

2. State deposit data are as of December 31, 1988.

3. Consolidated also controls a nonbank subsidiary, CB Realty Company, which holds certain real estate assets of Consolidated. CB&T Financial has committed that Consolidated will divest the real estate assets and dissolve CB Realty prior to consummation of the proposal.

4. The Clarksburg market is approximated by Harrison and Taylor Counties, West Virginia.

5. Market data for commercial banks are as of June 30, 1987.

6. 53 *Federal Register* 8549 (1988).

7. Further, Bank appears to meet all of the criteria for admission to membership, including capital requirements and considerations related to management character and quality. Accordingly, the Board has concurrently approved Bank's membership application.

would become the second largest commercial banking organization in the market, controlling deposits of \$182.2 million, representing approximately 25.3 percent of total market deposits. The Herfindahl-Hirschman Index ("HHI") for the Clarksburg market would increase by 254 points from 1729 to 1983.⁶

Although consummation of this proposal would eliminate some existing competition in the Clarksburg market, nine commercial banks would continue to operate in the market after consummation of this proposal. In addition, the Board has considered the presence in the market of the state's largest thrift institution. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks.⁷ In the Clarksburg market, the thrift institution accounts for a significant percentage of the total deposits. Based upon the size, market share, and commercial and consumer lending activities of this thrift institution, the Board has concluded that this thrift institution exerts a significant competitive influence that mitigates the anticompetitive effects of this proposal in this banking market.⁸

Moreover, the Clarksburg market, one of the principal population centers in the state, possesses characteristics rendering it attractive for entry by outside banking organizations, and *de novo* entry into the market in fact has occurred within the past year. In addition, changes in West Virginia banking law have resulted in expansion in the number of potential entrants into the market, and market concentration in fact is declining on an historical basis.⁹

Accordingly, based upon a review of all the facts of record, the Board concludes that consummation of this proposal would not have a significantly adverse

effect on competition in the Clarksburg market or in any other relevant market.

The financial and managerial resources of CB&T Financial, Consolidated, and their subsidiaries are consistent with approval. In addition, considerations relating to the convenience and needs of the communities to be served are consistent with approval.

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

By order of the Board of Governors, effective May 31, 1989.

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

WILLIAM W. WILES
Secretary of the Board

MidAmerican Corporation Shawnee Mission, Kansas

Order Approving Merger of a Bank Holding Company

MidAmerican Corporation, Shawnee Mission, Kansas ("MidAmerican"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(5) of the BHC Act to acquire by merger Merchants Bancorporation, Topeka, Kansas ("Merchants"), and thereby to acquire its subsidiary banks, Merchants National Bank, Topeka, Kansas, and First National Bank of Lawrence, Lawrence, Kansas.¹

Notice of the application, affording interested persons an opportunity to submit comments, has been published (54 *Federal Register* 9892 (1989)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.²

6. 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. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points. The Department of Justice 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. The Department of Justice has filed no adverse comments with respect to this proposed acquisition.

7. *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).

8. If 50 percent of deposits held by the thrift institution in the Clarksburg market were included in the calculation of market concentration, CB&T Financial's *pro forma* market share would be 24.0 percent. The HHI would increase by 229 points to 1815.

9. The Board notes that West Virginia banks were permitted to branch statewide as of January 1, 1987. See W. Va. Code § 31A-8-12(c)(1)(B) (1988). Moreover, as of January 1, 1988, acquisitions of West Virginia banking organizations by out-of-state bank holding companies were permitted on a national reciprocal basis. W. Va. Code § 31A-8A-7 (1988).

1. After the merger, MidAmerican will be the surviving corporation.

2. MidAmerican's proposal to continue certain general insurance agency activities under section 4 of the BHC Act has been protested by the Independent Insurance Agents of America, Inc., National Association of Casualty and Surety Agents, National Association of Life Underwriters, National Association of Professional Insurance Agents, National Association of Surety Bond Producers, New York State Association of Life Underwriters, Independent Insurance Agents of New York, Inc., and Professional Insurance Agents of New

MidAmerican is the tenth largest banking organization in Kansas, controlling deposits of \$281.0 million, representing approximately 1.3 percent of the total deposits in commercial banking organizations in the state.³ Merchants is the fifth largest commercial banking organization in Kansas, controlling deposits of \$339.2 million, representing approximately 1.6 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, MidAmerican will become the third largest commercial banking organization in Kansas, controlling deposits of \$620.2 million, representing approximately 2.8 percent of the total deposits in commercial banks in the state. Consummation of this proposal would not significantly affect the concentration of banking resources in the state.

MidAmerican's subsidiary bank, MidAmerican Bank and Trust Company, is located in Overland Park, Kansas, and competes in the Kansas City banking market.⁴ Merchants's current subsidiary banks compete in the Topeka and Lawrence, Kansas, banking markets.⁵ In the Topeka banking market, Merchants's subsidiary bank is the second largest commercial bank, with deposits of \$217.2 million, representing 18.4 percent of the total deposits in commercial banks in that market. In the Lawrence banking market, Merchants's subsidiary bank is the largest commercial bank, with deposits of \$122.0 million, representing 43.7 percent of the total deposits in commercial banks in that market. The subsidiary banks of MidAmerican and Merchants do not compete directly in any banking market. Based on all of the facts of record, the Board believes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant banking market. In light of the size of the organizations and the characteristics of the relevant markets, consummation also would not have a significantly adverse effect on probable future competition in any relevant banking market.

York, Inc. ("Protestants"), on the basis that additional facts are required to demonstrate MidAmerican's entitlement to insurance grandfather rights under section 4 of the BHC Act. In response to these protests, MidAmerican has committed to divest or terminate these insurance activities within two years of consummation of the proposal and, during this two-year period, to limit these insurance activities to renewals of existing policies. MidAmerican has reserved the right, during the two-year divestiture period, to seek Board approval under section 4 of the BHC Act to continue to conduct its insurance agency activities. Protestants' comments, which relate exclusively to MidAmerican's insurance agency activities, will be considered in the context of that request.

3. Deposit and market data are as of December 31, 1987.

4. The Kansas City banking market is defined as the Kansas City RMA.

5. The Topeka banking market is defined as the Topeka RMA. The Lawrence banking market is defined as the Lawrence RMA.

The financial and managerial resources of the resulting organization and its subsidiaries are consistent with approval. Considerations relating to the convenience and needs of the communities to be served by MidAmerican's and Merchants's subsidiary banks are also consistent with approval.

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

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

SouthTrust Corporation
Birmingham, Alabama

*Order Approving Acquisition of a Bank and
Establishment of a de novo Bank*

SouthTrust Corporation, Birmingham, Alabama ("SouthTrust"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C § 1842(a)(3)) to control all of the voting shares of SouthTrust National Bank ("Bank") after its relocation from Phenix City, Alabama, to Columbus, Georgia; and to acquire SouthTrust Bank of Russell County, Phenix City, Alabama ("Russell County Bank"), a *de novo* bank.

Bank is a subsidiary of SouthTrust and currently operates in Phenix City, Alabama. SouthTrust proposes to relocate Bank from Phenix City to Columbus, Georgia, pursuant to the provisions of the National Bank Act.¹ The Board has previously determined that an application under the Act is required for an inter-

1. 12 U.S.C § 30. The Office of the Comptroller of the Currency approved the relocation on February 20, 1989. See Decision of the Comptroller of the Currency on the Application of SouthTrust National Bank, Phenix City, Alabama, to Relocate its Main Office to Columbus, Georgia, February 20, 1989.

state relocation of a bank owned by a bank holding company.²

Notice of the applications, affording opportunity for interested persons to submit comments, has been published (53 *Federal Register* 47,573 (1988), 54 *Federal Register* 11,076 (1989)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act.³

Under the Act, the Board may not approve Applicant's proposal to relocate Bank from Alabama to Georgia unless the proposal complies with the Douglas Amendment to the Act. The Douglas Amendment prohibits the Board from approving an application by a bank holding company to acquire control of a bank located outside of the holding company's home state,⁴ 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." 12 U.S.C § 1842(d). Georgia law permits a bank holding company located in a region that includes Alabama to acquire a "Georgia bank" provided that Georgia bank holding companies are permitted to acquire banks or bank holding companies in the home state of the acquiring bank holding company on a reciprocal basis.⁵ Georgia law also requires that the banking organization to be acquired must have been in existence and continuously operated for more than five years prior to the acquisition. Alabama by statute permits a bank holding company located in Georgia to acquire an Alabama bank or bank holding company on a reciprocal basis provided the bank to be acquired has been in operation for at least five years.⁶ Thus, the Georgia interstate banking statute authorizes an Alabama bank holding company to acquire a Georgia bank after compliance with the requirements of the Georgia statute.

2. SouthTrust has previously received Board approval to acquire Bank as an Alabama bank. 61 FEDERAL RESERVE BULLETIN 598 (1975). The Board's approval of that application, and its statutory authority to grant such approval, is limited by the provisions of the Douglas Amendment. Thus, the original approval granted by the Board to SouthTrust to acquire Bank was limited to owning and operating Bank in the state in which Bank was originally located. The relocation of Bank to another state is outside the approval that was, or could have been, granted at that time, and requires additional Board approval. 12 C.F.R. 225.144.

3. Comments have been received from two banking competitors in the Columbus banking market, CB&T Bancshares, Inc., and First Columbus Community Bank & Trust Co., both of Columbus, Georgia ("Protestants").

4. 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. SouthTrust's home state is Alabama.

5. Ga. Code Ann. § 7-1-621 (Supp. 1988).

6. Ala. Code § 5-13A-3 (Supp. 1988).

Protestants contend that the Georgia statute does not "specifically authorize" the transaction proposed in this case for purposes of the Douglas Amendment to the Act because the Georgia statute does not specifically authorize "relocations" into Georgia by out-of-state bank holding companies.⁷

The Board believes that the Georgia statute permitting regional bank holding companies to "acquire . . . a Georgia bank" would encompass the relocation of Bank, as proposed here. Bank does not currently qualify as "a Georgia bank" under Georgia law because Bank operates in Alabama. Under Georgia law, a Georgia bank is defined as a bank having banking offices only in Georgia.⁸ The proposed relocation, however, is an action that would cause Bank to maintain offices only in Georgia. As a result of that action, SouthTrust would acquire a Georgia bank within the meaning of the Georgia regional banking statute. Accordingly, the Board believes that Georgia law specifically authorizes this method of acquiring a Georgia bank for purposes of the Douglas Amendment.⁹

Protestants also contend that the proposal does not meet the specific longevity requirements of Georgia law. The Georgia statute requires that the bank to be acquired by an out-of-state bank holding company "has been in existence and continuously operated as a bank for a period of five years or more."¹⁰ Protestants argue that this provision must be read to require that the bank be in existence and operating *in Georgia* for five years, and that the authorization of relocations would permit evasion of this requirement and undermine the purpose of this provision.

The Georgia statute requires only that the bank be "in existence and continuously operated as a bank for a period of five years or more." The Georgia statute does not by its terms require that the bank be operated for five years in Georgia. Bank has been in existence and continuously operated as a bank in the Columbus banking market since 1903. Accordingly, after review of all of the facts of record in this case, including the comments by Protestants, the Board believes that the

7. The Georgia Commissioner of Banking and Finance and the Georgia Assistant Attorney General have been consulted regarding whether the proposed relocation is permissible under the Georgia statute. They have indicated that the question whether the proposal in this case is specifically authorized under Georgia law for purposes of the Douglas Amendment is a question for the Board under the Douglas Amendment.

8. Ga. Code Ann. 7-1-620(7) (Supp. 1988).

9. Ga. Code Ann. § 7-1-621(a)(3) (Supp. 1988). See also Ga. Code Ann. § 7-1-620(1) (Supp. 1988). The Georgia interstate banking statute specifically permits certain out-of-state bank holding companies to acquire Georgia banks, including by taking any action that would result in control of a Georgia bank.

10. Ga. Code Ann. § 7-1-621(d)(2) (Supp. 1988).

proposal meets the longevity requirement of Georgia law.

Based on the foregoing, the Board has determined that approval of the proposal is not barred by the Douglas Amendment.¹¹ The Board's action on the applications by SouthTrust to acquire Bank and Russell County Bank is specifically conditioned on Applicant obtaining any necessary approvals from the Georgia Commissioner of Banking and Finance under the Georgia interstate banking statute regarding Bank. In this regard, the Board notes that the establishment of the Russell County Bank is an integral and necessary element of the proposal by SouthTrust to relocate Bank to Georgia.

SouthTrust, a multi-bank holding company controlling 40 banking subsidiaries, is the second largest commercial banking organization in Alabama. SouthTrust controls 29 bank subsidiaries operating in Alabama, with approximately \$4.3 billion in domestic deposits, representing approximately 17.9 percent of the total deposits in commercial banks in the state.¹² Applicant also currently owns eight bank subsidiaries in Florida, with approximately \$415.6 million in deposits; two bank subsidiaries in South Carolina with approximately \$11.2 million in deposits; and one bank subsidiary in Tennessee, with \$31.6 million in deposits. SouthTrust engages in a broad range of permissible nonbanking activities in the United States.

SouthTrust operates in the Columbus (Georgia) banking market ("Columbus market").¹³ Applicant ranks eighth among commercial banking organizations in the Columbus market, controlling deposits of approximately \$27.8 million, representing approximately 2.3 percent of total deposits in commercial banking

organizations in the market.¹⁴ The proposed relocation and the establishment of a *de novo* bank in the market will not change Applicant's position in the Columbus market, and the Herfindahl-Hirschman Index ("HHI") will remain at 2853.¹⁵

Protestants allege that the proposal will adversely affect competition in the Columbus market by adding another banking facility to what Protestants believe is an "over-banked" market, and will adversely affect the ability of a recently established *de novo* banking facility that is located in close proximity to the proposed location of Bank to compete effectively. As noted above, the Columbus banking market is highly concentrated and the establishment of the Russell County Bank should increase competition in that market. Moreover, the Board believes that the economic, demographic, and competitive characteristics of the Columbus market do not indicate that the proposal would have a significantly adverse effect on competition in the Columbus market. In this regard, the Board notes that the Columbus market is one of the larger banking markets in Georgia, has experienced substantial deposit growth in recent years, and appears capable of supporting an increase in the number of banking facilities. Based on the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in the Columbus market, or in any other relevant market.

The financial and managerial resources of Applicant and its subsidiaries are consistent with approval. In addition, considerations relating to the convenience and needs of the communities to be served by SouthTrust, Bank, and Russell County Bank are consistent with approval.¹⁶

Accordingly, based on the foregoing and other facts of record and subject to the conditions noted above, the Board has determined that the applications should be, and hereby are, approved. The proposed transac-

11. Protestants argue that the proposed relocation is a subterfuge designed to avoid the restrictions of the Douglas Amendment. In this case, however, SouthTrust has applied under the Act to acquire a Georgia bank, and, as indicated above, the Board has determined that the proposed acquisition is consistent with the Douglas Amendment to the Act.

Protestants also argue that the proposal is designed to avoid interstate branching restrictions under federal and state law. In this regard, Bank and Russell County Bank are separate corporate entities, with separate charters and capital. Each bank will provide services to customers separately and will operate banking facilities only within a single state in compliance with the branching laws of that state. Moreover, SouthTrust has stated that, while Bank and Russell County Bank will initially have several officers and directors in common, all officer and director interlocks between these two banks will be terminated within one year of the opening of Russell County Bank. In light of these and all of the facts of record, the Board does not believe that the proposal will cause the two banks in this case to be branches of the same organization. See *Grandview Bank & Trust Co. v. Board of Governors*, 550 F.2d 415 (8th Cir. 1977), cert. denied, 434 U.S. 821 (1977).

12. State data are as of December 31, 1987.

13. The Columbus market is approximated by Muscogee and Chattahoochee Counties in Georgia, Russell County in Alabama, and the city of Smiths in Lee County, Alabama.

14. Market data are as of June 30, 1987.

15. 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 over 1800 is considered highly concentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points. The Department of Justice 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.

16. Protestants maintain that convenience and needs of the Columbus banking market are already being met. However, the establishment of a *de novo* banking office and the provision of expanded services such as trust services and personal investment services should serve to increase the convenience and needs of the communities within the banking market.

tions 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 Atlanta, acting pursuant to delegated authority.

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

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Metrocorp, Inc.
East Moline, Illinois

Order for Hearing

Metrocorp, Inc., East Moline, Illinois ("Metrocorp"), has applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)), for permission to engage, through its *de novo* subsidiary, Metro Armored Courier, Inc., in armored car services, including the following:

- (1) fully insured transportation of cash, negotiable instruments, securities, and valuables; collecting currency and checks from commercial customers and nonbank financial institutions and transporting and depositing these collections at financial institutions; and delivering cash, negotiable instruments, securities, and valuables to commercial customers and nonbank financial institutions; and
- (2) providing related services such as interbank transfers, coin wrapping, change delivery, mail delivery, and payroll check cashing.

By notice published in the *Federal Register* (53 *Federal Register* 50,292 (1988)), the Board invited interested persons to express their views on the questions of whether the proposed activity is so closely related to banking or managing or controlling banks as to be a proper incident thereto, and whether consummation of the proposal 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. The notice further provided that any request for a hearing on this question should be accompanied by a statement summarizing the reasons why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

The National Armored Car Association ("Protestant"), Seattle, Washington, has submitted written comments in opposition to approval of the application. Protestant contends that the proposed armored car activities are not closely related to banking, and challenges whether banks or bank holding companies generally engage in armored car services. Protestant further contends that services provided by armored car companies are not functionally similar to those offered by banks. Protestant also argues that the proposed activity would not be a proper incident to banking, it would not result in any significant public benefits, and would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, and unsound banking practices. Finally, Protestant argues that the proposal violates state branch banking laws and raises the issue of whether Metrocorp's bank subsidiary would violate the restrictions on payment of interest on demand deposits set forth in the Board's Regulation Q. Protestant has requested a hearing to establish a more complete record on which to base a determination concerning the issues raised.

In view of the issues raised by the application, the Board has concluded that a hearing would be appropriate in this case. Accordingly, *it is hereby ordered* that a formal and public administrative hearing be held with respect to the application by Metrocorp to engage in armored car activities. The hearing shall be conducted in accordance with Subpart A of the Board's Rules of Practice for Hearings (12 C.F.R. Part 263) and will commence before a hearing officer at the offices of the Board, Washington, D.C., or such other place as the hearing officer shall deem appropriate. The Board believes it appropriate that the hearing be concluded as expeditiously as possible and, accordingly, orders that the hearing shall be held no later than 45 days from the date of this Order, at a date set by the hearing officer, and that the recommended decision be filed with the Board within 60 days of the conclusion of the hearing, in accordance with the Board's Rules of Practice for Hearings.

It is further ordered that the issues to be considered at this hearing are whether the proposed armored car services are so closely related to banking or managing or controlling banks as to be a proper incident thereto,

and whether the proposal 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. Further, the Board requests evidence on the risks of conducting the activity, including the availability of adequate insurance against risk of loss. Finally, the Board requests the parties to the hearing to address any issues raised by the proposed activity under relevant state branching restrictions and other relevant laws.

By order of the Board of Governors, effective May 4, 1989.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

NCNB Corporation
Charlotte, North Carolina

Order Approving Application to Underwrite and Deal in Certain Securities to a Limited Extent

NCNB Corporation, Charlotte, North Carolina ("NCNB"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), for its subsidiary, NCNB Capital Markets, Inc., Charlotte, North Carolina ("Company"), to engage, to a limited extent, in underwriting and dealing in:

- (1) municipal revenue bonds, including certain industrial development bonds;
- (2) 1-4 family mortgage-related securities;
- (3) commercial paper; and
- (4) consumer-receivable-related securities ("CRRs") (collectively "ineligible securities").

NCNB also proposes to underwrite and deal in securities that state member banks are permitted to underwrite and deal in under section 16 of the Banking Act of 1933 (the "Glass-Steagall Act") (12 U.S.C. §§ 24 Seventh and 335) (hereinafter "bank-eligible securities"), as permitted by section 225.25(b)(16) of Regulation Y (12 C.F.R. 225.25(b)(16)).

NCNB, with approximately \$30 billion in consolidated assets, is the 18th largest commercial banking organization in the United States.¹ It operates 11 subsidiary banks and engages directly and through subsidiaries in a broad range of permissible nonbanking activities in the United States.

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (54 *Federal Register* 14,291 (1989)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has previously determined that the conduct of the proposed ineligible securities underwriting and dealing activities is consistent with section 20 of the Glass-Steagall Act, provided the underwriting subsidiary derives no more than 5 percent of its total gross revenue from underwriting and dealing in the approved securities over any two-year period.² The Board further found that, subject to the prudential framework of limitations established in those cases to address the potential for conflicts of interest, unsound banking practices or other adverse effects, the proposed underwriting and dealing activities were so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. NCNB has committed to conduct its ineligible securities underwriting and dealing activities subject to the 5 percent revenue test and the prudential limitations established by the Board in its *Citicorp/Morgan/Bankers Trust* and *Chemical Orders*.³

Consummation of the proposal would provide added convenience to NCNB's customers. In addition, the Board expects that the *de novo* entry of NCNB into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by NCNB can reasonably be expected to produce public benefits that

1. Asset data are as of December 31, 1988. Ranking is as of June 30, 1988. All other data are as of September 30, 1988.

2. *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*"); and *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*").

3. NCNB has not proposed a market share limitation and, in light of the decision in *SIA v. Board*, the Board has determined not to require NCNB to comply with a market share limitation.

would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.⁴

Based on the above, the Board has determined to approve the proposed activities subject to all of the terms and conditions established in the *Citicorp/Morgan/Bankers Trust* and *Chemical Orders*, except the market share limitation.⁵

4. Company may also provide services that are necessary incidents to these approved 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 5 percent gross revenue limit set forth in *Citicorp/Morgan/Bankers Trust*.

This 5 percent gross revenue limit should be calculated in accordance with the method stated in *J.P. Morgan & Co. Incorporated, et al.*, 75 FEDERAL RESERVE BULLETIN 192 (1989).

5. The industrial development bonds approved in those applications and for NCNB in this case are only those tax-exempt bonds in which the governmental issuer, or the governmental unit on behalf of which the bonds are issued, is the owner for federal income tax purposes of the financed facility (such as airports, mass commuting facilities, and water pollution control facilities). Without further approval from the Board, Company may underwrite or deal in only these types of industrial development bonds.

The Board's approval of the proposed underwriting and dealing activities extends only to Company. The activities may not be

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

The 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 Richmond, pursuant to delegated authority.

By order of the Board of Governors, effective May 18, 1989.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

conducted by NCNB in any other subsidiary without prior Board review. Pursuant to Regulation Y, no corporate reorganization of Company, such as the establishment of subsidiaries of Company to conduct the activities, may be consummated without prior Board approval.

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 | Bank(s) | Effective date |
|---|--|----------------|
| FirstBank Holding Company of Colorado, Lakewood, Colorado | FirstBank at 9th/Corona, N.A., Denver, Colorado FirstBank of Edgewater, N.A., Edgewater, Colorado First Bank of Leetsdale/Monaco, N.A., Denver, Colorado | May 17, 1989 |

By Federal Reserve Banks

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

Section 3

| Applicant | Bank(s) | Reserve Bank | Effective date |
|--|---|--------------|----------------|
| Alpine Banks of Colorado, Glenwood Springs, Colorado | Alpine Bank, Aspen, Colorado | Kansas City | May 17, 1989 |
| American National Corporation, Omaha, Nebraska | American National Bank of Saryp County, Papillion, Nebraska | Kansas City | May 4, 1989 |
| Bankers' Bancorporation of Florida, Inc., Orlando, Florida | Independent Bankers' Bank of Florida, Orlando, Florida | Atlanta | May 18, 1989 |
| BJS, Inc., West Union, Iowa | Westmont Corporation, West Union, Iowa | Chicago | May 25, 1989 |
| Capital City Bank Group, Inc., Tallahassee, Florida | Branford State Bank, Branford, Florida | Atlanta | May 10, 1989 |
| Carolina First BancShares, Inc., Lincolnton, North Carolina | Lincoln Bank of North Carolina, Lincolnton, North Carolina | Richmond | May 2, 1989 |
| Chemical Financial Corporation, Midland, Michigan | The Cass City State Bank, Cass City, Michigan Community Financial Corporation, Harbor Beach, Michigan | Chicago | May 17, 1989 |
| Citizens Bancorporation, Inc., Valley Head, Alabama | The Citizens Bank of Valley Head, Valley Head, Alabama | Atlanta | May 5, 1989 |
| Citizens Bancshares, Inc., Bozeman, Montana | First Citizens Bank of Bozeman, Bozeman, Montana | Minneapolis | April 28, 1989 |
| City Bancorp, Inc., Wellington, Texas | Security Bankshares, Inc., Wellington, Texas Security State Bank, Hedley, Texas City State Bank in Wellington, Wellington, Texas | Dallas | May 18, 1989 |
| Constellation Bancorp, Elizabeth, New Jersey | New Brunswick Savings Bank, New Brunswick, New Jersey | New York | May 5, 1989 |
| Cordele Bancshares, Inc., Cordele, Georgia | Cordele Banking Company, Cordele, Georgia | Atlanta | May 10, 1989 |
| County Bancorporation, Inc., Jackson, Missouri | Capital Bancorporation, Inc., St. Louis, Missouri | St. Louis | April 27, 1989 |
| Crown National Bancorporation, Inc., Charlotte, North Carolina | Crown National Bank, Charlotte, North Carolina | Richmond | May 1, 1989 |
| Dearborn Bancorp, Inc., Chicago, Illinois | IRVING BANCORP, INC., Chicago, Illinois | Chicago | April 26, 1989 |
| Deerfield Financial Corporation, Deerfield, Wisconsin | Bank of Deerfield, Deerfield, Wisconsin | Chicago | May 18, 1989 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|---|---|---------------|----------------|
| Farmers Bancshares, Inc., Maysville, Missouri | Farmers Bank of Maysville, Maysville, Missouri | Kansas City | May 12, 1989 |
| Farmers Savings Bank Employee Stock Ownership Plan and Trust, West Union, Iowa | BJS, Inc., West Union, Iowa | Chicago | May 25, 1989 |
| First Bancorp, Inc., Ketchikan, Alaska | First Bank, Ketchikan, Alaska | San Francisco | May 8, 1989 |
| First Michigan Bank Corporation, Holland, Michigan | Security National Bank of Manistee, Manistee, Michigan | Chicago | May 25, 1989 |
| First National Bancorp, Gainesville, Georgia | Pickens County Bancshares, Inc., Jasper, Georgia | Atlanta | May 16, 1989 |
| First State Bankshares, Inc., Spearman, Texas | First State Bank, Spearman, Texas | Dallas | May 1, 1989 |
| FISCORP, Inc., dba First Institutional Service Corporation, Salt Lake City, Utah | Pioneer Bank, Salt Lake City, Utah | San Francisco | April 25, 1989 |
| FNB, Inc., Dennison, Ohio | The First National Bank of Dennison, Dennison, Ohio | Cleveland | May 12, 1989 |
| Franklin Bancorporation, Inc., Washington, D.C. | First Interstate Bank of Washington, D.C., N.A., Washington, D.C. | Richmond | April 25, 1989 |
| Gateway Financial Corporation, Norwalk, Connecticut | Gateway Bank, Norwalk, Connecticut | New York | May 5, 1989 |
| Illinois One Bancorp, Inc., Shawneetown, Illinois | First State Bank of Elizabethtown, Elizabethtown, Illinois | St. Louis | April 21, 1989 |
| Jefferson Bancshares, Inc., Louisville, Georgia | Bank of Jefferson County, Louisville, Georgia | Atlanta | May 1, 1989 |
| Key Centurion Bancshares, Inc., Charleston, West Virginia | Guyan National Bank, Barboursville, West Virginia | Richmond | May 18, 1989 |
| Lake Shore Bancorp., Inc., Chicago, Illinois | Illinois Center Bancorporation, Inc., Glen Ellyn, Illinois | Chicago | May 8, 1989 |
| Midmerica Bank Corporation, Somerville, New Jersey | Mid Jersey National Bank, Somerville, New Jersey | New York | May 12, 1989 |
| New Ross Bancorp, New Ross, Indiana | Farmers State Bank, New Ross, Indiana | Chicago | May 12, 1989 |
| NoDak Bancorporation, Mandan, North Dakota | First Southwest Bank - Mandan, Mandan, North Dakota | Minneapolis | May 17, 1989 |
| Northern Trust Corporation, Chicago, Illinois | Northern Trust Bank of Texas National Association, Dallas, Texas | Chicago | May 12, 1989 |
| Norton Capital Corporation, Morris, Illinois | Exchange Bank, Gardner, Illinois | Chicago | May 9, 1989 |

Section 3—Continued

| Applicant | Bank(s) | Reserve Bank | Effective date |
|--|--|--------------|----------------|
| Peoples Bankshares, Inc., Parshall, North Dakota | Peoples Bank and Trust, Parshall, North Dakota | Minneapolis | May 4, 1989 |
| Princeton Agency, Inc., Princeton, Iowa | LeClaire Agency, Inc., LeClaire, Iowa | Chicago | April 25, 1989 |
| Red River Financial Corporation, Detroit, Texas | Community National Bank, Detroit, Texas | Dallas | May 24, 1989 |
| Regency Financial Shares, Inc., Richmond, Virginia | Regency Bank, Richmond, Virginia | Richmond | May 8, 1989 |
| Romney Bankshares, Inc., Romney, West Virginia | The Bank of Romney, Romney, West Virginia | Richmond | May 23, 1989 |
| Security Bancshares Company, Glencoe, Minnesota | Waconia State Bank, Waconia, Minnesota | Minneapolis | May 23, 1989 |
| SouthTrust Corporation, Birmingham, Alabama | Sentry Bancshares Corporation, Roswell, Georgia | Atlanta | May 9, 1989 |
| St. Landry Bancshares, Inc., Opelousas, Louisiana | St. Landry Bank and Trust Co., Opelousas, Louisiana | Atlanta | May 1, 1989 |
| Thompson Insurance, Inc., Englewood, Colorado | Basin State Bank, Stanford, Montana | Minneapolis | April 21, 1989 |
| Three Forks Bancorporation, Three Forks, Montana | Citizens Bancshares, Inc., Bozeman, Montana | Minneapolis | April 28, 1989 |
| West Michigan Financial Corporation, Hudsonville, Michigan | Bank of Hudsonville, Hudsonville, Michigan | Chicago | April 21, 1989 |
| Widmer Bancshares, Inc., Salisbury, Missouri | Merchants and Farmers Bank, Salisbury, Missouri | Kansas City | April 20, 1989 |

Section 4

| Applicant | Nonbanking Activity/Company | Reserve Bank | Effective date |
|--|--|--------------|----------------|
| Allied Irish Banks, plc, Dublin, Ireland | First Maryland Bancorp, Baltimore, Maryland First Southern Mortgage Corporation, Annandale, Virginia | Richmond | April 27, 1989 |
| Citicorp, New York, New York | Citicorp Information Resources, Inc., Stamford, Connecticut | New York | May 24, 1989 |
| Community Financial Corporation, Mableton, Georgia | Cobb Mortgage Company, Mableton, Georgia | Atlanta | May 8, 1989 |
| GreatBanc, Inc., Itasca, Illinois | Plansmith Corporation, Palatine, Illinois | Chicago | May 11, 1989 |
| Kerndt Bank Services, Inc., Lansing, Iowa | Kerndt Brothers Agency, Inc., Lansing, Iowa | Chicago | May 12, 1989 |
| Norwest Corporation, Minneapolis, Minnesota | Corporate Funding, Inc., Grand Rapids, Michigan | Minneapolis | May 4, 1989 |

Section 4—Continued

| Applicant | Nonbanking Activity/Company | Reserve Bank | Effective date |
|---|---|--------------|----------------|
| Three Forks Bancorporation, Three Forks, Montana | to act as guarantor for a portion of Citizens Bancshares, Inc. acquisition debt | Minneapolis | April 28, 1989 |
| The Toronto-Dominion Bank, Toronto, Canada | American Government Securities, Inc., Morristown, New Jersey | New York | May 12, 1989 |

Sections 3 and 4

| Applicant | Nonbanking Activity/Company | Reserve Bank | Effective date |
|---|---|--------------|----------------|
| Nevada National Co., Omaha, Nebraska | Valley State Bank, Rock Valley, Iowa | Chicago | May 12, 1989 |

APPLICATIONS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

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

| Applicant | Bank(s) | Reserve Bank | Effective date |
|--|---|--------------|----------------|
| The Bank of Romney, Romney, West Virginia | Romney Interim Bank Corporation, Romney, West Virginia | Richmond | May 23, 1989 |

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

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

- | | |
|--|---|
| <i>MCorp v. Board of Governors</i> , No. 89-1677 (S.D. Tex. filed May 2, 1989). | <i>MCorp v. Board of Governors</i> , No. CA3-88-2693-F (N.D. Tex., filed October 28, 1988). |
| <i>Independent Insurance Agents of America, Inc. v. Board of Governors</i> , No. 89-4030 (2d Cir., filed March 9, 1989). | <i>White v. Board of Governors</i> , No. CU-S-88-623-RDF (D. Nev., filed July 29, 1988). |
| <i>Securities Industry Association v. Board of Governors</i> , No. 89-1127 (D.C. Cir. filed February 16, 1989). | <i>VanDyke v. Board of Governors</i> , No. 88-5280 (8th Cir., filed July 13, 1988). |
| <i>American Land Title Association v. Board of Governors</i> , No. 88-1872 (D.C. Cir., filed December 16, 1988). | <i>Baugh v. Board of Governors</i> , No. C88-3037 (N.D. Iowa, filed April 8, 1988). |
| | <i>Bonilla v. Board of Governors</i> , No. 88-1464 (7th Cir., filed March 11, 1988). |
| | <i>Cohen v. Board of Governors</i> , No. 88-1061 (D.N.J., filed March 7, 1988). |

Stoddard v. Board of Governors, No. 88-1148 (D.C. Cir., filed February 25, 1988).

Independent Insurance Agents of America, Inc. v. Board of Governors, No. 87-1686 (D.C. Cir., filed November 19, 1987).

National Association of Casualty and Surety Agents, et al., v. Board of Governors, Nos. 87-1644, 87-1801, 88-1001 88-1206, 88-1245, 88-1270 (D.C. Cir., filed Nov. 4, Dec. 21, 1987, Jan. 4, March 18, March 30, April 7, 1988).

Teichgraeber v. Board of Governors, No. 87-2505-0 (D. Kan., filed Oct. 16, 1987).

National Association of Casualty & Insurance Agents v. Board of Governors, Nos. 87-1354, 87-1355 (D.C. Cir., filed July 29, 1987).

The Chase Manhattan Corporation v. Board of Governors, No. 87-1333 (D.C. Cir., filed July 20, 1987).

Lewis v. Board of Governors, Nos. 87-3455, 87-3545 (11th Cir., filed June 25, Aug. 3, 1987).

Financial and Business Statistics

NOTE. The following tables may have some discontinuities in historical data for some series beginning with the March 1989 issue: 1.10, 1.17, 1.20, 1.21, 1.22, 1.23, 1.24, 1.25, 1.26, 1.28, 1.30, 1.31, 1.32, 1.35, 1.36, 1.37, 1.39, 1.40, 1.41, 1.42,

1.43, 1.45, 1.46, 1.47, 1.48, 1.50, 1.53, 1.54, 1.55, 1.56, 2.11, 2.14, 2.15, 2.16, 2.17, 3.14, and 3.21. For a more detailed explanation of the changes, see the announcement on pages 288–89 of the April 1989 BULLETIN.

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

Annual rates of change, seasonally adjusted in percent¹

| Monetary and credit aggregates | 1988 | | | 1989 | 1988 | 1989 | | | |
|---|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------|
| | Q2 | Q3 | Q4 | Q1 ^r | Dec. ^r | Jan. ^r | Feb. ^r | Mar. ^r | Apr. |
| <i>Reserves of depository institutions²</i> | | | | | | | | | |
| 1 Total | 6.1 ^r | 3.1 ^r | -8 ^r | -4.2 | -2.9 | -6.6 | -2.2 | -8.1 | 7.6 |
| 2 Required | 7.5 ^r | 2.9 ^r | -1.5 ^r | -4.4 | -1.4 | -8.9 | -2.4 | -4.3 | -4.3 |
| 3 Nonborrowed | -6.2 ^r | 1.3 ^r | 5.3 | .0 | 20.7 | -5.7 | 1.3 | -14.9 | -17.7 |
| 4 Monetary base ³ | 7.3 ^r | 6.5 ^r | 4.8 ^r | 4.6 | 4.9 | 5.6 | 3.3 | 4.6 | .3 |
| <i>Concepts of money, liquid assets, and debt⁴</i> | | | | | | | | | |
| 5 M1 | 6.4 | 5.2 | 2.3 | -4 | 5.5 | -6.1 | 1.7 | -1.8 | 4.7 |
| 6 M2 | 6.9 | 3.8 | 3.6 | 1.9 | 3.9 | -1.4 | 1.6 | 4.0 | .8 |
| 7 M3 | 7.2 | 5.6 ^r | 4.9 ^r | 3.9 | 5.5 | 1.5 | 3.0 | 6.8 | 2.5 |
| 8 L | 8.5 | 7.2 ^r | 5.7 ^r | 5.4 | 9.9 | 1.4 | 3.8 | 9.1 | n.a. |
| 9 Debt | 8.6 | 8.4 | 8.5 | 8.5 | 7.9 | 7.6 | 9.8 | 9.0 | n.a. |
| <i>Nontransaction components</i> | | | | | | | | | |
| 10 In M2 ⁵ | 7.1 | 3.3 | 4.1 | 2.7 | 3.4 | .1 | 1.5 | 5.9 | 2.6 |
| 11 In M3 only ⁶ | 8.3 | 12.2 ^r | 9.5 ^r | 10.9 | 11.1 | 12.2 | 7.9 | 16.9 | 8.8 |
| <i>Time and savings deposits</i> | | | | | | | | | |
| <i>Commercial banks</i> | | | | | | | | | |
| 12 Savings ⁷ | 10.4 | 7.9 | 4.0 ^r | -3.7 | -2.0 | -10.3 | -3.1 | -10.8 | -19.0 |
| 13 Small-denomination time ⁸ | 12.9 | 11.6 | 18.0 | 22.5 | 18.3 | 21.5 | 26.5 | 28.6 | 34.6 |
| 14 Large-denomination time ^{9,10} | 9.1 | 18.2 | 13.0 | 18.1 | 12.2 | 19.1 | 24.3 | 22.9 | 22.3 |
| <i>Thrift institutions</i> | | | | | | | | | |
| 15 Savings ⁷ | 2.6 | 2.1 | -2.5 | -7.7 | -1.1 | -9.2 | -13.6 | -10.6 | -25.4 |
| 16 Small-denomination time | 12.5 | 5.4 | 6.6 | 4.3 | 1.6 | 5.3 | 5.4 | 3.3 | 16.5 |
| 17 Large-denomination time ⁹ | 9.2 | 3.9 | 7.9 | 1.2 | -2.4 | 5.9 | -2.1 | -.3 | 12.7 |
| <i>Debt components⁴</i> | | | | | | | | | |
| 18 Federal | 8.3 | 7.1 | 7.8 | 7.7 | 7.7 | 4.7 | 9.9 | 12.6 | n.a. |
| 19 Nonfederal | 8.7 | 8.8 | 8.8 ^r | 8.8 | 8.0 | 8.5 | 9.7 | 8.0 | n.a. |

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

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

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

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

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

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

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

institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government.

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

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

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

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

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

7. Excludes MMDAs.

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

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

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

A4 Domestic Financial Statistics □ July 1989

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

| Factors | Monthly averages of daily figures | | | Weekly averages of daily figures for week ending | | | | | | |
|--|-----------------------------------|---------|---------|--|---------|---------|---------|---------|---------|---------|
| | 1989 | | | 1989 | | | | | | |
| | Feb. | Mar. | Apr. | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve Bank credit | 254,480 | 258,135 | 264,245 | 258,769 | 257,115 | 259,100 | 258,100 | 262,397 | 263,435 | 263,494 |
| 2 U.S. government securities ¹ | 225,591 | 228,808 | 233,003 | 229,656 | 228,666 | 228,465 | 227,847 | 231,549 | 232,446 | 232,832 |
| 3 Bought outright | 225,591 | 228,808 | 231,215 | 229,656 | 228,666 | 228,465 | 227,847 | 231,549 | 231,888 | 231,299 |
| 4 Held under repurchase agreements | 0 | 0 | 1,788 | 0 | 0 | 0 | 0 | 0 | 588 | 1,533 |
| 5 Federal agency obligations | 6,792 | 6,779 | 7,400 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 6,921 | 7,173 |
| 6 Bought outright | 6,792 | 6,779 | 6,738 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 6,674 |
| 7 Held under repurchase agreements | 0 | 0 | 662 | 0 | 0 | 0 | 0 | 0 | 142 | 499 |
| 8 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 Loans | 1,487 | 1,838 | 2,326 | 1,753 | 1,419 | 2,018 | 2,334 | 2,256 | 2,907 | 2,019 |
| 10 Float | 1,254 | 1,131 | 800 | 1,059 | 726 | 1,582 | 1,160 | 1,277 | 543 | 369 |
| 11 Other Federal Reserve assets | 19,357 | 19,580 | 20,716 | 19,521 | 19,526 | 20,255 | 19,980 | 20,536 | 20,617 | 21,102 |
| 12 Gold stock ² | 11,060 | 11,061 | 11,061 | 11,061 | 11,060 | 11,061 | 11,061 | 11,060 | 11,061 | 11,061 |
| 13 Special drawing rights certificate account | 5,018 | 5,095 | 5,508 | 5,018 | 5,075 | 5,204 | 5,432 | 5,518 | 5,518 | 5,518 |
| 14 Treasury currency outstanding | 18,890 | 18,938 | 18,989 | 18,932 | 18,942 | 18,952 | 18,963 | 18,977 | 18,991 | 19,003 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 240,493 | 242,016 | 243,781 | 242,112 | 242,255 | 242,352 | 243,128 | 244,187 | 244,251 | 243,498 |
| 16 Treasury cash holdings ² | 428 | 449 | 473 | 447 | 451 | 456 | 460 | 470 | 479 | 477 |
| 17 Deposits, other than reserve balances, with Federal Reserve Banks | 5,713 | 5,155 | 8,798 | 5,440 | 4,220 | 5,950 | 4,825 | 6,463 | 6,964 | 8,120 |
| 18 Treasury | 264 | 228 | 240 | 249 | 217 | 210 | 286 | 216 | 227 | 207 |
| 19 Foreign | 1,967 | 2,054 | 2,125 | 2,033 | 2,241 | 2,097 | 2,003 | 2,477 | 2,085 | 1,999 |
| 20 Service-related balances and adjustments | 349 | 406 | 373 | 337 | 439 | 472 | 352 | 321 | 310 | 437 |
| 21 Other | 7,744 | 8,025 | 8,121 | 7,933 | 8,136 | 8,106 | 7,728 | 7,779 | 8,236 | 8,220 |
| 22 Other Federal Reserve liabilities and capital | 32,489 | 34,896 | 35,893 | 35,228 | 34,234 | 34,674 | 34,774 | 36,039 | 36,453 | 36,118 |
| 22 Reserve balances with Federal Reserve Banks ³ | | | | | | | | | | |
| End-of-month figures | | | | Wednesday figures | | | | | | |
| 1989 | | | | 1989 | | | | | | |
| | Feb. | Mar. | Apr. | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 23 Reserve Bank credit | 258,429 | 258,215 | 279,013 | 258,317 | 258,051 | 258,208 | 255,866 | 260,806 | 270,211 | 268,396 |
| 24 U.S. government securities ¹ | 229,499 | 228,643 | 244,506 | 229,212 | 228,207 | 227,924 | 224,317 | 230,451 | 234,000 | 236,004 |
| 25 Bought outright | 229,499 | 228,643 | 234,808 | 229,212 | 228,207 | 227,924 | 224,317 | 230,451 | 229,883 | 229,723 |
| 26 Held under repurchase agreements | 0 | 0 | 9,698 | 0 | 0 | 0 | 0 | 0 | 4,117 | 6,281 |
| 27 Federal agency obligations | 6,779 | 6,779 | 10,495 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 7,775 | 8,711 |
| 28 Bought outright | 6,779 | 6,779 | 6,654 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 6,779 | 6,654 |
| 29 Held under repurchase agreements | 0 | 0 | 3,841 | 0 | 0 | 0 | 0 | 0 | 996 | 2,057 |
| 30 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 Loans | 1,602 | 2,454 | 1,952 | 1,391 | 2,262 | 2,305 | 2,505 | 2,288 | 6,669 | 1,759 |
| 32 Float | 1,296 | 559 | 545 | 1,441 | 872 | 920 | 2,080 | 745 | 917 | 789 |
| 33 Other Federal Reserve assets | 19,253 | 19,780 | 21,515 | 19,494 | 19,931 | 20,280 | 20,185 | 20,543 | 20,850 | 21,133 |
| 34 Gold stock ² | 11,061 | 11,061 | 11,061 | 11,060 | 11,060 | 11,061 | 11,060 | 11,060 | 11,061 | 11,060 |
| 35 Special drawing rights certificate account | 5,018 | 5,368 | 5,518 | 5,018 | 5,168 | 5,368 | 5,518 | 5,518 | 5,518 | 5,518 |
| 36 Treasury currency outstanding | 18,911 | 18,961 | 19,017 | 18,941 | 18,951 | 18,961 | 18,975 | 18,989 | 19,003 | 19,003 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 37 Currency in circulation | 240,733 | 242,880 | 243,411 | 242,438 | 242,483 | 242,818 | 243,648 | 244,575 | 244,204 | 243,473 |
| 38 Treasury cash holdings ² | 432 | 457 | 476 | 450 | 456 | 457 | 468 | 479 | 477 | 478 |
| 39 Deposits, other than reserve balances, with Federal Reserve Banks | 6,298 | 4,462 | 22,952 | 4,283 | 5,012 | 5,254 | 5,697 | 5,787 | 13,395 | 13,429 |
| 40 Treasury | 326 | 351 | 352 | 269 | 207 | 224 | 207 | 177 | 194 | 166 |
| 41 Foreign | 1,595 | 1,671 | 1,667 | 1,600 | 1,600 | 1,671 | 1,671 | 1,672 | 1,671 | 1,667 |
| 42 Service-related balances and adjustments | 517 | 380 | 481 | 474 | 370 | 593 | 296 | 286 | 298 | 596 |
| 43 Other | 8,127 | 7,681 | 8,969 | 7,689 | 7,880 | 7,874 | 7,437 | 7,818 | 8,059 | 8,243 |
| 44 Other Federal Reserve liabilities and capital | 35,390 | 35,723 | 37,968 | 36,133 | 35,222 | 34,707 | 31,994 | 35,579 | 37,495 | 35,925 |
| 44 Reserve balances with Federal Reserve Banks ³ | | | | | | | | | | |

1. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and scheduled to be bought back under matched sale-purchase transactions.

2. Revised for periods between October 1986 and April 1987. At times during this interval, outstanding gold certificates were inadvertently in excess of the gold

stock. Revised data not included in this table are available from the Division of Research and Statistics, Banking Section.

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

NOTE: For amounts of currency and coin held as reserves, see table 1.12.

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

| Reserve classification | Monthly averages ⁹ | | | | | | | | | |
|--|-------------------------------|---------|--------|---------|--------|---------|---------------------|----------------------|---------------------|--------|
| | 1986 | 1987 | 1988 | 1988 | | | 1989 | | | |
| | Dec. | Dec. | Dec. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Reserve balances with Reserve Banks ² | 37,360 | 37,673 | 37,830 | 36,421 | 36,997 | 37,830 | 36,475 | 32,834 | 34,623 ^r | 35,841 |
| 2 Total vault cash ³ | 24,077 | 26,185 | 27,197 | 27,198 | 26,745 | 27,197 | 28,376 | 29,776 | 27,059 | 26,746 |
| 3 Vault ⁴ | 22,199 | 24,449 | 25,909 | 25,494 | 25,410 | 25,909 | 26,993 | 27,859 | 25,589 | 25,456 |
| 4 Surplus ⁵ | 1,878 | 1,736 | 1,288 | 1,705 | 1,335 | 1,288 | 1,383 | 1,917 | 1,470 | 1,290 |
| 5 Total reserves ⁶ | 59,560 | 62,123 | 63,739 | 61,915 | 62,407 | 63,739 | 63,468 | 60,693 | 60,212 ^r | 61,297 |
| 6 Required reserves | 58,191 | 61,094 | 62,699 | 60,853 | 61,287 | 62,699 | 62,323 | 59,539 | 59,255 | 60,511 |
| 7 Excess reserve balances at Reserve Banks ⁷ | 1,369 | 1,029 | 1,040 | 1,062 | 1,119 | 1,040 | 1,145 | 1,154 | 957 ^r | 787 |
| 8 Total borrowings at Reserve Banks | 827 | 777 | 1,716 | 2,299 | 2,861 | 1,716 | 1,662 | 1,487 | 1,813 | 2,289 |
| 9 Seasonal borrowings at Reserve Banks | 38 | 93 | 130 | 332 | 186 | 130 | 76 | 97 | 139 | 213 |
| 10 Extended credit at Reserve Banks ⁸ | 303 | 483 | 1,244 | 1,781 | 2,322 | 1,244 | 1,046 | 1,050 | 1,334 | 1,707 |
| Biweekly averages of daily figures for weeks ending | | | | | | | | | | |
| 1989 | | | | | | | | | | |
| | Jan. 11 | Jan. 25 | Feb. 8 | Feb. 22 | Mar. 8 | Mar. 22 | Apr. 5 ^r | Apr. 19 ^r | May 3 | May 17 |
| 11 Reserve balances with Reserve Banks ² | 38,724 | 36,514 | 32,260 | 32,455 | 34,485 | 34,702 | 34,623 | 36,239 | 35,889 | 33,892 |
| 12 Total vault cash ³ | 27,904 | 27,414 | 31,488 | 29,739 | 27,581 | 26,738 | 27,095 | 26,339 | 27,106 | 26,644 |
| 13 Vault ⁴ | 26,679 | 26,243 | 29,318 | 27,838 | 25,962 | 25,332 | 25,659 | 25,174 | 25,723 | 25,352 |
| 14 Surplus ⁵ | 1,225 | 1,171 | 2,170 | 1,901 | 1,620 | 1,406 | 1,436 | 1,166 | 1,383 | 1,292 |
| 15 Total reserves ⁶ | 65,403 | 62,757 | 61,578 | 60,293 | 60,446 | 60,034 | 60,282 | 61,413 | 61,612 | 59,244 |
| 16 Required reserves | 64,256 | 61,786 | 60,035 | 59,278 | 59,490 | 59,299 | 58,977 | 61,190 | 60,344 | 58,369 |
| 17 Excess reserve balances at Reserve Banks ⁷ | 1,147 | 972 | 1,543 | 1,016 | 957 | 735 | 1,305 | 223 | 1,269 | 876 |
| 18 Total borrowings at Reserve Banks | 2,048 | 1,527 | 1,270 | 1,477 | 1,800 | 1,586 | 2,177 | 2,582 | 1,968 | 1,739 |
| 19 Seasonal borrowings at Reserve Banks | 94 | 61 | 78 | 99 | 116 | 136 | 167 | 190 | 265 | 323 |
| 20 Extended credit at Reserve Banks ⁸ | 1,208 | 1,028 | 792 | 1,111 | 1,250 | 1,164 | 1,675 | 1,970 | 1,387 | 1,213 |

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

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

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

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

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

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

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

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

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

9. Data are prorated monthly averages of biweekly averages.

A6 Domestic Financial Statistics □ July 1989

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Member Banks¹

Averages of daily figures, in millions of dollars

| Maturity and source | 1988 week ending Monday | | | | | | | | |
|--|-------------------------|---------|--------|---------|---------|---------|--------|--------|---------|
| | June 20 | June 27 | July 4 | July 11 | July 18 | July 25 | Aug. 1 | Aug. 8 | Aug. 15 |
| <i>Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds</i> | | | | | | | | | |
| 1 From commercial banks in the United States | | | | | | | | | |
| 1 For one day or under continuing contract | 70,096 | 66,210 | 75,686 | 72,579 | 70,622 | 68,388 | 71,992 | 67,616 | 69,245 |
| 2 For all other maturities | 11,008 | 10,981 | 10,101 | 10,493 | 10,721 | 10,653 | 11,289 | 10,782 | 11,136 |
| 2 From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies | | | | | | | | | |
| 3 For one day or under continuing contract | 31,159 | 29,594 | 29,279 | 30,899 | 30,891 | 28,342 | 26,473 | 28,408 | 27,188 |
| 4 For all other maturities | 7,176 | 6,487 | 6,326 | 5,900 | 5,792 | 5,682 | 5,947 | 6,654 | 7,463 |
| <i>Repurchase agreements on U.S. government and federal agency securities in immediately available funds</i> | | | | | | | | | |
| 5 Brokers and nonbank dealers in securities | | | | | | | | | |
| 5 For one day or under continuing contract | 15,705 | 14,676 | 14,746 | 14,510 | 14,962 | 14,802 | 15,502 | 16,127 | 16,293 |
| 6 For all other maturities | 15,692 | 15,319 | 13,027 | 13,204 | 14,749 | 15,276 | 15,402 | 15,083 | 14,913 |
| 6 All other customers | | | | | | | | | |
| 7 For one day or under continuing contract | 25,348 | 25,741 | 24,921 | 24,778 | 24,766 | 26,015 | 26,956 | 26,384 | 26,803 |
| 8 For all other maturities | 10,794 | 10,766 | 9,658 | 9,192 | 9,064 | 9,332 | 9,970 | 9,845 | 10,381 |
| 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 | 36,889 | 33,377 | 38,379 | 34,467 | 37,210 | 34,405 | 35,329 | 34,700 | 35,575 |
| 10 To all other specified customers ² | 16,479 | 13,030 | 15,731 | 13,947 | 16,052 | 14,474 | 14,160 | 15,158 | 15,511 |

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

| Federal Reserve Bank | Current and previous levels | | | | | | | | | |
|----------------------|--|----------------|---------------|------------------------------|----------------|---------------|---|----------------|---------------|----------------|
| | Adjustment credit and Seasonal credit ¹ | | | Extended credit ² | | | | | | |
| | | | | First 30 days of borrowing | | | After 30 days of borrowing ³ | | | |
| | On 5/26/89 | Effective date | Previous rate | On 5/26/89 | Effective date | Previous rate | On 5/26/89 | Effective date | Previous rate | Effective date |
| Boston | 7 | 2/24/89 | 6½ | 7 | 2/24/89 | 6½ | 10.25 | 5/18/89 | 10.35 | 5/4/89 |
| New York | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Philadelphia | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Cleveland | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Richmond | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Atlanta | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Chicago | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| St. Louis | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Minneapolis | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Kansas City | | 2/24/89 | | | 2/24/89 | | | 5/18/89 | | 5/4/89 |
| Dallas | | 2/27/89 | | | 2/27/89 | | | 5/18/89 | | 5/4/89 |
| San Francisco | 7 | 2/24/89 | 6½ | 7 | 2/24/89 | 6½ | 10.25 | 5/18/89 | 10.35 | 5/4/89 |

Range of rates for adjustment credit in recent years⁴

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

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

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

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

3. For extended-credit loans outstanding more than 30 days, a flexible rate somewhat above rates on market sources of funds ordinarily will be charged, but

in no case will the rate charged be less than the basic discount rate plus 50 basis points. The flexible rate is reestablished on the first business day of each two-week reserve maintenance period. At the discretion of the Federal Reserve Bank, the time period for which the basic discount rate is applied may be shortened.

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

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

I.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

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 |
| <i>Net transaction accounts</i> ^{3,4} | | |
| \$0 million-\$41.5 million | 3 | 12/20/88 |
| More than \$41.5 million | 12 | 12/20/88 |
| <i>Nonpersonal time deposits</i> ⁵ | | |
| By original maturity | | |
| Less than 1½ years | 3 | 10/6/83 |
| 1½ years or more | 0 | 10/6/83 |
| <i>Eurocurrency liabilities</i> | | |
| All types | 3 | 11/13/80 |

1. Reserve requirements in effect on Dec. 31, 1988. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers 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* and of the FEDERAL RESERVE BULLETIN. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

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

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

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

4. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 20, 1988 for institutions reporting quarterly and Dec. 27, 1988 for institutions reporting weekly, the amount was increased from \$40.5 million to \$41.5 million.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

| Type of transaction | 1986 | 1987 | 1988 | 1988 | | | | 1989 | | |
|---|---------|---------|-----------|---------|--------|---------|--------|--------|---------|--------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| U.S. TREASURY SECURITIES | | | | | | | | | | |
| <i>Outright transactions (excluding matched transactions)</i> | | | | | | | | | | |
| Treasury bills | | | | | | | | | | |
| 1 Gross purchases | 22,604 | 18,983 | 8,223 | 1,280 | 375 | 3,599 | 1,125 | 0 | 0 | 0 |
| 2 Gross sales | 2,502 | 6,051 | 587 | 0 | 0 | 0 | 0 | 154 | 3,688 | 0 |
| 3 Exchange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 Redemptions | 1,000 | 9,029 | 2,200 | 0 | 0 | 0 | 0 | 600 | 1,600 | 0 |
| Others within 1 year | | | | | | | | | | |
| 5 Gross purchases | 190 | 3,659 | 2,176 | 0 | 0 | 0 | 1,084 | 0 | 0 | 0 |
| 6 Gross sales | 0 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 Maturity shift | 18,674 | 21,504 | 23,854 | 1,368 | 1,669 | 5,264 | 1,750 | 620 | 5,418 | 2,646 |
| 8 Exchange | -20,180 | -20,388 | -24,588 | -1,646 | -916 | -2,391 | -1,703 | -2,703 | -2,308 | -2,322 |
| 9 Redemptions | 0 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 to 5 years | | | | | | | | | | |
| 10 Gross purchases | 893 | 10,231 | 5,485 | 0 | 0 | 0 | 1,824 | 0 | 0 | 0 |
| 11 Gross sales | 0 | 452 | 800 | 0 | 0 | 0 | 0 | 3 | 225 | 0 |
| 12 Maturity shift | -17,058 | -17,975 | -17,720 | -1,368 | -1,544 | -3,088 | -1,750 | -541 | -5,319 | -2,646 |
| 13 Exchange | 16,985 | 18,938 | 22,515 | 1,646 | 639 | 2,091 | 1,703 | 2,492 | 2,008 | 2,322 |
| 5 to 10 years | | | | | | | | | | |
| 14 Gross purchases | 236 | 2,441 | 1,579 | 0 | 0 | 0 | 562 | 0 | 0 | 0 |
| 15 Gross sales | 0 | 0 | 175 | 0 | 0 | 0 | 0 | 20 | 0 | 0 |
| 16 Maturity shift | -1,620 | -3,529 | -5,946 | 0 | -125 | -2,145 | 0 | -79 | -100 | 0 |
| 17 Exchange | 2,050 | 950 | 1,797 | 0 | 276 | 300 | 0 | 212 | 200 | 0 |
| Over 10 years | | | | | | | | | | |
| 18 Gross purchases | 158 | 1,858 | 1,398 | 0 | 0 | 0 | 432 | 0 | 0 | 0 |
| 19 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 Maturity shift | 0 | 0 | -188 | 0 | 0 | -31 | 0 | 0 | 0 | 0 |
| 21 Exchange | 1,150 | 500 | 275 | 0 | 0 | 0 | 0 | 0 | 100 | 0 |
| All maturities | | | | | | | | | | |
| 22 Gross purchases | 24,081 | 37,170 | 18,863 | 1,280 | 375 | 3,599 | 5,028 | 0 | 0 | 0 |
| 23 Gross sales | 2,502 | 6,803 | 1,562 | 0 | 0 | 0 | 0 | 177 | 3,913 | 0 |
| 24 Redemptions | 1,000 | 9,099 | 2,200 | 0 | 0 | 0 | 0 | 600 | 1,600 | 0 |
| <i>Matched transactions</i> | | | | | | | | | | |
| 25 Gross sales | 927,999 | 950,923 | 1,168,484 | 113,886 | 98,804 | 98,618 | 93,650 | 94,204 | 110,393 | 83,677 |
| 26 Gross purchases | 927,247 | 950,935 | 1,168,142 | 113,384 | 97,897 | 100,680 | 93,584 | 94,252 | 112,472 | 82,821 |
| <i>Repurchase agreements²</i> | | | | | | | | | | |
| 27 Gross purchases | 170,431 | 314,621 | 152,613 | 35,800 | 4,715 | 17,867 | 15,575 | 17,208 | 0 | 0 |
| 28 Gross sales | 160,268 | 324,666 | 151,497 | 30,191 | 7,727 | 16,463 | 14,815 | 21,969 | 0 | 0 |
| 29 Net change in U.S. government securities | 29,988 | 11,234 | 15,872 | 6,386 | -3,544 | 7,064 | 5,721 | -5,489 | -3,434 | -856 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| <i>Outright transactions</i> | | | | | | | | | | |
| 30 Gross purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Redemptions | 398 | 276 | 587 | 0 | 75 | 14 | 135 | 148 | 40 | 0 |
| <i>Repurchase agreements²</i> | | | | | | | | | | |
| 33 Gross purchases | 31,142 | 80,353 | 57,259 | 12,107 | 2,223 | 4,763 | 7,672 | 8,980 | 0 | 0 |
| 34 Gross sales | 30,521 | 81,350 | 56,471 | 8,225 | 4,454 | 5,132 | 6,853 | 11,081 | 0 | 0 |
| 35 Net change in federal agency obligations | 222 | -1,274 | 198 | 3,882 | -2,306 | -383 | 683 | -2,249 | -40 | 0 |
| 36 Total net change in System Open Market Account | 30,212 | 9,961 | 16,070 | 10,268 | -5,850 | 6,681 | 6,404 | -7,738 | -3,474 | -856 |

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

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

A10 Domestic Financial Statistics □ July 1989

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

| Account | Wednesday | | | | | End of month | | |
|---|-----------|---------|---------|---------|---------|--------------|---------|---------|
| | 1989 | | | | | 1989 | | |
| | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | Feb. | Mar. | Apr. |
| Consolidated condition statement | | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,061 | 11,060 | 11,060 | 11,061 | 11,060 | 11,057 | 11,061 | 11,061 |
| 2 Special drawing rights certificate account | 5,368 | 5,518 | 5,518 | 5,518 | 5,518 | 5,018 | 5,368 | 5,518 |
| 3 Coin | 490 | 476 | 470 | 469 | 470 | 480 | 481 | 466 |
| Loans | | | | | | | | |
| 4 To depository institutions | 2,305 | 2,505 | 2,288 | 6,669 | 1,759 | 863 | 2,454 | 1,952 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Acceptances held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency obligations | | | | | | | | |
| 7 Bought outright | 6,779 | 6,779 | 6,779 | 6,779 | 6,654 | 6,819 | 6,779 | 6,654 |
| 8 Held under repurchase agreements | 0 | 0 | 0 | 996 | 2,057 | 0 | 0 | 3,841 |
| U.S. Treasury securities | | | | | | | | |
| Bought outright | | | | | | | | |
| 9 Bills | 107,292 | 103,685 | 107,640 | 107,072 | 106,912 | 112,076 | 108,011 | 111,997 |
| 10 Notes | 90,603 | 90,603 | 92,497 | 92,497 | 92,497 | 90,928 | 90,603 | 92,497 |
| 11 Bonds | 30,029 | 30,029 | 30,314 | 30,314 | 30,314 | 29,929 | 30,029 | 30,314 |
| 12 Total bought outright ² | 227,924 | 224,317 | 230,451 | 229,883 | 229,723 | 232,933 | 228,643 | 234,808 |
| 13 Held under repurchase agreements | 0 | 0 | 0 | 4,117 | 6,281 | 0 | 0 | 9,698 |
| 14 Total U.S. Treasury securities | 227,924 | 224,317 | 230,451 | 234,000 | 236,004 | 232,933 | 228,643 | 244,506 |
| 15 Total loans and securities | 237,008 | 233,601 | 239,518 | 248,444 | 246,474 | 240,615 | 237,876 | 256,953 |
| 16 Items in process of collection | 6,709 | 9,168 | 7,046 | 8,094 | 7,462 | 9,959 | 7,069 | 8,294 |
| 17 Bank premises | 758 | 761 | 759 | 759 | 760 | 754 | 761 | 761 |
| Other assets | | | | | | | | |
| 18 Denominated in foreign currencies ³ | 10,661 | 10,673 | 10,739 | 10,777 | 10,788 | 9,824 | 10,471 | 10,911 |
| 19 All other ⁴ | 8,861 | 8,751 | 9,045 | 9,314 | 9,585 | 9,065 | 8,548 | 9,843 |
| 20 Total assets | 280,916 | 280,008 | 284,155 | 294,436 | 292,117 | 286,771 | 281,635 | 303,807 |
| LIABILITIES | | | | | | | | |
| 21 Federal Reserve notes | 224,804 | 225,618 | 226,535 | 226,147 | 225,418 | 221,619 | 224,857 | 225,336 |
| Deposits | | | | | | | | |
| 22 To depository institutions | 36,378 | 33,665 | 37,251 | 39,166 | 37,592 | 35,810 | 37,394 | 37,968 |
| 23 U.S. Treasury—General account | 5,254 | 5,697 | 5,787 | 13,395 | 13,429 | 11,766 | 4,462 | 22,952 |
| 24 Foreign—Official accounts | 224 | 207 | 177 | 194 | 166 | 279 | 351 | 352 |
| 25 Other | 593 | 296 | 286 | 298 | 596 | 390 | 380 | 481 |
| 26 Total deposits | 42,449 | 39,865 | 43,501 | 53,053 | 51,783 | 48,245 | 42,587 | 61,753 |
| 27 Deferred credit items | 5,789 | 7,088 | 6,301 | 7,177 | 6,673 | 9,161 | 6,510 | 7,749 |
| 28 Other liabilities and accrued dividends ⁵ | 3,191 | 3,087 | 3,151 | 3,394 | 3,549 | 3,079 | 3,265 | 3,990 |
| 29 Total liabilities | 276,233 | 275,658 | 279,488 | 289,771 | 287,423 | 282,104 | 277,219 | 298,828 |
| CAPITAL ACCOUNTS | | | | | | | | |
| 30 Capital paid in | 2,130 | 2,132 | 2,135 | 2,137 | 2,134 | 2,117 | 2,131 | 2,135 |
| 31 Surplus | 2,112 | 2,110 | 2,112 | 2,112 | 2,112 | 2,112 | 2,107 | 2,112 |
| 32 Other capital accounts | 441 | 108 | 420 | 416 | 448 | 438 | 194 | 732 |
| 33 Total liabilities and capital accounts | 280,916 | 280,008 | 284,155 | 294,436 | 292,117 | 286,771 | 281,635 | 303,807 |
| 34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts | 234,526 | 237,034 | 236,746 | 238,903 | 237,403 | 229,817 | 235,732 | 236,761 |
| Federal Reserve note statement | | | | | | | | |
| 35 Federal Reserve notes outstanding issued to bank | 268,437 | 268,327 | 268,837 | 269,432 | 269,819 | 269,942 | 268,232 | 270,007 |
| 36 LESS: Held by bank | 43,633 | 42,708 | 42,302 | 43,285 | 44,401 | 48,323 | 43,374 | 44,671 |
| 37 Federal Reserve notes, net | 224,804 | 225,618 | 226,535 | 226,147 | 225,418 | 221,619 | 224,857 | 225,336 |
| Collateral held against notes net: | | | | | | | | |
| 38 Gold certificate account | 11,061 | 11,060 | 11,060 | 11,061 | 11,060 | 11,057 | 11,061 | 11,061 |
| 39 Special drawing rights certificate account | 5,368 | 5,518 | 5,518 | 5,518 | 5,518 | 5,018 | 5,368 | 5,518 |
| 40 Other eligible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 41 U.S. Treasury and agency securities | 208,375 | 209,040 | 209,957 | 209,568 | 208,840 | 205,544 | 208,428 | 208,757 |
| 42 Total collateral | 224,804 | 225,618 | 226,535 | 226,147 | 225,418 | 221,619 | 224,857 | 225,336 |

1. Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover.

2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

3. Valued monthly at market exchange rates.

4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within 90 days.

5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

| Type and maturity groupings | Wednesday | | | | | End of month | | |
|---|-----------|---------|---------|---------|---------|--------------|---------|---------|
| | 1989 | | | | | 1989 | | |
| | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | Feb. 28 | Mar. 31 | Apr. 28 |
| 1 Loans—Total | 2,305 | 2,505 | 2,288 | 6,669 | 1,759 | 863 | 2,454 | 1,952 |
| 2 Within 15 days | 2,294 | 2,436 | 2,206 | 6,566 | 1,741 | 854 | 2,402 | 1,876 |
| 3 16 days to 90 days | 11 | 69 | 82 | 103 | 18 | 9 | 52 | 76 |
| 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 | 227,924 | 224,317 | 230,450 | 234,000 | 236,004 | 232,933 | 228,643 | 234,808 |
| 10 Within 15 days | 12,081 | 11,091 | 9,823 | 11,249 | 15,499 | 5,457 | 7,183 | 8,412 |
| 11 16 days to 90 days | 50,630 | 47,170 | 55,396 | 55,086 | 52,478 | 58,957 | 53,969 | 56,503 |
| 12 91 days to 1 year | 73,434 | 74,602 | 71,770 | 74,317 | 74,678 | 73,405 | 76,037 | 76,544 |
| 13 Over 1 year to 5 years | 51,989 | 51,664 | 53,101 | 53,003 | 53,004 | 55,524 | 51,664 | 53,004 |
| 14 Over 5 years to 10 years | 12,781 | 12,781 | 13,068 | 13,053 | 13,053 | 12,681 | 12,781 | 13,053 |
| 15 Over 10 years | 27,009 | 27,009 | 27,292 | 27,292 | 27,292 | 26,909 | 27,009 | 27,292 |
| 16 Federal agency obligations—Total | 6,779 | 6,779 | 6,779 | 7,775 | 8,711 | 6,819 | 6,779 | 6,654 |
| 17 Within 15 days | 240 | 190 | 179 | 1,260 | 2,142 | 136 | 240 | 85 |
| 18 16 days to 90 days | 726 | 758 | 699 | 614 | 719 | 835 | 726 | 719 |
| 19 91 days to 1 year | 1,279 | 1,297 | 1,292 | 1,292 | 1,280 | 1,303 | 1,279 | 1,279 |
| 20 Over 1 year to 5 years | 3,357 | 3,462 | 3,447 | 3,447 | 3,412 | 3,359 | 3,357 | 3,412 |
| 21 Over 5 years to 10 years | 988 | 930 | 973 | 973 | 970 | 997 | 988 | 970 |
| 22 Over 10 years | 189 | 142 | 189 | 189 | 188 | 189 | 189 | 189 |

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

| Item | 1985 Dec. † | 1986 Dec. † | 1987 Dec. † | 1988 Dec. † | 1988 [†] | | | | 1989 | | | |
|--|----------------|----------------|----------------|----------------|-------------------|--------|--------|--------|--------|--------|--------|--------|
| | | | | | Sept. | Oct. | Nov. | Dec. | Jan. † | Feb. † | Mar. † | Apr. |
| Seasonally adjusted | | | | | | | | | | | | |
| ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ² | | | | | | | | | | | | |
| 1 Total reserves ³ | 48.49 | 58.14 | 58.69 | 60.71 | 60.82 | 60.86 | 60.85 | 60.71 | 60.37 | 60.26 | 59.85 | 59.47 |
| 2 Nonborrowed reserves | 47.17 | 57.31 | 57.92 | 58.99 | 57.98 | 58.56 | 57.99 | 58.99 | 58.71 | 58.77 | 58.04 | 57.18 |
| 3 Nonborrowed reserves plus extended credit ⁴ | 47.67 | 57.62 | 58.40 | 60.23 | 60.04 | 60.34 | 60.31 | 60.23 | 59.75 | 59.82 | 59.38 | 58.89 |
| 4 Required reserves | 47.44 | 56.77 | 57.66 | 59.67 | 59.85 | 59.80 | 59.73 | 59.67 | 59.23 | 59.11 | 58.90 | 58.69 |
| 5 Monetary base ⁵ | 219.51 | 241.45 | 257.99 | 275.50 | 272.42 | 273.66 | 274.38 | 275.50 | 276.78 | 277.55 | 278.61 | 278.68 |
| Not seasonally adjusted | | | | | | | | | | | | |
| NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁶ | | | | | | | | | | | | |
| 6 Total reserves ³ | 49.59 | 59.46 | 60.06 | 62.21 | 60.51 | 60.37 | 60.96 | 62.21 | 62.07 | 59.37 | 58.94 | 60.02 |
| 7 Nonborrowed reserves | 48.27 | 58.64 | 59.28 | 60.50 | 57.67 | 58.07 | 58.10 | 60.50 | 60.40 | 57.88 | 57.13 | 57.73 |
| 8 Nonborrowed reserves plus extended credit ⁴ | 48.77 | 58.94 | 59.76 | 61.74 | 59.73 | 59.85 | 60.42 | 61.74 | 61.45 | 58.93 | 58.46 | 59.44 |
| 9 Required reserves | 48.53 | 58.09 | 59.03 | 61.17 | 59.53 | 59.31 | 59.84 | 61.17 | 60.92 | 58.22 | 57.98 | 59.23 |
| 10 Monetary base ⁵ | 222.73 | 245.25 | 262.08 | 279.71 | 271.44 | 272.29 | 275.32 | 279.71 | 277.92 | 274.36 | 275.62 | 278.13 |
| 11 Total reserves ³ | 48.14 | 59.56 | 62.12 | 63.74 | 62.15 | 61.92 | 62.41 | 63.74 | 63.47 | 60.69 | 60.21 | 61.30 |
| 12 Nonborrowed reserves | 46.82 | 58.73 | 61.35 | 62.02 | 59.31 | 59.62 | 59.55 | 62.02 | 61.81 | 59.21 | 58.40 | 59.01 |
| 13 Nonborrowed reserves plus extended credit ⁴ | 47.32 | 59.04 | 61.83 | 63.27 | 61.37 | 61.40 | 61.87 | 63.27 | 62.85 | 60.26 | 59.73 | 60.71 |
| 14 Required reserves | 47.08 | 58.19 | 61.09 | 62.70 | 61.18 | 60.85 | 61.29 | 62.70 | 62.32 | 59.54 | 59.25 | 60.51 |
| 15 Monetary base ⁵ | 223.53 | 247.71 | 266.16 | 283.18 | 274.87 | 275.78 | 278.65 | 283.18 | 281.31 | 277.66 | 278.94 | 281.53 |

1. Latest monthly and biweekly figures are available from the Board's H.3(502) statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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

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

4. Extended credit consists of borrowing at the discount window under

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

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

| Item ² | 1985 Dec. | 1986 Dec. | 1987 Dec. | 1988 Dec. | 1989 | | | |
|--|--------------|--------------|--------------|----------------------|----------------------|-------------------|-------------------|---------|
| | | | | | Jan. | Feb. ^f | Mar. ^f | Apr. |
| Seasonally adjusted | | | | | | | | |
| 1 M1 | 620.5 | 725.9 | 752.3 | 790.3 ^f | 786.3 | 787.4 | 786.3 | 783.2 |
| 2 M2 | 2,567.4 | 2,811.2 | 2,909.9 | 3,069.3 | 3,065.6 ^f | 3,069.7 | 3,079.8 | 3,081.8 |
| 3 M3 | 3,201.7 | 3,494.9 | 3,677.6 | 3,915.2 ^f | 3,920.1 ^f | 3,929.8 | 3,952.0 | 3,960.4 |
| 4 L | 3,830.6 | 4,137.1 | 4,340.5 | 4,681.4 ^f | 4,686.9 ^f | 4,701.8 | 4,737.6 | n.a. |
| 5 Debt | 6,719.9 | 7,576.8 | 8,283.9 | 8,995.5 ^f | 9,052.3 ^f | 9,125.9 | 9,194.7 | n.a. |
| M1 components | | | | | | | | |
| 6 Currency ³ | 167.8 | 180.5 | 196.4 | 211.8 | 213.4 | 214.3 | 215.6 | 215.9 |
| 7 Travelers checks ⁴ | 5.9 | 6.5 | 7.1 | 7.6 | 7.6 | 7.5 | 7.3 | 7.3 |
| 8 Demand deposits ⁵ | 267.3 | 303.2 | 288.3 | 288.6 | 284.0 | 284.8 | 284.3 | 281.5 |
| 9 Other checkable deposits ⁶ | 179.5 | 235.8 | 260.4 | 282.3 | 281.3 | 280.9 | 279.1 | 278.5 |
| Nontransactions components | | | | | | | | |
| 10 In M2 ⁷ | 1,946.9 | 2,085.3 | 2,157.7 | 2,279.1 | 2,279.3 ^f | 2,282.3 | 2,293.5 | 2,298.6 |
| 11 In M3 only ⁸ | 634.3 | 683.7 | 767.6 | 845.8 ^f | 854.4 ^f | 860.1 | 872.2 | 878.6 |
| Savings deposits ⁹ | | | | | | | | |
| 12 Commercial Banks | 125.0 | 155.8 | 178.5 | 192.5 | 190.8 | 190.3 | 188.6 | 185.6 |
| 13 Thrift institutions | 176.6 | 215.2 | 237.8 | 238.8 | 237.0 | 234.3 | 232.2 | 227.3 |
| Small-denomination time deposits ¹⁰ | | | | | | | | |
| 14 Commercial Banks | 383.3 | 364.6 | 385.3 | 443.1 | 451.0 ^f | 461.0 | 472.0 | 485.6 |
| 15 Thrift institutions | 499.2 | 489.3 | 528.8 | 582.2 | 584.7 ^f | 587.4 | 589.0 | 597.1 |
| Money market mutual funds | | | | | | | | |
| 16 General purpose and broker-dealer | 176.5 | 208.0 | 221.1 | 239.4 | 241.6 | 247.4 | 256.5 | 260.2 |
| 17 Institution-only | 64.5 | 84.4 | 89.6 | 87.6 | 89.3 | 89.6 | 87.6 | 87.7 |
| Large-denomination time deposits ¹¹ | | | | | | | | |
| 18 Commercial Banks ¹² | 285.1 | 288.8 | 325.4 | 364.9 | 370.7 ^f | 378.2 | 385.5 | 392.6 |
| 19 Thrift institutions | 151.5 | 150.1 | 162.0 | 172.9 | 173.7 | 173.4 | 173.4 | 175.2 |
| Debt components | | | | | | | | |
| 20 Federal debt | 1,585.3 | 1,805.8 | 1,957.5 | 2,113.8 | 2,122.1 | 2,139.6 | 2,162.0 | n.a. |
| 21 Nonfederal debt | 5,134.6 | 5,771.1 | 6,326.3 | 6,881.6 ^f | 6,930.2 ^f | 6,986.4 | 7,032.7 | n.a. |
| Not seasonally adjusted | | | | | | | | |
| 22 M1 | 633.5 | 740.4 | 766.4 | 804.4 ^f | 793.0 | 772.3 | 775.1 | 791.4 |
| 23 M2 | 2,576.2 | 2,821.1 | 2,918.7 | 3,077.0 | 3,075.9 ^f | 3,057.2 | 3,073.2 | 3,093.3 |
| 24 M3 | 3,213.3 | 3,507.4 | 3,688.5 | 3,925.0 ^f | 3,927.5 ^f | 3,917.7 | 3,946.8 | 3,965.9 |
| 25 L | 3,843.7 | 4,152.0 | 4,354.9 | 4,695.1 ^f | 4,703.6 ^f | 4,698.9 | 4,734.3 | n.a. |
| 26 Debt | 6,710.2 | 7,561.0 | 8,266.0 | 8,982.2 ^f | 9,037.1 ^f | 9,095.5 | 9,166.3 | n.a. |
| M1 components | | | | | | | | |
| 27 Currency ³ | 170.2 | 183.0 | 199.3 | 214.9 | 211.8 | 211.9 | 213.9 | 215.1 |
| 28 Travelers checks ⁴ | 5.5 | 6.0 | 6.5 | 6.9 | 7.0 | 7.1 | 7.0 | 7.0 |
| 29 Demand deposits ⁵ | 276.9 | 314.0 | 298.6 | 298.8 | 290.5 | 275.7 | 275.8 | 283.3 |
| 30 Other checkable deposits ⁶ | 180.9 | 237.4 | 262.0 | 283.7 | 283.7 | 277.6 | 278.3 | 286.0 |
| Nontransactions components | | | | | | | | |
| 31 M2 ⁷ | 1,942.7 | 2,080.7 | 2,152.3 | 2,272.7 | 2,282.9 ^f | 2,284.9 | 2,298.1 | 2,302.0 |
| 32 M3 only ⁸ | 637.1 | 686.3 | 769.8 | 848.0 ^f | 851.6 ^f | 860.5 | 873.6 | 872.6 |
| Money market deposit accounts | | | | | | | | |
| 33 Commercial Banks | 332.8 | 379.6 | 358.8 | 352.5 | 348.3 | 342.5 | 340.1 | 336.3 |
| 34 Thrift institutions | 180.7 | 192.9 | 167.5 | 150.3 | 146.8 | 142.9 | 140.2 | 135.0 |
| Savings deposits ⁹ | | | | | | | | |
| 35 Commercial Banks | 123.7 | 154.2 | 176.6 | 190.3 | 189.3 | 188.2 | 187.8 | 186.2 |
| 36 Thrift institutions | 174.8 | 212.7 | 234.8 | 235.6 | 233.6 | 230.5 | 230.7 | 227.9 |
| Small-denomination time deposits ¹⁰ | | | | | | | | |
| 37 Commercial Banks | 384.0 | 365.3 | 386.1 | 444.1 | 453.0 ^f | 462.8 | 473.0 | 483.6 |
| 38 Thrift institutions | 499.9 | 489.8 | 529.1 | 582.4 | 588.5 ^f | 591.6 | 592.0 | 598.0 |
| Money market mutual funds | | | | | | | | |
| 39 General purpose and broker-dealer | 176.5 | 208.0 | 221.1 | 239.4 | 241.6 | 247.4 | 256.5 | 260.2 |
| 40 Institution-only | 64.5 | 84.4 | 89.6 | 87.6 | 89.3 | 89.6 | 87.6 | 87.7 |
| Large-denomination time deposits ¹¹ | | | | | | | | |
| 41 Commercial Banks ¹² | 285.4 | 289.1 | 325.8 | 365.6 | 370.3 | 378.1 | 387.0 | 390.5 |
| 42 Thrift institutions | 151.8 | 150.7 | 163.0 | 174.0 | 174.9 | 174.3 | 173.2 | 173.7 |
| Debt components | | | | | | | | |
| 43 Federal debt | 1,583.7 | 1,803.9 | 1,955.6 | 2,111.8 | 2,121.4 | 2,133.6 | 2,148.9 | n.a. |
| 44 Nonfederal debt | 5,126.4 | 5,757.2 | 6,310.4 | 6,870.4 ^f | 6,915.8 ^f | 6,961.9 | 7,017.3 | n.a. |

For notes see following page.

NOTES TO TABLE 1.21

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Savings deposits exclude MMDAs.

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER¹

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

| Bank group, or type of customer | 1986 | 1987 | 1988 | 1988 | | | | 1989 | |
|----------------------------------|-----------|-----------|--------------------|-----------|--------------------|-----------|-----------|--------------------|-----------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
| DEBITS TO | | | | | | | | | |
| Seasonally adjusted | | | | | | | | | |
| Demand deposits ³ | | | | | | | | | |
| 1 All insured banks | 188,346.0 | 217,116.2 | 226,888.4 | 227,617.3 | 235,980.5 | 238,497.5 | 245,617.5 | 252,226.7 | 255,774.3 |
| 2 Major New York City banks | 91,397.3 | 104,496.3 | 107,547.3 | 108,741.8 | 114,876.4 | 112,071.8 | 111,115.5 | 109,875.9 | 121,770.1 |
| 3 Other banks | 96,948.8 | 112,619.8 | 119,341.2 | 118,875.5 | 121,104.1 | 126,425.7 | 134,502.0 | 142,350.8 | 134,004.2 |
| 4 ATS-NOW accounts ⁴ | 2,182.5 | 2,402.7 | 2,757.7 | 2,871.2 | 2,820.2 | 2,897.2 | 3,020.8 | 2,976.2 | 3,054.9 |
| 5 Savings deposits ⁵ | 403.5 | 526.5 | 583.0 | 578.6 | 521.3 | 574.9 | 640.7 | 647.4 | 649.2 |
| DEPOSIT TURNOVER | | | | | | | | | |
| Demand deposits ³ | | | | | | | | | |
| 6 All insured banks | 556.5 | 612.1 | 641.2 | 651.0 | 659.7 | 676.6 | 698.5 | 716.3 | 734.4 |
| 7 Major New York City banks | 2,498.2 | 2,670.6 | 2,903.5 | 3,102.4 | 3,086.1 | 3,034.6 | 3,140.7 | 3,113.7 | 3,618.0 |
| 8 Other banks | 321.2 | 357.0 | 376.8 | 377.9 | 377.9 | 400.6 | 425.3 | 449.3 | 425.9 |
| 9 ATS-NOW accounts ⁴ | 15.6 | 13.8 | 14.7 | 15.1 | 14.8 | 15.1 | 15.8 | 15.6 | 16.0 |
| 10 Savings deposits ⁵ | 3.0 | 3.1 | 3.1 | 3.1 | 2.8 | 3.1 | 3.4 | 3.5 | 3.5 |
| DEBITS TO | | | | | | | | | |
| Not seasonally adjusted | | | | | | | | | |
| Demand deposits ³ | | | | | | | | | |
| 11 All insured banks | 188,506.7 | 217,125.1 | 227,010.7 | 224,089.2 | 227,485.2 | 228,743.0 | 258,119.4 | 257,649.6 | 231,347.8 |
| 12 Major New York City banks | 91,500.1 | 104,518.8 | 91,242.6 | 107,115.7 | 111,019.4 | 108,689.1 | 117,470.7 | 112,480.2 | 110,047.2 |
| 13 Other banks | 97,006.7 | 112,606.2 | 119,445.7 | 116,973.5 | 116,465.8 | 120,053.9 | 140,648.8 | 145,169.4 | 121,300.6 |
| 14 ATS-NOW accounts ⁴ | 2,184.6 | 2,404.8 | 2,754.7 | 2,951.1 | 2,805.4 | 2,714.1 | 3,163.8 | 3,245.1 | 2,762.1 |
| 15 MMDA ⁶ | 1,609.4 | 1,954.2 | 2,430.1 | 2,409.4 | 2,325.8 | 2,539.7 | 2,940.5 | 3,072.5 | 2,622.4 |
| 16 Savings deposits ⁵ | 404.1 | 526.8 | 578.0 | 570.1 | 540.9 | 523.7 | 655.6 | 668.7 | 573.3 |
| DEPOSIT TURNOVER | | | | | | | | | |
| Demand deposits ³ | | | | | | | | | |
| 17 All insured banks | 556.7 | 612.3 | 641.7 ^r | 642.9 | 639.8 ^r | 643.3 | 699.1 | 713.7 | 683.1 |
| 18 Major New York City banks | 2,499.1 | 2,674.9 | 2,901.4 | 3,046.4 | 3,059.1 | 2,998.6 | 3,058.1 | 2,998.6 | 3,255.7 |
| 19 Other banks | 321.2 | 356.9 | 377.1 | 373.3 | 364.8 | 375.9 | 425.2 | 448.7 ^r | 397.8 |
| 20 ATS-NOW accounts ⁴ | 15.6 | 13.8 | 14.7 | 15.6 | 14.9 | 14.3 | 16.3 | 16.7 | 14.5 |
| 21 MMDA ⁶ | 4.5 | 5.3 | 6.9 | 6.9 | 6.7 | 7.3 | 8.4 | 8.9 | 7.8 |
| 22 Savings deposits ⁵ | 3.0 | 3.1 | 3.1 | 3.1 | 2.9 | 2.8 | 3.5 | 3.6 | 3.1 |

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

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

2. Annual averages of monthly figures.

3. Represents accounts of individuals, partnerships, and corporations and

of states and political subdivisions.

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

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

6. Money market deposit accounts.

A16 Domestic Financial Statistics □ July 1989

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

| Category | 1988 | | | | | | | | 1989 | | | |
|--|---------|---------|---------|---------|---------|---------|---------|--------------------|-------------------|-------------------|----------------------|---------|
| | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| Seasonally adjusted | | | | | | | | | | | | |
| 1 Total loans and securities ² | 2,325.5 | 2,343.5 | 2,358.5 | 2,371.4 | 2,373.5 | 2,392.6 | 2,400.6 | 2,408.0 | 2,412.8 | 2,441.8 | 2,454.9 | 2,461.0 |
| 2 U.S. government securities | 346.4 | 348.8 | 349.3 | 350.9 | 353.2 | 356.0 | 358.5 | 362.4 | 361.8 | 363.4 | 370.3 | 372.2 |
| 3 Other securities | 196.4 | 196.7 | 196.9 | 196.7 | 195.4 | 196.6 | 195.3 | 192.9 | 188.0 | 188.5 | 187.8 | 185.3 |
| 4 Total loans and leases ² | 1,782.7 | 1,797.9 | 1,812.3 | 1,823.9 | 1,825.0 | 1,839.9 | 1,846.8 | 1,852.7 | 1,863.0 | 1,889.9 | 1,896.8 | 1,903.5 |
| 5 Commercial and industrial | 584.5 | 589.3 | 594.9 | 595.3 | 594.3 | 597.8 | 598.9 | 599.7 | 604.5 | 616.5 | 614.5 ⁷ | 616.3 |
| 6 Bankers acceptances held ³ | 4.4 | 4.3 | 4.3 | 4.2 | 4.1 | 4.1 | 4.3 | 4.1 | 4.3 | 4.1 | 4.0 | 4.0 |
| 7 Other commercial and industrial | 580.1 | 584.9 | 590.6 | 591.0 | 590.3 | 593.8 | 594.6 | 595.6 | 600.2 | 612.4 | 610.5 ⁷ | 612.3 |
| 8 U.S. addressees ⁴ | 573.2 | 578.1 | 583.7 | 584.4 | 583.5 | 587.3 | 588.5 | 589.6 | 594.5 | 607.5 | 605.0 ⁷ | 607.4 |
| 9 Non-U.S. addressees ⁴ | 6.9 | 6.8 | 6.9 | 6.7 | 6.8 | 6.5 | 6.2 | 6.0 | 5.7 | 5.0 | 5.5 | 4.9 |
| 10 Real estate | 620.5 | 626.9 | 633.3 | 640.3 | 646.9 | 654.7 | 659.3 | 664.8 | 671.2 | 678.3 | 685.4 ⁷ | 694.8 |
| 11 Individual | 341.9 | 343.4 | 344.6 | 346.5 | 348.9 | 350.8 | 352.3 | 355.1 | 357.0 | 357.9 | 359.9 | 362.2 |
| 12 Security | 39.7 | 39.5 | 38.9 | 39.7 | 36.7 | 38.4 | 37.9 | 37.9 | 37.0 | 44.0 | 42.9 | 39.3 |
| 13 Nonbank financial institutions | 30.6 | 30.6 | 31.0 | 31.0 | 30.5 | 30.2 | 30.0 | 29.9 | 30.1 | 30.5 | 29.6 | 29.1 |
| 14 Agricultural | 29.5 | 29.6 | 29.6 | 29.6 | 29.6 | 29.8 | 30.3 | 30.7 | 30.7 | 30.7 | 30.7 | 30.4 |
| 15 State and political subdivisions | 49.4 | 49.2 | 48.8 | 48.2 | 48.0 | 48.7 | 47.9 | 47.1 | 44.8 ⁷ | 45.0 ⁷ | 45.1 ⁷ | 45.2 |
| 16 Foreign banks | 8.0 | 8.1 | 8.2 | 8.2 | 7.5 | 7.8 | 8.2 | 7.5 | 7.6 | 8.2 | 7.9 | 8.0 |
| 17 Foreign official institutions | 5.1 | 5.0 | 5.0 | 5.2 | 5.2 | 5.1 | 5.4 | 5.6 | 5.6 | 5.5 | 5.5 | 5.6 |
| 18 Lease financing receivables | 26.2 | 26.8 | 27.5 | 27.6 | 27.8 | 27.9 | 28.0 | 28.1 | 28.3 | 28.4 | 28.6 | 28.6 |
| 19 All other loans | 47.2 | 49.6 | 50.4 | 52.3 | 49.4 | 48.7 | 48.7 | 46.4 | 46.2 | 44.8 | 46.6 ⁷ | 44.0 |
| Not seasonally adjusted | | | | | | | | | | | | |
| 20 Total loans and securities ² | 2,326.5 | 2,346.6 | 2,352.6 | 2,364.4 | 2,370.9 | 2,383.8 | 2,399.6 | 2,420.3 | 2,420.7 | 2,443.6 | 2,452.8 ⁷ | 2,463.9 |
| 21 U.S. government securities | 345.6 | 347.8 | 347.9 | 351.1 | 353.0 | 352.9 | 357.2 | 362.7 | 363.6 | 367.9 | 371.8 ⁷ | 372.4 |
| 22 Other securities | 196.7 | 196.9 | 196.4 | 197.0 | 195.2 | 195.4 | 195.4 | 192.7 | 190.1 | 188.3 | 187.0 | 185.2 |
| 23 Total loans and leases ² | 1,784.2 | 1,801.9 | 1,808.2 | 1,816.3 | 1,822.7 | 1,835.5 | 1,847.0 | 1,865.0 | 1,867.0 | 1,887.4 | 1,894.0 | 1,906.3 |
| 24 Commercial and industrial | 588.3 | 593.1 | 593.9 | 591.0 | 589.5 | 593.2 | 596.5 | 602.8 | 603.8 | 615.9 | 617.8 ⁷ | 620.9 |
| 25 Bankers acceptances held ³ | 4.4 | 4.5 | 4.4 | 4.3 | 4.2 | 4.1 | 4.2 | 4.0 | 4.1 | 4.0 | 3.9 | 3.9 |
| 26 Other commercial and industrial | 583.9 | 588.5 | 589.5 | 586.7 | 585.4 | 589.1 | 592.2 | 598.7 ⁷ | 599.7 | 611.8 | 613.9 ⁷ | 617.0 |
| 27 U.S. addressees ⁴ | 576.8 | 581.7 | 582.6 | 580.1 | 578.8 | 583.0 | 586.2 | 592.6 | 594.4 | 606.5 | 608.5 ⁷ | 611.6 |
| 28 Non-U.S. addressees ⁴ | 7.1 | 6.9 | 6.9 | 6.6 | 6.5 | 6.1 | 6.1 | 6.1 | 5.4 | 5.4 | 5.4 | 5.4 |
| 29 Real estate | 619.5 | 626.8 | 633.7 | 641.5 | 648.6 | 655.6 | 661.1 | 666.1 | 671.2 | 676.4 | 682.8 ⁷ | 692.7 |
| 30 Individual | 339.9 | 342.0 | 343.5 | 346.7 | 350.5 | 351.8 | 353.3 | 359.0 | 359.8 | 357.2 | 357.0 | 359.6 |
| 31 Security | 40.7 | 41.2 | 38.6 | 38.5 | 35.3 | 36.9 | 37.3 | 38.3 | 37.4 | 43.1 | 43.5 | 41.3 |
| 32 Nonbank financial institutions | 30.8 | 30.8 | 31.0 | 30.9 | 30.4 | 29.8 | 30.1 | 30.9 | 30.6 | 29.9 | 29.0 | 29.0 |
| 33 Agricultural | 29.3 | 29.9 | 30.3 | 30.4 | 30.5 | 30.6 | 30.5 | 30.5 | 30.1 | 29.8 | 29.6 | 29.6 |
| 34 State and political subdivisions | 49.3 | 48.9 | 48.2 | 47.7 | 47.4 | 48.2 | 47.3 | 46.9 | 46.3 ⁷ | 46.0 ⁷ | 45.7 ⁷ | 45.4 |
| 35 Foreign banks | 7.7 | 7.9 | 8.4 | 8.1 | 7.7 | 7.9 | 8.2 | 7.8 | 7.8 | 8.3 | 7.7 | 7.7 |
| 36 Foreign official institutions | 5.1 | 5.0 | 5.0 | 5.2 | 5.2 | 5.1 | 5.4 | 5.6 | 5.6 | 5.5 | 5.5 | 5.6 |
| 37 Lease financing receivables | 26.2 | 26.8 | 27.4 | 27.5 | 27.7 | 27.8 | 27.9 | 28.3 | 28.6 | 28.5 | 28.6 | 28.7 |
| 38 All other loans | 47.5 | 49.5 | 48.3 | 49.0 | 49.9 | 48.6 | 49.3 | 48.8 | 45.8 ⁷ | 47.0 | 46.8 ⁷ | 45.8 |

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 BANKS¹

Monthly averages, billions of dollars

| Source | 1988 | | | | | | | | 1989 | | | |
|--|-------|--------------------|-------|-------|-------|-------|-------|-------|--------------------|--------------------|--------------------|-------|
| | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| <i>Seasonally adjusted</i> | | | | | | | | | | | | |
| 1 Total nondeposit funds ² | 209.8 | 214.0 ^f | 215.1 | 219.3 | 209.9 | 210.8 | 217.2 | 214.5 | 207.7 | 211.6 | 213.0 | 206.7 |
| 2 Net balances due to related foreign offices ³ | 726.1 | 729.9 | 733.5 | 735.4 | 735.5 | 741.8 | 745.0 | 753.8 | 763.4 ^f | 779.1 ^f | 784.5 ^f | 790.6 |
| 3 Borrowings from other than commercial banks in United States ⁴ | 202.7 | 205.8 ^f | 201.3 | 200.3 | 201.8 | 205.3 | 208.0 | 207.9 | 199.8 | 201.0 | 204.9 | 203.8 |
| 4 Domestically chartered banks | 170.0 | 172.0 ^f | 166.9 | 165.8 | 165.8 | 167.1 | 168.7 | 168.9 | 162.8 | 161.8 | 166.9 | 165.3 |
| 5 Foreign-related banks | 32.6 | 33.8 | 34.4 | 34.5 | 35.9 | 38.2 | 39.3 | 39.0 | 36.9 | 39.2 | 38.0 | 38.5 |
| <i>Not seasonally adjusted</i> | | | | | | | | | | | | |
| 6 Total nondeposit funds ² | 217.3 | 217.1 | 210.6 | 218.2 | 206.4 | 204.7 | 213.9 | 208.9 | 206.8 | 216.4 | 218.6 ^f | 209.4 |
| 7 Net balances due to related foreign offices ³ | 9.7 | 8.7 | 10.7 | 18.6 | 9.1 | 5.1 | 10.2 | 9.1 | 7.5 | 10.3 | 7.1 | .8 |
| 8 Domestically chartered banks | -16.5 | -16.3 | -14.1 | -7.3 | -15.7 | -20.5 | -19.2 | -20.7 | -20.5 | -17.9 | -19.8 | -23.1 |
| 9 Foreign-related banks | 26.2 | 25.0 | 24.8 | 25.9 | 24.8 | 25.5 | 29.3 | 29.8 | 28.1 | 28.2 | 26.9 | 23.9 |
| 10 Borrowings from other than commercial banks in United States ⁴ | 207.6 | 208.4 | 199.9 | 199.5 | 197.3 | 199.6 | 203.7 | 199.8 | 199.3 | 206.1 | 211.6 | 208.6 |
| 11 Domestically chartered banks | 174.6 | 173.3 ^f | 165.0 | 165.3 | 162.1 | 162.8 | 167.4 | 162.8 | 161.2 | 165.6 | 172.1 | 169.3 |
| 12 Federal funds and security RP borrowings ⁵ | 170.0 | 168.4 | 159.6 | 160.3 | 157.6 | 158.8 | 162.8 | 159.3 | 157.8 | 162.4 | 168.6 | 165.0 |
| 13 Other ⁶ | 4.6 | 4.8 | 5.4 | 5.0 | 4.4 | 4.1 | 4.6 | 3.5 | 3.4 | 3.2 | 3.5 | 4.3 |
| 14 Foreign-related banks ⁶ | 33.0 | 35.2 | 34.9 | 34.2 | 35.3 | 36.8 | 36.3 | 37.0 | 38.1 | 40.5 | 39.5 | 39.4 |
| MEMO | | | | | | | | | | | | |
| Gross large time deposits ⁷ | | | | | | | | | | | | |
| 15 Seasonally adjusted | 399.8 | 403.2 | 408.4 | 414.6 | 419.7 | 423.2 | 424.5 | 429.2 | 434.9 | 440.3 ^f | 446.6 ^f | 452.7 |
| 16 Not seasonally adjusted | 398.9 | 401.8 | 405.9 | 415.1 | 421.7 | 424.7 | 425.6 | 429.8 | 434.5 ^f | 440.2 ^f | 448.1 ^f | 450.6 |
| U.S. Treasury demand balances at commercial banks ⁸ | | | | | | | | | | | | |
| 17 Seasonally adjusted | 23.9 | 22.0 | 21.3 | 17.1 | 23.5 | 27.2 | 23.0 | 24.9 | 20.3 | 20.3 | 20.3 | 20.9 |
| 18 Not seasonally adjusted | 30.4 | 21.0 | 22.0 | 11.9 | 24.6 | 27.7 | 16.3 | 22.9 | 25.0 | 25.9 | 18.1 | 20.2 |

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 Series¹

Billions of dollars

| Account | 1988 | | | | | | | 1989 | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| ALL COMMERCIAL BANKING INSTITUTIONS² | | | | | | | | | | | |
| 1 Loans and securities | 2,514.5 | 2,512.1 | 2,526.3 | 2,524.9 | 2,541.5 | 2,581.3 | 2,592.0 | 2,576.7 | 2,613.5 | 2,616.8 | 2,613.0 |
| 2 Investment securities | 520.4 | 523.5 | 526.7 | 527.0 | 525.0 | 531.3 | 533.0 | 533.3 | 535.5 | 538.7 | 538.1 |
| 3 U.S. government securities | 328.8 | 332.6 | 335.1 | 336.5 | 334.7 | 340.8 | 345.9 | 348.8 | 352.9 | 357.1 | 358.3 |
| 4 Other | 191.6 | 190.8 | 191.6 | 190.5 | 190.4 | 190.5 | 187.1 | 184.5 | 182.6 | 181.6 | 179.8 |
| 5 Trading account assets | 22.0 | 23.9 | 22.7 | 21.2 | 24.9 | 24.8 | 19.2 | 21.5 | 20.1 | 21.8 | 17.8 |
| 6 Total loans | 1,972.1 | 1,964.8 | 1,977.0 | 1,976.7 | 1,991.6 | 2,025.2 | 2,039.7 | 2,022.0 | 2,057.9 | 2,056.3 | 2,057.1 |
| 7 Interbank loans | 164.8 | 159.7 | 156.8 | 153.2 | 160.0 | 170.6 | 165.4 | 159.9 | 173.0 | 154.5 | 150.4 |
| 8 Loans excluding interbank | 1,807.3 | 1,805.1 | 1,820.1 | 1,823.5 | 1,831.6 | 1,854.6 | 1,874.3 | 1,862.1 | 1,884.9 | 1,901.8 | 1,906.7 |
| 9 Commercial and industrial | 596.4 | 591.0 | 589.0 | 589.2 | 591.6 | 598.5 | 606.1 | 602.2 | 615.2 | 619.5 | 622.9 |
| 10 Real estate | 630.2 | 635.2 | 645.1 | 651.0 | 656.3 | 663.1 | 669.3 | 672.2 | 677.0 | 687.2 | 694.8 |
| 11 Individual | 342.4 | 343.8 | 348.9 | 351.6 | 352.5 | 354.7 | 361.3 | 359.9 | 357.3 | 357.1 | 361.1 |
| 12 All other | 238.3 | 235.0 | 237.2 | 231.8 | 231.2 | 238.3 | 237.5 | 227.9 | 235.4 | 238.1 | 227.9 |
| 13 Total cash assets | 221.6 | 217.1 | 222.1 | 215.0 | 208.5 | 235.1 | 244.4 | 214.7 | 226.0 | 210.5 | 214.2 |
| 14 Reserves with Federal Reserve Banks | 34.4 | 30.7 | 33.0 | 31.1 | 31.7 | 33.8 | 34.5 | 31.6 | 27.8 | 30.9 | 33.4 |
| 15 Cash in vault | 26.6 | 26.0 | 26.6 | 26.3 | 26.4 | 28.8 | 30.5 | 27.6 | 26.7 | 27.0 | 27.0 |
| 16 Cash items in process of collection | 77.0 | 75.5 | 79.7 | 76.2 | 72.8 | 89.6 | 92.0 | 76.2 | 88.8 | 75.7 | 77.8 |
| 17 Demand balances at U.S. depository | | | | | | | | | | | |
| institutions | 31.6 | 31.3 | 31.5 | 29.4 | 29.2 | 32.1 | 34.3 | 27.8 | 32.5 | 27.9 | 27.6 |
| 18 Other cash assets | 52.0 | 53.5 | 51.3 | 52.0 | 48.4 | 50.8 | 53.2 | 51.5 | 50.1 | 48.9 | 48.4 |
| 19 Other assets | 195.0 | 189.3 | 188.4 | 193.4 | 201.4 | 201.2 | 199.4 | 195.0 | 191.4 | 193.3 | 200.5 |
| 20 Total assets/total liabilities and capital | 2,931.1 | 2,918.5 | 2,936.8 | 2,933.3 | 2,951.3 | 3,017.7 | 3,035.8 | 2,986.4 | 3,030.8 | 3,020.6 | 3,027.8 |
| 21 Deposits | 2,044.4 | 2,052.1 | 2,075.1 | 2,060.0 | 2,069.4 | 2,122.8 | 2,142.9 | 2,093.9 | 2,121.8 | 2,120.1 | 2,131.6 |
| 22 Transaction deposits | 603.8 | 598.9 | 609.9 | 588.5 | 587.4 | 627.7 | 641.5 | 585.5 | 601.4 | 581.9 | 594.0 |
| 23 Savings deposits | 544.7 | 545.5 | 542.4 | 536.8 | 538.4 | 542.2 | 537.0 | 530.2 | 528.7 | 524.6 | 513.3 |
| 24 Time deposits | 895.9 | 907.6 | 922.7 | 934.7 | 943.6 | 952.9 | 964.4 | 978.2 | 991.7 | 1,013.5 | 1,024.3 |
| 25 Borrowings | 486.6 | 469.2 | 448.7 | 468.3 | 479.5 | 476.7 | 470.9 | 491.8 | 500.9 | 482.3 | 485.3 |
| 26 Other liabilities | 211.3 | 209.9 | 222.4 | 215.5 | 211.9 | 224.2 | 229.0 | 204.8 | 212.3 | 219.9 | 211.3 |
| 27 Residual (assets less liabilities) | 188.8 | 187.3 | 190.6 | 189.5 | 190.6 | 193.9 | 193.1 | 195.8 | 195.8 | 198.5 | 199.6 |
| MEMO | | | | | | | | | | | |
| 28 U.S. government securities (including | 345.4 | 350.2 | 352.0 | 352.7 | 354.5 | 360.3 | 359.9 | 365.9 | 367.8 | 373.7 | 371.2 |
| trading account) | | | | | | | | | | | |
| 29 Other securities (including trading | 197.1 | 197.1 | 197.4 | 195.5 | 195.3 | 195.8 | 192.3 | 188.9 | 187.8 | 186.8 | 184.7 |
| account) | | | | | | | | | | | |
| DOMESTICALLY CHARTERED | | | | | | | | | | | |
| COMMERCIAL BANKS³ | | | | | | | | | | | |
| 30 Loans and securities | 2,318.4 | 2,322.9 | 2,334.5 | 2,332.7 | 2,347.3 | 2,382.9 | 2,385.5 | 2,378.3 | 2,399.0 | 2,401.2 | 2,401.2 |
| 31 Investment securities | 493.8 | 496.3 | 499.7 | 501.2 | 499.2 | 505.7 | 508.0 | 507.5 | 509.4 | 513.5 | 514.2 |
| 32 U.S. government securities | 317.0 | 320.2 | 323.2 | 324.9 | 323.4 | 329.6 | 334.9 | 336.3 | 340.0 | 344.7 | 346.1 |
| 33 Other | 176.8 | 176.1 | 176.4 | 176.3 | 175.8 | 176.1 | 173.0 | 171.2 | 169.3 | 168.8 | 168.1 |
| 34 Trading account assets | 22.0 | 23.9 | 22.7 | 21.2 | 24.9 | 24.8 | 19.2 | 21.5 | 20.1 | 21.8 | 17.8 |
| 35 Total loans | 1,802.5 | 1,802.7 | 1,812.1 | 1,810.2 | 1,823.3 | 1,852.4 | 1,858.3 | 1,849.4 | 1,869.5 | 1,865.9 | 1,869.2 |
| 36 Interbank loans | 135.0 | 132.1 | 127.8 | 124.2 | 129.6 | 139.4 | 132.2 | 130.6 | 138.2 | 121.2 | 119.2 |
| 37 Loans excluding interbank | 1,667.5 | 1,670.6 | 1,684.3 | 1,686.0 | 1,693.6 | 1,713.1 | 1,726.1 | 1,718.7 | 1,731.3 | 1,744.7 | 1,750.1 |
| 38 Commercial and industrial | 493.9 | 492.6 | 490.6 | 489.9 | 492.4 | 498.1 | 499.5 | 498.7 | 503.0 | 504.9 | 509.1 |
| 39 Real estate | 612.5 | 618.0 | 626.1 | 631.8 | 636.6 | 642.3 | 648.5 | 651.3 | 655.6 | 665.4 | 672.5 |
| 40 Individual | 342.1 | 343.5 | 348.5 | 351.2 | 352.2 | 354.4 | 361.0 | 359.6 | 357.0 | 356.8 | 360.8 |
| 41 All other | 219.0 | 216.6 | 219.0 | 213.1 | 212.4 | 218.3 | 217.1 | 209.2 | 215.8 | 217.6 | 207.7 |
| 42 Total cash assets | 202.4 | 197.1 | 203.5 | 194.2 | 190.4 | 216.0 | 223.2 | 193.7 | 206.6 | 191.7 | 194.8 |
| 43 Reserves with Federal Reserve Banks | 32.9 | 29.6 | 31.4 | 29.0 | 29.9 | 32.6 | 33.1 | 30.1 | 26.6 | 29.5 | 30.7 |
| 44 Cash in vault | 26.6 | 26.0 | 26.6 | 26.3 | 26.4 | 28.8 | 30.4 | 27.6 | 26.7 | 26.9 | 27.0 |
| 45 Cash items in process of collection | 76.6 | 75.2 | 79.4 | 75.8 | 72.0 | 88.8 | 91.2 | 75.4 | 87.8 | 74.9 | 76.9 |
| 46 Demand balances at U.S. depository | | | | | | | | | | | |
| institutions | 29.8 | 29.5 | 29.8 | 27.4 | 27.3 | 30.2 | 32.2 | 25.9 | 30.5 | 25.8 | 26.0 |
| 47 Other cash assets | 36.4 | 36.9 | 36.4 | 35.7 | 34.8 | 35.5 | 36.2 | 34.8 | 35.1 | 34.6 | 34.3 |
| 48 Other assets | 125.5 | 121.5 | 123.6 | 126.7 | 131.9 | 132.9 | 134.9 | 127.8 | 129.1 | 129.6 | 134.6 |
| 49 Total assets/liabilities and capital | 2,646.2 | 2,641.5 | 2,661.5 | 2,653.6 | 2,669.6 | 2,731.7 | 2,743.6 | 2,699.8 | 2,734.7 | 2,722.5 | 2,730.6 |
| 50 Deposits | 1,979.2 | 1,986.8 | 2,009.0 | 1,992.7 | 2,001.0 | 2,053.0 | 2,069.9 | 2,022.6 | 2,049.1 | 2,043.6 | 2,053.5 |
| 51 Transaction deposits | 595.0 | 590.2 | 601.1 | 579.4 | 577.6 | 617.5 | 631.5 | 576.0 | 591.9 | 572.6 | 584.1 |
| 52 Savings deposits | 542.0 | 543.0 | 539.9 | 534.3 | 535.8 | 539.7 | 534.5 | 527.8 | 526.3 | 522.1 | 510.7 |
| 53 Time deposits | 842.2 | 853.6 | 868.0 | 879.0 | 887.6 | 893.8 | 903.9 | 918.8 | 930.9 | 949.0 | 958.6 |
| 54 Borrowings | 371.8 | 359.9 | 345.3 | 359.0 | 364.7 | 365.6 | 363.1 | 376.2 | 378.1 | 362.4 | 367.9 |
| 55 Other liabilities | 109.8 | 111.0 | 120.1 | 115.8 | 116.7 | 122.6 | 120.9 | 108.6 | 115.2 | 112.4 | 113.1 |
| 56 Residual (assets less liabilities) | 185.4 | 183.9 | 187.2 | 186.1 | 187.2 | 190.5 | 189.7 | 192.4 | 192.4 | 195.1 | 196.2 |
| MEMO | | | | | | | | | | | |
| 57 Real estate loans, revolving | 34.9 | 35.4 | 36.3 | 37.4 | 38.4 | 39.5 | 40.1 | 40.6 | 41.4 | 42.5 | 43.4 |
| 58 Real estate loans, other | 577.6 | 582.6 | 589.8 | 594.4 | 598.2 | 602.8 | 608.4 | 610.7 | 614.2 | 622.8 | 629.2 |

1. Back data are available from the Banking and Monetary Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. These data also appear in the Board's weekly H.8 (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 BANKS¹

Millions of dollars, Wednesday figures

| Account | 1989 | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|-----------|-----------|-----------|--|
| | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | |
| 1 Cash and balances due from depository institutions | 126,717 | 105,721 | 122,164 | 105,800 | 106,336 | 108,707 | 108,674 | 111,460 | 107,682 | |
| 2 Total loans, leases, and securities, net | 1,197,078 | 1,191,126 | 1,188,628 | 1,190,791 | 1,188,322 ² | 1,191,656 | 1,184,269 | 1,197,536 | 1,187,149 | |
| 3 U.S. Treasury and government agency | 135,554 | 135,825 | 136,316 | 137,003 | 137,141 | 137,151 | 135,280 | 136,043 | 134,107 | |
| 4 Trading account | 15,656 | 16,003 | 16,996 | 17,497 | 16,646 | 16,661 | 14,647 | 15,554 | 12,904 | |
| 5 Investment account | 119,898 | 119,822 | 119,320 | 119,506 | 120,495 | 120,490 | 120,632 | 120,489 | 121,203 | |
| 6 Mortgage-backed securities ³ | 49,191 ⁴ | 49,221 ⁴ | 49,228 ⁴ | 49,227 ⁴ | 49,551 ⁴ | 49,784 | 49,884 | 50,291 | 50,276 | |
| All other maturing in | | | | | | | | | | |
| 7 One year or less | 23,162 | 22,536 | 21,702 | 21,737 | 22,076 | 22,731 | 22,488 | 21,566 | 21,488 | |
| 8 Over one through five years | 39,960 | 40,249 | 40,769 | 40,893 | 41,203 ⁵ | 40,380 | 40,687 | 41,048 | 41,564 | |
| 9 Over five years | 7,586 ⁵ | 7,816 ⁵ | 7,621 ⁵ | 7,628 ⁵ | 7,665 ⁵ | 7,595 | 7,573 | 7,583 | 7,425 | |
| 10 Other securities | 72,658 | 72,147 | 72,072 | 71,857 | 71,956 | 71,884 | 71,670 | 71,563 | 71,713 | |
| 11 Trading account | 1,772 | 1,438 | 1,570 | 1,459 | 1,278 | 1,180 | 898 | 1,057 | 1,031 | |
| 12 Investment account | 70,885 | 70,709 | 70,503 | 70,398 | 70,678 | 70,704 | 70,773 | 70,506 | 70,682 | |
| 13 States and political subdivisions, by maturity | 44,650 | 44,617 | 44,594 | 44,595 | 44,676 | 44,548 | 44,752 | 44,708 | 44,692 | |
| 14 One year or less | 4,853 ⁵ | 4,917 ⁵ | 4,930 ⁵ | 4,902 ⁵ | 4,935 ⁵ | 4,934 | 4,989 | 5,001 | 4,993 | |
| 15 Over one year | 39,796 ⁵ | 39,700 ⁵ | 39,665 ⁵ | 39,693 ⁵ | 39,741 ⁵ | 39,614 | 39,763 | 39,707 | 39,699 | |
| 16 Other bonds, corporate stocks, and securities | 26,236 | 26,091 | 25,908 | 25,803 | 26,002 | 26,157 | 26,020 | 25,798 | 25,990 | |
| 17 Other trading account assets | 3,759 | 4,176 | 4,172 | 3,841 | 3,916 | 4,784 | 4,229 | 4,019 | 3,891 | |
| 18 Federal funds sold ⁶ | 89,676 | 86,543 | 81,683 | 84,524 | 80,522 | 78,932 | 75,610 | 79,567 | 70,839 | |
| 19 To commercial banks | 54,917 | 56,732 | 50,769 | 52,365 | 48,221 | 50,332 | 45,614 | 52,244 | 47,438 | |
| 20 To nonbank brokers and dealers in securities | 24,564 | 20,558 | 21,186 | 23,084 | 22,548 | 19,822 | 21,718 | 20,415 | 16,599 | |
| 21 To others | 10,194 | 9,253 | 9,728 | 9,074 | 9,753 | 8,778 | 8,278 | 6,908 | 6,802 | |
| 22 Other loans and leases, gross | 935,227 | 932,196 | 934,140 | 933,238 | 934,230 ⁷ | 938,962 | 936,793 | 945,671 | 944,671 | |
| 23 Other loans, gross | 910,994 ⁷ | 907,986 | 909,784 | 908,884 | 909,817 ⁷ | 914,545 | 912,310 | 921,196 | 920,194 | |
| 24 Commercial and industrial | 311,234 ⁷ | 311,234 ⁷ | 311,704 ⁷ | 311,992 ⁷ | 310,662 ⁷ | 312,534 | 311,791 | 314,139 | 314,889 | |
| 25 Bankers acceptances and commercial paper | 1,662 | 1,701 | 1,719 | 1,655 | 1,675 | 1,626 | 1,664 | 1,598 | 1,714 | |
| 26 All other | 309,718 ⁷ | 309,533 ⁷ | 309,985 ⁷ | 310,336 ⁷ | 308,987 ⁷ | 310,908 | 310,127 | 312,341 | 313,175 | |
| 27 U.S. addressees | 307,825 ⁷ | 307,674 ⁷ | 308,163 ⁷ | 308,529 ⁷ | 307,100 ⁷ | 309,100 | 308,358 | 310,794 | 311,393 | |
| 28 Non-U.S. addressees | 1,889 | 1,859 | 1,822 | 1,807 | 1,886 | 1,808 | 1,769 | 1,547 | 1,782 | |
| 29 Real estate loans | 312,931 ⁷ | 313,096 ⁷ | 314,064 ⁷ | 316,202 ⁷ | 318,147 ⁷ | 319,222 | 319,731 | 321,281 | 321,976 | |
| 30 Revolving, home equity | 22,970 ⁷ | 23,003 ⁷ | 23,142 ⁷ | 23,179 ⁷ | 23,262 ⁷ | 23,333 | 23,406 | 23,650 | 23,850 | |
| 31 All other | 289,960 ⁷ | 290,093 ⁷ | 290,922 ⁷ | 293,022 ⁷ | 294,885 ⁷ | 295,889 | 296,326 | 297,631 | 298,126 | |
| 32 To individuals for personal expenditures | 169,456 ⁷ | 169,208 ⁷ | 169,289 ⁷ | 168,791 ⁷ | 168,154 ⁷ | 167,984 | 168,168 | 168,857 | 169,604 | |
| 33 To depository and financial institutions | 45,784 ⁷ | 44,392 ⁷ | 43,986 | 42,554 | 40,744 | 42,819 | 43,118 | 44,400 | 42,887 | |
| 34 Commercial banks in the United States | 20,999 ⁷ | 19,997 ⁷ | 20,026 | 19,250 | 17,515 | 19,557 | 19,452 | 20,277 | 19,311 | |
| 35 Banks in foreign countries | 3,954 | 3,635 | 3,302 | 3,345 | 3,501 | 3,261 | 3,430 | 3,545 | 3,486 | |
| 36 Nonbank depository and other financial institutions | 20,831 | 20,760 | 20,659 | 19,958 | 19,728 | 20,000 | 20,237 | 20,578 | 20,090 | |
| 37 For purchasing and carrying securities | 13,723 | 13,989 | 13,646 | 13,429 | 15,134 | 14,468 | 13,552 | 15,395 | 14,102 | |
| 38 To finance agricultural production | 5,620 ⁷ | 5,631 ⁷ | 5,646 ⁷ | 5,639 ⁷ | 5,496 ⁷ | 5,422 | 5,538 | 5,561 | 5,584 | |
| 39 To states and political subdivisions | 28,014 ⁷ | 27,838 ⁷ | 27,932 ⁷ | 27,960 ⁷ | 27,955 ⁷ | 27,806 | 27,759 | 27,642 | 27,790 | |
| 40 To foreign governments and official institutions | 1,836 ⁷ | 1,882 ⁷ | 1,902 | 1,846 | 1,858 | 1,860 | 1,859 | 1,842 | 1,969 | |
| 41 All other | 22,250 ⁷ | 20,716 ⁷ | 21,796 | 20,470 | 21,666 | 22,331 | 20,793 | 22,079 | 21,392 | |
| 42 Lease financing receivables | 24,234 | 24,210 | 24,356 | 24,354 | 24,413 | 24,416 | 24,483 | 24,475 | 24,477 | |
| 43 LESS: Unearned income | 4,922 | 4,938 | 4,924 | 4,940 | 4,942 | 4,917 | 4,923 | 4,935 | 4,930 | |
| 44 Loan and lease reserve ⁸ | 34,873 | 34,823 | 34,831 | 34,730 | 34,501 ⁸ | 34,516 | 34,391 | 34,393 | 33,144 | |
| 45 Other loans and leases, net | 895,432 | 892,435 | 894,384 | 893,568 | 894,786 ⁸ | 899,529 | 897,480 | 906,344 | 906,598 | |
| 46 All other assets | 134,240 | 132,857 | 133,197 | 133,499 | 128,612 ⁸ | 135,415 | 133,785 | 136,946 | 129,599 | |
| 47 Total assets | 1,458,035 | 1,429,705 | 1,443,989 | 1,430,091 | 1,423,269 ⁹ | 1,435,778 | 1,426,729 | 1,445,942 | 1,424,430 | |
| 48 Demand deposits | 252,033 | 220,427 | 245,217 | 214,306 | 217,185 | 234,881 | 224,489 | 231,148 | 220,021 | |
| 49 Individuals, partnerships, and corporations | 195,103 | 174,008 | 188,293 | 172,436 | 173,682 | 184,351 | 180,754 | 182,386 | 174,716 | |
| 50 States and political subdivisions | 7,367 | 5,288 | 5,796 | 6,072 | 5,209 | 5,496 | 5,463 | 6,064 | 6,247 | |
| 51 U.S. government | 3,452 | 3,607 | 11,289 | 2,977 | 2,983 | 5,779 | 3,751 | 7,469 | 4,649 | |
| 52 Depository institutions in the United States | 27,839 | 20,786 | 23,591 | 19,220 | 18,950 | 22,074 | 19,650 | 19,754 | 18,567 | |
| 53 Banks in foreign countries | 7,082 | 6,170 | 5,908 | 5,423 | 6,461 | 6,837 | 5,709 | 5,748 | 6,262 | |
| 54 Foreign governments and official institutions | 824 | 798 | 759 | 850 | 682 | 688 | 721 | 788 | 741 | |
| 55 Certified and officers' checks | 10,365 | 9,771 | 9,581 | 7,327 | 9,219 | 9,656 | 8,440 | 8,939 | 8,838 | |
| 56 Transaction balances other than demand deposits | 78,264 | 77,811 | 77,028 | 76,051 | 75,407 | 79,940 | 79,934 | 83,089 | 77,623 | |
| 57 Nontransaction balances | 659,898 | 663,868 | 666,152 | 666,450 | 667,661 ⁹ | 671,958 | 671,606 | 668,226 | 667,325 | |
| 58 Individuals, partnerships, and corporations | 617,529 ⁹ | 621,350 ⁹ | 623,834 ⁹ | 624,329 ⁹ | 625,512 ⁹ | 630,629 | 630,114 | 626,605 | 626,051 | |
| 59 States and political subdivisions | 32,796 | 33,126 | 33,042 | 32,880 ⁹ | 32,572 | 31,773 | 32,104 | 32,236 | 31,945 | |
| 60 U.S. government | 824 ⁹ | 848 ⁹ | 852 ⁹ | 849 ⁹ | 847 ⁹ | 974 | 967 | 958 | 971 | |
| 61 Depository institutions in the United States | 8,083 | 7,896 | 7,794 | 7,769 | 8,097 | 7,923 | 7,754 | 7,756 | 7,738 | |
| 62 Foreign governments, official institutions, and banks | 665 | 647 | 631 | 622 | 633 | 659 | 666 | 670 | 620 | |
| 63 Liabilities for borrowed money | 281,329 | 283,389 | 270,401 | 285,842 | 274,843 ⁹ | 266,595 | 266,370 | 279,873 | 275,866 | |
| 64 Borrowings from Federal Reserve Banks | 1,220 | 5,098 | 1,155 | 1,922 | 1,965 | 2,240 | 2,010 | 6,157 | 1,150 | |
| 65 Treasury tax-and-loan notes | 10,751 | 6,611 | 4,862 | 14,609 | 11,819 | 370 | 2,143 | 21,011 | 25,358 | |
| 66 All other liabilities for borrowed money ⁹ | 269,358 | 271,680 | 264,384 | 269,311 | 261,059 ⁹ | 263,984 | 262,217 | 252,706 | 249,358 | |
| 67 Other liabilities and subordinated notes and debentures | 89,125 ⁹ | 86,254 ⁹ | 87,264 ⁹ | 89,390 ⁹ | 89,924 ⁹ | 84,114 | 85,024 | 84,674 | 84,804 | |
| 68 Total liabilities | 1,360,648 ⁹ | 1,331,748 ⁹ | 1,346,064 ⁹ | 1,332,039 ⁹ | 1,325,020 ⁹ | 1,337,488 | 1,327,424 | 1,347,010 | 1,325,640 | |
| 69 Residual (total assets minus total liabilities) ⁷ | 97,387 ⁹ | 97,956 ⁹ | 97,925 ⁹ | 98,052 ⁹ | 98,249 ⁹ | 98,290 | 99,305 | 98,931 | 98,790 | |
| MEMO | | | | | | | | | | |
| 70 Total loans and leases (gross) and investments adjusted ⁸ | 1,160,957 ⁹ | 1,154,158 ⁹ | 1,157,588 | 1,158,846 | 1,162,029 ⁹ | 1,161,200 | 1,158,517 | 1,164,343 | 1,158,473 | |
| 71 Total loans and leases (gross) adjusted ⁸ | 948,987 ⁹ | 942,010 ⁹ | 945,028 | 946,146 | 949,016 ⁹ | 948,005 | 947,338 | 952,718 | 948,761 | |
| 72 Time deposits in amounts of \$100,000 or more | 210,877 | 214,127 ⁹ | 214,452 ⁹ | 215,211 ⁹ | 215,388 ⁹ | 215,724 | 215,278 | 213,184 | 213,972 | |
| 73 U.S. Treasury securities maturing in one year or less | 20,538 | 20,124 | 19,526 | 19,893 | 20,627 | 21,183 | 20,913 | 20,119 | 18,712 | |
| 74 Loans sold outright to affiliates—total ⁹ | 1,588 | 1,580 | 1,620 | 1,882 | 1,931 | 1,893 | 1,915 | 1,812 | 1,871 | |
| 75 Commercial and industrial | 1,301 | 1,291 | 1,328 | 1,591 | 1,640 | 1,605 | 1,623 | 1,514 | 1,573 | |
| 76 Other | 287 | 288 | 292 | 291 | 291 | 288 | 292 | 298 | 298 | |
| 77 Nontransaction savings deposits (including MMDAs) | 253,661 | 253,182 | 253,902 | 252,306 | 252,068 | 254,202 | 252,810 | 249,739 | 246,979 | |

1. Beginning Jan. 6, 1988, the "Large bank" reporting group was revised somewhat, eliminating some former reporters with less than \$2 billion of assets and adding some new reporters with assets greater than \$3 billion.

2. For adjustment bank data see this table in the March 1989 Bulletin. The adjustment data for 1988 should be added to the reported data for 1988 to establish comparability with data reported for 1989.

3. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.

4. Includes securities purchased under agreements to resell.

5. Includes allocated transfer risk reserve.

6. Includes federal funds purchased and securities sold under agreements to repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.

7. This is not a measure of equity capital for use in capital-adequacy analysis or for other analytic uses.

8. Exclusive of loans and federal funds transactions with domestic commercial banks.

9. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

1.28 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS
IN NEW YORK CITY¹

Millions of dollars, Wednesday figures

| Account | 1989 | | | | | | | | | |
|--|---------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | |
| 1 Cash balances due from depository institutions | 32,327 | 25,138 | 29,783 | 22,467 | 22,559 | 22,067 | 20,343 | 21,720 | 22,546 | |
| 2 Total loans, leases and securities, net ² | 225,724 | 221,173 | 219,667 | 222,469 | 220,634 | 216,258 | 216,206 | 217,159 | 213,418 | |
| <i>Securities</i> | | | | | | | | | | |
| 3 U.S. Treasury and government agency ³ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 4 Trading account ⁴ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 Investment account | 15,681 | 15,525 | 15,370 | 15,366 | 15,382 | 15,290 | 15,233 | 15,227 | 15,062 | |
| 6 Mortgage-backed securities ⁵ | 7,096 | 6,940 | 6,983 | 6,950 | 7,042 | 7,127 | 7,079 | 7,209 | 7,227 | |
| All other maturing in | | | | | | | | | | |
| 7 One year or less | 3,136 | 2,943 | 2,878 | 2,938 | 2,929 | 2,791 | 2,793 | 2,699 | 2,660 | |
| 8 Over one through five years | 3,450 | 3,520 | 3,513 | 3,507 | 3,503 | 3,514 | 3,504 | 3,497 | 3,496 | |
| 9 Over five years | 1,999 | 2,122 | 1,996 | 1,971 | 1,907 | 1,857 | 1,857 | 1,822 | 1,679 | |
| 10 Other securities ³ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 11 Trading account ⁴ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12 Investment account | 17,455 | 17,364 | 17,261 | 17,218 | 17,401 | 17,466 | 17,572 | 17,329 | 17,454 | |
| States and political subdivisions, by maturity | | | | | | | | | | |
| 13 One year or less | 1,057 | 1,103 | 1,107 | 1,109 | 1,118 | 1,120 | 1,138 | 1,143 | 1,147 | |
| 14 Over one year | 10,928 | 10,889 | 10,882 | 10,874 | 10,856 | 10,834 | 10,951 | 10,937 | 10,905 | |
| 15 Other bonds, corporate stocks, and securities | 5,470 | 5,371 | 5,272 | 5,234 | 5,427 | 5,512 | 5,483 | 5,248 | 5,402 | |
| 16 Other trading account assets ⁶ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>Loans and leases</i> | | | | | | | | | | |
| 18 Federal funds sold ⁵ | 37,966 | 35,244 | 33,174 | 37,619 | 34,382 | 28,277 | 29,045 | 26,660 | 23,990 | |
| 19 To commercial banks | 16,051 | 17,084 | 13,684 | 16,810 | 13,760 | 11,705 | 10,426 | 10,982 | 11,056 | |
| 20 To nonbank brokers and dealers in securities | 14,847 | 12,030 | 13,162 | 14,622 | 13,978 | 10,965 | 13,283 | 11,441 | 8,587 | |
| 21 To others | 7,068 | 6,130 | 6,328 | 6,186 | 6,644 | 5,607 | 5,336 | 4,236 | 4,347 | |
| 22 Other loans and leases, gross | 169,339 | 167,790 | 168,609 | 167,019 | 168,142 | 169,810 | 168,864 | 172,492 | 171,480 | |
| 23 Other loans, gross | 163,629 | 162,086 | 162,792 | 161,206 | 162,334 | 164,007 | 163,034 | 166,643 | 165,641 | |
| 24 Commercial and industrial | 57,571 | 57,195 | 57,569 | 57,147 | 57,497 | 57,663 | 57,715 | 58,070 | 58,633 | |
| 25 Bankers acceptances and commercial paper | 288 | 322 | 324 | 312 | 312 | 315 | 385 | 297 | 382 | |
| 26 All other | 57,284 | 56,873 | 57,244 | 56,835 | 57,185 | 57,348 | 57,330 | 57,773 | 58,251 | |
| 27 U.S. addressees | 56,822 | 56,400 | 56,776 | 56,338 | 56,601 | 56,821 | 56,764 | 57,232 | 57,675 | |
| 28 Non-U.S. addressees | 462 | 473 | 468 | 496 | 584 | 527 | 567 | 541 | 576 | |
| 29 Real estate loans | 50,256 ⁷ | 49,980 ⁷ | 50,072 | 51,475 | 51,369 | 51,455 | 51,482 | 51,610 | 51,684 | |
| 30 Revolving, home equity | 3,318 | 3,324 | 3,333 | 3,344 | 3,351 | 3,357 | 3,372 | 3,395 | 3,422 | |
| 31 All other | 46,939 ⁷ | 46,656 ⁷ | 46,739 | 48,132 | 48,018 | 48,098 | 48,110 | 48,216 | 48,262 | |
| 32 To individuals for personal expenditures | 20,249 ⁷ | 20,183 ⁷ | 20,249 | 19,577 | 19,590 | 19,632 | 19,650 | 19,790 | 19,863 | |
| 33 To depository and financial institutions | 17,330 | 16,928 | 17,100 | 15,999 | 14,831 | 16,619 | 16,901 | 17,867 | 17,372 | |
| 34 Commercial banks in the United States | 8,174 | 8,192 | 8,372 | 7,649 | 6,306 | 7,999 | 7,828 | 8,521 | 8,067 | |
| 35 Banks in foreign countries | 2,417 | 2,056 | 1,921 | 1,948 | 2,030 | 2,006 | 2,102 | 2,157 | 2,139 | |
| 36 Nonbank depository and other financial institutions | 6,739 | 6,681 | 6,806 | 6,403 | 6,495 | 6,614 | 6,971 | 7,189 | 7,166 | |
| 37 For purchasing and carrying securities | 5,484 | 5,463 | 4,917 | 5,252 | 6,260 | 5,912 | 5,384 | 6,785 | 5,875 | |
| 38 To finance agricultural production | 208 | 191 | 190 | 200 | 162 | 157 | 151 | 158 | 167 | |
| 39 To states and political subdivisions | 6,123 | 6,034 | 6,098 | 6,107 | 6,097 | 6,074 | 6,037 | 6,036 | 6,032 | |
| 40 To foreign governments and official institutions | 450 | 507 | 536 | 480 | 498 | 499 | 484 | 522 | 610 | |
| 41 All other | 5,956 | 5,586 | 6,061 | 4,968 | 6,031 | 5,996 | 5,229 | 5,804 | 5,404 | |
| 42 Lease financing receivables | 5,711 | 5,704 | 5,817 | 5,813 | 5,808 | 5,803 | 5,830 | 5,849 | 5,840 | |
| 43 LESS: Unearned income | 1,598 | 1,614 | 1,609 | 1,620 | 1,622 | 1,602 | 1,607 | 1,620 | 1,623 | |
| 44 Loan and lease reserve | 13,120 | 13,136 | 13,138 | 13,133 | 13,050 | 12,983 | 12,901 | 12,929 | 12,944 | |
| 45 Other loans and leases, net ⁸ | 154,622 | 153,039 | 153,862 | 152,266 | 153,469 | 155,225 | 154,356 | 157,943 | 156,913 | |
| 46 All other assets ⁷ | 64,674 | 63,461 | 63,568 | 63,341 | 58,465 | 62,408 | 60,024 | 63,297 | 58,065 | |
| 47 Total assets | 322,726 | 309,772 | 313,018 | 308,478 | 301,659 | 300,734 | 296,573 | 302,175 | 294,029 | |
| <i>Deposits</i> | | | | | | | | | | |
| 48 Demand deposits | 64,702 | 49,644 | 60,206 | 49,079 | 50,387 | 54,222 | 48,041 | 51,844 | 49,596 | |
| 49 Individuals, partnerships, and corporations | 42,605 | 33,541 | 40,304 | 35,604 | 35,285 | 37,433 | 34,355 | 37,015 | 34,692 | |
| 50 States and political subdivisions | 997 | 497 | 771 | 722 | 459 | 617 | 464 | 510 | 505 | |
| 51 U.S. government | 605 | 719 | 2,949 | 609 | 524 | 1,062 | 693 | 1,280 | 1,176 | |
| 52 Depository institutions in the United States | 10,430 | 5,372 | 6,990 | 4,915 | 4,716 | 5,414 | 4,640 | 4,643 | 4,611 | |
| 53 Banks in foreign countries | 5,781 | 4,918 | 4,723 | 4,248 | 5,211 | 5,432 | 4,492 | 4,496 | 5,029 | |
| 54 Foreign governments and official institutions | 600 | 663 | 618 | 723 | 538 | 529 | 596 | 654 | 597 | |
| 55 Certified and officers' checks | 3,683 | 3,933 | 3,852 | 2,258 | 3,654 | 3,735 | 2,801 | 3,245 | 2,984 | |
| 56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers) | 8,840 | 8,744 | 8,672 | 8,609 | 8,588 | 9,022 | 9,179 | 9,791 | 8,919 | |
| 57 Nontransaction balances | 113,115 | 112,873 | 114,549 | 113,605 | 113,248 | 114,114 | 112,866 | 112,546 | 112,789 | |
| 58 Individuals, partnerships, and corporations | 102,375 | 102,007 | 103,788 | 102,897 | 102,677 | 104,093 | 102,752 | 102,298 | 102,901 | |
| 59 States and political subdivisions | 8,344 | 8,445 | 8,371 | 8,286 | 8,031 | 7,763 | 7,910 | 7,967 | 7,644 | |
| 60 U.S. government | 30 | 28 | 28 | 28 | 27 | 24 | 27 | 29 | 28 | |
| 61 Depository institutions in the United States | 2,127 | 2,139 | 2,113 | 2,144 | 2,258 | 1,990 | 1,936 | 1,998 | 2,003 | |
| 62 Foreign governments, official institutions, and banks | 239 | 254 | 249 | 251 | 254 | 241 | 254 | 213 | 213 | |
| 63 Liabilities for borrowed money | 75,053 | 79,506 | 69,803 | 76,705 | 68,810 | 67,469 | 68,962 | 71,274 | 66,083 | |
| 64 Borrowings from Federal Reserve Banks | 0 | 1,850 | 0 | 0 | 0 | 0 | 0 | 3,675 | 0 | |
| 65 Treasury tax-and-loan notes | 2,915 | 1,648 | 933 | 3,676 | 2,934 | 1 | 357 | 5,561 | 6,531 | |
| 66 All other liabilities for borrowed money ⁹ | 72,138 | 76,008 | 68,871 | 73,029 | 65,876 | 67,468 | 68,605 | 62,038 | 59,552 | |
| 67 Other liabilities and subordinated notes and debentures | 32,874 | 30,797 | 31,749 | 32,410 | 32,680 | 27,974 | 29,199 | 28,459 | 28,620 | |
| 68 Total liabilities | 294,583 | 281,564 | 284,980 | 280,408 | 273,712 | 272,801 | 268,248 | 273,914 | 266,007 | |
| 69 Residual (total assets minus total liabilities) ⁹ | 28,143 | 28,207 | 28,038 | 28,070 | 27,946 | 27,932 | 28,325 | 28,261 | 28,022 | |
| <i>MEMO</i> | | | | | | | | | | |
| 70 Total loans and leases (gross) and investments adjusted ^{2,10} | 216,217 | 210,648 | 212,358 | 212,763 | 215,240 | 211,139 | 212,460 | 212,204 | 208,862 | |
| 71 Total loans and leases (gross) adjusted ¹⁰ | 183,081 | 177,759 | 179,727 | 180,179 | 182,458 | 178,383 | 179,655 | 179,648 | 176,347 | |
| 72 Time deposits in amounts of \$100,000 or more | 42,185 | 42,726 | 43,323 | 42,956 | 42,517 | 43,008 | 42,476 | 42,661 | 42,954 | |
| 73 U.S. Treasury securities maturing in one year or less | 3,642 | 3,202 | 3,396 | 3,973 | 3,973 | 3,692 | 3,800 | 3,055 | 2,772 | |

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 BANKS¹ Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1989 | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------|---------|---------|---------|
| | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 |
| 1 Cash and due from depository institutions . . . | 10,827 | 10,291 | 10,800 | 10,509 | 10,530 | 10,540 | 10,614 | 11,210 | 11,005 |
| 2 Total loans and securities | 131,595 | 129,715 | 130,023 | 130,693 ^f | 132,516 ^f | 129,088 | 127,266 | 131,007 | 130,663 |
| 3 U.S. Treasury and government agency securities | 8,726 | 8,846 | 8,910 | 8,934 | 8,500 | 8,092 | 8,137 | 8,890 | 8,473 |
| 4 Other securities | 7,124 | 7,272 | 7,176 | 7,044 | 6,920 | 6,977 | 6,632 | 6,212 | 6,213 |
| 5 Federal funds sold ² | 8,338 ^f | 8,420 ^f | 7,976 ^f | 9,090 ^f | 9,184 ^f | 6,760 | 5,453 | 7,310 | 7,325 |
| 6 To commercial banks in the United States . . . | 7,173 ^f | 7,246 ^f | 6,577 ^f | 7,600 ^f | 7,767 ^f | 5,728 | 4,146 | 5,759 | 5,863 |
| 7 To others | 1,165 | 1,174 | 1,399 | 1,490 | 1,417 | 1,032 | 1,307 | 1,551 | 1,462 |
| 8 Other loans, gross | 107,407 ^f | 105,177 ^f | 105,961 ^f | 105,625 ^f | 107,912 ^f | 107,259 | 107,044 | 108,595 | 108,652 |
| 9 Commercial and industrial | 70,470 ^f | 69,843 ^f | 70,263 ^f | 70,397 ^f | 71,793 ^f | 70,507 | 69,661 | 71,218 | 71,407 |
| 10 Bankers acceptances and commercial paper | 1,552 | 1,613 | 1,560 | 1,720 | 1,669 | 1,683 | 1,543 | 1,698 | 1,594 |
| 11 All other | 68,918 ^f | 68,230 ^f | 68,703 ^f | 68,677 ^f | 70,124 ^f | 68,824 | 68,118 | 69,520 | 69,813 |
| 12 U.S. addressees | 67,206 ^f | 66,580 ^f | 67,136 ^f | 66,983 ^f | 68,508 ^f | 67,253 | 66,593 | 67,723 | 68,184 |
| 13 Non-U.S. addressees | 1,712 | 1,650 | 1,567 | 1,694 | 1,616 | 1,571 | 1,525 | 1,797 | 1,629 |
| 14 Loans secured by real estate ³ | 13,970 ^f | 13,974 ^f | 14,023 ^f | 14,088 ^f | 14,065 ^f | 14,228 | 14,593 | 14,365 | 14,512 |
| 15 To financial institutions | 18,903 ^f | 17,274 ^f | 17,900 ^f | 17,312 ^f | 17,920 ^f | 18,387 | 18,817 | 18,728 | 18,991 |
| 16 Commercial banks in the United States | 13,921 ^f | 12,352 ^f | 13,140 ^f | 12,512 ^f | 12,785 ^f | 13,398 | 14,013 | 13,687 | 13,967 |
| 17 Banks in foreign countries | 1,583 | 1,479 | 1,341 | 1,335 | 1,463 | 1,389 | 1,302 | 1,396 | 1,547 |
| 18 Nonbank financial institutions | 3,399 | 3,443 | 3,419 | 3,465 | 3,672 | 3,600 | 3,502 | 3,645 | 3,477 |
| 19 To foreign governments and official institutions | 730 | 770 | 763 | 780 | 773 | 744 | 835 | 800 | 822 |
| 20 For purchasing and carrying securities | 2,102 | 2,029 | 1,750 | 1,832 | 1,991 | 1,956 | 1,691 | 1,944 | 1,544 |
| 21 All other | 1,232 | 1,287 | 1,262 | 1,216 | 1,370 | 1,437 | 1,447 | 1,540 | 1,376 |
| 22 Other assets (claims on nonrelated parties) . . | 31,613 | 31,501 | 31,672 | 31,188 | 30,912 | 30,672 | 31,532 | 31,306 | 31,596 |
| 23 Net due from related institutions | 15,842 | 15,602 | 15,447 | 15,655 | 14,918 | 17,368 | 14,749 | 15,173 | 14,860 |
| 24 Total assets | 189,878 | 187,109 | 187,944 | 188,046 | 188,874 | 187,670 | 184,163 | 188,697 | 188,124 |
| 25 Deposits or credit balances due to other than directly related institutions | 45,753 | 45,469 | 46,437 | 47,074 | 47,185 | 47,684 | 47,774 | 48,275 | 48,668 |
| 26 Transaction accounts and credit balances ⁴ . | 4,062 | 3,212 | 3,469 | 3,579 | 3,398 | 3,308 | 3,398 | 3,301 | 4,005 |
| 27 Individuals, partnerships, and corporations | 2,334 | 2,078 | 2,273 | 2,259 | 2,354 | 2,082 | 2,114 | 2,013 | 2,711 |
| 28 Other | 1,728 | 1,134 | 1,196 | 1,320 | 1,044 | 1,226 | 1,284 | 1,288 | 1,294 |
| 29 Nontransaction accounts ⁵ | 41,691 | 42,257 | 42,968 | 43,495 | 43,787 | 44,376 | 44,376 | 44,974 | 44,663 |
| 30 Individuals, partnerships, and corporations | 34,634 | 35,349 | 36,050 | 36,620 | 36,806 | 37,370 | 37,595 | 38,229 | 37,979 |
| 31 Other | 7,057 | 6,908 | 6,918 | 6,875 | 6,981 | 7,006 | 6,781 | 6,745 | 6,684 |
| 32 Borrowings from other than directly related institutions | 83,905 | 82,921 | 84,310 | 80,212 | 79,584 | 84,883 | 79,769 | 85,717 | 77,834 |
| 33 Federal funds purchased ⁶ | 36,523 | 37,848 | 37,572 | 32,322 | 34,047 | 41,775 | 35,238 | 39,636 | 32,094 |
| 34 From commercial banks in the United States | 20,405 | 20,950 | 21,080 | 16,867 | 21,215 | 26,694 | 19,155 | 23,994 | 16,185 |
| 35 From others | 16,118 | 16,898 | 16,492 | 15,455 | 12,832 | 15,081 | 16,083 | 15,642 | 15,909 |
| 36 Other liabilities for borrowed money | 47,382 | 45,073 | 46,738 | 47,890 | 45,537 | 43,108 | 44,531 | 46,081 | 45,740 |
| 37 To commercial banks in the United States | 31,313 | 29,698 | 31,316 | 30,787 | 29,174 | 27,956 | 29,492 | 30,353 | 30,225 |
| 38 To others | 16,069 | 15,375 | 15,422 | 17,103 | 16,363 | 15,152 | 15,039 | 15,728 | 15,515 |
| 39 Other liabilities to nonrelated parties | 32,826 | 32,764 | 32,537 | 32,270 | 31,636 | 31,158 | 31,885 | 32,279 | 33,188 |
| 40 Net due to related institutions | 27,395 | 25,954 | 24,660 | 28,490 | 30,470 | 23,944 | 24,735 | 22,425 | 28,434 |
| 41 Total liabilities | 189,878 | 187,109 | 187,944 | 188,046 | 188,874 | 187,670 | 184,163 | 188,697 | 188,124 |
| MEMO | | | | | | | | | |
| 42 Total loans (gross) and securities adjusted ⁷ . | 110,501 | 110,117 | 110,306 | 110,581 ^f | 111,964 ^f | 109,962 | 109,107 | 111,561 | 110,833 |
| 43 Total loans (gross) adjusted ⁷ | 94,651 | 93,999 | 94,220 | 94,603 ^f | 96,544 ^f | 94,893 | 94,338 | 96,459 | 96,147 |

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 Corporations¹

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

| Type of holder | Commercial banks | | | | | | | | | |
|--|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1983 Dec. | 1984 Dec. | 1985 Dec. | 1986 Dec. | 1987 Dec. | 1988 | | | | 1989 |
| | | | | | | Mar. | June | Sept. | Dec. | Mar. |
| 1 All holders—Individuals, partnerships, and corporations | 293.5 | 302.7 | 321.0 | 363.6 | 343.5 | 328.6 | 346.5 | 337.8 | 354.7 | ↑ |
| 2 Financial business | 32.8 | 31.7 | 32.3 | 41.4 | 36.3 | 33.9 | 37.2 | 34.8 | 38.6 | n.a. |
| 3 Nonfinancial business | 161.1 | 166.3 | 178.5 | 202.0 | 191.9 | 184.1 | 194.3 | 190.3 | 201.2 | n.a. |
| 4 Consumer | 78.5 | 81.5 | 85.5 | 91.1 | 90.0 | 86.9 | 89.8 | 87.8 | 88.3 | ↓ |
| 5 Foreign | 3.3 | 3.6 | 3.5 | 3.3 | 3.4 | 3.5 | 3.4 | 3.2 | 3.7 | ↓ |
| 6 Other | 17.8 | 19.7 | 21.2 | 25.8 | 21.9 | 20.3 | 21.9 | 21.7 | 22.8 | ↓ |
| | Weekly reporting banks | | | | | | | | | |
| | 1983 Dec. | 1984 Dec. | 1985 Dec. | 1986 Dec. | 1987 Dec. | 1988 | | | | 1989 |
| | | | | | | Mar. | June | Sept. | Dec. | Mar. |
| 7 All holders—Individuals, partnerships, and corporations | 146.2 | 157.1 | 168.6 | 195.1 | 183.8 | 181.8 | 191.5 | 185.3 | 198.3 | 181.9 |
| 8 Financial business | 24.2 | 25.3 | 25.9 | 32.5 | 28.6 | 27.0 | 30.0 | 27.2 | 30.5 | 27.2 |
| 9 Nonfinancial business | 79.8 | 87.1 | 94.5 | 106.4 | 100.0 | 98.2 | 103.1 | 101.5 | 108.7 | 98.6 |
| 10 Consumer | 29.7 | 30.5 | 33.2 | 37.5 | 39.1 | 41.7 | 42.3 | 41.8 | 42.6 | 41.1 |
| 11 Foreign | 3.1 | 3.4 | 3.1 | 3.3 | 3.3 | 3.4 | 3.4 | 3.1 | 3.6 | 3.3 |
| 12 Other | 9.3 | 10.9 | 12.0 | 15.4 | 12.7 | 11.4 | 12.8 | 11.7 | 12.9 | 11.7 |

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

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

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

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

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument | 1984 Dec. | 1985 Dec. | 1986 Dec. | 1987 Dec. | 1988 Dec. | 1988 | | | 1989 | | |
|---|--------------|--------------|--------------|--------------|--------------|---------|---------|---------|---------|---------|---------|
| | | | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| Commercial paper (seasonally adjusted unless noted otherwise) | | | | | | | | | | | |
| 1 All issuers | 237,586 | 298,779 | 329,991 | 357,129 | 455,017 | 426,216 | 443,531 | 455,017 | 471,066 | 487,771 | 492,821 |
| Financial companies ¹ | | | | | | | | | | | |
| Dealer-placed paper ² | | | | | | | | | | | |
| 2 Total | 56,485 | 78,443 | 101,072 | 101,958 | 159,947 | 149,845 | 157,042 | 159,947 | 162,884 | 173,944 | 172,950 |
| 3 Bank-related (not seasonally adjusted) ³ | 2,035 | 1,602 | 2,265 | 1,428 | 1,248 | 840 | 995 | 1,248 | n.a. | n.a. | n.a. |
| Directly placed paper ⁴ | | | | | | | | | | | |
| 4 Total | 110,543 | 135,320 | 151,820 | 173,939 | 192,442 | 184,044 | 192,220 | 192,442 | 199,828 | 201,997 | 205,374 |
| 5 Bank-related (not seasonally adjusted) ³ | 42,105 | 44,778 | 40,860 | 43,173 | 43,155 | 42,204 | 43,729 | 43,155 | n.a. | n.a. | n.a. |
| 6 Nonfinancial companies ⁵ | 70,558 | 85,016 | 77,099 | 81,232 | 102,628 | 92,327 | 94,269 | 102,628 | 108,354 | 111,830 | 114,497 |
| Bankers dollar acceptances (not seasonally adjusted) ⁶ | | | | | | | | | | | |
| 7 Total | 78,364 | 68,413 | 64,974 | 70,565 | 66,631 | 62,253 | 65,961 | 66,631 | 62,212 | 62,812 | 62,458 |
| Holder | | | | | | | | | | | |
| 8 Accepting banks | 9,811 | 11,197 | 13,423 | 10,943 | 9,086 | 9,083 | 9,483 | 9,086 | 9,009 | 9,401 | 8,336 |
| 9 Own bills | 8,621 | 9,471 | 11,707 | 9,464 | 8,022 | 8,026 | 8,768 | 8,022 | 7,927 | 8,497 | 7,642 |
| 10 Bills bought | 1,191 | 1,726 | 1,716 | 1,479 | 1,064 | 1,057 | 715 | 1,064 | 1,082 | 904 | 693 |
| Federal Reserve Banks | | | | | | | | | | | |
| 11 Own account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Foreign correspondents | 671 | 937 | 1,317 | 965 | 1,493 | 1,166 | 1,393 | 1,493 | 1,595 | 1,579 | 1,544 |
| 13 Others | 67,881 | 56,279 | 50,234 | 58,658 | 56,052 | 52,004 | 55,086 | 56,052 | 51,608 | 51,832 | 52,579 |
| Basis | | | | | | | | | | | |
| 14 Imports into United States | 17,845 | 15,147 | 14,670 | 16,483 | 14,984 | 14,064 | 14,959 | 14,984 | 14,917 | 15,588 | 14,755 |
| 15 Exports from United States | 16,305 | 13,204 | 12,960 | 15,227 | 14,410 | 14,067 | 14,578 | 14,410 | 13,813 | 13,927 | 13,581 |
| 16 All other | 44,214 | 40,062 | 37,344 | 38,855 | 37,237 | 34,122 | 36,424 | 37,237 | 33,482 | 33,297 | 34,122 |

1. Institutions engaged primarily in activities such as, but not limited to, commercial savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
 2. Includes all financial company paper sold by dealers in the open market.
 3. Beginning January 1989, bank-related series have been discontinued.
 4. As reported by financial companies that place their paper directly with investors.

5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
 6. Beginning January 1988, the number of respondents in the bankers acceptance survey were reduced from 155 to 111 institutions—those with \$100 million or more in total acceptances. The new reporting group accounts for over 90 percent of total acceptances activity.

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

Percent per year

| Date of change | Rate | Period | Average rate | Period | Average rate | Period | Average rate |
|--------------------|-------|----------------|--------------|----------------|--------------|----------------|--------------|
| 1986—Mar. 7 | 9.00 | 1986 | 8.33 | 1987—Jan. | 7.50 | 1988—Jan. | 8.75 |
| Apr. 21 | 8.50 | 1987 | 8.21 | Feb. | 7.50 | Feb. | 8.51 |
| July 11 | 8.00 | 1988 | 9.32 | Mar. | 7.50 | Mar. | 8.50 |
| Aug. 26 | 7.50 | 1986—Jan. | 9.50 | Apr. | 7.75 | Apr. | 8.50 |
| 1987—Apr. 1 | 7.75 | Feb. | 9.50 | May | 8.14 | May | 8.84 |
| May 15 | 8.00 | Mar. | 9.10 | June | 8.25 | June | 9.00 |
| Sept. 4 | 8.25 | Apr. | 8.83 | July | 8.25 | July | 9.29 |
| Oct. 7 | 8.75 | May | 8.50 | Aug. | 8.25 | Aug. | 9.84 |
| Oct. 22 | 9.25 | June | 8.50 | Sept. | 8.70 | Sept. | 10.00 |
| Nov. 5 | 9.00 | July | 8.16 | Oct. | 9.07 | Oct. | 10.00 |
| 1988—Feb. 2 | 8.50 | Aug. | 7.90 | Nov. | 8.78 | Nov. | 10.05 |
| May 11 | 9.00 | Sept. | 7.50 | Dec. | 8.75 | Dec. | 10.50 |
| July 14 | 9.50 | Oct. | 7.50 | 1989—Jan. | 10.50 | 1989—Jan. | 10.50 |
| Aug. 11 | 10.00 | Nov. | 7.50 | Feb. | 10.93 | Feb. | 10.93 |
| Nov. 28 | 10.50 | Dec. | 7.50 | Mar. | 11.50 | Mar. | 11.50 |
| 1989—Feb. 10 | 11.00 | 1989—Jan. | 11.00 | Apr. | 11.50 | Apr. | 11.50 |
| 24 | 11.50 | 1989—Feb. | 11.50 | May | 11.50 | May | 11.50 |
| June 5 | 11.00 | 1989—Mar. | 11.00 | | | | |

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

1.35 INTEREST RATES Money and Capital Markets

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

| Instrument | 1986 | 1987 | 1988 | 1989 | | | | 1989, week ending | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------------------|--------|---------|---------|---------|
| | | | | Jan. | Feb. | Mar. | Apr. | Mar. 31 | Apr. 7 | Apr. 14 | Apr. 21 | Apr. 28 |
| MONEY MARKET RATES | | | | | | | | | | | | |
| 1 Federal funds ^{1,2} | 6.80 | 6.66 | 7.57 | 9.12 | 9.36 | 9.85 | 9.84 | 9.88 | 9.71 | 9.82 | 9.95 | 9.86 |
| 2 Discount window borrowing ^{1,2,3} | 6.32 | 5.66 | 6.20 | 6.50 | 6.59 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Commercial paper ^{4,5} | | | | | | | | | | | | |
| 3 1-month | 6.61 | 6.74 | 7.58 | 9.03 | 9.29 | 9.88 | 9.77 | 9.95 | 9.83 | 9.82 | 9.74 | 9.72 |
| 4 3-month | 6.49 | 6.82 | 7.66 | 9.04 | 9.37 | 9.95 | 9.81 | 10.04 | 9.90 | 9.88 | 9.74 | 9.72 |
| 5 6-month | 6.39 | 6.85 | 7.68 | 9.02 | 9.35 | 9.97 | 9.78 | 10.07 | 9.90 | 9.87 | 9.69 | 9.65 |
| Finance paper, directly placed ^{4,5} | | | | | | | | | | | | |
| 6 1-month | 6.57 | 6.61 | 7.44 | 8.90 | 9.21 | 9.77 | 9.70 | 9.84 | 9.75 | 9.74 | 9.65 | 9.64 |
| 7 3-month | 6.38 | 6.54 | 7.38 | 8.78 | 9.11 | 9.70 | 9.70 | 9.88 | 9.77 | 9.76 | 9.64 | 9.63 |
| 8 6-month | 6.31 | 6.37 | 7.14 | 8.44 | 8.65 | 9.17 | 9.29 | 9.40 | 9.30 | 9.35 | 9.28 | 9.23 |
| Bankers acceptances ^{3,6} | | | | | | | | | | | | |
| 9 3-month | 6.38 | 6.75 | 7.56 | 8.93 | 9.27 | 9.83 | 9.68 | 9.90 | 9.75 | 9.75 | 9.63 | 9.60 |
| 10 6-month | 6.28 | 6.78 | 7.60 | 8.92 | 9.26 | 9.87 | 9.63 | 9.97 | 9.74 | 9.74 | 9.54 | 9.50 |
| Certificates of deposit, secondary market ⁷ | | | | | | | | | | | | |
| 11 1-month | 6.61 | 6.75 | 7.59 | 9.06 | 9.33 | 9.91 | 9.81 | 9.98 | 9.86 | 9.85 | 9.77 | 9.75 |
| 12 3-month | 6.51 | 6.87 | 7.73 | 9.20 | 9.51 | 10.09 | 9.94 | 10.16 | 10.03 | 10.02 | 9.87 | 9.84 |
| 13 6-month | 6.50 | 7.01 | 7.91 | 9.36 | 9.71 | 10.40 | 10.13 | 10.53 | 10.28 | 10.27 | 10.00 | 9.96 |
| 14 Eurodollar deposits, 3-month ⁸ | 6.71 | 7.06 | 7.85 | 9.28 | 9.61 | 10.18 | 10.04 | 10.31 | 10.14 | 10.14 | 10.06 | 9.98 |
| U.S. Treasury bills ⁵ | | | | | | | | | | | | |
| Secondary market ⁹ | | | | | | | | | | | | |
| 15 3-month | 5.97 | 5.78 | 6.67 | 8.27 | 8.53 | 8.82 | 8.65 | 9.00 | 8.82 | 8.69 | 8.55 | 8.53 |
| 16 6-month | 6.02 | 6.03 | 6.91 | 8.36 | 8.55 | 8.85 | 8.65 | 9.06 | 8.77 | 8.75 | 8.51 | 8.59 |
| 17 1-year | 6.07 | 6.33 | 7.13 | 8.37 | 8.55 | 8.82 | 8.64 | 8.94 | 8.74 | 8.73 | 8.56 | 8.52 |
| Auction average ¹⁰ | | | | | | | | | | | | |
| 18 3-month | 5.98 | 5.82 | 6.68 | 8.29 | 8.48 | 8.83 | 8.70 | 9.10 | 8.87 | 8.71 | 8.57 | 8.66 |
| 19 6-month | 6.03 | 6.05 | 6.92 | 8.38 | 8.49 | 8.87 | 8.73 | 9.12 | 8.84 | 8.78 | 8.59 | 8.72 |
| 20 1-year | 6.18 | 6.33 | 7.17 | 8.45 | 8.59 | 8.68 | 8.75 | n.a. | n.a. | 8.75 | n.a. | n.a. |
| CAPITAL MARKET RATES | | | | | | | | | | | | |
| U.S. Treasury notes and bonds ¹¹ | | | | | | | | | | | | |
| Constant maturities ¹² | | | | | | | | | | | | |
| 21 1-year | 6.45 | 6.77 | 7.65 | 9.05 | 9.25 | 9.57 | 9.36 | 9.71 | 9.47 | 9.48 | 9.28 | 9.22 |
| 22 2-year | 6.86 | 7.42 | 8.10 | 9.18 | 9.37 | 9.68 | 9.45 | 9.81 | 9.52 | 9.56 | 9.39 | 9.33 |
| 23 3-year | 7.06 | 7.68 | 8.26 | 9.20 | 9.32 | 9.61 | 9.40 | 9.74 | 9.47 | 9.53 | 9.35 | 9.26 |
| 24 5-year | 7.30 | 7.94 | 8.47 | 9.15 | 9.27 | 9.51 | 9.30 | 9.61 | 9.36 | 9.42 | 9.25 | 9.16 |
| 25 7-year | 7.54 | 8.23 | 8.71 | 9.14 | 9.23 | 9.43 | 9.24 | 9.47 | 9.29 | 9.36 | 9.19 | 9.13 |
| 26 10-year | 7.67 | 8.39 | 8.85 | 9.09 | 9.17 | 9.36 | 9.18 | 9.37 | 9.20 | 9.27 | 9.14 | 9.09 |
| 27 20-year | 7.84 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 28 30-year | 7.78 | 8.59 | 8.96 | 8.93 | 9.01 | 9.17 | 9.03 | 9.17 | 9.05 | 9.10 | 9.00 | 8.95 |
| Composite ¹³ | | | | | | | | | | | | |
| 29 Over 10 years (long-term) | 8.14 | 8.64 | 8.98 | 9.07 | 9.16 | 9.33 | 9.18 | 9.32 | 9.21 | 9.26 | 9.15 | 9.10 |
| State and local notes and bonds | | | | | | | | | | | | |
| Moody's series ¹⁴ | | | | | | | | | | | | |
| 30 Aaa | 6.95 | 7.14 | 7.36 | 7.23 | 7.23 | 7.40 | 7.37 | 7.50 | 7.45 | 7.35 | 7.38 | 7.28 |
| 31 Baa | 7.76 | 8.17 | 7.83 | 7.67 | 7.59 | 7.78 | 7.82 | 7.82 | 7.80 | 7.82 | 7.85 | 7.80 |
| 32 Bond Buyer series ¹⁵ | 7.32 | 7.63 | 7.68 | 7.35 | 7.44 | 7.59 | 7.49 | 7.64 | 7.56 | 7.54 | 7.44 | 7.40 |
| Corporate bonds | | | | | | | | | | | | |
| Seasoned issues ¹⁶ | | | | | | | | | | | | |
| 33 All industries | 9.71 | 9.91 | 10.18 | 10.05 | 10.05 | 10.18 | 10.14 | 10.23 | 10.16 | 10.16 | 10.13 | 10.11 |
| 34 Aaa | 9.02 | 9.38 | 9.71 | 9.62 | 9.64 | 9.80 | 9.79 | 9.88 | 9.81 | 9.80 | 9.80 | 9.75 |
| 35 Aa | 9.47 | 9.68 | n.a. | 9.81 | 9.83 | 9.98 | 9.94 | 10.03 | 9.98 | 9.97 | 9.92 | 9.92 |
| 36 A | 9.95 | 9.99 | 10.24 | 10.10 | 10.13 | 10.26 | 10.20 | 10.29 | 10.25 | 10.23 | 10.17 | 10.16 |
| 37 Baa | 10.39 | 10.58 | 10.83 | 10.65 | 10.61 | 10.67 | 10.61 | 10.69 | 10.60 | 10.66 | 10.61 | 10.59 |
| 38 A-rated, recently offered utility bonds ¹⁷ | 9.61 | 9.95 | 10.20 | 10.09 | 10.25 | 10.37 | 10.33 | 10.32 | 10.40 | 10.33 | 10.33 | 10.22 |
| MEMO: Dividend/price ratio ¹⁸ | | | | | | | | | | | | |
| 39 Preferred stocks | 8.76 | 8.37 | 9.23 | 9.31 | 9.31 | 9.43 | 9.50 | 9.47 | 9.53 | 9.53 | 9.47 | 9.48 |
| 40 Common stocks | 3.48 | 3.08 | 3.64 | 3.64 | 3.59 | 3.68 | 3.59 | 3.70 | 3.65 | 3.62 | 3.53 | 3.56 |

1. Weekly, monthly and annual figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.

2. Weekly figures are averages for statement week ending Wednesday.

3. Rate for the Federal Reserve Bank of New York.

4. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30-59 days, 90-119 days, and 120-179 days for commercial paper; and 30-59 days, 90-119 days, and 150-179 days for finance paper.

5. Yields are quoted on a bank-discount basis, rather than in an investment yield basis (which would give a higher figure).

6. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

7. Unweighted average of offered rates quoted by at least five dealers early in the day.

8. Calendar week average. For indication purposes only.

9. Unweighted average of closing bid rates quoted by at least five dealers.

10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the

percentage yield (on a bank discount basis) that they would accept to two decimal places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.

11. Yields are based on closing bid prices quoted by at least five dealers.

12. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.

13. Averages (to maturity or call) for all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.

14. General obligations based on Thursday figures; Moody's Investors Service.

15. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

17. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.

18. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

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

1.36 STOCK MARKET Selected Statistics

| Indicator | 1986 | 1987 | 1988 | 1988 | | | | | 1989 | | | |
|---|---------------|---------|--------------|---------|-------------|---------|--------------|---------|---------------|---------|--------------|---------|
| | | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| Prices and trading (averages of daily figures) | | | | | | | | | | | | |
| <i>Common stock prices</i> | | | | | | | | | | | | |
| 1 New York Stock Exchange (Dec. 31, 1965 = 50) | 136.00 | 161.70 | 149.91 | 149.25 | 151.47 | 156.36 | 152.67 | 155.35 | 160.40 | 165.08 | 169.73 | 169.38 |
| 2 Industrial | 155.85 | 195.31 | 180.83 | 179.72 | 182.18 | 188.58 | 182.25 | 187.75 | 194.62 | 200.00 | 197.58 | 204.81 |
| 3 Transportation | 119.87 | 140.39 | 134.01 | 132.52 | 136.27 | 141.83 | 137.51 | 144.06 | 153.09 | 162.66 | 153.85 | 164.32 |
| 4 Utility | 71.36 | 74.29 | 72.22 | 70.67 | 71.83 | 74.19 | 79.28 | 74.81 | 75.87 | 77.84 | 87.16 | 79.69 |
| 5 Finance | 147.19 | 146.48 | 127.41 | 130.77 | 133.15 | 136.09 | 130.05 | 128.83 | 132.26 | 137.19 | 146.14 | 143.26 |
| 6 Standard & Poor's Corporation (1941-43 = 10) | 236.34 | 286.83 | n.a. | 263.73 | 267.97 | 277.40 | 271.02 | 281.28 | 285.41 | 294.01 | 292.71 | 302.25 |
| 7 American Stock Exchange (Aug. 31, 1973 = 50) ² | 264.38 | 316.61 | 294.90 | 297.76 | 297.86 | 302.83 | 292.25 | 298.59 | 316.14 | 323.96 | 327.47 | 336.82 |
| <i>Volume of trading (thousands of shares)</i> | | | | | | | | | | | | |
| 8 New York Stock Exchange | 141,385 | 188,647 | 161,450 | 144,668 | 145,702 | 162,631 | 134,427 | 135,473 | 168,193 | 169,321 | 159,024 | 161,862 |
| 9 American Stock Exchange | 11,846 | 13,832 | 9,955 | 9,307 | 8,198 | 9,051 | 8,497 | 11,227 | 10,797 | 11,780 | 11,395 | 11,529 |
| Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | | | | |
| 10 Margin credit at broker-dealers ³ | 36,840 | 31,990 | 32,740 | 31,930 | 32,770 | 33,410 | 33,640 | 32,740 | 32,530 | 31,480 | 32,130 | 32,610 |
| <i>Free credit balances at brokers⁴</i> | | | | | | | | | | | | |
| 11 Margin-account ⁵ | 4,880 | 4,750 | 5,660 | 4,655 | 4,725 | 5,065 | 4,920 | 5,660 | 5,790 | 5,605 | 5,345 | 5,450 |
| 12 Cash-account | 19,000 | 15,640 | 16,595 | 14,045 | 14,175 | 14,880 | 15,185 | 16,395 | 15,705 | 16,195 | 16,045 | 16,125 |
| 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.

A26 Domestic Financial Statistics □ July 1989

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

| Account | 1986 | 1987 | 1988 | | | | | | | | 1989 | |
|---|-----------|-----------|----------------------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------|
| | | | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
| FSLIC-insured institutions | | | | | | | | | | | | |
| 1 Assets | 1,163,851 | 1,250,855 | 1,285,338 | 1,289,979 | 1,299,373 ^f | 1,311,668 ^f | 1,323,840 ^f | 1,332,824 ^f | 1,332,852 ^f | 1,350,906 ^f | 1,338,156 ^f | 1,339,882 |
| 2 Mortgages | 697,451 | 721,593 | 733,547 | 736,893 | 743,083 ^f | 751,421 ^f | 754,389 ^f | 760,854 ^f | 763,031 ^f | 764,892 ^f | 767,406 ^f | 767,323 |
| 3 Mortgage-backed securities | 158,193 | 201,828 | 205,053 | 207,744 | 208,509 ^f | 210,573 ^f | 211,195 ^f | 211,844 ^f | 212,348 ^f | 214,821 ^f | 211,475 ^f | 212,589 |
| 4 Contra-assets to mortgage assets ¹ | 41,799 | 42,344 | 39,764 | 40,251 | 40,296 ^f | 39,078 ^f | 38,500 ^f | 38,308 ^f | 37,739 ^f | 37,534 ^f | 37,428 ^f | 37,008 |
| 5 Commercial loans | 23,683 | 23,163 | 24,201 | 24,672 | 24,964 ^f | 25,099 ^f | 24,782 ^f | 25,145 ^f | 25,276 ^f | 33,662 ^f | 33,079 ^f | 33,048 |
| 6 Consumer loans | 51,622 | 57,902 | 60,250 | 61,150 ^f | 61,571 ^f | 62,417 ^f | 61,558 ^f | 61,057 ^f | 61,508 ^f | 62,064 ^f | 62,368 ^f | 62,374 |
| 7 Contra-assets to non-mortgage loans ² | 3,041 | 3,467 | 3,395 | 3,513 | 3,389 | 3,118 ^f | 3,074 ^f | 2,931 ^f | 2,960 ^f | 3,055 ^f | 2,908 ^f | 2,997 |
| 8 Cash and investment securities | 164,844 | 169,717 | 179,506 | 177,533 | 178,459 ^f | 175,793 ^f | 183,178 ^f | 184,778 ^f | 180,148 ^f | 186,133 ^f | 178,617 ^f | 177,905 |
| 9 Other ³ | 112,898 | 122,462 | 125,939 | 125,751 | 126,472 ^f | 128,561 ^f | 130,313 ^f | 130,385 ^f | 131,240 ^f | 129,923 ^f | 125,547 ^f | 126,648 |
| 10 Liabilities and net worth | 1,163,851 | 1,250,855 | 1,285,338 | 1,289,979 | 1,299,373 ^f | 1,311,668 ^f | 1,323,840 ^f | 1,332,824 ^f | 1,332,852 ^f | 1,350,906 ^f | 1,338,156 ^f | 1,339,882 |
| 11 Savings capital | 890,664 | 932,616 | 963,761 | 966,750 | 968,213 | 968,293 | 973,742 | 976,163 | 971,493 ^f | 971,685 ^f | 963,815 | 957,347 |
| 12 Borrowed money | 196,929 | 249,917 | 250,697 | 257,134 | 262,745 | 266,787 | 273,665 ^f | 278,241 ^f | 281,033 ^f | 299,242 ^f | 299,314 ^f | 305,607 |
| 13 FHLBB | 100,025 | 116,363 | 114,994 | 117,287 | 118,213 | 120,677 | 123,436 | 124,368 | 127,548 ^f | 134,143 | 135,708 ^f | 140,028 |
| 14 Other | 96,904 | 133,554 | 135,703 | 139,847 | 144,532 | 146,110 | 150,229 ^f | 153,873 ^f | 153,485 ^f | 165,099 ^f | 163,606 ^f | 165,579 |
| 15 Other | 23,975 | 21,941 | 27,160 | 24,564 ^f | 27,110 ^f | 28,903 ^f | 26,021 ^f | 27,556 ^f | 29,176 ^f | 24,154 ^f | 29,779 ^f | 31,798 |
| 16 Net worth | 52,282 | 46,382 | 43,720 | 41,531 | 41,304 ^f | 47,684 ^f | 50,412 ^f | 50,864 ^f | 51,151 ^f | 55,825 ^f | 59,193 ^f | 59,320 |
| FSLIC-insured federal savings banks | | | | | | | | | | | | |
| 17 Assets | 210,562 | 284,270 | 323,028 | 329,736 | 333,596 ^f | 357,897 ^f | 367,928 ^f | 369,711 | 374,957 | 410,097 | 424,139 | |
| 18 Mortgages | 113,638 | 161,926 | 186,818 ^f | 190,647 | 193,150 ^f | 204,351 ^f | 207,952 ^f | 209,721 | 213,378 | 224,584 | 231,973 | |
| 19 Mortgage-backed securities | 29,766 | 45,826 | 51,290 | 52,648 | 53,027 ^f | 55,688 ^f | 56,399 ^f | 56,778 | 57,619 | 64,772 | 62,109 | |
| 20 Contra-assets to mortgage assets ¹ | n.a. | 9,100 | 9,735 | 10,089 | 10,135 | 10,893 ^f | 10,982 ^f | 10,907 | 10,908 | 12,034 | 12,419 | |
| 21 Commercial loans | n.a. | 6,504 | 7,639 | 7,904 | 7,916 | 8,568 | 8,694 | 8,886 | 9,051 | 8,916 | 16,371 | |
| 22 Consumer loans | 13,180 | 17,696 | 20,426 | 21,142 | 21,449 ^f | 22,526 ^f | 22,420 ^f | 22,414 | 22,671 | 23,962 | 25,056 | |
| 23 Contra-assets to non-mortgage loans ² | n.a. | 678 | 707 | 738 | 699 | 734 ^f | 785 | 789 | 803 | 867 | 793 | |
| 24 Finance leases plus interest | n.a. | 591 | 652 | 708 | 735 | 791 | 804 | 805 | 833 | 881 | 910 | |
| 25 Cash and investment | n.a. | 35,347 | 39,889 | 40,286 | 40,837 ^f | 44,859 ^f | 48,984 ^f | 48,681 | 48,222 | 59,424 | 58,142 | n.a. |
| 26 Other | 19,034 | 24,069 | 26,758 | 27,230 | 27,316 ^f | 32,740 ^f | 34,442 ^f | 34,121 | 34,895 | 40,459 | 37,297 | |
| 27 Liabilities and net worth | 210,562 | 284,270 | 323,028 | 329,736 | 333,596 ^f | 357,897 ^f | 367,928 ^f | 369,711 | 374,957 | 410,097 | 424,139 | |
| 28 Savings capital | 157,872 | 203,196 | 232,656 | 236,759 | 239,590 ^f | 256,223 ^f | 261,862 ^f | 262,924 | 263,984 | 284,822 | 298,531 | |
| 29 Borrowed money | 37,329 | 60,716 | 66,816 | 69,356 | 70,015 | 75,859 ^f | 80,674 ^f | 80,782 | 83,628 | 97,850 | 98,267 | |
| 30 FHLBB | 19,897 | 29,617 | 31,682 | 32,177 | 31,941 | 35,357 | 37,245 | 37,510 | 39,630 | 44,994 | 46,408 | |
| 31 Other | 17,432 | 31,099 | 35,134 | 37,179 | 38,074 | 40,502 ^f | 43,429 ^f | 43,272 | 43,998 | 52,856 | 51,859 | |
| 32 Other | 4,263 | 5,324 | 7,118 | 6,639 | 7,051 ^f | 8,052 ^f | 7,374 ^f | 7,679 | 8,334 | 7,843 | 8,262 | |
| 33 Net worth | 11,098 | 15,034 | 16,589 | 16,886 | 16,843 ^f | 17,661 ^f | 17,886 ^f | 18,206 | 18,893 | 19,472 | 21,184 | |
| Savings banks | | | | | | | | | | | | |
| 34 Assets | 236,866 | 259,643 | 264,507 | 249,927 | 252,875 | 253,453 | 255,510 | 257,127 | 258,537 | 261,361 | 254,319 | 254,165 |
| Loans | | | | | | | | | | | | |
| 35 Mortgage | 118,323 | 138,494 | 143,235 | 138,148 | 139,844 | 141,316 | 143,626 | 145,398 | 146,501 | 147,597 | 144,998 | 145,426 |
| 36 Other | 35,167 | 33,871 | 35,927 | 32,399 | 32,941 | 32,799 | 32,879 | 33,234 | 33,791 | 31,269 | 32,450 | 32,369 |
| Securities | | | | | | | | | | | | |
| 37 U.S. government | 14,209 | 13,510 | 12,490 | 11,597 | 11,563 | 11,353 | 11,182 | 10,896 | 10,804 | 11,457 | 10,485 | 10,315 |
| 38 Mortgage-backed securities | 25,836 | 32,772 | 31,861 | 29,735 | 30,064 | 30,006 | 29,190 | 29,893 | 29,372 | 29,751 | 29,258 | 29,085 |
| 39 State and local government | 2,185 | 2,003 | 1,933 | 1,849 | 1,840 | 1,901 | 1,878 | 1,872 | 1,887 | 1,848 | 1,835 | 1,829 |
| 40 Corporate and other | 20,459 | 18,772 | 18,298 | 17,492 | 17,527 | 17,301 | 17,234 | 16,886 | 16,773 | 17,822 | 15,964 | 15,812 |
| 41 Cash | 6,894 | 5,864 | 5,383 | 4,831 | 5,186 | 4,950 | 5,463 | 4,825 | 5,093 | 7,050 | 5,532 | 5,465 |
| 42 Other assets | 13,793 | 14,357 | 15,380 | 13,876 | 13,910 | 13,827 | 14,058 | 14,123 | 14,316 | 14,567 | 13,797 | 13,864 |
| 43 Liabilities | 236,866 | 259,643 | 264,507 | 249,927 | 252,875 | 253,453 | 255,510 | 257,127 | 258,537 | 261,361 | 254,319 | 254,165 |
| 44 Deposits | 192,194 | 201,497 | 205,692 | 194,018 | 195,537 | 195,907 | 197,665 | 197,925 | 199,092 | 202,058 | 195,452 | 195,308 |
| 45 Regular ⁴ | 186,345 | 196,037 | 200,098 | 188,571 | 189,993 | 190,716 | 192,228 | 192,663 | 194,095 | 196,407 | 190,378 | 190,422 |
| 46 Ordinary savings | 37,717 | 41,959 | 42,403 | 40,179 | 40,124 | 39,738 | 39,618 | 39,375 | 39,482 | 39,750 | 38,221 | 38,049 |
| 47 Time | 100,809 | 112,429 | 117,297 | 110,738 | 112,272 | 114,255 | 116,387 | 117,712 | 119,026 | 121,148 | 118,612 | 119,109 |
| 48 Other | 5,849 | 5,460 | 5,594 | 5,447 | 5,544 | 5,191 | 5,427 | 5,262 | 4,997 | 5,651 | 5,074 | 4,886 |
| 49 Other liabilities | 25,274 | 35,720 | 35,836 | 34,038 | 34,686 | 34,776 | 35,001 | 35,997 | 36,012 | 36,169 | 33,782 | 33,642 |
| 50 General reserve accounts | 18,105 | 20,633 | 21,179 | 19,875 | 20,069 | 20,018 | 20,151 | 20,324 | 20,462 | 20,337 | 20,138 | 20,336 |

1.37—Continued

| Account | 1986 | 1987 | 1988 | | | | | | | | 1989 | |
|---|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|-----------|-----------|---------|
| | | | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
| Credit unions ⁵ | | | | | | | | | | | | |
| 51 Total assets/liabilities and capital | 147,726 | ↑ | 172,456 | 172,345 | 173,276 | 173,044 | 174,649 | 174,722 | 174,406 | 174,593 | 175,027 | 176,270 |
| 52 Federal | 95,483 | ↑ | 112,595 | 112,573 | 113,068 | 112,686 | 113,383 | 113,474 | 113,717 | 114,566 | 114,909 | 115,543 |
| 53 State | 52,243 | ↑ | 59,855 | 59,772 | 60,208 | 60,358 | 61,266 | 61,248 | 61,135 | 60,027 | 60,118 | 60,727 |
| 54 Loans outstanding | 86,137 | n.a. | 105,704 | 105,800 | 107,065 | 108,974 | 110,939 | 111,624 | 112,452 | 113,191 | 114,012 | 113,880 |
| 55 Federal | 35,304 | ↓ | 68,213 | 68,658 | 69,626 | 70,944 | 72,200 | 72,551 | 73,100 | 73,766 | 74,083 | 73,917 |
| 56 State | 30,833 | ↓ | 37,491 | 37,142 | 37,439 | 38,030 | 38,739 | 39,073 | 39,352 | 39,425 | 39,927 | 39,963 |
| 57 Savings | 134,327 | ↓ | 157,764 | 158,186 | 159,314 | 158,731 | 157,944 | 160,174 | 159,021 | 159,010 | 159,106 | 161,073 |
| 58 Federal | 87,954 | ↓ | 103,129 | 103,347 | 104,256 | 103,657 | 103,698 | 104,184 | 103,223 | 104,431 | 104,629 | 105,262 |
| 59 State | 46,373 | ↓ | 54,635 | 54,839 | 55,058 | 55,074 | 54,246 | 55,990 | 55,798 | 54,579 | 54,477 | 55,811 |
| Life insurance companies | | | | | | | | | | | | |
| 60 Assets | 937,551 | 1,044,459 | 1,094,827 | 1,105,546 | 1,113,547 | 1,121,337 | 1,131,179 | 1,139,490 | 1,144,854 ⁴ | 1,157,140 | 1,167,184 | ↑ |
| Securities | | | | | | | | | | | | ↑ |
| 61 Government | 84,640 | 84,426 | 86,711 | 87,160 | 88,218 | 88,362 | 87,588 | 88,883 | 89,510 | 88,167 | 88,747 | ↑ |
| 62 United States ⁶ | 59,033 | 57,078 | 58,988 | 59,351 | 60,244 | 60,407 | 59,874 | 60,621 | 61,108 | 60,685 | 61,042 | ↑ |
| 63 State and local | 11,639 | 10,681 | 11,016 | 11,114 | 11,102 | 11,190 | 11,054 | 11,069 | 11,189 | 11,126 | 11,036 | ↑ |
| 64 Foreign | 13,948 | 16,667 | 16,707 | 16,695 | 16,872 | 16,765 | 16,660 | 17,193 | 17,213 | 16,356 | 16,669 | ↑ |
| 65 Business | 492,807 | 569,199 | 606,445 | 614,052 | 618,742 | 624,917 | 630,086 | 633,390 | 638,350 | 644,894 | 655,149 | n.a. |
| 66 Bonds | 401,943 | 472,684 | 503,728 | 509,105 | 514,926 | 520,796 | 525,336 | 527,419 | 532,197 | 538,053 | 545,970 | ↓ |
| 67 Stocks | 90,864 | 96,515 | 102,717 | 104,947 | 103,816 | 104,121 | 104,750 | 105,971 | 106,153 | 106,841 | 109,179 | ↓ |
| 68 Mortgages | 193,842 | 203,545 | 219,012 | 220,870 | 221,990 | 233,438 | 225,627 | 227,342 | 229,234 | 232,639 | 233,334 | ↓ |
| 69 Real estate | 31,615 | 34,172 | 35,484 | 35,545 | 35,737 | 35,920 | 35,892 | 36,892 | 36,673 | 37,972 | 38,112 | ↓ |
| 70 Policy loans | 54,055 | 53,626 | 53,013 | 53,107 | 53,142 | 53,194 | 53,149 | 53,157 | 53,148 | 53,020 | 53,210 | ↓ |
| 71 Other assets | 80,592 | 89,586 | 94,162 | 94,812 | 95,718 | 95,505 | 98,837 | 99,826 | 94,116 | 95,518 | 98,632 | ↓ |

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

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

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

4. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year 1986 | Fiscal year 1987 | Fiscal year 1988 | Calendar year | | | | | |
|---|------------------|------------------|------------------|----------------------|----------------------|--------|---------|---------|---------|
| | | | | 1988 | | 1989 | | | |
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| <i>U.S. budget¹</i> | | | | | | | | | |
| 1 Receipts, total..... | 769,091 | 854,143 | 908,953 | 64,408 | 93,795 | 89,369 | 61,978 | 68,276 | 128,952 |
| 2 On-budget..... | 568,862 | 640,741 | 667,462 | 47,023 | 74,682 | 65,250 | 38,473 | 44,677 | 99,679 |
| 3 Off-budget..... | 200,228 | 213,402 | 241,491 | 17,385 | 19,114 | 24,119 | 23,505 | 23,598 | 29,273 |
| 4 Outlays, total..... | 990,258 | 1,003,830 | 1,064,044 | 93,541 | 105,237 ^r | 86,563 | 89,850 | 104,055 | 87,506 |
| 5 On-budget..... | 806,760 | 809,998 | 861,352 | 75,453 ^r | 91,606 ^r | 68,999 | 71,324 | 85,191 | 70,924 |
| 6 Off-budget..... | 183,498 | 193,832 | 202,691 | 17,999 | 13,632 | 17,564 | 18,526 | 18,864 | 16,582 |
| 7 Surplus, or deficit (-), total..... | -221,167 | -149,687 | -155,090 | -29,134 ^r | -11,442 ^r | 2,806 | -27,871 | -35,779 | 41,446 |
| 8 On-budget..... | -237,898 | -169,257 | -193,890 | -28,159 ^r | -16,924 ^r | -3,749 | -32,851 | -40,513 | 28,755 |
| 9 Off-budget..... | 16,731 | 19,570 | 38,800 | -614 | 5,482 | 6,555 | 4,979 | 4,735 | 12,691 |
| Source of financing (total) | | | | | | | | | |
| 10 Borrowing from the public..... | 236,187 | 150,070 | 162,062 | 31,520 | 12,036 | 7,359 | 17,190 | 13,405 | -1,291 |
| 11 Operating cash (decrease, or increase (-))..... | -14,324 | -5,052 | -7,963 | 9,218 | -12,268 | -8,135 | 17,009 | 10,154 | -38,788 |
| 12 Other ² | -696 | 4,669 | 991 | -11,604 ^r | 11,674 ^r | -2,030 | -6,328 | 12,221 | -1,367 |
| MEMO | | | | | | | | | |
| 13 Treasury operating balance (level, end of period)..... | 31,384 | 36,436 | 44,398 | 21,432 | 33,700 | 41,835 | 24,826 | 14,672 | 53,460 |
| 14 Federal Reserve Banks..... | 7,514 | 9,120 | 13,024 | 5,198 | 8,657 | 11,766 | 6,298 | 4,462 | 22,952 |
| 15 Tax and loan accounts..... | 23,870 | 27,316 | 31,375 | 16,234 | 25,044 | 30,069 | 18,528 | 10,211 | 30,508 |

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 OUTLAYS¹

Millions of dollars

| Source or type | Fiscal year 1987 | Fiscal year 1988 | Calendar year | | | | | | |
|---|----------------------|----------------------|----------------|----------------|----------------|----------------------------|---------------|----------------|----------------|
| | | | 1987 | | 1988 | | 1989 | | |
| | | | H1 | H2 | H1 | H2 | Feb. | Mar. | Apr. |
| RECEIPTS | | | | | | | | | |
| 1 All sources | 854,143 | 908,954 | 447,282 | 421,712 | 476,115 | 449,821 | 61,978 | 68,276 | 128,952 |
| 2 Individual income taxes, net | 392,557 | 401,181 | 205,157 | 192,575 | 207,659 | 200,299 | 23,427 | 17,769 | 68,533 |
| 3 Withheld | 322,463 | 341,435 | 156,760 | 170,203 | 169,300 | 179,600 | 26,021 | 34,088 | 23,649 |
| 4 Presidential Election Campaign Fund | 33 | 33 | 30 | 4 | 28 | 4 | 3 | 7 | 6 |
| 5 Nonwithheld | 142,957 | 132,199 | 112,421 | 31,223 | 101,614 | 29,880 | 930 | 4,585 | 61,704 |
| 6 Refunds | 72,896 | 72,487 | 64,052 | 8,853 | 63,283 | 9,187 | 3,528 | 20,912 | 16,826 |
| Corporation income taxes | | | | | | | | | |
| 7 Gross receipts | 102,859 | 109,683 | 52,396 | 52,821 | 58,002 | 56,409 | 2,277 | 14,481 | 16,412 |
| 8 Refunds | 18,933 | 15,487 | 10,881 | 7,119 | 8,706 | 7,384 | 1,370 | 1,980 | 1,723 |
| 9 Social insurance taxes and contributions, net | 303,318 | 334,335 | 163,519 | 143,755 | 181,058 | 157,603 | 32,086 | 30,268 | 39,496 |
| 10 Employment taxes and contributions ² | 273,028 | 305,093 | 146,696 | 130,388 | 164,412 | 144,983 | 29,854 | 29,736 | 36,775 |
| 11 Self-employment taxes and contributions ³ | 13,987 | 17,691 | 12,020 | 1,889 | 14,839 | 3,032 | 1,439 | 1,181 | 8,900 |
| 12 Unemployment insurance | 25,575 | 24,584 | 14,514 | 10,977 | 14,363 | 10,359 | 1,882 | 118 | 2,375 |
| 13 Other net receipts ⁴ | 4,715 | 4,659 | 2,310 | 2,390 | 2,284 | 2,262 | 349 | 414 | 346 |
| 14 Excise taxes | 32,457 | 35,540 | 15,845 | 17,680 | 16,440 | 19,434 | 2,303 | 3,228 | 2,616 |
| 15 Customs deposits | 15,085 | 16,198 | 7,494 | 7,993 | 7,913 | 8,535 | 1,347 | 1,476 | 1,263 |
| 16 Estate and gift taxes | 7,493 | 7,594 | 3,818 | 3,610 | 3,863 | 4,054 | 498 | 723 | 1,146 |
| 17 Miscellaneous receipts ⁵ | 19,307 | 19,909 | 10,299 | 10,399 | 9,950 | 10,873 | 1,411 | 2,312 | 1,209 |
| OUTLAYS | | | | | | | | | |
| 18 All types | 1,003,830 | 1,064,044 | 503,267 | 532,839 | 513,210 | 553,230^r | 89,850 | 104,055 | 87,506 |
| 19 National defense | 281,999 | 290,361 ^r | 142,886 | 146,995 | 143,080 | 150,496 | 23,167 | 29,719 | 21,247 |
| 20 International affairs | 11,649 | 10,471 ^r | 4,374 | 4,487 | 7,150 | 2,636 | 274 | 1,762 | 1,366 |
| 21 General science, space, and technology | 9,216 | 10,841 ^r | 4,324 | 5,469 | 5,361 | 5,852 | 864 | 1,200 | 929 |
| 22 Energy | 4,115 | 2,297 ^r | 2,335 | 1,468 | 555 | 1,966 | 358 | 573 | 280 |
| 23 Natural resources and environment | 13,363 | 14,606 ^r | 6,175 | 7,590 | 6,776 | 8,330 | 1,056 | 1,268 | 951 |
| 24 Agriculture | 26,606 | 17,210 | 11,824 | 14,640 | 7,872 | 7,725 | 2,175 | 965 | 2,364 |
| 25 Commerce and housing credit | 6,182 ^r | 18,808 ^r | 4,893 | 3,852 | 5,951 | 20,274 | -413 | 841 | 460 |
| 26 Transportation | 26,222 ^r | 27,272 ^r | 12,113 | 14,096 | 12,700 | 14,922 | 1,810 | 2,109 | 1,746 |
| 27 Community and regional development | 5,051 | 5,294 ^r | 3,108 | 2,075 | 2,765 | 2,690 | 317 | 312 | 241 |
| 28 Education, training, employment, and social services | 29,724 | 31,938 ^r | 14,182 | 15,592 | 15,451 | 16,152 | 3,114 | 2,967 | 2,859 |
| 29 Health | 39,968 | 44,490 ^r | 20,318 | 20,750 | 22,643 | 23,360 | 3,523 | 3,881 | 4,028 |
| 30 Social security and medicare | 282,472 | 297,828 | 142,864 | 158,469 | 135,322 | 149,017 | 25,402 | 27,778 | 25,877 |
| 31 Income security | 123,250 ^r | 129,332 ^r | 62,248 | 61,201 | 65,555 | 64,978 | 12,234 | 14,458 | 11,612 |
| 32 Veterans benefits and services | 26,782 | 29,428 ^r | 12,264 | 14,956 | 13,241 | 15,797 | 2,287 | 3,766 | 1,251 |
| 33 Administration of justice | 7,548 | 9,223 ^r | 3,626 | 4,291 | 4,761 | 4,778 | 677 | 806 | 949 |
| 34 General government | 5,948 ^r | 7,658 ^r | 3,344 | 3,560 | 4,337 | 5,137 | 558 | 743 | 156 |
| 35 General-purpose fiscal assistance | 1,621 ^r | 1,816 ^r | 337 | 1,175 | 448 | 0 | 0 | 0 | 0 |
| 36 Net interest ⁶ | 138,570 | 151,748 ^r | 70,110 | 71,933 | 76,098 | 78,317 | 15,241 | 13,931 | 14,076 |
| 37 Undistributed offsetting receipts ⁷ | -36,455 | -36,967 ^r | -19,102 | -17,684 | -17,766 | -18,771 | -2,792 | -3,025 | -2,887 |

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 | 1986 | 1987 | | | | 1988 | | | |
|---|---------|---------|---------|----------|---------|---------|---------|----------------------|---------|
| | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 |
| 1 Federal debt outstanding | 2,218.9 | 2,250.7 | 2,313.1 | 2,354.3 | 2,435.2 | 2,493.2 | 2,555.1 | 2,614.6 | 2,707.3 |
| 2 Public debt securities | 2,214.8 | 2,246.7 | 2,309.3 | 2,350.3 | 2,431.7 | 2,487.6 | 2,547.7 | 2,602.2 ¹ | 2,684.4 |
| 3 Held by public | 1,811.7 | 1,839.3 | 1,871.1 | 1,893.1 | 1,954.1 | 1,996.7 | 2,013.4 | 2,051.7 | 2,095.2 |
| 4 Held by agencies | 403.1 | 407.5 | 438.1 | 457.2 | 477.6 | 490.8 | 534.2 | 550.4 | 589.2 |
| 5 Agency securities | 4.0 | 4.0 | 3.8 | 4.0 | 3.5 | 5.6 | 7.4 | 12.4 | 22.9 |
| 6 Held by public | 3.0 | 2.9 | 2.8 | 3.0 | 2.7 | 5.1 | 7.0 | 12.2 | 22.6 |
| 7 Held by agencies | 1.1 | 1.1 | 1.0 | 1.0 | .8 | .6 | .5 | .2 | .3 |
| 8 Debt subject to statutory limit | 2,200.5 | 2,232.4 | 2,295.0 | 2,336.0 | 2,417.4 | 2,472.6 | 2,532.2 | 2,586.9 | 2,669.1 |
| 9 Public debt securities | 2,199.3 | 2,231.1 | 2,293.7 | 2,334.7 | 2,416.3 | 2,472.1 | 2,532.1 | 2,586.7 | 2,668.9 |
| 10 Other debt ¹ | 1.3 | 1.3 | 1.3 | 1.3 | 1.1 | .5 | .1 | .1 | .2 |
| 11 MEMO: Statutory debt limit | 2,300.0 | 2,300.0 | 2,320.0 | 2,800.0 | 2,800.0 | 2,800.0 | 2,800.0 | 2,800.0 | 2,800.0 |

1. Includes guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

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

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

Billions of dollars, end of period

| Type and holder | 1985 | 1986 | 1987 | 1988 | 1988 | | | |
|---|---------|---------|---------|---------|-------------------|---------|----------------------|---------|
| | | | | | Q1 | Q2 | Q3 | Q4 |
| 1 Total gross public debt | 1,945.9 | 2,214.8 | 2,431.7 | 2,684.4 | 2,487.6 | 2,547.7 | 2,602.2 ¹ | 2,684.4 |
| By type | | | | | | | | |
| 2 Interest-bearing debt | 1,943.4 | 2,212.0 | 2,428.9 | 2,663.1 | 2,484.9 | 2,545.0 | 2,599.9 | 2,663.1 |
| 3 Marketable | 1,437.7 | 1,619.0 | 1,724.7 | 1,821.3 | 1,758.7 | 1,769.9 | 1,802.9 | 1,821.3 |
| 4 Bills | 399.9 | 426.7 | 389.5 | 414.0 | 392.6 | 382.3 | 398.5 | 414.0 |
| 5 Notes | 812.5 | 927.5 | 1,037.9 | 1,083.6 | 1,059.9 | 1,072.7 | 1,089.6 | 1,083.6 |
| 6 Bonds | 211.1 | 249.8 | 282.5 | 308.9 | 291.3 | 299.9 | 299.9 | 308.9 |
| 7 Nonmarketable ¹ | 505.7 | 593.1 | 704.2 | 841.8 | 726.2 | 775.1 | 797.0 | 841.8 |
| 8 State and local government series | 87.5 | 110.5 | 139.3 | 151.5 | 142.9 | 146.9 | 147.6 | 151.5 |
| 9 Foreign issues ² | 7.5 | 4.7 | 4.0 | 6.6 | 6.1 | 5.7 | 6.3 | 6.6 |
| 10 Government | 7.5 | 4.7 | 4.0 | 6.6 | 6.1 | 5.7 | 6.3 | 6.6 |
| 11 Public | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12 Savings bonds and notes | 78.1 | 90.6 | 99.2 | 107.6 | 102.3 | 104.5 | 106.2 | 107.6 |
| 13 Government account series ³ | 332.2 | 386.9 | 461.3 | 575.6 | 474.4 | 517.5 | 536.5 | 575.6 |
| 14 Non-interest-bearing debt | 2.5 | 2.8 | 2.8 | 21.3 | 2.6 | 2.7 | 2.3 ¹ | 21.3 |
| By holder ⁴ | | | | | | | | |
| 15 U.S. government agencies and trust funds | 348.9 | 403.1 | 477.6 | 589.2 | 490.8 | 534.2 | 550.4 | 589.2 |
| 16 Federal Reserve Banks | 181.3 | 211.3 | 222.6 | 238.4 | 217.5 | 227.6 | 229.2 | 238.4 |
| 17 Private investors | 1,417.2 | 1,602.0 | 1,745.2 | 1,852.8 | 1,778.2 | 1,784.9 | 1,819.0 | 1,852.8 |
| 18 Commercial banks | 198.2 | 203.5 | 201.2 | 195.0 | 201.0 | 202.5 | 203.0 | 195.0 |
| 19 Money market funds | 25.1 | 28.0 | 14.3 | 18.8 | 14.9 | 13.1 | 10.8 | 18.8 |
| 20 Insurance companies | 78.5 | 105.6 | 120.6 | n.a. | 125.5 | 132.2 | 135.0 | n.a. |
| 21 Other companies | 59.0 | 68.8 | 84.6 | 86.1 | 83.0 | 86.5 | 86.0 | 86.1 |
| 22 State and local Treasuries | 226.7 | 262.8 | 282.6 | n.a. | 285.8 | 286.3 | 287.0 | n.a. |
| Individuals | | | | | | | | |
| 23 Savings bonds | 79.8 | 92.3 | 101.1 | 109.6 | 104.0 | 106.2 | 107.8 | 109.6 |
| 24 Other securities | 75.0 | 70.5 | 72.3 | 77.8 | 72.7 ¹ | 73.9 | 76.7 | 77.8 |
| 25 Foreign and international ⁵ | 212.5 | 251.6 | 287.3 | 349.3 | 321.0 | 333.8 | 334.3 | 349.3 |
| 26 Other miscellaneous investors ⁶ | 462.4 | 518.9 | 581.2 | n.a. | 573.2 | 552.6 | 583.1 | n.a. |

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

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

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

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

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

6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

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

| Item | 1986 | 1987 | 1988 | 1989 | | | 1989 | | | | | | |
|--|--------|---------|---------|-------------------|-------------------|---------|----------------------|---------------------|---------|---------|---------|---------|--|
| | | | | Feb. ⁷ | Mar. ⁷ | Apr. | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | |
| Immediate delivery ² | | | | | | | | | | | | | |
| 1 U.S. Treasury securities | 95,444 | 110,050 | 101,623 | 121,460 | 101,107 | 107,794 | 113,522 ⁷ | 96,582 ⁷ | 124,487 | 92,906 | 118,385 | 98,310 | |
| <i>By maturity</i> | | | | | | | | | | | | | |
| 2 Bills | 34,247 | 37,924 | 29,387 | 33,886 | 30,718 | 29,307 | 31,435 ⁷ | 26,840 ⁷ | 39,332 | 28,550 | 30,349 | 26,303 | |
| 3 Other within 1 year | 2,115 | 3,271 | 3,426 | 3,641 | 3,953 | 3,172 | 4,284 | 3,831 ⁷ | 4,264 | 2,543 | 4,049 | 2,702 | |
| 4 1-5 years | 24,667 | 27,918 | 27,777 | 38,121 | 29,531 | 31,389 | 33,744 | 36,008 ⁷ | 33,888 | 21,778 | 34,905 | 32,681 | |
| 5 5-10 years | 20,455 | 24,014 | 24,939 | 27,946 | 24,284 | 29,661 | 29,727 ⁷ | 18,935 ⁷ | 30,785 | 28,148 | 33,069 | 24,288 | |
| 6 Over 10 years | 13,961 | 16,923 | 16,093 | 17,867 | 12,621 | 14,265 | 14,332 | 10,967 ⁷ | 16,218 | 11,887 | 16,011 | 12,337 | |
| <i>By type of customer</i> | | | | | | | | | | | | | |
| 7 U.S. government securities dealers | 3,669 | 2,936 | 2,761 | 3,859 | 3,561 | 3,370 | 3,389 | 2,972 | 7,582 | 3,081 | 3,353 | 2,690 | |
| 8 U.S. government securities brokers | 49,558 | 61,539 | 59,844 | 70,267 | 59,914 | 64,438 | 68,809 | 56,590 ⁷ | 70,621 | 55,517 | 70,570 | 59,023 | |
| 9 All others ³ | 42,217 | 45,575 | 39,019 | 47,335 | 37,632 | 39,987 | 41,323 ⁷ | 37,019 ⁷ | 46,284 | 34,308 | 44,462 | 36,596 | |
| 10 Federal agency securities | 16,747 | 18,084 | 15,903 | 17,209 | 15,417 | 17,216 | 12,130 | 14,279 ⁷ | 15,549 | 17,602 | 19,973 | 15,134 | |
| 11 Certificates of deposit | 4,355 | 4,112 | 3,369 | 3,702 | 3,203 | 2,946 | 3,345 | 3,215 | 2,853 | 3,357 | 2,979 | 2,798 | |
| 12 Bankers acceptances | 3,272 | 2,965 | 2,316 | 2,368 | 2,112 | 2,562 | 1,942 | 2,213 | 2,351 | 2,521 | 2,489 | 2,490 | |
| 13 Commercial paper | 16,660 | 17,135 | 22,927 | 32,131 | 30,481 | 30,858 | 29,493 | 31,856 | 31,759 | 29,365 | 30,975 | 28,918 | |
| Futures contracts ⁴ | | | | | | | | | | | | | |
| 14 Treasury bills | 3,311 | 3,233 | 2,627 | 3,947 | 3,139 | 2,788 | 4,459 ⁷ | 1,627 | 3,494 | 1,791 | 3,235 | 2,269 | |
| 15 Treasury coupons | 7,175 | 8,963 | 9,695 | 10,658 | 9,087 | 8,662 | 11,109 ⁷ | 6,584 | 9,707 | 7,258 | 10,004 | 7,111 | |
| 16 Federal agency securities | 16 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Forward transactions ⁵ | | | | | | | | | | | | | |
| 17 U.S. Treasury securities | 1,876 | 2,029 | 2,095 | 3,054 | 1,819 | 2,019 | 2,189 ⁷ | 1,606 | 2,751 | 1,270 | 2,027 | 1,954 | |
| 18 Federal agency securities | 7,830 | 9,290 | 8,008 | 7,656 | 8,322 | 7,865 | 10,412 | 6,062 | 6,254 | 10,110 | 8,992 | 5,675 | |

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers.

Averages for transactions are based on the number of trading days in the period. The figures exclude allotments of, and exchanges for, new U.S. Treasury securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

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

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

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

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

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

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1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Averages of daily figures, in millions of dollars

| Item | 1986 | 1987 | 1988 | 1989 | | | 1989 | | | | |
|--|---------|---------|---------|----------------------|-------------------|---------|----------------------|---------|---------|---------|---------|
| | | | | Feb. | Mar. ^r | Apr. | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 |
| Positions | | | | | | | | | | | |
| Net immediate ² | | | | | | | | | | | |
| 1 U.S. Treasury securities | 12,912 | -6,216 | -22,765 | -31,876 ^r | -32,313 | -22,532 | -34,543 ^r | -23,658 | -23,295 | -20,807 | -24,429 |
| 2 Bills | 12,761 | 4,317 | 2,238 | -3,914 ^r | -2,056 | 1,532 | -3,045 ^r | -459 | 1,734 | 2,239 | 1,730 |
| 3 Other within 1 year | 3,705 | 1,557 | -2,236 | -3,545 | -4,240 | -955 | -3,613 ^r | -1,671 | -723 | -428 | -1,524 |
| 4 1-5 years | 9,146 | 649 | -3,020 | -8,696 ^r | -7,631 | -5,564 | -9,675 ^r | -3,063 | -4,556 | -6,518 | -7,958 |
| 5 5-10 years | -9,505 | -6,564 | -9,663 | -8,309 ^r | -8,724 | -9,026 | -9,440 | -8,924 | -10,824 | -8,386 | -8,767 |
| 6 Over 10 years | -3,197 | -6,174 | -10,084 | -7,412 ^r | -9,661 | -8,519 | -8,771 | -9,542 | -8,926 | -7,713 | -7,910 |
| 7 Federal agency securities | 32,984 | 31,911 | 28,230 | 30,007 ^r | 30,770 | 28,591 | 31,115 ^r | 29,725 | 28,740 | 29,159 | 27,949 |
| 8 Certificates of deposit | 10,485 | 8,188 | 7,300 | 6,312 ^r | 7,121 | 6,165 | 7,141 ^r | 6,960 | 6,255 | 6,047 | 5,879 |
| 9 Bankers acceptances | 5,526 | 3,660 | 2,486 | 2,152 | 1,929 | 2,531 | 1,786 | 2,187 | 2,660 | 2,254 | 2,724 |
| 10 Commercial paper | 8,089 | 7,496 | 6,152 | 6,472 | 6,734 | 9,127 | 6,496 ^r | 7,087 | 7,791 | 9,516 | 10,376 |
| Futures positions | | | | | | | | | | | |
| 11 Treasury bills | -18,059 | -3,373 | -2,210 | 4,512 ^r | 1,829 | -5,126 | -677 | -3,130 | -5,013 | -5,338 | -5,483 |
| 12 Treasury coupons | 3,473 | 5,988 | 6,224 | 2,895 | 2,925 | 895 | 2,665 ^r | 1,520 | 1,212 | 344 | 963 |
| 13 Federal agency securities | -153 | -95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forward positions | | | | | | | | | | | |
| 14 U.S. Treasury securities | -2,144 | -1,211 | 346 | 872 | -641 | -1,295 | -1,250 ^r | -2,509 | -1,907 | -1,420 | -289 |
| 15 Federal agency securities | -11,840 | -18,817 | -16,348 | -14,873 ^r | -15,662 | -15,320 | -15,444 | -15,051 | -15,191 | -16,060 | -14,658 |
| Financing ³ | | | | | | | | | | | |
| Reverse repurchase agreements ⁴ | | | | | | | | | | | |
| 16 Overnight and continuing | 98,913 | 126,709 | 136,327 | 160,928 | 160,212 | 143,132 | 162,507 | 159,894 | 160,696 | 159,680 | 156,217 |
| 17 Term | 108,607 | 148,288 | 177,477 | 215,283 | 226,855 | 202,673 | 226,794 | 210,825 | 224,587 | 225,341 | 234,269 |
| Repurchase agreements ⁵ | | | | | | | | | | | |
| 18 Overnight and continuing | 141,823 | 170,763 | 172,695 | 205,530 | 204,454 | 187,255 | 199,611 | 201,268 | 209,067 | 211,863 | 207,329 |
| 19 Term | 102,397 | 121,270 | 137,056 | 155,689 | 163,104 | 153,210 | 167,402 | 161,707 | 168,979 | 163,113 | 183,722 |

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

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

3. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securi-

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

| Agency | 1984 | 1985 | 1986 | 1987 | 1988 | | 1989 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Nov. | Dec. | Jan. | Feb. | Mar. |
| 1 Federal and federally sponsored agencies | 271,220 | 293,905 | 307,361 | 341,386 | 370,639 | 381,498 | 385,959 | 390,803 | 397,318 |
| 2 Federal agencies | 35,145 | 36,390 | 36,958 | 37,981 | 35,209 | 35,668 | 35,727 | 35,768 | 36,348 |
| 3 Defense Department ¹ | 142 | 71 | 33 | 13 | 8 | 8 | 8 | 8 | 8 |
| 4 Export-Import Bank ^{2,3} | 15,882 | 15,678 | 14,211 | 11,978 | 10,964 | 11,033 | 11,033 | 11,033 | 11,007 |
| 5 Federal Housing Administration ⁴ | 133 | 115 | 138 | 183 | 139 | 150 | 143 | 165 | 172 |
| 6 Government National Mortgage Association participation certificates ⁵ | 2,165 | 2,165 | 2,165 | 1,615 | 0 | 0 | 0 | 0 | 0 |
| 7 Postal Service ⁶ | 1,337 | 1,940 | 3,104 | 6,103 | 5,842 | 6,142 | 6,142 | 6,142 | 6,742 |
| 8 Tennessee Valley Authority | 15,435 | 16,347 | 17,222 | 18,089 | 18,256 | 18,335 | 18,401 | 18,420 | 18,419 |
| 9 United States Railway Association ⁶ | 51 | 74 | 85 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 Federally sponsored agencies ⁷ | 237,012 | 257,515 | 270,553 | 303,405 | 335,430 | 345,830 | 350,232 | 355,035 | 360,970 |
| 11 Federal Home Loan Banks | 65,085 | 74,447 | 88,752 | 115,725 | 130,630 | 135,834 | 139,804 | 144,343 | 149,950 |
| 12 Federal Home Loan Mortgage Corporation | 10,270 | 11,926 | 13,589 | 17,645 | 19,500 | 22,797 | 22,874 | 21,320 | 23,392 |
| 13 Federal National Mortgage Association | 83,720 | 93,896 | 93,563 | 97,057 | 105,337 | 105,459 | 104,843 | 105,201 | 104,666 |
| 14 Farm Credit Banks ⁸ | 72,192 | 68,851 | 62,478 | 55,275 | 53,420 | 53,127 | 52,319 | 52,441 | 52,069 |
| 15 Student Loan Marketing Association ⁹ | 5,745 | 8,395 | 12,171 | 16,503 | 21,403 | 22,073 | 23,852 | 25,190 | 23,753 |
| 16 Financing Corporation ¹⁰ | n.a. | n.a. | n.a. | 1,200 | 4,450 | 5,850 | 5,850 | 5,850 | 6,450 |
| 17 Farm Credit Financial Assistance Corporation ¹¹ | n.a. | n.a. | n.a. | n.a. | 690 | 690 | 690 | 690 | 690 |
| MEMO | | | | | | | | | |
| 18 Federal Financing Bank debt¹² | 145,217 | 153,373 | 157,510 | 152,417 | 143,321 | 142,850 | 142,447 | 142,123 | 141,864 |
| <i>Lending to federal and federally sponsored agencies</i> | | | | | | | | | |
| 19 Export-Import Bank ³ | 15,852 | 15,670 | 14,205 | 11,972 | 10,958 | 11,027 | 11,027 | 11,027 | 11,001 |
| 20 Postal Service ⁶ | 1,087 | 1,690 | 2,854 | 5,853 | 5,592 | 5,892 | 5,892 | 5,892 | 6,492 |
| 21 Student Loan Marketing Association | 5,000 | 5,000 | 4,970 | 4,940 | 4,910 | 4,910 | 4,910 | 4,910 | 4,910 |
| 22 Tennessee Valley Authority | 13,710 | 14,622 | 15,797 | 16,709 | 16,876 | 16,955 | 17,021 | 17,040 | 17,039 |
| 23 United States Railway Association ⁶ | 51 | 74 | 85 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Other Lending¹³</i> | | | | | | | | | |
| 24 Farmers Home Administration | 58,971 | 64,234 | 65,374 | 59,674 | 58,496 | 58,496 | 58,496 | 58,496 | 57,841 |
| 25 Rural Electrification Administration | 20,693 | 20,654 | 21,680 | 21,191 | 19,220 | 19,246 | 19,225 | 19,245 | 19,195 |
| 26 Other | 29,853 | 31,429 | 32,545 | 32,078 | 27,269 | 26,324 | 25,876 | 25,513 | 25,386 |

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

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

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.

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

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation (established in January 1988 to provide assistance to the Farm Credit System) undertook its first borrowing in July 1988.

12. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

13. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

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1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1986 | 1987 | 1988 | 1988 | | | | 1989 | | | |
|---|----------------|----------------|----------------|--------------|---------------|--------------|---------------|--------------|--------------|-------------------|--------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^f | Apr. |
| 1 All issues, new and refunding¹ | 147,011 | 102,407 | 108,078 | 9,669 | 10,455 | 8,551 | 11,268 | 6,640 | 8,054 | 8,626 | 6,820 |
| <i>Type of issue</i> | | | | | | | | | | | |
| 2 General obligation | 46,346 | 30,589 | 29,662 | 2,370 | 2,058 | 2,368 | 2,491 | 1,784 | 3,955 | 2,185 | 2,277 |
| 3 Revenue | 100,664 | 71,818 | 78,417 | 7,299 | 8,397 | 6,183 | 8,777 | 4,856 | 4,099 | 6,441 | 4,543 |
| <i>Type of issuer</i> | | | | | | | | | | | |
| 4 State | 14,474 | 10,102 | 9,254 | 1,206 | 734 | 525 | 1,011 | 280 | 1,896 | 256 | 1,407 |
| 5 Special district and statutory authority ² | 89,997 | 65,460 | 69,447 | 6,407 | 7,283 | 5,550 | 7,690 | 4,882 | 3,832 | 5,962 | 3,774 |
| 6 Municipalities, counties, and townships | 42,541 | 26,845 | 29,377 | 2,056 | 2,438 | 2,476 | 2,567 | 1,478 | 2,326 | 2,408 | 1,639 |
| 7 Issues for new capital, total | 83,492 | 56,789 | 75,064 | 7,076 | 6,965 | 5,830 | 8,738 | 4,141 | 5,222 | 6,486 | 6,029 |
| <i>Use of proceeds</i> | | | | | | | | | | | |
| 8 Education | 12,307 | 9,524 | 13,722 | 1,351 | 512 | 827 | 2,564 | 827 | 826 | 1,055 | 1,303 |
| 9 Transportation | 7,246 | 3,677 | 6,974 | 732 | 559 | 237 | 636 | 344 | 382 | 445 | 885 |
| 10 Utilities and conservation | 14,594 | 7,912 | 7,929 | 694 | 1,238 | 1,055 | 463 | 1,335 | 847 | 901 | 732 |
| 11 Social welfare | 11,353 | 11,106 | 17,824 | 2,358 | 2,478 | 1,991 | 2,072 | 509 | 743 | 1,329 | 1,134 |
| 12 Industrial aid | 6,190 | 7,474 | 6,276 | 280 | 393 | 294 | 1,010 | 293 | 250 | 253 | 290 |
| 13 Other purposes | 31,802 | 18,020 | 22,339 | 1,661 | 1,785 | 1,426 | 1,993 | 834 | 2,174 | 2,503 | 1,685 |

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

SOURCES. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

| Type of issue or issuer, or use | 1986 | 1987 | 1988 | 1988 | | | | | 1989 | | |
|--|----------------|----------------|----------------------|---------------|---------------|---------------|---------------|---------------------------|---------------------------|---------------------------|---------------|
| | | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| 1 All issues¹ | 423,726 | 392,156 | 265,618 | 19,739 | 23,933 | 21,818 | 24,531 | 12,389^f | 17,369^f | 14,162^f | 25,289 |
| 2 Bonds² | 355,293 | 325,648 | 223,162 | 16,404 | 20,928 | 19,031 | 21,096 | 10,338^f | 14,208^f | 11,628^f | 24,368 |
| <i>Type of offering</i> | | | | | | | | | | | |
| 3 Public, domestic | 231,936 | 209,279 | 199,984 | 15,065 | 18,240 | 17,519 | 16,798 | 10,203 ^f | 11,348 ^f | 9,434 ^f | 22,500 |
| 4 Private placement, domestic ³ | 80,760 | 92,070 | 129,488 ^f | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5 Sold abroad | 42,596 | 24,299 | 23,178 | 1,339 | 2,688 | 1,512 | 4,298 | 135 | 2,860 | 1,994 ^f | 2,000 |
| <i>Industry group</i> | | | | | | | | | | | |
| 6 Manufacturing | 91,548 | 61,666 | 40,874 | 3,476 | 3,750 | 3,552 | 2,890 | 1,485 | 1,660 | 1,319 ^f | 7,364 |
| 7 Commercial and miscellaneous | 40,124 | 49,327 | 18,640 | 2,226 | 1,035 | 764 | 3,260 | 748 | 2,047 | 1,047 ^f | 875 |
| 8 Transportation | 9,971 | 11,974 | 3,771 | 0 | 150 | 605 | 45 | 0 | 0 | 102 | 0 |
| 9 Public utility | 31,426 | 23,004 | 13,775 | 298 | 856 | 1,346 | 672 | 264 ^f | 635 ^f | 640 ^f | 153 |
| 10 Communication | 16,659 | 7,340 | 4,044 | 29 | 1,064 | 100 | 289 | 158 | 0 | 230 | 63 |
| 11 Real estate and financial | 165,564 | 172,343 | 142,055 | 10,374 | 14,072 | 12,664 | 13,940 | 7,683 | 9,867 ^f | 8,290 ^f | 15,909 |
| 12 Stocks³ | 68,433 | 66,508 | 42,456 | 3,335 | 3,005 | 2,787 | 3,435 | 2,051 | 3,161 | 2,534 | 921 |
| <i>Type</i> | | | | | | | | | | | |
| 13 Preferred | 11,514 | 10,123 | 6,544 | 498 | 385 | 865 | 478 | 495 | 275 | 975 | 310 |
| 14 Common | 50,316 | 43,225 | 35,911 | 2,837 | 2,620 | 1,922 | 2,957 | 1,556 | 2,886 | 1,559 | 611 |
| 15 Private placement ³ | 6,603 | 13,157 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| <i>Industry group</i> | | | | | | | | | | | |
| 16 Manufacturing | 15,027 | 13,880 | 6,115 | 538 | 244 | 288 | 430 | 425 | 33 | 832 | 127 |
| 17 Commercial and miscellaneous | 10,617 | 12,888 | 4,766 | 347 | 525 | 222 | 52 | 89 | 32 | 270 | 336 |
| 18 Transportation | 2,427 | 2,439 | 845 | 72 | 5 | 25 | 20 | 0 | 220 | 0 | 53 |
| 19 Public utility | 4,020 | 4,322 | 1,581 | 135 | 215 | 282 | 70 | 20 | 1,960 | 11 | 112 |
| 20 Communication | 1,825 | 1,458 | 448 | 3 | 23 | 0 | 20 | 59 | 5 | 19 | 0 |
| 21 Real estate and financial | 34,517 | 31,521 | 28,701 | 2,240 | 1,993 | 1,970 | 2,843 | 1,459 | 911 | 1,402 | 297 |

1. Figures which represent gross proceeds of issues maturing in more than one year, are principal amount or number of units multiplied by offering price. Excludes secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data include only public offerings.
3. Data are not available on a monthly basis. Before 1987, annual totals include underwritten issues only.

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

| Item | 1987 | 1988 | 1988 | | | | | 1989 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| INVESTMENT COMPANIES ¹ | | | | | | | | | | |
| 1 Sales of own shares ² | 381,260 | 271,237 | 20,595 | 19,872 | 20,494 | 20,327 | 25,780 | 29,014 | 22,741 | 24,933 |
| 2 Redemptions of own shares ³ | 314,252 | 267,451 | 22,837 | 21,330 | 19,362 | 20,599 | 25,976 | 24,494 | 22,252 | 25,788 |
| 3 Net sales | 67,008 | 3,786 | -2,242 | -1,458 | 1,132 | -272 | 196 | 4,520 | 489 | -855 |
| 4 Assets ⁴ | 453,842 | 472,297 | 465,822 | 474,662 | 481,571 | 470,660 | 472,297 | 487,204 | 482,697 | 483,967 |
| 5 Cash position ⁵ | 38,006 | 45,090 | 45,229 | 46,706 | 45,976 | 43,488 | 45,090 | 49,661 | 47,908 | 46,501 |
| 6 Other | 415,836 | 427,207 | 420,595 | 427,956 | 435,595 | 427,172 | 427,207 | 437,543 | 434,789 | 436,566 |

1. Data on sales and redemptions exclude money market mutual funds but include limited maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited maturity municipal bond funds.
 2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
 3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.
 5. Also includes all U.S. government securities and other short-term debt securities.
 NOTE: Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.
 SOURCE: Survey of Current Business (Department of Commerce).

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

| Account | 1986 | 1987 | 1988 | 1987 | | | 1988 | | | | 1989 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 1 Corporate profits with inventory valuation and capital consumption adjustment | 298.9 | 310.4 | 328.1 | 305.2 | 322.0 | 316.1 | 316.2 | 326.5 | 330.0 | 340.9 | 319.3 |
| 2 Profits before tax | 236.4 | 276.7 | 306.4 | 273.7 | 289.4 | 281.9 | 286.2 | 305.9 | 313.9 | 320.6 | 319.9 |
| 3 Profits tax liability | 106.6 | 133.8 | 142.6 | 132.6 | 140.0 | 136.2 | 136.9 | 143.2 | 144.8 | 146.1 | 148.3 |
| 4 Profits after tax | 129.8 | 142.9 | 163.8 | 141.1 | 149.5 | 145.7 | 149.4 | 162.7 | 169.1 | 174.5 | 171.6 |
| 5 Dividends | 88.2 | 95.5 | 104.5 | 94.0 | 97.0 | 99.3 | 101.3 | 103.1 | 105.7 | 108.0 | 111.1 |
| 6 Undistributed profits | 41.6 | 47.4 | 59.2 | 47.0 | 52.4 | 46.4 | 48.1 | 59.6 | 63.4 | 66.4 | 60.5 |
| 7 Inventory valuation | 8.3 | -18.0 | -23.8 | -20.0 | -19.5 | -18.2 | -19.4 | -27.4 | -29.3 | -19.2 | -33.9 |
| 8 Capital consumption adjustment | 54.2 | 51.7 | 45.6 | 51.5 | 52.1 | 52.4 | 49.4 | 48.0 | 45.4 | 39.6 | 33.3 |

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

| Industry | 1987 | 1988 | 1989 ¹ | 1987 | | 1988 | | | | 1989 | |
|--------------------------------------|--------|--------|-------------------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 ¹ |
| 1 Total nonfarm business | 389.67 | 429.67 | 468.78 | 398.04 | 417.25 | 422.75 | 429.01 | 440.42 | 445.73 | 465.51 | 471.35 |
| <i>Manufacturing</i> | | | | | | | | | | | |
| 2 Durable goods industries | 71.01 | 78.12 | 82.65 | 73.24 | 76.40 | 80.13 | 79.00 | 80.59 | 78.97 | 83.12 | 81.54 |
| 3 Nondurable goods industries | 74.88 | 87.58 | 96.01 | 77.23 | 86.05 | 81.00 | 83.82 | 85.78 | 90.00 | 96.77 | 95.79 |
| <i>Nonmanufacturing</i> | | | | | | | | | | | |
| 4 Mining | 11.39 | 12.67 | 11.79 | 11.06 | 11.74 | 12.26 | 12.87 | 12.74 | 11.97 | 11.89 | 12.16 |
| <i>Transportation</i> | | | | | | | | | | | |
| 5 Railroad | 5.92 | 7.06 | 25.17 | 6.79 | 7.08 | 7.29 | 6.78 | 7.07 | 8.07 | 8.17 | 8.05 |
| 6 Air | 6.53 | 7.25 | 8.04 | 6.62 | 7.03 | 7.72 | 7.44 | 9.31 | 6.84 | 10.15 | 10.54 |
| 7 Other | 6.40 | 7.04 | 9.95 | 7.05 | 6.48 | 7.48 | 6.58 | 7.06 | 7.20 | 7.11 | 7.27 |
| <i>Public utilities</i> | | | | | | | | | | | |
| 8 Electric | 31.63 | 31.90 | 33.09 | 32.93 | 33.32 | 31.59 | 32.55 | 33.79 | 33.54 | 32.70 | 34.38 |
| 9 Gas and other | 13.25 | 14.60 | 16.47 | 12.66 | 12.84 | 14.56 | 13.81 | 14.26 | 15.25 | 16.92 | 16.20 |
| 10 Commercial and other ² | 168.65 | 183.44 | 203.60 | 170.46 | 176.29 | 180.72 | 186.15 | 189.82 | 193.87 | 198.70 | 205.44 |

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).

A36 Domestic Financial Statistics □ July 1989

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period

| Account | 1983 | 1984 | 1985 | 1986 | | | 1987 | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| ASSETS | | | | | | | | | | |
| Accounts receivable, gross | | | | | | | | | | |
| 1 Consumer | 83.3 | 89.9 | 111.9 | 123.4 | 135.3 | 134.7 | 131.1 | 134.7 | 141.6 | 141.1 |
| 2 Business | 113.4 | 137.8 | 157.5 | 166.8 | 159.7 | 173.4 | 181.4 | 188.1 | 188.3 | 207.6 |
| 3 Real estate | 20.5 | 23.8 | 28.0 | 29.8 | 31.0 | 32.6 | 34.7 | 36.5 | 38.0 | 39.5 |
| 4 Total | 217.3 | 251.5 | 297.4 | 320.0 | 326.0 | 340.6 | 347.2 | 359.3 | 367.9 | 388.2 |
| Less: | | | | | | | | | | |
| 5 Reserves for unearned income | 30.3 | 33.8 | 39.2 | 40.7 | 42.4 | 41.5 | 40.4 | 41.2 | 42.5 | 45.3 |
| 6 Reserves for losses | 3.7 | 4.2 | 4.9 | 5.1 | 5.4 | 5.8 | 5.9 | 6.2 | 6.5 | 6.8 |
| 7 Accounts receivable, net | 183.2 | 213.5 | 253.3 | 274.2 | 278.2 | 293.3 | 300.9 | 311.9 | 318.9 | 336.1 |
| 8 All other | 34.4 | 35.7 | 45.3 | 49.5 | 60.0 | 58.6 | 59.0 | 57.7 | 64.5 | 58.2 |
| 9 Total assets | 217.6 | 249.2 | 298.6 | 323.7 | 338.2 | 351.9 | 359.9 | 369.6 | 383.4 | 394.3 |
| LIABILITIES | | | | | | | | | | |
| 10 Bank loans | 18.3 | 20.0 | 18.0 | 16.3 | 16.8 | 18.6 | 17.2 | 17.3 | 15.9 | 16.4 |
| 11 Commercial paper | 60.5 | 73.1 | 99.2 | 108.4 | 112.8 | 117.8 | 119.1 | 120.4 | 124.2 | 128.4 |
| Debt | | | | | | | | | | |
| 12 Other short-term | 11.1 | 12.9 | 12.7 | 15.8 | 16.4 | 17.5 | 21.8 | 24.8 | 26.9 | 28.0 |
| 13 Long-term | 67.7 | 77.2 | 94.4 | 106.9 | 111.7 | 117.5 | 118.7 | 121.8 | 128.2 | 137.1 |
| 14 All other liabilities | 31.2 | 34.5 | 41.5 | 40.9 | 45.0 | 44.1 | 46.5 | 49.1 | 48.6 | 52.8 |
| 15 Capital, surplus, and undivided profits | 28.9 | 31.5 | 32.8 | 35.4 | 35.6 | 36.4 | 36.6 | 36.3 | 39.5 | 31.5 |
| 16 Total liabilities and capital | 217.6 | 249.2 | 298.6 | 323.7 | 338.2 | 351.9 | 359.9 | 369.6 | 383.4 | 394.3 |

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

Data after 1987:4 are currently unavailable. It is anticipated that these data will be available later this year.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, seasonally adjusted

| Type | 1985 | 1986 ² | 1987 ² | 1988 ² | | | 1989 | | |
|--|---------|-------------------|-------------------|-------------------|---------|---------|-------------------|-------------------|---------|
| | | | | Oct. | Nov. | Dec. | Jan. ² | Feb. ² | Mar. |
| 1 Total | 156,297 | 172,060 | 205,810 | 231,303 | 233,699 | 234,529 | 235,969 | 237,378 | 240,186 |
| Retail financing of installment sales | | | | | | | | | |
| 2 Automotive | 20,660 | 26,015 | 35,782 | 36,679 | 36,444 | 36,548 | 37,041 | 37,301 | 37,696 |
| 3 Equipment | 22,483 | 23,112 | 25,170 | 27,844 | 28,214 | 28,298 | 28,429 | 28,385 | 28,207 |
| 4 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 724 | 682 | 855 |
| Wholesale | | | | | | | | | |
| 5 Automotive | 23,988 | 23,010 | 30,507 | 32,216 | 32,201 | 33,300 | 33,664 | 34,386 | 33,528 |
| 6 Equipment | 4,568 | 5,348 | 5,600 | 5,875 | 5,980 | 5,983 | 6,183 | 6,193 | 6,088 |
| 7 All other | 6,809 | 7,033 | 8,342 | 8,891 | 9,037 | 9,341 | 9,493 | 9,569 | 9,682 |
| 8 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 | 0 |
| Leasing | | | | | | | | | |
| 9 Automotive | 16,275 | 19,827 | 21,952 | 24,275 | 24,621 | 24,673 | 24,558 | 24,847 | 25,584 |
| 10 Equipment | 34,768 | 38,179 | 43,335 | 56,274 | 56,973 | 57,455 | 58,354 | 58,045 | 59,484 |
| 11 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 721 | 699 | 756 |
| 12 Loans on commercial accounts receivable and factored commercial accounts receivable | 15,765 | 15,978 | 18,078 | 18,928 | 19,407 | 17,796 | 16,688 | 17,404 | 17,794 |
| 13 All other business credit | 10,981 | 13,557 | 17,043 | 20,321 | 20,822 | 21,134 | 20,114 | 19,867 | 20,512 |
| Net change | | | | | | | | | |
| 14 Total | 19,607 | 15,763 | 33,750 | 745 | 2,396 | 829 | -4 | 1,409 | 2,808 |
| Retail financing of installment sales | | | | | | | | | |
| 15 Automotive | 5,067 | 5,355 | 9,767 | -25 | -235 | 105 | 493 | 260 | 394 |
| 16 Equipment | -363 | 629 | 2,058 | 258 | 371 | 84 | 131 | -43 | -178 |
| 17 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | -42 | 173 |
| Wholesale | | | | | | | | | |
| 18 Automotive | 5,423 | -978 | 7,497 | -681 | -15 | 1,099 | 364 | 722 | -858 |
| 19 Equipment | -867 | 780 | 252 | -21 | 104 | 3 | 200 | 10 | -105 |
| 20 All other | 1,069 | 224 | 1,309 | 111 | 146 | 303 | 152 | 76 | 114 |
| 21 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 0 | 0 |
| Leasing | | | | | | | | | |
| 22 Automotive | 3,896 | 3,552 | 2,125 | 303 | 346 | 52 | -115 | 289 | 736 |
| 23 Equipment | 2,685 | 3,411 | 5,156 | 720 | 699 | 482 | -506 | -310 | 1,439 |
| 24 Pools of securitized assets ² | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | -22 | 57 |
| 25 Loans on commercial accounts receivable and factored commercial accounts receivable | 2,161 | 213 | 2,100 | -285 | 480 | -1,611 | -1,108 | 716 | 390 |
| 26 All other business credit | 536 | 2,576 | 3,486 | 365 | 501 | 312 | 385 | -247 | 645 |

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

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

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| Item | 1986 | 1987 | 1988 | 1988 | | | 1989 | | | |
|--|---------|--------|---------|---------|---------|---------|---------|---------|--------------------|---------|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| Terms and yields in primary and secondary markets | | | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | | |
| Conventional mortgages on new homes | | | | | | | | | | |
| <i>Terms¹</i> | | | | | | | | | | |
| 1 Purchase price (thousands of dollars)..... | 118.1 | 137.0 | 150.0 | 153.8 | 155.3 | 150.0 | 165.2 | 153.7 | 159.7 ^f | 166.6 |
| 2 Amount of loan (thousands of dollars)..... | 86.2 | 100.5 | 110.5 | 114.0 | 115.6 | 110.8 | 121.3 | 111.8 | 117.7 ^f | 122.4 |
| 3 Loan/price ratio (percent)..... | 75.2 | 75.2 | 75.5 | 75.8 | 76.1 | 75.6 | 75.2 | 73.5 | 74.4 ^f | 78.9 |
| 4 Maturity (years)..... | 26.6 | 27.8 | 28.0 | 28.4 | 28.4 | 28.3 | 28.8 | 28.3 | 27.7 ^f | 28.2 |
| 5 Fees and charges (percent of loan amount) ² | 2.48 | 2.26 | 2.19 | 1.98 | 2.28 | 2.08 | 1.90 | 2.14 | 2.11 ^f | 1.69 |
| 6 Contract rate (percent per year)..... | 9.82 | 8.94 | 8.81 | 8.77 | 9.05 | 9.04 | 9.20 | 9.46 | 9.63 ^f | 9.92 |
| <i>Yield (percent per year)</i> | | | | | | | | | | |
| 7 FHL/BB series ³ | 10.26 | 9.31 | 9.18 | 9.10 | 9.43 | 9.39 | 9.52 | 9.82 | 9.99 ^f | 10.20 |
| 8 HUD series ⁴ | 10.07 | 10.17 | 10.30 | 10.21 | 10.37 | 10.67 | 10.55 | 10.75 | 10.93 | 10.84 |
| SECONDARY MARKETS | | | | | | | | | | |
| <i>Yield (percent per year)</i> | | | | | | | | | | |
| 9 FHA mortgages (HUD series) ⁵ | 9.91 | 10.16 | 10.49 | 10.23 | 10.63 | 10.81 | 10.69 | 10.88 | 11.16 | 10.88 |
| 10 GNMA securities ⁶ | 9.30 | 9.43 | 9.83 | 9.77 | 9.85 | 10.07 | 10.02 | 10.07 | 10.38 | 10.36 |
| Activity in secondary markets | | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| <i>Mortgage holdings (end of period)</i> | | | | | | | | | | |
| 11 Total..... | 98,048 | 95,030 | 101,329 | 102,493 | 102,696 | 103,013 | 102,370 | 101,922 | 101,991 | 102,191 |
| 12 FHA/VA-insured..... | 29,683 | 21,660 | 19,762 | 19,464 | 19,467 | 19,415 | 19,354 | 19,275 | 19,337 | 19,607 |
| 13 Conventional..... | 68,365 | 73,370 | 81,567 | 83,032 | 83,228 | 83,598 | 83,016 | 82,647 | 82,654 | 82,584 |
| <i>Mortgage transactions (during period)</i> | | | | | | | | | | |
| 14 Purchases..... | 30,826 | 20,531 | 23,110 | 1,488 | 1,596 | 1,726 | 1,037 | 905 | 1,469 | 1,163 |
| <i>Mortgage commitments⁷</i> | | | | | | | | | | |
| 15 Contracted (during period)..... | 32,987 | 25,415 | 23,435 | 1,740 | 1,289 | 1,350 | 1,087 | 3,557 | 1,771 | 1,118 |
| 16 Outstanding (end of period)..... | 3,386 | 4,886 | 2,148 | 3,165 | 2,740 | 2,148 | 2,081 | 4,520 | 4,807 | 4,661 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| <i>Mortgage holdings (end of period)⁸</i> | | | | | | | | | | |
| 17 Total..... | 13,517 | 12,802 | 15,105 | 15,669 | 15,419 | 17,425 | 18,378 | 18,473 | n.a. | n.a. |
| 18 FHA/VA..... | 746 | 686 | 620 | 601 | 595 | 590 | 594 | 594 | n.a. | n.a. |
| 19 Conventional..... | 12,771 | 12,116 | 14,485 | 15,068 | 14,824 | 16,834 | 17,785 | 17,880 | n.a. | n.a. |
| <i>Mortgage transactions (during period)</i> | | | | | | | | | | |
| 20 Purchases..... | 103,474 | 76,845 | 44,077 | 4,037 | 4,109 | 5,843 | 3,586 | 5,088 | n.a. | n.a. |
| 21 Sales..... | 100,236 | 75,082 | 39,780 | 3,674 | 4,231 | 5,510 | 3,408 | 4,385 | n.a. | n.a. |
| <i>Mortgage commitments⁹</i> | | | | | | | | | | |
| 22 Contracted (during period)..... | 110,855 | 71,467 | 66,026 | 4,406 | 5,419 | 10,101 | 5,206 | 8,411 | n.a. | n.a. |

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

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

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

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

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes

in maximum permissible contract rates.

6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

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

8. Includes participation as well as whole loans.

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

A38 Domestic Financial Statistics □ July 1989

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

| Type of holder, and type of property | 1986 | 1987 | 1988 | 1987 | 1988 | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 | |
| 1 All holders | 2,597,175 | 2,943,222 | 3,200,411 | 2,943,222 | 2,984,027 | 3,058,006 | 3,132,353 | 3,200,411 | |
| 2 1- to 4-family | 1,698,524 | 1,925,189 | 2,115,184 | 1,925,189 | 1,951,400 | 2,012,270 | 2,067,929 | 2,115,184 | |
| 3 Multifamily | 247,831 | 273,899 | 287,611 | 273,899 | 278,144 | 278,919 | 281,468 | 287,611 | |
| 4 Commercial | 555,039 | 655,266 | 711,093 | 655,266 | 666,461 | 679,037 | 695,774 | 711,093 | |
| 5 Farm | 95,781 | 88,868 | 86,523 | 88,868 | 88,022 | 87,780 | 87,182 | 86,523 | |
| 6 Selected financial institutions | 1,507,289 | 1,700,820 | 1,852,593 | 1,700,820 | 1,723,937 | 1,764,221 | 1,813,470 | 1,852,593 | |
| 7 Commercial banks ² | 502,534 | 591,151 | 665,458 | 591,151 | 604,468 | 628,383 | 649,135 | 665,458 | |
| 8 1- to 4-family | 235,814 | 275,761 | 313,897 | 275,761 | 280,737 | 295,425 | 306,118 | 313,897 | |
| 9 Multifamily | 31,173 | 33,296 | 34,715 | 33,296 | 33,728 | 34,184 | 33,855 | 34,715 | |
| 10 Commercial | 222,799 | 267,663 | 301,236 | 267,663 | 275,360 | 283,598 | 293,772 | 301,236 | |
| 11 Farm | 12,748 | 14,431 | 15,610 | 14,431 | 14,623 | 15,176 | 15,390 | 15,610 | |
| 12 Savings institutions ³ | 777,312 | 856,945 | 908,355 | 856,945 | 863,245 | 872,450 | 895,230 | 908,355 | |
| 13 1- to 4-family | 558,412 | 598,886 | 648,275 | 598,886 | 603,516 | 615,795 | 636,794 | 648,275 | |
| 14 Multifamily | 97,059 | 106,359 | 108,319 | 106,359 | 107,722 | 106,367 | 106,377 | 108,319 | |
| 15 Commercial | 121,236 | 150,943 | 151,016 | 150,943 | 151,251 | 149,536 | 151,307 | 151,016 | |
| 16 Farm | 605 | | | | | | | | |
| 17 Life insurance companies | 193,842 | 212,375 | 233,814 | 212,375 | 214,815 | 220,870 | 225,627 | 233,814 | |
| 18 1- to 4-family | 12,827 | 13,226 | 15,361 | 13,226 | 13,653 | 14,172 | 14,917 | 15,361 | |
| 19 Multifamily | 20,952 | 22,524 | 23,681 | 22,524 | 22,723 | 23,021 | 23,139 | 23,681 | |
| 20 Commercial | 149,111 | 166,722 | 185,592 | 166,722 | 168,774 | 174,086 | 178,166 | 185,592 | |
| 21 Farm | 10,952 | 9,903 | 9,180 | 9,903 | 9,665 | 9,591 | 9,405 | 9,180 | |
| 22 Finance companies ⁴ | 33,601 | 40,349 | 44,966 | 40,349 | 41,409 | 42,518 | 43,478 | 44,966 | |
| 23 Federal and related agencies | 203,800 | 192,721 | 198,549 | 192,721 | 196,909 | 199,474 | 198,027 | 198,549 | |
| 24 Government National Mortgage Association | 889 | 444 | 67 | 444 | 434 | 42 | 64 | 67 | |
| 25 1- to 4-family | 47 | 25 | 53 | 25 | 25 | 24 | 51 | 53 | |
| 26 Multifamily | 842 | 419 | 14 | 419 | 409 | 18 | 13 | 14 | |
| 27 Farmers Home Administration ⁵ | 48,421 | 43,051 | 42,018 | 43,051 | 43,076 | 42,767 | 41,836 | 42,018 | |
| 28 1- to 4-family | 21,625 | 18,169 | 18,347 | 18,169 | 18,185 | 18,248 | 18,268 | 18,347 | |
| 29 Multifamily | 7,608 | 8,044 | 8,513 | 8,044 | 8,115 | 8,213 | 8,349 | 8,513 | |
| 30 Commercial | 8,446 | 6,603 | 5,343 | 6,603 | 6,640 | 6,288 | 5,300 | 5,343 | |
| 31 Farm | 10,742 | 10,235 | 9,815 | 10,235 | 10,136 | 10,018 | 9,919 | 9,815 | |
| 32 Federal Housing and Veterans Administration | 5,047 | 5,574 | 5,975 | 5,574 | 5,660 | 5,673 | 5,666 | 5,975 | |
| 33 1- to 4-family | 2,386 | 2,557 | 2,649 | 2,557 | 2,608 | 2,564 | 2,632 | 2,649 | |
| 34 Multifamily | 2,661 | 3,017 | 3,326 | 3,017 | 3,052 | 3,109 | 3,234 | 3,326 | |
| 35 Federal National Mortgage Association | 97,895 | 96,649 | 103,013 | 96,649 | 99,787 | 102,368 | 102,453 | 103,013 | |
| 36 1- to 4-family | 90,718 | 89,666 | 95,833 | 89,666 | 92,828 | 95,404 | 95,417 | 95,833 | |
| 37 Multifamily | 7,177 | 6,983 | 7,180 | 6,983 | 6,959 | 6,964 | 7,036 | 7,180 | |
| 38 Federal Land Banks | 39,984 | 34,131 | 32,115 | 34,131 | 33,566 | 33,048 | 32,566 | 32,115 | |
| 39 1- to 4-family | 2,353 | 2,008 | 1,890 | 2,008 | 1,975 | 1,951 | 1,917 | 1,890 | |
| 40 Farm | 37,631 | 32,123 | 30,225 | 32,123 | 31,591 | 31,103 | 30,649 | 30,225 | |
| 41 Federal Home Loan Mortgage Corporation | 11,564 | 12,872 | 15,361 | 12,872 | 14,386 | 15,576 | 15,442 | 15,361 | |
| 42 1- to 4-family | 10,010 | 11,430 | 13,058 | 11,430 | 12,749 | 13,631 | 13,322 | 13,058 | |
| 43 Multifamily | 1,554 | 1,442 | 2,303 | 1,442 | 1,637 | 1,945 | 2,120 | 2,303 | |
| 44 Mortgage pools or trusts ⁶ | 565,428 | 718,297 | 809,448 | 718,297 | 732,071 | 754,045 | 782,802 | 809,448 | |
| 45 Government National Mortgage Association | 262,697 | 317,555 | 340,527 | 317,555 | 318,703 | 322,616 | 333,177 | 340,527 | |
| 46 1- to 4-family | 256,920 | 309,806 | 331,257 | 309,806 | 310,473 | 314,728 | 324,573 | 331,257 | |
| 47 Multifamily | 5,777 | 7,749 | 9,270 | 7,749 | 8,230 | 7,888 | 8,604 | 9,270 | |
| 48 Federal Home Loan Mortgage Corporation | 171,372 | 212,634 | 224,967 | 212,634 | 214,724 | 216,155 | 220,684 | 224,967 | |
| 49 1- to 4-family | 166,667 | 205,977 | 218,513 | 205,977 | 208,138 | 209,702 | 214,195 | 218,513 | |
| 50 Multifamily | 4,705 | 6,657 | 6,454 | 6,657 | 6,586 | 6,453 | 6,489 | 6,454 | |
| 51 Federal National Mortgage Association | 97,174 | 139,960 | 178,250 | 139,960 | 143,242 | 157,438 | 167,170 | 178,250 | |
| 52 1- to 4-family | 95,791 | 137,988 | 172,331 | 137,988 | 142,330 | 153,253 | 162,228 | 172,331 | |
| 53 Multifamily | 1,383 | 1,972 | 5,919 | 1,972 | 2,912 | 4,185 | 4,942 | 5,919 | |
| 54 Farmers Home Administration ⁵ | 348 | 245 | 104 | 245 | 106 | 106 | 104 | 104 | |
| 55 1- to 4-family | 142 | 121 | 26 | 121 | 65 | 23 | 27 | 26 | |
| 56 Multifamily | 132 | 63 | 38 | 63 | 58 | 45 | 38 | 38 | |
| 57 Commercial | 74 | 61 | 40 | 61 | 49 | 42 | 41 | 40 | |
| 58 Farm | | | | | | | | | |
| 59 Individuals and others ⁷ | 320,658 | 331,384 | 339,821 | 331,384 | 331,110 | 340,266 | 338,054 | 339,821 | |
| 60 1- to 4-family | 177,374 | 171,317 | 173,128 | 171,317 | 169,459 | 177,108 | 172,527 | 173,128 | |
| 61 Multifamily | 66,940 | 75,437 | 77,917 | 75,437 | 76,071 | 76,572 | 77,310 | 77,917 | |
| 62 Commercial | 53,315 | 63,272 | 67,868 | 63,272 | 64,378 | 65,488 | 67,191 | 67,868 | |
| 63 Farm | 23,029 | 21,358 | 20,908 | 21,358 | 21,202 | 21,098 | 21,026 | 20,908 | |

1. Based on data from various institutional and governmental sources, with some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

2. Includes loans held by nondeposit trust companies but not bank trust departments.

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by FSLIC-insured institutions include loans in process and other contra assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

4. Assumed to be entirely 1- to 4-family loans.

5. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:4, because of accounting changes by the Farmers Home Administration.

6. Outstanding principal balances of mortgage pools backing securities insured or guaranteed by the agency indicated. Includes private pools which are not shown as a separate line item.

7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and other U.S. agencies.

1.55 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change, seasonally adjusted

Millions of dollars

| Holder, and type of credit | 1987 ^r | 1988 ^r | 1988 ^r | | | | | | 1989 | | |
|---|-------------------|-------------------|-------------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|----------------|
| | | | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. ^r | Feb. ^r | Mar. |
| Amounts outstanding (end of period) | | | | | | | | | | | |
| 1 Total | 607,721 | 659,507 | 639,207 | 644,666 | 646,556 | 649,132 | 654,413 | 659,507 | 682,022 | 687,397 | 692,771 |
| <i>By major holder</i> | | | | | | | | | | | |
| 2 Commercial banks | 282,910 | 318,925 | 302,283 | 307,355 | 310,132 | 312,588 | 316,683 | 318,925 | 316,797 | 318,423 | 319,550 |
| 3 Finance companies ² | 140,281 | 145,180 | 144,774 | 143,992 | 143,019 | 143,012 | 143,488 | 145,180 | 141,796 | 143,419 | 143,070 |
| 4 Credit unions | 80,087 | 86,118 | 83,886 | 84,647 | 84,900 | 85,338 | 85,740 | 86,118 | 87,093 | 87,813 | 88,548 |
| 5 Retailers ³ | 40,975 | 43,498 | 42,023 | 42,121 | 42,349 | 42,614 | 42,910 | 43,498 | 40,986 | 41,052 | 41,300 |
| 6 Savings institutions | 59,851 | 62,099 | 62,537 | 62,843 | 62,502 | 61,926 | 61,922 | 62,099 | 62,867 | 63,109 | 63,468 |
| 7 Gasoline companies | 3,618 | 3,687 | 3,705 | 3,709 | 3,655 | 3,654 | 3,671 | 3,687 | 3,655 | 3,677 | 3,682 |
| <i>By major type of credit</i> | | | | | | | | | | | |
| 8 Automobile | 265,976 | 281,174 | 277,659 | 279,585 | 279,243 | 278,902 | 279,926 | 281,174 | 286,382 | 288,768 | 289,721 |
| 9 Commercial banks | 109,201 | 123,259 | 116,852 | 119,383 | 120,525 | 120,939 | 122,392 | 123,259 | 122,160 | 122,983 | 123,683 |
| 10 Credit unions | 40,351 | 41,326 | 41,093 | 41,296 | 41,250 | 41,293 | 41,316 | 41,326 | 41,707 | 41,964 | 42,227 |
| 11 Finance companies | 98,195 | 97,204 | 99,731 | 98,705 | 97,257 | 96,877 | 96,657 | 97,204 | 87,968 | 88,789 | 89,567 |
| 12 Savings institutions | 18,228 | 19,385 | 19,983 | 20,201 | 20,211 | 19,793 | 19,561 | 19,385 | 19,506 | 19,464 | 19,456 |
| 13 Revolving | 153,884 | 174,792 | 165,343 | 167,125 | 168,273 | 170,131 | 173,030 | 174,792 | 176,716 | 178,570 | 182,873 |
| 14 Commercial banks | 99,119 | 117,572 | 109,768 | 111,516 | 112,691 | 114,180 | 116,593 | 117,572 | 111,133 | 111,706 | 112,942 |
| 15 Retailers | 36,389 | 38,692 | 37,386 | 37,471 | 37,682 | 37,919 | 38,170 | 38,692 | 36,176 | 36,257 | 36,489 |
| 16 Gasoline companies | 3,618 | 3,687 | 3,705 | 3,709 | 3,655 | 3,654 | 3,671 | 3,687 | 3,655 | 3,677 | 3,682 |
| 17 Savings institutions | 10,367 | 10,151 | 9,902 | 9,809 | 9,614 | 9,724 | 9,923 | 10,151 | 10,479 | 10,722 | 10,987 |
| 18 Credit unions | 4,391 | 4,691 | 4,582 | 4,621 | 4,632 | 4,653 | 4,673 | 4,691 | 4,785 | 4,866 | 4,949 |
| 19 Mobile home | 26,387 | 25,744 | 26,213 | 26,277 | 26,185 | 26,033 | 26,005 | 25,744 | 26,036 | 25,992 | 24,326 |
| 20 Commercial banks | 9,220 | 8,974 | 9,097 | 9,140 | 9,119 | 9,225 | 9,224 | 8,974 | 8,974 | 8,974 | 8,889 |
| 21 Finance companies | 7,762 | 7,186 | 7,412 | 7,369 | 7,334 | 7,194 | 7,197 | 7,186 | 7,376 | 7,308 | 5,687 |
| 22 Savings institutions | 9,406 | 9,583 | 9,704 | 9,768 | 9,732 | 9,614 | 9,584 | 9,583 | 9,687 | 9,710 | 9,750 |
| 23 Other | 161,475 | 177,798 | 169,993 | 171,679 | 172,855 | 174,066 | 175,452 | 177,798 | 192,887 | 194,068 | 195,851 |
| 24 Commercial banks | 65,370 | 69,120 | 66,566 | 67,316 | 67,798 | 68,244 | 68,474 | 69,120 | 74,532 | 74,760 | 74,035 |
| 25 Finance companies | 34,324 | 40,790 | 37,631 | 37,918 | 38,428 | 38,941 | 39,633 | 40,790 | 46,453 | 47,322 | 47,816 |
| 26 Credit unions | 35,344 | 40,102 | 38,211 | 38,730 | 39,018 | 39,392 | 39,752 | 40,102 | 40,601 | 40,983 | 41,373 |
| 27 Retailers | 4,586 | 4,807 | 4,637 | 4,650 | 4,667 | 4,694 | 4,739 | 4,807 | 4,809 | 4,795 | 4,811 |
| 28 Savings institutions | 21,850 | 22,981 | 22,948 | 23,065 | 22,945 | 22,794 | 22,854 | 22,981 | 23,196 | 23,214 | 23,275 |
| Net change (during period) | | | | | | | | | | | |
| 29 Total | 35,674 | 51,786 | 1,371 | 5,459 | 1,890 | 2,576 | 5,281 | 5,094 | 22,514 | 5,375 | 5,374 |
| <i>By major holder</i> | | | | | | | | | | | |
| 30 Commercial banks | 19,884 | 36,015 | 1,178 | 5,072 | 2,777 | 2,457 | 4,094 | 2,242 | -2,127 | 1,626 | 1,127 |
| 31 Finance companies ² | 6,349 | 4,899 | -743 | -782 | -973 | -7 | 476 | 1,692 | -3,383 | 1,622 | -349 |
| 32 Credit unions | 3,852 | 6,032 | 237 | 761 | 254 | 438 | 402 | 378 | 975 | 720 | 734 |
| 33 Retailers ³ | 1,568 | 2,523 | 173 | 98 | 228 | 265 | 296 | 589 | -2,513 | 67 | 247 |
| 34 Savings institutions | 3,689 | 2,249 | 534 | 306 | -341 | -576 | -4 | 178 | 768 | 242 | 359 |
| 35 Gasoline companies | 331 | 69 | -7 | 4 | -54 | -1 | 17 | 15 | -32 | 22 | 6 |
| <i>By major type of credit</i> | | | | | | | | | | | |
| 36 Automobile | 18,663 | 15,198 | -400 | 1,926 | -342 | -341 | 1,024 | 1,248 | 5,208 | 2,386 | 953 |
| 37 Commercial banks | 7,919 | 14,058 | 253 | 2,531 | 1,142 | 414 | 1,453 | 868 | -1,100 | 823 | 701 |
| 38 Credit unions | 1,917 | 975 | -51 | 204 | -46 | 42 | 23 | 10 | 381 | 257 | 263 |
| 39 Finance companies | 5,639 | -991 | -892 | -1,026 | -1,448 | -380 | -220 | 547 | -9,236 | 821 | 778 |
| 40 Savings institutions | 3,188 | 1,157 | 289 | 218 | 10 | -418 | -233 | -176 | 121 | -42 | -8 |
| 41 Revolving | 16,871 | 20,908 | 935 | 1,782 | 1,148 | 1,858 | 2,899 | 1,762 | 1,924 | 1,854 | 4,303 |
| 42 Commercial banks | 12,188 | 18,452 | 834 | 1,748 | 1,175 | 1,489 | 2,413 | 979 | -6,439 | 573 | 1,236 |
| 43 Retailers | 1,866 | 2,303 | 154 | 85 | 211 | 237 | 251 | 521 | -2,515 | 81 | 232 |
| 44 Gasoline companies | 331 | 69 | -7 | 4 | -54 | -1 | 17 | 15 | -32 | 22 | 6 |
| 45 Savings institutions | 1,771 | -216 | -56 | -94 | -195 | 111 | 198 | 228 | 328 | 243 | 265 |
| 46 Credit unions | 715 | 300 | 10 | 39 | 11 | 21 | 19 | 18 | 94 | 81 | 83 |
| 47 Mobile home | -968 | -643 | 38 | 65 | -93 | -152 | -27 | -262 | 293 | -44 | -1,666 |
| 48 Commercial banks | 191 | -245 | 19 | 43 | -21 | 106 | -1 | -250 | -1 | 1 | -85 |
| 49 Finance companies | -1,052 | -576 | -80 | -43 | -35 | -140 | 3 | -11 | 190 | -68 | -1,621 |
| 50 Savings institutions | -108 | 177 | 99 | 64 | -36 | -118 | -29 | -1 | 104 | 23 | 40 |
| 51 Other | 1,108 | 16,324 | 797 | 1,686 | 1,177 | 1,211 | 1,386 | 2,346 | 15,089 | 1,180 | 1,783 |
| 52 Commercial banks | -415 | 3,749 | 72 | 750 | 482 | 447 | 230 | 646 | 5,412 | 229 | -725 |
| 53 Finance companies | 1,761 | 6,466 | 228 | 287 | 511 | 512 | 693 | 1,156 | 5,663 | 869 | 494 |
| 54 Credit unions | 1,221 | 4,758 | 278 | 518 | 288 | 374 | 359 | 500 | 500 | 382 | 389 |
| 55 Retailers | -297 | 221 | 19 | 13 | 16 | 28 | 45 | 68 | 3 | -14 | 16 |
| 56 Savings institutions | -1,162 | 1,131 | 201 | 117 | -120 | -150 | 59 | 127 | 215 | 18 | 61 |

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

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

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent unless noted otherwise

| Item | 1986 | 1987 | 1988 | 1988 | | | | 1989 | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| INTEREST RATES | | | | | | | | | | |
| Commercial banks ² | | | | | | | | | | |
| 1 48-month new car ³ | 11.33 | 10.45 | 10.85 | n.a. | n.a. | 11.22 | n.a. | n.a. | 11.76 | n.a. |
| 2 24-month personal | 14.82 | 14.22 | 14.68 | n.a. | n.a. | 15.06 | n.a. | n.a. | 15.22 | n.a. |
| 3 120-month mobile home ³ | 13.99 | 13.38 | 13.54 | n.a. | n.a. | 13.61 | n.a. | n.a. | 14.00 | n.a. |
| 4 Credit card | 18.26 | 17.92 | 17.78 | n.a. | n.a. | 17.77 | n.a. | n.a. | 17.83 | n.a. |
| Auto finance companies | | | | | | | | | | |
| 5 New car | 9.44 | 10.73 | 12.60 | 12.93 | 13.10 | 13.20 | 13.25 | 13.27 | 13.07 | 13.07 |
| 6 Used car | 15.95 | 14.60 | 15.11 | 15.46 | 15.67 | 15.75 | 15.80 | 15.57 | 15.90 | 16.12 |
| OTHER TERMS⁴ | | | | | | | | | | |
| Maturity (months) | | | | | | | | | | |
| 7 New car | 50.0 | 53.5 | 56.2 | 56.3 | 56.3 | 56.2 | 56.3 | 56.2 | 55.7 | 55.4 |
| 8 Used car | 42.6 | 45.2 | 46.7 | 46.5 | 46.3 | 46.2 | 46.0 | 47.8 | 47.4 | 47.1 |
| Loan-to-value ratio | | | | | | | | | | |
| 9 New car | 91 | 93 | 94 | 94 | 94 | 94 | 94 | 94 | 92 | 92 |
| 10 Used car | 97 | 98 | 98 | 98 | 99 | 98 | 98 | 97 | 98 | 97 |
| Amount financed (dollars) | | | | | | | | | | |
| 11 New car | 10,665 | 11,203 | 11,663 | 11,530 | 11,845 | 11,975 | 12,068 | 11,956 | 11,819 | 11,867 |
| 12 Used car | 6,555 | 7,420 | 7,824 | 7,903 | 7,944 | 7,991 | 8,022 | 8,006 | 8,022 | 7,958 |

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

2. Data for midmonth of quarter only.

3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

| Transaction category, sector | 1984 | 1985 | 1986 | 1987 | 1988 | 1987 | | | 1988 | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Nonfinancial sectors | | | | | | | | | | | | |
| 1 Total net borrowing by domestic nonfinancial sectors..... | 750.8 | 846.3 | 830.6 | 682.0 | 712.8 | 753.2 | 653.6 | 769.4 | 713.9 | 687.8 | 748.8 | 700.7 |
| <i>By sector and instrument</i> | | | | | | | | | | | | |
| 2 U.S. government..... | 198.8 | 223.6 | 215.0 | 144.9 | 157.5 | 146.8 | 103.1 | 168.2 | 227.7 | 89.2 | 188.6 | 124.4 |
| 3 Treasury securities..... | 199.0 | 223.7 | 214.7 | 143.4 | 140.0 | 148.7 | 104.0 | 163.2 | 228.2 | 81.5 | 167.7 | 82.8 |
| 4 Agency issues and mortgages..... | -2 | -1 | .4 | 1.5 | 17.4 | -1.9 | -9 | 5.0 | -5 | 7.7 | 20.9 | 41.6 |
| 5 Private domestic nonfinancial sectors..... | 552.0 | 622.7 | 615.6 | 537.1 | 555.3 | 606.4 | 550.5 | 601.2 | 486.3 | 598.6 | 560.2 | 576.3 |
| 6 Debt capital instruments..... | 319.3 | 452.3 | 460.7 | 446.0 | 400.8 | 466.7 | 428.3 | 415.8 | 351.2 | 445.8 | 424.9 | 381.4 |
| 7 Tax-exempt obligations..... | 50.4 | 136.4 | 30.8 | 34.5 | 36.3 | 33.1 | 32.7 | 33.5 | 24.8 | 32.6 | 44.4 | 43.5 |
| 8 Corporate bonds..... | 46.1 | 73.8 | 121.3 | 99.9 | 97.4 | 88.5 | 100.7 | 81.6 | 101.4 | 118.4 | 90.3 | 79.3 |
| 9 Mortgages..... | 222.8 | 242.2 | 308.6 | 311.6 | 267.1 | 345.1 | 294.9 | 300.8 | 225.0 | 294.8 | 290.1 | 258.5 |
| 10 Home mortgages..... | 136.7 | 156.8 | 210.9 | 221.7 | 196.4 | 243.5 | 212.1 | 206.9 | 162.4 | 240.3 | 206.5 | 176.6 |
| 11 Multifamily residential..... | 25.2 | 29.8 | 33.5 | 24.4 | 15.1 | 30.9 | 23.3 | 15.9 | 23.6 | 2.6 | 13.5 | 20.6 |
| 12 Commercial..... | 62.2 | 62.2 | 73.6 | 72.0 | 57.9 | 77.2 | 64.2 | 79.9 | 44.9 | 53.5 | 71.8 | 61.5 |
| 13 Farm..... | -1.2 | -6.6 | -9.5 | -6.4 | -2.3 | -6.6 | -4.7 | -1.9 | -6.0 | -1.7 | -1.6 | -1 |
| 14 Other debt instruments..... | 232.7 | 170.3 | 154.9 | 91.1 | 154.6 | 139.7 | 122.2 | 185.4 | 135.1 | 152.8 | 135.4 | 194.9 |
| 15 Consumer credit..... | 81.6 | 82.5 | 54.4 | 40.7 | 49.3 | 52.4 | 61.4 | 49.4 | 34.8 | 59.5 | 34.9 | 67.9 |
| 16 Bank loans n.e.c..... | 67.1 | 38.6 | 69.3 | 8.8 | 42.5 | 36.6 | 21.0 | 85.3 | 36.1 | 76.0 | 9.5 | 48.4 |
| 17 Open market paper..... | 21.7 | 14.6 | -9.3 | 2.3 | 11.6 | 4.7 | 1.0 | 3.9 | -3.8 | 4.0 | 11.1 | 35.1 |
| 18 Other..... | 62.2 | 34.6 | 40.5 | 39.3 | 5.2 | 46.1 | 38.7 | 46.9 | 67.9 | 13.4 | 79.9 | 43.5 |
| 19 By borrowing sector..... | 552.0 | 622.7 | 615.6 | 537.1 | 555.3 | 606.4 | 550.5 | 601.2 | 486.3 | 598.6 | 560.2 | 576.3 |
| 20 State and local governments..... | 27.4 | 91.8 | 44.3 | 34.0 | 34.9 | 31.4 | 34.8 | 32.9 | 19.5 | 29.2 | 46.1 | 44.6 |
| 21 Households..... | 231.5 | 283.6 | 282.2 | 260.3 | 248.9 | 302.7 | 281.1 | 264.9 | 203.0 | 304.6 | 258.3 | 229.9 |
| 22 Nonfinancial business..... | 293.1 | 247.3 | 289.0 | 242.7 | 271.6 | 272.4 | 234.5 | 303.4 | 263.7 | 264.8 | 255.8 | 301.7 |
| 23 Farm..... | -4 | -14.5 | -16.3 | -10.6 | -3.4 | -12.7 | -9.4 | 3.3 | -15.6 | -3.6 | -1.8 | 7.5 |
| 24 Nonfarm noncorporate..... | 123.2 | 129.3 | 103.2 | 107.9 | 82.1 | 117.7 | 97.4 | 116.3 | 86.4 | 70.9 | 99.7 | 71.6 |
| 25 Corporate..... | 170.3 | 132.4 | 202.1 | 145.4 | 192.9 | 167.4 | 146.6 | 183.8 | 192.9 | 197.6 | 158.0 | 222.7 |
| 26 Foreign net borrowing in United States..... | 8.4 | 1.2 | 9.6 | 4.3 | 9.3 | -1 | 12.3 | 13.9 | -1.0 | 5.2 | 4.6 | 28.5 |
| 27 Bonds..... | 3.8 | 3.8 | 3.0 | 6.8 | 9.4 | -4.1 | 6.7 | 21.6 | 16.8 | -2.7 | 6.5 | 17.2 |
| 28 Bank loans n.e.c..... | -6.6 | -2.8 | -1.0 | -3.6 | -8 | -3.5 | -3.7 | -6.1 | -7 | -3.5 | 2.9 | -3.2 |
| 29 Open market paper..... | 6.2 | 6.2 | 11.5 | 2.1 | 9.6 | -6.4 | 21.6 | -2.5 | 1.5 | 6.4 | 10.7 | 20.0 |
| 30 U.S. government loans..... | 5.0 | -5.9 | -3.9 | -1.0 | -9.0 | 13.9 | -12.3 | 8 | -19.9 | 5.1 | -15.6 | -5.5 |
| 31 Total domestic plus foreign..... | 759.2 | 847.5 | 840.2 | 686.4 | 722.1 | 753.1 | 665.8 | 783.2 | 713.0 | 693.0 | 753.4 | 729.1 |
| Financial sectors | | | | | | | | | | | | |
| 32 Total net borrowing by financial sectors..... | 148.7 | 198.3 | 297.2 | 303.3 | 240.0 | 316.7 | 306.4 | 250.2 | 134.4 | 262.9 | 235.5 | 327.0 |
| <i>By instrument</i> | | | | | | | | | | | | |
| 33 U.S. government related..... | 74.9 | 101.5 | 178.1 | 185.8 | 136.1 | 196.8 | 185.5 | 167.5 | 120.3 | 101.8 | 150.6 | 171.7 |
| 34 Sponsored credit agency securities..... | 30.4 | 20.6 | 15.2 | 30.2 | 44.9 | 21.5 | 32.0 | 71.6 | 56.8 | 9.4 | 42.8 | 70.8 |
| 35 Mortgage pool securities..... | 44.4 | 79.9 | 163.3 | 156.4 | 91.2 | 175.4 | 153.5 | 95.9 | 63.4 | 92.4 | 107.8 | 100.9 |
| 36 Loans from U.S. government..... | ..... | 1.1 | -4 | -8 | ..... | -1 | ..... | ..... | ..... | ..... | ..... | ..... |
| 37 Private financial sectors..... | 73.8 | 96.7 | 119.1 | 117.5 | 103.9 | 119.9 | 120.8 | 82.7 | 14.1 | 161.1 | 84.9 | 155.3 |
| 38 Corporate bonds..... | 33.0 | 47.9 | 70.9 | 67.2 | 37.3 | 45.6 | 77.7 | 42.4 | 11.1 | 60.1 | 40.9 | 37.0 |
| 39 Mortgages..... | 4 | -1 | -1 | -4 | -1 | -1 | -2 | -8 | -1 | * | * | -2 |
| 40 Bank loans n.e.c..... | 7 | 2.6 | 4.0 | -3.3 | -6.2 | -6 | 6.3 | -10.7 | -26.8 | 8.7 | -8.6 | 2.1 |
| 41 Open market paper..... | 24.1 | 32.0 | 24.2 | 28.8 | 53.1 | 54.0 | 14.3 | 5.4 | 24.6 | 82.2 | 26.1 | 79.6 |
| 42 Loans from Federal Home Loan Banks..... | 15.7 | 14.2 | 19.8 | 24.4 | 19.7 | 19.6 | 22.2 | 44.9 | 5.4 | 10.1 | 26.6 | 36.8 |
| <i>By sector</i> | | | | | | | | | | | | |
| 43 Total..... | 148.7 | 198.3 | 297.2 | 303.3 | 240.0 | 316.7 | 306.4 | 250.2 | 134.4 | 262.9 | 235.5 | 327.0 |
| 44 Sponsored credit agencies..... | 30.4 | 21.7 | 14.9 | 29.5 | 44.9 | 21.4 | 32.0 | 71.6 | 56.8 | 9.4 | 42.8 | 70.8 |
| 45 Mortgage pools..... | 44.4 | 79.9 | 163.3 | 156.4 | 91.2 | 175.4 | 153.5 | 95.9 | 63.4 | 92.4 | 107.8 | 100.9 |
| 46 Private financial sectors..... | 73.8 | 96.7 | 119.1 | 117.5 | 103.9 | 119.9 | 120.8 | 82.7 | 14.1 | 161.1 | 84.9 | 155.3 |
| 47 Commercial banks..... | 7.3 | -4.9 | -3.6 | 7.1 | -4.5 | 20.0 | -13.1 | 15.0 | -22.4 | 6.2 | -8.3 | 6.3 |
| 48 Bank affiliates..... | 15.6 | 14.5 | 4.6 | 2.9 | -12.8 | -2.7 | 11.3 | -22.6 | -67.4 | 11.3 | 9.7 | -4.5 |
| 49 Savings and loan associations..... | 22.7 | 22.3 | 29.8 | 36.0 | 29.2 | 22.2 | 41.9 | 51.9 | 9.1 | 16.6 | 54.3 | 37.0 |
| 50 Finance companies..... | 18.2 | 52.7 | 48.4 | 31.6 | 58.4 | 40.7 | 35.5 | 30.2 | 50.9 | 94.2 | 9.4 | 79.2 |
| 51 REITs..... | .8 | .5 | 1.0 | .8 | 1.6 | -1.3 | 2.5 | 2.2 | 1.0 | 1.7 | -1.4 | 5.2 |
| 52 CMO Issuers..... | 9.3 | 11.5 | 39.0 | 39.1 | 31.9 | 41.0 | 42.7 | 6.0 | 43.0 | 31.2 | 21.3 | 32.2 |

1.57—Continued

| Transaction category, sector | 1984 | 1985 | 1986 | 1987 | 1988 | 1987 | | | 1988 | | | |
|--|---|---------|---------|-------|--------|-------------|-------|---------|-------|--------|-------|---------|
| | | | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| | | | | | | All sectors | | | | | | |
| 53 Total net borrowing | 907.9 | 1,045.7 | 1,137.4 | 989.7 | 962.1 | 1,069.8 | 972.2 | 1,033.4 | 847.4 | 955.9 | 988.9 | 1,056.1 |
| 54 U.S. government securities | 273.8 | 324.2 | 393.5 | 331.5 | 293.6 | 343.7 | 288.6 | 335.7 | 347.9 | 191.0 | 339.2 | 296.1 |
| 55 State and local obligations | 50.4 | 136.4 | 30.8 | 34.5 | 36.3 | 33.1 | 32.7 | 33.5 | 24.8 | 32.6 | 44.4 | 43.5 |
| 56 Corporate and foreign bonds | 83.0 | 125.4 | 195.2 | 174.0 | 144.1 | 130.0 | 185.1 | 145.6 | 129.3 | 175.9 | 137.7 | 133.4 |
| 57 Mortgages | 223.1 | 242.2 | 308.6 | 312.0 | 267.0 | 345.2 | 295.1 | 301.6 | 224.8 | 294.8 | 290.1 | 258.3 |
| 58 Consumer credit | 81.6 | 82.5 | 54.4 | 40.7 | 49.3 | 52.4 | 61.4 | 49.4 | 34.8 | 59.5 | 34.9 | 67.9 |
| 59 Bank loans n.e.c. | 61.1 | 38.3 | 72.3 | 1.9 | 35.6 | 33.8 | 23.6 | 68.5 | 10.0 | 81.1 | 3.7 | 47.4 |
| 60 Open market paper | 52.0 | 52.8 | 26.4 | 33.2 | 74.3 | 52.3 | 36.9 | 6.7 | 22.3 | 92.5 | 48.0 | 134.7 |
| 61 Other loans | 82.9 | 44.0 | 56.1 | 62.0 | 61.9 | 79.4 | 48.7 | 92.5 | 53.5 | 28.6 | 90.9 | 74.8 |
| 62 MEMO: U.S. government, cash balance | 6.3 | 14.4 | * | -7.9 | 4.6 | 77.7 | -19.6 | -54.7 | 60.9 | 3.3 | 16.2 | -61.9 |
| Totals net of changes in U.S. government cash balances | | | | | | | | | | | | |
| 63 Net borrowing by domestic nonfinancial | 744.5 | 831.9 | 830.6 | 689.9 | 708.2 | 675.5 | 673.2 | 824.0 | 653.0 | 684.5 | 732.7 | 762.6 |
| 64 Net borrowing by U.S. government | 192.5 | 209.3 | 215.0 | 152.8 | 152.9 | 69.1 | 122.7 | 222.8 | 166.8 | 86.0 | 172.4 | 186.3 |
| | External corporate equity funds raised in United States | | | | | | | | | | | |
| 65 Total net share issues | -36.0 | 20.1 | 93.9 | 13.5 | -114.4 | 13.9 | -47.1 | -82.7 | -75.6 | -131.1 | -76.2 | -174.5 |
| 66 Mutual funds | 29.3 | 84.4 | 161.8 | 72.3 | -2.0 | 79.1 | 13.8 | -9.1 | 5.0 | -8.0 | 0.3 | -5.2 |
| 67 All other | -65.3 | -64.3 | -68.0 | -58.8 | -112.4 | -65.2 | -60.9 | -73.6 | -80.5 | -123.1 | -76.5 | -169.3 |
| 68 Nonfinancial corporations | -74.5 | -81.5 | -80.8 | -76.5 | -130.5 | -83.0 | -78.0 | -88.0 | -95.0 | -140.0 | -92.0 | -195.0 |
| 69 Financial corporations | 8.2 | 13.5 | 11.5 | 20.1 | 17.2 | 16.5 | 18.4 | 26.4 | 15.2 | 23.4 | 14.4 | 16.0 |
| 70 Foreign shares purchased in United States | .9 | 3.7 | 1.3 | -2.4 | 0.9 | 1.2 | -1.3 | -12.0 | -7.7 | -6.5 | 1.1 | 9.7 |

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 | 1987 | | | | 1988 | | | |
|--|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
| | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Total funds advanced in credit markets to domestic nonfinancial sectors | 846.3 | 830.6 | 682.0 | 712.8 | 552.0 | 753.2 | 653.6 | 769.4 | 713.9 | 687.8 | 748.8 | 700.7 |
| <i>By public agencies and foreign</i> | | | | | | | | | | | | |
| 2 Total net advances | 193.1 | 304.2 | 256.7 | 233.1 | 270.9 | 279.3 | 211.1 | 265.4 | 261.7 | 168.0 | 229.1 | 273.7 |
| 3 U.S. government securities | 37.9 | 69.4 | 68.2 | 77.6 | 59.0 | 55.3 | 35.1 | 123.3 | 148.6 | 42.4 | 21.1 | 98.4 |
| 4 Residential mortgages | 94.6 | 160.3 | 153.2 | 100.6 | 194.8 | 169.4 | 146.0 | 102.7 | 83.6 | 106.7 | 108.3 | 103.7 |
| 5 FHLB advances to savings and loans | 14.2 | 19.8 | 24.4 | 19.7 | 11.0 | 19.6 | 22.2 | 44.9 | 5.4 | 10.1 | 26.6 | 36.8 |
| 6 Other loans and securities | 46.3 | 54.6 | 10.9 | 35.2 | 6.1 | 35.1 | 7.8 | -5.5 | 24.1 | 8.7 | 73.2 | 34.8 |
| Total advanced, by sector | | | | | | | | | | | | |
| 7 U.S. government | 16.8 | 9.7 | -11.9 | -4.1 | -8.5 | -12.3 | -24.1 | -2.6 | -8.8 | -21.8 | 8.4 | 5.8 |
| 8 Sponsored credit agencies | 95.5 | 177.3 | 181.4 | 120.8 | 204.9 | 177.0 | 187.0 | 156.6 | 103.1 | 103.4 | 129.9 | 146.9 |
| 9 Monetary authorities | 18.4 | 19.4 | 24.7 | 10.5 | 9.4 | 29.8 | 29.0 | 30.4 | -5.5 | 4.1 | 17.1 | 26.5 |
| 10 Foreign | 62.3 | 97.8 | 62.5 | 105.9 | 65.1 | 84.8 | 19.1 | 81.0 | 172.9 | 82.4 | 73.8 | 94.6 |
| Agency and foreign borrowing not in line 1 | | | | | | | | | | | | |
| 11 Sponsored credit agencies and mortgage pools | 101.5 | 178.1 | 185.8 | 136.1 | 193.5 | 196.8 | 185.5 | 167.5 | 120.3 | 101.8 | 150.6 | 171.7 |
| 12 Foreign | 1.2 | 9.6 | 4.3 | 9.3 | -8.7 | -1 | 12.3 | 13.9 | -1.0 | 5.2 | 4.6 | 28.5 |
| <i>Private domestic funds advanced</i> | | | | | | | | | | | | |
| 13 Total net advances | 756.0 | 714.1 | 615.5 | 625.1 | 465.9 | 670.6 | 640.3 | 685.3 | 571.5 | 626.8 | 674.9 | 627.2 |
| 14 U.S. government securities | 286.2 | 324.1 | 263.3 | 215.9 | 299.0 | 288.5 | 253.5 | 212.4 | 199.3 | 148.6 | 318.1 | 197.7 |
| 15 State and local obligations | 136.4 | 30.8 | 34.5 | 36.3 | 38.7 | 33.1 | 32.7 | 33.5 | 24.8 | 32.6 | 44.4 | 43.5 |
| 16 Corporate and foreign bonds | 40.8 | 84.1 | 86.5 | 87.1 | 100.4 | 58.8 | 83.7 | 102.9 | 115.7 | 90.7 | 63.4 | 78.5 |
| 17 Residential mortgages | 91.8 | 84.1 | 92.8 | 110.9 | 56.7 | 105.0 | 89.4 | 120.1 | 102.4 | 136.2 | 111.7 | 93.5 |
| 18 Other mortgages and loans | 214.9 | 210.8 | 162.8 | 194.5 | -18.0 | 204.8 | 203.2 | 261.4 | 134.7 | 228.9 | 163.9 | 250.7 |
| 19 LESS: Federal Home Loan Bank advances | 14.2 | 19.8 | 24.4 | 19.7 | 11.0 | 19.6 | 22.2 | 44.9 | 5.4 | 10.1 | 26.6 | 36.8 |
| <i>Private financial intermediation</i> | | | | | | | | | | | | |
| 20 Credit market funds advanced by private financial institutions | 569.8 | 746.5 | 566.0 | 577.7 | 521.5 | 551.2 | 641.3 | 550.1 | 652.3 | 567.8 | 489.2 | 601.7 |
| 21 Commercial banking | 186.3 | 194.8 | 136.3 | 149.1 | -56.2 | 198.0 | 150.9 | 252.6 | 56.2 | 213.1 | 140.6 | 186.4 |
| 22 Savings institutions | 83.0 | 105.5 | 140.4 | 101.7 | 89.9 | 132.0 | 188.7 | 151.0 | 82.4 | 66.0 | 159.7 | 98.7 |
| 23 Insurance and pension funds | 148.9 | 181.9 | 211.9 | 231.5 | 266.3 | 179.5 | 247.5 | 154.3 | 279.3 | 230.5 | 175.3 | 240.8 |
| 24 Other finance | 151.6 | 264.3 | 77.4 | 95.5 | 221.6 | 41.7 | 54.1 | -7.8 | 234.4 | 58.2 | 13.6 | 75.7 |
| 25 Sources of funds | 569.8 | 746.5 | 566.0 | 577.7 | 521.5 | 551.2 | 641.3 | 550.1 | 652.3 | 567.8 | 489.2 | 601.7 |
| 26 Private domestic deposits and RPs | 210.6 | 264.7 | 146.2 | 187.7 | -17.1 | 141.1 | 193.9 | 267.0 | 292.4 | 53.1 | 209.7 | 195.6 |
| 27 Credit market borrowing | 96.7 | 119.1 | 117.5 | 103.9 | 146.5 | 119.9 | 120.8 | 82.7 | 14.1 | 161.1 | 84.9 | 155.3 |
| 28 Other sources | 262.5 | 362.7 | 302.3 | 286.2 | 392.1 | 290.2 | 326.6 | 200.4 | 345.7 | 353.5 | 194.6 | 250.8 |
| 29 Foreign funds | 19.7 | 12.9 | 43.7 | 5.9 | 14.9 | 35.1 | 99.5 | 25.2 | -80.1 | 106.6 | -50.4 | 47.5 |
| 30 Treasury balances | 10.3 | 1.7 | -5.8 | 1.3 | -36.9 | 43.6 | 6.1 | -36.1 | 53.3 | -17.5 | 8.7 | -39.1 |
| 31 Insurance and pension reserves | 131.9 | 144.3 | 176.1 | 215.5 | 195.1 | 192.6 | 196.1 | 120.3 | 244.5 | 223.5 | 137.4 | 256.8 |
| 32 Other, net | 100.7 | 203.8 | 88.4 | 63.4 | 219.0 | 18.9 | 24.8 | 90.9 | 128.1 | 40.9 | 98.9 | -14.3 |
| <i>Private domestic nonfinancial investors</i> | | | | | | | | | | | | |
| 33 Direct lending in credit markets | 282.9 | 86.7 | 167.0 | 151.2 | 90.9 | 239.3 | 119.8 | 217.9 | -66.6 | 220.2 | 270.6 | 180.7 |
| 34 U.S. government securities | 175.7 | 50.1 | 103.2 | 137.7 | 52.1 | 170.1 | 70.9 | 119.6 | 115.2 | 93.9 | 230.0 | 111.7 |
| 35 State and local obligations | 39.6 | -13.6 | 46.1 | 21.1 | 27.8 | 58.1 | 42.4 | 56.0 | 1.5 | 20.3 | 28.8 | 33.7 |
| 36 Corporate and foreign bonds | 2.4 | 32.6 | 5.3 | -18.7 | 9.3 | -58.6 | 28.3 | 42.1 | -97.9 | 36.0 | -18.7 | 6.0 |
| 37 Open market paper | 45.6 | -3.0 | 7.9 | 13.1 | -1.9 | 64.2 | -23.3 | -7.5 | -68.7 | 77.4 | 35.3 | 8.3 |
| 38 Other | 19.6 | 20.7 | 4.6 | -2.0 | 3.6 | 5.6 | 1.6 | 7.7 | -16.7 | -7.4 | -4.8 | 21.1 |
| 39 Deposits and currency | 220.9 | 285.0 | 162.4 | 199.3 | -46.6 | 149.2 | 229.3 | 317.8 | 287.4 | 83.8 | 232.7 | 193.2 |
| 40 Currency | 12.4 | 14.4 | 19.0 | 15.9 | 9.4 | 12.5 | 17.3 | 36.8 | 8.2 | 11.9 | 28.6 | 14.7 |
| 41 Checkable deposits | 40.9 | 93.2 | -2.2 | 13.5 | -98.4 | 40.0 | 35.3 | 14.2 | 4.4 | 18.3 | -23.9 | 55.1 |
| 42 Small time and savings accounts | 138.5 | 120.6 | 76.7 | 104.2 | 30.8 | 70.0 | 80.2 | 125.7 | 190.0 | 63.1 | 98.3 | 65.4 |
| 43 Money market fund shares | 8.9 | 41.5 | 28.2 | 25.1 | 14.4 | 2.4 | 32.7 | 63.3 | 59.1 | -34.8 | 13.0 | 63.0 |
| 44 Large time deposits | 7.7 | -11.4 | 26.7 | 26.9 | 14.0 | 4.4 | -1.0 | 89.4 | 11.7 | -16.2 | 122.7 | -10.5 |
| 45 Security RPs | 14.6 | 20.8 | 16.9 | 18.1 | 22.1 | 24.3 | 46.6 | -25.6 | 27.3 | 22.7 | -4 | 22.6 |
| 46 Deposits in foreign countries | -2.1 | 5.9 | -2.8 | -4.3 | -38.9 | -4.4 | 18.1 | 13.9 | -13.2 | 18.8 | -5.6 | -17.1 |
| 47 Total of credit market instruments, deposits, and currency | 503.7 | 371.8 | 329.4 | 350.5 | 44.3 | 388.5 | 349.1 | 535.7 | 220.9 | 304.0 | 503.3 | 374.0 |
| 48 Public holdings as percent of total | 22.7 | 36.2 | 37.3 | 32.2 | 49.8 | 37.0 | 31.7 | 33.8 | 36.7 | 24.2 | 30.4 | 37.5 |
| 49 Private financial intermediation (in percent) | 75.3 | 104.5 | 91.9 | 92.4 | 111.9 | 82.1 | 100.1 | 80.2 | 114.1 | 90.5 | 72.4 | 95.9 |
| 50 Total foreign funds | 82.0 | 110.7 | 106.2 | 111.8 | 80.0 | 119.9 | 118.7 | 106.2 | 92.8 | 189.0 | 23.4 | 142.1 |
| MEMO: Corporate equities not included above | | | | | | | | | | | | |
| 51 Total net issues | 20.1 | 93.9 | 13.5 | -114.4 | 170.1 | 13.9 | -47.1 | -82.7 | -75.6 | -131.1 | -76.2 | -174.5 |
| 52 Mutual fund shares | 84.4 | 161.8 | 72.3 | -2.0 | 205.4 | 79.1 | 13.8 | -9.1 | 5.0 | -8.0 | 0.3 | -5.2 |
| 53 Other equities | -64.3 | -68.0 | -58.8 | -112.4 | -35.3 | -65.2 | -60.9 | -73.6 | -80.5 | -123.1 | -76.5 | -169.3 |
| 54 Acquisitions by financial institutions | 45.6 | 48.5 | 22.6 | -3.3 | 29.2 | 72.6 | 5.2 | -16.5 | -35.4 | -5.4 | 16.1 | 11.3 |
| 55 Other net purchases | -25.5 | 45.4 | -9.1 | -111.0 | 140.9 | -58.7 | -52.4 | -66.2 | -40.2 | -125.8 | -92.3 | -185.8 |

NOTES BY LINE NUMBER.

- Line 1 of table 1.57.
- Sum of lines 3-6 or 7-10.
- Includes farm and commercial mortgages.
- Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
- 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.
- Includes farm and commercial mortgages.
- Line 39 less lines 40 and 46.
- Excludes equity issues and investment company shares. Includes line 19.
- 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.
- Demand deposits and note balances at commercial banks.

- Excludes net investment of these reserves in corporate equities.
 - Mainly retained earnings and net miscellaneous liabilities.
 - Line 13 less line 20 plus line 27.
 - Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 38 includes mortgages.
 - Mainly an offset to line 9.
 - Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.
 - Line 2/line 1.
 - Line 20/line 13.
 - 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 | 1983 | 1984 | 1985 | 1986 | 1987 | | | 1988 | | | |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Nonfinancial sectors | | | | | | | | | | | |
| 1 Total credit market debt owed by domestic nonfinancial sectors | 5,204.3 | 5,953.7 | 6,797.0 | 7,618.1 | 7,917.8 | 8,074.9 | 8,302.7 | 8,441.2 | 8,618.5 | 8,797.7 | 9,002.8 |
| <i>By sector and instrument</i> | | | | | | | | | | | |
| 2 U.S. government | 1,177.9 | 1,376.8 | 1,600.4 | 1,815.4 | 1,875.7 | 1,897.8 | 1,960.3 | 2,003.2 | 2,022.3 | 2,063.9 | 2,117.8 |
| 3 Treasury securities | 1,174.4 | 1,373.4 | 1,597.1 | 1,811.7 | 1,871.5 | 1,893.8 | 1,955.2 | 1,998.1 | 2,015.3 | 2,051.7 | 2,095.2 |
| 4 Agency issues and mortgages | 3.6 | 3.4 | 3.3 | 3.6 | 4.2 | 3.9 | 5.2 | 5.0 | 7.0 | 12.2 | 22.6 |
| 5 Private domestic nonfinancial sectors | 4,026.4 | 4,577.0 | 5,196.6 | 5,802.7 | 6,042.1 | 6,177.2 | 6,342.4 | 6,438.0 | 6,596.2 | 6,733.7 | 6,885.1 |
| 6 Debt capital instruments | 2,717.8 | 3,040.0 | 3,488.4 | 3,946.4 | 4,189.4 | 4,297.0 | 4,404.5 | 4,476.2 | 4,587.9 | 4,698.1 | 4,798.0 |
| 7 Tax-exempt obligations | 471.7 | 522.1 | 658.4 | 689.2 | 705.2 | 715.5 | 723.7 | 728.0 | 735.8 | 749.4 | 760.1 |
| 8 Corporate bonds | 423.0 | 469.2 | 542.9 | 664.2 | 718.5 | 743.7 | 764.1 | 789.5 | 819.1 | 841.7 | 861.5 |
| 9 Mortgages | 1,823.1 | 2,048.8 | 2,287.1 | 2,593.0 | 2,765.7 | 2,837.7 | 2,916.6 | 2,958.8 | 3,033.0 | 3,107.1 | 3,176.4 |
| 10 Home mortgages | 1,200.2 | 1,336.2 | 1,490.2 | 1,699.6 | 1,800.7 | 1,853.8 | 1,908.7 | 1,935.8 | 1,996.7 | 2,052.0 | 2,100.1 |
| 11 Multifamily residential | 158.8 | 183.6 | 213.0 | 246.3 | 259.9 | 265.0 | 270.0 | 274.4 | 275.2 | 277.8 | 284.1 |
| 12 Commercial | 350.4 | 416.5 | 478.1 | 551.4 | 613.8 | 629.0 | 649.1 | 660.6 | 673.3 | 690.1 | 705.7 |
| 13 Farm | 113.7 | 112.4 | 105.9 | 95.8 | 91.3 | 90.0 | 88.9 | 88.0 | 87.8 | 87.2 | 86.5 |
| 14 Other debt instruments | 1,308.6 | 1,536.9 | 1,708.2 | 1,856.3 | 1,852.7 | 1,880.2 | 1,937.9 | 1,961.8 | 2,008.3 | 2,035.6 | 2,087.1 |
| 15 Consumer credit | 437.7 | 519.3 | 601.8 | 656.2 | 658.7 | 692.2 | 680.9 | 692.2 | 709.6 | 725.7 | 746.2 |
| 16 Bank loans n.e.c. | 490.2 | 552.9 | 592.6 | 658.6 | 636.3 | 637.5 | 656.7 | 668.4 | 689.3 | 689.8 | 699.2 |
| 17 Open market paper | 36.8 | 58.5 | 72.2 | 62.9 | 67.9 | 68.1 | 73.8 | 73.5 | 77.8 | 80.3 | 85.4 |
| 18 Other | 344.0 | 406.2 | 441.6 | 478.6 | 489.9 | 493.7 | 510.5 | 527.7 | 531.6 | 539.8 | 556.3 |
| 19 By borrowing sector | 4,026.4 | 4,577.0 | 5,196.6 | 5,802.7 | 6,042.1 | 6,177.2 | 6,342.4 | 6,438.0 | 6,596.2 | 6,733.7 | 6,885.1 |
| 20 State and local governments | 357.7 | 385.1 | 476.9 | 520.2 | 535.3 | 546.2 | 554.2 | 564.1 | 577.5 | 588.5 | 598.5 |
| 21 Households | 1,811.6 | 2,038.2 | 2,314.5 | 2,594.2 | 2,691.2 | 2,762.8 | 2,836.5 | 2,862.0 | 2,942.8 | 3,012.6 | 3,079.4 |
| 22 Nonfinancial business | 1,857.1 | 2,153.7 | 2,405.2 | 2,688.3 | 2,815.7 | 2,868.2 | 2,951.6 | 3,018.9 | 3,089.3 | 3,143.6 | 3,217.2 |
| 23 Farm | 188.4 | 187.9 | 173.4 | 156.6 | 150.2 | 148.5 | 145.5 | 141.3 | 143.9 | 143.7 | 141.7 |
| 24 Nonfarm noncorporate | 645.8 | 769.0 | 898.3 | 1,001.6 | 1,055.9 | 1,076.4 | 1,109.5 | 1,131.8 | 1,148.6 | 1,167.9 | 1,190.2 |
| 25 Corporate | 1,022.9 | 1,196.8 | 1,333.5 | 1,530.1 | 1,609.6 | 1,643.3 | 1,696.6 | 1,745.8 | 1,796.8 | 1,832.0 | 1,885.3 |
| 26 Foreign credit market debt held in | | | | | | | | | | | |
| 27 United States | 227.3 | 235.1 | 236.7 | 238.2 | 236.8 | 238.9 | 244.3 | 245.1 | 246.4 | 246.6 | 253.6 |
| 28 Bonds | 64.2 | 68.0 | 71.8 | 74.8 | 74.6 | 75.9 | 81.6 | 85.4 | 85.2 | 86.5 | 91.1 |
| 29 Bank loans n.e.c. | 37.4 | 30.8 | 27.9 | 26.9 | 25.4 | 24.2 | 23.3 | 22.8 | 22.4 | 22.7 | 22.5 |
| 30 Open market paper | 21.5 | 27.7 | 33.9 | 37.4 | 35.6 | 40.6 | 41.2 | 42.5 | 44.0 | 46.3 | 50.9 |
| 31 U.S. government loans | 104.1 | 108.6 | 103.0 | 99.1 | 101.2 | 98.2 | 98.1 | 94.4 | 94.7 | 91.1 | 89.1 |
| 31 Total domestic plus foreign | 5,431.6 | 6,188.8 | 7,033.7 | 7,856.3 | 8,154.6 | 8,313.9 | 8,547.0 | 8,686.4 | 8,864.8 | 9,044.3 | 9,256.4 |
| Financial sectors | | | | | | | | | | | |
| 32 Total credit market debt owed by financial sectors | 857.9 | 1,006.2 | 1,206.2 | 1,510.8 | 1,710.0 | 1,783.8 | 1,862.8 | 1,882.9 | 1,954.9 | 2,014.6 | 2,102.8 |
| <i>By instrument</i> | | | | | | | | | | | |
| 33 U.S. government related | 456.7 | 531.2 | 632.7 | 810.3 | 937.1 | 981.6 | 1,026.5 | 1,050.6 | 1,076.9 | 1,116.3 | 1,162.6 |
| 34 Sponsored credit agency securities | 206.8 | 237.2 | 257.8 | 273.0 | 275.8 | 283.7 | 303.2 | 313.5 | 317.9 | 328.5 | 348.2 |
| 35 Mortgage pool securities | 244.9 | 289.0 | 368.9 | 531.6 | 656.4 | 692.9 | 718.3 | 732.1 | 754.0 | 782.8 | 809.4 |
| 36 Loans from U.S. government | 5.0 | 5.0 | 6.1 | 5.7 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 37 Private financial sectors | 401.2 | 475.0 | 573.4 | 700.5 | 772.9 | 802.1 | 836.3 | 832.4 | 878.0 | 898.3 | 940.2 |
| 38 Corporate bonds | 115.8 | 148.9 | 197.5 | 268.4 | 304.6 | 324.2 | 335.6 | 337.5 | 352.3 | 362.8 | 372.9 |
| 39 Mortgages | 2.1 | 2.5 | 2.7 | 2.7 | 2.9 | 2.9 | 3.1 | 3.1 | 3.1 | 3.1 | 3.0 |
| 40 Bank loans n.e.c. | 28.9 | 29.5 | 32.1 | 36.1 | 40.1 | 42.2 | 40.8 | 31.7 | 34.3 | 32.9 | 34.6 |
| 41 Open market paper | 195.5 | 219.5 | 252.4 | 284.6 | 311.1 | 312.7 | 323.8 | 330.6 | 353.4 | 358.0 | 376.9 |
| 42 Loans from Federal Home Loan Banks | 59.0 | 74.6 | 88.8 | 108.6 | 114.3 | 120.1 | 133.1 | 129.5 | 134.8 | 141.6 | 152.8 |
| 43 Total, by sector | 857.9 | 1,006.2 | 1,206.2 | 1,510.8 | 1,710.0 | 1,783.8 | 1,862.8 | 1,882.9 | 1,954.9 | 2,014.6 | 2,102.8 |
| 44 Sponsored credit agencies | 211.8 | 242.2 | 263.9 | 278.7 | 280.7 | 288.7 | 308.2 | 318.5 | 322.9 | 333.5 | 353.1 |
| 45 Mortgage pools | 244.9 | 289.0 | 368.9 | 531.6 | 656.4 | 692.9 | 718.3 | 732.1 | 754.0 | 782.8 | 809.4 |
| 46 Private financial sectors | 401.2 | 475.0 | 573.4 | 700.5 | 772.9 | 802.1 | 836.3 | 832.4 | 878.0 | 898.3 | 940.2 |
| 47 Commercial banks | 76.8 | 84.1 | 79.2 | 75.6 | 80.7 | 78.6 | 82.7 | 76.4 | 77.2 | 76.6 | 78.1 |
| 48 Bank affiliates | 71.0 | 86.6 | 101.2 | 101.3 | 108.7 | 109.5 | 104.2 | 88.8 | 91.8 | 92.2 | 91.4 |
| 49 Savings and loan associations | 73.9 | 93.2 | 115.5 | 145.1 | 157.0 | 165.4 | 181.1 | 177.4 | 186.9 | 197.9 | 210.3 |
| 50 Finance companies | 171.7 | 193.2 | 246.9 | 308.1 | 329.5 | 340.4 | 358.0 | 368.4 | 392.4 | 397.1 | 416.4 |
| 51 REITs | 3.5 | 4.3 | 5.6 | 6.5 | 6.1 | 6.8 | 7.3 | 7.6 | 8.0 | 7.6 | 8.9 |
| 52 CMO issuers | 4.2 | 13.5 | 25.0 | 64.0 | 90.9 | 101.6 | 103.1 | 113.9 | 121.7 | 127.0 | 135.1 |
| All sectors | | | | | | | | | | | |
| 53 Total credit market debt | 6,289.5 | 7,195.0 | 8,239.8 | 9,367.2 | 9,864.6 | 10,097.6 | 10,409.8 | 10,569.3 | 10,819.7 | 11,058.9 | 11,359.2 |
| 54 U.S. government securities | 1,629.4 | 1,902.8 | 2,227.0 | 2,620.0 | 2,807.8 | 2,874.4 | 2,981.8 | 3,048.8 | 3,094.2 | 3,175.2 | 3,275.4 |
| 55 State and local obligations | 471.7 | 522.1 | 658.4 | 689.2 | 705.2 | 715.5 | 723.7 | 728.0 | 735.8 | 749.4 | 760.1 |
| 56 Corporate and foreign bonds | 603.0 | 686.0 | 812.1 | 1,007.4 | 1,097.7 | 1,143.9 | 1,181.4 | 1,212.3 | 1,256.6 | 1,291.0 | 1,325.4 |
| 57 Mortgages | 1,825.4 | 2,051.4 | 2,289.8 | 2,595.8 | 2,768.6 | 2,840.7 | 2,919.8 | 2,961.9 | 3,036.1 | 3,110.2 | 3,179.5 |
| 58 Consumer credit | 437.7 | 519.3 | 601.8 | 656.2 | 658.7 | 680.9 | 696.6 | 692.2 | 709.6 | 725.7 | 746.2 |
| 59 Bank loans n.e.c. | 556.5 | 613.2 | 652.6 | 721.6 | 701.7 | 703.8 | 720.8 | 722.9 | 746.0 | 745.4 | 756.4 |
| 60 Open market paper | 253.8 | 305.7 | 358.5 | 384.9 | 414.6 | 421.4 | 438.8 | 446.7 | 475.3 | 484.6 | 513.1 |
| 61 Other loans | 512.1 | 594.4 | 639.5 | 692.0 | 710.4 | 717.0 | 746.6 | 756.6 | 766.1 | 777.4 | 803.1 |

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

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

| Transaction category, or sector | 1983 | 1984 | 1985 | 1986 | 1987 | | | 1988 | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Total funds advanced in credit markets to domestic nonfinancial sectors | 5,204.3 | 5,953.7 | 6,797.0 | 7,618.1 | 7,917.8 | 8,074.9 | 8,302.7 | 8,441.2 | 8,618.5 | 8,797.7 | 9,002.8 |
| <i>By public agencies and foreign</i> | | | | | | | | | | | |
| 2 Total held | 1,101.7 | 1,259.2 | 1,459.4 | 1,759.3 | 1,918.0 | 1,967.0 | 2,038.2 | 2,093.9 | 2,141.1 | 2,192.2 | 2,265.9 |
| 3 U.S. government securities | 339.0 | 377.9 | 421.8 | 491.2 | 519.5 | 525.6 | 559.4 | 592.7 | 607.1 | 609.1 | 637.0 |
| 4 Residential mortgages | 367.0 | 423.5 | 518.2 | 678.5 | 800.0 | 834.6 | 862.0 | 880.6 | 906.1 | 934.9 | 962.6 |
| 5 FHLB advances to savings and loans | 59.0 | 74.6 | 88.8 | 108.6 | 114.3 | 120.1 | 133.1 | 129.5 | 134.8 | 141.6 | 152.8 |
| 6 Other loans and securities | 336.8 | 383.1 | 430.6 | 481.0 | 484.3 | 486.8 | 483.7 | 491.1 | 493.0 | 506.6 | 513.5 |
| 7 Total held, by type of lender | 1,101.7 | 1,259.2 | 1,459.4 | 1,759.3 | 1,918.0 | 1,967.0 | 2,038.2 | 2,093.9 | 2,141.1 | 2,192.2 | 2,265.9 |
| 8 U.S. government | 212.8 | 229.7 | 247.6 | 254.3 | 242.9 | 237.1 | 235.0 | 233.3 | 228.6 | 225.6 | 225.4 |
| 9 Sponsored credit agencies and mortgage pools | 482.0 | 556.3 | 657.8 | 833.9 | 957.9 | 1,003.7 | 1,044.9 | 1,064.0 | 1,091.6 | 1,126.7 | 1,165.7 |
| 10 Monetary authority | 159.2 | 167.6 | 186.0 | 205.5 | 214.9 | 219.6 | 230.1 | 224.9 | 229.7 | 230.8 | 240.6 |
| 11 Foreign | 247.7 | 305.6 | 367.9 | 465.7 | 502.3 | 506.7 | 528.2 | 571.8 | 591.1 | 609.2 | 634.1 |
| Agency and foreign debt not in line 1 | | | | | | | | | | | |
| 12 Sponsored credit agencies and mortgage pools | 456.7 | 531.2 | 632.7 | 810.3 | 937.1 | 981.6 | 1,026.5 | 1,050.6 | 1,076.9 | 1,116.3 | 1,162.6 |
| 13 Foreign | 227.3 | 235.1 | 236.7 | 238.2 | 236.8 | 238.9 | 244.3 | 245.1 | 246.4 | 246.6 | 253.6 |
| <i>Private domestic holdings</i> | | | | | | | | | | | |
| 14 Total private holdings | 4,786.6 | 5,460.8 | 6,207.0 | 6,907.3 | 7,173.6 | 7,328.5 | 7,535.3 | 7,643.0 | 7,800.7 | 7,968.3 | 8,153.1 |
| 15 U.S. government securities | 1,290.4 | 1,524.9 | 1,805.2 | 2,128.7 | 2,288.3 | 2,348.8 | 2,422.4 | 2,456.0 | 2,487.0 | 2,566.1 | 2,638.3 |
| 16 State and local obligations | 471.7 | 522.1 | 658.4 | 689.2 | 705.2 | 715.5 | 723.7 | 728.0 | 735.8 | 749.4 | 760.1 |
| 17 Corporate and foreign bonds | 441.7 | 476.8 | 517.6 | 601.7 | 642.4 | 663.4 | 688.1 | 716.3 | 740.7 | 756.6 | 775.2 |
| 18 Residential mortgages | 992.2 | 1,096.5 | 1,185.1 | 1,267.4 | 1,260.6 | 1,284.2 | 1,316.7 | 1,329.6 | 1,365.9 | 1,394.9 | 1,421.7 |
| 19 Other mortgages and loans | 1,649.6 | 1,915.2 | 2,129.5 | 2,328.9 | 2,391.5 | 2,436.6 | 2,517.4 | 2,542.5 | 2,606.0 | 2,642.9 | 2,710.6 |
| 20 LESS: Federal Home Loan Bank advances | 59.0 | 74.6 | 88.8 | 108.6 | 114.3 | 120.1 | 133.1 | 129.5 | 134.8 | 141.6 | 152.8 |
| <i>Private financial intermediation</i> | | | | | | | | | | | |
| 21 Credit market claims held by private financial institutions | 4,111.2 | 4,691.0 | 5,264.4 | 6,009.5 | 6,277.9 | 6,434.3 | 6,593.7 | 6,725.8 | 6,879.2 | 7,000.0 | 7,164.1 |
| 22 Commercial banking | 1,622.1 | 1,791.1 | 1,978.5 | 2,173.2 | 2,207.9 | 2,248.7 | 2,309.6 | 2,322.2 | 2,377.5 | 2,416.4 | 2,458.6 |
| 23 Savings institutions | 944.0 | 1,092.8 | 1,178.4 | 1,283.0 | 1,355.4 | 1,396.5 | 1,434.2 | 1,438.9 | 1,467.6 | 1,502.5 | 1,528.6 |
| 24 Insurance and pension funds | 1,093.5 | 1,215.3 | 1,364.2 | 1,546.0 | 1,653.0 | 1,716.0 | 1,758.0 | 1,823.3 | 1,880.0 | 1,925.8 | 1,989.4 |
| 25 Other finance | 451.6 | 591.7 | 743.4 | 1,007.3 | 1,061.5 | 1,073.1 | 1,091.9 | 1,141.4 | 1,154.2 | 1,155.3 | 1,187.4 |
| 26 Sources of funds | 4,111.2 | 4,691.0 | 5,264.4 | 6,009.5 | 6,277.9 | 6,434.3 | 6,593.7 | 6,725.8 | 6,879.2 | 7,000.0 | 7,164.1 |
| 27 Private domestic deposits and RPs | 2,389.8 | 2,711.5 | 2,922.1 | 3,182.6 | 3,198.6 | 3,234.4 | 3,328.4 | 3,386.5 | 3,399.3 | 3,438.3 | 3,516.1 |
| 28 Credit market debt | 401.2 | 475.0 | 573.4 | 700.5 | 772.9 | 802.1 | 836.3 | 832.4 | 878.0 | 898.3 | 940.2 |
| 29 Other sources | 1,320.2 | 1,504.5 | 1,768.9 | 2,126.4 | 2,306.3 | 2,397.7 | 2,428.9 | 2,506.9 | 2,601.9 | 2,663.4 | 2,707.8 |
| 30 Foreign funds | -23.0 | -14.1 | 5.6 | 18.6 | 26.1 | 52.7 | 62.2 | 45.9 | 62.3 | 51.9 | 68.1 |
| 31 Treasury balances | 11.5 | 15.5 | 25.8 | 27.5 | 30.9 | 33.0 | 21.6 | 23.5 | 32.6 | 34.2 | 23.0 |
| 32 Insurance and pension reserves | 1,036.1 | 1,160.8 | 1,289.5 | 1,427.9 | 1,507.9 | 1,553.5 | 1,593.3 | 1,653.0 | 1,704.9 | 1,741.2 | 1,795.5 |
| 33 Other, net | 295.6 | 342.2 | 448.0 | 652.5 | 741.4 | 758.6 | 751.7 | 784.6 | 802.1 | 836.0 | 821.2 |
| <i>Private domestic nonfinancial investors</i> | | | | | | | | | | | |
| 34 Credit market claims | 1,076.6 | 1,244.8 | 1,516.0 | 1,598.3 | 1,668.7 | 1,696.3 | 1,777.9 | 1,749.6 | 1,799.4 | 1,866.7 | 1,929.1 |
| 35 U.S. government securities | 548.6 | 663.6 | 830.7 | 881.2 | 950.4 | 969.4 | 1,011.1 | 1,021.4 | 1,040.3 | 1,102.2 | 1,148.8 |
| 36 Tax-exempt obligations | 170.0 | 196.3 | 235.9 | 222.3 | 243.1 | 255.9 | 268.3 | 265.6 | 272.9 | 282.4 | 289.4 |
| 37 Corporate and foreign bonds | 45.4 | 44.5 | 47.6 | 80.1 | 71.4 | 80.6 | 84.8 | 67.9 | 74.0 | 71.3 | 66.1 |
| 38 Open market paper | 68.4 | 72.4 | 118.0 | 115.0 | 132.6 | 118.7 | 140.5 | 124.0 | 144.6 | 144.5 | 153.6 |
| 39 Other | 244.3 | 268.0 | 283.8 | 299.7 | 271.2 | 271.9 | 273.2 | 270.6 | 267.6 | 266.3 | 271.2 |
| 40 Deposits and currency | 2,566.4 | 2,891.7 | 3,112.5 | 3,393.4 | 3,405.6 | 3,444.5 | 3,555.4 | 3,608.3 | 3,634.5 | 3,672.8 | 3,754.7 |
| 41 Currency | 150.9 | 159.6 | 171.9 | 186.3 | 191.3 | 192.4 | 205.4 | 204.0 | 209.9 | 213.4 | 221.2 |
| 42 Checkable deposits | 350.9 | 378.8 | 419.7 | 512.9 | 488.0 | 487.4 | 510.3 | 490.9 | 505.8 | 490.5 | 523.8 |
| 43 Small time and savings accounts | 1,542.9 | 1,693.4 | 1,831.9 | 1,948.3 | 1,977.8 | 1,990.9 | 2,025.0 | 2,078.8 | 2,091.7 | 2,109.7 | 2,129.2 |
| 44 Money market fund shares | 169.5 | 218.5 | 227.3 | 268.9 | 279.5 | 286.4 | 297.1 | 322.1 | 310.4 | 311.1 | 322.1 |
| 45 Large time deposits | 247.7 | 332.1 | 339.8 | 328.4 | 322.4 | 326.0 | 355.1 | 350.0 | 343.0 | 377.0 | 382.0 |
| 46 Security RPs | 78.8 | 88.7 | 103.3 | 124.1 | 130.9 | 143.6 | 141.0 | 144.6 | 148.4 | 149.9 | 159.1 |
| 47 Deposits in foreign countries | 25.7 | 20.6 | 18.5 | 24.5 | 15.7 | 17.8 | 21.6 | 17.8 | 25.2 | 21.2 | 17.4 |
| 48 Total of credit market instruments, deposits, and currency | 3,643.0 | 4,136.5 | 4,628.5 | 4,991.7 | 5,074.2 | 5,140.8 | 5,333.3 | 5,357.9 | 5,433.9 | 5,539.5 | 5,683.9 |
| 49 Public holdings as percent of total | 20.2 | 20.3 | 20.7 | 22.4 | 23.5 | 23.6 | 23.8 | 24.1 | 24.1 | 24.2 | 24.4 |
| 50 Private financial intermediation (in percent) | 85.8 | 85.9 | 84.8 | 87.0 | 87.5 | 87.7 | 87.5 | 87.9 | 88.1 | 87.8 | 87.8 |
| 51 Total foreign funds | 224.7 | 291.5 | 373.5 | 484.2 | 528.4 | 559.4 | 590.5 | 617.6 | 653.5 | 661.1 | 702.2 |
| MEMO: Corporate equities not included above | | | | | | | | | | | |
| 52 Total market value | 2,134.0 | 2,158.2 | 2,824.5 | 3,362.0 | 4,110.0 | 4,300.8 | 3,313.4 | 3,494.7 | 3,614.1 | 3,568.8 | 3,594.3 |
| 53 Mutual fund shares | 112.1 | 136.7 | 240.2 | 413.5 | 520.7 | 525.1 | 460.1 | 479.2 | 486.8 | 478.1 | 475.2 |
| 54 Other equities | 2,021.9 | 2,021.5 | 2,584.3 | 2,948.5 | 3,589.3 | 3,775.7 | 2,853.2 | 3,015.6 | 3,127.3 | 3,090.8 | 3,119.1 |
| 55 Holdings by financial institutions | 612.0 | 615.6 | 800.0 | 972.2 | 1,238.9 | 1,312.5 | 1,021.7 | 1,090.7 | 1,142.0 | 1,135.4 | 1,153.2 |
| 56 Other holdings | 1,522.0 | 1,542.6 | 2,024.5 | 2,389.8 | 2,871.1 | 2,988.4 | 2,291.7 | 2,404.0 | 2,472.1 | 2,433.4 | 2,441.1 |

NOTES BY LINE NUMBER.

1. Line 1 of table 1.59.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
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 2/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 Measures¹

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

| Measure | 1986 | 1987 | 1988 | 1988 | | | | | 1989 | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|--------------------|--------------------|-------------------|-------|
| | | | | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^r | Apr. |
| 1 Industrial production | 125.1 | 129.8 | 137.2 | 138.5 | 138.6 | 139.4 | 139.9 | 140.4 | 140.8 ^r | 140.4 ^r | 140.5 | 141.1 |
| <i>Market groupings</i> | | | | | | | | | | | | |
| 2 Products, total..... | 133.3 | 81.1 | 145.9 | 147.3 | 147.4 | 148.1 | 148.4 | 149.4 | 150.1 ^r | 150.0 ^r | 150.0 | 150.6 |
| 3 Final, total..... | 132.5 | 136.8 | 144.3 | 145.8 | 145.8 | 146.4 | 146.8 | 147.7 | 148.2 ^r | 148.5 ^r | 148.2 | 149.1 |
| 4 Consumer goods..... | 124.0 | 127.7 | 133.9 | 135.0 | 134.8 | 136.4 | 136.8 | 138.2 | 138.5 ^r | 138.6 ^r | 137.8 | 138.6 |
| 5 Equipment..... | 143.6 | 148.8 | 158.2 | 160.1 | 160.4 | 154.0 | 159.9 | 160.4 | 161.1 ^r | 161.5 ^r | 162.1 | 162.9 |
| 6 Intermediate..... | 136.2 | 143.5 | 151.5 | 152.3 | 152.9 | 154.0 | 154.2 | 155.0 | 156.6 ^r | 155.2 ^r | 156.3 | 155.8 |
| 7 Materials..... | 113.8 | 118.2 | 125.3 | 126.5 | 126.5 | 127.5 | 128.3 | 128.3 | 128.1 ^r | 127.4 ^r | 127.4 | 128.2 |
| <i>Industry groupings</i> | | | | | | | | | | | | |
| 8 Manufacturing..... | 129.1 | 134.6 | 142.8 | 144.0 | 144.4 | 145.3 | 145.8 | 146.3 | 147.2 ^r | 146.7 ^r | 146.7 | 147.3 |
| Capacity utilization (percent) ² | | | | | | | | | | | | |
| 9 Manufacturing..... | 79.7 | 81.1 | 83.5 | 84.0 | 84.0 | 84.3 | 84.4 | 84.4 | 84.7 ^r | 84.2 ^r | 83.9 | 84.0 |
| 10 Industrial materials industries..... | 78.6 | 80.5 | 83.7 | 84.3 | 84.1 | 84.7 | 85.1 | 84.9 | 84.6 ^r | 84.0 ^r | 83.8 | 84.2 |
| 11 Construction contracts (1982 = 100) ³ | 158.0 | 164.0 | 161.0 | 162.0 | 157.0 | 164.0 | 158.0 | 163.0 | 155.0 | 148.0 | 150.0 | 163.0 |
| 12 Nonagricultural employment, total ⁴ | 120.7 | 124.1 | 128.6 | 129.1 | 129.4 | 129.7 | 130.3 | 130.5 | 131.0 | 131.4 | 131.6 | 131.7 |
| 13 Goods-producing, total..... | 100.9 | 101.8 | 105.0 | 105.3 | 105.4 | 105.8 | 106.2 | 106.4 | 107.0 | 106.9 | 106.7 | 106.8 |
| 14 Manufacturing, total..... | 96.3 | 96.8 | 99.2 | 99.4 | 99.3 | 99.8 | 100.1 | 100.3 | 100.5 | 100.5 | 100.5 | 100.5 |
| 15 Manufacturing, production-worker..... | 91.1 | 91.9 | 94.3 | 94.4 | 94.3 | 94.9 | 95.2 | 95.3 | 95.6 | 95.6 | 95.6 | 95.5 |
| 16 Service-producing..... | 129.0 | 133.4 | 138.5 | 139.0 | 139.5 | 139.8 | 140.3 | 140.6 | 141.1 | 141.6 | 142.0 | 142.2 |
| 17 Personal income, total..... | 219.7 | 235.1 | 252.8 | 254.5 | 256.0 | 259.8 | 259.1 | 261.3 | 265.7 | 268.5 | 270.7 | 271.8 |
| 18 Wages and salary disbursements..... | 210.7 | 226.2 | 245.2 | 247.4 | 249.0 | 252.2 | 253.0 | 254.5 | 257.5 | 260.8 | 260.8 | 262.4 |
| 19 Manufacturing..... | 177.4 | 183.8 | 195.9 | 196.8 | 198.1 | 202.2 | 201.1 | 200.8 | 202.7 | 203.6 | 206.9 | 204.8 |
| 20 Disposable personal income ⁵ | 218.9 | 232.7 | 251.7 | 254.2 | 255.6 | 259.6 | 258.7 | 261.0 | 265.3 | 268.3 | 270.3 | 270.3 |
| 21 Retail sales ⁶ | 199.3 | 210.8 | 225.2 | 226.6 | 226.1 | 229.6 | 232.4 | 231.8 | 233.2 | 232.2 ^r | 232.1 | 233.0 |
| <i>Prices⁷</i> | | | | | | | | | | | | |
| 22 Consumer (1982-84 = 100)..... | 109.6 | 113.6 | 118.3 | 119.0 | 119.8 | 120.2 | 120.3 | 120.5 | 121.1 | 121.6 | 122.3 | 123.1 |
| 23 Producer finished goods (1982 = 100)..... | 103.2 | 105.4 | 108.0 | 108.7 | 108.6 | 109.4 | 109.8 | 110.0 | 111.0 | 111.7 | 112.2 | 113.0 |

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

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

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

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

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

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

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

| Category | 1986 | 1987 | 1988 | 1988 | | | | 1989 | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|-------------------|---------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ^r | Mar. ^r | Apr. |
| HOUSEHOLD SURVEY DATA | | | | | | | | | | | |
| 1 Noninstitutional population ¹ | 182,822 | 185,010 | 186,837 | 187,178 | 187,333 | 187,471 | 187,618 | 187,859 | 187,979 | 188,102 | 188,228 |
| 2 Labor force (including Armed Forces) ¹ | 120,078 | 122,122 | 123,893 | 124,200 | 124,310 | 124,737 | 124,779 | 125,643 | 125,383 | 125,469 | 125,863 |
| 3 Civilian labor force | 117,834 | 119,865 | 121,669 | 121,984 | 122,091 | 122,510 | 122,563 | 123,428 | 123,181 | 123,264 | 123,659 |
| <i>Employment</i> | | | | | | | | | | | |
| 4 Nonagricultural industries ² | 106,434 | 109,232 | 111,800 | 112,194 | 112,335 | 112,709 | 112,816 | 113,411 | 113,630 | 113,930 | 114,009 |
| 5 Agriculture | 3,163 | 3,208 | 3,169 | 3,176 | 3,238 | 3,238 | 3,193 | 3,300 | 3,223 | 3,206 | 3,104 |
| <i>Unemployment</i> | | | | | | | | | | | |
| 6 Number | 8,237 | 7,425 | 6,701 | 6,614 | 6,518 | 6,563 | 6,554 | 6,716 | 6,328 | 6,128 | 6,546 |
| 7 Rate (percent of civilian labor force) | 7.0 | 6.2 | 5.5 | 5.4 | 5.3 | 5.4 | 5.3 | 5.4 | 5.1 | 5.0 | 5.3 |
| 8 Not in labor force | 62,744 | 62,888 | 62,944 | 62,978 | 63,023 | 62,734 | 62,839 | 62,216 | 62,596 | 62,633 | 62,365 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | | |
| 9 Nonagricultural payroll employment ³ | 99,525 | 102,310 | 106,039 | 106,737 | 106,973 | 107,419 | 107,641 | 108,065 | 108,341 | 108,512 | 108,629 |
| 10 Manufacturing | 18,965 | 19,065 | 19,536 | 19,549 | 19,648 | 19,714 | 19,740 | 19,793 | 19,781 | 19,787 | 19,778 |
| 11 Mining | 777 | 721 | 733 | 734 | 729 | 722 | 719 | 718 | 716 | 720 | 728 |
| 12 Contract construction | 4,816 | 4,998 | 5,294 | 5,365 | 5,366 | 5,413 | 5,430 | 5,537 | 5,514 | 5,479 | 5,485 |
| 13 Transportation and public utilities | 5,255 | 5,385 | 5,584 | 5,618 | 5,631 | 5,658 | 5,670 | 5,692 | 5,705 | 5,701 | 5,718 |
| 14 Trade | 23,683 | 24,381 | 25,362 | 25,510 | 25,573 | 25,676 | 25,730 | 25,888 | 25,980 | 26,077 | 26,093 |
| 15 Finance | 6,283 | 6,549 | 6,679 | 6,692 | 6,708 | 6,725 | 6,741 | 6,733 | 6,757 | 6,761 | 6,755 |
| 16 Service | 23,053 | 24,196 | 25,464 | 25,737 | 25,826 | 25,947 | 26,070 | 26,145 | 26,272 | 26,373 | 26,472 |
| 17 Government | 16,693 | 17,015 | 17,387 | 17,532 | 17,492 | 17,564 | 17,541 | 17,559 | 17,616 | 17,614 | 17,600 |

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 UTILIZATION¹

Seasonally adjusted

| Series | 1988 | | | 1989 | 1988 | | | 1989 | 1988 | | | 1989 |
|---------------------------------------|---------------------|-------|-------|-------|-----------------------------------|-------|-------|-------|----------------------------|-------------------|-------------------|-----------------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 ^r |
| | Output (1977 = 100) | | | | Capacity (percent of 1977 output) | | | | Utilization rate (percent) | | | |
| 1 Total industry | 136.0 | 138.4 | 139.9 | 141.0 | 164.2 | 165.2 | 166.3 | 167.5 | 82.8 | 83.8 | 84.1 | 83.9 |
| 2 Mining | 103.4 | 103.9 | 104.2 | 102.3 | 127.0 | 126.3 | 125.7 | 125.1 | 81.5 | 82.3 | 82.9 | 81.5 |
| 3 Utilities | 111.9 | 115.1 | 114.3 | 115.0 | 140.1 | 140.4 | 140.7 | 141.0 | 79.9 | 81.9 | 81.3 | 81.9 |
| 4 Manufacturing | 141.5 | 144.0 | 145.8 | 147.5 | 170.2 | 171.5 | 172.8 | 174.3 | 83.2 | 84.0 | 84.4 | 84.3 |
| 5 Primary processing | 123.9 | 125.9 | 127.7 | 128.8 | 142.7 | 143.9 | 145.2 | 146.5 | 86.8 | 87.5 | 87.9 | 87.4 |
| 6 Advanced processing | 152.3 | 154.9 | 156.7 | 158.6 | 186.7 | 188.1 | 189.5 | 191.0 | 81.5 | 82.4 | 82.7 | 82.9 |
| 7 Materials | 124.0 | 126.5 | 128.0 | 128.1 | 149.3 | 150.1 | 150.8 | 151.7 | 83.0 | 84.3 | 84.9 | 84.2 |
| 8 Durable goods | 134.1 | 137.1 | 139.2 | 139.2 | 166.8 | 167.9 | 169.0 | 170.1 | 80.4 | 81.6 | 82.4 | 81.5 |
| 9 Metal materials | 88.1 | 92.7 | 94.8 | 94.1 | 109.1 | 109.5 | 109.8 | 110.2 | 80.8 | 84.8 | 86.3 ^r | 84.2 |
| 10 Nondurable goods | 130.4 | 132.8 | 135.4 | 137.4 | 148.3 | 149.8 | 151.2 | 152.7 | 87.9 | 88.6 ^r | 89.5 | 89.5 |
| 11 Textile, paper, and chemical | 132.4 | 135.3 | 138.1 | 140.3 | 148.5 | 150.2 | 151.8 | 153.5 | 89.2 | 90.0 | 91.0 | 90.9 |
| 12 Paper | 145.9 | 148.9 | 148.6 | 148.1 | 149.2 | 150.7 | 152.3 | 154.0 | 97.8 | 98.8 | 97.6 | 96.2 |
| 13 Chemical | 135.7 | 139.4 | 144.1 | 145.8 | 155.4 | 157.4 | 159.3 | 161.4 | 87.3 | 88.6 | 90.5 | 90.3 |
| 14 Energy materials | 100.6 | 102.5 | 102.0 | 100.5 | 119.4 | 119.0 | 118.7 | 118.4 | 84.2 | 86.0 | 86.0 | 85.0 |

| | Previous cycle ² | | Latest cycle ³ | | 1988 | | 1988 | | | | | 1989 | | | |
|---------------------------------------|-------------------------------------|------|---------------------------|------|------|------|-------|------|------|------|-------------------|-------------------|-------------------|-------|--|
| | High | Low | High | Low | Apr. | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. ^r | Feb. ^r | Mar. ^r | Apr. | |
| | Capacity utilization rate (percent) | | | | | | | | | | | | | | |
| 15 Total industry | 88.6 | 72.1 | 86.9 | 69.5 | 82.7 | 83.8 | 83.7 | 84.0 | 84.1 | 84.3 | 84.3 | 83.9 | 83.7 | 83.9 | |
| 16 Mining | 92.8 | 87.8 | 95.2 | 76.9 | 82.3 | 82.2 | 82.3 | 81.9 | 83.3 | 83.6 | 82.2 | 80.7 | 81.6 | 82.7 | |
| 17 Utilities | 95.6 | 82.9 | 88.5 | 78.0 | 79.3 | 83.9 | 80.4 | 81.0 | 80.8 | 82.0 | 80.9 | 82.6 | 82.1 | 82.1 | |
| 18 Manufacturing | 87.7 | 69.9 | 86.5 | 68.0 | 82.9 | 84.0 | 84.0 | 84.3 | 84.4 | 84.4 | 84.7 | 84.2 | 83.9 | 84.0 | |
| 19 Primary processing | 91.9 | 68.3 | 89.1 | 65.0 | 86.9 | 87.4 | 87.2 | 87.9 | 88.1 | 87.9 | 88.4 | 87.1 | 86.7 | 86.8 | |
| 20 Advanced processing | 86.0 | 71.1 | 85.1 | 69.5 | 81.2 | 82.4 | 82.4 | 82.6 | 82.6 | 82.8 | 83.1 | 82.9 | 82.6 | 82.8 | |
| 21 Materials | 92.0 | 70.5 | 89.1 | 68.5 | 82.9 | 84.3 | 84.1 | 84.7 | 85.1 | 84.9 | 84.6 | 84.0 | 83.8 | 84.2 | |
| 22 Durable goods | 91.8 | 64.4 | 89.8 | 60.9 | 79.7 | 81.4 | 81.9 | 82.4 | 82.7 | 82.1 | 82.1 | 81.4 | 80.9 | 81.0 | |
| 23 Metal materials | 99.2 | 67.1 | 93.6 | 45.7 | 79.3 | 83.4 | 86.0 | 87.3 | 86.9 | 84.6 | 86.1 | 83.9 | 82.6 | 82.1 | |
| 24 Nondurable goods | 91.1 | 66.7 | 88.1 | 70.7 | 88.7 | 88.8 | 88.2 | 89.3 | 89.4 | 89.8 | 90.1 | 89.0 | 89.2 | 89.4 | |
| 25 Textile, paper, and chemical | 92.8 | 64.8 | 89.4 | 68.8 | 90.1 | 90.3 | 89.4 | 90.9 | 90.9 | 91.8 | 91.5 | 90.4 | 90.8 | 91.2 | |
| 26 Paper | 98.4 | 70.6 | 97.3 | 79.9 | 98.1 | 98.4 | 97.9 | 97.8 | 96.7 | 98.4 | 98.1 | 95.9 | 94.7 | ..... |  |
| 27 Chemical | 92.5 | 64.4 | 87.9 | 63.5 | 88.0 | 89.0 | 88.0 | 90.2 | 90.5 | 90.7 | 90.7 | 89.8 | 90.5 | ..... |  |
| 28 Energy materials | 94.6 | 86.9 | 94.0 | 82.3 | 84.5 | 86.6 | 85.3 | 85.3 | 86.2 | 86.5 | 84.9 | 85.0 | 85.2 | 86.4 | |

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

2. Monthly high 1973; monthly low 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data are seasonally adjusted

| Groups | 1977 pro- por- tion | 1988 avg. | 1988 | | | | | | | | | 1989 | | | |
|--|------------------------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|-------|-------------------|-------------------|
| | | | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. ^r | Feb. | Mar. ^p | Apr. ^r |
| Index (1977 = 100) | | | | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | |
| 1 Total index..... | 100.00 | 137.2 | 135.4 | 136.1 | 136.5 | 138.0 | 138.5 | 138.6 | 139.4 | 139.9 | 140.4 | 140.8 | 140.4 | 140.5 | 141.1 |
| 2 Products..... | 57.72 | 145.9 | 144.1 | 145.0 | 145.3 | 146.5 | 147.3 | 147.4 | 148.1 | 148.4 | 149.4 | 150.1 | 150.0 | 150.0 | 150.6 |
| 3 Final products..... | 44.77 | 144.3 | 142.5 | 143.5 | 144.0 | 145.0 | 145.8 | 145.8 | 146.4 | 146.8 | 147.7 | 148.2 | 148.5 | 148.2 | 149.1 |
| 4 Consumer goods..... | 25.52 | 133.9 | 131.9 | 132.7 | 133.0 | 134.2 | 135.0 | 134.8 | 136.4 | 136.8 | 138.2 | 138.5 | 138.6 | 137.8 | 138.6 |
| 5 Equipment..... | 19.25 | 158.2 | 156.5 | 157.7 | 158.5 | 159.4 | 160.1 | 160.4 | 159.7 | 159.9 | 160.4 | 161.1 | 161.5 | 162.1 | 162.9 |
| 6 Intermediate products..... | 12.94 | 151.5 | 149.6 | 150.4 | 150.0 | 151.6 | 152.3 | 152.9 | 154.0 | 154.2 | 155.0 | 156.6 | 155.2 | 156.3 | 155.8 |
| 7 Materials..... | 42.28 | 125.2 | 123.6 | 123.9 | 124.5 | 126.4 | 126.5 | 126.5 | 127.5 | 128.3 | 128.3 | 128.1 | 127.4 | 127.4 | 128.2 |
| <i>Consumer goods</i> | | | | | | | | | | | | | | | |
| 8 Durable consumer goods..... | 6.89 | 125.3 | 123.3 | 125.6 | 125.3 | 125.3 | 125.7 | 126.3 | 129.3 | 129.2 | 131.9 | 131.5 | 131.5 | 129.2 | 130.3 |
| 9 Automotive products..... | 2.98 | 124.9 | 121.9 | 127.1 | 127.1 | 127.1 | 124.4 | 124.2 | 126.4 | 128.9 | 129.5 | 134.5 | 132.5 | 131.6 | 130.8 |
| 10 Autos and trucks..... | 1.79 | 122.7 | 118.0 | 126.9 | 125.3 | 120.8 | 123.1 | 124.8 | 128.3 | 129.5 | 138.0 | 135.6 | 133.1 | 127.9 | 131.7 |
| 11 Autos, consumer..... | 1.16 | 93.4 | 91.0 | 98.9 | 99.0 | 93.8 | 93.0 | 97.7 | 101.3 | 101.0 | 105.1 | 99.6 | 96.0 | 94.4 | 98.8 |
| 12 Trucks, consumer..... | .63 | 177.0 | 168.2 | 178.9 | 174.1 | 170.8 | 179.0 | 175.3 | 178.4 | 182.4 | 199.1 | 202.3 | 201.9 | 190.0 | .... |
| 13 Auto parts and allied goods..... | 1.19 | 128.1 | 127.8 | 127.4 | 129.7 | 129.9 | 125.9 | 128.8 | 129.8 | 129.5 | 129.3 | 127.9 | 129.7 | 129.4 | 129.4 |
| 14 Home goods..... | 3.91 | 125.6 | 124.3 | 124.4 | 123.9 | 125.9 | 126.8 | 126.2 | 129.7 | 128.9 | 130.0 | 130.7 | 131.5 | 129.6 | 129.9 |
| 15 Appliances, A/C and TV..... | 1.24 | 144.1 | 143.2 | 142.2 | 138.0 | 143.3 | 146.5 | 144.9 | 154.4 | 150.4 | 151.0 | 151.0 | 153.9 | 147.9 | 148.7 |
| 16 Appliances and TV..... | 1.19 | 143.6 | 142.2 | 143.0 | 137.1 | 143.8 | 146.1 | 143.7 | 151.9 | 148.9 | 150.0 | 149.5 | 153.0 | 148.4 | .... |
| 17 Carpeting and furniture..... | .96 | 136.2 | 133.1 | 135.8 | 135.9 | 136.6 | 137.2 | 137.1 | 138.8 | 139.8 | 140.5 | 141.1 | 140.6 | 141.1 | .... |
| 18 Miscellaneous home goods..... | 1.71 | 106.3 | 105.7 | 105.2 | 107.0 | 107.4 | 106.8 | 106.6 | 106.7 | 107.3 | 108.9 | 110.1 | 110.2 | 109.9 | .... |
| <i>Nondurable consumer goods</i> | | | | | | | | | | | | | | | |
| 19 Nondurable consumer goods..... | 18.63 | 137.1 | 135.1 | 135.4 | 135.8 | 137.5 | 138.5 | 138.0 | 139.0 | 139.7 | 140.5 | 141.1 | 141.3 | 141.0 | 141.6 |
| 20 Consumer staples..... | 15.29 | 144.9 | 142.5 | 143.1 | 143.5 | 145.3 | 146.6 | 145.8 | 147.0 | 147.9 | 148.9 | 149.4 | 149.7 | 149.5 | 150.1 |
| 21 Consumer foods and tobacco..... | 7.80 | 140.9 | 138.3 | 139.2 | 139.3 | 141.1 | 141.3 | 141.1 | 142.4 | 143.7 | 144.5 | 144.8 | 144.7 | 143.8 | .... |
| 22 Nonfood staples..... | 7.49 | 149.1 | 146.8 | 147.0 | 147.9 | 149.6 | 152.1 | 150.7 | 151.8 | 152.2 | 153.6 | 154.2 | 154.8 | 155.5 | 156.6 |
| 23 Consumer chemical products..... | 2.75 | 180.0 | 175.6 | 177.9 | 179.5 | 181.8 | 183.8 | 185.0 | 186.1 | 185.7 | 186.8 | 187.6 | 186.7 | 188.4 | .... |
| 24 Consumer paper products..... | 1.88 | 163.4 | 161.4 | 162.4 | 162.8 | 164.0 | 165.3 | 166.3 | 167.1 | 167.8 | 169.0 | 174.2 | 176.5 | 178.1 | .... |
| 25 Consumer energy..... | 2.86 | 110.0 | 109.6 | 107.3 | 107.7 | 109.3 | 113.0 | 107.6 | 108.9 | 109.8 | 111.6 | 109.1 | 110.1 | 109.0 | .... |
| 26 Consumer fuel..... | 1.44 | 95.4 | 98.9 | 94.3 | 93.0 | 94.6 | 95.5 | 92.7 | 95.3 | 94.1 | 96.3 | 96.7 | 95.0 | 94.2 | .... |
| 27 Residential utilities..... | 1.42 | 124.8 | 120.5 | 120.6 | 122.6 | 124.4 | 130.9 | 122.8 | 122.7 | 125.8 | 127.1 | 121.7 | 125.4 | .... | .... |
| <i>Equipment</i> | | | | | | | | | | | | | | | |
| 28 Business and defense equipment..... | 18.01 | 163.3 | 161.4 | 162.7 | 163.5 | 164.6 | 165.2 | 165.6 | 165.1 | 165.5 | 166.2 | 167.1 | 167.7 | 168.0 | 168.8 |
| 29 Business equipment..... | 14.34 | 157.6 | 154.6 | 156.9 | 158.1 | 159.3 | 160.2 | 160.8 | 160.2 | 161.2 | 162.6 | 163.8 | 164.7 | 165.4 | 166.3 |
| 30 Construction, mining, and farm..... | 2.08 | 71.9 | 70.8 | 71.8 | 72.4 | 73.6 | 73.1 | 74.3 | 74.2 | 74.5 | 74.6 | 74.3 | 74.7 | 75.9 | 76.3 |
| 31 Manufacturing..... | 3.27 | 131.3 | 127.7 | 128.3 | 130.3 | 132.4 | 134.0 | 135.8 | 136.2 | 136.2 | 137.0 | 136.3 | 137.6 | 138.1 | 139.2 |
| 32 Power..... | 1.27 | 89.4 | 87.0 | 87.4 | 88.3 | 89.8 | 90.9 | 92.2 | 91.5 | 92.1 | 91.8 | 92.8 | 92.7 | 92.7 | 93.2 |
| 33 Commercial..... | 5.22 | 245.2 | 241.5 | 245.7 | 247.1 | 248.2 | 249.8 | 248.7 | 245.4 | 247.0 | 248.9 | 252.4 | 254.1 | 255.9 | 256.1 |
| 34 Transit..... | 2.49 | 114.9 | 112.3 | 115.3 | 115.7 | 115.9 | 115.2 | 116.8 | 120.3 | 122.3 | 124.9 | 125.7 | 125.2 | 123.4 | 126.4 |
| 35 Defense and space equipment..... | 3.67 | 185.9 | 187.9 | 185.5 | 184.6 | 184.9 | 184.9 | 184.5 | 184.0 | 182.2 | 180.5 | 180.0 | 179.3 | 178.5 | 178.7 |
| <i>Intermediate products</i> | | | | | | | | | | | | | | | |
| 36 Construction supplies..... | 5.95 | 138.6 | 137.6 | 138.8 | 137.6 | 138.4 | 138.1 | 138.4 | 140.0 | 140.7 | 141.4 | 142.3 | 139.5 | 140.7 | 140.3 |
| 37 Business supplies..... | 6.99 | 162.5 | 159.9 | 160.3 | 160.6 | 162.8 | 164.4 | 165.2 | 165.9 | 165.7 | 166.7 | 168.8 | 168.5 | 169.6 | .... |
| 38 General business supplies..... | 5.67 | 168.5 | 165.7 | 165.5 | 165.9 | 168.6 | 170.6 | 171.8 | 172.3 | 172.9 | 173.8 | 175.9 | 175.5 | 176.8 | .... |
| 39 Commercial energy products..... | 1.31 | 136.3 | 134.6 | 137.8 | 137.5 | 137.6 | 137.7 | 136.7 | 138.2 | 134.3 | 135.8 | 138.2 | 138.3 | 138.4 | .... |
| <i>Materials</i> | | | | | | | | | | | | | | | |
| 40 Durable goods materials..... | 20.50 | 135.4 | 132.7 | 134.8 | 134.9 | 136.8 | 136.6 | 137.8 | 138.9 | 139.8 | 139.0 | 139.4 | 138.5 | 138.0 | 138.4 |
| 41 Durable consumer parts..... | 4.92 | 108.9 | 106.2 | 110.0 | 110.3 | 110.1 | 109.8 | 111.0 | 111.4 | 113.9 | 112.5 | 111.7 | 111.6 | 110.1 | 111.0 |
| 42 Equipment parts..... | 5.94 | 171.7 | 168.9 | 170.8 | 171.6 | 174.1 | 173.5 | 174.0 | 174.9 | 175.0 | 174.1 | 175.2 | 175.2 | 175.3 | 176.0 |
| 43 Durable materials n.e.c..... | 9.64 | 126.7 | 124.0 | 125.3 | 124.8 | 127.5 | 127.6 | 129.2 | 130.8 | 131.3 | 130.9 | 131.5 | 129.5 | 129.2 | 129.3 |
| 44 Basic metal materials..... | 4.64 | 95.9 | 91.6 | 94.8 | 93.7 | 98.4 | 97.3 | 100.3 | 101.1 | 101.4 | 99.8 | 100.8 | 98.5 | 97.3 | 96.9 |
| <i>Nondurable goods materials</i> | | | | | | | | | | | | | | | |
| 45 Nondurable goods materials..... | 10.09 | 132.0 | 131.1 | 130.1 | 130.1 | 132.8 | 133.1 | 132.6 | 134.7 | 135.1 | 136.3 | 137.1 | 135.9 | 136.7 | 137.5 |
| <i>Textile, paper, and chemical materials</i> | | | | | | | | | | | | | | | |
| 46 Textile, paper, and chemical materials..... | 7.53 | 134.4 | 133.3 | 131.9 | 132.1 | 135.3 | 135.7 | 134.9 | 137.4 | 137.9 | 139.1 | 139.9 | 138.7 | 140.0 | 141.1 |
| 47 Textile materials..... | 1.52 | 109.9 | 111.9 | 107.5 | 107.5 | 108.5 | 110.1 | 109.2 | 109.5 | 110.1 | 110.0 | 112.1 | 111.1 | 113.6 | .... |
| 48 Pulp and paper materials..... | 1.55 | 147.3 | 145.8 | 146.4 | 145.4 | 150.3 | 148.3 | 148.1 | 148.4 | 147.2 | 150.3 | 150.4 | 147.6 | 146.4 | .... |
| 49 Chemical materials..... | 4.46 | 138.3 | 136.2 | 135.1 | 135.8 | 139.2 | 140.0 | 139.0 | 143.1 | 144.2 | 145.1 | 145.7 | 145.0 | 146.7 | .... |
| 50 Miscellaneous nondurable materials..... | 2.57 | 124.9 | 124.6 | 125.1 | 124.2 | 125.6 | 125.6 | 125.9 | 126.6 | 127.0 | 128.0 | 129.1 | 127.9 | .... | .... |
| <i>Energy materials</i> | | | | | | | | | | | | | | | |
| 51 Energy materials..... | 11.69 | 101.5 | 101.0 | 99.5 | 101.3 | 102.7 | 103.2 | 101.5 | 101.3 | 102.3 | 102.6 | 100.5 | 100.6 | 100.9 | 102.2 |
| 52 Primary energy..... | 7.57 | 106.3 | 106.7 | 104.0 | 105.6 | 106.8 | 106.2 | 106.8 | 106.0 | 108.6 | 107.6 | 105.2 | 104.6 | 104.6 | .... |
| 53 Converted fuel materials..... | 4.12 | 92.8 | 90.5 | 91.2 | 93.5 | 95.3 | 97.7 | 91.8 | 92.6 | 90.7 | 93.3 | 92.0 | 93.3 | 94.1 | .... |

A50 Domestic Nonfinancial Statistics □ July 1989

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

| Groups | SIC code | 1977 proportion | 1988 avg. | 1988 | | | | | | | | 1989 | | | | |
|---|----------|-----------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|---------|-------------------|-------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. ^r | Feb. | Mar. ^p | Apr. ^e |
| Index (1977 = 100) | | | | | | | | | | | | | | | | |
| MAJOR INDUSTRY | | | | | | | | | | | | | | | | |
| 1 Mining and utilities | | 15.79 | 107.5 | 107.1 | 106.0 | 106.8 | 108.1 | 109.0 | 107.2 | 107.2 | 108.1 | 108.9 | 107.2 | 106.9 | 107.3 | 108.1 |
| 2 Mining | | 9.83 | 103.4 | 104.7 | 102.6 | 103.0 | 104.3 | 103.8 | 103.7 | 103.1 | 104.7 | 104.9 | 103.0 | 101.0 | 102.1 | 103.3 |
| 3 Utilities | | 5.96 | 114.3 | 111.0 | 111.6 | 113.2 | 114.4 | 117.8 | 113.0 | 113.9 | 113.7 | 115.4 | 114.0 | 116.5 | 115.9 | 116.0 |
| 4 Manufacturing | | 84.21 | 142.7 | 140.8 | 141.8 | 142.1 | 143.6 | 147.0 | 144.4 | 145.3 | 145.8 | 146.3 | 147.2 | 146.7 | 146.7 | 147.3 |
| 5 Nondurable | | 35.11 | 143.9 | 142.3 | 142.1 | 142.6 | 144.6 | 145.1 | 145.3 | 146.3 | 146.7 | 147.1 | 148.5 | 148.1 | 148.3 | 148.9 |
| 6 Durable | | 49.10 | 141.9 | 139.7 | 141.5 | 141.7 | 142.9 | 143.2 | 143.8 | 144.6 | 145.2 | 145.7 | 146.2 | 145.8 | 145.5 | 146.1 |
| <i>Mining</i> | | | | | | | | | | | | | | | | |
| 7 Metal | 10 | .50 | 93.2 | 86.9 | 86.0 | 82.2 | 94.0 | 96.6 | 99.1 | 101.6 | 104.6 | 111.9 | 106.9 | 98.5 | | |
| 8 Coal | 11.12 | 1.60 | 137.9 | 136.0 | 127.8 | 126.9 | 141.5 | 137.2 | 142.2 | 138.5 | 149.7 | 155.1 | 144.7 | 134.7 | 137.7 | 141.1 |
| 9 Oil and gas extraction | 13 | 7.07 | 92.9 | 95.5 | 94.6 | 95.8 | 93.3 | 93.2 | 92.0 | 91.5 | 90.8 | 88.9 | 88.9 | 89.7 | 90.1 | |
| 10 Stone and earth minerals | 14 | .66 | 139.9 | 141.2 | 140.1 | 137.4 | 140.2 | 141.3 | 139.7 | 142.8 | 144.0 | 149.4 | 150.8 | 142.9 | 144.0 | |
| <i>Nondurable manufactures</i> | | | | | | | | | | | | | | | | |
| 11 Foods | 20 | 7.96 | 142.7 | 140.3 | 141.0 | 141.3 | 143.3 | 143.3 | 143.2 | 144.0 | 145.7 | 145.8 | 146.6 | 146.4 | 145.9 | |
| 12 Tobacco products | 21 | .62 | 105.2 | 107.2 | 107.2 | 104.5 | 100.6 | 105.1 | 105.0 | 105.4 | 102.4 | 107.0 | 105.0 | | | |
| 13 Textile mill products | 22 | 2.29 | 116.2 | 117.3 | 114.6 | 114.3 | 117.1 | 116.4 | 116.2 | 117.0 | 117.2 | 117.9 | 120.2 | 119.2 | 121.3 | |
| 14 Apparel products | 23 | 2.79 | 109.1 | 109.2 | 108.6 | 109.3 | 109.4 | 108.9 | 109.9 | 109.5 | 110.1 | 108.8 | 110.2 | 110.2 | | |
| 15 Paper and products | 26 | 3.15 | 150.3 | 149.2 | 149.5 | 148.6 | 152.3 | 151.0 | 150.9 | 151.8 | 150.7 | 151.7 | 153.8 | 151.6 | 150.1 | |
| 16 Printing and publishing | 27 | 4.54 | 184.2 | 181.8 | 180.7 | 182.3 | 184.9 | 186.7 | 188.0 | 188.1 | 188.5 | 188.0 | 193.0 | 194.5 | 196.4 | 196.0 |
| 17 Chemicals and products | 28 | 8.05 | 151.9 | 148.9 | 149.1 | 150.5 | 153.4 | 154.8 | 155.3 | 156.7 | 157.5 | 158.1 | 159.0 | 158.1 | 159.5 | |
| 18 Petroleum products | 29 | 2.40 | 96.0 | 98.5 | 95.2 | 94.1 | 95.0 | 96.0 | 93.7 | 96.3 | 95.0 | 98.0 | 98.0 | 96.3 | 95.4 | 97.1 |
| 19 Rubber and plastic products | 30 | 2.80 | 174.4 | 172.3 | 173.4 | 174.4 | 175.4 | 175.3 | 175.3 | 176.9 | 177.5 | 177.5 | 175.9 | 175.6 | 174.8 | |
| 20 Leather and products | 31 | .53 | 59.5 | 58.0 | 57.1 | 58.9 | 59.1 | 59.4 | 59.9 | 61.0 | 61.5 | 60.2 | 62.9 | 63.1 | 62.7 | |
| <i>Durable manufactures</i> | | | | | | | | | | | | | | | | |
| 21 Lumber and products | 24 | 2.30 | 137.3 | 138.0 | 139.8 | 136.4 | 136.6 | 133.8 | 133.5 | 137.5 | 139.4 | 143.0 | 139.9 | 133.4 | 136.6 | |
| 22 Furniture and fixtures | 25 | 1.27 | 162.1 | 159.2 | 160.5 | 161.2 | 162.9 | 164.9 | 164.9 | 164.5 | 165.4 | 165.4 | 166.3 | 164.2 | 164.9 | |
| 23 Clay, glass, and stone products | 32 | 2.72 | 122.6 | 121.4 | 121.5 | 123.4 | 122.2 | 122.6 | 122.6 | 123.3 | 124.7 | 125.1 | 126.6 | 125.3 | 125.8 | |
| 24 Primary metals | 33 | 5.33 | 89.2 | 85.3 | 89.2 | 87.5 | 91.5 | 90.8 | 93.1 | 94.2 | 92.7 | 90.0 | 93.2 | 91.1 | 89.3 | 88.6 |
| 25 Iron and steel | 331.2 | 3.49 | 78.1 | 74.5 | 78.6 | 74.2 | 80.2 | 78.9 | 81.4 | 83.1 | 80.8 | 77.6 | 82.2 | 79.1 | 76.2 | |
| 26 Fabricated metal products | 34 | 6.46 | 120.9 | 118.8 | 119.8 | 120.4 | 121.7 | 122.1 | 122.5 | 122.6 | 124.6 | 125.1 | 124.5 | 124.5 | 124.2 | 124.4 |
| 27 Nonelectrical machinery | 35 | 9.54 | 170.8 | 167.2 | 170.3 | 171.2 | 173.1 | 174.1 | 174.8 | 173.8 | 175.4 | 177.8 | 178.7 | 180.2 | 181.5 | 182.5 |
| 28 Electrical machinery | 36 | 7.15 | 180.1 | 178.7 | 179.1 | 179.5 | 181.5 | 182.2 | 181.8 | 183.0 | 182.2 | 180.9 | 180.9 | 181.5 | 180.8 | 181.7 |
| 29 Transportation equipment | 37 | 9.13 | 132.1 | 130.4 | 133.1 | 132.8 | 131.9 | 131.8 | 132.7 | 134.8 | 135.2 | 136.8 | 136.7 | 136.4 | 134.4 | 136.4 |
| 30 Motor vehicles and parts | 371 | 5.25 | 117.2 | 114.8 | 119.6 | 119.1 | 116.6 | 117.5 | 118.5 | 121.7 | 122.9 | 125.5 | 124.9 | 123.4 | 119.9 | 122.7 |
| 31 Aerospace and miscellaneous transportation equipment | 372-6.9 | 3.87 | 152.4 | 151.5 | 151.5 | 151.4 | 152.7 | 151.3 | 151.9 | 152.7 | 151.9 | 152.2 | 152.7 | 154.0 | 154.1 | 155.0 |
| 32 Instruments | 38 | 2.66 | 154.3 | 150.3 | 151.3 | 153.0 | 156.4 | 156.8 | 157.8 | 159.9 | 160.4 | 159.1 | 161.0 | 161.3 | 161.2 | 161.2 |
| 33 Miscellaneous manufactures | 39 | 1.46 | 107.1 | 105.9 | 106.0 | 107.6 | 107.8 | 108.3 | 108.5 | 107.7 | 109.0 | 110.9 | 112.2 | 110.0 | 110.3 | |
| <i>Utilities</i> | | | | | | | | | | | | | | | | |
| 34 Electric | | 4.17 | 132.0 | 127.6 | 129.7 | 132.1 | 134.6 | 138.8 | 132.2 | 132.8 | 131.6 | 132.9 | 131.0 | 135.3 | 134.5 | |
| Gross value (billions of 1982 dollars, annual rates) | | | | | | | | | | | | | | | | |
| MAJOR MARKET | | | | | | | | | | | | | | | | |
| 35 Products, total | | 517.5 | 1,824.5 | 1,812.2 | 1,820.1 | 1,813.9 | 1,822.3 | 1,828.6 | 1,828.9 | 1,853.4 | 1,855.5 | 1,875.3 | 1,885.1 | 1,878.6 | 1,871.9 | 1,886.5 |
| 36 Final | | 405.7 | 1,401.2 | 1,393.9 | 1,397.1 | 1,394.3 | 1,398.9 | 1,404.2 | 1,404.3 | 1,423.5 | 1,426.3 | 1,442.1 | 1,447.5 | 1,448.9 | 1,436.5 | 1,452.6 |
| 37 Consumer goods | | 272.7 | 902.4 | 899.1 | 898.9 | 893.6 | 895.6 | 900.4 | 897.2 | 915.0 | 918.4 | 934.4 | 935.6 | 934.5 | 923.8 | 934.0 |
| 38 Equipment | | 133.0 | 498.8 | 494.7 | 498.3 | 500.7 | 503.2 | 503.8 | 507.1 | 508.4 | 507.9 | 507.7 | 511.9 | 514.4 | 512.7 | 518.5 |
| 39 Intermediate | | 111.9 | 423.3 | 418.4 | 423.0 | 419.6 | 423.4 | 424.3 | 424.5 | 430.0 | 429.3 | 433.2 | 437.7 | 429.7 | 435.3 | 434.0 |

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

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

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

2.14 HOUSING AND CONSTRUCTION

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

| Item | 1986 | 1987 | 1988 | 1988 | | | | | | 1989 | | | |
|---|---------|---------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|---------|
| | | | | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. ^r | Feb. ^r | Mar. |
| Private residential real estate activity (thousands of units) | | | | | | | | | | | | | |
| NEW UNITS | | | | | | | | | | | | | |
| 1 Permits authorized | 1,750 | 1,535 | 1,456 ^r | 1,485 ^r | 1,425 ^r | 1,466 ^r | 1,432 ^r | 1,526 ^r | 1,508 ^r | 1,518 ^r | 1,486 | 1,403 | 1,230 |
| 2 1-family | 1,071 | 1,024 | 994 ^r | 997 ^r | 976 ^r | 1,007 ^r | 980 ^r | 1,029 ^r | 1,027 ^r | 1,058 ^r | 1,052 | 989 | 870 |
| 3 2-or-more-family | 679 | 511 | 462 ^r | 488 ^r | 449 ^r | 459 ^r | 452 ^r | 497 ^r | 481 ^r | 460 ^r | 434 | 414 | 360 |
| 4 Started | 1,805 | 1,621 | 1,488 | 1,463 | 1,478 | 1,459 | 1,463 | 1,532 | 1,567 | 1,577 | 1,678 | 1,465 | 1,399 |
| 5 1-family | 1,180 | 1,146 | 1,081 | 1,088 | 1,067 | 1,076 | 1,039 | 1,136 | 1,138 | 1,141 | 1,199 | 1,029 | 986 |
| 6 2-or-more-family | 626 | 474 | 407 | 375 | 411 | 383 | 424 | 396 | 429 | 436 | 479 | 436 | 413 |
| 7 Under construction, end of period ¹ | 1,074 | 987 | 919 | 979 | 973 | 962 | 955 | 951 | 959 | 956 | 957 | 956 | 951 |
| 8 1-family | 583 | 591 | 570 | 608 | 605 | 601 | 596 | 597 | 603 | 603 | 602 | 597 | 595 |
| 9 2-or-more-family | 490 | 397 | 350 | 371 | 368 | 361 | 359 | 354 | 356 | 353 | 355 | 359 | 356 |
| 10 Completed | 1,756 | 1,669 | 1,530 | 1,517 | 1,528 | 1,539 | 1,536 | 1,516 | 1,429 | 1,539 | 1,537 | 1,602 | 1,393 |
| 11 1-family | 1,120 | 1,123 | 1,085 | 1,105 | 1,077 | 1,074 | 1,092 | 1,088 | 1,037 | 1,108 | 1,141 | 1,188 | 983 |
| 12 2-or-more-family | 636 | 546 | 445 | 412 | 451 | 465 | 444 | 428 | 392 | 431 | 396 | 414 | 410 |
| 13 Mobile homes shipped | 244 | 233 | 218 | 227 | 207 | 223 | 224 | 216 | 227 | 225 | 232 | 212 | 207 |
| <i>Merchant builder activity in 1-family units</i> | | | | | | | | | | | | | |
| 14 Number sold | 748 | 672 | 675 | 716 | 701 | 712 | 691 | 718 | 650 | 669 ^r | 700 | 624 | 559 |
| 15 Number for sale, end of period ¹ | 357 | 365 | 366 | 367 | 365 | 363 | 361 | 353 | 364 | 366 | 369 | 374 | 374 |
| <i>Price (thousands of dollars)²</i> | | | | | | | | | | | | | |
| 16 Median Units sold | 92.2 | 104.7 | 113.3 | 111.5 | 118.0 | 110.0 | 116.6 | 112.9 | 110.4 | 121.0 | 113.0 | 119.0 | 126.0 |
| 17 Average Units sold | 112.2 | 127.9 | 139.0 | 136.5 | 141.3 | 140.6 | 142.7 | 137.3 | 137.3 | 147.7 ^r | 138.6 | 147.0 | 150.5 |
| EXISTING UNITS (1-family) | | | | | | | | | | | | | |
| 18 Number sold | 3,566 | 3,530 | 3,594 | 3,800 | 3,650 | 3,690 | 3,650 | 3,680 | 3,710 | 3,920 | 3,550 | 3,480 | 3,400 |
| <i>Price of units sold (thousands of dollars)²</i> | | | | | | | | | | | | | |
| 19 Median | 80.3 | 85.6 | 89.2 | 90.2 | 90.7 | 91.5 | 88.5 | 88.9 | 88.5 | 88.7 | 89.7 | 91.9 | 92.0 |
| 20 Average | 98.3 | 106.2 | 112.5 | 115.4 | 114.7 | 115.4 | 112.6 | 112.3 | 112.4 | 112.0 | 113.0 | 117.8 | 116.1 |
| Value of new construction ³ (millions of dollars) | | | | | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | | | | |
| 21 Total put in place | 386,093 | 398,848 | 403,122 | 395,714 | 404,164 | 403,172 | 406,906 | 407,697 | 411,517 | 420,999 | 417,953 | 414,821 | 413,538 |
| 22 Private | 314,651 | 323,819 | 325,110 | 317,708 | 324,658 | 326,763 | 327,164 | 330,735 | 332,279 | 335,641 | 336,504 | 333,339 | 339,441 |
| 23 Residential | 187,147 | 194,772 | 195,280 | 188,071 | 194,215 | 195,393 | 196,945 | 199,971 | 200,601 | 201,738 | 201,441 | 199,630 | 200,744 |
| 24 Nonresidential, total | 127,504 | 129,047 | 129,830 | 129,637 | 130,443 | 131,370 | 130,219 | 130,764 | 131,678 | 133,903 | 135,063 | 133,709 | 138,697 |
| 25 Buildings | 13,747 | 13,707 | 14,239 | 13,676 | 13,928 | 14,006 | 13,546 | 15,275 | 15,957 | 14,949 | 15,789 | 14,892 | 16,707 |
| 26 Industrial | 56,762 | 55,448 | 55,588 | 56,585 | 56,687 | 56,404 | 55,815 | 54,525 | 53,806 | 55,889 | 57,549 | 58,424 | 59,756 |
| 27 Commercial | 13,216 | 15,464 | 16,761 | 16,757 | 16,166 | 16,613 | 16,600 | 17,127 | 16,798 | 17,177 | 17,915 | 17,559 | 17,759 |
| 28 Other | 43,779 | 44,428 | 43,242 | 42,619 | 43,662 | 44,347 | 44,258 | 43,837 | 45,117 | 45,888 | 43,810 | 42,834 | 44,475 |
| 29 Public | 71,437 | 75,028 | 78,011 | 78,007 | 79,506 | 76,409 | 79,742 | 76,963 | 79,238 | 85,358 | 81,449 | 81,482 | 74,097 |
| 30 Military | 3,868 | 4,327 | 3,952 | 4,844 | 4,350 | 3,984 | 4,897 | 2,718 | 3,521 | 4,006 | 3,440 | 3,433 | 3,778 |
| 31 Highway | 22,681 | 22,758 | 25,721 | 24,822 | 27,673 | 23,491 | 23,841 | 25,958 | 26,433 | 30,955 | 27,396 | 25,949 | 23,757 |
| 32 Conservation and development | 4,646 | 5,162 | 4,534 | 4,596 | 4,861 | 4,793 | 5,045 | 4,339 | 3,630 | 4,369 | 4,079 | 4,652 | 4,064 |
| 33 Other | 40,242 | 42,781 | 43,804 | 43,745 | 42,622 | 44,141 | 45,959 | 43,948 | 45,654 | 46,028 | 46,534 | 47,448 | 42,498 |

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 Apr. 1989 ¹ | |
|---|-------------------------------|--------------|--|-------|-------------------|-------------------|-----------------------------|------------------|------|------|---------------------------------------|-------|
| | 1988 Apr. | 1989 Apr. | 1988 | | | 1989 | 1988 | 1989 | | | | |
| | | | June | Sept. | Dec. | Mar. | Dec. | Jan. | Feb. | Mar. | | Apr. |
| CONSUMER PRICES² (1982-84=100) | | | | | | | | | | | | |
| 1 All items | 3.9 | 5.1 | 4.9 | 4.8 | 4.1 | 6.1 | .3 | .6 | .4 | .5 | .7 | 123.1 |
| 2 Food | 3.4 | 6.5 | 6.4 | 8.8 | 3.0 | 8.2 | .3 | .7 | .4 | .8 | .5 | 124.2 |
| 3 Energy items | 1.0 | 8.7 | 3.7 | 2.7 | -4 | 10.2 | -.3 | .8 | .6 | 1.1 | 5.1 | 94.9 |
| 4 All items less food and energy | 4.3 | 4.6 | 4.3 | 4.3 | 4.9 | 5.2 | .4 | .5 | .4 | .4 | .2 | 128.0 |
| 5 Commodities | 3.6 | 3.5 | 3.9 | 3.1 | 4.2 | 4.1 | .3 | .5 | .2 | .3 | .2 | 119.6 |
| 6 Services | 4.6 | 5.1 | 4.5 | 4.8 | 5.4 | 5.9 | .5 | .5 | .5 | .5 | .2 | 132.9 |
| PRODUCER PRICES (1982=100) | | | | | | | | | | | | |
| 7 Finished goods | 1.8 | 5.6 | 3.0 | 5.7 | 3.0 | 10.2 | .4 | 1.0 | 1.0 | .4 | .4 | 113.0 |
| 8 Consumer foods | 1.0 | 6.8 | 5.5 | 9.2 | 2.1 | 13.5 | .1 | 1.1 | 1.2 | .8 | -.6 | 117.8 |
| 9 Consumer energy | -1.3 | 12.2 | -5.2 | -2.7 | 1.4 ^r | 39.2 ^r | -.5 ^r | 5.1 ^r | 2.4 | .9 | 7.2 | 68.3 |
| 10 Other consumer goods | 3.2 | 4.7 | 3.5 | 5.9 | 4.4 | 6.1 | .7 | .4 | .7 | .4 | -.1 | 122.8 |
| 11 Capital equipment | 1.8 | 3.5 | 2.9 | 6.1 | 1.7 ^r | 4.6 ^r | .3 | .5 ^r | .4 | .2 | -.1 | 117.6 |
| 12 Intermediate materials ³ | 5.3 | 6.2 | 7.4 | 4.6 | 4.5 | 9.1 | .6 | .9 | .6 | .6 | .4 | 112.3 |
| 13 Excluding energy | 6.8 | 6.1 | 6.9 | 7.2 | 6.7 | 6.2 | .5 | .6 | .5 | .4 | .0 | 120.7 |
| Crude materials | | | | | | | | | | | | |
| 14 Foods | 4.3 | 10.2 | 21.3 | 29.1 | -7.9 | 16.5 | 1.8 | 2.2 | -1.3 | 3.0 | -2.8 | 111.4 |
| 15 Energy | -4.7 | 9.1 | 7.8 | -27.0 | 12.3 ^r | 45.9 ^r | 5.9 ^r | 6.9 ^r | 1.1 | 1.7 | 5.2 | 77.0 |
| 16 Other | 23.1 | 5.4 | -6.5 | 8.5 | 12.5 ^r | 10.9 ^r | 1.2 ^r | .7 ^r | .0 | 2.0 | -1.1 | 140.3 |

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

| Account | 1986 | 1987 | 1988 | 1988 | | | | 1989 |
|--|---------|---------|---------|---------|---------|---------|---------|-----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 ¹ |
| GROSS NATIONAL PRODUCT | | | | | | | | |
| 1 Total | 4,240.3 | 4,526.7 | 4,864.3 | 4,724.5 | 4,823.8 | 4,909.0 | 4,999.7 | 5,105.0 |
| <i>By source</i> | | | | | | | | |
| 2 Personal consumption expenditures | 2,807.5 | 3,012.1 | 3,227.5 | 3,128.1 | 3,194.6 | 3,261.2 | 3,326.4 | 3,377.2 |
| 3 Durable goods | 406.5 | 421.9 | 451.1 | 437.8 | 449.8 | 452.9 | 464.0 | 459.4 |
| 4 Nondurable goods | 943.6 | 997.9 | 1,046.9 | 1,016.2 | 1,036.6 | 1,060.8 | 1,073.9 | 1,093.0 |
| 5 Services | 1,457.3 | 1,592.3 | 1,729.6 | 1,674.1 | 1,708.2 | 1,747.5 | 1,788.5 | 1,824.8 |
| 6 Gross private domestic investment | 665.9 | 712.9 | 766.5 | 763.4 | 758.1 | 772.5 | 772.0 | 793.6 |
| 7 Fixed investment | 650.4 | 673.7 | 718.1 | 698.1 | 714.4 | 722.8 | 737.2 | 750.0 |
| 8 Nonresidential | 433.9 | 446.8 | 488.4 | 471.5 | 487.8 | 493.7 | 500.6 | 512.9 |
| 9 Structures | 138.5 | 139.5 | 142.8 | 140.1 | 142.3 | 143.8 | 145.0 | 148.5 |
| 10 Producers' durable equipment | 295.4 | 307.3 | 345.6 | 331.3 | 345.5 | 349.9 | 355.6 | 364.4 |
| 11 Residential structures | 216.6 | 226.9 | 229.7 | 226.6 | 226.5 | 229.1 | 236.6 | 237.1 |
| 12 Change in business inventories | 15.5 | 39.2 | 48.4 | 65.3 | 43.7 | 49.7 | 34.7 | 43.5 |
| 13 Nonfarm | 17.4 | 40.7 | 42.2 | 49.4 | 33.1 | 41.9 | 44.6 | 29.3 |
| 14 Net exports of goods and services | -104.4 | -123.0 | -94.6 | -112.1 | -90.4 | -80.0 | -96.1 | -77.5 |
| 15 Exports | 378.4 | 428.0 | 519.7 | 487.8 | 507.1 | 536.1 | 548.0 | 577.8 |
| 16 Imports | 482.8 | 551.1 | 614.4 | 599.9 | 597.5 | 616.0 | 644.0 | 655.2 |
| 17 Government purchases of goods and services | 871.2 | 924.7 | 964.9 | 945.2 | 961.6 | 955.3 | 997.5 | 1,011.8 |
| 18 Federal | 366.2 | 382.0 | 381.0 | 377.7 | 382.2 | 367.7 | 396.3 | 397.8 |
| 19 State and local | 505.0 | 542.8 | 583.9 | 567.5 | 579.4 | 587.6 | 601.2 | 613.9 |
| <i>By major type of product</i> | | | | | | | | |
| 20 Final sales, total | 4,224.7 | 4,487.5 | 4,815.9 | 4,659.2 | 4,780.1 | 4,859.3 | 4,965.0 | 5,061.5 |
| 21 Goods | 1,697.9 | 1,792.5 | 1,938.7 | 1,879.5 | 1,928.0 | 1,960.1 | 1,987.1 | 2,038.8 |
| 22 Durable | 725.3 | 776.3 | 858.3 | 819.3 | 849.5 | 881.6 | 882.7 | 895.0 |
| 23 Nondurable | 972.6 | 1,016.3 | 1,080.4 | 1,060.1 | 1,078.5 | 1,078.5 | 1,104.4 | 1,143.8 |
| 24 Services | 2,118.3 | 2,295.7 | 2,478.0 | 2,405.2 | 2,451.5 | 2,501.6 | 2,533.5 | 2,603.1 |
| 25 Structures | 424.0 | 438.4 | 447.7 | 439.9 | 444.3 | 447.3 | 459.1 | 463.1 |
| 26 Change in business inventories | 15.5 | 39.2 | 48.4 | 65.3 | 43.7 | 49.7 | 34.7 | 43.5 |
| 27 Durable goods | 4.3 | 26.6 | 30.9 | 26.6 | 17.8 | 45.1 | 34.1 | 31.7 |
| 28 Nondurable goods | 11.3 | 12.6 | 17.4 | 38.6 | 25.9 | 4.6 | 0.6 | 11.8 |
| MEMO | | | | | | | | |
| 29 Total GNP in 1982 dollars | 3,721.7 | 3,847.0 | 3,996.1 | 3,956.1 | 3,985.2 | 4,009.4 | 4,033.4 | 4,076.5 |
| NATIONAL INCOME | | | | | | | | |
| 30 Total | 3,437.1 | 3,678.7 | 3,968.2 | 3,850.8 | 3,928.8 | 4,000.7 | 4,093.4 | 4,187.1 |
| 31 Compensation of employees | 2,507.1 | 2,683.4 | 2,904.7 | 2,816.4 | 2,874.0 | 2,933.2 | 2,995.3 | 3,060.5 |
| 32 Wages and salaries | 2,094.0 | 2,248.4 | 2,436.9 | 2,358.7 | 2,410.0 | 2,462.0 | 2,516.8 | 2,574.3 |
| 33 Government and government enterprises | 393.7 | 420.1 | 446.1 | 437.1 | 442.9 | 449.1 | 455.4 | 465.9 |
| 34 Other | 1,700.3 | 1,828.3 | 1,990.7 | 1,921.6 | 1,967.1 | 2,012.9 | 2,061.4 | 2,108.4 |
| 35 Supplement to wages and salaries | 413.1 | 435.0 | 467.8 | 457.7 | 464.0 | 471.1 | 478.5 | 486.2 |
| 36 Employer contributions for social insurance | 217.0 | 227.1 | 249.6 | 243.1 | 247.5 | 251.7 | 256.0 | 260.8 |
| 37 Other labor income | 196.1 | 207.9 | 218.3 | 214.6 | 216.5 | 219.5 | 222.5 | 225.4 |
| 38 Proprietors' income ¹ | 286.7 | 312.9 | 324.5 | 323.9 | 328.8 | 321.6 | 323.8 | 358.1 |
| 39 Business and professional ¹ | 250.3 | 270.0 | 288.2 | 279.2 | 285.3 | 290.7 | 297.7 | 300.9 |
| 40 Farm ¹ | 36.4 | 43.0 | 36.3 | 44.7 | 43.4 | 30.9 | 26.0 | 57.2 |
| 41 Rental income of persons ² | 12.4 | 18.4 | 19.3 | 20.5 | 19.1 | 19.7 | 18.1 | 14.0 |
| 42 Corporate profits ¹ | 298.9 | 310.4 | 328.1 | 316.2 | 326.5 | 330.0 | 340.9 | 319.3 |
| 43 Profits before tax ¹ | 236.4 | 276.7 | 306.4 | 286.2 | 305.9 | 313.9 | 320.6 | 319.9 |
| 44 Inventory valuation adjustment | 8.3 | -18.0 | -23.8 | -19.4 | -27.4 | -29.3 | -19.2 | -33.6 |
| 45 Capital consumption adjustment | 54.2 | 51.7 | 45.6 | 49.4 | 48.0 | 45.4 | 39.6 | 33.3 |
| 46 Net interest | 331.9 | 353.6 | 391.5 | 373.9 | 380.6 | 396.2 | 415.4 | 435.3 |

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 | 1986 | 1987 | 1988 | 1988 | | | | 1989 |
|---|----------|----------|----------|----------|----------|----------|----------|-----------------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 ¹ |
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 Total personal income | 3,531.1 | 3,780.0 | 4,062.1 | 3,951.4 | 4,022.4 | 4,094.0 | 4,180.5 | 4,313.6 |
| 2 Wage and salary disbursements | 2,094.0 | 2,248.4 | 2,436.9 | 2,358.7 | 2,410.0 | 2,462.0 | 2,516.8 | 2,574.3 |
| 3 Commodity-producing industries | 625.5 | 649.8 | 695.4 | 676.0 | 689.1 | 701.3 | 715.4 | 727.4 |
| 4 Manufacturing | 473.1 | 490.3 | 522.5 | 509.6 | 517.4 | 525.9 | 537.1 | 545.2 |
| 5 Distributive industries | 498.9 | 531.7 | 578.7 | 558.2 | 572.1 | 585.8 | 598.6 | 611.9 |
| 6 Service industries | 575.9 | 646.8 | 716.6 | 687.4 | 705.9 | 725.8 | 747.4 | 769.1 |
| 7 Government and government enterprises | 393.7 | 420.1 | 446.1 | 437.1 | 442.9 | 449.1 | 455.4 | 465.9 |
| 8 Other labor income | 196.1 | 207.9 | 218.3 | 214.6 | 216.5 | 219.5 | 222.5 | 225.4 |
| 9 Proprietors' income ¹ | 286.7 | 312.9 | 324.5 | 323.9 | 328.8 | 321.6 | 323.8 | 358.1 |
| 10 Business and professional ¹ | 250.3 | 270.0 | 288.2 | 279.2 | 285.3 | 290.7 | 297.7 | 300.9 |
| 11 Farm ¹ | 36.4 | 43.0 | 36.3 | 44.7 | 43.4 | 30.9 | 26.0 | 57.2 |
| 12 Rental income of persons ² | 12.4 | 18.4 | 19.3 | 20.5 | 19.1 | 19.7 | 18.1 | 14.0 |
| 13 Dividends | 82.8 | 88.6 | 96.3 | 93.5 | 95.0 | 97.3 | 99.4 | 102.1 |
| 14 Personal interest income | 499.1 | 527.0 | 575.9 | 554.2 | 563.7 | 581.9 | 603.7 | 632.9 |
| 15 Transfer payments | 521.1 | 548.8 | 586.0 | 576.3 | 582.8 | 588.6 | 596.4 | 617.0 |
| 16 Old-age survivors, disability, and health insurance benefits | 269.3 | 282.9 | 301.8 | 298.1 | 300.4 | 303.1 | 305.7 | 317.8 |
| 17 LESS: Personal contributions for social insurance | 161.1 | 172.0 | 195.1 | 190.2 | 193.5 | 196.7 | 200.1 | 210.2 |
| 18 EQUALS: Personal income | 3,531.1 | 3,780.0 | 4,062.1 | 3,951.4 | 4,022.4 | 4,094.0 | 4,180.5 | 4,313.6 |
| 19 LESS: Personal tax and nontax payments | 511.4 | 570.3 | 590.3 | 575.8 | 601.0 | 586.5 | 598.0 | 617.5 |
| 20 EQUALS: Disposable personal income | 3,019.6 | 3,209.7 | 3,471.8 | 3,375.6 | 3,421.5 | 3,507.5 | 3,582.5 | 3,696.0 |
| 21 LESS: Personal outlays | 2,898.0 | 3,105.5 | 3,327.5 | 3,225.7 | 3,293.6 | 3,361.8 | 3,428.7 | 3,481.5 |
| 22 EQUALS: Personal saving | 121.7 | 104.2 | 144.3 | 149.9 | 127.8 | 145.7 | 153.8 | 214.5 |
| MEMO | | | | | | | | |
| Per capita (1982 dollars) | | | | | | | | |
| 23 Gross national product | 15,401.2 | 15,772.9 | 16,231.1 | 16,127.6 | 16,213.2 | 16,265.3 | 16,322.9 | 16,457.4 |
| 24 Personal consumption expenditures | 10,160.1 | 10,336.2 | 10,528.8 | 10,435.4 | 10,492.3 | 10,563.1 | 10,628.1 | 10,632.2 |
| 25 Disposable personal income | 10,929.0 | 11,012.0 | 11,326.0 | 11,260.0 | 11,237.0 | 11,362.0 | 11,445.0 | 11,638.0 |
| 26 Saving rate (percent) | 4.0 | 3.2 | 4.2 | 4.4 | 3.7 | 4.2 | 4.3 | 5.8 |
| GROSS SAVING | | | | | | | | |
| 27 Gross saving | 537.2 | 560.4 | 644.4 | 627.0 | 634.1 | 665.4 | 651.9 | 695.8 |
| 28 Gross private saving | 681.6 | 665.3 | 731.6 | 726.3 | 711.2 | 732.9 | 756.7 | 799.2 |
| 29 Personal saving | 121.7 | 104.2 | 144.3 | 149.9 | 127.8 | 145.7 | 153.8 | 214.5 |
| 30 Undistributed corporate profits ¹ | 104.1 | 81.1 | 81.0 | 78.1 | 80.1 | 79.5 | 86.8 | 59.9 |
| 31 Corporate inventory valuation adjustment | 8.3 | -18.0 | -23.8 | -19.4 | -27.4 | -29.3 | -19.2 | -33.6 |
| <i>Capital consumption allowances</i> | | | | | | | | |
| 32 Corporate | 282.4 | 297.5 | 315.7 | 309.8 | 313.3 | 316.8 | 323.0 | 328.2 |
| 33 Noncorporate | 173.5 | 182.5 | 190.6 | 188.5 | 189.9 | 190.9 | 193.1 | 196.6 |
| 34 Government surplus, or deficit (-), national income and product accounts | -144.4 | -104.9 | -87.3 | -99.2 | -77.1 | -67.5 | -104.8 | -103.3 |
| 35 Federal | -205.6 | -157.8 | -142.4 | -155.1 | -133.3 | -123.5 | -157.5 | -158.5 |
| 36 State and local | 61.2 | 52.9 | 55.1 | 55.8 | 56.2 | 56.0 | 52.6 | 55.2 |
| 37 Gross investment | 523.6 | 552.3 | 630.3 | 612.0 | 629.0 | 651.4 | 628.7 | 671.9 |
| 38 Gross private domestic | 665.9 | 712.9 | 766.5 | 763.4 | 758.1 | 772.5 | 772.0 | 793.6 |
| 39 Net foreign | -142.4 | -160.6 | -136.2 | -151.3 | -129.1 | -121.1 | -143.3 | -121.7 |
| 40 Statistical discrepancy | -13.6 | -8.1 | -14.1 | -15.0 | -5.1 | -14.0 | -23.2 | -23.9 |

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

| Item credits or debits | 1986 | 1987 | 1988 | 1987 | 1988 | | | |
|---|----------|----------|----------|----------|----------|----------|----------|-----------------|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 ^p |
| 1 Balance on current account | -138,827 | -153,964 | -135,332 | -33,523 | -36,998 | -33,814 | -32,607 | -31,912 |
| 2 Not seasonally adjusted | | | | -31,802 | -32,179 | -34,606 | -38,560 | -29,986 |
| 3 Merchandise trade balance ² | -144,547 | -160,280 | -126,525 | -41,192 | -35,187 | -30,152 | -29,170 | -32,016 |
| 4 Merchandise exports | 223,969 | 249,570 | 319,905 | 68,013 | 75,140 | 79,443 | 81,674 | 83,648 |
| 5 Merchandise imports | -368,516 | -409,850 | -446,430 | -109,205 | -110,327 | -109,595 | -110,844 | -115,664 |
| 6 Military transactions, net | -4,372 | -2,369 | -4,229 | -1,261 | -1,033 | -914 | -857 | -1,425 |
| 7 Investment income, net | 23,143 | 20,374 | 2,602 | 12,539 | 1,128 | -1,986 | -1,234 | 4,694 |
| 8 Other service transactions, net | 2,257 | 1,755 | 6,404 | 764 | 1,241 | 2,015 | 1,869 | 1,279 |
| 9 Remittances, pensions, and other transfers | -3,571 | -3,434 | -3,531 | -828 | -908 | -819 | -872 | -932 |
| 10 U.S. government grants (excluding military) | -11,738 | -10,011 | -10,052 | -3,545 | -2,239 | -1,958 | -2,343 | -3,512 |
| 11 Change in U.S. government assets, other than official reserve assets, net (increase, -) | -2,000 | 1,162 | 3,641 | 1,012 | -814 | -801 | 1,990 | 3,266 |
| 12 Change in U.S. official reserve assets (increase, -) | 312 | 9,149 | 3,566 | 3,741 | 1,503 | 39 | -7,380 | 2,272 |
| 13 Gold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Special drawing rights (SDRs) | -246 | -509 | 474 | -205 | 155 | 180 | -35 | 173 |
| 15 Reserve position in International Monetary Fund | 1,500 | 2,070 | 1,025 | 722 | 446 | 69 | 202 | 307 |
| 16 Foreign currencies | -942 | 7,588 | -5,064 | 3,225 | 901 | -210 | -7,547 | 1,791 |
| 17 Change in U.S. private assets abroad (increase, -) | -96,303 | -86,297 | -92,029 | -43,645 | 5,817 | -18,295 | -33,833 | -45,718 |
| 18 Bank-reported claims ³ | -59,975 | -40,531 | -57,493 | -23,460 | 17,108 | -13,274 | -27,832 | -33,495 |
| 19 Nonbank-reported claims | -4,220 | 3,145 | -6,627 | 1,248 | -315 | -7,061 | 749 | ..... |
| 20 U.S. purchase of foreign securities, net | -4,297 | -4,456 | -7,474 | -1,757 | -4,467 | 1,529 | -1,554 | -2,982 |
| 21 U.S. direct investments abroad, net | -27,811 | -44,455 | -20,435 | -19,676 | -6,509 | 511 | -5,196 | 9,241 |
| 22 Change in foreign official assets in United States (increase, +) | 35,507 | 44,968 | 39,012 | 20,047 | 24,670 | 5,946 | -2,534 | 10,930 |
| 23 U.S. Treasury securities | 34,364 | 43,361 | 41,703 | 19,243 | 27,701 | 5,863 | -3,769 | 11,908 |
| 24 Other U.S. government obligations | -1,214 | 1,570 | 1,351 | 662 | -121 | 202 | 572 | 698 |
| 25 Other U.S. government liabilities ⁴ | 2,054 | -2,824 | -1,278 | 108 | -123 | -570 | -292 | -293 |
| 26 Other U.S. liabilities reported by U.S. banks ⁵ | 1,187 | 3,901 | -269 | -223 | -1,954 | 868 | 1,463 | -646 |
| 27 Other foreign official assets ⁵ | -884 | -1,040 | -2,495 | 257 | -833 | -417 | -508 | -737 |
| 28 Change in foreign private assets in United States (increase, +) | 185,746 | 166,522 | 171,726 | 36,025 | 1,395 | 59,549 | 50,631 | 60,150 |
| 29 U.S. bank-reported liabilities ³ | 79,783 | 87,778 | 78,877 | 29,764 | -17,233 | 31,121 | 29,226 | 35,763 |
| 30 U.S. nonbank-reported liabilities | -2,906 | 2,150 | 3,778 | -1,000 | 2,015 | 113 | 1,650 | ..... |
| 31 Foreign private purchases of U.S. Treasury securities, net | 3,809 | -7,596 | 19,886 | 496 | 6,887 | 5,457 | 3,412 | 4,130 |
| 32 Foreign purchases of other U.S. securities, net | 70,969 | 42,213 | 26,961 | -4,977 | 2,379 | 9,797 | 7,948 | 6,837 |
| 33 Foreign direct investments in United States, net | 34,091 | 41,977 | 42,224 | 11,742 | 7,347 | 13,061 | 8,395 | 13,420 |
| 34 Allocation of SDRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 Discrepancy | 15,566 | 18,461 | 16,548 | 16,342 | 4,428 | -12,624 | 23,733 | 1,013 |
| 36 Owing to seasonal adjustments | | | | 3,138 | 3,893 | -3,425 | -5,119 | 4,653 |
| 37 Statistical discrepancy in recorded data before seasonal adjustment | 15,566 | 18,461 | 16,548 | 13,204 | 535 | -9,199 | 28,852 | -3,640 |
| MEMO | | | | | | | | |
| Changes in official assets | | | | | | | | |
| 38 U.S. official reserve assets (increase, -) | 312 | 9,149 | -3,566 | 3,741 | 1,503 | 39 | -7,380 | 2,272 |
| 39 Foreign official assets in United States (increase, +) excluding line 25 | 33,453 | 47,792 | 40,290 | 19,939 | 24,793 | 6,516 | -2,242 | 11,223 |
| 40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above) | -9,327 | -9,956 | -2,909 | -2,750 | -1,375 | -1,783 | -466 | 715 |
| 41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above) | 101 | 58 | 86 | 12 | 45 | 4 | 7 | 30 |

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 TRADE¹

Millions of dollars; monthly data are seasonally adjusted.

| Item | 1986 | 1987 | 1988 ^a | 1988 | | | | 1989 | | |
|---|----------|----------|-------------------|--------|--------|---------|---------|--------|--------|-------------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^p |
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value..... | 227,159 | 254,122 | 321,813 | 27,989 | 27,816 | 27,542 | 29,062 | 28,747 | 28,664 | 30,782 |
| GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | | | | | | | | | | |
| 2 Customs value..... | 365,438 | 406,241 | 441,574 | 37,178 | 36,600 | 38,200 | 40,052 | 37,425 | 38,483 | 39,640 |
| Trade balance | | | | | | | | | | |
| 3 Customs value..... | -138,279 | -152,119 | -119,760 | -9,189 | -8,784 | -10,658 | -10,991 | -8,678 | -9,819 | -8,858 |

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustment is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transac-

tions; military payments are excluded and shown separately as indicated above. As of Jan. 1, 1987 census data are released 45 days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1985 | 1986 | 1987 | 1988 | | | 1989 | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. ^p |
| 1 Total..... | 43,186 | 48,511 | 45,798 | 50,204 | 48,944 | 47,802 | 48,190 | 49,373 | 49,854 | 50,303 |
| 2 Gold stock, including Exchange Stabilization Fund ¹ | 11,090 | 11,064 | 11,078 | 11,062 | 11,059 | 11,057 | 11,056 | 11,061 | 11,061 | 11,061 |
| 3 Special drawing rights ^{2,3} | 7,293 | 8,395 | 10,283 | 9,464 | 9,785 | 9,637 | 9,388 | 9,653 | 9,443 | 9,379 |
| 4 Reserve position in International Monetary Fund ² | 11,947 | 11,730 | 11,349 | 10,075 | 10,103 | 9,745 | 9,422 | 9,353 | 9,052 | 9,132 |
| 5 Foreign currencies ⁴ | 12,856 | 17,322 | 13,088 | 19,603 | 17,997 | 17,363 | 18,324 | 19,306 | 20,298 | 20,731 |

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 BANKS¹

Millions of dollars, end of period

| Assets | 1985 | 1986 | 1987 | 1988 | | | 1989 | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. ^p |
| 1 Deposits..... | 480 | 287 | 244 | 301 | 251 | 347 | 279 | 325 | 351 | 352 |
| Assets held in custody | | | | | | | | | | |
| 2 U.S. Treasury securities ² | 121,004 | 155,835 | 195,126 | 226,533 | 229,926 | 232,547 | 228,399 | 230,860 | 234,075 | 235,145 |
| 3 Earmarked gold ³ | 14,245 | 14,048 | 13,919 | 13,637 | 13,640 | 13,636 | 13,635 | 13,609 | 13,602 | 13,576 |

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.

2. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

3. Earmarked gold and the gold stock are valued at \$42.22 per fine troy ounce. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹

Millions of dollars, end of period

| Asset account | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|----------------------------------|---------|---------|---------|---------------------|---------------------|---------------------|---------|---------|----------------------|---------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| All foreign countries | | | | | | | | | | |
| 1 Total, all currencies | 458,012 | 456,628 | 518,618 | 493,302 | 497,514 | 516,360 | 505,790 | 496,509 | 501,438 | 519,522 |
| 2 Claims on United States | 119,706 | 114,563 | 138,034 | 157,443 | 157,317 | 171,304 | 169,111 | 167,143 | 168,480 ^f | 177,934 |
| 3 Parent bank | 87,201 | 83,492 | 105,845 | 117,027 | 117,494 | 130,834 | 129,856 | 127,403 | 128,115 ^f | 133,776 |
| 4 Other banks in United States | 13,057 | 13,685 | 16,416 | 16,426 | 15,039 | 16,366 | 14,918 | 14,338 | 13,372 | 14,714 |
| 5 Nonbanks | 19,448 | 17,386 | 15,773 | 23,990 | 24,784 | 24,104 | 24,337 | 25,402 | 26,993 ^f | 29,444 |
| 6 Claims on foreigners | 315,676 | 312,955 | 342,520 | 299,331 | 302,855 | 307,043 | 299,504 | 291,650 | 296,106 ^f | 303,697 |
| 7 Other branches of parent bank | 91,399 | 96,281 | 122,155 | 103,573 | 102,050 | 106,639 | 107,176 | 102,478 | 103,960 ^f | 110,433 |
| 8 Banks | 102,960 | 105,237 | 108,859 | 98,493 | 102,285 | 100,758 | 96,866 | 93,760 | 95,784 | 97,794 |
| 9 Public borrowers | 23,478 | 23,706 | 21,832 | 18,421 ^f | 18,234 ^f | 18,191 ^f | 17,138 | 16,751 | 16,504 | 16,858 |
| 10 Nonbank foreigners | 97,839 | 87,731 | 89,674 | 78,844 ^f | 80,286 ^f | 81,455 ^f | 78,324 | 78,661 | 79,858 ^f | 78,612 |
| 11 Other assets | 22,630 | 29,110 | 38,064 | 36,528 | 37,342 | 38,013 | 37,175 | 37,716 | 36,852 | 37,891 |
| 12 Total payable in U.S. dollars | 336,520 | 317,487 | 350,107 | 344,201 | 341,132 | 355,652 | 358,027 | 345,506 | 346,971 ^f | 366,414 |
| 13 Claims on United States | 116,638 | 110,620 | 132,023 | 151,821 | 151,598 | 165,017 | 163,456 | 160,520 | 161,336 ^f | 170,123 |
| 14 Parent bank | 85,971 | 82,082 | 103,251 | 114,362 | 115,109 | 127,692 | 126,929 | 124,496 | 124,288 ^f | 129,205 |
| 15 Other banks in United States | 12,454 | 12,830 | 14,657 | 14,992 | 13,560 | 15,062 | 14,167 | 12,976 | 12,093 | 13,280 |
| 16 Nonbanks | 18,213 | 15,708 | 14,115 | 22,467 | 22,929 | 22,263 | 22,360 | 23,048 | 24,955 | 27,638 |
| 17 Claims on foreigners | 210,129 | 195,063 | 202,428 | 175,509 | 173,467 | 173,826 | 177,672 | 167,271 | 168,274 ^f | 178,113 |
| 18 Other branches of parent bank | 72,727 | 72,197 | 88,284 | 77,724 | 74,949 | 77,384 | 80,736 | 76,221 | 76,563 ^f | 82,796 |
| 19 Banks | 71,868 | 66,421 | 63,707 | 52,534 | 54,870 | 53,632 | 54,884 | 49,544 | 50,153 | 54,023 |
| 20 Public borrowers | 17,260 | 16,708 | 14,730 | 12,941 ^f | 12,787 ^f | 12,415 ^f | 12,131 | 11,596 | 11,638 | 11,698 |
| 21 Nonbank foreigners | 48,274 | 39,737 | 35,707 | 32,310 ^f | 30,861 ^f | 30,395 ^f | 29,921 | 29,910 | 29,920 | 29,596 |
| 22 Other assets | 9,753 | 11,804 | 15,656 | 16,871 | 16,067 | 16,809 | 16,899 | 17,715 | 17,361 ^f | 18,178 |
| United Kingdom | | | | | | | | | | |
| 23 Total, all currencies | 148,599 | 140,917 | 158,695 | 147,329 | 155,580 | 159,556 | 156,835 | 156,529 | 154,879 | 154,856 |
| 24 Claims on United States | 33,157 | 24,599 | 32,518 | 32,059 | 36,260 | 39,242 | 40,089 | 40,954 | 40,469 ^f | 40,740 |
| 25 Parent bank | 26,970 | 19,085 | 27,350 | 26,661 | 30,569 | 33,138 | 34,243 | 34,928 | 34,449 ^f | 35,062 |
| 26 Other banks in United States | 1,106 | 1,612 | 1,259 | 1,238 | 994 | 1,343 | 1,123 | 1,128 | 1,268 | 1,380 |
| 27 Nonbanks | 5,081 | 3,902 | 3,909 | 4,160 | 4,697 | 4,761 | 4,723 | 4,898 | 4,752 ^f | 4,298 |
| 28 Claims on foreigners | 110,217 | 109,508 | 115,700 | 105,813 | 109,743 | 110,336 | 106,388 | 104,668 | 103,884 ^f | 103,418 |
| 29 Other branches of parent bank | 31,576 | 33,422 | 39,903 | 31,758 | 33,103 | 33,243 | 35,625 | 35,322 | 33,650 ^f | 35,305 |
| 30 Banks | 39,250 | 39,468 | 36,735 | 38,848 | 40,236 | 40,875 | 36,765 | 34,907 | 36,159 | 35,357 |
| 31 Public borrowers | 5,644 | 4,990 | 4,752 | 4,250 | 4,190 | 4,276 | 4,019 | 4,090 | 3,808 | 3,757 |
| 32 Nonbank foreigners | 33,747 | 31,628 | 34,310 | 30,957 | 32,214 | 31,942 | 29,979 | 30,349 | 30,267 ^f | 28,999 |
| 33 Other assets | 5,225 | 6,810 | 10,477 | 9,457 | 9,577 | 9,978 | 10,358 | 10,907 | 10,526 | 10,698 |
| 34 Total payable in U.S. dollars | 108,626 | 95,028 | 100,574 | 93,790 | 99,868 | 101,341 | 103,503 | 102,873 | 100,863 ^f | 103,211 |
| 35 Claims on United States | 32,092 | 23,193 | 30,439 | 30,127 | 34,184 | 36,881 | 38,012 | 38,591 | 37,707 ^f | 38,290 |
| 36 Parent bank | 26,568 | 18,526 | 26,304 | 25,692 | 29,667 | 32,115 | 33,252 | 33,925 | 33,106 ^f | 34,067 |
| 37 Other banks in United States | 1,005 | 1,475 | 1,044 | 910 | 606 | 849 | 964 | 678 | 816 | 937 |
| 38 Nonbanks | 4,519 | 3,192 | 3,091 | 3,525 | 3,911 | 3,917 | 3,796 | 3,988 | 3,785 | 3,286 |
| 39 Claims on foreigners | 73,475 | 68,138 | 64,560 | 58,463 | 60,984 | 59,405 | 60,472 | 58,798 | 57,567 ^f | 59,176 |
| 40 Other branches of parent bank | 26,011 | 26,361 | 28,635 | 24,472 | 25,703 | 25,574 | 28,474 | 27,939 | 26,475 ^f | 28,145 |
| 41 Banks | 26,139 | 23,251 | 19,188 | 19,066 | 20,488 | 19,452 | 18,494 | 16,778 | 17,246 | 17,690 |
| 42 Public borrowers | 3,999 | 3,677 | 3,313 | 3,022 | 2,984 | 2,898 | 2,840 | 2,869 | 2,774 | 2,786 |
| 43 Nonbank foreigners | 17,326 | 14,849 | 13,424 | 11,903 | 11,809 | 11,481 | 10,664 | 11,212 | 11,072 | 10,555 |
| 44 Other assets | 3,059 | 3,697 | 5,575 | 5,200 | 4,700 | 5,055 | 5,019 | 5,484 | 5,589 ^f | 5,745 |
| Bahamas and Caymans | | | | | | | | | | |
| 45 Total, all currencies | 142,055 | 142,592 | 160,321 | 167,719 | 159,147 | 169,034 | 170,639 | 162,352 | 165,862 | 179,212 |
| 46 Claims on United States | 74,864 | 78,048 | 85,318 | 101,587 | 96,287 | 106,240 | 105,320 | 103,016 | 103,989 | 111,958 |
| 47 Parent bank | 50,553 | 54,575 | 60,048 | 68,348 | 64,249 | 73,654 | 73,409 | 71,065 | 71,100 | 75,261 |
| 48 Other banks in United States | 11,204 | 11,156 | 14,277 | 14,183 | 12,799 | 14,065 | 13,145 | 12,521 | 11,429 | 12,292 |
| 49 Nonbanks | 13,107 | 12,317 | 10,993 | 19,056 | 19,239 | 18,521 | 18,766 | 19,430 | 21,460 | 24,405 |
| 50 Claims on foreigners | 63,882 | 60,005 | 70,162 | 59,242 | 56,526 | 56,128 | 58,393 | 52,503 | 54,732 | 59,635 |
| 51 Other branches of parent bank | 19,042 | 17,296 | 21,277 | 21,538 | 18,772 | 18,534 | 17,954 | 15,982 | 18,454 | 20,048 |
| 52 Banks | 28,192 | 27,476 | 33,751 | 24,682 | 25,636 | 25,549 | 28,268 | 24,755 | 24,514 | 27,747 |
| 53 Public borrowers | 6,458 | 7,051 | 7,428 | 6,219 | 6,045 | 5,861 | 5,830 | 5,422 | 5,513 | 5,480 |
| 54 Nonbank foreigners | 10,190 | 8,182 | 7,706 | 6,803 | 6,073 | 6,184 | 6,341 | 6,344 | 6,251 | 6,360 |
| 55 Other assets | 3,309 | 4,539 | 4,841 | 6,890 | 6,334 | 6,666 | 6,926 | 6,833 | 7,141 | 7,619 |
| 56 Total payable in U.S. dollars | 136,794 | 136,813 | 151,434 | 159,815 | 151,363 | 161,238 | 163,518 | 154,981 | 158,011 | 172,175 |

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 | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|-----------------------------------|---------|---------|---------|---------|---------|---------|----------------------|----------------------|----------------------|---------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| All foreign countries | | | | | | | | | | |
| 57 Total, all currencies | 458,012 | 456,628 | 518,618 | 493,302 | 497,514 | 516,360 | 505,790 | 496,509 | 501,438 | 519,522 |
| 58 Negotiable CDs | 34,607 | 31,629 | 30,929 | 28,953 | 27,969 | 30,734 | 28,511 | 28,538 | 30,013 | 30,768 |
| 59 To United States | 156,281 | 152,465 | 161,390 | 167,449 | 163,526 | 174,437 | 185,555 ^f | 172,035 ^f | 174,877 ^f | 185,664 |
| 60 Parent bank | 84,657 | 83,394 | 87,606 | 96,856 | 97,102 | 106,207 | 114,700 | 102,501 ^f | 105,667 | 113,654 |
| 61 Other banks in United States | 16,894 | 15,646 | 20,559 | 14,272 | 14,029 | 13,584 | 14,897 ^f | 13,539 ^f | 12,930 ^f | 14,617 |
| 62 Nonbanks | 54,730 | 53,425 | 53,225 | 56,321 | 52,395 | 54,646 | 55,958 | 55,995 | 56,280 | 57,393 |
| 63 To foreigners | 245,939 | 253,775 | 304,803 | 275,689 | 283,282 | 287,759 | 270,676 ^f | 273,794 ^f | 274,743 ^f | 280,818 |
| 64 Other branches of parent bank | 89,529 | 95,146 | 124,601 | 107,640 | 107,532 | 112,310 | 111,262 | 109,116 | 111,577 | 116,284 |
| 65 Banks | 76,814 | 77,809 | 87,274 | 79,893 | 82,282 | 82,636 | 72,623 ^f | 71,998 ^f | 70,355 ^f | 71,290 |
| 66 Official institutions | 19,520 | 17,835 | 19,564 | 16,911 | 18,786 | 17,743 | 15,183 | 18,866 | 17,322 | 17,910 |
| 67 Nonbank foreigners | 60,076 | 62,985 | 73,364 | 71,245 | 74,682 | 75,070 | 71,608 | 73,814 | 75,489 | 75,334 |
| 68 Other liabilities | 21,185 | 18,759 | 21,496 | 21,211 | 22,737 | 23,430 | 21,048 | 22,142 ^f | 21,805 | 22,272 |
| 69 Total payable in U.S. dollars | 353,712 | 336,406 | 361,438 | 351,557 | 347,019 | 363,425 | 367,075 | 353,661 | 356,578 | 378,435 |
| 70 Negotiable CDs | 31,063 | 28,466 | 26,768 | 24,353 | 23,218 | 26,130 | 24,045 | 23,696 | 25,452 | 26,287 |
| 71 To United States | 150,905 | 144,483 | 148,442 | 156,600 | 152,240 | 161,080 | 173,189 | 159,650 ^f | 161,449 | 173,323 |
| 72 Parent bank | 81,631 | 79,305 | 81,783 | 90,312 | 90,122 | 97,898 | 107,150 | 94,531 ^f | 96,714 | 105,386 |
| 73 Other banks in United States | 16,264 | 14,609 | 19,155 | 13,153 | 12,868 | 12,230 | 13,628 | 12,413 ^f | 11,535 | 13,355 |
| 74 Nonbanks | 53,010 | 50,569 | 47,504 | 53,135 | 49,250 | 50,952 | 52,411 | 52,706 | 53,200 | 54,582 |
| 75 To foreigners | 163,583 | 156,806 | 177,711 | 159,777 | 160,653 | 164,817 | 160,359 | 160,615 | 159,523 | 168,380 |
| 76 Other branches of parent bank | 71,078 | 71,181 | 90,469 | 80,806 | 79,945 | 82,810 | 84,021 | 82,145 | 83,253 | 88,434 |
| 77 Banks | 37,365 | 33,850 | 35,065 | 29,437 | 29,167 | 31,133 | 28,480 | 27,220 | 27,044 | 28,938 |
| 78 Official institutions | 14,359 | 12,371 | 12,409 | 9,207 | 10,624 | 9,121 | 8,224 | 10,879 | 8,739 | 9,952 |
| 79 Nonbank foreigners | 40,781 | 39,404 | 39,768 | 40,327 | 40,917 | 41,753 | 39,634 | 40,371 | 40,487 | 41,056 |
| 80 Other liabilities | 8,161 | 6,651 | 8,517 | 10,827 | 10,908 | 11,398 | 9,482 | 9,700 ^f | 10,154 | 10,445 |
| United Kingdom | | | | | | | | | | |
| 81 Total, all currencies | 148,599 | 140,917 | 158,695 | 147,329 | 155,580 | 159,556 | 156,835 | 156,529 | 154,879 | 154,856 |
| 82 Negotiable CDs | 31,260 | 27,781 | 26,988 | 24,311 | 23,345 | 26,013 | 24,528 | 24,253 | 25,942 | 26,625 |
| 83 To United States | 29,422 | 24,657 | 23,470 | 25,657 | 31,575 | 32,420 | 36,784 | 34,535 | 35,334 | 32,609 |
| 84 Parent bank | 19,330 | 14,469 | 13,223 | 17,115 | 22,800 | 23,226 | 27,849 | 24,130 | 25,562 | 24,950 |
| 85 Other banks in United States | 2,974 | 2,649 | 1,740 | 2,021 | 2,192 | 1,768 | 2,197 | 2,568 | 1,856 | 1,984 |
| 86 Nonbanks | 7,118 | 7,539 | 8,507 | 6,521 | 6,583 | 7,426 | 6,738 | 7,837 | 7,916 | 5,675 |
| 87 To foreigners | 78,525 | 79,498 | 98,689 | 87,212 | 89,934 | 90,404 | 86,026 | 87,519 | 83,833 | 86,011 |
| 88 Other branches of parent bank | 23,389 | 25,036 | 33,078 | 26,837 | 25,743 | 26,268 | 26,812 | 26,815 | 24,553 | 25,929 |
| 89 Banks | 28,581 | 30,877 | 34,290 | 31,701 | 32,385 | 33,029 | 30,609 | 29,329 | 28,567 | 29,094 |
| 90 Official institutions | 9,676 | 6,836 | 11,015 | 8,570 | 10,656 | 9,542 | 7,873 | 10,010 | 8,627 | 9,429 |
| 91 Nonbank foreigners | 16,879 | 16,749 | 20,306 | 20,104 | 21,150 | 21,565 | 20,732 | 21,365 | 22,086 | 21,559 |
| 92 Other liabilities | 9,392 | 8,981 | 9,548 | 10,149 | 10,726 | 10,719 | 9,497 | 10,222 | 9,770 | 9,611 |
| 93 Total payable in U.S. dollars | 112,697 | 99,707 | 102,550 | 96,970 | 101,689 | 102,933 | 105,514 | 104,462 | 103,302 | 105,942 |
| 94 Negotiable CDs | 29,337 | 26,169 | 24,926 | 22,043 | 20,864 | 23,543 | 22,063 | 21,500 | 23,419 | 24,302 |
| 95 To United States | 27,756 | 22,075 | 17,752 | 22,177 | 28,063 | 27,123 | 32,588 | 30,032 | 30,442 | 29,430 |
| 96 Parent bank | 18,956 | 14,021 | 12,026 | 16,031 | 21,665 | 21,003 | 26,404 | 22,069 | 22,998 | 23,865 |
| 97 Other banks in United States | 2,826 | 2,325 | 1,512 | 1,819 | 1,978 | 1,366 | 1,912 | 2,362 | 1,600 | 1,719 |
| 98 Nonbanks | 5,974 | 5,729 | 4,214 | 4,327 | 4,420 | 4,754 | 4,272 | 5,601 | 5,844 | 3,846 |
| 99 To foreigners | 51,980 | 48,138 | 55,919 | 47,149 | 47,278 | 46,843 | 46,690 | 48,421 | 44,934 | 47,219 |
| 100 Other branches of parent bank | 18,493 | 17,951 | 22,334 | 18,696 | 17,384 | 17,443 | 18,561 | 18,936 | 17,139 | 18,483 |
| 101 Banks | 14,344 | 15,203 | 15,580 | 13,417 | 13,436 | 14,029 | 13,407 | 13,090 | 13,106 | 12,907 |
| 102 Official institutions | 7,661 | 4,934 | 7,530 | 4,519 | 6,186 | 4,713 | 4,348 | 5,897 | 4,116 | 5,467 |
| 103 Nonbank foreigners | 11,482 | 10,050 | 10,475 | 10,272 | 10,272 | 10,658 | 10,374 | 10,498 | 10,573 | 10,362 |
| 104 Other liabilities | 3,624 | 3,325 | 3,953 | 5,601 | 5,484 | 5,424 | 4,173 | 4,509 | 4,507 | 4,991 |
| Bahamas and Caymans | | | | | | | | | | |
| 105 Total, all currencies | 142,055 | 142,592 | 160,321 | 167,719 | 159,147 | 169,034 | 170,639 | 162,352 | 165,862 | 179,212 |
| 106 Negotiable CDs | 610 | 847 | 885 | 924 | 1,092 | 1,361 | 953 | 1,118 | 1,138 | 1,073 |
| 107 To United States | 104,556 | 106,081 | 113,950 | 118,641 | 108,858 | 116,952 | 122,332 ^f | 113,562 ^f | 114,729 ^f | 124,736 |
| 108 Parent bank | 45,554 | 49,481 | 53,239 | 58,718 | 53,197 | 59,883 | 62,894 | 56,643 ^f | 57,684 | 62,689 |
| 109 Other banks in United States | 12,778 | 11,715 | 17,224 | 11,106 | 10,824 | 10,823 | 11,494 ^f | 9,890 ^f | 9,743 ^f | 11,464 |
| 110 Nonbanks | 46,224 | 44,885 | 43,487 | 48,817 | 44,837 | 46,246 | 47,944 | 47,029 | 47,302 | 50,583 |
| 111 To foreigners | 35,053 | 34,400 | 43,815 | 45,930 | 46,775 | 48,113 | 45,161 ^f | 45,602 ^f | 47,534 ^f | 50,882 |
| 112 Other branches of parent bank | 14,075 | 12,631 | 19,185 | 24,228 | 24,805 | 24,508 | 23,686 | 24,973 | 25,988 | 28,010 |
| 113 Banks | 10,669 | 8,617 | 10,769 | 8,501 | 8,490 | 10,035 | 8,336 ^f | 7,179 ^f | 7,795 ^f | 8,522 |
| 114 Official institutions | 1,776 | 2,719 | 1,504 | 1,067 | 972 | 1,060 | 1,337 | 1,337 | 1,379 | 1,234 |
| 115 Nonbank foreigners | 8,533 | 10,433 | 12,357 | 12,134 | 12,508 | 12,510 | 12,065 | 12,113 | 12,372 | 13,116 |
| 116 Other liabilities | 1,836 | 1,264 | 1,671 | 2,224 | 2,422 | 2,608 | 2,193 | 2,070 ^f | 2,461 | 2,521 |
| 117 Total payable in U.S. dollars | 138,322 | 138,774 | 152,927 | 159,621 | 151,600 | 160,786 | 162,950 | 154,663 | 157,890 | 172,213 |

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1986 | 1987 | 1988 | | | | 1989 | | |
|--|---------|---------|---------|---------|---------|---------|----------------------|---------|-------------------|
| | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^p |
| 1 Total ¹ | 211,834 | 259,556 | 288,930 | 295,219 | 300,956 | 299,749 | 301,730 ^r | 304,077 | 307,039 |
| <i>By type</i> | | | | | | | | | |
| 2 Liabilities reported by banks in the United States ² | 27,920 | 31,838 | 32,543 | 34,796 | 35,089 | 31,507 | 36,744 ^r | 34,569 | 33,044 |
| 3 U.S. Treasury bills and certificates ³ | 75,650 | 88,829 | 96,822 | 100,814 | 103,841 | 103,722 | 98,457 | 98,192 | 95,478 |
| U.S. Treasury bonds and notes | | | | | | | | | |
| 4 Marketable | 91,368 | 122,432 | 144,040 | 144,617 | 146,813 | 149,025 | 151,040 ^r | 155,338 | 161,843 |
| 5 Nonmarketable ⁴ | 1,300 | 300 | 513 | 516 | 520 | 523 | 527 | 531 | 534 |
| 6 U.S. securities other than U.S. Treasury securities ⁵ | 15,596 | 16,157 | 15,012 | 14,476 | 14,693 | 14,972 | 14,962 | 15,447 | 16,140 |
| <i>By area</i> | | | | | | | | | |
| 7 Western Europe ¹ | 88,629 | 124,620 | 121,524 | 125,407 | 128,665 | 125,099 | 126,057 ^r | 124,823 | 124,882 |
| 8 Canada | 2,004 | 4,961 | 10,054 | 11,014 | 10,066 | 9,584 | 9,668 | 9,856 | 10,156 |
| 9 Latin America and Caribbean | 8,417 | 8,328 | 10,145 | 9,849 | 10,525 | 10,094 | 9,943 ^r | 8,875 | 7,542 |
| 10 Asia | 105,868 | 116,098 | 137,514 | 139,439 | 142,768 | 145,579 | 147,273 ^r | 152,111 | 156,384 |
| 11 Africa | 1,503 | 1,402 | 1,130 | 1,094 | 993 | 1,369 | 1,093 | 1,143 | 1,059 |
| 12 Other countries ⁶ | 5,412 | 4,147 | 8,049 | 7,903 | 7,418 | 7,501 | 7,169 | 6,738 | 6,482 |

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.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

NOTE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies¹

Millions of dollars, end of period

| Item | 1985 | 1986 | 1987 | 1988 | | | |
|--|--------|--------|--------|--------|--------|--------|-------------------|
| | | | | Mar. | June | Sept. | Dec. ^r |
| 1 Banks' own liabilities | 15,368 | 29,702 | 55,438 | 55,918 | 54,552 | 61,311 | 71,001 |
| 2 Banks' own claims | 16,294 | 26,180 | 51,271 | 52,271 | 51,017 | 59,775 | 66,093 |
| 3 Deposits | 8,437 | 14,129 | 18,861 | 18,406 | 17,660 | 20,769 | 23,831 |
| 4 Other claims | 7,857 | 12,052 | 32,410 | 33,865 | 33,357 | 39,006 | 42,261 |
| 5 Claims of banks' domestic customers ² | 580 | 2,507 | 551 | 810 | 1,004 | 335 | 364 |

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 States¹

Payable in U.S. dollars

Millions of dollars, end of period

| Holder and type of liability | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|-------------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. ⁷ | Feb. | Mar. ⁸ |
| 1 All foreigners | 435,726 | 540,996 | 618,874 | 657,350 | 651,865 | 678,147 | 685,084 | 661,918 | 678,205 | 690,270 |
| 2 Banks' own liabilities..... | 341,070 | 406,485 | 470,070 | 491,023 | 482,647 | 503,610 | 513,070 | 493,248 | 507,928 | 523,726 |
| 3 Demand deposits..... | 21,107 | 23,789 | 22,383 | 21,380 | 21,833 | 22,052 | 21,801 | 20,605 | 21,734 | 22,469 |
| 4 Time deposits ² | 117,278 | 130,891 | 148,374 | 148,789 | 142,181 | 149,438 | 150,980 | 145,557 | 150,774 | 158,727 |
| 5 Other ³ | 29,305 | 42,705 | 51,677 | 53,736 | 57,046 | 53,939 | 52,074 | 52,165 | 51,392 | 53,433 |
| 6 Own foreign offices ⁴ | 173,381 | 209,100 | 247,635 | 267,118 | 261,587 | 278,180 | 288,215 | 274,922 | 284,029 | 289,097 |
| 7 Banks' custody liabilities ⁵ | 94,656 | 134,511 | 148,804 | 166,328 | 169,218 | 174,537 | 172,015 | 168,669 | 170,277 | 166,544 |
| 8 U.S. Treasury bills and certificates ⁶ | 69,133 | 90,398 | 101,743 | 108,777 | 112,267 | 116,861 | 114,976 | 111,141 | 110,992 | 107,994 |
| 9 Other negotiable and readily transferable instruments ⁷ | 17,964 | 15,417 | 16,776 | 16,555 | 16,400 | 16,662 | 16,371 | 16,763 | 17,061 | 17,077 |
| 10 Other..... | 7,558 | 28,696 | 30,285 | 40,995 | 40,551 | 41,015 | 40,668 | 40,765 | 42,224 | 41,473 |
| 11 Nonmonetary international and regional organizations | 5,821 | 5,807 | 4,464 | 7,581 | 6,109 | 4,978 | 3,224 | 2,704 | 3,253 | 3,975 |
| 12 Banks' own liabilities..... | 2,621 | 3,958 | 2,702 | 4,922 | 4,297 | 3,722 | 2,527 | 1,910 | 2,679 | 3,167 |
| 13 Demand deposits..... | 85 | 199 | 124 | 104 | 143 | 76 | 71 | 67 | 74 | 89 |
| 14 Time deposits ² | 2,067 | 2,065 | 1,538 | 1,506 | 1,301 | 1,584 | 1,183 | 565 | 1,126 | 1,658 |
| 15 Other ³ | 469 | 1,693 | 1,040 | 3,311 | 2,853 | 2,062 | 1,272 | 1,278 | 1,479 | 1,421 |
| 16 Banks' custody liabilities ⁵ | 3,200 | 1,849 | 1,761 | 2,660 | 1,812 | 1,256 | 698 | 795 | 574 | 808 |
| 17 U.S. Treasury bills and certificates ⁶ | 1,736 | 259 | 265 | 755 | 62 | 83 | 57 | 69 | 59 | 74 |
| 18 Other negotiable and readily transferable instruments ⁷ | 1,464 | 1,590 | 1,497 | 1,899 | 1,750 | 1,163 | 641 | 711 | 463 | 734 |
| 19 Other..... | 0 | 0 | 0 | 5 | 0 | 10 | 0 | 15 | 52 | 0 |
| 20 Official institutions ⁹ | 79,985 | 103,569 | 120,667 | 129,365 | 135,610 | 138,930 | 135,229 | 135,201 | 132,760 | 128,522 |
| 21 Banks' own liabilities..... | 20,835 | 25,427 | 28,703 | 29,012 | 31,017 | 31,107 | 27,097 | 32,023 | 29,248 | 27,380 |
| 22 Demand deposits..... | 2,077 | 2,267 | 1,757 | 1,755 | 1,780 | 1,583 | 1,915 | 1,627 | 1,792 | 1,607 |
| 23 Time deposits ² | 10,949 | 10,497 | 12,843 | 11,860 | 11,407 | 12,176 | 9,784 | 13,476 | 12,672 | 10,880 |
| 24 Other ³ | 7,809 | 12,663 | 14,103 | 15,397 | 17,830 | 17,348 | 15,398 | 16,920 | 14,784 | 14,892 |
| 25 Banks' custody liabilities ⁵ | 59,150 | 78,142 | 91,965 | 100,353 | 104,593 | 107,823 | 108,132 | 103,178 | 103,512 | 101,142 |
| 26 U.S. Treasury bills and certificates ⁶ | 53,252 | 75,650 | 88,829 | 96,822 | 100,814 | 103,841 | 103,722 | 98,457 | 98,192 | 95,478 |
| 27 Other negotiable and readily transferable instruments ⁷ | 5,824 | 2,347 | 2,990 | 3,231 | 3,622 | 3,768 | 4,130 | 4,598 | 5,076 | 5,513 |
| 28 Other..... | 75 | 145 | 146 | 300 | 158 | 214 | 280 | 124 | 244 | 152 |
| 29 Banks ¹⁰ | 275,589 | 351,745 | 414,280 | 436,247 | 424,966 | 447,246 | 459,924 | 437,173 | 452,946 | 469,244 |
| 30 Banks' own liabilities..... | 252,723 | 310,166 | 371,665 | 385,164 | 374,398 | 395,437 | 408,615 | 385,240 | 400,228 | 417,870 |
| 31 Unaffiliated foreign banks..... | 79,341 | 101,066 | 124,030 | 118,046 | 112,811 | 117,258 | 120,400 | 110,318 | 116,199 | 128,773 |
| 32 Demand deposits..... | 10,271 | 10,303 | 10,898 | 9,354 | 10,232 | 10,402 | 9,980 | 9,460 | 9,585 | 11,009 |
| 33 Time deposits ² | 49,510 | 64,232 | 79,717 | 77,666 | 70,887 | 76,415 | 80,279 | 72,537 | 76,918 | 85,683 |
| 34 Other ³ | 19,561 | 26,531 | 33,415 | 31,026 | 31,693 | 30,442 | 30,141 | 28,321 | 29,695 | 32,081 |
| 35 Own foreign offices ⁴ | 173,381 | 209,100 | 247,635 | 267,118 | 261,587 | 278,180 | 288,215 | 274,922 | 284,029 | 289,097 |
| 36 Banks' custody liabilities ⁵ | 22,866 | 41,579 | 42,615 | 51,083 | 50,569 | 51,809 | 51,309 | 51,933 | 52,719 | 51,374 |
| 37 U.S. Treasury bills and certificates ⁶ | 9,832 | 9,984 | 9,134 | 7,969 | 7,976 | 8,087 | 7,602 | 7,819 | 7,491 | 7,263 |
| 38 Other negotiable and readily transferable instruments ⁷ | 6,040 | 5,165 | 5,392 | 5,220 | 5,225 | 5,696 | 5,666 | 5,870 | 5,884 | 5,254 |
| 39 Other..... | 6,994 | 26,431 | 28,089 | 37,893 | 37,367 | 38,025 | 38,041 | 38,243 | 39,344 | 38,857 |
| 40 Other foreigners | 74,331 | 79,875 | 79,463 | 84,158 | 85,179 | 86,992 | 86,707 | 86,840 | 89,246 | 88,529 |
| 41 Banks' own liabilities..... | 64,892 | 66,934 | 67,000 | 71,925 | 72,935 | 73,343 | 74,832 | 74,076 | 75,773 | 75,309 |
| 42 Demand deposits..... | 8,673 | 11,019 | 9,604 | 10,167 | 9,678 | 9,991 | 9,835 | 9,452 | 10,282 | 9,764 |
| 43 Time deposits ² | 54,752 | 54,097 | 54,277 | 57,757 | 58,586 | 59,264 | 59,734 | 58,979 | 60,058 | 60,505 |
| 44 Other ³ | 1,467 | 1,818 | 3,119 | 4,001 | 4,671 | 4,088 | 5,263 | 5,645 | 5,433 | 5,039 |
| 45 Banks' custody liabilities ⁵ | 9,439 | 12,941 | 12,463 | 12,233 | 12,244 | 13,650 | 11,876 | 12,764 | 13,473 | 13,220 |
| 46 U.S. Treasury bills and certificates ⁶ | 4,314 | 4,506 | 3,515 | 3,231 | 3,415 | 4,849 | 3,595 | 4,797 | 5,250 | 5,180 |
| 47 Other negotiable and readily transferable instruments ⁷ | 4,636 | 6,315 | 6,898 | 6,205 | 5,803 | 6,035 | 5,933 | 5,584 | 5,638 | 5,575 |
| 48 Other..... | 489 | 2,120 | 2,050 | 2,797 | 3,026 | 2,766 | 2,347 | 2,383 | 2,585 | 2,465 |
| 49 MEMO: Negotiable time certificates of deposit in custody for foreigners | 9,845 | 7,496 | 7,314 | 6,394 | 6,117 | 6,128 | 6,366 | 6,296 | 6,064 | 5,881 |

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 | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|---|---------|---------|---------|---------|---------|---------|---------|-------------------|---------|-------------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. ⁷ | Feb. | Mar. ⁸ |
| 1 Total | 435,726 | 540,996 | 618,874 | 657,350 | 651,865 | 678,147 | 685,084 | 661,918 | 678,205 | 690,270 |
| 2 Foreign countries | 429,905 | 535,189 | 614,411 | 649,769 | 645,755 | 673,169 | 681,860 | 659,213 | 674,952 | 686,294 |
| 3 Europe | 164,114 | 180,556 | 234,641 | 224,827 | 227,258 | 233,958 | 236,243 | 223,965 | 228,565 | 232,086 |
| 4 Austria | 693 | 1,181 | 920 | 1,072 | 1,271 | 1,599 | 1,155 | 1,129 | 1,777 | 1,448 |
| 5 Belgium-Luxembourg | 5,243 | 6,729 | 9,347 | 9,937 | 10,247 | 11,117 | 10,043 | 9,006 | 10,529 | 9,315 |
| 6 Denmark | 482 | 513 | 760 | 1,402 | 2,362 | 3,089 | 2,180 | 1,833 | 2,082 | 1,639 |
| 7 Finland | 496 | 580 | 377 | 447 | 339 | 339 | 284 | 375 | 560 | 527 |
| 8 France | 15,541 | 22,862 | 29,835 | 24,295 | 23,259 | 24,564 | 24,758 | 22,263 | 24,264 | 26,839 |
| 9 Germany | 4,835 | 5,762 | 7,022 | 5,085 | 5,898 | 7,981 | 6,781 | 5,794 | 5,263 | 5,477 |
| 10 Greece | 666 | 700 | 689 | 633 | 675 | 683 | 672 | 919 | 933 | 759 |
| 11 Italy | 9,667 | 10,875 | 12,073 | 8,550 | 12,512 | 13,337 | 14,610 | 11,322 | 11,073 | 13,480 |
| 12 Netherlands | 4,212 | 5,600 | 5,014 | 6,166 | 6,377 | 5,939 | 5,311 | 5,248 | 6,011 | 5,595 |
| 13 Norway | 948 | 735 | 1,362 | 1,060 | 1,143 | 1,342 | 1,559 | 1,502 | 1,367 | 1,547 |
| 14 Portugal | 652 | 699 | 801 | 858 | 915 | 738 | 903 | 870 | 813 | 831 |
| 15 Spain | 2,114 | 2,407 | 2,621 | 6,248 | 6,838 | 5,976 | 5,490 | 5,750 | 5,169 | 4,900 |
| 16 Sweden | 1,422 | 884 | 1,379 | 2,196 | 1,579 | 1,815 | 1,270 | 1,299 | 1,319 | 1,441 |
| 17 Switzerland | 29,020 | 30,534 | 33,766 | 31,360 | 31,325 | 31,919 | 34,224 | 32,564 | 31,658 | 30,330 |
| 18 Turkey | 429 | 454 | 703 | 706 | 876 | 793 | 1,012 | 939 | 1,246 | 1,023 |
| 19 United Kingdom | 76,728 | 85,334 | 116,852 | 113,304 | 109,976 | 111,747 | 116,103 | 110,894 | 113,576 | 115,525 |
| 20 Yugoslavia | 673 | 630 | 710 | 579 | 655 | 569 | 529 | 489 | 434 | 440 |
| 21 Other Western Europe ¹ | 9,635 | 3,326 | 9,798 | 10,325 | 10,245 | 9,627 | 8,633 | 10,917 | 9,929 | 10,076 |
| 22 U.S.S.R. | 105 | 80 | 32 | 45 | 100 | 74 | 138 | 155 | 109 | 102 |
| 23 Other Eastern Europe ² | 523 | 702 | 582 | 558 | 667 | 711 | 589 | 697 | 454 | 711 |
| 24 Canada | 17,427 | 26,345 | 30,095 | 28,241 | 26,697 | 26,188 | 21,029 | 19,267 | 20,732 | 23,961 |
| 25 Latin America and Caribbean | 167,856 | 210,318 | 220,372 | 246,796 | 240,109 | 257,330 | 267,147 | 259,423 | 263,503 | 265,232 |
| 26 Argentina | 6,032 | 4,757 | 5,006 | 7,106 | 7,065 | 7,307 | 7,749 | 7,628 | 6,836 | 6,411 |
| 27 Bahamas | 57,657 | 73,619 | 74,767 | 77,921 | 76,844 | 83,725 | 86,590 | 82,009 | 83,455 | 87,214 |
| 28 Bermuda | 2,765 | 2,922 | 2,344 | 2,389 | 2,577 | 2,752 | 2,621 | 2,381 | 2,545 | 2,578 |
| 29 Brazil | 5,373 | 4,325 | 4,005 | 4,475 | 4,726 | 5,137 | 5,268 | 4,675 | 4,829 | 4,929 |
| 30 British West Indies | 42,674 | 72,263 | 81,494 | 101,813 | 95,869 | 105,016 | 110,626 | 108,343 | 111,179 | 110,033 |
| 31 Chile | 2,049 | 2,054 | 2,210 | 2,467 | 2,727 | 2,917 | 2,969 | 2,975 | 3,063 | 3,063 |
| 32 Colombia | 3,104 | 4,285 | 4,204 | 4,171 | 4,136 | 4,221 | 4,317 | 4,300 | 4,453 | 4,138 |
| 33 Cuba | 11 | 7 | 12 | 9 | 12 | 9 | 10 | 10 | 10 | 10 |
| 34 Ecuador | 1,239 | 1,236 | 1,082 | 1,244 | 1,265 | 1,360 | 1,356 | 1,365 | 1,402 | 1,412 |
| 35 Guatemala | 1,071 | 1,123 | 1,082 | 1,177 | 1,150 | 1,178 | 1,186 | 1,236 | 1,259 | 1,267 |
| 36 Jamaica | 122 | 136 | 160 | 166 | 177 | 164 | 186 | 180 | 170 | 231 |
| 37 Mexico | 14,060 | 13,745 | 14,480 | 15,843 | 15,636 | 15,457 | 15,093 | 15,277 | 14,866 | 14,595 |
| 38 Netherlands Antilles | 4,875 | 4,970 | 4,975 | 5,253 | 5,354 | 5,907 | 6,705 | 6,083 | 5,641 | 5,666 |
| 39 Panama | 7,514 | 6,886 | 7,414 | 4,128 | 4,046 | 4,046 | 4,206 | 4,284 | 4,496 | 4,361 |
| 40 Peru | 1,167 | 1,163 | 1,275 | 1,584 | 1,605 | 1,650 | 1,626 | 1,716 | 1,728 | 1,696 |
| 41 Uruguay | 1,552 | 1,537 | 1,582 | 1,884 | 1,788 | 1,887 | 1,895 | 2,011 | 2,142 | 2,225 |
| 42 Venezuela | 11,922 | 10,171 | 9,048 | 9,752 | 9,547 | 9,301 | 9,095 | 9,159 | 9,532 | 9,354 |
| 43 Other | 4,668 | 5,119 | 5,234 | 5,411 | 5,512 | 5,560 | 5,702 | 5,800 | 5,986 | 6,049 |
| 44 Asia | 72,280 | 108,831 | 121,288 | 139,763 | 141,940 | 145,768 | 147,293 | 146,559 | 151,489 | 155,061 |
| 45 China | 1,607 | 1,476 | 1,162 | 1,608 | 1,479 | 1,401 | 1,892 | 1,566 | 1,602 | 1,590 |
| 46 Taiwan | 7,786 | 18,902 | 21,503 | 22,338 | 23,380 | 24,747 | 26,057 | 26,178 | 26,001 | 26,142 |
| 47 Hong Kong | 8,067 | 9,393 | 10,180 | 10,875 | 11,532 | 12,437 | 11,727 | 10,941 | 11,677 | 10,776 |
| 48 India | 712 | 674 | 582 | 1,008 | 778 | 761 | 695 | 689 | 828 | 897 |
| 49 Indonesia | 1,466 | 1,547 | 1,404 | 1,286 | 995 | 1,189 | 1,189 | 1,189 | 1,198 | 1,611 |
| 50 Israel | 1,601 | 1,892 | 1,292 | 1,130 | 2,323 | 1,063 | 1,471 | 1,216 | 1,365 | 1,300 |
| 51 Japan | 23,077 | 47,410 | 54,322 | 70,068 | 70,478 | 73,100 | 73,989 | 75,391 | 77,417 | 82,936 |
| 52 Korea | 1,665 | 1,141 | 1,637 | 2,091 | 2,440 | 2,681 | 2,541 | 2,454 | 2,502 | 2,890 |
| 53 Philippines | 1,140 | 1,866 | 1,085 | 976 | 1,146 | 1,155 | 1,163 | 976 | 1,014 | 977 |
| 54 Thailand | 1,358 | 1,119 | 1,345 | 1,369 | 1,363 | 1,205 | 1,236 | 1,373 | 1,615 | 1,217 |
| 55 Middle-East oil-exporting countries ³ | 14,523 | 12,352 | 13,988 | 14,124 | 13,232 | 12,871 | 12,053 | 12,262 | 12,289 | 11,971 |
| 56 Other | 9,276 | 11,058 | 12,788 | 13,053 | 12,503 | 13,352 | 13,281 | 12,323 | 13,980 | 12,755 |
| 57 Africa | 4,883 | 4,021 | 3,945 | 3,659 | 3,702 | 3,530 | 3,974 | 3,688 | 3,791 | 3,713 |
| 58 Egypt | 1,363 | 706 | 1,151 | 813 | 850 | 757 | 912 | 771 | 819 | 756 |
| 59 Morocco | 163 | 92 | 194 | 111 | 66 | 64 | 68 | 90 | 69 | 60 |
| 60 South Africa | 388 | 270 | 207 | 247 | 245 | 267 | 437 | 250 | 212 | 226 |
| 61 Zaire | 163 | 74 | 67 | 71 | 71 | 72 | 71 | 74 | 75 | 77 |
| 62 Oil-exporting countries ⁴ | 1,494 | 1,519 | 1,014 | 1,015 | 993 | 952 | 1,017 | 1,024 | 1,121 | 1,062 |
| 63 Other | 1,312 | 1,360 | 1,316 | 1,402 | 1,477 | 1,418 | 1,470 | 1,479 | 1,494 | 1,534 |
| 64 Other countries | 3,347 | 5,118 | 4,070 | 6,484 | 6,049 | 6,396 | 6,173 | 6,312 | 6,872 | 6,322 |
| 65 Australia | 2,779 | 4,196 | 3,327 | 5,639 | 5,199 | 5,426 | 5,303 | 5,485 | 6,037 | 5,490 |
| 66 All other | 568 | 922 | 744 | 845 | 849 | 970 | 870 | 827 | 836 | 832 |
| 67 Nonmonetary international and regional organizations | 5,821 | 5,807 | 4,464 | 7,581 | 6,109 | 4,978 | 3,224 | 2,704 | 3,253 | 3,975 |
| 68 International ⁵ | 4,806 | 4,620 | 2,830 | 5,538 | 4,142 | 3,491 | 2,503 | 1,725 | 2,106 | 2,726 |
| 69 Latin American regional | 894 | 1,033 | 1,272 | 1,762 | 1,662 | 1,276 | 589 | 747 | 732 | 1,026 |
| 70 Other regional ⁶ | 121 | 154 | 362 | 281 | 306 | 211 | 133 | 232 | 415 | 223 |

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

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

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

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

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

6. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

| Area and country | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|--|---------|---------|---------|---------|---------|---------|---------|----------------------|---------|-------------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^P |
| 1 Total | 401,608 | 444,745 | 459,877 | 477,023 | 465,538 | 485,973 | 490,183 | 481,408 ^F | 494,893 | 505,626 |
| 2 Foreign countries | 400,577 | 441,724 | 456,472 | 471,437 | 462,434 | 481,192 | 488,177 | 478,954 ^F | 493,205 | 503,875 |
| 3 Europe | 106,413 | 107,823 | 102,348 | 102,382 | 105,859 | 108,273 | 117,000 | 107,506 ^F | 113,844 | 116,509 |
| 4 Austria | 598 | 728 | 793 | 808 | 812 | 721 | 485 | 544 | 646 | 892 |
| 5 Belgium-Luxembourg | 5,772 | 7,498 | 9,397 | 9,038 | 8,902 | 8,954 | 8,573 | 8,356 | 7,926 | 7,785 |
| 6 Denmark | 706 | 688 | 717 | 579 | 631 | 599 | 480 | 410 | 790 | 547 |
| 7 Finland | 823 | 987 | 1,010 | 1,194 | 912 | 1,157 | 1,065 | 911 ^F | 1,114 | 1,109 |
| 8 France | 9,124 | 11,356 | 13,548 | 12,149 | 12,327 | 12,478 | 13,242 | 13,315 | 14,920 | 15,727 |
| 9 Germany | 1,267 | 1,816 | 2,039 | 1,713 | 2,317 | 2,307 | 2,327 | 2,398 ^F | 1,695 | 3,107 |
| 10 Greece | 991 | 648 | 462 | 505 | 493 | 601 | 433 | 448 | 517 | 584 |
| 11 Italy | 8,848 | 9,043 | 7,460 | 6,095 | 6,022 | 7,100 | 7,946 | 5,526 | 5,581 | 5,866 |
| 12 Netherlands | 1,258 | 3,296 | 2,619 | 3,197 | 2,666 | 2,763 | 2,547 | 2,514 | 2,475 | 2,806 |
| 13 Norway | 706 | 739 | 934 | 510 | 534 | 478 | 455 | 472 | 601 | 432 |
| 14 Portugal | 1,058 | 739 | 477 | 329 | 261 | 253 | 374 | 339 | 331 | 367 |
| 15 Spain | 1,908 | 1,492 | 1,853 | 1,963 | 1,800 | 2,054 | 1,823 | 2,182 | 2,153 | 2,134 |
| 16 Sweden | 2,219 | 1,964 | 2,254 | 1,983 | 1,852 | 2,083 | 1,977 | 2,619 | 2,622 | 2,643 |
| 17 Switzerland | 3,171 | 3,352 | 2,718 | 2,559 | 2,918 | 2,983 | 3,895 | 3,511 ^F | 3,799 | 3,797 |
| 18 Turkey | 1,200 | 1,543 | 1,680 | 1,396 | 1,344 | 1,265 | 1,233 | 1,152 | 1,108 | 1,039 |
| 19 United Kingdom | 62,566 | 58,335 | 50,823 | 54,724 | 57,924 | 58,095 | 65,594 | 58,037 ^F | 62,409 | 63,075 |
| 20 Yugoslavia | 1,964 | 1,835 | 1,700 | 1,476 | 1,472 | 1,450 | 1,390 | 1,371 | 1,348 | 1,455 |
| 21 Other Western Europe ² | 998 | 539 | 619 | 856 | 1,120 | 916 | 1,152 | 1,275 | 1,560 | 1,262 |
| 22 U.S.S.R. | 130 | 345 | 389 | 503 | 754 | 1,218 | 1,255 | 1,286 | 1,403 | 1,298 |
| 23 Other Eastern Europe ³ | 1,107 | 948 | 852 | 805 | 798 | 799 | 755 | 839 | 846 | 785 |
| 24 Canada | 16,482 | 21,006 | 25,368 | 23,776 | 22,482 | 23,285 | 18,988 | 16,731 ^F | 18,915 | 19,559 |
| 25 Latin America and Caribbean | 202,674 | 208,825 | 214,789 | 212,862 | 201,047 | 211,079 | 213,272 | 210,294 ^F | 210,463 | 221,718 |
| 26 Argentina | 11,462 | 12,091 | 11,996 | 12,235 | 12,077 | 12,023 | 11,804 | 11,880 | 11,801 | 11,635 |
| 27 Bahamas | 58,258 | 59,342 | 64,587 | 64,281 | 59,345 | 67,238 | 67,003 | 68,874 ^F | 69,517 | 71,712 |
| 28 Bermuda | 499 | 418 | 471 | 676 | 596 | 511 | 483 | 475 | 535 | 1,265 |
| 29 Brazil | 25,283 | 25,716 | 25,897 | 25,622 | 25,461 | 26,399 | 25,735 | 25,835 ^F | 25,480 | 26,156 |
| 30 British West Indies | 38,881 | 46,284 | 50,042 | 55,201 | 48,859 | 50,650 | 54,739 | 50,358 ^F | 50,504 | 58,010 |
| 31 Chile | 6,603 | 6,558 | 6,308 | 5,656 | 5,459 | 5,319 | 5,401 | 5,156 ^F | 5,139 | 5,345 |
| 32 Colombia | 3,249 | 2,821 | 2,740 | 3,023 | 3,016 | 2,978 | 2,938 | 2,867 | 2,805 | 2,741 |
| 33 Cuba | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| 34 Ecuador | 2,390 | 2,439 | 2,286 | 2,185 | 2,168 | 2,162 | 2,075 | 2,048 ^F | 2,026 | 2,037 |
| 35 Guatemala | 194 | 140 | 144 | 150 | 175 | 198 | 185 | 188 | 188 | 198 |
| 36 Jamaica | 224 | 198 | 188 | 187 | 201 | 205 | 211 | 214 | 202 | 211 |
| 37 Mexico | 31,799 | 30,698 | 29,532 | 25,971 | 25,645 | 25,386 | 24,636 | 24,445 ^F | 24,386 | 24,494 |
| 38 Netherlands Antilles | 1,340 | 1,041 | 980 | 1,158 | 1,491 | 1,427 | 1,309 | 1,222 ^F | 1,150 | 1,005 |
| 39 Panama | 6,645 | 5,436 | 4,744 | 2,176 | 2,214 | 2,350 | 2,506 | 2,535 | 2,534 | 2,455 |
| 40 Peru | 1,947 | 1,661 | 1,329 | 1,063 | 1,065 | 1,012 | 1,012 | 1,011 | 952 | 947 |
| 41 Uruguay | 960 | 940 | 963 | 891 | 850 | 888 | 910 | 880 | 856 | 879 |
| 42 Venezuela | 10,871 | 11,108 | 10,843 | 10,754 | 10,803 | 10,736 | 10,732 | 10,748 ^F | 10,910 | 10,803 |
| 43 Other Latin America and Caribbean | 2,067 | 1,936 | 1,738 | 1,633 | 1,623 | 1,580 | 1,580 | 1,560 | 1,475 | 1,825 |
| 44 Asia | 66,212 | 96,126 | 106,096 | 124,809 | 124,686 | 130,282 | 130,786 | 135,779 ^F | 141,185 | 137,400 |
| China | | | | | | | | | | |
| 46 Mainland | 639 | 787 | 968 | 824 | 756 | 777 | 762 | 830 | 881 | 992 |
| 47 Taiwan | 1,535 | 2,681 | 4,592 | 3,182 | 3,040 | 3,845 | 4,184 | 3,902 ^F | 3,960 | 4,168 |
| 48 Hong Kong | 6,797 | 8,307 | 8,218 | 8,419 | 9,500 | 10,831 | 10,134 | 8,739 ^F | 8,016 | 7,836 |
| 49 India | 450 | 321 | 510 | 533 | 627 | 568 | 560 | 645 | 628 | 564 |
| 50 Indonesia | 698 | 723 | 580 | 773 | 808 | 767 | 730 | 669 | 735 | 649 |
| 51 Israel | 1,991 | 1,634 | 1,363 | 1,184 | 1,174 | 1,231 | 1,137 | 1,097 ^F | 1,044 | 1,068 |
| 52 Japan | 31,249 | 59,674 | 68,658 | 87,200 | 87,276 | 89,520 | 90,137 | 99,032 ^F | 104,842 | 100,780 |
| 53 Korea | 9,226 | 7,182 | 5,148 | 5,137 | 5,187 | 5,390 | 5,219 | 4,961 | 4,891 | 5,173 |
| 54 Philippines | 2,224 | 2,217 | 2,071 | 2,009 | 1,912 | 1,900 | 1,876 | 1,847 | 1,900 | 1,910 |
| 55 Thailand | 845 | 578 | 496 | 759 | 766 | 778 | 850 | 887 | 931 | 986 |
| 56 Middle East oil-exporting countries ⁴ | 4,298 | 4,122 | 4,858 | 6,401 | 5,388 | 6,657 | 6,110 | 5,341 | 5,839 | 6,384 |
| Other Asia | 6,260 | 7,901 | 8,635 | 8,389 | 8,253 | 8,018 | 9,087 | 7,829 | 7,519 | 6,890 |
| 57 Africa | 5,407 | 4,650 | 4,742 | 5,454 | 5,633 | 5,629 | 5,720 | 5,924 ^F | 6,072 | 5,965 |
| 58 Egypt | 721 | 567 | 521 | 535 | 540 | 532 | 509 | 495 ^F | 567 | 543 |
| 59 Morocco | 575 | 598 | 542 | 478 | 476 | 488 | 511 | 524 | 532 | 541 |
| 60 South Africa | 1,942 | 1,550 | 1,507 | 1,693 | 1,707 | 1,698 | 1,681 | 1,688 | 1,718 | 1,695 |
| 61 Zaire | 20 | 28 | 15 | 16 | 17 | 18 | 17 | 16 | 16 | 42 |
| 62 Oil-exporting countries ⁵ | 630 | 694 | 1,003 | 1,388 | 1,483 | 1,491 | 1,523 | 1,534 | 1,522 | 1,480 |
| 63 Other | 1,520 | 1,213 | 1,153 | 1,343 | 1,410 | 1,402 | 1,479 | 1,666 | 1,717 | 1,666 |
| 64 Other countries | 3,390 | 3,294 | 3,129 | 2,154 | 2,728 | 2,645 | 2,410 | 2,720 | 2,726 | 2,724 |
| 65 Australia | 2,413 | 1,949 | 2,100 | 1,389 | 1,879 | 1,586 | 1,517 | 1,711 | 1,686 | 1,689 |
| 66 All other | 978 | 1,345 | 1,029 | 765 | 849 | 1,059 | 894 | 1,009 | 1,040 | 1,034 |
| 67 Nonmonetary international and regional organizations ⁶ | 1,030 | 3,021 | 3,404 | 5,586 | 3,104 | 4,781 | 2,006 | 2,454 ^F | 1,688 | 1,751 |

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

2. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

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

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

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

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

7. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

Millions of dollars, end of period

| Type of claim | 1985 | 1986 | 1987 | 1988 | | | | 1989 | | |
|--|---------|---------|---------|---------|---------|---------|---------------------|-------------------|---------|-------------------|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. ^f | Feb. | Mar. ^g |
| 1 Total | 430,489 | 478,650 | 497,635 | 512,804 | ..... | ..... | 537,380 | ..... | ..... | 505,626 |
| 2 Banks' own claims on foreigners | 401,608 | 444,745 | 459,877 | 477,023 | 465,538 | 485,973 | 490,183 | 481,408 | 494,893 | 505,626 |
| 3 Foreign public borrowers | 60,507 | 64,095 | 64,605 | 65,072 | 61,940 | 64,949 | 61,768 | 63,670 | 62,824 | 62,230 |
| 4 Own foreign offices ² | 174,261 | 211,533 | 224,727 | 245,473 | 237,455 | 255,005 | 256,515 | 256,726 | 263,797 | 272,471 |
| 5 Unaffiliated foreign banks | 116,654 | 122,946 | 127,609 | 124,560 | 122,071 | 123,299 | 129,542 | 119,009 | 125,491 | 129,957 |
| 6 Deposits | 48,372 | 57,484 | 60,687 | 61,295 | 54,372 | 55,980 | 65,991 | 58,605 | 63,077 | 66,414 |
| 7 Other | 68,282 | 65,462 | 66,922 | 63,265 | 67,699 | 67,318 | 63,552 | 60,404 | 62,414 | 63,543 |
| 8 All other foreigners | 50,185 | 46,171 | 42,936 | 41,918 | 44,072 | 42,720 | 42,359 | 42,003 | 42,780 | 40,968 |
| 9 Claims of banks' domestic customers ³ | 28,881 | 33,905 | 37,758 | 35,781 | ..... | ..... | 47,196 | ..... | ..... | ..... |
| 10 Deposits | 3,335 | 4,413 | 3,692 | 5,391 | ..... | ..... | 8,289 | ..... | ..... | ..... |
| 11 Negotiable and readily transferable instruments ⁴ | 19,332 | 24,044 | 26,696 | 20,896 | ..... | ..... | 25,372 | ..... | ..... | ..... |
| 12 Outstanding collections and other claims | 6,214 | 5,448 | 7,370 | 9,494 | ..... | ..... | 13,535 | ..... | ..... | ..... |
| 13 MEMO: Customer liability on acceptances | 28,487 | 25,706 | 23,107 | 18,677 | ..... | ..... | 19,484 | ..... | ..... | ..... |
| Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵ | 38,102 | 43,984 | 40,587 | 43,182 | 42,362 | 49,297 | 43,023 ^f | 45,044 | 47,625 | 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 States¹ Payable in U.S. Dollars

Millions of dollars, end of period

| Maturity; by borrower and area | 1985 | 1986 | 1987 | 1988 | | | |
|---|---------|---------|---------|---------|---------|---------|----------------------|
| | | | | Mar. | June | Sept. | Dec. |
| 1 Total | 227,903 | 232,295 | 235,130 | 219,609 | 228,348 | 230,356 | 233,043 ^f |
| <i>By borrower</i> | | | | | | | |
| 2 Maturity of 1 year or less ² | 160,824 | 160,555 | 163,997 | 152,967 | 163,819 | 167,861 | 172,447 ^f |
| 3 Foreign public borrowers | 26,302 | 24,842 | 25,889 | 26,257 | 27,520 | 29,361 | 26,382 |
| 4 All other foreigners | 134,522 | 135,714 | 138,108 | 126,710 | 136,299 | 138,499 | 146,064 ^f |
| 5 Maturity over 1 year ² | 67,078 | 71,740 | 71,133 | 66,642 | 64,530 | 62,495 | 60,597 |
| 6 Foreign public borrowers | 34,512 | 39,103 | 38,625 | 35,763 | 35,598 | 34,985 | 34,827 ^f |
| 7 All other foreigners | 32,567 | 32,637 | 32,507 | 30,878 | 28,932 | 27,510 | 25,770 ^f |
| <i>By area</i> | | | | | | | |
| 8 Maturity of 1 year or less ² | | | | | | | |
| 9 Europe | 56,585 | 61,784 | 59,027 | 51,694 | 55,986 | 54,243 | 56,025 ^f |
| 10 Canada | 6,401 | 5,895 | 5,680 | 4,989 | 6,664 | 6,410 | 6,275 |
| 11 Latin America and Caribbean | 63,328 | 56,271 | 56,535 | 55,429 | 56,166 | 55,532 | 57,866 |
| 12 Asia | 27,966 | 29,457 | 35,919 | 35,523 | 38,997 | 42,340 | 46,119 ^f |
| 13 Africa | 3,753 | 2,882 | 2,833 | 2,596 | 2,914 | 3,120 | 3,338 |
| 14 All other | 2,791 | 4,267 | 4,003 | 2,736 | 3,092 | 6,216 | 2,824 |
| 15 Maturity of over 1 year ² | | | | | | | |
| 16 Europe | 7,634 | 6,737 | 6,696 | 5,885 | 5,337 | 5,327 | 4,736 |
| 17 Canada | 1,805 | 1,925 | 2,661 | 2,213 | 2,344 | 2,062 | 1,929 |
| 18 Latin America and Caribbean | 50,674 | 56,719 | 53,817 | 51,544 | 49,762 | 48,260 | 47,484 |
| 19 Asia | 4,502 | 4,043 | 3,830 | 3,681 | 3,645 | 3,954 | 3,646 |
| Africa | 1,538 | 1,539 | 1,747 | 1,747 | 2,433 | 2,257 | 2,301 |
| 20 All other | 926 | 777 | 2,381 | 1,117 | 1,008 | 635 | 501 |

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 | 1984 | 1985 | 1986 | 1987 | | | | 1988 | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | | | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. | Dec. | |
| 1 Total | 405.7 | 385.4 | 385.1 | 395.4 | 384.6 | 387.7 | 381.4 | 370.0 | 350.5 | 353.7 | 348.8 | |
| 2 G-10 countries and Switzerland | 148.1 | 146.0 | 156.6 | 162.7 | 158.1 | 155.2 | 160.0 | 157.2 | 151.2 | 149.5 | 154.5 | |
| 3 Belgium-Luxembourg | 8.7 | 9.2 | 8.3 | 9.1 | 8.3 | 8.2 | 10.1 | 9.3 | 9.2 | 9.5 | 9.0 | |
| 4 France | 14.1 | 12.1 | 13.7 | 13.3 | 12.5 | 13.7 | 13.8 | 11.5 | 10.8 | 10.0 | 10.7 | |
| 5 Germany | 9.0 | 10.5 | 11.6 | 12.7 | 11.2 | 10.5 | 12.6 | 11.8 | 10.6 | 8.9 | 9.9 | |
| 6 Italy | 10.1 | 9.6 | 9.0 | 8.7 | 7.5 | 6.6 | 7.3 | 7.4 | 6.1 | 5.9 | 6.4 | |
| 7 Netherlands | 3.9 | 3.7 | 4.6 | 4.4 | 7.3 | 4.8 | 4.1 | 3.3 | 3.3 | 3.0 | 2.8 | |
| 8 Sweden | 3.2 | 2.7 | 2.4 | 3.0 | 2.4 | 2.6 | 2.1 | 2.1 | 1.9 | 2.0 | 2.0 | |
| 9 Switzerland | 3.9 | 4.4 | 5.8 | 5.8 | 5.7 | 5.4 | 5.6 | 5.1 | 5.6 | 5.2 | 5.7 | |
| 10 United Kingdom | 60.3 | 63.0 | 71.0 | 73.7 | 72.0 | 72.1 | 69.1 | 71.7 | 70.5 | 68.1 | 66.7 | |
| 11 Canada | 7.9 | 6.8 | 5.3 | 5.3 | 4.7 | 4.7 | 5.5 | 4.9 | 5.4 | 5.2 | 5.5 | |
| 12 Japan | 27.1 | 23.9 | 24.9 | 26.9 | 26.3 | 26.5 | 29.8 | 30.0 | 27.9 | 31.7 | 35.9 | |
| 13 Other developed countries | 33.6 | 29.9 | 25.7 | 25.7 | 25.2 | 25.9 | 26.2 | 26.2 | 23.7 | 22.7 | 20.9 | |
| 14 Austria | 1.6 | 1.5 | 1.7 | 1.7 | 1.8 | 1.9 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | |
| 15 Denmark | 2.2 | 2.3 | 1.7 | 1.7 | 1.5 | 1.6 | 1.7 | 1.4 | 1.0 | 1.1 | .9 | |
| 16 Finland | 1.9 | 1.6 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.0 | 1.2 | 1.3 | 1.2 | |
| 17 Greece | 2.9 | 2.6 | 2.3 | 2.1 | 2.0 | 1.9 | 2.0 | 2.3 | 2.2 | 2.1 | 1.9 | |
| 18 Norway | 3.0 | 2.9 | 2.4 | 2.2 | 2.1 | 2.0 | 2.3 | 2.0 | 2.0 | 2.0 | 1.8 | |
| 19 Portugal | 4.4 | 1.2 | .8 | .9 | .8 | .8 | .5 | .4 | .4 | .4 | .5 | |
| 20 Spain | 6.5 | 5.8 | 5.8 | 6.3 | 6.1 | 7.4 | 8.0 | 9.0 | 7.2 | 6.3 | 6.2 | |
| 21 Turkey | 1.9 | 1.8 | 1.8 | 1.7 | 1.7 | 1.5 | 1.6 | 1.6 | 1.5 | 1.3 | 1.3 | |
| 22 Other Western Europe | 1.7 | 2.0 | 1.4 | 1.4 | 1.5 | 1.6 | 1.6 | 1.9 | 1.6 | 1.9 | 1.3 | |
| 23 South Africa | 4.5 | 3.2 | 3.0 | 3.0 | 3.0 | 2.9 | 2.9 | 2.8 | 2.8 | 2.7 | 2.4 | |
| 24 Australia | 6.0 | 5.0 | 3.5 | 3.2 | 3.1 | 2.9 | 2.4 | 2.1 | 2.2 | 1.8 | 1.8 | |
| 25 OPEC countries ³ | 24.9 | 21.3 | 19.3 | 20.0 | 18.8 | 19.0 | 17.1 | 17.2 | 16.4 | 17.6 | 16.5 | |
| 26 Ecuador | 2.2 | 2.1 | 2.2 | 2.1 | 2.1 | 2.1 | 1.9 | 1.9 | 1.8 | 1.8 | 1.7 | |
| 27 Venezuela | 9.3 | 8.9 | 8.6 | 8.5 | 8.4 | 8.3 | 8.1 | 8.0 | 8.0 | 7.9 | 7.9 | |
| 28 Indonesia | 3.3 | 3.0 | 2.5 | 2.4 | 2.2 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | |
| 29 Middle East countries | 7.9 | 5.3 | 4.3 | 5.4 | 4.4 | 5.0 | 3.6 | 3.6 | 3.1 | 4.3 | 3.2 | |
| 30 African countries | 2.3 | 2.0 | 1.7 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | |
| 31 Non-OPEC developing countries | 111.8 | 104.2 | 99.1 | 100.7 | 100.4 | 97.7 | 97.6 | 94.3 | 91.3 | 87.0 | 85.5 | |
| Latin America | | | | | | | | | | | | |
| 32 Argentina | 8.7 | 8.8 | 9.5 | 9.5 | 9.5 | 9.3 | 9.4 | 9.5 | 9.4 | 9.2 | 8.9 | |
| 33 Brazil | 26.3 | 25.4 | 25.2 | 26.2 | 25.1 | 25.1 | 24.7 | 23.9 | 23.7 | 22.4 | 22.5 | |
| 34 Chile | 7.0 | 6.9 | 7.1 | 7.3 | 7.2 | 7.0 | 6.9 | 6.6 | 6.4 | 6.2 | 5.7 | |
| 35 Colombia | 2.9 | 2.6 | 2.1 | 2.0 | 1.9 | 1.9 | 2.0 | 1.9 | 2.1 | 2.1 | 2.0 | |
| 36 Mexico | 25.7 | 23.9 | 23.8 | 24.1 | 25.3 | 24.8 | 23.7 | 22.5 | 21.1 | 20.6 | 19.0 | |
| 37 Peru | 2.2 | 1.8 | 1.4 | 1.4 | 1.3 | 1.2 | 1.1 | 1.1 | .9 | .8 | .8 | |
| 38 Other Latin America | 3.9 | 3.4 | 3.1 | 3.0 | 2.9 | 2.8 | 2.7 | 2.8 | 2.6 | 2.5 | 2.6 | |
| Asia | | | | | | | | | | | | |
| China | | | | | | | | | | | | |
| 39 Mainland | .7 | .5 | .4 | .9 | .6 | .3 | .3 | .4 | .3 | .2 | .3 | |
| 40 Taiwan | 5.1 | 4.5 | 4.9 | 5.5 | 6.6 | 6.0 | 8.2 | 6.1 | 4.9 | 3.2 | 3.6 | |
| 41 India | .9 | 1.2 | 1.2 | 1.8 | 1.7 | 1.9 | 1.9 | 2.1 | 2.3 | 2.0 | 2.1 | |
| 42 Israel | 1.8 | 1.6 | 1.5 | 1.4 | 1.3 | 1.3 | 1.0 | 1.0 | 1.0 | 1.0 | 1.2 | |
| 43 Korea (South) | 10.6 | 9.2 | 6.6 | 6.2 | 5.6 | 4.9 | 4.9 | 5.6 | 5.9 | 6.0 | 6.1 | |
| 44 Malaysia | 2.7 | 2.4 | 2.1 | 1.9 | 1.7 | 1.6 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | |
| 45 Philippines | 6.0 | 5.7 | 5.4 | 5.4 | 5.4 | 5.4 | 5.1 | 5.1 | 4.9 | 4.5 | 4.5 | |
| 46 Thailand | 1.8 | 1.4 | .9 | .9 | .8 | .7 | .7 | 1.0 | 1.1 | 1.2 | 1.1 | |
| 47 Other Asia | 1.1 | 1.0 | .7 | .6 | .7 | .7 | .7 | .7 | .8 | .8 | .9 | |
| Africa | | | | | | | | | | | | |
| 48 Egypt | 1.2 | 1.0 | .7 | .6 | .6 | .6 | .5 | .5 | .6 | .5 | .4 | |
| 49 Morocco | .8 | .9 | .9 | .9 | .9 | .8 | .9 | .9 | .9 | .8 | .9 | |
| 50 Zaire | .1 | .1 | .1 | .1 | .1 | .1 | .0 | .1 | .1 | .0 | .0 | |
| 51 Other Africa ⁴ | 2.1 | 1.9 | 1.6 | 1.4 | 1.3 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.1 | |
| 52 Eastern Europe | 4.4 | 4.1 | 3.2 | 3.0 | 3.3 | 3.3 | 3.0 | 2.9 | 3.1 | 3.0 | 3.7 | |
| 53 U.S.S.R. | .1 | .1 | .1 | .1 | .3 | .5 | .4 | .3 | .4 | .4 | .7 | |
| 54 Yugoslavia | 2.3 | 2.2 | 1.7 | 1.6 | 1.7 | 1.7 | 1.6 | 1.7 | 1.7 | 1.7 | 1.8 | |
| 55 Other | 2.0 | 1.8 | 1.4 | 1.3 | 1.3 | 1.2 | 1.0 | .9 | 1.0 | 1.0 | 1.2 | |
| 56 Offshore banking centers | 65.6 | 62.9 | 61.3 | 63.1 | 60.7 | 64.3 | 54.3 | 50.8 | 42.4 | 46.5 | 45.5 | |
| 57 Bahamas | 21.5 | 21.2 | 22.0 | 23.9 | 19.9 | 25.5 | 17.1 | 15.1 | 8.6 | 12.5 | 11.5 | |
| 58 Bermuda | .9 | .7 | .7 | .8 | .6 | .6 | .6 | .8 | 1.0 | .9 | .8 | |
| 59 Cayman Islands and other British West Indies | 11.8 | 11.6 | 12.4 | 12.2 | 14.0 | 12.8 | 13.3 | 11.7 | 10.0 | 11.5 | 13.1 | |
| 60 Netherlands Antilles | 3.4 | 2.2 | 1.8 | 1.7 | 1.3 | 1.2 | 1.2 | 1.3 | 1.2 | 1.2 | 1.0 | |
| 61 Panama ⁵ | 6.7 | 6.0 | 4.0 | 4.3 | 3.9 | 3.7 | 3.7 | 3.3 | 3.0 | 2.7 | 2.6 | |
| 62 Lebanon | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | |
| 63 Hong Kong | 11.4 | 11.4 | 11.1 | 11.4 | 12.5 | 12.3 | 11.2 | 11.3 | 11.7 | 10.6 | 10.2 | |
| 64 Singapore | 9.8 | 9.8 | 9.2 | 8.6 | 8.3 | 8.1 | 7.0 | 7.4 | 6.8 | 7.0 | 6.2 | |
| 65 Others ⁶ | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | |
| 66 Miscellaneous and unallocated ⁷ | 17.3 | 16.9 | 19.8 | 20.1 | 18.1 | 22.3 | 23.2 | 21.5 | 22.3 | 27.0 | 21.8 | |

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 States¹

Millions of dollars, end of period

| Type, and area or country | 1984 | 1985 | 1986 | 1987 | 1988 | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Dec. | Mar. | June | Sept. | Dec. |
| 1 Total | 29,357 | 27,825 | 25,587 | 27,889 | 29,416 | 29,564 | 31,560 | 33,481 |
| 2 Payable in dollars | 26,389 | 24,296 | 21,749 | 22,504 | 23,869 | 24,319 | 26,391 | 28,319 |
| 3 Payable in foreign currencies | 2,968 | 3,529 | 3,838 | 5,385 | 5,547 | 5,244 | 5,168 | 5,162 |
| <i>By type</i> | | | | | | | | |
| 4 Financial liabilities | 14,509 | 13,600 | 12,133 | 11,882 | 13,635 | 13,219 | 14,076 | 14,727 |
| 5 Payable in dollars | 12,553 | 11,257 | 9,609 | 8,358 | 10,000 | 9,746 | 10,719 | 11,319 |
| 6 Payable in foreign currencies | 1,955 | 2,343 | 2,524 | 3,525 | 3,635 | 3,473 | 3,357 | 3,408 |
| 7 Commercial liabilities | 14,849 | 14,225 | 13,454 | 16,006 | 15,780 | 16,345 | 17,484 | 18,754 |
| 8 Trade payables | 7,005 | 6,685 | 6,450 | 7,433 | 6,581 | 6,899 | 6,610 | 6,751 |
| 9 Advance receipts and other liabilities | 7,843 | 7,540 | 7,004 | 8,573 | 9,199 | 9,445 | 10,874 | 12,003 |
| 10 Payable in dollars | 13,836 | 13,039 | 12,140 | 14,146 | 13,869 | 14,573 | 15,673 | 17,000 |
| 11 Payable in foreign currencies | 1,013 | 1,186 | 1,314 | 1,860 | 1,912 | 1,771 | 1,811 | 1,754 |
| <i>By area or country</i> | | | | | | | | |
| Financial liabilities | | | | | | | | |
| 12 Europe | 6,728 | 7,700 | 7,917 | 8,078 | 9,411 | 8,890 | 10,092 | 10,099 |
| 13 Belgium-Luxembourg | 471 | 349 | 270 | 202 | 241 | 269 | 326 | 387 |
| 14 France | 995 | 857 | 661 | 364 | 390 | 353 | 354 | 326 |
| 15 Germany | 489 | 376 | 368 | 583 | 585 | 625 | 709 | 746 |
| 16 Netherlands | 590 | 861 | 542 | 884 | 1,008 | 880 | 1,014 | 897 |
| 17 Switzerland | 569 | 610 | 646 | 493 | 777 | 706 | 797 | 1,232 |
| 18 United Kingdom | 3,297 | 4,305 | 5,140 | 5,358 | 6,228 | 5,885 | 6,722 | 6,300 |
| 19 Canada | 863 | 839 | 399 | 360 | 394 | 403 | 391 | 639 |
| 20 Latin America and Caribbean | 5,086 | 3,184 | 1,944 | 889 | 1,177 | 1,188 | 801 | 1,121 |
| 21 Bahamas | 1,926 | 1,123 | 614 | 293 | 264 | 225 | 213 | 191 |
| 22 Bermuda | 13 | 4 | 4 | 0 | 0 | 0 | 0 | 0 |
| 23 Brazil | 35 | 29 | 32 | 25 | 0 | 0 | 0 | 0 |
| 24 British West Indies | 2,103 | 1,843 | 1,146 | 503 | 849 | 919 | 581 | 525 |
| 25 Mexico | 367 | 15 | 22 | 13 | 15 | 26 | 2 | 1 |
| 26 Venezuela | 137 | 3 | 0 | 0 | 2 | 0 | 0 | 0 |
| 27 Asia | 1,777 | 1,815 | 1,805 | 2,452 | 2,573 | 2,662 | 2,785 | 2,816 |
| 28 Japan | 1,209 | 1,198 | 1,398 | 2,042 | 2,112 | 2,066 | 2,196 | 2,135 |
| 29 Middle East oil-exporting countries ² | 155 | 82 | 8 | 8 | 11 | 11 | 4 | 3 |
| 30 Africa | 14 | 12 | 1 | 4 | 5 | 2 | 3 | 1 |
| 31 Oil-exporting countries ³ | 0 | 0 | 1 | 1 | 3 | 1 | 1 | 0 |
| 32 All other ⁴ | 41 | 50 | 67 | 100 | 75 | 74 | 3 | 50 |
| Commercial liabilities | | | | | | | | |
| 33 Europe | 4,001 | 4,074 | 4,446 | 5,616 | 5,738 | 5,844 | 6,845 | 7,731 |
| 34 Belgium-Luxembourg | 48 | 62 | 101 | 134 | 156 | 150 | 208 | 171 |
| 35 France | 438 | 453 | 352 | 451 | 441 | 436 | 470 | 480 |
| 36 Germany | 622 | 607 | 715 | 916 | 818 | 799 | 1,204 | 1,690 |
| 37 Netherlands | 245 | 364 | 424 | 428 | 463 | 514 | 653 | 568 |
| 38 Switzerland | 257 | 379 | 385 | 559 | 527 | 482 | 486 | 594 |
| 39 United Kingdom | 1,095 | 976 | 1,341 | 1,657 | 1,798 | 1,848 | 2,186 | 2,115 |
| 40 Canada | 1,975 | 1,449 | 1,405 | 1,301 | 1,392 | 1,167 | 1,109 | 1,200 |
| 41 Latin America and Caribbean | 1,871 | 1,088 | 924 | 865 | 976 | 1,032 | 999 | 1,026 |
| 42 Bahamas | 7 | 12 | 32 | 19 | 15 | 58 | 20 | 45 |
| 43 Bermuda | 114 | 77 | 156 | 168 | 325 | 272 | 222 | 184 |
| 44 Brazil | 124 | 58 | 61 | 46 | 59 | 54 | 58 | 91 |
| 45 British West Indies | 32 | 44 | 49 | 19 | 14 | 28 | 30 | 31 |
| 46 Mexico | 586 | 430 | 217 | 189 | 164 | 233 | 178 | 179 |
| 47 Venezuela | 636 | 212 | 216 | 162 | 122 | 140 | 204 | 176 |
| 48 Asia | 5,285 | 6,046 | 5,080 | 6,573 | 5,888 | 6,285 | 6,653 | 6,905 |
| 49 Japan | 1,256 | 1,799 | 2,042 | 2,580 | 2,510 | 2,661 | 2,769 | 3,095 |
| 50 Middle East oil-exporting countries ^{2,5} | 2,372 | 2,829 | 1,679 | 1,964 | 1,062 | 1,320 | 1,312 | 1,386 |
| 51 Africa | 588 | 587 | 619 | 574 | 575 | 626 | 465 | 564 |
| 52 Oil-exporting countries ³ | 233 | 238 | 197 | 135 | 139 | 115 | 106 | 201 |
| 53 All other ⁴ | 1,128 | 982 | 980 | 1,078 | 1,211 | 1,391 | 1,414 | 1,327 |

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 States¹

Millions of dollars, end of period

| Type, and area or country | 1984 | 1985 | 1986 | 1987 | | | | | 1988 | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|------|------|------|-------|------|--|--|--|--|--|--|
| | | | | Dec. | Mar. | June | Sept. | Dec. | Dec. | Mar. | June | Sept. | Dec. | | | | | | |
| 1 Total | 29,901 | 28,876 | 36,265 | 31,086 | 31,154 | 37,599 | 37,345 | 32,778 | | | | | | | | | | | |
| 2 Payable in dollars | 27,304 | 26,574 | 33,867 | 28,514 | 28,997 | 35,421 | 34,660 | 30,623 | | | | | | | | | | | |
| 3 Payable in foreign currencies | 2,597 | 2,302 | 2,399 | 2,572 | 2,157 | 2,178 | 2,686 | 2,154 | | | | | | | | | | | |
| <i>By type</i> | | | | | | | | | | | | | | | | | | | |
| 4 Financial claims | 19,254 | 18,891 | 26,273 | 20,440 | 20,368 | 26,194 | 26,336 | 21,016 | | | | | | | | | | | |
| 5 Deposits | 14,621 | 15,526 | 19,916 | 14,923 | 13,056 | 19,858 | 19,574 | 14,209 | | | | | | | | | | | |
| 6 Payable in dollars | 14,202 | 14,911 | 19,331 | 13,706 | 12,402 | 19,009 | 18,358 | 13,273 | | | | | | | | | | | |
| 7 Payable in foreign currencies | 420 | 615 | 585 | 1,217 | 653 | 849 | 1,216 | 936 | | | | | | | | | | | |
| 8 Other financial claims | 4,633 | 3,364 | 6,357 | 5,517 | 7,312 | 6,336 | 6,762 | 6,807 | | | | | | | | | | | |
| 9 Payable in dollars | 3,190 | 2,330 | 5,005 | 4,703 | 6,192 | 5,440 | 5,863 | 6,111 | | | | | | | | | | | |
| 10 Payable in foreign currencies | 1,442 | 1,035 | 1,352 | 814 | 1,120 | 895 | 899 | 696 | | | | | | | | | | | |
| 11 Commercial claims | 10,646 | 9,986 | 9,992 | 10,647 | 10,786 | 11,405 | 11,010 | 11,762 | | | | | | | | | | | |
| 12 Trade receivables | 9,177 | 8,696 | 8,783 | 9,581 | 9,673 | 10,370 | 10,025 | 10,687 | | | | | | | | | | | |
| 13 Advance payments and other claims | 1,470 | 1,290 | 1,209 | 1,065 | 1,113 | 1,036 | 985 | 1,075 | | | | | | | | | | | |
| 14 Payable in dollars | 9,912 | 9,333 | 9,530 | 10,105 | 10,403 | 10,971 | 10,439 | 11,239 | | | | | | | | | | | |
| 15 Payable in foreign currencies | 735 | 652 | 462 | 541 | 383 | 434 | 571 | 523 | | | | | | | | | | | |
| <i>By area or country</i> | | | | | | | | | | | | | | | | | | | |
| <i>Financial claims</i> | | | | | | | | | | | | | | | | | | | |
| 16 Europe | 5,762 | 6,929 | 10,744 | 9,581 | 10,116 | 11,754 | 10,934 | 10,320 | | | | | | | | | | | |
| 17 Belgium-Luxembourg | 15 | 10 | 41 | 7 | 15 | 16 | 49 | 11 | | | | | | | | | | | |
| 18 France | 126 | 184 | 138 | 335 | 335 | 185 | 212 | 252 | | | | | | | | | | | |
| 19 Germany | 224 | 223 | 116 | 105 | 97 | 170 | 113 | 129 | | | | | | | | | | | |
| 20 Netherlands | 66 | 161 | 151 | 351 | 336 | 337 | 364 | 350 | | | | | | | | | | | |
| 21 Switzerland | 66 | 74 | 185 | 84 | 54 | 82 | 84 | 91 | | | | | | | | | | | |
| 22 United Kingdom | 4,864 | 6,007 | 9,855 | 8,472 | 9,062 | 10,642 | 9,543 | 9,118 | | | | | | | | | | | |
| 23 Canada | 3,988 | 3,260 | 4,808 | 2,851 | 2,696 | 2,960 | 3,545 | 2,571 | | | | | | | | | | | |
| 24 Latin America and Caribbean | 8,216 | 7,846 | 9,291 | 6,983 | 6,607 | 10,951 | 11,166 | 7,050 | | | | | | | | | | | |
| 25 Bahamas | 3,306 | 2,698 | 2,628 | 1,998 | 2,371 | 4,164 | 4,109 | 1,726 | | | | | | | | | | | |
| 26 Bermuda | 6 | 6 | 6 | 7 | 43 | 126 | 188 | 19 | | | | | | | | | | | |
| 27 Brazil | 100 | 78 | 86 | 63 | 86 | 46 | 44 | 47 | | | | | | | | | | | |
| 28 British West Indies | 4,043 | 4,571 | 6,078 | 4,399 | 3,574 | 6,111 | 6,359 | 4,764 | | | | | | | | | | | |
| 29 Mexico | 215 | 180 | 174 | 172 | 154 | 147 | 133 | 151 | | | | | | | | | | | |
| 30 Venezuela | 125 | 48 | 21 | 19 | 35 | 28 | 27 | 22 | | | | | | | | | | | |
| 31 Asia | 961 | 731 | 1,317 | 888 | 874 | 422 | 570 | 796 | | | | | | | | | | | |
| 32 Japan | 353 | 475 | 999 | 607 | 707 | 187 | 385 | 605 | | | | | | | | | | | |
| 33 Middle East oil-exporting countries ² | 13 | 4 | 7 | 10 | 7 | 6 | 6 | 6 | | | | | | | | | | | |
| 34 Africa | 210 | 103 | 85 | 65 | 53 | 60 | 96 | 106 | | | | | | | | | | | |
| 35 Oil-exporting countries ³ | 85 | 29 | 28 | 7 | 7 | 10 | 9 | 10 | | | | | | | | | | | |
| 36 All other ⁴ | 117 | 21 | 28 | 72 | 23 | 47 | 26 | 173 | | | | | | | | | | | |
| <i>Commercial claims</i> | | | | | | | | | | | | | | | | | | | |
| 37 Europe | 3,801 | 3,533 | 3,725 | 4,209 | 4,201 | 4,725 | 4,281 | 4,970 | | | | | | | | | | | |
| 38 Belgium-Luxembourg | 165 | 175 | 133 | 179 | 194 | 159 | 172 | 175 | | | | | | | | | | | |
| 39 France | 440 | 426 | 431 | 652 | 554 | 686 | 535 | 672 | | | | | | | | | | | |
| 40 Germany | 374 | 346 | 444 | 562 | 637 | 773 | 605 | 606 | | | | | | | | | | | |
| 41 Netherlands | 335 | 284 | 164 | 135 | 151 | 173 | 146 | 265 | | | | | | | | | | | |
| 42 Switzerland | 271 | 284 | 217 | 185 | 172 | 262 | 183 | 317 | | | | | | | | | | | |
| 43 United Kingdom | 1,063 | 898 | 999 | 1,097 | 1,084 | 1,121 | 1,197 | 1,227 | | | | | | | | | | | |
| 44 Canada | 1,021 | 1,023 | 934 | 931 | 1,155 | 927 | 933 | 932 | | | | | | | | | | | |
| 45 Latin America and Caribbean | 2,052 | 1,753 | 1,857 | 1,944 | 1,927 | 2,080 | 2,104 | 2,146 | | | | | | | | | | | |
| 46 Bahamas | 8 | 13 | 28 | 19 | 14 | 13 | 12 | 31 | | | | | | | | | | | |
| 47 Bermuda | 115 | 93 | 193 | 170 | 171 | 174 | 161 | 156 | | | | | | | | | | | |
| 48 Brazil | 214 | 206 | 234 | 226 | 209 | 232 | 233 | 295 | | | | | | | | | | | |
| 49 British West Indies | 7 | 6 | 39 | 26 | 24 | 25 | 22 | 20 | | | | | | | | | | | |
| 50 Mexico | 583 | 510 | 412 | 368 | 374 | 412 | 463 | 460 | | | | | | | | | | | |
| 51 Venezuela | 206 | 157 | 237 | 296 | 274 | 318 | 266 | 226 | | | | | | | | | | | |
| 52 Asia | 3,073 | 2,982 | 2,755 | 2,919 | 2,857 | 2,994 | 2,994 | 2,952 | | | | | | | | | | | |
| 53 Japan | 1,191 | 1,016 | 881 | 1,160 | 1,109 | 1,169 | 957 | 935 | | | | | | | | | | | |
| 54 Middle East oil-exporting countries ² | 668 | 638 | 563 | 450 | 408 | 446 | 411 | 441 | | | | | | | | | | | |
| 55 Africa | 470 | 437 | 500 | 401 | 419 | 425 | 425 | 434 | | | | | | | | | | | |
| 56 Oil-exporting countries ³ | 134 | 130 | 139 | 144 | 126 | 136 | 137 | 122 | | | | | | | | | | | |
| 57 All other ⁴ | 229 | 257 | 222 | 241 | 227 | 254 | 273 | 329 | | | | | | | | | | | |

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

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transactions, and area or country | 1987 | 1988 | 1989 | 1988 | | | | 1989 | | |
|---|---------|---------|-------------|--------|--------|--------|--------|--------|--------|-------------------|
| | | | Jan. - Mar. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ^p |
| U.S. corporate securities | | | | | | | | | | |
| STOCKS | | | | | | | | | | |
| 1 Foreign purchases | 249,122 | 181,048 | 46,114 | 11,971 | 13,232 | 11,973 | 11,224 | 11,923 | 18,378 | 15,813 |
| 2 Foreign sales | 232,849 | 183,039 | 45,725 | 12,565 | 14,852 | 11,861 | 12,467 | 11,789 | 18,494 | 15,442 |
| 3 Net purchases, or sales (-) | 16,272 | -1,991 | 389 | -594 | -1,620 | 112 | -1,243 | 134 | -116 | 371 |
| 4 Foreign countries | 16,321 | -1,816 | 590 | -567 | -1,507 | 89 | -1,198 | 167 | -86 | 508 |
| 5 Europe | 1,932 | -3,353 | -154 | -625 | -128 | -901 | -771 | -99 | -126 | 71 |
| 6 France | 905 | -281 | 266 | -38 | 89 | -49 | -64 | 38 | 159 | 70 |
| 7 Germany | -70 | 218 | 148 | -19 | 107 | -20 | -53 | 30 | 59 | 59 |
| 8 Netherlands | 892 | -535 | 69 | -56 | 17 | -30 | -1 | 128 | -64 | 4 |
| 9 Switzerland | -1,123 | -2,242 | -1,434 | -506 | -217 | -268 | -273 | -345 | -1,181 | 91 |
| 10 United Kingdom | 631 | -954 | 767 | 241 | -41 | -579 | -424 | 74 | 800 | -107 |
| 11 Canada | 1,048 | 1,087 | 89 | 44 | -116 | 576 | 274 | 320 | -361 | 130 |
| 12 Latin America and Caribbean | 1,318 | 1,249 | 1,806 | 310 | 374 | 98 | -21 | 599 | 571 | 636 |
| 13 Middle East ¹ | -1,360 | -2,473 | 385 | -191 | -846 | 151 | -132 | -100 | 265 | 220 |
| 14 Other Asia | 12,896 | 1,365 | -1,684 | -128 | -693 | 138 | -567 | -603 | -544 | -536 |
| 15 Japan | 11,365 | 1,922 | -1,508 | 23 | -626 | 133 | -407 | -563 | -487 | -458 |
| 16 Africa | 123 | 188 | 40 | 5 | 5 | 21 | -1 | 29 | 4 | 7 |
| 17 Other countries | 365 | 121 | 108 | 19 | -102 | 6 | 19 | 21 | 106 | -19 |
| 18 Nonmonetary international and regional organizations | -48 | -176 | -201 | -28 | -112 | 23 | -45 | -33 | -30 | -137 |
| BONDS ² | | | | | | | | | | |
| 19 Foreign purchases | 105,856 | 86,362 | 25,944 | 7,450 | 7,552 | 7,650 | 8,423 | 6,137 | 9,610 | 10,197 |
| 20 Foreign sales | 78,312 | 58,301 | 16,368 | 5,583 | 4,674 | 4,795 | 4,441 | 4,593 | 4,729 | 7,046 |
| 21 Net purchases, or sales (-) | 27,544 | 28,062 | 9,577 | 1,866 | 2,878 | 2,856 | 3,982 | 1,544 | 4,880 | 3,152 |
| 22 Foreign countries | 26,804 | 28,608 | 9,550 | 1,802 | 3,002 | 2,825 | 3,978 | 1,524 | 4,914 | 3,111 |
| 23 Europe | 21,989 | 17,338 | 5,272 | 1,107 | 2,341 | 1,240 | 2,560 | 663 | 2,062 | 2,547 |
| 24 France | 194 | 143 | 91 | 90 | 45 | 13 | -130 | 107 | 47 | -63 |
| 25 Germany | 33 | 1,344 | 202 | 160 | 34 | -122 | 75 | 15 | 38 | 148 |
| 26 Netherlands | 269 | 1,514 | 79 | 415 | 545 | 171 | 17 | 30 | -21 | 69 |
| 27 Switzerland | 1,587 | 513 | 265 | 97 | 175 | -13 | 273 | 130 | 131 | 4 |
| 28 United Kingdom | 19,770 | 13,088 | 4,442 | 289 | 1,339 | 1,141 | 2,468 | 313 | 1,751 | 2,378 |
| 29 Canada | 1,296 | 711 | 522 | -155 | 20 | 5 | 178 | 180 | 129 | 213 |
| 30 Latin America and Caribbean | 2,857 | 1,930 | 1,181 | 45 | 198 | 58 | 240 | 229 | 651 | 301 |
| 31 Middle East ¹ | -1,314 | -174 | 119 | -14 | -45 | 143 | 159 | -128 | 160 | 87 |
| 32 Other Asia | 2,021 | 8,900 | 2,395 | 916 | 485 | 1,353 | 840 | 552 | 1,893 | -50 |
| 33 Japan | 1,622 | 7,686 | 1,674 | 575 | 381 | 1,210 | 746 | 392 | 1,567 | -285 |
| 34 Africa | 16 | -8 | 10 | 1 | 4 | -1 | 0 | 3 | 2 | 5 |
| 35 Other countries | -61 | -89 | 50 | -98 | -1 | 26 | 2 | 24 | 18 | 8 |
| 36 Nonmonetary international and regional organizations | 740 | -547 | 27 | 64 | -124 | 31 | 3 | 20 | -34 | 41 |
| Foreign securities | | | | | | | | | | |
| 37 Stocks, net purchases, or sales (-) | 1,081 | -1,850 | -1,662 | -79 | -126 | -222 | -1,102 | -891 | -629 | -142 |
| 38 Foreign purchases | 95,458 | 74,792 | 24,403 | 5,054 | 6,070 | 7,625 | 7,472 | 6,856 | 8,070 | 9,477 |
| 39 Foreign sales | 94,377 | 76,642 | 26,065 | 5,133 | 6,196 | 7,846 | 8,573 | 7,748 | 8,698 | 9,619 |
| 40 Bonds, net purchases, or sales (-) | -7,946 | -10,170 | -1,374 | -510 | -3,407 | 433 | -1,720 | -247 | -486 | -641 |
| 41 Foreign purchases | 199,089 | 216,461 | 56,939 | 25,271 | 20,525 | 20,873 | 20,510 | 14,835 | 18,709 | 23,395 |
| 42 Foreign sales | 207,035 | 226,631 | 58,313 | 25,781 | 23,932 | 20,440 | 22,230 | 15,083 | 19,195 | 24,036 |
| 43 Net purchases, or sales (-), of stocks and bonds | -6,865 | -12,020 | -3,037 | -589 | -3,533 | 211 | -2,822 | -1,139 | -1,114 | -783 |
| 44 Foreign countries | -6,757 | -12,496 | -3,283 | -570 | -3,582 | 175 | -2,916 | -1,115 | -1,192 | -976 |
| 45 Europe | -12,101 | -10,319 | -2,265 | -450 | -2,881 | -476 | -1,543 | -80 | -797 | 1,388 |
| 46 Canada | -4,072 | -3,799 | -1,492 | -730 | -273 | 392 | -658 | -378 | -530 | -584 |
| 47 Latin America and Caribbean | 828 | 1,386 | 306 | 271 | -120 | 23 | -32 | 68 | 77 | 161 |
| 48 Asia | 9,299 | 856 | -19 | 189 | 112 | 166 | -189 | -872 | -34 | 886 |
| 49 Africa | 89 | -54 | -18 | 28 | -189 | 18 | -33 | 6 | -9 | -16 |
| 50 Other countries | -800 | -567 | 204 | 121 | -230 | 52 | -461 | 139 | 100 | -36 |
| 51 Nonmonetary international and regional organizations | -108 | 476 | 247 | -19 | 49 | 36 | 94 | -23 | 78 | 192 |

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

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

Millions of dollars

| Country or area | 1987 | 1988 | 1989 | | 1988 | | | | 1989 | | |
|---|--------|--------|---------------|--------|--------|--------|--------|-------------------|--------|-------------------|--|
| | | | Jan.- Mar. | Sept. | Oct. | Nov. | Dec. | Jan. ⁷ | Feb. | Mar. ⁸ | |
| Transactions, net purchases or sales (-) during period ¹ | | | | | | | | | | | |
| 1 Estimated total ² | 25,587 | 48,770 | 20,412 | -1,934 | 2,193 | 8,582 | 337 | 2,826 | 8,922 | 8,664 | |
| 2 Foreign countries ² | 30,889 | 48,084 | 20,405 | -2,256 | -244 | 8,247 | 2,348 | 2,038 | 10,046 | 8,320 | |
| 3 Europe ² | 23,716 | 14,260 | 8,294 | -1,233 | -175 | 1,719 | 304 | 2,191 | 3,905 | 2,198 | |
| 4 Belgium-Luxembourg | 653 | 923 | 129 | -333 | -3 | 133 | -90 | 10 | 137 | -18 | |
| 5 Germany ² | 13,330 | -5,348 | 711 | -720 | 277 | -1,015 | -406 | 931 | -39 | -181 | |
| 6 Netherlands | -913 | -356 | 646 | -58 | 41 | 135 | -114 | 268 | 135 | 243 | |
| 7 Sweden | 210 | -323 | -326 | -121 | -162 | 355 | 118 | -115 | 297 | -508 | |
| 8 Switzerland ² | 1,917 | -1,074 | 2,484 | -1,355 | 87 | -411 | -18 | 271 | 437 | 1,776 | |
| 9 United Kingdom | 3,975 | 9,667 | 2,631 | 2,023 | -1,019 | 1,945 | -231 | -320 | 1,601 | 1,350 | |
| 10 Other Western Europe | 4,563 | 10,781 | 2,019 | -663 | 615 | 577 | 1,059 | 1,145 | 1,337 | -463 | |
| 11 Eastern Europe | -19 | -10 | 0 | -7 | -10 | -2 | -15 | 0 | 0 | 0 | |
| 12 Canada | 4,526 | 3,761 | -44 | -167 | 633 | -368 | 788 | 43 | 12 | -98 | |
| 13 Latin America and Caribbean | -2,192 | 703 | 554 | 272 | -574 | 582 | -104 | -95 | 529 | 120 | |
| 14 Venezuela | 150 | -109 | -89 | -17 | 1 | 0 | 0 | -37 | 1 | -53 | |
| 15 Other Latin America and Caribbean | -1,142 | 1,120 | 237 | 288 | -331 | 506 | 140 | -154 | 252 | 139 | |
| 16 Netherlands Antilles | -1,200 | -308 | 406 | 1 | -244 | 77 | -244 | 96 | 276 | 34 | |
| 17 Asia | 4,488 | 27,585 | 12,205 | -1,351 | -107 | 6,870 | 1,011 | 577 | 5,964 | 5,663 | |
| 18 Japan | 868 | 21,752 | 4,467 | -2,841 | 220 | 4,224 | -157 | 115 | 2,505 | 1,847 | |
| 19 Africa | -56 | -13 | 12 | 31 | 0 | -8 | -7 | -1 | 15 | -2 | |
| 20 All other | 407 | 1,786 | -617 | 193 | -21 | -548 | 358 | -676 | -379 | 439 | |
| 21 Nonmonetary international and regional organizations | -5,300 | 689 | 6 | 322 | 2,438 | 335 | -2,011 | 788 | -1,125 | 343 | |
| 22 International | -4,387 | 1,142 | 128 | 294 | 2,365 | 489 | -2,019 | 777 | -1,072 | 424 | |
| 23 Latin America regional | 3 | -31 | -18 | 0 | 0 | 10 | 10 | 0 | -10 | -8 | |
| Memo | | | | | | | | | | | |
| 24 Foreign countries ² | 30,889 | 48,084 | 20,405 | -2,256 | -244 | 8,247 | 2,348 | 2,038 | 10,046 | 8,320 | |
| 25 Official institutions | 31,064 | 26,593 | 12,818 | -1,481 | 577 | 2,196 | 2,212 | 2,014 | 4,299 | 6,505 | |
| 26 Other foreign ² | -181 | 21,489 | 7,587 | -776 | -821 | 6,050 | 136 | 24 | 5,748 | 1,815 | |
| Oil-exporting countries | | | | | | | | | | | |
| 27 Middle East ³ | -3,142 | 1,943 | 6,280 | -182 | -1,023 | 2,121 | 1,080 | 121 | 3,568 | 2,591 | |
| 28 Africa ⁴ | 16 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

1. Estimated official and private transactions in marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

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

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

| Country | Rate on May 31, 1989 | | Country | Rate on May 31, 1989 | | Country | Rate on May 31, 1989 | |
|---------------|----------------------|-----------------|---------------------------|----------------------|-----------------|-----------------------------------|----------------------|-----------------|
| | Percent | Month effective | | Percent | Month effective | | Percent | Month effective |
| Austria | 5.0 | Apr. 1989 | France ¹ | 8.25 | Jan. 1989 | Norway | 8.0 | June 1983 |
| Belgium | 8.75 | Apr. 1989 | Germany, Fed. Rep. of ... | 4.5 | Apr. 1989 | Switzerland | 4.5 | Apr. 1989 |
| Brazil | 49.0 | Mar. 1981 | Italy | 13.5 | Mar. 1989 | United Kingdom ² | 8.0 | Oct. 1985 |
| Canada | 12.40 | May 1989 | Japan | 3.25 | May 1989 | Venezuela | | |
| Denmark | 7.5 | Apr. 1983 | Netherlands | 5.5 | Apr. 1989 | | | |

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

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

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

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

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

| Country, or type | 1986 | 1987 | 1988 | 1988 | | 1989 | | | | |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May |
| 1 Eurodollars | 6.70 | 7.07 | 7.86 | 8.91 | 9.30 | 9.28 | 9.61 | 10.18 | 10.01 | 9.66 |
| 2 United Kingdom | 10.87 | 9.65 | 10.28 | 12.23 | 13.07 | 13.06 | 12.97 | 13.00 | 13.09 | 13.08 |
| 3 Canada | 9.18 | 8.38 | 9.63 | 10.86 | 11.15 | 11.34 | 11.69 | 12.22 | 12.58 | 12.44 |
| 4 Germany | 4.58 | 3.97 | 4.28 | 4.91 | 5.32 | 5.63 | 6.36 | 6.57 | 6.42 | 6.96 |
| 5 Switzerland | 4.19 | 3.67 | 2.94 | 4.10 | 4.77 | 5.31 | 5.69 | 5.75 | 6.05 | 7.26 |
| 6 Netherlands | 5.56 | 5.24 | 4.72 | 5.30 | 5.60 | 5.99 | 6.75 | 6.88 | 6.70 | 7.30 |
| 7 France | 7.68 | 8.14 | 7.80 | 8.03 | 8.36 | 8.55 | 9.11 | 9.07 | 8.61 | 8.81 |
| 8 Italy | 12.60 | 11.15 | 11.04 | 11.48 | 11.96 | 11.84 | 12.26 | 12.88 | 12.21 | 12.27 |
| 9 Belgium | 8.04 | 7.01 | 6.69 | 7.18 | 7.38 | 7.59 | 8.04 | 8.28 | 8.17 | 8.45 |
| 10 Japan | 4.96 | 3.87 | 3.96 | 4.22 | 4.16 | 4.24 | 4.21 | 4.21 | 4.20 | 4.25 |

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

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

| Country/currency | 1986 | 1987 | 1988 | 1988 | 1989 | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | Dec. | Jan. | Feb. | Mar. | Apr. | May |
| 1 Australia/dollar ² | 67.093 | 70.136 | 78.408 | 85.73 | 87.05 | 85.64 | 81.69 | 80.35 | 77.36 |
| 2 Austria/schilling | 15.260 | 12.649 | 12.357 | 12.359 | 12.904 | 13.022 | 13.148 | 13.161 | 13.691 |
| 3 Belgium/franc | 44.662 | 37.357 | 36.783 | 36.815 | 38.441 | 38.792 | 39.136 | 39.148 | 40.723 |
| 4 Canada/dollar | 1.3896 | 1.3259 | 1.2306 | 1.1962 | 1.1913 | 1.1891 | 1.1954 | 1.1888 | 1.1925 |
| 5 China, P.R./yuan | 3.4615 | 3.7314 | 3.7314 | 3.7314 | 3.7314 | 3.7314 | 3.7314 | 3.7314 | 3.7314 |
| 6 Denmark/krone | 8.0954 | 6.8477 | 6.7411 | 6.7891 | 7.1143 | 7.2094 | 7.2912 | 7.2803 | 7.5820 |
| 7 Finland/markka | 5.0721 | 4.4036 | 4.1933 | 4.1408 | 4.2553 | 4.3006 | 4.2994 | 4.1961 | 4.3409 |
| 8 France/franc | 6.9256 | 6.0121 | 5.9594 | 5.9994 | 6.2538 | 6.3004 | 6.3321 | 6.3223 | 6.5815 |
| 9 Germany/deutsche mark | 2.1704 | 1.7981 | 1.7569 | 1.7563 | 1.8356 | 1.8505 | 1.8686 | 1.8697 | 1.9461 |
| 10 Greece/drachma | 139.93 | 135.47 | 142.00 | 146.10 | 152.25 | 154.72 | 157.34 | 159.23 | 165.41 |
| 11 Hong Kong/dollar | 7.8037 | 7.7985 | 7.8071 | 7.8062 | 7.8047 | 7.8009 | 7.7969 | 7.7828 | 7.7799 |
| 12 India/rupee | 12.597 | 12.943 | 13.899 | 15.019 | 15.092 | 15.240 | 15.467 | 15.718 | 16.102 |
| 13 Ireland/punt ² | 134.14 | 148.79 | 152.49 | 152.29 | 145.82 | 144.10 | 142.84 | 142.67 | 137.39 |
| 14 Italy/lira | 1491.16 | 1297.03 | 1302.39 | 1295.61 | 1345.12 | 1355.28 | 1372.50 | 1371.80 | 1415.83 |
| 15 Japan/yen | 168.35 | 144.60 | 128.17 | 123.61 | 127.36 | 127.74 | 130.55 | 132.04 | 137.86 |
| 16 Malaysia/ringgit | 2.5830 | 2.5185 | 2.6189 | 2.6935 | 2.7221 | 2.7307 | 2.7535 | 2.7211 | 2.6967 |
| 17 Netherlands/guilder | 2.4484 | 2.0263 | 1.9778 | 1.9824 | 2.0723 | 2.0895 | 2.1085 | 2.1098 | 2.1938 |
| 18 New Zealand/dollar ² | 52.456 | 59.327 | 65.558 | 63.621 | 62.412 | 61.629 | 61.547 | 61.167 | 60.718 |
| 19 Norway/krone | 7.3984 | 6.7408 | 6.5242 | 6.5234 | 6.6808 | 6.7254 | 6.8059 | 6.7964 | 7.0337 |
| 20 Portugal/escudo | 149.80 | 141.20 | 144.26 | 145.56 | 150.74 | 152.10 | 154.05 | 154.54 | 160.71 |
| 21 Singapore/dollar | 2.1782 | 2.1059 | 2.0132 | 1.9442 | 1.9404 | 1.9285 | 1.9407 | 1.9497 | 1.9575 |
| 22 South Africa/rand | 2.2918 | 2.0385 | 2.1900 | 2.3487 | 2.3847 | 2.4570 | 2.5393 | 2.5480 | 2.6710 |
| 23 South Korea/won | 884.61 | 825.93 | 734.51 | 687.89 | 685.28 | 680.28 | 675.68 | 672.10 | 669.25 |
| 24 Spain/peseta | 140.04 | 123.54 | 116.52 | 113.73 | 114.78 | 115.67 | 116.40 | 116.146 | 121.39 |
| 25 Sri Lanka/rupee | 27.933 | 29.471 | 31.847 | 33.016 | 33.132 | 33.115 | 33.416 | 34.021 | 34.145 |
| 26 Sweden/krona | 7.1272 | 6.3468 | 6.1369 | 6.0888 | 6.2725 | 6.3238 | 6.3933 | 6.3689 | 6.5756 |
| 27 Switzerland/franc | 1.7979 | 1.4918 | 1.4642 | 1.4799 | 1.5619 | 1.5740 | 1.6110 | 1.6469 | 1.7290 |
| 28 Taiwan/dollar | 37.837 | 31.756 | 28.636 | 28.199 | 27.821 | 27.716 | 27.591 | 26.998 | 25.788 |
| 29 Thailand/baht | 26.314 | 25.774 | 25.312 | 25.146 | 25.322 | 25.386 | 25.542 | 25.524 | 25.757 |
| 30 United Kingdom/pound ² | 146.77 | 163.98 | 178.13 | 182.58 | 177.37 | 175.34 | 171.34 | 170.08 | 163.07 |
| MEMO | | | | | | | | | |
| 31 United States/dollar ³ | 112.22 | 96.94 | 92.72 | 91.88 | 95.12 | 95.77 | 96.99 | 97.24 | 100.81 |

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of 10 industrial countries. The weight for each of the 10 countries is the 1972-76 average world trade of that country divided by the average world trade of all 10 countries combined. Series revised as of August 1978 (see FEDERAL RESERVE BULLETIN, vol. 64, August 1978, p. 700).

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

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

General Information

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

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

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

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

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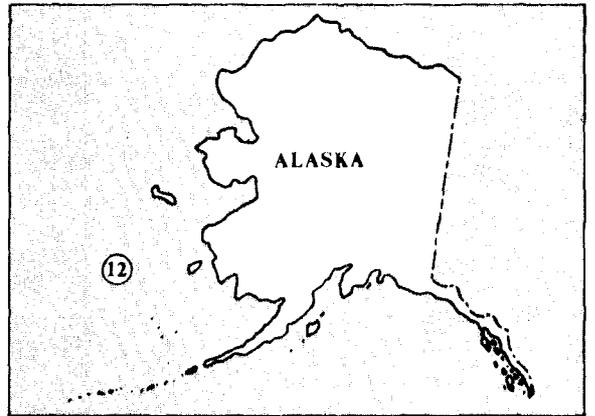
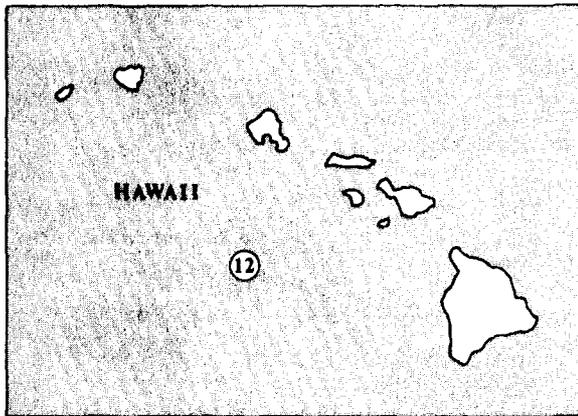
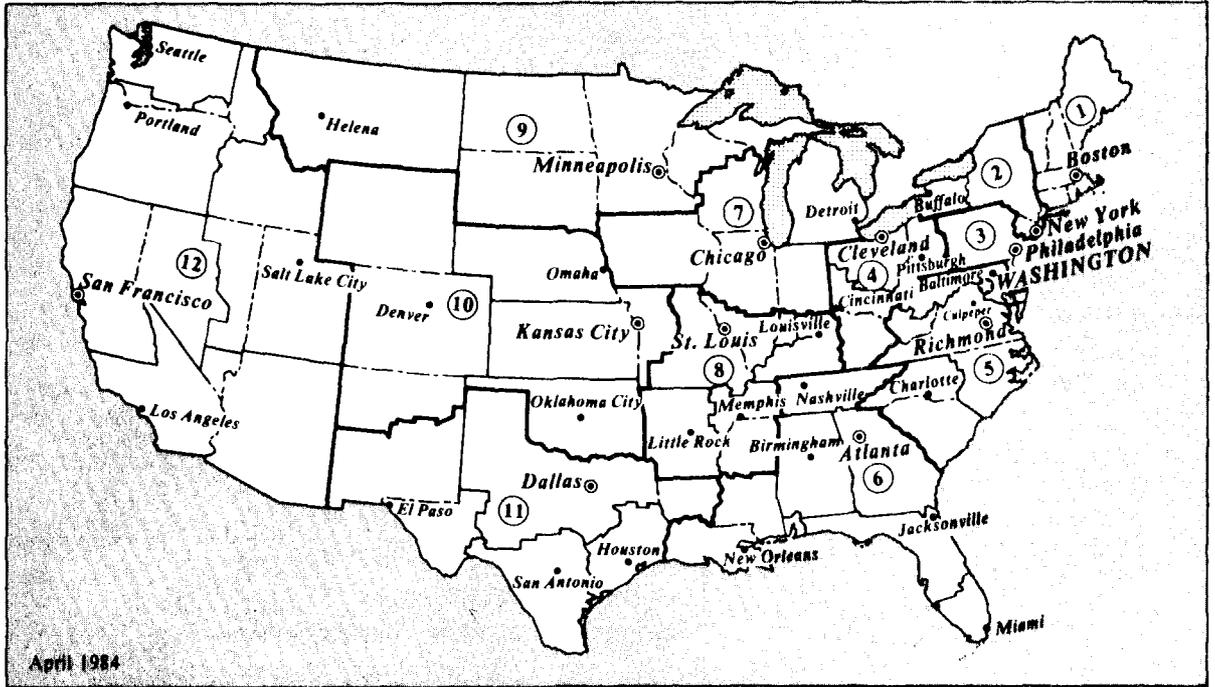
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1. Senior Vice President.
2. Executive Vice President.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



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— Boundaries of Federal Reserve Districts

— Boundaries of Federal Reserve Branch Territories

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