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price level stability, movements in their velocities, and developments in the economy and financial markets.

With regard to the implementation of policy for the period immediately ahead, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions but that included a bias toward possible easing during the intermeeting period. Accordingly, the directive indicated that in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might be acceptable or slightly lesser reserve restraint would be acceptable during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 1½ percent respectively over the three-month period from December through March.

An Analysis of Potential Treasury Auction Techniques

Vincent Reinhart, of the Board's Division of Monetary Affairs, prepared this article.

Last summer's revelation of abuses of the rules governing the primary market for government securities spurred a comprehensive review of all aspects of market activity. Some of that work appeared in the *Joint Report on the Government Securities Market*, which the U.S. Department of the Treasury, the U.S. Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System transmitted to the Congress in January 1992. While the *Joint Report* addressed many issues, its advocacy of experimentation with alternative auction designs for selling Treasury securities in particular attracted considerable attention. This attention likely owed to the sizable stakes. With the outstanding federal debt totaling $2.8 trillion and mounting with each year's fiscal deficit, the gain to the Treasury from even a modest improvement in selling technique could be substantial. In fiscal year 1991, for example, gross issuance by the federal government exceeded $1.7 trillion. Given that scale of borrowing, a reduction of one basis point in the average annual issuing rate at Treasury auctions would trim more than $200 million from the federal deficit each year. At the same time, the Treasury must maintain the integrity of the auction process by ensuring that no illicit activity is hidden by the sheer volume of transactions. A concern by investors that the market was not open and fair would be translated into lessened demands for Treasury debt and higher costs of borrowing.

By reviewing the academic literature on auctions, this article puts current Treasury practice and a popular proposal for reform in critical perspective. It also examines the alternative scheme embraced in the *Joint Report* that uses technology to give better protection against certain kinds of manipulative behavior and that has a potential for lowering borrowing costs.

BACKGROUND ON BIDDING

There is a large academic literature on auctions, with important early contributions by William Vickrey and Milton Friedman and significant later work by Paul Milgrom, among others (see the references at the end of the article). This research has classified the types of auctions, rigorously modeled the bidding strategies, and ranked auctions by various criteria regarding efficiency. Unfortunately, this literature has a language all its own that differs from the terms that the financial press uses. To avoid confusion, this article will use explicit, if somewhat unwieldy, names for each auction.

William Vickrey established the basic taxonomy of auctions by classifying them based on the order in which prices are quoted and the way in which bids are entered.[1] First, securities can be awarded at prices that are progressively lowered until the entire issue is sold; alternatively, the auctioneer can arrange the bids in ascending order by their price and decide on a single price that places the total issue. By the second measure, the auction can be a private affair with sealed bids opened by the auctioneer, or it can be conducted in real time, with participants in a single room or connected by phone bidding in public. This two-by-two classification yields four auction types: the first-price sealed-bid auction, the second-price sealed-bid auction, the descending-price open-outcry auction, and the ascending-price open-outcry auction.

Complicating matters, researchers after Vickrey further classified models by an assumption about the information that bidders have regarding the value of the auctioned object. One such model is the private-values case, in which bidders' valuations are subjective decisions, independent of each

1. William Vickrey, "Counterspeculation, Auctions, and Competitive Sealed Tenders," *Journal of Finance*, vol. 16 (March 1961), pp. 8–37.

other. Another is the common-values case, in which each participant attempts to measure the value of the item by the same objective yardstick. The auction of a unique work of art not for resale is the prototypical private-values model, whereas a Treasury auction—with each bidder guessing at the security's value at the end of the day—is an example of a common-values model. This article concentrates on the common-values case, which is applicable to the sale of Treasury securities, and also assumes that agents care only about maximizing profit.

In general terms, the expected profit from winning an auction for bidder 1, π_1, depends on the expected value of the security in secondary market trading, v_1, less the awarded price, b_1, times the probability of winning the auction, $Pr\{\cdot\}$. In more formal terms and using i as an index to represent the bidders in the auction,

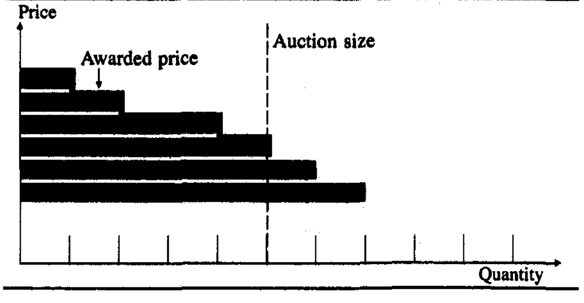
$$\pi_1 = (v_1 - b_1) \cdot Pr\{b_1 > b_i, \text{ for all other } i\}.$$

The format of the auction determines how the bid price affects the probability of winning and the profit from acquiring the security, as well as what information is revealed about the security's value through the auction process.

First-Price Sealed-Bid Auction

The current practice of auctioning government securities falls into the first-price sealed-bid category, which in the financial community is termed an English auction (except by the English, who call it an American auction). Bidding takes place in private and, as diagram 1 shows, awards are made at the highest priced bids covering the total auction size. It is termed a first-price auction because in the

1. First-price sealed-bid auction



sale of one unit of good or security the award is made at the highest bid. In the figure, the horizontal bars measure the cumulative amount of bids at the given price or higher.[2] Thus, participants pay differing prices reflecting the strength of their bids.

In terms of the expected return from winning the auction, a high bid lowers the profit from victory and raises the probability of winning. The strategic bidder trades between the two: He or she lowers the bid relative to valuation in order to profit more from winning and accepts the risk of lowering the probability of winning. The optimal strategy is to shade a bid toward the perceived market consensus; the more certain that consensus is (in terms of lower variability), the more the strategic investor will shade his or her bid.[3]

Another factor comes into play in the common-values case: Since all participants guess about the price—where the security will trade after the auction—a high bid signals a heightened probability of subsequent loss of profit for that bidder. In that sense, winning is losing, as entering the highest bid signals that one's valuation exceeds that of all other interested parties. This is the "winner's curse" and gives aggressive bidders an additional reason to rein in their enthusiasm. Avoiding the winner's curse may lead to the pooling of bids, as a group of investors is more likely to have a clearer view of the market consensus and is less likely to be in the far end of the bid-price distribution. The pooling of bids is a service provided by dealers, who collect customer business and place large-scale orders.

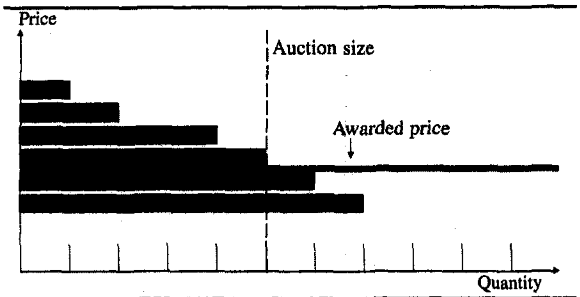
Second-Price Sealed-Bid Auction

The Treasury could collect sealed bids, arrange them by price, and award all the securities at a single price that just places the entire issue (diagram 2). This auction is termed second-price because, when a single unit is on the block, the price charged would be that of the highest bid below the price that places the issue, or the second-best price. The second-price auction, called a Dutch auction in

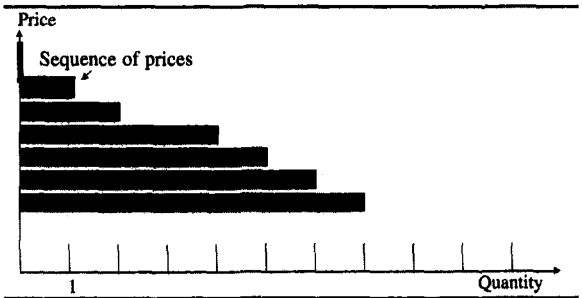
2. Treasury auctions are actually conducted in terms of yields; for convenience, I discuss them in terms of price.

3. James L. Smith, "Non-Aggressive Bidding Behavior and the 'Winner's Curse,'" *Economic Inquiry*, vol. 19 (July 1981), pp. 380–88.

2. Second-price sealed-bid auction



3. Descending-price open-outcry auction



the financial press, has been proposed as a simple alternative to current Treasury practice that would prevent the type of abuses witnessed last year while lowering average borrowing costs.[4]

A second-price auction, in which the winner pays, not his or her bid, but only the second-best bid, severs the gain in winning from the probability of winning. An aggressive bidder can receive a sure award but pay a price closer to the market consensus. As a result, less of the shading that marks the response to the winner's curse should occur. Accordingly, customers may be more willing to place their business directly by bidding at the auction than to go through a dealer.

Descending-Price Open-Outcry Auction

This procedure is used to auction flowers in the Netherlands, hence it is referred to by academics as a Dutch auction. Bidders congregate in one room, or plug into its electronic equivalent, and wait as the auctioneer calls out a sequence of decreasing prices. In an auction of one unit of a good or security (diagram 3), the auction stops when one bidder is willing to pay the price called out. For multiple units, the eager bidder is awarded the security, and the auction continues, with the auctioneer selling the remaining securities at progressively lower prices. The strategic decision is identical to that of the first-price sealed-bid auction: The optimal bidder does not want to be too aggressive and stop the auction well above the likely market consensus, but will shade his or her bid to avoid the winner's curse. In other words, what market participants refer to as an English auction is strategically identical to what academics refer to as a Dutch auction. As a result, investors have the same incentive to pool bids and place customer orders at dealers.

4. Milton Friedman, "How to Sell Government Securities," *Wall Street Journal*, August 28, 1991. Merton Miller also has embraced this reform, as quoted in Diana B. Henrique, "Treasury's Troubled Auctions," *New York Times*, September 15, 1991.

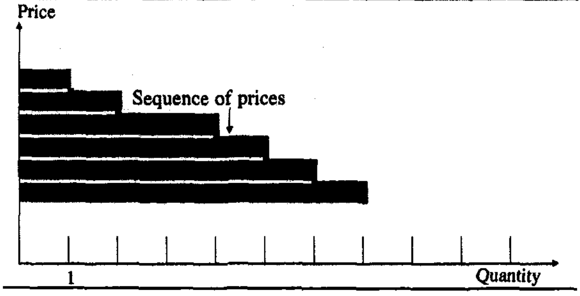
Ascending-Price Open-Outcry Auction

The auctioneer can just as well cry out an ascending sequence of prices to the gathered bidders, stopping the auction when enough are willing to take down the total issue. Such a price sequence is plotted in diagram 4 for the auction of a single good or security. In keeping with the mirror imaging, academics term this an English auction.[5]

The auction of multiple units of a security begins as a price is called out and all interested parties submit their quantities demanded. The volume of bids at that price is announced and, in successive rounds, the price is raised until the volume demanded is smaller than the issue. When that point

5. Indeed, in the private-values model (which we do not analyze), another equivalence proposition holds: What market participants refer to as a Dutch auction is strategically identical to what academics refer to as an English auction—unless there is a time limit on the bidding, in which case it is called a Scotch auction.

4. Ascending-price open-outcry auction



is reached, the seller knows that the price just previously called out is the highest price consistent with placing the entire issue—that is, it clears the primary market. Everyone who bids at the top price and some fraction of the bidders at the previous price not in the top group receive awards at that lower price.[6] As the auctioneer calls out an increasing price list, bidders receive news that participants prize the security more highly than those low quotes. In effect, the auctioneer's initial announcements rule out low-price outcomes, revealing that the true market value is probably higher. This increasing sequence of prices lessens the winner's curse. Besides, if an investor is truly alone in valuing the security highly, the auction stops before the price is pushed too far up when the other bidders drop out.

In 1961, Vickrey established that the four major auction formats provide equal proceeds to the seller when individual valuations are independent. Obviously, the Treasury market violates this assumption, as the value that bidders place on the security reflects an imperfect estimate of the price in subsequent market trading—that is, bidders in a Treasury auction care about the common value of the security. In the common-values case, as later researchers showed, an ascending-price open-outcry delivers the greatest proceeds to the seller under many circumstances.[7] Essentially, in such an auction, bidders condition their behavior on the highest expected value of the security and shade their bids the least relative to the other formats.

THE POTENTIAL FOR PROFIT IN AUCTIONS

The current auction format elicits one form of strategic behavior: Because awards are priced at the bid, the participants have incentives to shade their bids to avoid the winner's curse. As a result, customers have an incentive to pool their bids with dealers so that a combination of bids can, by a law of large numbers, be appropriately cast. The auction format may encourage two other types of strategic behavior as well. First, a dealer may combine with a customer to corner a significant portion of one auction—70 percent under the current rules. This strategy is called single-dealer cornering. Second, a group of dealers can conspire to accomplish the same end; this strategy is called collusive combining. In a sealed-bid auction, to garner the lion's share of awards, the single strategist or the group need make only a slightly more aggressive bid than the other participants expect. Indeed, the second-price auction, a popular candidate to replace the current format, may make these strategies less expensive for the purchasers than they would be under current practice. The strategic purchaser could corner the issue by bidding substantially more than the market consensus but pay a price closer to the mass of the distribution that marks the other bids.

Clearly, single-dealer cornering and collusive combining are similar. However, the informational requirements and incentives for these two types of strategic behavior vary across auction type, and actions taken to combat one might make the other more likely. To analyze the collusive potential in auctions, one must first understand the incentive behind cornering an auction—or the way in which one variety of squeeze can work.

How a Corner Works

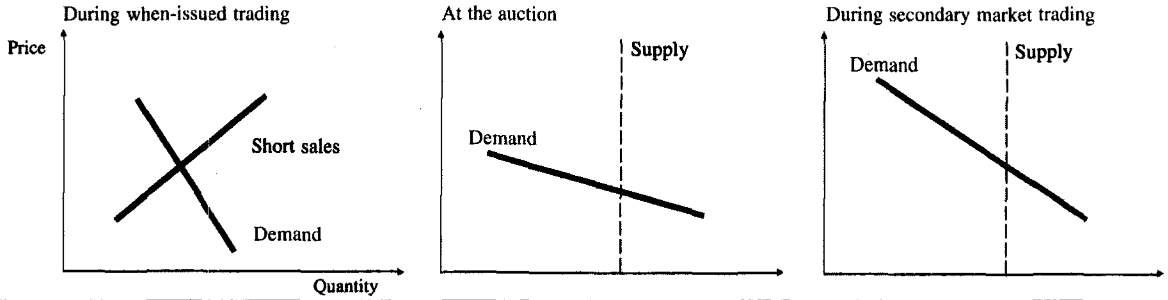
The potential for profit in a corner, or squeeze, lies in the interaction of the three main trading forums for Treasury securities: the when-issued market, the Treasury auction, and the secondary market. Those markets are represented by the three panels of diagram 5, arrayed by time—before, at, and after the auction. As the right panel shows, the price of a Treasury security must satisfy the ultimate holders of securities (pension funds, insurance companies, mutual funds, and the general investing public), seen as the intersection of their downwardly sloped demand schedule with the vertical Treasury supply schedule.

Current auction procedures, however, get securities to those holders indirectly, through the intermediation of dealers. As the middle panel shows, the demand derived from current and anticipated customer orders produces a flatter and more inward

6. Those partial awards might go to those who were electronically timed as placing the earliest bids or to all bidders on a pro rata basis.

7. This was shown formally by Paul Milgrom and Robert J. Weber, "A Theory of Auctions and Competitive Bidding," *Econometrica*, vol. 50 (September 1982), pp. 1089–122, theorem 11.

5. The three main markets for Treasury securities, according to time of trading



schedule at the auction as a result of the shading of bids in the attempt to avoid the winner's curse.

An investor can purchase the security before the auction, as long as he or she can find someone willing to sell it short. The when-issued market, shown in the left panel, matches those parties. Those seeking secure ownership rights trace a downwardly sloped demand schedule, while those willing to sell what they do not yet have make up the short-sale schedule. Selling a security before the auction involves a risk, as short sellers may not win awards at the auction to cover their open positions and so will have to borrow or buy the security after the auction settles to make delivery. Accordingly, the when-issued price should clear above the expected auction price.

The cornering of an auction is depicted in diagram 6. Short sales are made at a price just enough above the anticipated auction price to pay the sellers for exposing themselves to the likely risk at the auction. Those sellers, however, turn out to be wrong about the auction for, while the market consensus coalesces around bids consistent with the Demand schedule in the middle panel, one party comes in with bids that shift the actual schedule to Demand′. The cornerer exploits the sealed-bid nature of the auction: By bettering the market consensus, the schemer wins the bulk of the awards (measured by the horizontal distance between the two demand schedules).[8]

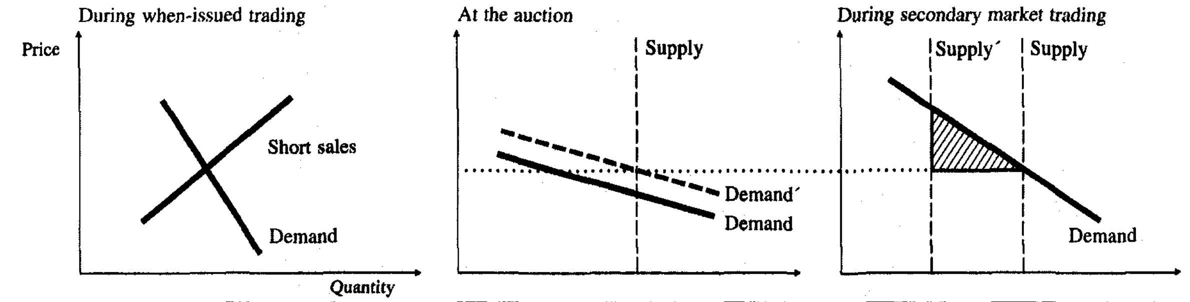
Since other parties cannot react, the Treasury receives only a modestly higher price for its auctioned securities, but the major price action awaits secondary market trading. The cornerer restricts the supply of the security in the secondary market (seen as the inward shift in the vertical supply schedule in the right panel), so that the price that clears that market is well above the auction price. From there, the cornerer slowly unwinds that position, expanding market supply to sell at prices above the ultimate level determined by the final owners of Treasuries. In effect, the cornerer acts as a discriminating monopolist, carefully regulating secondary market sales to earn all the revenue given by the area under the demand schedule. The cornerer's cost is given by the unshaded rectangle, leading to the profit given by the shaded area.

Indeed, the profit from a market squeeze may come by other means. While the issue remains in the cornerer's control during secondary trading, short sellers must borrow the security to make delivery. That transaction is one side of a repurchase agreement in which the owner of the desirable security—the cornerer—lends it to a short seller in return for cash at a preferential borrowing rate. In effect, by creating a demand for the issue, the cornerer can finance his or her position at a below-market borrowing rate.

The when-issued market plays two important roles in cornering strategy. First, early trading allows the market consensus to coalesce quickly and thus provides a usually accurate forecast of the auction price. By aiding in the "price discovery" of the appropriate price on the security to be auctioned, the when-issued market serves in tightening the spread of bids; thus, the cornerer needs to bid only slightly higher than that consensus to be assured awards. Second, a group of thwarted bidders—those who shorted in the when-issued market—are forced to the secondary market to

8. A manipulator could bypass the auction by amassing a controlling position in either when-issued or secondary market trading. To effect that strategy, purchase orders would have to be spread across many sellers in an effort to hide the intent to corner from the general market.

6. How a corner works



close their positions. Their surprising presence makes the demand schedule less price sensitive, as no substitute exists for the security that they promised to deliver. As a result, as long as they keep their positions open, short sellers will need to borrow the desirable security and thus provide the cornerer favorable financing in the repurchase market.

The successful cornerer makes use of three elements of the current practice:

- When-issued trading creates a core of reliable demanders for the auctioned security (those who sold short).
- The first-price method of allocating awards reduces demand at the auction and makes that demand more price sensitive.
- Sealed bids allow a cornerer to place bids only marginally better than the consensus to win all the awards.

These characteristics of current procedures promise profit in successfully cornering a Treasury auction, although such trades are not without considerable risk. Even slight shifts in the prevailing level of interest rates could more than wipe out the profit from controlling a significant portion of an outstanding issue.

The Potential for Collusion

One dealer with adequate capital and the willingness to be exposed to substantial risk can possibly take advantage in the current market. A harder problem to assess is whether or not an auction's design may entice a group of dealers to conspire in an attempt to corner. The theoretical analysis of the incentives for collusion in auctions proceeds as follows.

Let us suppose that a few dealers, intent on extracting profit from those not in the ring, willfully plan together to purchase all that is sold at an auction. They agree on a price just above the market consensus that is sure to win all the awards. A sealed-bid auction, however, tempts each of the conspirators to move just above the agreed-upon price and to steal awards; as a result, the cartel likely will not hold.[9] Hence, on the one hand, incentives in the classic first-price sealed-bid auction are structured so as to make collusion unlikely. On the other hand, in an ascending-price open-outcry auction, such a conniver among conspirators has to show his or her hand, making such manipulation less likely. Even if bidding is secret, the other members of the cartel will know by the price movement that someone has cheated. The cartel will hold.

By this theoretical argument, one might surmise that the current first-price sealed-bid auction protects, at least, against the willful joining of dealers to exploit the Treasury and other dealers. Unfortunately, a gap exists between models and reality, as the rule limiting awards to 35 percent of the issue paradoxically turns incentives back toward collusion. If a conniver plays within the lines of the 35 percent rule, he or she will not win enough securities at the auction to control the secondary market. Consequently, tough enforcement of quantity limits more strongly binds conspirators together.

9. This outcome also holds for a descending-price open-outcry auction. The first one to leave the pool stops the auction before the others can react.

More to the point, theoretical analyses of collusion assume that a small number of colluding parties share information, an assumption that ignores the multiple arenas in which dealers compete. Dealers will not cooperate in auctions if such cooperation jeopardizes their trading in the secondary market. Given the large number of participants and the apparent mistrust among dealers, auction format is unlikely to bring them together.[10] Thus, from the standpoint of public policy, the chief risk seems to lie in the manipulative actions of a single dealer, the rogue with capital, which threaten the integrity of the market.

A Closer Look at a Popular Proposal for Reform

The abuses of the auction rules last summer rekindled enthusiasm for a simple alternative, the second-price sealed-bid auction, to the current discriminatory pricing practice. Proponents argue that awarding securities at a uniform price rather than at the bid prices would end cornering attempts by eliminating the profit potential in market manipulation. And in a way that sounds contradictory, they argue that total revenue would increase by the surrender of the ability to discriminate across bids.

The Consequences for Revenue

The algebra required to calculate an optimal bidding plan in a multiple-unit auction quickly becomes intractable. No analyst yet has worked through the strategic implications of a large core of bidders carving up a block of securities. The logic of the single-unit case, however, suggests that the extent of bid shading can be extreme. In a first-price auction of multiple units, a strategic bidder does not have to beat the participant with the next highest valuation to win but must better only the middle of the pack of bidders.

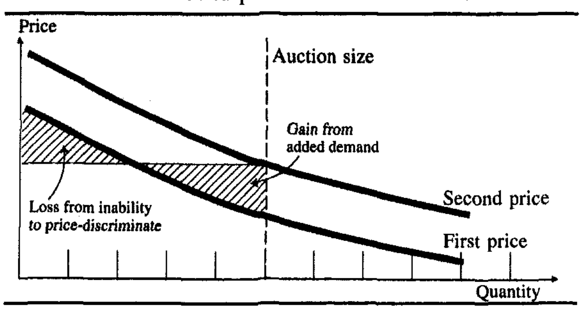
If one steps away from the explicit modeling of bidder behavior, the implications for revenue can be spelled out in terms of shifts in the demand schedule for the auctioned security.[11] As shown in diagram 7 (which repeats the middle panel of the three-figured determination of market prices), part of the Treasury's total revenue results from its charging winners the price that they bid, which for its current practice is measured by the area under the demand schedule labeled "First price." That price discrimination, however, discourages some demand, as investors shade their bids for fear of the winner's curse. Adopting a second-price system turns part of that surplus back to the bidders, shifting out the demand schedule to the position labeled "Second price." Under a first-price scheme, the Treasury would have to work down the left demand schedule and award securities at lower prices to place the total issue (marked by the vertical dashed line). Under the second-price scheme, one price, depicted by the horizontal line drawn to intersect the right demand schedule at the issuance size, exhausts the issue. The consequences for revenue depend on whether or not the loss from the inability to price discriminate (left triangle) is greater than the gain from added demand (right triangle).

Support for the second-price scheme is stronger than the balancing of these welfare triangles would suggest. Those analysts working with explicit models of bidder behavior in a Treasury-like format, rather than with reduced-form demand schedules, typically find that a second-price scheme does produce higher revenue for the seller. Further, in 1962 Milton Friedman made a persuasive argument that

10. The existence of interdealer brokers is one sign of the level of mistrust among dealers. These intermediaries provide anonymity to dealers in transactions between dealers, who are reluctant to phone their competition directly and to show which side of the market they are on.

11. For details, see Henry Goldstein, "The Friedman Proposal for Auctioning Treasury Bills," *Journal of Political Economy*, vol. 70 (August 1962), pp. 386–92.

7. The effect of second-price awards on revenue



revenue would increase.[12] Dealers devote considerable energy to the auction only to sell those securities almost immediately to customers—and most profit from doing so. Part of the resources devoted to that distribution could be appropriated by the Treasury if it could directly deal with those customers. A second-price auction, because it is less penalizing to the aggressive or the uninformed, may be the best vehicle to attract those people.

The Consequences for Cornering

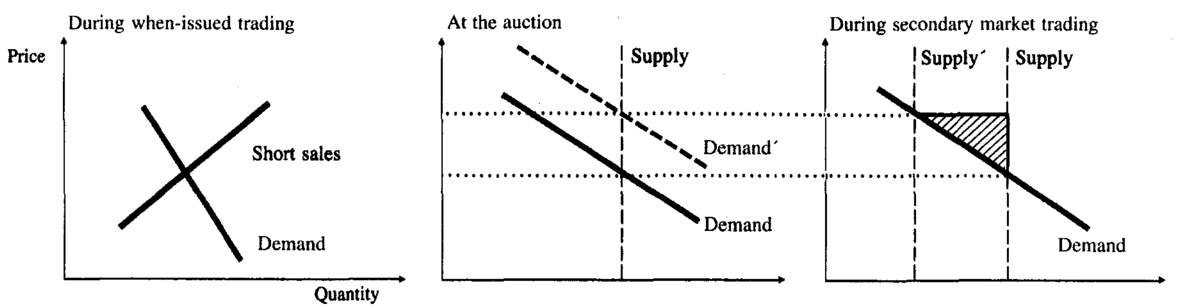
As seen previously, the current format reduces demand at auctions and makes it more sensitive to price in relation to the demand determined by the buy-and-hold ownership of the long-time investor. This reduction is the rational response to the Treasury's discriminating pricing: The investor shows less of his true consumer surplus to a seller whose stated intention is to seize it.

Moving to a common-price format permits demand at the auction to reflect the true nature of investor preference. With no friction, investors can bypass the dealer intermediaries and bid directly, sharing the resulting savings with the Treasury. Viewed in terms of the three-figured determination of Treasury prices, second-price awards would make the auction demand curve identical to the secondary market demand curve (diagram 8). Against this backdrop, the cornerer of an auction would place surprising bids that shift the demand schedule from Demand to Demand′. The horizontal distance of that shift represents the cornerer's awards, or the extent to which secondary market supply can be restricted. As seen in the right panel of the figure, however, the investors who are unwilling to pay the auction price will be unwilling to pay the secondary market price. Now the cornerer acting as a discriminating monopolist, rather than maximizing profit, minimizes loss (the shaded triangle). Clearly, one cannot profit from cornering a market with invariant demand, because one ultimately must sell the security to those from whom it was bid away. In this simple world, cornering would be eliminated by the removal of the potential for profit.

This result, however, requires that the switch in auction technique completely unify the primary and secondary markets. Even after the adoption of common-price awards, presence at auctions may still be limited to a segment of the investor populace, perhaps to those who are more sensitive to price. Those who sold short in the when-issued market want quickly to cover their positions at the auction. Also, participants at an auction face uncertain outcomes, since they may not be awarded securities if they have not cast their bids appropriately. Those particularly averse to this quantity risk may well delay purchase to secondary trading. Most important, direct bidding requires incurring the fixed costs of ensuring payment and arranging for the placement of bids—the prospects for which depend on the pace of automation and the nature of regulation. As a result, the infrequent purchaser may remain in the secondary market. In other words, advocates of this format assume that dealers exist solely to shade bids because of the Treasury's discriminatory pricing. If, however, dealers provide any other service in the distribution of securities, then a gap remains between the demand schedules

12. From correspondence quoted in Goldstein, "The Friedman Proposal," p. 391.

8. The effect of second-price awards on cornering



of the auction and the secondary market. A sufficiently large gap represents an opportunity for manipulation. Indeed, second-price awards might encourage strategems should differences between primary and secondary markets remain. A would-be manipulator could place bids for a substantial fraction of an issue well above the market consensus, and thus ensure awards, but pay only that price required to allocate the remaining portion of securities to his or her unsuspecting competitors.

AN ALTERNATIVE PROPOSAL

On balance, the switch to single-price awards likely represents an improvement on current Treasury practice; however, the *Joint Report* recommended the study of a more radical change. Collusive behavior relies on the closed nature of sealed bids—whether in the current first-price procedure or in the second-price alternative. A schemer needs only to beat the market's best guess formed moments before bidding closes in order to leave his or her competitors no chance to react.

An open-outcry system lets other market participants react to any surprise. Technologically, pieces of paper are not needed for the expression of the intent to purchase Treasury securities. As an alternative, registered dealers could connect by phone (with appropriately designed security) to a central computer; those not preregistered could appear at their local Reserve Bank with sufficient documentation to be included as a serious bidder. The scenario might unfold as follows. The auction begins as the Treasury calls out a price and all interested parties submit their quantity demanded. With quick tabulation, the volume of bids at that price is announced and, in successive rounds, the price is raised until the volume demanded is smaller than the size of the issuance. The next-to-last price called out clears the auction market because it is the highest price consistent with selling the entire issue. Everyone who bid at the top price would be guaranteed awards at the lower, market-clearing price. Those who bid at the next-to-last price but who did not move up into the top group receive the remaining securities at that lower price. Since bids from that group would exceed the remaining securities, some scheme for partial awards would be required.

Strategically, a dealer attempting to corner this auction must show his or her hand to the competition as the Treasury auctioneer raises the price. But the public exposure of the manipulator's addition to the volume of bids warns other participants—particularly those short the when-issued security—that they must raise their own bids if they want to receive awards. That opportunity for others to react should narrow the potential for profit in a corner attempt. To the extent that the average issuing price is raised in the attempt, the Treasury garners part of the profits. In contrast, in a sealed-bid auction, the bulk of the price action comes at the announcement of surprising awards, when other dealers realize that they are short and then react. In a real-time auction, that reaction occurs during the bidding. Also, the positive information revealed by the ascending-price nature of this auction format, on average, should benefit Treasury revenue.

A real-time auction may pose a daunting technical challenge. The goal of equal access requires that every effort be made to decentralize the system: Anyone willing to pay the fixed cost of a properly configured terminal should be allowed to enter. At the same time, all bidders must be screened to ensure payment if their bids are successful. If the fixed cost of entry is too large, participation at the auction will be limited and a two-tiered distribution of securities and all the attendant risks may be perpetuated. If access is too free, the physical demands of directing a large volume of messages in a narrow span of time may prove taxing to any computer network. The private sector provides some precedent, but those efforts are small relative to the scale of operation required to sell Treasury securities.

Opening the auction might create new opportunities for large traders to move prices. For example, the surprising presence of a large trader elevating demand during the early stages of an auction might lead to a groundswell of enthusiasm that would push up the market-clearing price.[13] Similarly, the sudden dropping out by a large trader at a low price might dampen spirits enough to lower the market-clearing price. Either action might present the

13. See the description of the "herd effect" provided by Gary L. Gastineau and Robert A. Jarrow, "Large-Trader Impact and Market Regulation," *Financial Analysts Journal* (July/August 1991), pp. 40–51.

potential for profit. Also, as long as the three trading forums in Treasury securities are imperfectly integrated, the possibility of a market squeeze remains. At the least, an open-outcry auction does not abet a squeeze attempt by facilitating the bidding away of securities by surprise, as both types of sealed-bid auctions do. Thus, the Treasury would be less likely to be the counterparty from which a manipulator amassed a controlling position. Further, with easy entry, large traders would be pitted against each other in their pursuit of trading profits, as an open-outcry system turns market forces against market manipulation. As an added benefit, the technical sophistication required to conduct an automated open-outcry system could also be made available for surveillance regarding compliance with the auction rules.

CONCLUSION

While the academic literature suggests that the current Treasury procedure has drawbacks, it does not readily identify the best way to auction government securities. Individual elements of the problem are addressed, but other considerations do not fit nicely into the theoretical models. The Treasury is obliged to provide easy entry into the auctions, broadening, where possible, the ownership of the public debt; and it must adhere closely to a crowded schedule of borrowing. Also, while the Treasury may not always get top dollar for its issues, the present auction system may ease the conduct of monetary policy and ensure a deep and active secondary market in government obligations.

The shift to single-price awards may mark an improvement over the current technique, but it may not avoid the repetition of recent experience. No matter how rigidly rules are enforced, the incentive to manipulate the market remains.

This reading of the literature suggests that the optimal Treasury auction would have the following attributes (in order of decreasing importance):

• *Second price.* If all securities are awarded at the lowest price of an accepted bid, investors wary of the winner's curse may enter the auction directly. Such entrance raises total demand because bidders no longer feel the need to shade their bids. Also, by making direct bidding more attractive, individual dealers will no longer have as much access to customer business in attempts to swing the market.

• *Real time.* Auctions involving many participants that are conducted on an open-outcry basis are less susceptible to corners, which rely on surprise. In a sealed-bid auction, such surprise requires only stepping above the market consensus. That surprise is lost if market participants can react during the bidding.

• *Ascending price.* If the auctioneer calls out an ascending list of prices until the issue is sold, the surprise of a cornering attempt is further eroded. Simply, other participants remain in the bidding. Also, an ascending-price auction produces the highest expected revenue to the seller.

In this regard, the open outcry of bids is a form of insurance against threats to the integrity of trading: An auction in real time makes active manipulation more difficult. As a side benefit, an open-outcry auction returns some of the potential profit from collusion to the Treasury in the form of higher prices.

There are no guarantees that any system will prevent manipulation. Any new system, however, should be flexible enough to permit experimentation with auction design. Planning for an open-outcry system may provide the requisite flexibility.

A transition to a new auction system has potential problems, as any reform is likely to be designed to entice investors to bid directly. Investors, however, may be hesitant at first to step in, preferring to observe before acting, especially if bidding has a substantial fixed cost. In the interim between the change in format and direct participation by investors, the auction would rely on dealers for their usual role—buying a large share of issuance—even though the reforms would ultimately erode their customer base and lessen their market power. If dealers left the market before final investors appeared, experimentation with alternative auction techniques might prove expensive. However, if access to the auction were kept as open as possible, scores of price-sensitive investors in the Treasury market might step in should auction prices differ markedly from those in secondary trading. Indeed, the threat of entry in itself might be sufficient to lessen the risk of an adverse reaction.

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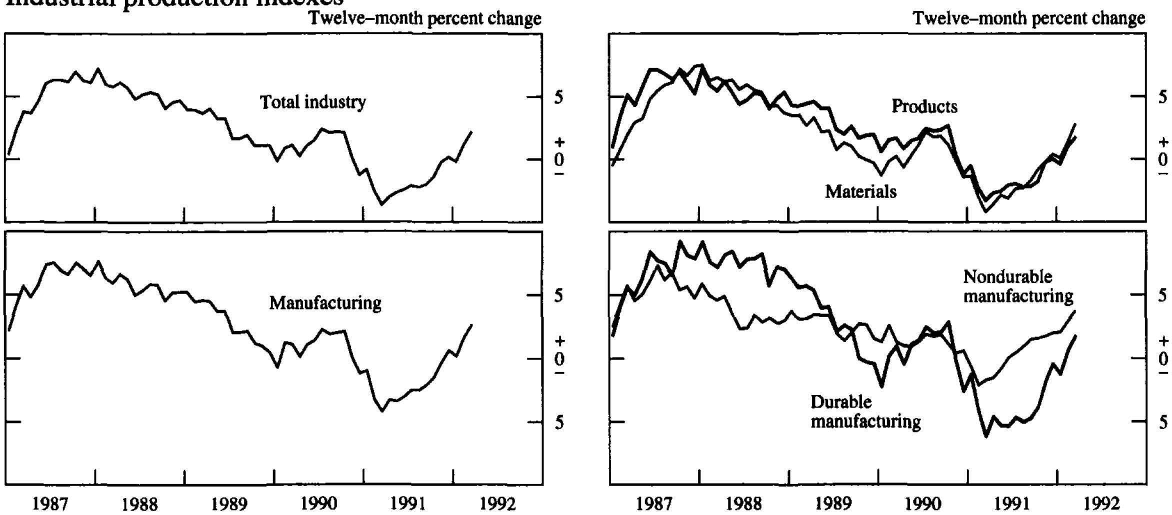
Industrial Production and Capacity Utilization

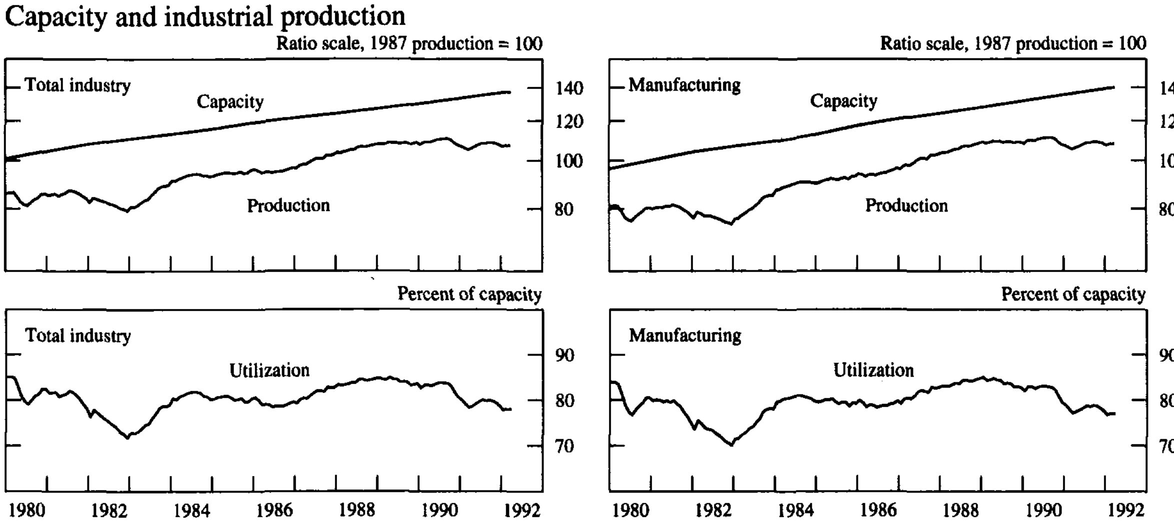
Released for Publication April 15

The index of industrial production rose 0.2 percent in March, after having increased a revised 0.5 percent in February. The increase in March was led by gains in the production of durable consumer goods and a pickup in energy output, mainly at utilities. At 107.2 percent of its 1987 annual average, total industrial production in March was 2.1 percent above its year-ago level; but despite the recent gains, it was still about 1 percent below its level of last October. For the first quarter as a whole, industrial production declined at an annual rate of 4.1 percent, after having fallen 0.7 percent in the previous quarter. Total industrial capacity utilization rose 0.1 percentage point in March, to 78.1 percent.

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization

Category	Industrial production, index, 1987 = 100[1]								
	1991	1992			Percentage change				
					1991[2]	1992[2]			Mar. 1991 to Mar. 1992
	Dec.r	Jan.r	Feb.r	Mar.p	Dec.r	Jan.r	Feb.r	Mar.p	
Total	**107.4**	**106.4**	**106.9**	**107.2**	**-.6**	**-.9**	**.5**	**.2**	**2.1**
Previous estimate	107.4	106.6	107.2	...	-.6	-.8	.6	...	...
Major market groups									
Products, total	108.4	107.4	107.9	108.3	-.5	-1.0	.5	.3	1.7
Consumer goods	109.1	108.0	108.5	109.0	-.9	-1.0	.5	.5	4.1
Business equipment	121.4	119.8	121.2	121.4	-.3	-1.2	1.2	.2	1.0
Construction supplies	95.0	95.3	95.3	95.1	-1.0	.3	.0	-.2	1.2
Materials	105.8	104.9	105.2	105.4	-.8	-.8	.3	.2	2.7
Major industry groups									
Manufacturing	108.1	107.2	107.8	107.9	-.4	-.8	.5	.1	2.6
Durable	107.1	105.8	106.7	106.8	-.7	-1.2	.9	.1	1.7
Nondurable	109.5	109.0	109.1	109.3	-.1	-.4	.1	.2	3.7
Mining	98.8	97.5	98.1	97.9	-.8	-1.4	.7	-.2	-3.5
Utilities	107.9	106.8	106.6	108.8	-2.8	-1.0	-.3	2.1	2.3

Category	Capacity utilization, percent								Memo Capacity, percentage change, Mar. 1991 to Mar. 1992
	Average, 1967–90	Low, 1982	High, 1988–89	1991		1992			
				Mar.	Dec.r	Jan.r	Feb.r	Mar.p	
Total	**82.1**	**71.8**	**85.0**	**78.4**	**78.7**	**77.8**	**78.0**	**78.1**	**2.5**
Manufacturing	81.4	70.0	85.1	77.2	77.7	76.9	77.1	77.0	2.7
Advanced processing	81.0	71.4	83.6	76.8	76.6	75.7	76.0	75.9	3.1
Primary processing	82.3	66.8	89.0	79.9	80.2	79.7	79.8	79.7	1.9
Mining	87.4	80.6	87.2	89.0	86.2	85.0	85.6	85.4	.6
Utilities	86.7	76.2	92.3	83.0	83.4	82.6	82.3	84.0	1.1

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

r Revised.
p Preliminary.

When analyzed by market group, the data show that the production of durable consumer goods increased 0.5 percent in March because of gains in the production of trucks, appliances, and furniture; output of autos declined last month. The output of nondurable consumer goods rose 0.4 percent in March, boosted by a sharp increase in energy for residential use. The production of business equipment excluding motor vehicles increased 0.2 percent as most major categories posted gains; however, even after allowing for the effects of a strike at a major producer of construction-related machinery, the output in this sector has remained weak and has changed little, on balance, over the past year. The production of construction supplies edged lower last month and, on average, the output in the first quarter was a bit below that of the previous quarter. Materials output rose 0.2 percent because production of energy materials, which had declined during the relatively mild winter, rebounded in March. The output of nonenergy materials, which fell noticeably in December and January, rebounded partially in February but was unchanged in March; the recent weakness in both durables and nondurables has been widespread.

When analyzed by industry group, the data show that manufacturing output edged up 0.1 percent in March but that capacity utilization at factories declined 0.1 percentage point, to 77.0 percent. In March, the operating rates for both primary and advanced processing edged down. Within primary processing, capacity utilization for chemicals, for stone, clay, and glass products, and for fabricated metals declined, but most other primary-processing industries posted gains. Within advanced processing, the factory operating rate increased noticeably for furniture and fixtures but declined for instruments; most other major advanced-processing industries posted small and nearly offsetting changes. On the whole, the utilization rates both for primary and advanced processing have weakened since last fall, with large declines for transportation equipment, paper and products, rubber and plastic products, primary chemicals, and miscellaneous manufactures.

The production at mines decreased 0.2 percent in March. The output at utilities jumped 2.1 percent, after having been curtailed over the winter months because of the unseasonably warm weather.

Statements to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, April 17, 1992

I am pleased to appear today to discuss, as you requested, recent stock market developments in Japan. I think that it is useful to review these developments from a longer time perspective than that of just the past few weeks. I also will address the implications for Japanese banks and for the overall performance and prospects for the Japanese and world economies.

Japanese stock prices nearly tripled from the end of 1985 to the end of 1989. The reasons for this increase are not completely clear. It seems to have been fueled, in part, by the low interest rates associated with an expansionary monetary policy adopted by the Bank of Japan from February 1985 to December 1987. This initiative was directed at countering the contractionary effects on the Japanese economy of the doubling of the yen's exchange value against the dollar. Land prices in Japan also soared during this period, reinforcing the rise in stock prices because Japanese corporations are major land owners. Although other world stock markets were also generally booming in the early part of this period, the Japanese market far outpaced the markets of other industrial economies.

Profits of Japanese corporations increased very strongly—9½ percent per year in 1987 and 1988—but stock prices rose at a much faster rate. As a result, conventional price-earnings ratios hit a peak of more than 70 in August 1987, which was about three to five times the PE ratios in other major markets. Even after adjusting for certain accounting differences (primarily with respect to depreciation allowances) and the prevalence of cross-share holdings among Japanese corporations, Japanese PE ratios were still twice the ratios of other major equity markets.

The reaction of the Japanese stock market to the October 1987 contraction in the U.S. market was particularly mild. And the Japanese market resumed its rapid rise in early 1988, regained its August 1987 highs by mid-1988, and continued to soar until year-end 1989.

Just as the reasons for the sharp increase in stock prices are not entirely clear, so too the factors behind the decline that began in 1990 cannot be enumerated with full confidence. Indeed, the decline may be at least partly a correction from an inexplicable and unsustainable high level. Under such conditions any random event can engender a contraction.

Nonetheless, monetary policy has been an important influence. Policy tightening in Japan began in earnest in mid-1989, largely with the avowed intent of curbing the land and stock price bubble before it was perceived to take on uncontrollable dimensions. By late 1990, nominal short-term interest rates had risen 350 basis points. The growth rate of M2+CDs (the Bank of Japan's targeted aggregate) plummeted in response. Real long-term interest rates rose more than 200 basis points from late 1989 until late 1990.

Stock market prices declined 40 percent in 1990, dropping particularly sharply after the Iraqi invasion of Kuwait. After having rallied briskly along with other major stock markets in the wake of the allied victory in the Persian Gulf war, the Japanese market seesawed through most of 1991. Late in the year, however, amid growing anxieties over the slowing of economic activity in Japan, a rapidly worsening profit outlook, and recurring revelations of financial market improprieties, stock prices began a renewed plunge. From the end of October 1991 through April 16, 1992, the market fell a further 30 percent. This has occurred despite a significant easing of monetary policy.

This latest decline in Japanese stock prices brought conventional Japanese PE ratios down to the neighborhood of 30 or so, somewhat above that for the S&P 500 in the U.S. market. Doubtless, adjusted PE ratios for Japanese stocks are lower than this, and other valuation measures such as price-to-book-value or price-to-free-cash-flow are less elevated.

The Japanese stock market decline does not appear to have had important spillover effects on U.S. financial markets to date. Our stock market has been quite strong over the past year or so. In general, movements in price changes among major stock markets are only weakly correlated, because they respond primarily to developments in the home country, which have the greatest impact on profits. One exception to this pattern would be the consequence of major shocks, such as the 1990 oil price shock, which affect all the world's economies.

The decline in the Japanese stock market has not had any great effect on the yen–dollar exchange rate, either. That exchange rate has moved over a range of ¥123 to ¥142 per dollar over the past year and a half, a much narrower percentage range than, for example, the Deutsche mark–dollar rate. Since the December 1989 peak of the Japanese stock market, the net appreciation of the yen against the dollar has been 8 percent.

The rapidly rising prices of Japanese land and equities, together with the huge appreciation of the yen from 1985 to 1987, made foreign land, equity, and bonds demonstrably attractive to Japanese investors. Yen-denominated debt rose sharply against the increasingly valuable collateral, freeing funds to move abroad. During the 1986–88 period, Japan was a huge exporter of long-term capital, exceeding $130 billion in each of those three years, on a net basis, an amount far in excess of Japan's current account surpluses, which averaged more than $80 billion per year.

Despite increased gross demands for foreign currencies, the yen appreciated steeply against the dollar. Along with rising concern over market access abroad, Japanese manufacturers were led to undertake large direct foreign investments to expand manufacturing capacity in their foreign markets. Direct foreign investment outflows peaked at more than $45 billion in 1990. Similarly, rising yen-denominated asset values led to large-scale portfolio diversification abroad. Long-term foreign portfolio investments by Japanese residents, including purchases of U.S. government and corporate bonds, averaged nearly $90 billion per year during the 1986–88 period, net of portfolio investments by foreign nationals in Japanese securities. The excess of long-term capital outflows over the current account surplus was balanced primarily by short-term private capital inflows, notably borrowing abroad by Japanese banks, which averaged more than $55 billion per year during the 1986–88 period.

This pattern of capital flows began to change during 1990 and was sharply reversed in 1991 as Japanese stock and land values peaked and eroded. Japan experienced net long-term capital inflows in 1991, the first year for such an occurence since 1980. A still-positive but reduced rate of net foreign direct investment by Japan was more than offset by net portfolio and other long-term capital inflows. Japanese portfolio holders continued to purchase American and other foreign securities, though at rates far below the rates of 1986–89. These purchases of U.S. and other foreign securities were outweighed, however, by very large purchases by foreigners of Japanese securities. Stock purchases were particularly strong. The sharp decline in Japanese stock prices made equities seem more reasonably priced, and the decline in prices had apparently left foreign investors' portfolios underweighted in yen assets.

The long-term capital inflow and current account surplus in 1991 were offset by large private short-term capital outflows. Japanese banks, whose capital positions were eroding with the stock market decline, moved to shrink their balance sheets by reducing both foreign assets and foreign liabilities; liabilities were reduced $93 billion more than assets. The 1991 pattern of capital flows appears to have continued into the early months of 1992.

Some concerns have been expressed in the financial press about the implication, for markets outside Japan, of this reversal from Japan's being a long-term capital exporter to its being a long-term capital importer. These concerns, while understandable, seem to me exaggerated. As long as Japan continues to run current account surpluses, it must, by definition, be an overall capital exporter. To the extent that Japan's global current account surplus is widening, the net increase in Japan's capital exports contributes to the supply of world savings, thereby in effect reducing pressure on interest rates in international credit markets.

To be sure, shifts in the composition of Japan's desired capital exports may cause some price adjustments in various asset markets. But these adjustments need not be terribly disruptive. Japanese investors hold, for example, only a small fraction—2 percent to 3 percent—of outstanding marketable U.S. Treasury securities. Their holdings of U.S. equities are of even smaller magnitudes. Although U.S. data indicate that Japanese investors sold, net, about $20 billion in U.S. Treasuries in 1990, interest rates on these instruments nonetheless declined, as other investors, including U.S. investors, were willing to buy them. In 1991, Japanese investors were, in fact, small net purchasers of U.S. bonds and stocks. The big change in 1991 was in net purchases by foreigners of Japanese securities, particularly stocks, which were very large.

Implications for Japanese Banks

Reflecting the decline in the Japanese stock market and the adoption of the Bank for International Settlements capital standards, Japanese banks have restrained their asset growth in both domestic and international markets in recent years. Whereas the domestic assets of Japanese banks increased at double-digit rates in the years 1985 through 1989, they increased only 8 percent in 1990 and were flat in 1991. The pattern is even more dramatic in terms of international activity. The international assets of Japanese banks almost quadrupled from 1984 to 1989, with their share of international assets of all banks rising from less than one-fourth to almost 40 percent. In 1990 and 1991, however, the international assets of Japanese banks declined, on balance, and their international share fell back to less than one-third.

The restraint in the overall asset growth of Japanese banks has been caused, in part, by their desire to exceed the minimum risk-weighted capital ratios in the Basle Accord on capital adequacy. In the past, asset growth at Japanese banks appeared to have been oriented toward accumulation of market share, in part fueled by a relatively low cost of capital as well as by additions to capital resulting from large and growing unrealized profits on their equity portfolios. In the past two years, these sources' support of the growth objective has disappeared; it appears that Japanese banks are focusing much more carefully on the profitability of their core banking business. This shift in business priorities is likely to be a healthy development in the long run.

Japanese banks differ from banks in some other countries, including the United States, because they have been permitted to hold substantial equity positions in nonfinancial corporations. The appreciation of the value of these equity holdings buttressed the capital of Japanese banks. Investors in Japanese bank stocks, recognizing the value of these appreciating nontraditional bank assets, were willing to pay large premiums to acquire shares of Japanese banks. These premiums were above what might be expected based on the earnings of the banks from their banking business alone. To that extent, owning shares in banks took on some of the characteristics of owning shares in a mutual fund.

Bank regulators, in developing the Basle Accord, were well aware that the quality of Japanese bank capital resulting from unrealized gains in equity securities was inferior to capital derived from other sources. Because such capital was correctly judged to be subject to market risk and because banks would in all probability be subject to a tax liability for capital gains if forced to realize such gains to bolster capital, the Basle Accord permitted only 45 percent of these unrealized gains to be counted as capital—and, moreover, not as equity capital but only as tier 2 (that is, supplemental) capital.

The effect of the decline in the Tokyo stock market on the risk-weighted capital ratios of Japanese banks varies from bank to bank, depending on the nature and overall importance of equity holdings at individual banks. In this context, the critical question is not the ability of Japanese banks to meet the Basle Accord's minimum requirement of 8 percent for the sum of tier

1 and tier 2 capital but rather how much additional capital will banks need to raise and at what cost. Or, alternatively, how much will banks be induced to scale back their assets? A significant constraint on the asset growth of Japanese banks could be serious for nonbank borrowers in Japan because of the heavy reliance of companies in Japan on bank credit and because capital market and other nonbank sources of funds are not as well developed in Japan as in the United States.

However, Japanese banks may choose to protect their traditional domestic business base and instead choose to pare back their loans to some of their newer customers, including those in overseas markets. Spreads and margins on banking transactions in these markets might in the short run increase somewhat as a major competitor scales back, just as such spreads narrowed when the Japanese banks expanded their activities. Over the intermediate run, however, the flexibility to lend by other banks and the increased supply of credit from nonbank sources are likely to be sufficient to ensure that credit market conditions on a worldwide basis will not be substantially weakened by a scaling back by Japanese banks.

Macroeconomic Effects on the Japanese and World Economies

In addition to their possible effects on credit availability in Japan, lower prices of Japanese stocks could affect Japan's real economy through their negative impact on the wealth of households, with attendant effects on private consumption expenditure and, in turn, real GNP. One important limiting factor, however, is that stocks constitute less than 10 percent of total household financial wealth in Japan. In addition, estimates from econometric studies suggest that in Japan the marginal propensity to consume out of wealth is relatively small.

There are additional reasons to suspect that actual impacts on consumption from declining equity prices could be even smaller in the present episode. Evidence from saving rates suggests that the expansion of household wealth during the recent stock market boom was not fully incorporated into household spending plans. In fact, the household saving rate had been on a downward trend in the 1980s. During the eight quarters since the Tokyo stock market turned down in early 1990, there has been little evidence of a shift in household expenditure to replenish the stock of savings; the household saving rate has remained well below its average of the previous decade. Although consumption has decelerated with the recent slowdown in overall real growth, it has not been conspicuously weak.

Possible negative effects on consumption from lower equity prices could be compounded by additional declines in prices of housing and land, which are mutually affected by developments in the stock market. Residential and commercial real estate prices have turned down in major metropolitan areas in the latest surveys and have stopped rising as quickly in other parts of the country.

Negative effects of the stock market decline on investment in Japan could be more significant. The net asset positions of nonfinancial firms are affected directly by share-price declines. Lower stock prices also have substantially elevated the cost of issuing new equity, as well as increased the cost of equity-linked methods of raising funds. In coming months Japanese firms will need to refinance a significant amount of previously issued convertible and warrant bonds. Of course, Japanese investors may be able to borrow through other avenues—including a revitalized domestic corporate bond market—but it is likely to be at substantially higher costs than in the past, which would tend to reduce Japanese international competitiveness. Japanese authorities have interpreted the recent deceleration of bank credit as arising from weak demand for funds. It is possible, however, in view of the deterioration of the asset portfolios of some Japanese banks' and the negative impact of the stock market decline on banks' capital that tightening of credit could restrain investment.

Spillovers to business confidence also represent a potential risk to private investment from the stock market decline. Measures of business confidence have deteriorated steadily in recent months, and investment has been a weak sector of final demand. The latest surveys of business intentions indicate that private investment may decline in fiscal year 1992 as much as 5 percent, which would be the first decline since 1975 and a sharp reversal of rapid increases in private investment spending in recent years.

The recent slowdown in the Japanese economy has been reflected in reduced import demand and a widening external surplus. Reflecting the incorporation of some negative effects from stock market price declines that have occurred already, most forecasts project growth of domestic demand and GNP in Japan to be weak until the second half of this year, with some risk of further slowing if stock prices continue to slide substantially further. Accordingly, growth in Japanese demand for U.S. exports is not likely to be a particular source of strength for the U.S. economy in the near term. Nevertheless, even though Japan is the second largest export market for the United States, the separate contribution of the stock market decline to weaker Japanese demand for U.S. exports is not expected to be large.

In summary, the decline in the Japanese stock market is a significant development, especially for Japan. It appears primarily to be a correction of the bubble in asset prices that was causing distortions to the Japanese economy with some spillover effects on the rest of the world. The Federal Reserve will continue to monitor closely the developments in Japanese financial markets and their implications for our economy and markets. In my judgment the impact on the United States from Japanese stock price changes to date is likely to be limited. □

Statement by David W. Mullins, Jr., Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, April 28, 1992

Thank you for this opportunity to communicate the Board of Governors' views on proposed legislation concerning the government securities market. The *Joint Report on the Government Securities Market* suggested comprehensive administrative changes, some already made and others proposed, that will significantly increase openness in this market and sharply limit the possibility of a replay of recent events.[1] The Board supports these changes, which are targeted to the problems and to the opportunities identified to foster fair and efficient markets. In the Board's view, this progress makes it inadvisable to enact either H.R.4450 or H.R.3927.

This decision was made after having carefully weighed the costs and benefits of further change, as we see them at this time, in accordance with our legislated role in the oversight of financial markets. In 1789, President Washington and the first Congress charged the Department of the Treasury with the responsibility of borrowing in the name of the new republic. In 1913, the drafters of the Federal Reserve Act assigned the Federal Reserve District Banks to serve as fiscal agents for the Treasury and facilitated the nationwide distribution of the debt. Later, in 1934, the Congress created the Securities and Exchange Commission to enforce securities laws that were targeted to counter the considerable problems at hand in private financial markets by nurturing fairness and openness. Although the Board works closely with the various agencies and has general oversight responsibilities for the activities of the District Banks, it has little direct regulatory authority for the U.S. government securities market.

We think that this arrangement is wise and gives the Board of Governors a unique perspective by allowing us to examine important issues regarding this market from an economywide perspective. Freed of the specific responsibilities of managing the debt, distributing securities, or policing trading activity, we can evaluate the consequences of proposed reform against broad public policy standards.

Our overall evaluation of both pieces of legislation started from a fundamental question: What are the problems that need to be addressed? In the Board of Governors' view, the government securities market ably performs an important

1. U.S. Department of the Treasury, U.S. Securities and Exchange Commission, and Board of Governors of the Federal Reserve System. *Joint Report on the Government Securities Market* (Government Printing Office, 1992).

allocative role in the U.S. economy by matching a voracious borrower, the federal government, with investors across the nation and around the world. The U.S. government has been able to tap this market with record issuance time and time again. This market is deep and liquid, routinely permitting participants to execute trades of huge size with remarkable rapidity at paper-thin bid–ask spreads. Consequently, the market serves as an important source of liquidity for individuals and financial institutions.

The trading community commits large sums of risk capital to provide these services in the pursuit of profits. But there are economywide benefits as well. The government securities market has an impressive ability to digest news, translating the daily barrage of economic releases and political commentary efficiently into prices. In doing so, it provides real-time quotes on a host of issues that serve as benchmarks for the pricing of nongovernment securities. That responsiveness also serves monetary policy well because it gives us a reliable gauge of financial markets in general and a liquid and efficient venue to conduct open market operations.

However, we sit here today as the result of identifiable problems with the market. The problems that have come to light so far—evidence of lying in the issuance of government securities and episodes of price distortions that are perhaps related to attempts to manipulate the market—clearly signaled the need to act. And we have acted, all of us. The *Joint Report* provides a blueprint for the thoughtful and comprehensive renovation of this market. Taken together, these changes open the government securities market, significantly altering the way that business is conducted. They enhance our surveillance in the primary and secondary markets, establish more systematic lines of communication among the agencies, promise to broaden direct participation at auctions, and, by warning that there will be active Treasury supply management to shave outsized profit owing to price anomalies, put market participants on notice that there is no tolerance for manipulative acts. Frankly, a failure of the primary market to keep pace with the technical advance in the secondary market likely contributed to the problems that were identified. We still rely on slips of paper and ballot boxes around the country to place government debt, while secondary market traders sit before banks of computers, able to transact in size on a word or a few keystrokes. We must automate and we must do it quickly.

Moreover, as endorsed in the *Joint Report,* alternative auction designs may help to channel the force of competition in our favor. One such alternative—a single-price and open auction—holds the promise of enhancing participation in the auction and exposing attempts to manipulate the market, thereby narrowing the possibility of manipulation and producing lower Treasury borrowing costs.

H.R.4450

With this common ground, it is clear that the Board shares many of the objectives of H.R.4450. This proposed legislation calls for the broad reconstruction of the auction process, instructing the Board of Governors to direct automation in a way that increases public access, to conduct experiments with single-price awards, to attempt additional experiments with a tap issuance technique, and to produce a study of the results for the Congress within two years. Also, H.R.4450 would require that any advisory committee established to advise the Board or the Secretary of the Treasury or any Federal Reserve Bank on the marketing or sale of Treasury securities include as large a number of members as is feasible and hold open meetings.

We agree that automation of and experimentation with selling techniques potentially could serve the Treasury and the U.S. taxpayer well. However, we do not believe that H.R.4450 is the means to effect that change. Following the *Joint Report* blueprint, the Treasury along with academic experts, market participants, and others is in the process of a rigorous examination of auction reform to design a new system and frame an experiment that will test it fairly. Indeed, we are giving the Treasury all the aid we can and are jointly sponsoring a conference in early June to bring together interested parties to examine these issues in detail.

I believe that the *Joint Report* motivated the careful examination of innovative techniques for selling securities and combating manipulation. The Board would prefer to see this process run its course. Legislating experiments now would be premature, perhaps forcing the Treasury to implement procedures that were inefficient or that created undesirable incentives, to the detriment of overall funding costs. If, at a later date, the Congress deemed that the Treasury's experiment was poorly designed or did not give adequate consideration to alternative auction techniques, then the matter could be revisited. We feel it is unwise to attempt to legislate the path that progress should take. The Board fully intends to take an active consulting role in this process and would welcome an invitation to return here to keep the committee fully informed.

The same argument applies with greater force to the provision of H.R.4450 requiring an experiment with tap issuance. Any means of broadening participation in the auction should be the subject of rigorous analysis and consideration. It is not clear that legislated mandates are either necessary or useful. For example, in a tap issuance, the Treasury would have to set prices. Moving away from letting markets set prices in an auction presents new problems in establishing and changing the prices at which the securities would be sold to manage the Treasury's cash flow. Because these issues are complex and mistakes in even a modest experiment are potentially very costly, the focus should be on doing what is best for taxpayers rather than meeting rigid legislative mandates and deadlines.

Although we appreciate that H.R.4450 would grant the Board significant responsibilities in reforming the auction, we are concerned that this would confuse and potentially disrupt the longstanding relationship among the Treasury, the Board, and the Federal Reserve Banks. The proposed legislation would appear to require that the Board take authority long granted to the Treasury, namely acting as principal with respect to the structure of Treasury auctions. Moreover, the degree to which the Board's role under H.R.4450 would supplant Treasury direction in the specified areas, let alone in peripheral areas, is unclear. Such conflicting authorities could serve to slow the development of an automated auction system and could create other difficulties in the fiscal agency relationship. Monetary policy is difficult enough without the further entanglement of substantive decisions about debt issuance.

The Board also is concerned about H.R.4450's requirement that it prescribe regulations concerning internal controls for participants in the automated system. It is essential that firms maintain an effective system of internal controls. But once legislation proposed in the *Joint Report* is enacted that prohibits misleading statements to issuers of government securities, the authority of the self-regulatory organizations in this area will be adequate, rendering superfluous the enactment of additional legislation to mandate internal controls.

Lastly with regard to H.R.4450, the requirement for public advisory committees on debt issuance directly concerns the Treasury, and we defer to its judgment on this matter. I would caution, however, that mandating access may erode the usefulness of these meetings. As a result, to maintain their market knowledge the Treasury may need to turn more to informal contacts that are beyond the scope of the legislation to maintain their market knowledge. Thus, the public could know less than under present arrangements.

H.R.3927

In the past nine months we have made much progress in designing and implementing fundamental improvements in the government securities market. Unfortunately, I see little of that progress reflected in H.R.3927. This bill would allow the erection of elaborate reporting requirements, under various rationales, that have the potential to impose on the government securities market the enforcement structure of the equity market with little regard to appropriateness.

The government securities market provides for the wholesale and large-scale exchange of homogeneous securities among sophisticated market professionals. It is not subject to the types of insider-trading abuses that roil equity markets with a distressing regularity. The abuses in the government securities market that have cropped up so far as we are aware—attempts at price manipulation and violation of auction rules—

have simple, targeted remedies appropriate to their relatively infrequent occurrence. Markets differ, and regulation should reflect that difference. With each basis point in borrowing cost adding more than $200 million a year to the deficit, the stakes are too high to legislate for the sake of mere consistency among securities laws.

In the Board of Governors' view, no compelling cost–benefit case has been made to impose broad-based reporting requirements in the government securities market, either directly or through audit trails or so-called transparency requirements. Without question, increased reporting would deter manipulation and facilitate the investigation of abuses. But does that high level of vigilance warrant the substantial cost ultimately borne by taxpayers? Are not the proposals in the *Joint Report* equally efficacious and far less costly in dealing with these problems?

The Board has not yet been shown the evidence of widespread malfunctions in the government securities market that would give reason to impose the substantial costs that likely would follow from the passage of H.R.3927. The reporting burden, falling on all traders, would boost the cost of every trade. True, the direct costs of additional recordkeeping might be kept manageable by the adroit application of the law by regulators. But it might not. H.R.3927 turns that decision over to the regulators once nominal hurdles are passed.

We fear that an indirect cost of reporting requirements may loom even larger in the long run. Rather than risk divulging their finances and trading strategies, participants might reduce their presence or withdraw entirely from the domestic market, leaving the Treasury with fewer willing customers for its mounting debt. Even backup authority, because it might be difficult to resist implementing, sends the same chilling message about the U.S. market to participants choosing a trading arena in the global marketplace. Moreover, in view of the extensive nature of the other changes proposed in this report, one might question the capacity of this market to absorb, at an acceptable cost, this additional change. Market participants will not bear that cost: Ultimately, it must be passed on to the U.S. taxpayer.

My colleagues and I feel that further fundamental changes in this vital market are too important to be made without explicit congressional approval. Although some supported backup authority in the *Joint Report*, the agencies generally agreed that extensive reporting requirements need not be implemented at this time. If it is the case that the other substantial changes already in motion fail to increase openness in the government securities market, allowing manipulative practices to lurk in the shadows, then the Congress should make the explicit decision to impose reporting requirements. Since H.R.3927 potentially could allow regulators to reach into every aspect of trading behavior, it is a wiser course of action to return here for enabling legislation in the future should such authority appear necessary.

Conclusion

Substantial progress has been made in exploring, identifying, and implementing approaches to improve Treasury auctions. Board staff members have been in almost continual contact with their counterparts at the Treasury, and we are confident that good-faith efforts on auction reform will continue. We believe that this process should be allowed to run its course. If the progress is deemed insufficient, the Congress can then return to legislative approaches to reform. In our view, H.R.4450 is not necessary, is possibly detrimental, and risks entwining debt management authority and monetary policy.

Similarly, it is unwise to confuse the equity and government securities markets. The latter has served the national interest by efficiently placing the federal debt with few evident problems. If we let the force of competition work to our advantage, the government securities market can continue to provide substantial benefits. H.R.3927 risks imposing large costs in the search for elusive and, given the information that we now have, perhaps limited benefits. □

Statement by Peter D. Sternlight, Executive Vice President, Federal Reserve Bank of New York, before the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, April 28, 1992

It is a pleasure for me to respond to your committee's invitation to testify today on matters related to the U.S. government securities market. As an official of the Federal Reserve Bank of New York, which is significantly involved in processing Treasury auctions, I thought it would be useful to focus my statement on the current status of automating Treasury auctions. I would also be happy to give my views, from my vantage point at the Federal Reserve Bank of New York, on other matters the committee may wish to raise.

Automation of Treasury auctions is a high-priority matter for the Treasury and the Federal Reserve. Planning work in this regard was under way before the events of last August, but our timetable has been expedited in the wake of the events of the past year—notably the revelation of certain abusive practices by individuals at Salomon Brothers pertaining to Treasury auction rules.

The work on auction automation may be thought of as a several-staged approach. The *first phase*, which has been developed by the Federal Reserve Bank of Kansas City, encompasses a system that provides for the electronic submission of bids placed throughout the country, mainly by *noncompetitive bidders*, using the Federal Reserve's standard "Fedline" terminal. Fedline is the standard terminal that is currently in use to connect the Federal Reserve Banks with depository institutions for a variety of operational purposes. Although this system can facilitate the submission of electronic bids, it is not designed to handle the last-minute rush of large competitive bids that, in fact, make up the bulk of the dollar volume of auction bidding. Moreover, Fedline does not have an automated backup system. Designed mainly for noncompetitive bidders, many of which bid through relatively small financial institutions, the system is expected to serve its intended purpose very well. In the aggregate, of course, noncompetitive bids, though individually small, can add up to sizable amounts and can be a significant factor in auctions. Moreover, some large institutions in the New York Federal Reserve District have expressed interest in using this new electronic system to submit noncompetitive bids on behalf of customers. The first phase is expected to be available countrywide by about the middle of this year.

When this first phase is completed, more than 9,000 depository institutions that have Fedline terminals connected to their Reserve Banks will be able to enhance their terminals and submit bids electronically. Other bidders, including nonbank securities brokers and dealers, will also be able to install Fedline terminals and submit bids electronically. This will be a significant step in broadening public access to the auctions across the nation. But I should note again that the first phase is limited because it could not handle—and was never designed to handle—the last-minute flurry of large competitive bids; nor does it have a reliable automated backup system.

Phase 2 of the automation process comprises a system designed specifically to meet the more demanding needs, including backup capabilities, of *large competitive bidders*. The system is being designed by the Federal Reserve Bank of New York, in accordance with Treasury specifications, and the project is on track for completion by about the end of this year. This system will be able to handle the last-minute rush of competitive bids with a very high degree of reliability and backup recoverability in the event of adverse circumstances. The system will also assist Treasury and Federal Reserve staff in monitoring auctions and enforcing the Treasury's rules.

Bidders under this system will also make use of the Fedline terminal but with enhanced software that upgrades it to a so-called "Fast Fedline terminal." Software development for the Phase 2 system, which consists of analysis, design, and coding, is scheduled for completion before midyear. Currently, system analysis is complete; software design is close to completion; and coding is nearly two-thirds done.

Because of the critical importance of this application, we have set aside six full months for testing after the completion of the system's software development. First, we will thoroughly test the system ourselves for four months to make sure that it works properly, paying particular attention to backup contingency capabilities. I cannot stress too much the overriding importance of a reliable backup procedure; a hitch in the smooth and timely conduct of an auction could have disturbing repercussions in the Treasury market and, more generally, in financial markets.

Overlapping the last month of our testing will be testing of the system's communications and security components with the large competitive bidders, who will be familiarizing themselves with the system at the same time. Then there will be a month or so of volume and stress tests—posing different kinds of challenging situations to make sure the system can stand up to all the operational contingencies that may be at all likely to confront it. Finally, we will spend about a month in parallel operations—that is, bidders will continue to submit tenders manually but will also submit them electronically—to check the system in a production environment. If all goes well, and I note again that we are on track so far, we expect to be able to go "live" by about the end of this year—as indicated in the schedule in the *Joint Report* to the Congress earlier this year.

Although Phase 2 will essentially automate the auction process at the Reserve Bank level, there are also plans for carrying the process further. A *third phase* will automate the Treasury's procedures for combining the input from the various Reserve Banks around the country, and a *fourth phase* will comprise the automated issuance of securities to successful bidders. These latter phases should be completed in 1993 or 1994.

Comment on Proposed Legislation

With respect to proposed legislation regarding the conduct of Treasury auctions (H.R.4450), I would like to make a few comments from the standpoint of the Federal Reserve Bank of New York. A major provision of this bill is to require the Federal Reserve to implement an automated Treasury auction by the end of this year.

We welcome the support and encouragement of your committee, and of others in the Congress, in this important effort. Speedy implementation of automation is a high-priority matter for both the Federal Reserve and the Treasury, but I should note that an even more critical consideration is that the job be done right. A crash program to meet a legislated deadline would serve us ill if the new procedures were implemented before we were totally comfortable that they could do the job. We have a special concern about the ability to recover very rapidly from any computer processing interruption. As I said earlier, we are now on track to complete what we call Phase 2 of the auction automation effort by about the end of this year—that's the phase that automates the transmission and processing of large competitive tenders, in effect the "core" of the auction. But if we find in the course of quality testing that another month or two is needed to iron out potential bugs, I believe that time should be taken to do the job properly. I'm confident that the Treasury shares this view.

I should add that for many years the Federal Reserve has acted as the Treasury's agent in matters of debt management. Responsibility for determining the method, amount, and timing of Treasury debt issuance appropriately rests with the Treasury. We are therefore not at all comfortable with the role of being directly required by law to do certain things with respect to auctions when we serve only as Treasury's fiscal agent. If auction changes are to be mandated with a time deadline—which is questionable in itself—it would seem more appropriate to us that the Congress direct its requirements to the Treasury, which can in turn instruct us accordingly. A similar comment would apply to several matters covered in the proposed legislation, including not only auction automation but also the eligibility of bidders, experimentation with a single-price auction, and employment of continuous sale procedure for marketing short-term securities.

We also welcome the committee's support for more open access to Treasury auctions. Indeed, that has been an important part of the motivation for developing an automated system. The move toward more open access is also thoroughly consistent with several changes in auction rules that the Treasury has made in recent months. This move includes permitting registered brokers and dealers (as well as primary dealers and depository institutions) to submit bids on behalf of customers and to bid without having to post a deposit, provided they have an autocharge agreement with a bank. Another recent change in Treasury rules consistent with broadening auction access was the increase in the maximum noncompetitive award on coupon-bearing issues. With all due respect, however, it does seem to me that specific measures undertaken to implement more open access are better left to Treasury discretion—to be sure, with appropriate congressional oversight—rather than seeking to have specific aspects of open access mandated.

The Federal Reserve, as well as the Treasury, is deeply concerned that auction participants maintain the highest level of integrity in their bidding activities. With active cooperation by the Federal Reserve, the Treasury has developed revised standards for participation that we believe are consistent with a broadening of access and maintenance of high integrity. We understand and share congressional concern that the events of last year not impair public confidence in the auction process. However, we do not believe that additional legislation is needed to achieve that result. At a minimum, the measures adopted in recent months should be given time to work, and the automation plans now being devised and tested should be allowed to come to fruition on their expedited but prudent schedule. If, at some point, new regulatory authority with respect to the conduct of Treasury finance is deemed necessary, we believe such authority is more appropriately placed with the Treasury, to which the Congress has already given substantial regulatory responsibility for the U.S. government securities market. □

Announcements

INTERIM REGULATION TO IMPLEMENT FOREIGN BANK SUPERVISION ENHANCEMENT ACT OF 1991

The Federal Reserve Board issued on April 8, 1992, an interim regulation to carry out provisions of the Foreign Bank Supervision Enhancement Act of 1991.

Although the interim regulation is effective immediately, the Board requested public comment over a sixty-day period on its provisions. The comment period ends June 15, after which the Board will review the interim regulation based on all comments received and issue a final regulation.

The act stems from a recommendation sent to the Congress last year during the Board's investigation of the Bank of Credit and Commerce International. The Board concluded that additional legislation was needed to strengthen federal regulation and supervision of foreign bank operations in this country.

As of December 1991, there were 304 foreign banks with operations in the United States, and they had aggregate banking assets of $866 billion.

A key mandatory standard in the law requires that a foreign bank applying to operate in the United States must be subject to comprehensive supervision or regulation by its home country authorities on a consolidated basis. It also must supply any information to the Board that is needed to assess the application adequately. The act also contains discretionary standards to be considered by the Board in deciding on applications, and these are set forth in the regulation.

In making a determination on consolidated home country supervision, the interim regulation stipulates that the Board will assess, among other factors, the extent to which the home country supervisor does the following:

- Ensures that the foreign bank has adequate procedures for monitoring and controlling its worldwide operations
- Receives information on the condition of the foreign bank outside its home country, whether through examination, audit reports, or otherwise
- Obtains information on the dealings and the relationships between the foreign bank and its affiliates
- Obtains financial reports that permit analysis of the condition of the foreign bank on a consolidated basis
- Evaluates prudential standards, such as capital adequacy, on a worldwide basis.

The interim regulation also details the procedures to be used in the filing of applications by foreign banks to operate in this country through a branch, agency, representative office, or commercial lending company.

In filing an application, a foreign bank is required to describe applicable secrecy laws, if any, in its home country that would restrict the provision of information to the Board. If the restrictions are significant enough to impede the monitoring of the foreign bank's operations, the Board could deny the application.

The interim regulation also addresses the termination of offices of a foreign bank, hearing procedures, examination of offices and affiliates of foreign banks, the limitation on loans to one borrower, and activities of state branches and agencies.

REVISIONS TO THE STAFF COMMENTARY ON REGULATION B

The Federal Reserve Board issued on April 7, 1992, revisions to its staff commentary on Regulation B (Equal Credit Opportunity).

The revisions clarify the relationship between Regulation B and Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). The clarifications address data collection on loan applications received by creditors through brokers or other persons.

The revisions also state that use of the uniform residential loan application form dated May 1991 and prepared by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association does not violate Regulation B. Creditors subject to HMDA may use the form as issued.

INTERIM RULE TO AMEND REGULATION Y

The Federal Reserve Board issued on April 8, 1992, an interim rule to carry out provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991 that affect bank holding companies and foreign banking organizations with operations in the United States.

The interim rule amends Regulation Y (Bank Holding Companies and Change in Bank Control) and is effective immediately. The interim rule will be reviewed by the Board at a later date after the receipt of public comment. Public comment is requested by June 15, 1992.

The interim rule specifies additional factors that the Federal Reserve must consider in acting on applications submitted under the Bank Holding Company Act to acquire a bank.

PROPOSED ACTIONS

The Federal Reserve Board published for public comment on April 3, 1992, a proposed new Regulation DD to implement the Truth in Savings Act. In general, the act and the proposed regulation require depository institutions to provide consumers with more information about their deposit accounts, including savings and checking accounts and certificates of deposit. Comment is requested by June 10, 1992.

The Board on April 10, 1992, requested public comment on proposed modifications to its risk-based capital guidelines affecting the treatment of multifamily housing loans and certain collateralized transactions. The Board should receive comments by May 15, 1992.

The Board is also requesting public comment on whether U.S. companies operating in the French government debt market have the same competitive opportunities as French companies in that market. Comments must be received by June 25, 1992.

PUBLICATION OF REVISED LISTS OF MARGINABLE OTC STOCKS AND OF FOREIGN MARGIN STOCKS

The Federal Reserve Board published on April 24, 1992, a revised List of Marginable OTC Stocks (OTC List) for over-the-counter (OTC) stocks that are subject to its margin regulations. Also published was the List of Foreign Margin Stocks (Foreign List) for foreign equity securities that are subject to Regulation T (Credit by Brokers and Dealers). The lists are effective May 11, 1992, and supersede the previous lists that were effective February 10, 1992.

The Foreign List indicates those foreign equity securities that are eligible for margin treatment at broker–dealers. There were six additions to the Foreign List, which now contains 300 securities.

The changes that have been made to the revised OTC List, which now contains 2,976 OTC stocks, are as follows:

- Two hundred fourteen stocks have been included for the first time, 199 under National Market System (NMS) designation.
- Twenty-four stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing.
- Thirty-nine stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

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

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

CHANGES IN BOARD STAFF

The Board of Governors has announced the resignation of Ricki Rhodarmar Tigert, Associate General Counsel for International Banking, effective April 17, 1992.

The Board also announced on May 11, 1992, the promotion of Kathleen M. O'Day from Assistant General Counsel to the position of Associate General Counsel for International Banking.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON FEBRUARY 4–5, 1992

1. Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity remained sluggish. Spending for housing and exports was rising, but retail sales had been weak, and nonresidential construction continued to hold down overall investment expenditures. Nonfarm payroll employment had changed little in December, and industrial production had edged lower in November and December as business firms acted to hold down inventories in the face of slack final demand. Wage and price increases continued to trend downward.

Total nonfarm payroll employment was about unchanged in December after a large decline in November. Manufacturing jobs fell in December for a fourth consecutive month, with nearly all of the losses occurring in durable goods industries. Employment in retail and wholesale trade contracted again, while employment in construction, which had been depressed by unseasonably severe weather in November, registered a small rise. New hires in December were concentrated in health services and local governments. The civilian unemployment rate rose to 7.1 percent in December, its high for the year.

Industrial production declined slightly in December and was unchanged on balance since July; the limited information available suggested that production might have contracted appreciably further in January. Over the November–December period, output was held down in part by reduced production of motor vehicles; in addition, unseasonably warm weather led to lower production of electricity and natural gas. Additional restraints on output included the depressing effects of a strike at a major supplier of industrial equipment and persisting declines in the production of defense and space equipment. By contrast, the output of other types of business equipment had strengthened, particularly in the office and computing component, and the production of construction supplies and a variety of nondurable goods had increased. Total industrial capacity utilization declined further in December but remained somewhat above its low of last March.

Consumer spending had been weak on balance in recent months amid continuing indications of depressed consumer confidence and essentially no growth in disposable income. Nominal retail sales were estimated to have declined appreciably in November and December, and for the fourth quarter decreases in sales were widespread among general merchandise, apparel, and furniture and appliance stores. Against a background of improved consumer attitudes toward homebuying and the strongest quarterly pace of new home sales since the spring of 1990, single-family housing starts rose in December from an upward-revised November level. With high vacancy rates persisting for multifamily units, starts of such units remained near their May 1991 low.

Business fixed investment appeared to have fallen in the fourth quarter as a small rise in equipment spending was offset by further steep reductions in nonresidential construction. After little change in the third quarter, shipments of nondefense capital goods picked up in the fourth quarter, principally because of a surge in outlays for computers. Recent data on orders suggested little growth in business spending for equipment over the near term. Office and other commercial construction activity weakened substantially further in November. The persistently low occupancy rates for commercial structures, and the continuing downtrend in construction contracts and appraisal values of office properties, suggested that nonresidential construction activity would remain depressed for some time.

Business inventories rose noticeably over the months of September through November after substantial liquidation earlier in the year. At the retail level, inventories continued to build, and inventory-to-sales ratios rose for most types of retailers, although the pace of accumulation appeared to have slowed in November. Wholesale inventories expanded sharply in October and November; for most types of distributors, inventory-to-sales ratios had moved up in recent months but had remained well below their highs of a year ago. By contrast, manufacturing stocks in the aggregate continued to decline, despite slowing shipments that led to buildups in stocks of finished goods in some industries. The ratio of stocks to sales in manufacturing remained on a downtrend that began in late 1990.

The nominal U.S. merchandise trade deficit narrowed considerably in November. For the October–November period, a sizable rise in exports that was only partly offset by an increase in imports brought a substantial improvement in the trade balance from the third-quarter rate. The strength in exports, which may have been associated in part with a bunching of shipments, was concentrated in aircraft, machinery, consumer goods, and agricultural products. Among imports, most of the rise was in consumer goods. The available data on economic activity in the major foreign industrial countries suggested that relatively weak growth had continued into the fourth quarter. In most of these countries, with output moving closer to or further below potential, inflationary pressures appeared to have eased somewhat further.

Producer prices of finished goods declined in December; prices of food and energy moved lower, while prices of other finished goods rose at about the reduced pace of earlier months in the year. At the consumer level, prices of nonfood, non-energy items increased in December at the moderate rate evident since the first quarter of 1991 and well below the pace for 1990. Average hourly earnings rose more rapidly in December than in prior months; however, for the year as a whole, this earnings measure increased at a considerably slower pace than in 1990.

At its meeting on December 17, 1991, the Committee adopted a directive that called for initially maintaining the existing degree of pressure on reserve positions but that included a marked bias toward easing during the intermeeting period. Accordingly, the directive indicated that in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might be acceptable or somewhat lesser reserve restraint would be acceptable in the intermeeting period. The reserve conditions contemplated under this directive were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 1½ percent respectively over the period from November through March.

Shortly after the meeting, with incoming information continuing to point to a very sluggish economy, receding inflationary pressures, and slow growth in the broader monetary aggregates, open market operations were directed toward a substantial easing of conditions in reserve markets. This step was taken in conjunction with a reduction in the discount rate from 4½ to 3½ percent that was approved by the Board of Governors effective December 20. Two technical reductions were made to expected levels of adjustment plus seasonal borrowing during the intermeeting period to reflect the downward drift in seasonal borrowing in early winter. Adjustment plus seasonal borrowing averaged a little above expected levels over most of the intermeeting interval, although very large adjustment borrowing occurred on the settlement day of one reserve maintenance period as a result of a reserve shortfall. At the beginning of the intermeeting period, the federal funds rate averaged around 4½ percent; after the easing of reserve conditions, the funds rate dipped to a little below 4¼ percent through the first week of the new year and then dropped further to around 4 percent as relatively mild year-end pressures abated.

In response to the easing in reserve markets, other short-term interest rates declined about the same amount as the federal funds rate, while longer-term rates fell somewhat less. Rates on intermediate- and long-term securities continued to decline through the early part of 1992 as incoming data seemed to indicate further economic weakness. However, these rates began to firm again by mid-January; over the latter part of the intermeeting period, concerns mounted with regard to current and prospective supplies of federal debt offerings, especially in the context of proposals for fiscal stimulus, and market participants reacted to evidence that tended to suggest an improved economic outlook and consequently a reduced prospect of further monetary easing. For the intermeeting period as a whole, interest rates on intermediate-term Treasury issues were up somewhat, while rates on long-term Treasury and private instruments registered mixed changes. Following the 1 percentage point drop in the discount rate, the prime rate was reduced by the same amount, to 6½ percent. Broad stock price indexes rose substantially.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies rose slightly on balance over the intermeeting period. The dollar declined early in the period, particularly against the German mark, in response to the easing of monetary policy in the United States and the nearly concurrent rise in official German lending rates. In January, however, the dollar rebounded sharply amid market speculation that interest rates in the United States might not decline further and that interest rates in Germany might have peaked. On balance, the dollar weakened appreciably against the Japanese yen over the intermeeting period in response to concerns about trade imbalances between the two countries and to official intervention during the period in support of the yen.

After accelerating somewhat in the fourth quarter from a very weak performance earlier, growth of M2 and M3 appeared to have slowed in January, partly reflecting temporary distortions in demand deposits and money market funds around year-end. The slower growth also seemed to reflect the attraction of relatively high bond yields and persistently rising prices in the stock market at a time when many banking institutions were aggressively reducing offering rates on deposits. For the year 1991, the expansion of both M2 and M3 was estimated to have been at rates a little above the lower ends of the Committee's ranges, while growth of total domestic nonfinancial debt appeared to have been marginally above the lower end of its monitoring range.

The staff projection prepared for this meeting pointed to a recovery in economic activity. In the near term, a small overhang of inventories and depressed confidence would tend to limit overall increases in spending despite indications of a substantial pickup in residential construction, notably of single-family homes. Subsequently, however, the cumulative effects of earlier declines in interest rates would be expected to lead to a moderate pickup in growth, with the risks to that trajectory for the economy being viewed as about in balance. Stronger consumer spending, a rise in business equipment investment, and a swing from liquidation to accumulation of inventories were projected to provide most of the impetus for faster growth. The retarding effects of depressed nonresidential construction activity and of the ongoing restructuring of household and business balance sheets were expected to lessen gradually as the expansion progressed. The potential nature and size of any stimulative fiscal package remained highly uncertain, and the staff projection did not incorporate major new fiscal initiatives. The substantial though diminishing slack expected in labor and product markets in coming quarters was projected to induce further declines in the underlying rate of inflation.

In their discussion of the economic situation and outlook, Committee members continued to view some strengthening in aggregate demand and overall business activity as the most likely prospect during the months ahead, with the expansion settling into a pattern of moderate growth by the second half of the year. The available information suggested that the sluggish performance of the economy was continuing in early 1992, though there were indications, still very tentative and largely anecdotal, of some improvement. Nonetheless, the decline in interest rates over the second half of 1991 accompanied by the appreciable progress achieved by many financial institutions, business firms, and households in improving their balance sheets appeared to have established a basis for a pickup in final demand. The timing and strength of an upturn remained subject to substantial uncertainties, and the need for further policy stimulus to foster a satisfactory economic expansion could not be ruled out. The uncertainties arose in part from the largely unpredictable course of fiscal policy, the still depressed state of business and consumer confidence, the strength and effects of continuing efforts to shore up balance sheets, and the extent to which economic growth might slow abroad. With regard to the outlook for inflation, the available data and anecdotal information about recent increases in costs and prices reflected quite promising developments, and the members continued to anticipate appreciable progress toward a lower core rate of inflation.

In keeping with the practice at meetings when the Committee establishes its long-run ranges for growth of the money and debt aggregates, the Committee members and Federal Reserve Bank presidents not currently serving as members had prepared projections of economic activity, the rate of unemployment, and inflation for the year 1992. Measured from the fourth quarter of 1991 to the fourth quarter of 1992, the forecasts for growth of real GDP had a central tendency of 1¾ to 2½ percent. Projections of the civilian rate of unemployment in the fourth quarter of 1992 were concentrated in a range of 6¾ to 7 percent. These forecasts pointed to rates of resource utilization that seemed consistent with appreciable progress toward price stability. Projections of the increase in the CPI from the fourth quarter of 1991 to the fourth quarter of 1992 were centered in a range of 3 to 3½ percent; this range compared with a realized increase in the CPI of 3 percent in 1991, but the result for 1991 had been heavily influenced by the sharp decline in oil prices, so the members' forecasts represented a significant decrease in the underlying rate of inflation. Forecasts of growth of nominal GDP had a central tendency of 4½ to 5¾ percent for 1992.

The members acknowledged that there were substantial risks of an outcome outside the central tendency of their forecasts for economic activity. Views differed with regard to the most likely direction of any deviation, but many of the members saw those risks as being in better balance than previously. Among the uncertainties in the outlook was the extent to which financial intermediaries would continue to restrict their extensions of credit to less than prime borrowers. In this connection, a number of members reported on anecdotal indications that banking institutions in various parts of the country appeared to have become somewhat more willing lenders, even though overall survey results and many banker comments did not indicate any easing in credit standards. A second source of uncertainty related to the continuing efforts of business firms and households to strengthen their balance sheets and in the process to divert some of their corporate cash flows or disposable personal incomes from spending to reducing debt and improving equity positions. These efforts together with lower market interest rates already appeared to have induced significant progress toward reducing debt exposures and debt servicing costs, but the financial restructuring process was still under way and the extent to which it would continue to inhibit spending remained unclear. A further source of uncertainty related to the ongoing and widespread adjustments in corporate business structures, including downsizings, that were aimed at improving the competitive efficiency of business firms. While these restructuring activities were serving to strengthen the long-run competitive position of the economy, they tended for the present to inhibit overall spending, both directly and indirectly through the adverse effects of widely publicized job cutbacks on consumer sentiment.

Many of the members observed that fiscal policy developments were adding to the uncertainties in the economic outlook. At the moment, the potential outcome of fiscal initiatives by the Administration and the Congress was unknown. In the view of at least some members, a limited package of short-term fiscal stimulus measures implemented relatively early this year could have a favorable effect on business activity. On the other hand, adoption of fiscal measures involving substantial stimulus, which would further impede the prospects for long-term budgetary balance, would be likely to have strongly adverse repercussions on financial markets and perhaps on business and consumer confidence. Indeed, concerns about the outlook for fiscal policy might well have been an important factor behind the rise in long-term bond yields this year. It also was noted that uncertainty about the exact provisions of the fiscal program that might eventually be adopted was causing some businesses to defer investment decisions.

In their review of business conditions in different parts of the country, members again reported on mixed patterns of activity in recent months, and they described overall conditions in the different regions as ranging from slightly weaker to slightly stronger. Although an expected upturn in general business activity had not materialized thus far, many members sensed some improvement in business attitudes. Notwithstanding the persistence of gloomy consumer sentiment, contacts among retailers indicated that many had experienced somewhat better sales in recent weeks than they had anticipated earlier, though reports from some parts of the country pointed to significant exceptions. Members commented that the pickup in sales of single-family homes together with reduced interest burdens stemming from home mortgage refinancings would tend to stimulate consumer spending in the quarters ahead. Over the near term, production activity was likely to be inhibited to some degree by the moderate buildup that had occurred late in 1991 in wholesale and retail inventories. As the year progressed, however, a pickup in consumer spending probably would encourage some increase in inventory investment. Likewise, cautious business attitudes along with excess capacity in several key industries and the ongoing efforts to improve balance sheets would limit the growth in business spending for plant and equipment for some period of time, probably until an upturn in final demand was well under way. The prospects for commercial construction activity remained severely constrained by high vacancy rates in many parts of the country. On the foreign side, the outlook for relatively sluggish economic growth in several key industrial nations implied more limited growth in U.S. exports; in addition, if sentiment favoring more protectionism were to gather added strength in the context of a weak domestic economy, new trade restrictions might be imposed that would have adverse effects.

With regard to the prospects for inflation, members observed that core inflation was continuing to recede, and in the context of their outlook for relatively limited pressures on production resources, some commented that they would not view an inflation result below the central tendency of the members' projections as a surprising outcome. Developments having favorable implications for inflation included an extended period of subdued monetary growth, highly competitive conditions in domestic and international markets for numerous products, and productivity gains associated with business restructuring activities that were adding to the usual operating efficiencies achieved during the early quarters of cyclical upswings. The members did not rule out the possibility that unanticipated surges in energy or food prices might temporarily arrest or reverse progress toward price stability, but they assumed that such prices would move in line with most other prices in the year ahead.

In keeping with the requirements of the Full Employment and Balanced Growth Act of 1978 (the Humphrey–Hawkins Act), the Committee at this meeting reviewed the ranges for growth of the monetary and debt aggregates in 1992 that it had established on a tentative basis in July 1991. The tentative ranges included expansion of 2½ to 6½ percent for M2 and 1 to 5 percent for M3, measured from the fourth quarter of 1991 to the fourth quarter of 1992. The monitoring range for growth of total domestic nonfinancial debt had been set provisionally at 4½ to 8½ percent for 1992. All of these ranges were unchanged from those for 1991 that the Committee had set in February and reaffirmed in July of last year.

In the Committee's discussion, a majority of the members indicated a preference for affirming the ranges for 1992 that had been established on a tentative basis in July. While those ranges were acceptable to all the members, several expressed a preference for lowering them.

In formulating the Committee's objectives for 1992, members stressed that policy needed to promote sustainable expansion in economic activity while consolidating and extending gains against inflation. Both objectives were attainable, especially in light of the degree of slack in the economy. However, the translation of these objectives into specific money growth ranges was complicated by questions about the relation of the monetary aggregates to spending. Since 1989, the level of M2 had fallen increasingly short of levels that past historical relationships with nominal GDP and market interest rates would have indicated. Insofar as could be judged at this point, retention of a 2½ to 6½ percent range for M2 should provide adequate leeway and operational flexibility to accommodate a satisfactory economic performance. Demand for M2 balances relative to income would continue to be damped if, as appeared likely, banks and thrifts were to reduce further their offering rates on deposits in lagged response to earlier declines in market rates. The reductions in offering rates could be pronounced if banking institutions maintained their cautious lending policies and many prime borrowers continued to channel a larger-than-usual share of their financing needs toward longer-term market sources of funds and away from depository institutions. Under those circumstances, velocity could well rise appreciably and relatively modest M2 growth would not necessarily be inconsistent with a satisfactory economic expansion. On the other hand, the continuing improvement in the balance sheets and capital positions of depository institutions might prompt them as a group to become more willing lenders and thus to bid more aggressively for deposits to fund additional lending. In this case faster growth of M2, perhaps toward the upper end of the tentative range, might be desirable. On balance, the members believed that adoption of the tentative M2 range for 1992 should allow sufficient room for the likely range of developments in the intermediation process. Nonetheless, the substantial uncertainties surrounding the outlook for M2 suggested that the Committee would have to approach monetary developments with a great deal of flexibility over the year ahead.

An unchanged target range for M3 also was seen as likely to provide adequate room for a desirable rate of growth in this aggregate in the context of accommodating the Committee's broad policy objectives. The growth of M3 probably would continue to be affected to a greater extent than that of M2 by the diversion of credit demands to sources outside depository institutions and by the ongoing contraction of the thrift industry in conjunction with the activities of the Resolution Trust Corporation. Accordingly, a lower range for M3 than for M2 appeared to remain appropriate. Retention of an unchanged monitoring range for growth in nonfinancial debt also seemed warranted for 1992, even though the expansion in such debt was likely to accelerate somewhat from a very sluggish pace in 1991, mainly as a result of more rapid growth in the federal debt. Nonfederal debt also might increase a little faster this year, but the pickup was likely to be limited by the still cautious attitudes of households and businesses toward new debt. Thus, the 1991 range for nonfinancial debt should comfortably encompass an expansion of credit to support stronger spending in 1992.

Members who preferred a lower range for M2 believed that a reduction was desirable at this time to underscore the Committee's commitment to its long-run objective of price stability. While the unchanged range supported by the majority might provide the flexibility needed for a desirable anti-inflationary policy in the year ahead, a lower range would be more consistent with the Committee's ultimate objective of price level stability. However, in the view of other members a reduction at this time could be interpreted as an indication that the Committee might not be willing to supply enough liquidity to foster an appreciable strengthening in the economy in 1992, especially if a fairly rapid increase in M2 were needed to compensate for relatively slow money growth in 1991. No member advocated higher monetary growth ranges, but a number suggested that the emergence of more normal patterns of monetary velocity in association with an economic performance in line with the central tendency of the members' projections might appropriately result in M2 growth in the upper half of the Committee's range.

Concerns about the implications of slow money growth in 1991 and the possibility of more normal velocity patterns in 1992 prompted some members to suggest a modification of the current procedure for constructing yearly monetary growth ranges. The modification would involve linking the ranges for the current year to those for the previous year rather than to the actual outcomes for that year. The new approach would place monetary targeting in a multi-year context with the objective of constraining money growth to a desired range over a longer horizon. Such an approach would have advantages over current procedures if the relationship between money growth and spending could be predicted with confidence. In the course of the Committee's discussion, however, a number of members referred to questions that had arisen about that relationship in recent years as thrift institutions were closed and credit flows increasingly bypassed depository institutions. A satisfactory performance of the economy in 1992 might well be accompanied by a rise in velocity, although there was considerable uncertainty about such an outcome. Should velocity in fact rise, the acceleration of the broader aggregates implied by this alternative approach and the associated easing of reserve conditions and short-term interest rates might not be consistent with the Committee's objectives. Given the uncertainties about velocity, a broad array of indicators, in addition to money, would need to continue to be assessed in determining the appropriate stance of the Committee in providing reserves. Members concluded that the proposal should be studied further and reconsidered later in light of changing circumstances.

At the conclusion of the Committee's discussion, all of the members indicated that they favored or could accept the ranges for 1992 that the Committee had established on a tentative basis at its meeting in July 1991. In keeping with the Committee's usual procedures under the Humphrey–Hawkins Act, the ranges would be reviewed at midyear, or sooner if deemed necessary, in light of the behavior of the aggregates and ongoing economic and financial developments. The Committee approved the following paragraph for inclusion in the domestic policy directive:

> The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1991 to the fourth quarter of 1992. The monitoring range for growth of total domestic nonfinancial debt was set at 4½ to 8½ percent for the year. With regard to M3, the Committee anticipated that the ongoing restructuring of depository institutions would continue to depress the growth of this aggregate relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Hendricks, Hoenig, Kelley, LaWare, Lindsey, Melzer, Mullins, Ms. Phillips, and Mr. Syron. Votes against this action: None.

In the Committee's discussion of policy for the period immediately ahead, all of the members favored or found acceptable a proposal to maintain unchanged conditions in reserve markets and to bias the directive toward possible easing during the intermeeting period. In support of this policy, members observed that reserve conditions had been eased substantially over the past several months, including the easing undertaken in the latter part of December, and that much of the stimulus from recent policy actions had yet to be felt in the economy. The members generally agreed that enough monetary stimulus probably had been implemented to foster the desired upturn in economic activity without further policy moves. Nonetheless, the high degree of uncertainty surrounding the outlook suggested that the Committee needed to remain alert to the possibility of developments that might require additional easing.

In these circumstances, a majority of the members expressed a preference for a directive that was biased toward some easing. The lagged effects of earlier easing actions could prove to be less stimulative than anticipated, in part because of ongoing balance sheet restructuring activities. The persistence of a weak economy might well have especially severe consequences, and, in the view of some members, signs of such an outcome would call for prompt action. However, many members who supported a bias toward ease also stipulated that there should not be an unusually strong presumption that any easing would in fact be implemented during the intermeeting period ahead: The Committee should ease only in response to cumulating evidence that economic activity was not picking up or that monetary growth was falling appreciably short of current expectations. A few members, while not ruling out the possible need for further easing, preferred not to bias the directive in either direction. In this view, more emphasis needed to be put on the inflationary risks of overreacting to the current weakness in the economy, and a symmetrical directive would require more persuasive evidence of the need for some easing before action was taken.

With regard to the outlook for monetary expansion, some members expressed concern about the relatively sluggish growth of the broader aggregates. While the most recent data suggested some pickup in M2 growth, the behavior of that aggregate had been erratic in recent months and it was difficult to discern its underlying trend. According to a staff analysis prepared for this meeting, the growth of M2 and M3 could be expected to accelerate somewhat in the period ahead, given current conditions in reserve markets and some projected strengthening in the economy. However, expansion of M2 probably would continue to be restrained by the aggressive reductions by depository institutions in their offering rates on deposit components of this aggregate and the continuation of related shifts of M2 funds into higher-yielding capital market instruments. In addition, the expected pickup in the pace of RTC resolutions over the balance of the first quarter would tend to moderate the growth of M2 and especially M3. To the extent that subdued growth of the broader aggregates were to reflect such special influences, there would not be significant adverse implications for the overall performance of the economy. Moreover, in the view of some members, the very considerable strength of narrow measures of money and reserves also tended to attenuate concerns about the possibly inadequate expansion of the broader monetary aggregates; indeed, in at least one view, the rapid growth of narrow money would become a worrisome development were it to persist. The members generally concluded, however, that somewhat faster growth in the broader aggregates would be a welcome development.

At the conclusion of the Committee's discussion, all of the members indicated that they were prepared to vote for a directive that called for maintaining the existing degree of pressure on reserve positions. The members also noted their preference for or acceptance of a directive that included some bias toward possible easing during the intermeeting period. Accordingly, in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might be acceptable or slightly lesser reserve restraint would be acceptable during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 1½ percent respectively over the three-month period from December through March.

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

The information reviewed at this meeting suggests that economic activity has remained sluggish. Total nonfarm payroll employment was little changed in December, and the civilian unemployment rate rose to 7.1 percent. Industrial production fell slightly in November and December, partly reflecting a sizable drop in motor vehicle assemblies. Consumer spending has been weak on balance in recent months amid continuing indications of depressed consumer confidence and essentially no growth in disposable income. Demand for business equipment has been uneven, while nonresidential construction has remained in a steep decline. Single-family housing starts continued to recover in December. The nominal U.S. merchandise trade deficit narrowed in November, and for October–November combined the trade balance improved substantially from the third-quarter rate. Wage and price increases have continued to trend downward.

Short-term interest rates have declined appreciably since the Committee meeting on December 17, while longer-term rates have registered mixed changes. The Board of Governors approved a reduction in the discount rate from 4½ to 3½ percent on December 20. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies rose slightly on balance over the intermeeting period.

After accelerating somewhat in the fourth quarter, M2 and M3 slowed in January, partly reflecting temporary distortions around year-end. For the year 1991, the expansion of both M2 and M3 is estimated to have been at rates a little above the lower ends of the Committee's ranges. Growth of total domestic nonfinancial debt appears to have been marginally above the lower end of the Committee's monitoring range for the year.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1991 to the fourth quarter of 1992. The monitoring range for growth of total domestic nonfinancial debt was set at 4½ to 8½ percent for the year. With regard to M3, the Committee anticipated that the ongoing restructuring of depository institutions would continue to depress the growth of this aggregate relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. In the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint might or slightly lesser reserve restraint would 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 December through March at annual rates of about 3 and 1½ percent, respectively.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Hendricks, Hoenig, Kelley, LaWare, Lindsey, Melzer, Mullins, Ms. Phillips, and Mr. Syron. Votes against this action: None.

2. *AGREEMENT TO "WAREHOUSE" FOREIGN CURRENCIES*

On February 5, 1991, the Committee had approved a reduction from $15 billion to $10 billion in the amount of eligible foreign currencies that the System was prepared to "warehouse" for the Treasury and the Exchange Stabilization Fund (ESF). The purpose of the warehousing facility is to supplement the U.S. dollar resources of the Treasury and the ESF for financing their purchases of foreign currencies and related international operations.

At this meeting, the Committee agreed to reduce the limit further to $5.0 billion, a ceiling that earlier had been in place for many years. System holdings of foreign currencies under the warehousing facility had risen to a peak of $9.0 billion in March 1990, but by the end of August 1991 they had been cut back to their current level of $2.0 billion. Accordingly, the new $5.0 billion ceiling was expected to provide an adequate cushion of unused capacity and, thus, to maintain operational flexibility to respond on short notice to unanticipated developments.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Hendricks, Hoenig, Kelley, LaWare, Lindsey, Melzer, Mullins, Ms. Phillips, and Mr. Syron. Votes against this action: None.

Legal Developments

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

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221, and 224, its Regulations G, T, U, and X (Securities Credit Transactions; List of Marginable OTC Stocks; and List of Foreign Margin Stocks). The List of Marginable OTC Stocks (OTC List) is comprised of stocks traded over-the-counter (OTC) in the United States that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List of Foreign Margin Stocks (Foreign List) represents foreign equity securities that have met the Board's eligibility criteria under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to or deletions from the previous OTC List and additions to the previous Foreign List. Both Lists were last published on January 27, 1992 (57 *Federal Register* 2997) and effective on February 10, 1992.

Effective May 11, 1992, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 C.F.R. 207.2(k) and 207.6 (Regulation G), 12 C.F.R. 220.2(u) and 220.17 (Regulation T), and 12 C.F.R. 221.2(j) and 221.7 (Regulation U), there is set forth below a listing of deletions from and additions to the OTC List, and additions to the Foreign List.

Deletions from the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

Air Methods Corporation: Warrants (expire 08–28–92)
America West Airlines, Inc.: $.25 par common; 7.5% convertible subordinated debentures
Amith Bancorp Inc.: $2.50 par common

Belmoral Mines Ltd.: No par common
Bonneville Pacific Corporation: $.01 par common
Broadway Financial Corporation: No par common

Colorocs Corporation: $.05 par common
Corporated Capital Resources, Inc.: $.025 par common

Eastco Industrial Safety Corp.: $.01 par common
Environmental Control Group, Inc.: $.10 par common

Hammond Company, The: No par common
Heritage Bancorp, Inc.: $.10 par common

Jacor Communications, Inc.: No par common
Jones Intercable, Inc.: 7.5% convertible subordinated debentures

Metro-Tel Corporation: $.025 par common
Moniterm Corporation: $.025 par common

NAC RE Corp.: 6¼% convertible subordinated debentures

Production Operators Corp.: 9.25% convertible subordinated debentures

Stansbury Holdings Corporation: $.25 par common
Suburban Bankshares, Inc. (Florida): Class A, $.10 par common
Sudbury Inc.: $.01 par common
Sulcus Computer Corporation: Series A, no par redeemable convertible preferred; Class B, Warrants (expire 06–30–92)

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

Air Wis Services, Inc.: $.10 par common
Allwaste, Inc.: $.01 par common
Alta Health Strategies, Inc.: $.01 par common
America First Federally Guaranteed Mortgage Fund 2 Limited Partnership: Exchangeable units of limited partnership interest
American Insured Mortgage Investors, Series 85 Limited Partnership: Depository units of limited partnership interest
Ameritrust Corporation: $1.66⅔ par common

Bindley Western Industries, Inc.: 8⅝% convertible subordinated debentures

Care Group Inc., The: Warrants (expire 04-24-92)
Citizens Utilities Company: Series A, $.25 par common; Series B, $.25 par common
Clarcor Inc.: $1.00 par common
Community Bancorp Inc. (Pennsylvania): $.01 par common
Compuchem Corp.: $.01 par common
Cytrx Corporation: Class B, Warrants (expire 11-09-92)

E'Town Corporation: No par common
Electronic Data Technologies: $.01 par common
Envirosafe Services, Inc.: $.01 par common

Fedelity Bancshares, Inc.: $1.00 par common
First City Bancorp, Inc.: No par common
First Illinois Corporation: $1.00 par common
First Interstate of Iowa, Inc.: $1.00 par common
Florida Employers Insurance Co.: $.01 par common

GNW Financial Corporation: $.01 par common

Inter Federal Savings Bank (Tennessee): $1.00 par common

Long Island City Financial Corporation, The: $.01 par common

Merry Lane & Investment Company, Inc.: No par common

North Carolina Natural Gas Corporation: $2.50 par common

Occupational Urgent Care Health Systems, Inc.: No par common
Orthopedic Services, Inc.: $.01 par common

Piper Jaffray Incorporated: $1.00 par common

Relm Communications, Inc.: No par common

Sanford Corporation: $.01 par common

Talman Home Federal Savings and Loan Association of Illinois: $.01 par common
Teradata Corporation: $.01 par common

Valley Capital Corporation: $1.00 par common
Value Merchants, Inc.: $.01 par common
Vencor, Incorporated: $.25 par common

Waterhouse Investor Services, Inc.: $.01 par common
Workman's Bancorp, Inc.: $1.00 par common

Additions to the List of Marginable OTC Stocks

Abaxis, Inc.: No par common
Abbey Healthcare Group Incorporated: $.001 par common
Access Health Marketing, Inc.: $.001 par common
Adesa Corporation: No par common
Advacare, Inc.: $.01 par common
Advantage Bancorp, Inc. (Wisconsin): $.01 par common
Advantage Health Corporation: $.01 par common
Affinity Biotech, Inc.: $.01 par common
AGCO Corporation: $.01 par common
Agridyne Technologies, Inc.: $.06 par common
Albank Financial Corporation: $.01 par common
America Online, Inc.: $.01 par common
American Biogenetic Sciences, Inc.: Class A, $.001 par common
American Business Information, Inc.: $.0025 par common
American United Global, Inc.: $.01 par common
Amylin Pharmaceuticals, Inc.: $.001 par common
Aqua Buoy Corporation: $.001 par common
Arch Communications Group, Inc.: $.01 par common
Armstrong Pharmaceuticals, Inc.: $.08 par common

Back Bay Restaurant Group, Inc.: $.01 par common
Belden & Blake Energy Corporation: No par common
Bell Sports Corporation: $.01 par common
Biospecifics Technologies Corporation: $.001 par common
Biosys: No par common
Bisys Group, Inc., The: $.02 par common
Box Energy Corporation: Class A voting, $1.00 par common; Class B non-voting, $1.00 par common
BPI Environmental, Inc.: Series A, $.01 par redeemable convertible preferred
Braun's Fashions Corporation: $.01 par common
Buttrey Food and Drug Stores Company: $.01 par common

California Micro Device Corporation: Warrants (expire 04-20-97)
Calumet Bancorp, Inc.: $.01 par common
Canstar Sports, Inc.: No par common
Cardiopulmonics, Inc.: $.01 par common
Cavco Industries, Inc.: $.10 par common
CEL-SCI Corporation: $.001 par common; Warrants (expire 02-06-95)
Cellcor, Inc.: $.01 par common

Cellular Communications International, Inc.: $.01 par common
Cellular Communications of Puerto Rico, Inc.: $.01 par common
Cellular Technical Services Company, Inc.: $.001 par common
Chemtrak Incorporated: $.001 par common
Chipsoft, Inc.: Class A, $.01 par common
Chromcraft Revington, Inc.: $.01 par common
Chronimed, Inc.: $.01 par common
Citfed Bancorp, Inc.: $.01 par common
Coastal Banc Savings Association: $.00017 par common
Collins Industries, Inc.: $.10 par common
Communications & Entertainment Corporation: $.01 par common; Class A, $.05 par common
Comtech Telecommunications Corp.: $.10 par common
Corvas International, Inc.: No par common
Cosmetic Center, Inc., The: Class A, $.01 par common
Craftmade International, Inc.: $.20 par common
Curaflex Health Services, Inc.: $.01 par common
Cytorad Incorporated: Units (expire 01–31–97)
Cytotherapeutics, Inc.: $.01 par common

Damark International, Inc.: Class A, $.01 par common
Day Runner, Inc.: No par common
Defense Software & Systems, Inc.: $.01 par common
Delta Queen Steamboat Co., The: $.01 par common
Deprenyl USA, Inc.: No par common; Class A, Warrants (expire 04–19–93)
Digital Products Corp.: $.025 par common; Series A, Warrants (expire 02–07–95); Series B, Warrants (expire 02–07–97)
DSG International Limited: Ordinary shares, $.01 par value
Dura Pharmaceuticals, Inc.: No par common
Durr-Fillauer Medical, Inc.: 7% convertible subordinated debentures

Ecoscience Corporation: $.01 par common
Endosonics Corporation: No par common
Engle Homes, Inc.: $.01 par common
Enhanced Imaging Technologies, Inc.: $.001 par common
Ero, Inc.: $.01 par common
Eskimo Pie Corporation: $1.00 par common
Evergreen Resources, Inc.: No par common

F&M Bancorp (Maryland): $5.00 par common
Fahnestock Viner Holdings, Inc.: Class A non-voting, No par common
Farrel Corporation: $.01 par common
First Commerce Corporation: $25.00 par cumulative preferred
First Financial Corporation (Indiana): $.25 par common
First Financial Corporation of Western Maryland: $1.00 par common
First Mortgage Corporation: No par common
First Western Corporation: $.01 par common
Fleet Call, Inc.: Class A, $.001 par common
Forstmann & Company, Inc.: $.001 par common
Fourth Financial Corporation: Depository Shares representing 1/16 cumulative convertible preferred A stock
Frame Technology Corporation: No par common
Fred's, Inc.: No par common

Gates/FA Distributing, Inc.: $.01 par common
Gibraltar Packaging Group, Inc.: $.01 par common
Gilead Sciences, Inc.: $.001 par common

Health O Meter Products, Inc.: $.01 par common
Healthwatch, Inc.: Series A, Warrants (expire 04–30–93); Series B, Warrants (expire 04–30–94)
Heart Technology, Inc.: $.01 par common
Herbalife International, Inc.: $.01 par common
Heritage Federal Bancshares, Inc.: $1.00 par common
HF Financial Corporation: $.01 par common

I-Stat Corporation: $.15 par common
ICU Medical, Inc.: $.10 par common
I.S.G. Technologies Inc.: No par common
Industrial Holdings, Inc.: $.01 par common; Class A, Warrants (expire 01–14–97); Class B, Warrants (expire 01–14–97)
Infinity Broadcasting Corporation: Class A, $.002 par common
Innovo Group, Inc.: $.01 par common
Integral Systems, Inc.: $.01 par common
International Jensen Incorporated: $.01 par common
Interneuron Pharmaceuticals, Inc.: Class B, Warrants (expire 03–08–95)

Kendall Square Research Corporation: $.01 par common
Kinnard Investments, Inc.: $.02 par common
Kopin Corporation: $.01 par common

Liberty Media Corporation: Class A, $1.00 par common; Class B, $1.00 par common; $.01 par convertible preferred
Licon International, Inc.: $.001 par common
Lincare Holdings, Inc.: $.01 par common
Litchfield Financial Corporation: $.01 par common

Lone Star Steakhouse & Saloon, Inc.: $.01 par common
Longhorn Steaks, Inc.: No par common

M-Wave, Inc.: $.01 par common
Matrix Pharmaceutical, Inc.: $.01 par common
Maxicare Health Plans, Inc.: $.01 par common
Meadowbrook Rehabilitation Group, Inc.: Class A, $.01 par common
Medical Diagnostics, Inc.: $.01 par common
Medical Technology Systems, Inc.: $.01 par common; Warrants (expire 05-31-92); Warrants (expire 07-10-96)
Medicis Pharmaceutical Corporation: Class A, $.001 par common; Class B, Warrants (expire 03-28-95); Class C, Warrants (expire 04-10-95)
Memorex Telex N.V.: American Depository Receipts
Men's Wearhouse, Inc., The: $.01 par common
Menley & James, Inc.: $.01 par common
Mohawk Industries, Inc.: $.01 par common

Nahama & Weagant Energy Company: No par common
NBT Bancorp, Inc.: $.001 par common
NCI Building Systems, Inc.: $.01 par common
Neorx Corporation: $.02 par convertible exchangeable preferred
Noel Group, Inc.: $.01 par common
Northern Trust Corporation: Depository shares representing 1/20 of a share of cumulative convertible preferred stock, Series E
Noven Pharmaceuticals, Inc.: $.0001 par common

Odd's-n-End's, Inc.: $.01 par common
Omega Financial Corporation: $5.00 par common
Opta Food Ingredients, Inc.: $.01 par common
Option Care, Inc.: $.01 par common

Pan Petroleum Master Limited Partnership: Depository receipts for units of limited partnership
PCI Services, Inc.: $.001 par common
Peoples Holding Company, The: $5.00 par common
Phycor, Inc.: No par common
Plains Spirit Financial Corporation: $.01 par common
Polymedica Industries, Inc.: $.01 par common
Pomeroy Computer Resources, Inc.: $.01 par common
Premier Anesthesia, Inc.: $.001 par common
Protein Design Labs, Inc.: $.01 par common
Protocol Systems, Inc.: $.01 par common
Providential Corporation: $.001 par common

Radiation Care, Inc.: $.01 par common
Reliable Financial Corporation: $.01 par common
Repossession Auction, Inc.: $.00067 par common; Warrants (expire 12-18-96)
Restor Industries, Inc.: $.01 par common; Warrants (expire 08-12-94)
Roper Industries, Inc.: $.01 par common

S & T Bancorp, Inc.: $2.50 par common
Sanborn, Inc.: $.01 par common; Warrants (expire 08-07-96)
Sand Technology Systems International, Inc.: Class A, No par common
Satellite Technology Management, Inc.: No par common
Sayett Group, Inc.: $.01 par common; Warrants (expire 02-05-95)
Scholastic Corporation: $.01 par common
Schuler Homes, Inc.: $.01 par common
Sciclone Pharmaceuticals, Inc.: No par common; Warrants (expire 03-12-97)
Scotts Company, The: Class A, $.01 par common
Seragen, Inc.: $.01 par common
Sholodge, Inc.: No par common
Simula, Inc.: $.01 par common
Spectranetics Corporation, The: $.001 par common
Sphinx Pharmaceuticals Corporation: $.01 par common
SSE Telecom, Inc.: $.01 par common
Staar Surgical Company: $.01 par common
Staff Builders, Inc.: Warrants (expire 01-31-95)
Summit Care Corporation: No par common
Sybron Chemical Industries, Inc.: $.01 par common
Synopsys, Inc.: $.01 par common

Target Therapeutics, Inc.: $.0025 par common
Taseko Mines, Limited: No par common
Tele-Communications, Inc.: Liquid yield options due 2008
Teledata Communication, Ltd.: Ordinary Shares, NIS .1
Telios Pharmaceuticals, Inc.: No par common
TNT Freightways Corporation: $.01 par common
Tocor II, Inc.: Units (expire 12-31-96)
Triconex Corporation: No par common

Union Planters Corporation: Series E, No par cumulative convertible preferred
United Postal Bancorp, Inc.: $.01 par common
United Retail Group, Inc.: $.001 par common
Univax Biologics, Inc.: $.01 par common
USA Truck, Inc.: $.01 par common

Varsity Spirit Corporation: $.01 par common
Ventritex, Inc.: No par common
Verdix Corporation: $.01 par common
Veterinary Centers of America, Inc.: $.001 par common; Warrants (expire 10-10-92)
Videotelecom Corporation: $.01 par common
Vitalink Pharmacy Services, Inc.: $.01 par common

Walker Interactive Systems, Inc.: $.001 par common
Walker Power, Inc.: $.01 par common
Whole Foods Market, Inc.: No par common
Worthington Foods, Inc.: No par common

Xircom, Inc.: $.001 par common

Zynaxis, Inc.: $.01 par common

Additions to the List of Foreign Margin Stocks

Bandai Co., Ltd.: ¥50 par common

Clarion Co., Ltd.: ¥50 par common

Japan Storage Battery Co., Ltd.: ¥50 par common

Maruichi Steel Tube Ltd.: ¥50 par common

Okamoto Industries, Inc.: ¥50 par common

Sanwa Bank, Ltd.: ¥50 par common

FINAL RULE—AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors is amending 12 C.F.R. Part 265, its Rules Regarding Delegation of Authority ("Rules"). The amendment would expedite applications processing by expanding the authority of the Federal Reserve Banks to approve certain applications under sections 3 and 4 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 *et seq.*). Specifically, this amendment would delete certain provisions of the Board's Rules to permit the Reserve Banks to approve applications involving:
(a) banking organizations that rank among a state's five largest banking organizations or among the 50 largest banking organizations in the United States, or
(b) the acquisition of certain large nonbanking companies by bank holding companies with over $1 billion in assets.

Effective April 8, 1992, 12 C.F.R. Part 265 is amended as follows:

1. The authority citation for Part 265 continues to read as follows:

Authority: Sections 11(i) and (k) of the Federal Reserve Act (12 U.S.C. 248(i) and (k)).

2. In section 265.11(c)(11)(v), paragraph (A) is removed and paragraphs (B) and (C) are redesignated as (A) and (B), respectively.

3. In section 265.11(c)(11)(vi), paragraphs (A) and (B) are removed and paragraph (vi) is revised to read as follows:

(vi) With respect to nonbank acquisitions, the nonbanking activities involved do not clearly fall within activities that the Board has designated as permissible for bank holding companies under section 225.25(b) of Regulation Y.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Arvest Bank Group, Inc.
Bentonville, Arkansas

Order Approving Acquisition of a Bank

Arvest Bank Group, Inc., Bentonville, Arkansas ("Arvest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Farmers and Merchants Bank, Prairie Grove, Arkansas ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 6606 (1992)). 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.

Arvest operates five subsidiary banks in Arkansas. The principal shareholders of Arvest control other banks that operate in Arkansas and Oklahoma (collectively, the "Walton Chain"). The Walton Chain is the third largest commercial banking organization in Arkansas, controlling $876.3 million in deposits, representing 4.5 percent of total deposits in commercial banking organizations in Arkansas.[1] Bank is the 80th largest commercial banking organization in Arkansas, controlling $54.8 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state. Upon consummation of this proposal, the Walton Chain would remain the third largest commercial banking organization in the state, controlling $931.1 million in deposits, representing 4.8

1. State deposit data are as of June 30, 1991, and market data are as of June 30, 1990. Data are adjusted to reflect mergers and acquisitions that were approved through January 31, 1992.

percent of total deposits in commercial banking organizations in Arkansas.

The Walton Chain and Bank compete in the Fayetteville/Springdale, Arkansas banking market.[2] The Walton Chain controls five depository institutions in the market and in the aggregate is the largest of twenty depository institutions operating in the market.[3] The Walton Chain controls deposits of $792.3 million, representing approximately 37.1 percent of total deposits in depository institutions in the Fayetteville/Springdale banking market ("market deposits"). Bank is the tenth largest depository institution in the market, controlling $47.4 million in deposits, representing approximately 2.2 percent of market deposits. Upon consummation of this proposal, the Walton Chain would control approximately 39.3 percent of market deposits. Upon consummation of this proposal, the Herfindahl–Hirschman Index ("HHI") for the market would increase by 164 points to 2090.[4]

Fourteen commercial banking organizations and five thrifts would continue to operate in the market following consummation of this proposal. In addition, the Fayetteville/Springdale market is attractive for entry. The market population increased by 19.5 percent from 1980 to 1990, compared to an increase of 5.6 percent for the state of Arkansas. The projected increase in the population from 1989 to 1994 for the market is 8.2 percent, compared to a projected 2.7 percent increase for the state. The *per capita* income in the market also is higher than in the rest of the state. Since 1987, the market has gained two competitors, one through *de novo* entry and one as a result of the sale of two banks of a multibank holding company located in the market to two separate competitors. In addition, several large commercial banking organizations have recently entered the market through acquisitions of small banks or thrifts.

After review of the concentration levels, the number of competitors that will remain, the attractiveness of the market for entry, and the other facts of record, the Board has determined that consummation of the proposal is not likely to result in a significantly adverse effect on competition in the Fayetteville/Springdale or any other relevant banking market.

The financial and managerial resources and future prospects of Arvest, its affiliated and subsidiary banks, and Bank are consistent with approval of this proposal, especially in light of Arvest's commitment to increase its leverage ratio prior to consummation of this proposal. The Board also finds that considerations relating to the convenience and needs of the communities to be served and the other factors the Board must consider under section 3 of the BHC Act also are consistent with approval.

Based on the foregoing and other factors of record, the Board has determined that the application should be, and hereby is, approved. This approval is specifically conditioned upon compliance by Arvest and its subsidiaries with the commitments made in connection with this application. The commitments and conditions relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law. The acquisition shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 27, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

2. The Fayetteville/Springdale banking market is approximated by Benton and Washington Counties, Arkansas.

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

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

Orders Issued Under Section 4 of the Bank Holding Company Act

The Chuo Trust and Banking Company, Limited
Tokyo, Japan

Order Approving Application to Conduct Investment Advisory Services

The Chuo Trust and Banking Company, Limited, Tokyo, Japan ("Applicant"), a foreign bank subject to the provisions of the Bank Holding Company Act (the

"BHC Act"), has applied, pursuant to section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.21(a) of the Board's Regulation Y (12 C.F.R. 225.21(a)), to acquire 51 percent of the voting equity in a joint venture company ("Joint Venture") that proposes to engage in investment advisory activities that are permissible for bank holding companies under section 225.25(b)(4) of the Board's Regulation Y (12 C.F.R. 225.25(b)(4)).[1] The remaining 49 percent of Joint Venture would be acquired by J. & W. Seligman & Co., Incorporated, New York, New York ("Seligman").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 7047 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Applicant is the 69th largest banking organization worldwide and the sixth largest trust bank in Japan, controlling total consolidated assets of approximately $41.5 billion.[2] Applicant maintains agencies in New York, New York, and Los Angeles, California.

Seligman has organized and distributes shares of the Seligman Group of Mutual Funds ("the Funds"),[3] consisting of 13 registered, open-end investment companies and two closed-end investment companies. Seligman also is engaged in activities that are permissible for state member banks and bank holding companies, including providing discretionary asset management services to high-net-worth individuals, pension plans, trusts, not-for-profit organizations and other sophisticated investors in the United States and in various securities brokerage and trust activities.

The Board previously has determined by regulation that the investment advisory services that Applicant proposes to conduct through Joint Venture are closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)). 12 C.F.R. 225.25(b)(4). Applicant and Joint Venture propose to conduct these activities pursuant to the Board's regulations. The Board also must find that the proposed acquisition "can reasonably be expected to produce benefits to the public . . . that outweigh the possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

In prior decisions, the Board has expressed concern that joint ventures could potentially lead to a matrix of relationships between co-venturers that could breach the legally mandated separation of banking and commerce, create the possibility of conflicts of interests and other adverse effects that the BHC Act was designed to prevent, or impair or give the appearance of impairing the ability of the banking organization to function effectively as an independent and impartial provider of credit. This concern is particularly acute where the joint venture involves a relationship between a bank holding company and a firm engaged in impermissible securities activities, and, therefore, has the potential for the mingling of permissible and impermissible securities activities.[4] Further, joint ventures must be carefully analyzed for any possible adverse effects on competition and on the financial condition of the banking organization involved in the proposal.

The Board has relied on certain commitments to address the potential adverse effects raised by joint ventures between bank holding companies and firms generally engaged in securities activities not authorized for bank holding companies. These commitments are designed to separate the activities of the joint venture from those of the nonbanking co-venturer. In this case, Applicant, Joint Venture and Seligman have made several commitments similar to those the Board has relied upon in other cases to mitigate potential adverse effects, with two exceptions.[5] First, Applicant proposes to have officer and employee interlocks between Seligman and Joint Venture. Second, Applicant proposes that the name of the Joint Venture ("Chuo Trust & Seligman Co. Ltd.") reflect its connection with Seligman.

In this case, the proposed officer interlocks involve Seligman officers with substantial roles for determining the strategic policies of the Funds.[6] These interlocking officers have been chosen to be officers of Joint Venture because of their demonstrated investment-advisory expertise. Their role at the Joint Venture will be limited to providing investment advice to customers of Joint Venture—an activity that is permissible for

1. Applicant, a foreign bank operating agencies in New York and California, is subject to certain provisions of the BHC Act by operation of section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106).

2. All banking data are as of September 30, 1990.

3. In addition, Seligman is the investment adviser to these funds and participates in formulating investment strategies, determines the composition of the funds through the day-to-day management of the portfolios of the funds, and monitors the investment performance of the funds.

4. *See Amsterdam-Rotterdam Bank, N.V.*, 70 *Federal Reserve Bulletin* 835 (1984) ("*Amsterdam-Rotterdam*"); *See also The Long-Term Credit Bank of Japan, Limited*, 75 *Federal Reserve Bulletin* 719 (1989)("*Long-Term Credit Bank*").

5. *See Amsterdam-Rotterdam*. A number of these commitments are described in the Appendix.

6. One proposed officer interlock would permit Seligman's director of research to also serve as an officer of Joint Venture. This individual has supervisory responsibility over all of the portfolio managers for the Seligman Funds. The other proposed interlocking officer currently serves as the portfolio manager for a specific open-end Seligman Fund.

bank holding companies. The proposed interlocking officers have no role in marketing the Seligman Funds and have committed not to sell, market or recommend shares of any Seligman Fund to any customers of the Joint Venture. All of the interlocking non-officer employees will be employees with clerical or administrative functions only, and will be limited in number. Under these circumstances, the Board does not believe that the proposed officer and employee interlocks would cause Applicant to be involved in impermissible securities activities.[7]

In *AmRo*, the Board relied on a commitment that the joint venture name would be distinct from, and not linked with, the securities firm co-venturer, Delfi American Corporation. Chuo argues that this restriction is unnecessary in this case because the customers of the joint venture are expected to be sophisticated investors.

The Board limited the use of Delfi's name by the joint venture in the *AmRo* case in order to avoid the appearance that the joint venture sponsored, or was in any way responsible for, the Delfi mutual funds. The Board was also concerned in that case that the precedent of permitting common names would lead large banking organizations and securities firms to establish joint ventures that would market products using the name of the securities firms, thereby creating the perception that the banking organization had acquired a company that was engaged in impermissible securities activities.[8] Limiting reference to the securities firm in the name of the joint venture prevented this practice without inhibiting the operation of the joint venture or limiting its conduct of permissible activities.

Based on all the facts of record, the Board continues to believe that the prohibition against a connection with the securities firm co-venturer in a joint venture's name is a necessary condition to ensure that the public benefits of the proposal outweigh the possible adverse effects of the joint venture with a firm engaged in impermissible securities activities. Accordingly, the Board's action in this case is subject to the condition that the Joint Venture's name not include a reference to Seligman.

Applicant and Seligman do not currently compete with each other in any relevant market. Accordingly, consummation of the proposed transaction would not eliminate any existing competition between Applicant and Seligman.

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources.[9] Based on financial submissions by Applicant that make adjustments to reflect Japanese banking and accounting principles, including consideration of a portion of unrealized appreciation in Applicant's portfolio of equity securities, Applicant's consolidated tier 1 and total risk-based capital ratios meet applicable standards. The Board has also considered that the scope of the proposed investment advisory activities is limited to agency services and that the proposal requires a *de minimis* capital investment. Based on all the facts of record, the Board concludes that the financial considerations are consistent with approval. The managerial resources of Applicant also are consistent with approval.

Consummation of Applicant's proposal may be expected to provide increased convenience to Joint Venture's customers and gains in efficiency. The Board expects that the *de novo* entry of Joint Venture into the market for these services would increase the number of firms in the U.S. capable of offering advice to an international clientele with respect to the U.S. securities market. Accordingly, the Board has determined that performance of the proposed activities by Joint Venture can reasonably be expected to produce benefits to the public.

For the reasons discussed above, and in reliance on the commitments made by Applicant, Joint Venture and Seligman, and the conditions in this order, the Board believes that the proposal is not likely to result in decreased or unfair competition, conflicts of interests, unsound banking practices, concentration of resources or other adverse effects, and that the balance of public interest factors that the Board is required to consider under section 4(c)(8) of the BHC Act is favorable.

Based on the foregoing, including the conditions described in this Order, and all of the facts of record, including the commitments made by Applicant, Joint Venture, and Seligman in connection with its application, the Board has determined that the application should be, and hereby is, approved. This determination is also subject to all 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 such modification or termination of the activities of a bank holding company or any of its subsid-

7. Interlocks involving officers with other responsibilities would require review by the Board.

8. The Board has in other contexts also limited the ability of bank holding companies and their subsidiaries to share the same name as a mutual fund advised by the company or subsidiary. 12 C.F.R. 225.125.

9. 12 C.F.R. 225.24; *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155 (1987).

iaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The Board's approval of this proposal is specifically conditioned on compliance by Applicant, Joint Venture, and Seligman with these conditions and commitments which are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective April 29, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Applicant's Commitments

1. Applicant will apply for the Board's prior approval to retain its investment in the Joint Venture should Seligman expand into a line of business other than the businesses it currently engages in. If required by the Board in such circumstances, Applicant will divest its investment in Joint Venture.
2. The offices of Seligman and the Joint Venture will have separate entrances.
3. Applicant and its subsidiaries will not distribute prospectuses or sales literature for Seligman's mutual funds or make any such literature available to the public at any of their offices.
4. Officers and employees of the New York branch and the Los Angeles agency will be instructed not to express any opinion concerning the advisability of purchasing the securities of any Seligman mutual fund.
5. The names of customers of the New York branch or Los Angeles agency will not be furnished to Seligman's mutual funds.
6. None of Seligman's mutual funds will have offices in any building which is likely to be identified in the public's mind with Applicant or its subsidiaries.
7. Applicant and its subsidiaries will not act as registrar, transfer agent or custodian for any of Seligman's mutual funds.
8. Applicant and its subsidiaries will not engage, directly or indirectly, in the sale or distribution of, or purchase for their account, any shares of Seligman's mutual funds.
9. Applicant and its subsidiaries will not purchase in their sole discretion any securities of Seligman's mutual funds in a fiduciary capacity, will not extend credit to any such mutual fund, or accept securities of any such mutual fund as collateral for a loan which is for the purpose of purchasing securities of any such fund.
10. Applicant will not make any investment in Seligman or nominate any director of Seligman.
11. Applicant and its banking subsidiaries will not take into account the fact that a potential borrower competes with Joint Venture in determining whether to extend credit to that borrower.
12. Neither Applicant nor any of its banking subsidiaries will extend credit directly or indirectly to the Joint Venture, any customer of the Joint Venture or Seligman on terms more favorable than those afforded similar borrowers in similar circumstances.
13. Applicant, as the 51 percent shareholder of Joint Venture, commits that Joint Venture will not provide to the Seligman Group mutual funds access to its customer lists. Seligman has agreed that the Seligman Group of mutual funds will not solicit business from the clients of the Joint Venture and will not seek access to the customer lists of the Joint Venture.
14. Joint Venture will not solicit customers of the Seligman Group of mutual funds and Joint Venture will not request or accept access to the customer lists of such mutual funds.
15. Applicant, as the 51 percent shareholder of the Joint Venture, commits that any referral by the Joint Venture of its customers to the Seligman Group will include notice that alternative providers of the same mutual fund services are available. Seligman Group has agreed that any referral of a customer of the Seligman Group to the Joint Venture by the Seligman Group will include notice that additional organizations are available which provide the same services as Joint Venture.
16. Joint Venture will not act as investment adviser to any investment company organized and advised by Seligman or any affiliate of Seligman (or any other investment company that may in the future be so organized and advised).
17. Joint Venture will not provide advice in the United States to any investor that is not a sophisticated investor. The term "sophisticated investor" has the same meaning as the term "accredited investor" as that term is defined in the securities Act of 1933, as amended and Regulation D, 12 C.F.R. 230.
18. No officer or employee of Seligman, whose responsibility consists of selling or marketing the shares of any of the Seligman Funds (or any other open-end

investment company that may be established by Seligman), or whose responsibility consists of overseeing the corporate affairs of any of the Seligman Funds (or any other open-end investment company that may be established by Seligman) will serve concurrently as an officer or employee of the Joint Venture.

19. No director, officer or employee of the Joint Venture will recommend any of Seligman's mutual funds to a client or prospective client of the Joint Venture, or in any way solicit a client or prospective client of the Joint Venture on behalf of any of Seligman's mutual funds.

Orders Issued Under Bank Merger Act

First of America Bank—Ann Arbor Ann Arbor, Michigan

Order Approving Merger of Banks

First of America Bank—Ann Arbor, Ann Arbor, Michigan ("Ann Arbor Bank"), a state member bank, has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") to merge with First of America Bank—Livingston, Howell, Michigan ("Livingston Bank"), with Ann Arbor Bank as the surviving entity. Ann Arbor Bank has also applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321) to establish branches at the 7 offices of Livingston Bank and has applied to make an additional investment in bank premises pursuant to section 24A of the Federal Reserve Act (12 U.S.C. § 371(d)).[1]

Notice of the applications, affording interested persons an opportunity to submit comments, has been given in accordance with applicable law. As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the applications and all the comments received in light of the factors set forth in the Bank Merger Act and the Federal Reserve Act.

Ann Arbor Bank and Livingston Bank are subsidiary banks of First of America Bank Corporation, Kalamazoo, Michigan ("FOA"). FOA, with total consolidated assets of $16.8 billion,[2] controls 25 banking subsidiaries in Michigan, Illinois, and Indiana. This proposal represents an internal reorganization of FOA's subsidiary banks and would not have a significantly adverse effect on competition in any relevant banking market. Accordingly, competitive considerations are consistent with approval.

The Board also concludes that the financial and managerial resources and future prospects of Ann Arbor Bank and Livingston Bank are consistent with approval.

Convenience and Needs Considerations

In analyzing the effect of this merger on the convenience and needs of the communities to be served by Ann Arbor Bank, the Board has taken into account the record of performance of Ann Arbor Bank and Livingston Bank under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution," and to take that record into account in its evaluation of applications to merge under the Bank Merger Act and to establish a domestic branch.[3]

In this regard, the Board has considered comments filed by several individuals ("Protestants") alleging that Ann Arbor Bank has failed to provide adequate assistance for the development of low-income housing in Ann Arbor. Protestants cited as an example Ann Arbor Bank's refusal to donate a downtown office building for use as low-income housing. The Board has carefully reviewed the CRA performance records of Ann Arbor Bank and Livingston Bank, as well as Protestants' comments, the banks' responses, and all of the other relevant facts, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[4]

1. These branches will be located at: 10014 East Grand River, Brighton; 8130 West Grand River, Brighton; 11050 Highland Road, Hartland; 2300 East Grand River, Howell; 207 North Michigan, Howell; 219 North Walnut Street, Howell; and 222 West Main, Pinckney, all in Michigan.

2. Asset data are as of December 31, 1991.

3. 12 U.S.C. § 2903.

4. 54 *Federal Register* 13,742 (1989). The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the applications process to review an institution's record of performance under the CRA.

Initially, the Board notes that Ann Arbor Bank received a "satisfactory" rating from the Federal Reserve Bank of Chicago in its most recent examination for CRA performance as of September 1991. Livingston Bank has an outstanding CRA performance rating as reflected in its most recent examination for CRA performance by its primary regulator, the Federal Deposit Insurance Corporation. The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.[5] In addition, the Board has recently concluded that the CRA performance records of all of FOA's subsidiary banks are generally consistent with approval of applications under the convenience and needs factor in the Bank Holding Company Act.[6]

The record also indicates that Ann Arbor Bank has in place the types of policies and procedures outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, Ann Arbor Bank has appointed a CRA Officer as well as a Community Liaison, and has formed a CRA Committee, which includes representatives from all lending departments. The CRA Committee meets bi-monthly, and annually performs an audit of Ann Arbor Bank's CRA activities.

In addition, Ann Arbor Bank has an officer calling program that permits outreach to realtors, business groups, churches, municipalities, nonprofit organizations, and schools. Ann Arbor Bank markets its loan products through a wide variety of media, including marketing directed at low- and moderate-income individuals. Ann Arbor Bank also offers mortgage loans and small business services for low- and moderate-income customers. For example, Ann Arbor Bank offers the FOA Initiative Mortgage, with downpayments as low as 5 percent, and assists small businesses through a program with the Wayne Downtown Development Authority to provide loans to attract new business to the downtown district and to assist existing businesses to continue operating within the city.

The Board has considered Protestants' proposal regarding the donation of a building for a homeless facility in light of Ann Arbor Bank's response and other activities by Ann Arbor Bank to assist low-income or homeless individuals.[7] The bank currently holds a substantial mortgage on the building. While Ann Arbor Bank has considered Protestants' suggestion that the building be donated, Ann Arbor Bank has determined that it is not feasible, in light of the financial consequences to the bank, to make a charitable donation of the building. Ann Arbor Bank also notes that conversion from the current office configuration to a facility for single-room occupancy would require substantial renovations.

The Board also notes that Ann Arbor Bank engages in activities that support the development of low-income housing. For example, Ann Arbor Bank has extended credit to facilitate the expansion and rehabilitation of the Ann Arbor YMCA, which includes a single-room occupancy facility for low-income individuals in Ann Arbor. In addition, Ann Arbor Bank has provided a line of credit to the Washtenaw Affordable Housing Corporation for housing acquisition and renovation for low- and moderate-income individuals, and has extended credit to the Arrowwood Hills Cooperative, which provides housing to low-income individuals.

On the basis of all the facts of record, including comments received and relevant examination reports, the Board concludes that convenience and needs considerations, including the CRA performance records of Ann Arbor Bank and Livingston Bank, are consistent with approval of these applications.

Other Considerations

Ann Arbor Bank has also applied under section 9 of the Federal Reserve Act to establish branches at the offices of Livingston Bank. The Board has considered the factors it is required to consider when reviewing applications for establishing branches pursuant to section 9 of the Federal Reserve Act, and finds these factors to be consistent with approval. In connection with its branch applications, Ann Arbor Bank has requested permission under section 24A of the Federal Reserve Act to make an additional investment in bank premises. The Board concludes that the additional investment in bank premises will support Ann Arbor Bank's acquisition of the offices of Livingston Bank and is consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. This approval is specifically conditioned on compliance by Ann Arbor Bank and Livingston Bank with all of the commitments made in connection with these applications. The commitments and conditions relied on in reaching this decision are conditions imposed in

5. 54 *Federal Register* at 13,745.

6. *First of America Bank Corporation*, 76 *Federal Reserve Bulletin* 371 (1992).

7. This building, known as the Downtown Club, served as a single-room occupancy facility for the homeless until 1982. Its residential operations ceased when the building was converted into a commercial office building. In 1986, Ann Arbor Bank acquired the mortgage and was forced to foreclose on the property in June 1991.

writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 13, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

By the Board

April 3, 1992

David V. Nelson
Vice President
Norwest Corporation
Norwest Center
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479

Dear Mr. Nelson:

Norwest Corporation, Minneapolis, Minnesota ("Norwest"), has proposed to acquire certain assets and assume certain liabilities of First Federal Savings Bank of South Dakota, Rapid City, South Dakota ("First Federal"), through its bank subsidiary, Norwest Bank South Dakota, N.A., Sioux Falls, South Dakota, ("Bank"). As structured, the transaction requires the Board's approval pursuant to section 5(d)(3) of the Federal Deposit Insurance Act ("FDI Act"), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. No. 102–242, § 501, 105 Stat. 2236, 2388 (1991)). By letter dated March 31, 1992, the Board determined not to approve this proposal. The Board issues this Statement explaining in more detail the reasons for its action.

The Board must consider the factors and follow the procedures established in the Bank Merger Act (12 U.S.C. § 1828(c)) in considering proposals under section 5(d)(3) of the FDI Act. The Bank Merger Act prohibits approval of any proposal that would substantially lessen competition in any relevant banking market unless the agency finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. 12 U.S.C. § 1828(c).

Norwest and First Federal directly compete in three banking markets, including the Rapid City, South Dakota banking market.[1] In the Rapid City banking market, Bank is the largest of 13 commercial banking or thrift institutions (together, "depository institutions"), controlling deposits of $487 million, representing approximately 39.3 percent of total deposits in depository institutions in the market ("market deposits").[2] First Federal controls $184.2 million in deposits in the Rapid City market. With all thrift deposits in the Rapid City banking market weighted at 50 percent,[3] First Federal is the fifth largest depository institution in the market, and its deposits represent approximately 7.4 percent of total market deposits. If the proposed merger were consummated, Bank would control $664 million in deposits,[4] and its share of total market deposits would increase to approximately 50 percent of market deposits.[5] The Herfindahl–Hirschman Index ("HHI"), for this market would increase by 825 points to 2988.[6]

These measures are particularly significant in light of the structure of the Rapid City banking market. Bank currently controls more than twice the share of the Rapid City banking market as the second largest competitor. Upon consummation of Norwest's proposal, Bank would control 20 of the 48 branches of depository institutions in the market, and only one other depository institution would operate more than three branches. Moreover, most of the remaining

1. The Rapid City banking market is comprised of Butte, Lawrence, Pennington, Haakon, Custer, Fall River, Shannon, Jackson, and Bennett Counties; Lakeside Township, Southwest Meade Unorganized Territory, and Belle Fourche-Cheyenne Valleys Unorganized Territory in Meade County.

2. Deposit and market share data are as of June 30, 1991.

3. *See, e.g., First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990); *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

4. This calculation accounts for Norwest's proposal to transfer the Custer branch of First Federal to First Western Bank, Custer, South Dakota.

5. Because the deposits of First Federal would be transferred to a commercial bank pursuant to Norwest's proposal, First Federal's deposits are included at 100 percent following Bank's proposed assumption of these deposits. *See First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990).

6. If thrift deposits are weighted at 50 percent both before and after consummation of Norwest's proposal, Bank's market share would increase to 46.4 percent and the HHI would increase by 565 points to 2,727.

depository institutions in the market are relatively small and have small market shares. This market has not enjoyed entry of new competitors since 1987, and this market is not of the size, and has not experienced the high growth rate, that typically attracts new competitors.[7]

The Board has considered Norwest's argument that the various measures of market share overstate the competitive effect of the transaction because these measures do not reflect the troubled financial condition of First Federal and recent flow of deposits to other institutions, or the competition offered by credit unions in this market. However, based on a review of all the facts of record, including the structure of the Rapid City market, the current market share controlled by Norwest, and the number and location of branch offices of Norwest following the transaction, the Board believes that the proposed transaction would have a significantly adverse effect on competition in the Rapid City banking market.

The Board also believes these significant competitive effects are not clearly outweighed in the public interest by benefits to the convenience and needs of the communities to be served. The RTC has advised the Board that it has received bids for First Federal from various other prospective purchasers, including qualified bidders that do not have a significant presence in the Rapid City market. While public benefits would result from Norwest's proposal, the Board does not believe that, in light of the facts of this case, these benefits clearly outweigh the likely adverse effects of the proposal on competition in the Rapid City banking market.

7. Between 1980 and 1990, population in the Rapid City market increased by 7.4 percent compared to a national average of 9.7 percent.

For these reasons, and based on all of the facts of record, the Board concludes that considerations relating to the competitive effects of this proposal are not consistent with approval. Considerations relating to the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the communities to be served, do not lend sufficient weight to warrant approval of this application.

Accordingly, it is the Board's judgment that approval of this application is not warranted and, it is for these reasons that the Board has denied the application under section 5(d)(3) of the FDI Act.

Very truly yours,

JENNIFER J. JOHNSON
Associate Secretary of the Board

cc: Federal Reserve Bank of Minneapolis
Resolution Trust Corporation
Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Department of Justice

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

By the Director of the Division of Banking Supervision and Regulation and the General Counsel of the Board

Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Panhandle Bancshares, Inc., Panhandle, Texas	New MeraBank, F.S.B., El Paso, Texas (Wolfin Branch)	The First National Bank of Panhandle, Panhandle, Texas	April 3, 1992

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
BB&T Financial Corporation, Wilson, North Carolina	Peoples Bank, Thomasville, North Carolina	Richmond	April 15, 1992
BRAD, Inc., Black River Falls, Wisconsin	Bank of Melrose, Melrose, Wisconsin	Chicago	April 8, 1992
Camilla Bancshares, Inc., Camilla, Georgia	Bank of Camilla, Camilla, Georgia	Atlanta	April 3, 1992
City Holding Company, Charleston, West Virginia	Home Bancorp, Inc., Sutton, West Virginia	Richmond	March 30, 1992
Commerce Bancshares, Inc., Kansas City, Missouri CBI-Illinois, Inc., Kansas City, Missouri	First Peoria Corporation, Peoria, Illinois	Kansas City	April 3, 1992
Commercial Financial Corp., Storm Lake, Iowa	The Commercial Trust & Savings Bank, Storm Lake, Iowa	Chicago	April 23, 1992
Community Bancorp of Louisiana, Inc., Raceland, Louisiana	Community Bank of Lafourche, Raceland, Louisiana	Atlanta	April 17, 1992
Community Group, Inc., Chattanooga, Tennessee	Consolidated Bancorporation, Inc., Chattanooga, Tennessee	Atlanta	April 17, 1992
First Banks, Inc., St. Louis, Missouri	WIN Bancorp, Inc., Winchester, Illinois	St. Louis	March 30, 1992
First Capital Bancorp, Inc., Guthrie, Oklahoma	First Capital Bank, Guthrie, Oklahoma	Kansas City	April 9, 1992
First Central Bancshares, Inc., Lenoir City, Tennessee	First Central Bank, Lenoir City, Tennessee	Atlanta	April 7, 1992
First National Agency of Bagley, Inc., Bagley, Minnesota	Fosston Bancorporation, Inc., Fosston, Minnesota	Minneapolis	April 3, 1992
First Tule Bancorp of Delaware, Inc., Wilmington, Delaware	The First National Bank of Tulia, Tulia, Texas	Dallas	April 7, 1992
Glen Burnie Bancorp, Glen Burnie, Maryland	The Bank of Glen Burnie, Glen Burnie, Maryland	Richmond	April 21, 1992
Grayson Bankshares, Inc., Independence, Virginia	Grayson National Bank, Independence, Virginia	Richmond	April 8, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
HNB Corporation, Arkansas City, Kansas	American Bancorp of Ponca City, Inc., Ponca City, Oklahoma	Kansas City	April 3, 1992
Lockhart Bankshares-Delaware, Inc., Wilmington, Delaware	First-Lockhart National Bank, Lockhart, Texas	Dallas	April 21, 1992
Lockhart Bankshares, Inc., Lockhart, Texas	Lockhart Bankshares-Delaware, Inc., Wilmington, Delaware First-Lockhart National Bank, Lockhart, Texas	Dallas	April 21, 1992
Mabrey Insurance Agency, Inc., Okmulgee, Oklahoma	The Morris State Bank, Morris, Oklahoma	Kansas City	April 22, 1992
Niota Bancshares, Inc., Niota, Tennessee	Bank of Niota, Niota, Tennessee	Atlanta	April 17, 1992
Northwest Financial Corp., Spencer, Iowa	Conover Bancorporation, Creston, Iowa	Chicago	April 21, 1992
Old State Bank Corporation, Fremont, Michigan	The Old State Bank of Fremont, Fremont, Michigan	Chicago	April 1, 1992
Peoples Bancorporation, Inc., Easley, South Carolina	The Peoples National Bank, Easley, South Carolina	Richmond	April 1, 1992
Princeton National Bancorp, Inc., Princeton, Illinois	Illinois Valley Bancshares, Princeton, Illinois	Chicago	April 21, 1992
San Bancorp., Sanborn, Iowa	Ocheyedan Bancorporation, Ocheyedan, Iowa	Chicago	April 9, 1992
Southern Banking Corporation, Altamonte Springs, Florida	Southern Bank of Central Florida, Altamonte Springs, Florida	Atlanta	April 6, 1992
TB&C Bancshares, Inc., Columbus, Georgia	Citizens First Bank, Rome, Georgia	Atlanta	April 2, 1992
Union Bancorp, Inc., Bowling Green, Virginia	Union Bank and Trust Company, Bowling Green, Virginia	Richmond	April 2, 1992
Union Planters Corporation, Memphis, Tennessee	Southeastern Bancshares, Inc., Alexandria, Tennessee	St. Louis	April 20, 1992
Villages Bancorporation, Inc., Lady Lake, Florida	First Bank of the Villages, Lady Lake, Florida	Atlanta	April 2, 1992

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Alpha Financial Group, Inc., Minonk, Illinois	Ghiglieri Insurance Agency, Toluca, Illinois	Chicago	April 10, 1992
Mahaska Investment Company, Oskaloosa, Iowa Mahaska Investment Company ESOP, Oskaloosa, Iowa	making and servicing of loans	Chicago	April 13, 1992
Matewan BancShares, Inc., Matewan, West Virginia	Hampden Venture Limited Partnership, Gilbert, West Virginia	Richmond	April 10, 1992
Montana Bancsystem, Inc., Billings, Montana	making and servicing loans	Minneapolis	April 22, 1992
Norwest Corporation, Minneapolis, Minnesota	general insurance surety/bond activities	Minneapolis	April 3, 1992
Norwest Corporation, Minneapolis, Minnesota	National Ag Underwriters, Inc., Anoka, Minnesota	Minneapolis	April 16, 1992

Pending Cases Involving the Board of Governors

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

State of Idaho, Department of Finance v. Board of Governors, No. 92-70107, (9th Cir., filed February 24, 1992). Petition for review of Board order returning without action a bank holding company application to relocate its subsidiary bank from Washington to Idaho.

Davis v. Board of Governors, No. 91–6972 (Supreme Court, filed December 4, 1991). Petition for *certiorari* seeking review of *Burke v. Board of Governors,* 940 F.2d 1360 (10th Cir. 1991), in which the court of appeals upheld Board orders assessing civil money penalties and issuing orders of prohibition. The Board's oppositionto *certiorari* was filed on April 15, 1992.

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

Greenberg v. Board of Governors, No. 91–4200 (2d Cir., filed December 4, 1991). Petition for review of orders of prohibition issued by the Board on October 28, 1991. Oral argument was held on April 22, 1992.

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

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

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

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

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

Synovus Financial Corp. v. Board of Governors, No. 89–1394 (D.C. Circuit, filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. On December 20, 1991, the Court of Appeals vacated the Board's order, ruling that the Board has no authority over interstate relocations of national banks. Synovus's petition for rehearing was denied on March 27, 1992.

MCorp v. Board of Governors, No. CA3–88–2693 (N.D. Texas, filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. The case is pending.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

Blaine E. Correll
Somerset, Kentucky

The Federal Reserve Board announced on April 8, 1992, the termination of a Cease and Desist Order issued, on December 20, 1991, against Blaine E. Correll, an institution-affiliated party of First and Farmers Bancshares, Inc., Somerset, Kentucky.

State Bank and Trust of Colorado Springs
Colorado Springs, Colorado

The Federal Reserve Board announced on April 15, 1992, the issuance of a Cease and Desist Order against the State Bank and Trust of Colorado Springs, Colorado Springs, Colorado.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Bank South Corporation
Atlanta, Georgia

The Federal Reserve Board announced on April 21, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Atlanta and Bank South Corporation, Atlanta, Georgia.

Connecticut Bancorp, Inc.
Norwalk, Connecticut

The Federal Reserve Board announced on April 8, 1992, the execution of a Written Agreement among the Federal Reserve Bank of New York, the Banking Commissioner, State of Connecticut, and Connecticut Bancorp, Inc., Norwalk, Connecticut.

Farmers National Bancorp of Cynthiana, Inc.
Cynthiana, Kentucky

The Federal Reserve Board announced on April 6, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Cleveland, the Department of Financial Institutions, Commonwealth of Kentucky, and Farmers National Bancorp of Cynthiana, Inc., Cynthiana, Kentucky.

Northeast Bancorp, Inc.
Stamford, Connecticut

The Federal Reserve Board announced on April 8, 1992, the execution of a Written Agreement among the Federal Reserve Bank of New York, the Banking Commissioner, State of Connecticut, and Northeast Bancorp, Inc., Stamford, Connecticut.

Security Bank Corporation
Manassas, Virginia

The Federal Reserve Board announced on April 15, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the Bureau of Financial Institutions of the Commonwealth of Virginia, and the Security Bank Corporation, Manassas, Virginia.

Financial and Business Statistics

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
...	Cell not applicable
ATS	Automatic transfer service
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GDP	Gross domestic product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
n.a.	Not available
n.e.c.	Not elsewhere classified
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SCO	Securitized credit obligation
SDR	Special drawing right
SMSA	Standard metropolitan statistical area
VA	Veterans Administration

GENERAL INFORMATION

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

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

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

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

Percent annual rate of change, seasonally adjusted[1]

Monetary and credit aggregate	1991			1992	1991		1992		
	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan.	Feb.	Mar.
Reserves of depository institutions[2]									
1 Total	3.0	7.4	15.3	24.9	20.3	24.1	13.7	45.3	19.4
2 Required	8.9	7.9	15.5	25.0	25.3	22.5	13.4	44.7	20.5
3 Nonborrowed	3.4	4.3	19.3	25.4	24.0	22.2	12.8	48.9	19.2
4 Monetary base[3]	4.2	6.6	8.4	9.8	8.2	7.8	9.1	16.4	4.0
Concepts of money, liquid assets, and debt[4]									
5 M1	7.4	7.5	11.1	16.4	14.3	9.2	16.2	27.0	10.1
6 M2	4.4	.6[r]	2.3	4.2	4.8	2.9	3.1[r]	9.4	−.7
7 M3	1.8	−1.3	1.0	2.1	2.4[r]	1.2[r]	1.2[r]	7.0	−3.3
8 L	−1.9	.7	.2	n.a.	3.1	−.5[r]	−1.1[r]	7.7	n.a.
9 Debt	4.2	4.7	4.3	n.a.	4.5	3.0	2.4	3.8	n.a.
Nontransaction components									
10 In M2[5]	3.4	−1.6	−.7	.0	1.6[r]	.7	−1.6[r]	3.1[r]	−4.6
11 In M3 only[6]	−9.7	−9.9	−5.1[r]	−7.7	−8.9[r]	−6.2[r]	−8.0[r]	−4.3[r]	−16.1
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	13.1	13.2	16.0	19.2	18.0	17.4	20.0	22.9	11.1
13 Small time[7]	1.1[r]	1.5[r]	−8.4	−18.9	−15.0	−15.6	−21.7	−23.7[r]	−14.4
14 Large time[8,9]	−3.3	−8.0	−14.4	−18.1	−18.2	−10.4	−25.8	−16.6[r]	−16.2
Thrift institutions									
15 Savings, including MMDAs	16.8	9.8	10.3[r]	22.8	13.0	14.5[r]	24.1	31.1	24.3
16 Small time[7]	−14.2	−24.2	−22.5	−24.7	−20.7	−21.1	−24.5	−31.6[r]	−27.9
17 Large time[8,9]	−35.0	−40.3	−36.5	−29.9	−31.6	−28.2	−24.5	−35.4	−44.1
Money market mutual funds									
18 General purpose and broker-dealer	7.6	−4.7	−4.0	.9	.7	3.3	−1.7	12.3	−18.8
19 Institution-only	28.8	11.4	37.2	26.9	38.5	38.0	22.1	38.2	−18.5
Debt components[4]									
20 Federal	6.8	13.9	12.2	n.a.	10.8	7.7	5.9	5.9	n.a.
21 Nonfederal	3.4	1.9	1.7	n.a.	2.4	1.5	1.2	3.1	n.a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Millions of dollars

Factor	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1992			1992						
	Jan.	Feb.	Mar.	Feb. 12	Feb. 19	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	307,590	304,147	308,062	302,753	306,852	304,294	304,826	308,003	310,221	306,913
U.S. government securities[2]										
2 Bought outright-system account	264,753	263,190	265,433	262,086	263,633	264,988	264,800	264,501	264,642	266,790
3 Held under repurchase agreements	1,489	776	3,466	0	2,207	0	1,328	4,201	6,323	863
Federal agency obligations										
4 Bought outright	6,005	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960
5 Held under repurchase agreements	32	40	93	0	128	0	83	67	206	57
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	279	63	38	35	56	42	32	11	78	35
8 Seasonal credit	16	22	32	21	23	22	25	27	30	38
9 Extended credit	1	2	2	1	2	3	2	2	2	1
10 Float	797	688	576	674	1,084	587	560	1,081	433	529
11 Other Federal Reserve assets	34,219	33,406	32,462	33,976	33,759	32,692	32,037	32,153	32,547	32,639
12 Gold stock	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,039	21,078[r]	21,120	21,070[r]	21,079[r]	21,089[r]	21,099	21,109	21,119	21,128
ABSORBING RESERVE FUNDS										
15 Currency in circulation	303,218	301,646[r]	302,799	301,375[r]	302,677[r]	302,013[r]	301,710	302,739	303,289	302,887
16 Treasury cash holdings	666	689	711	685	691	693	702	730	703	704
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	7,180	6,241	5,614	6,584	5,874	5,139	5,563	5,245	5,906	5,724
18 Foreign	369	225	218	222	223	207	224	198	232	205
19 Service-related balances and adjustments	4,330	4,529	4,665	4,532	4,436	4,561	4,623	4,671	4,498	4,900
20 Other	262	242	278	244	255	225	253	267	288	281
21 Other Federal Reserve liabilities and capital	8,440	7,929	7,886	7,731	8,151	8,296	7,461	7,615	7,997	8,123
22 Reserve balances with Federal Reserve Banks[3]	25,240	24,799	28,086	23,525	26,701	25,325	26,463	28,723	29,500	26,293

Factor	End-of-month figures			Wednesday figures						
	1992			1992						
	Jan.	Feb.	Mar.	Feb. 12	Feb. 19	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	306,533	303,555	306,524	303,896	317,969	304,020	305,018	307,180	311,999	306,291
U.S. government securities[2]										
2 Bought outright-system account	262,619	265,423	265,796	262,670	264,161	264,912	264,677	263,576	265,244	265,834
3 Held under repurchase agreements	3,529	0	1,805	0	9,469	0	2,016	4,291	6,856	1,160
Federal agency obligations										
4 Bought outright	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960
5 Held under repurchase agreements	135	0	0	0	522	0	111	102	294	100
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	88	35	23	31	55	34	20	14	420	23
8 Seasonal credit	21	25	29	22	22	24	23	29	36	45
9 Extended credit	3	2	0	2	2	2	2	2	3	1
10 Float	198	290	512	1,113	4,837	303	251	831	422	346
11 Other Federal Reserve assets	33,980	31,821	32,400	34,098	32,942	32,785	31,960	32,375	32,765	32,823
12 Gold stock	11,058	11,058	11,057	11,058	11,058	11,058	11,058	11,058	11,058	11,058
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,060	21,099[r]	21,138	21,070[r]	21,079[r]	21,089[r]	21,099	21,109	21,119	21,128
ABSORBING RESERVE FUNDS										
15 Currency in circulation	299,879	301,374[r]	303,212	302,214[r]	302,997[r]	301,731[r]	302,239	303,353	303,272	302,932
16 Treasury cash holdings	684	698	711	691	692	698	734	703	703	711
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	10,828	5,477	6,846	5,834	6,407	5,103	6,313	4,466	4,533	4,631
18 Foreign	321	264	262	224	209	207	248	188	258	172
19 Service-related balances and adjustments	4,556	4,623	4,610	4,532	4,436	4,561	4,623	4,671	4,498	4,900
20 Other	251	231	364	250	208	256	279	270	299	305
21 Other Federal Reserve liabilities and capital	7,629	7,222	8,098	7,831	8,169	8,121	7,309	7,699	7,991	7,990
22 Reserve balances with Federal Reserve Banks[3]	24,520	25,842	24,637	24,467	37,007	25,509	25,448	28,015	32,640	26,856

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

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1989	1990	1991	1991				1992		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Reserve balances with Reserve Banks[2]	35,436	30,237	26,659	23,447	23,197	25,004	26,659	25,416	24,918	28,058
2 Total vault cash[3]	29,828	31,786	32,513	31,536	32,299	31,714	32,513	34,135[r]	34,218[r]	31,647
3 Applied vault cash[4]	27,374	28,884	28,872	27,680	28,386	28,053	28,872	30,396	30,320	28,225
4 Surplus vault cash[5]	2,454	2,903	3,641	3,856	3,913	3,661	3,641	3,739[r]	3,897[r]	3,422
5 Total reserves[6]	62,810	59,120	55,532	51,127	51,584	53,057	55,532	55,812	55,238	56,282
6 Required reserves	61,887	57,456	54,553	50,198	50,501	52,165	54,553	54,809	54,174[r]	55,252
7 Excess reserve balances at Reserve Banks[7]	923	1,664	979	929	1,083	892	979	1,003	1,065	1,030
8 Total borrowings at Reserve Banks[8]	265	326	192	645	261	108	192	233	77	91
9 Seasonal borrowings	84	76	38	287	211	86	38	17	22	32
10 Extended credit[9]	20	23	1	302	12	1	1	1	2	2
	Biweekly averages of daily figures for weeks ending									
	1991			1992						
	Nov. 27	Dec. 11	Dec. 25	Jan. 8	Jan. 22	Feb. 5	Feb. 19	Mar. 4	Mar. 18	Apr. 1
1 Reserve balances with Reserve Banks[2]	24,155	26,839	26,133	27,557	26,147	22,374	25,108	25,922	29,111	27,580
2 Total vault cash[3]	32,656	31,093	33,284	33,318	33,156[r]	36,384[r]	34,354[r]	32,944[r]	30,564	32,414
3 Applied vault cash[4]	28,825	27,607	29,554	29,601	29,732	32,137	30,494	29,169	27,398	28,825
4 Surplus vault cash[5]	3,832	3,486	3,730	3,717	3,424[r]	4,248[r]	3,860[r]	3,775[r]	3,166	3,589
5 Total reserves[6]	52,979	54,446	55,687	57,158	55,879	54,511	55,602	55,091	56,509	56,404
6 Required reserves	52,045	53,842	54,484	56,020	54,966	53,488	54,435	54,151[r]	56,001	54,785
7 Excess reserve balances at Reserve Banks[7]	934	605	1,203	1,138	913	1,023	1,168	941[r]	508	1,620
8 Total borrowings at Reserve Banks[8]	103	110	116	521	136	130	69	63	75	117
9 Seasonal borrowings	84	45	41	22	13	20	22	24	29	38
10 Extended credit[9]	2	1	1	1	0	2	2	3	2	1

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

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

Millions of dollars, averages of daily figures

Source and maturity	1992, week ending Monday								
	Feb. 3	Feb. 10	Feb. 17	Feb. 24	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
Federal funds purchased, repurchase agreements, and other selected borrowings									
From commercial banks in the United States									
1 For one day or under continuing contract	78,298	80,521	80,399	79,454	79,013	81,871	77,492	72,856	73,215
2 For all other maturities	16,179	15,834	15,725	15,685	16,533	16,364	16,666	16,555	15,967
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	20,786	19,659	21,232	25,031	22,497	19,725	19,358	19,026	18,107
4 For all other maturities	18,354	19,567	19,144	19,150	19,935	21,308	21,284	21,497	20,489
Repurchase agreements on U.S. government and federal agency securities									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	14,808	15,391	14,360	14,926	13,733	13,735	12,281	12,199	12,219
6 For all other maturities	14,302	14,679	15,956	14,528	15,230	15,525	17,124	17,656	17,192
All other customers									
7 For one day or under continuing contract	25,315	25,583	26,110	26,749	26,789	25,438	25,201	25,668	26,017
8 For all other maturities	12,004	11,848	12,166	12,139	11,883	11,662	12,272	12,391	12,896
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	56,403	56,789	56,528	54,399	56,720	54,496	51,403	49,600	47,482
10 To all other specified customers[2]	21,704	22,260	20,403	21,138	20,638	21,458	23,411	22,527	20,703

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 5/1/92	Effective date	Previous rate	On 5/1/92	Effective date	Previous rate	On 5/1/92	Effective date	Previous rate
Boston	3.5	12/20/91	4.5	3.75	4/30/92	3.95	4.25	4/30/92	4.45
New York		12/20/91			4/30/92			4/30/92	
Philadelphia		12/20/91			4/30/92			4/30/92	
Cleveland		12/20/91			4/30/92			4/30/92	
Richmond		12/20/91			4/30/92			4/30/92	
Atlanta		12/20/91			4/30/92			4/30/92	
Chicago		12/20/91			4/30/92			4/30/92	
St. Louis		12/24/91			4/30/92			4/30/92	
Minneapolis		12/23/91			4/30/92			4/30/92	
Kansas City		12/20/91			4/30/92			4/30/92	
Dallas		12/20/91			4/30/92			4/30/92	
San Francisco	3.5	12/20/91	4.5	3.75	4/30/92	3.95	4.25	4/30/92	4.45

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

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6
1978—Jan. 9	6–6.5	6.5
20	6.5	6.5
May 11	6.5–7	7
12	7	7
July 3	7–7.25	7.25
10	7.25	7.25
Aug. 21	7.75	7.75
Sept. 22	8	8
Oct. 16	8–8.5	8.5
20	8.5	8.5
Nov. 1	8.5–9.5	9.5
3	9.5	9.5
1979—July 20	10	10
Aug. 17	10–10.5	10.5
20	10.5	10.5
Sept. 19	10.5–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980—Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
29	10	10
July 28	10–11	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
July 11	6	6
Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11	6.5	6.5
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6–6.5	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5
Sept. 13	5–5.5	5
Sept. 17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
In effect May 1, 1992	3.5	3.5

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

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

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

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

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

	Type of deposit[2]	Requirements	
		Percent of deposits	Effective date
	Net transaction accounts[3]		
1	$0 million–$42.2 million	3	12/17/91
2	More than $42.2 million[4]	10	4/2/91
3	Nonpersonal time deposits[5]	0	12/27/90
4	Eurocurrency liabilities[6]	0	12/27/90

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

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

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

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

4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report quarterly.

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction	1989	1990	1991	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	14,284	24,739	20,158	5,776	529	2,198	2,823	837	0	123
2 Gross sales	12,818	7,291	120	0	0	0	0	0	1,628	0
3 Exchanges	231,211	241,086	277,314	28,009	19,508	25,409	24,141	21,967	26,750	24,435
4 Redemptions	12,730	4,400	1,000	0	0	0	0	0	1,600	0
Others within one year										
5 Gross purchases	327	425	3,043	340	200	0	178	0	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	28,848	25,638	24,454	3,425	1,131	2,002	1,655	1,570	1,298	6,020
8 Exchanges	−25,783	−27,424	−28,090	−2,443	−2,202	−2,034	−2,585	−3,562	−989	−2,742
9 Redemptions	500	0	1,000	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	1,436	250	6,583	0	650	0	2,133	300	0	1,027
11 Gross sales	490	200	0	0	0	0	0	0	0	0
12 Maturity shifts	−25,534	−21,770	−21,211	−3,425	−1,131	−1,877	−1,492	−1,570	−1,174	−6,020
13 Exchanges	23,250	25,410	24,594	1,993	2,202	1,686	2,135	3,562	539	2,292
Five to ten years										
14 Gross purchases	287	0	1,280	0	0	0	880	0	0	0
15 Gross sales	29	100	0	0	0	0	0	0	0	0
16 Maturity shifts	−2,231	−2,186	−2,037	688	0	−126	−163	0	−124	0
17 Exchanges	1,934	789	2,894	300	0	347	300	0	451	300
More than ten years										
18 Gross purchases	284	0	375	0	0	0	375	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	−1,086	−1,681	−1,209	−688	0	0	0	0	0	0
21 Exchanges	600	1,226	600	150	0	0	150	0	0	150
All maturities										
22 Gross purchases	16,617	25,414	31,439	6,116	1,379	2,198	6,390	1,137	0	1,150
23 Gross sales	13,337	7,591	120	0	0	0	0	0	1,628	0
24 Redemptions	13,230	4,400	1,000	0	0	0	0	0	1,600	0
Matched transactions										
25 Gross sales	1,323,480	1,369,052	1,570,456	112,414	116,266	137,073	98,063	118,127	136,922	123,000
26 Gross purchases	1,326,542	1,363,434	1,571,534	110,280	118,481	135,281	97,925	118,263	136,282	124,654
Repurchase agreements[2]										
27 Gross purchases	129,518	219,632	310,084	16,847	40,447	12,432	14,165	51,345	21,412	9,824
28 Gross sales	132,688	202,551	311,752	16,847	40,447	3,718	22,879	36,000	33,228	13,353
29 Net change in U.S. government securities	−10,055	24,886	29,729	3,981	3,595	9,121	−2,462	16,619	−15,684	−725
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	5	0	5	0	0	0	0	0
32 Redemptions	442	183	292	0	0	14	51	45	85	0
Repurchase agreements[2]										
33 Gross purchases	38,835	41,836	22,807	537	3,061	714	275	1,744	390	571
34 Gross sales	40,411	40,461	23,595	537	3,061	695	294	1,191	808	706
35 Net change in federal agency obligations	−2,018	1,192	−1,085	0	−5	5	−70	508	−503	−135
36 Total net change in System Open Market Account	**−12,073**	**26,078**	**28,644**	**3,981**	**3,590**	**9,126**	**−2,532**	**17,127**	**−16,186**	**−860**

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

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

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

Millions of dollars

Account	Wednesday					End of Month		
	1992					1992		
	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25	Jan. 31	Feb. 28	Mar. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,057
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	629	623	616	615	607	614	632	599
Loans								
4 To depository institutions	60	44	45	459	69	112	62	52
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	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960
8 Held under repurchase agreements	0	111	102	294	100	135		0
9 **Total U.S. Treasury securities**	**264,912**	**266,693**	**267,867**	**272,100**	**266,994**	**266,148**	**265,423**	**267,601**
10 Bought outright[2]	264,912	264,677	263,576	265,244	265,834	262,619	265,423	265,796
11 Bills	130,033	129,798	128,697	129,741	129,531	128,767	130,544	129,492
12 Notes	102,835	102,835	102,835	103,460	104,260	101,520	102,835	104,260
13 Bonds	32,043	32,043	32,043	32,043	32,043	32,332	32,043	32,043
14 Held under repurchase agreements	0	2,016	4,291	6,856	1,160	3,529	0	1,805
15 **Total loans and securities**	**270,932**	**272,808**	**273,973**	**278,813**	**273,123**	**272,354**	**271,444**	**273,613**
16 Items in process of collection	4,979	6,440	5,656	5,419	4,835	5,034	5,155	8,172
17 Bank premises	998	1,000	1,001	1,007	1,007	994	1,001	1,007
Other assets								
18 Denominated in foreign currencies[3]	27,067	26,002	26,042	26,164	26,218	26,928	25,999	26,060
19 All other[4]	4,860	5,003	5,335	5,643	5,659	6,130	5,041	5,444
20 **Total assets**	**330,541**	**332,952**	**333,699**	**338,737**	**332,524**	**333,129**	**330,347**	**335,971**
LIABILITIES								
21 Federal Reserve notes	281,969	282,498	283,564	283,472	283,121	280,117	281,605	283,383
22 **Total deposits**	**35,947**	**37,318**	**37,674**	**42,325**	**36,956**	**40,595**	**36,659**	**36,952**
23 Depository institutions	30,381	30,478	32,751	37,235	31,847	29,195	30,688	29,480
24 U.S. Treasury—General account	5,103	6,313	4,466	4,533	4,631	10,828	5,477	6,846
25 Foreign—Official accounts	207	248	188	258	172	321	264	262
26 Other	256	279	270	299	305	252	231	364
27 Deferred credit items	4,505	5,827	4,762	4,949	4,458	4,788	4,860	7,538
28 Other liabilities and accrued dividends[5]	2,369	2,224	2,228	2,311	2,235	2,558	2,317	2,226
29 **Total liabilities**	**324,790**	**327,866**	**328,228**	**333,057**	**326,769**	**328,058**	**325,441**	**330,099**
CAPITAL ACCOUNTS								
30 Capital paid in	2,732	2,734	2,737	2,739	2,742	2,683	2,734	2,745
31 Surplus	2,647	2,342	2,522	2,573	2,604	2,383	2,171	2,598
32 Other capital accounts	372	9	211	368	408	6	0	529
33 **Total liabilities and capital accounts**	**330,541**	**332,952**	**333,699**	**338,737**	**332,524**	**333,129**	**330,347**	**335,971**
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	265,009	267,191	267,478	266,278	264,354	266,801	268,036	271,183
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Bank)	362,562	363,421	364,098	364,235	363,391	364,621	363,222	362,146
36 LESS: Held by Federal Reserve Bank	80,593	80,924	80,534	80,763	80,271	84,504	81,617	78,762
37 Federal Reserve notes, net	281,969	282,498	283,564	283,472	283,121	280,117	281,605	283,383
Collateral held against notes, net:								
38 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,057
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	260,893	261,422	262,488	262,396	262,045	259,041	260,529	262,308
42 **Total collateral**	**281,969**	**282,498**	**283,564**	**283,472**	**283,121**	**280,117**	**281,605**	**283,383**

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

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

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1992					1992		
	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25	Jan. 31	Feb. 28	Mar. 31
1 **Total loans**	**60**	**44**	**45**	**459**	**69**	**112**	**62**	**52**
2 Within fifteen days	60	39	32	457	67	112	58	46
3 Sixteen days to ninety days	1	6	13	2	2	0	4	6
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 **Total acceptances**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 **Total U.S. Treasury securities**	**264,912**	**266,693**	**267,867**	**272,100**	**266,994**	**262,619**	**265,423**	**265,796**
10 Within fifteen days[2]	13,395	14,873	13,834	19,450	14,487	8,864	8,559	6,571
11 Sixteen days to ninety days	63,618	63,906	69,039	64,082	63,035	64,603	69,052	67,222
12 Ninety-one days to one year	86,713	87,040	84,120	87,070	87,174	86,028	87,851	89,745
13 One year to five years	61,400	61,088	61,088	61,713	62,513	63,788	60,175	62,473
14 Five years to ten years	15,192	15,192	15,192	15,192	15,192	14,796	15,192	15,192
15 More than ten years	24,594	24,594	24,594	24,594	24,594	24,540	24,594	24,594
16 **Total Federal agency obligations**	**5,960**	**6,071**	**6,062**	**6,253**	**6,060**	**5,960**	**5,960**	**5,960**
17 Within fifteen days[2]	403	231	190	582	300	108	403	220
18 Sixteen days to ninety days	502	783	695	535	535	867	502	524
19 Ninety-one days to one year	1,411	1,413	1,523	1,483	1,524	1,343	1,411	1,515
20 One year to five years	2,726	2,726	2,686	2,686	2,750	2,647	2,726	2,750
21 Five years to ten years	764	764	814	814	797	841	764	797
22 More than ten years	154	154	154	154	154	154	154	154

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

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

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.	1992 Mar.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]	Seasonally adjusted											
1 Total reserves[3]	47.60	47.73	49.10	53.75	50.89	51.15	51.82	52.69	53.75	54.37	56.42	57.33
2 Nonborrowed reserves[4]	45.88	47.46	48.78	53.56	50.12	50.50	51.56	52.59	53.56	54.13	56.34	57.24
3 Nonborrowed reserves plus extended credit[5]	47.12	47.48	48.80	53.56	50.42	50.80	51.57	52.59	53.56	54.13	56.34	57.24
4 Required reserves	46.55	46.81	47.44	52.77	49.80	50.22	50.73	51.80	52.77	53.36	55.35	56.30
5 Monetary base[6]	263.77	274.57	300.35	325.22	316.68	318.50	320.93	323.13	325.22	327.68	332.16	333.26
	Not seasonally adjusted											
6 Total reserves[7]	49.00	49.18	50.58	55.38	50.49	50.99	51.43	52.89	55.38	55.79	55.17	56.17
7 Nonborrowed reserves	47.29	48.91	50.25	55.18	49.73	50.35	51.17	52.78	55.18	55.56	55.10	56.08
8 Nonborrowed reserves plus extended credit[5]	48.53	48.93	50.28	55.19	50.03	50.65	51.18	52.78	55.19	55.56	55.10	56.08
9 Required reserves[8]	47.96	48.26	48.91	54.40	49.41	50.07	50.35	51.99	54.40	54.79	54.11	55.14
10 Monetary base[9]	267.46	278.30	304.04	329.35	316.68	317.28	319.14	323.06	329.35	328.75	328.59	331.07
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	63.75	62.81	59.12	55.53	50.61	51.13	51.58	53.06	55.53	55.81	55.24	56.28
12 Nonborrowed reserves	62.03	62.54	58.79	55.34	49.84	50.48	51.32	52.95	55.34	55.58	55.16	56.19
13 Nonborrowed reserves plus extended credit[5]	63.27	62.56	58.82	55.34	50.14	50.78	51.33	52.95	55.34	55.58	55.16	56.19
14 Required reserves	62.70	61.89	57.46	54.55	49.52	50.20	50.50	52.16	54.55	54.81	54.17	55.25
15 Monetary base[12]	283.00	292.55	313.70	333.61	320.07	320.70	322.71	326.88	333.61	333.09	333.20	335.84
16 Excess reserves[13]	1.05	.92	1.66	.98	1.09	.93	1.08	.89	.98	1.00	1.06[r]	1.03
17 Borrowings from the Federal Reserve	1.72	.27	.33	.19	.76	.65	.26	.11	.19	.23	.08	.09

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

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

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

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

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

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

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

8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

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

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

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

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

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

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

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991 Dec.	1992 Jan.	1992 Feb.	1992 Mar.
				Seasonally adjusted				
Measures[2]								
1 M1	786.9	794.1	826.1	898.2	898.2	910.3	930.8	938.6
2 M2	3,071.1	3,227.3	3,339.0	3,439.4[r]	3,439.4[r]	3,448.2[r]	3,475.1[r]	3,473.2
3 M3	3,923.1	4,059.8	4,114.6	4,171.4[r]	4,171.4[r]	4,175.4[r]	4,199.8[r]	4,188.1
4 L	4,677.9	4,891.7	4,966.6	4,988.5[r]	4,988.5[r]	4,983.9[r]	5,015.8	n.a.
5 Debt	9,312.6	10,059.6	10,749.9	11,216.2	11,216.2	11,238.4[r]	11,273.9	n.a.
M1 components								
6 Currency[3]	212.3	222.6	246.8	267.3	267.3	269.4	271.6	271.9
7 Travelers checks[4]	7.5	7.4	8.3	8.2	8.2	8.2	8.1	8.0
8 Demand deposits[5]	286.5	279.0	277.1	289.5	289.5	293.8[r]	305.0[r]	309.6
9 Other checkable deposits[6]	280.6	285.1	293.9	333.2	333.2	338.9	346.0	349.1
Nontransaction components								
10 In M2[7]	2,284.2	2,433.2	2,512.9	2,541.2[r]	2,541.2[r]	2,537.9[r]	2,544.4[r]	2,534.6
11 In M3[8]	852.0	832.5	775.6	732.1[r]	732.1[r]	727.2[r]	724.6[r]	714.9
Commercial banks								
12 Savings deposits, including MMDAs	542.7	541.4	581.9	664.9	664.9	676.0	688.9	695.3
13 Small time deposits[9]	447.0	531.0	606.4	598.5	598.5	587.7	576.1[r]	569.2
14 Large time deposits[10,11]	366.9	398.2	374.0	354.0	354.0	346.4	341.6[r]	337.0
Thrift institutions								
15 Savings deposits, including MMDAs	383.5	349.7	338.8	377.8[r]	377.8[r]	385.4[r]	395.4[r]	403.4
16 Small time deposits[9]	585.9	617.5	562.3	464.5	464.5	455.0	443.0[r]	432.7
17 Large time deposits[10]	174.3	161.1	120.9	83.1	83.1	81.4	79.0	76.1
Money market mutual funds								
18 General purpose and broker-dealer	241.9	316.3	348.9	360.5	360.5	360.0	363.7	358.0
19 Institution-only	91.0	107.2	133.7	179.1	179.1	182.4	188.2	185.3
Debt components								
20 Federal debt	2,101.5	2,249.8	2,493.6	2,766.0	2,766.0	2,779.7	2,793.4	n.a.
21 Nonfederal debt	7,211.1	7,809.7	8,256.3	8,450.3	8,450.3	8,458.7[r]	8,480.5	n.a.
				Not seasonally adjusted				
Measures[2]								
22 M1	804.1	811.9	844.1	917.3	917.3	918.0[r]	916.6	930.3
23 M2	3,083.8	3,240.0	3,351.9	3,453.2[r]	3,453.2[r]	3,456.2[r]	3,462.4[r]	3,473.8
24 M3	3,934.7	4,070.3	4,124.7	4,182.1[r]	4,182.1[r]	4,180.5[r]	4,189.2[r]	4,193.2
25 L	4,694.9[r]	4,911.0	4,986.4	5,008.8[r]	5,008.8[r]	5,002.0[r]	5,009.1	n.a.
26 Debt	9,298.0	10,045.1	10,737.2	11,203.6	11,203.6	11,226.3[r]	11,244.4	n.a.
M1 components								
27 Currency[3]	214.8	225.3	249.5	270.0	270.0	267.8	269.5	271.1
28 Travelers checks[4]	6.9	6.9	7.8	7.7	7.7	7.8	7.8	7.7
29 Demand deposits[5]	298.9	291.5	289.9	303.0[r]	303.0[r]	300.0	296.3	302.0
30 Other checkable deposits[6]	283.5	288.1	296.9	336.5	336.5	342.4	342.9	349.5
Nontransaction components								
31 In M2[7]	2,279.7	2,428.1	2,507.8	2,535.9[r]	2,535.9[r]	2,538.1[r]	2,545.8[r]	2,543.5
32 In M3[8]	850.8	830.3	772.8	728.9[r]	728.9[r]	724.4[r]	726.9[r]	719.4
Commercial banks								
33 Savings deposits, including MMDAs	543.8	543.0	580.0	662.4	662.4	672.3	685.2	696.8
34 Small time deposits[9]	446.0	529.5	606.3	598.7	598.7	589.5	577.6[r]	569.4
35 Large time deposits[10,11]	365.9	397.1	373.0	352.8	352.8	344.0	340.5[r]	337.5
Thrift institutions								
36 Savings deposits, including MMDAs	381.1	347.6	337.7	376.3	376.3	383.3[r]	393.3[r]	404.3
37 Small time deposits[9]	584.9	616.0	562.2	464.6	464.6	456.4	444.2[r]	432.9
38 Large time deposits[10]	175.2	162.0	120.6	82.8	82.8	80.8	78.8	76.2
Money market mutual funds								
39 General purpose and broker-dealer	240.8	314.6	346.8	358.1	358.1	359.5	368.8	366.9
40 Institution-only	91.4	107.8	134.4	180.3	180.3	188.1	196.9	191.4
Repurchase agreements and eurodollars								
41 Overnight	83.2	77.5	74.7	75.7	75.7	77.1[r]	76.7[r]	73.1
42 Term	227.4	178.5	158.3	128.6[r]	128.6[r]	126.9[r]	128.0[r]	130.2
Debt components								
43 Federal debt	2,098.9	2,247.5	2,491.3	2,764.9	2,764.9	2,782.0	2,798.2	n.a.
44 Nonfederal debt	7,199.0	7,797.7	8,245.8	8,438.7	8,438.7	8,444.3[r]	8,446.3	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) weekly statistical release. Historical data are available from the Money and Reserves Projection Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER[1]

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

Bank group, or type of customer	1989	1990	1991r	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.r	1992 Jan.
	Seasonally adjusted								
DEBITS TO									
Demand deposits[3]									
1 All insured banks	256,150.4	277,916.3	281,413.9	273,918.3r	281,469.0r	287,974.5r	278,234.2r	298,306.9	321,402.9
2 Major New York City banks	129,319.9	131,784.0	141,264.0	136,947.7r	142,143.2r	144,228.7r	140,769.6r	153,868.0	176,795.2
3 Other banks	126,830.5	146,132.3	140,144.6	136,970.6r	139,325.8r	143,745.8r	137,464.6r	144,438.8	144,607.7
4 ATS-NOW accounts[4]	2,910.5	3,349.6	3,628.1	3,659.4	3,679.1	3,759.9	3,553.7	3,828.6	3,771.5
5 Savings deposits[5]	547.5	558.8	1,376.1	516.7	2,904.0	2,733.0	3,233.1	3,279.7	3,092.5
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	735.1	800.6	818.4	792.2r	817.9r	837.1r	787.3r	851.7	912.2
7 Major New York City banks	3,421.5	3,804.1	4,403.3	4,460.8r	4,498.2r	4,607.9r	4,214.7r	4,793.4	5,507.6
8 Other banks	408.3	467.7	449.6	434.9r	445.9r	459.6r	429.6r	453.9	452.1
9 ATS-NOW accounts[4]	15.2	16.5	16.1	15.9	15.7	15.9	14.8	15.8	15.3
10 Savings deposits[5]	3.0	2.9	3.3	2.3	4.7	4.4	5.0	5.0	4.7
	Not seasonally adjusted								
DEBITS TO									
Demand deposits[3]									
11 All insured banks	256,133.2	277,400.0	281,296.1	286,956.8r	271,983.5r	296,037.8r	267,995.2r	306,122.5	321,595.7
12 Major New York City banks	129,400.1	131,784.7	140,936.4	146,342.8	137,659.5	149,704.6	136,592.8	157,942.7	173,821.1
13 Other banks	126,733.0	145,615.3	140,359.7	140,614.0r	134,324.0r	146,333.2r	131,402.4r	148,179.8	147,774.6
14 ATS-NOW accounts[4]	2,910.7	3,342.2	3,625.9	3,693.2	3,679.4	3,770.6	3,314.0	3,883.7	4,188.0
15 MMDAs[6]	2,677.1	2,923.8	n.a	2,751.7	n.a	n.a	n.a	n.a	n.a
16 Savings deposits[5]	546.9	557.9	1,406.9	537.0	3,110.7	3,132.6	2,939.5	3,314.5	3,367.8
DEPOSIT TURNOVER									
Demand deposits[3]									
17 All insured banks	735.4	799.6	818.3	843.2r	790.2r	858.6r	751.7r	833.4	892.8
18 Major New York City banks	3,426.2	3,810.0	4,380.9	4,771.4	4,305.8	4,775.5	4,059.4	4,591.4	5,067.7
19 Other banks	408.0	466.3	450.6	454.2r	430.2r	466.8r	406.9r	445.1	453.6
20 ATS-NOW accounts[4]	15.2	16.4	16.1	16.3	15.9	16.2	13.9	15.8	16.6
21 MMDAs[6]	7.9	8.0	n.a	6.8	n.a	n.a	n.a	n.a	n.a
22 Savings deposits[5]	2.9	2.9	3.4	2.4	4.9	4.9	4.5	5.1	5.1

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

Data in this table also appear on the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

2. Annual averages of monthly figures.

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

4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).

5. Excludes ATS and NOW accounts.

6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars, averages of Wednesday figures

Item	1991									1992		
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Seasonally adjusted											
1 **Total loans and securities[2]**	**2,763.9**	**2,765.7**	**2,774.6**	**2,776.4**	**2,778.3**	**2,789.4**	**2,805.1**	**2,821.6**	**2,836.0**	**2,843.5**	**2,844.6**	**2,851.8**
2 U.S. government securities	478.2	484.1	493.9	503.7	513.2	523.4	538.4	550.5	562.5	564.2	568.7	576.8
3 Other securities	177.5	176.9	176.2	175.3	174.0	175.8	177.1	177.6	178.5	179.0	179.1	176.6
4 Total loans and leases[2]	2,108.3	2,104.8	2,104.6	2,097.4	2,091.1	2,090.2	2,089.6	2,093.4	2,095.0	2,100.2	2,096.7	2,098.4
5 Commercial and industrial	635.1	630.6	626.0	623.6	619.4	622.0	622.6	621.0	617.6	614.5	608.9	606.4
6 Bankers acceptances held[3]	8.7	8.2	7.7	7.5	7.8	7.4	7.0	7.6	7.9	7.3	7.6	7.6
7 Other commercial and industrial	626.5	622.4	618.3	616.1	611.6	614.6	615.6	613.4	609.7	607.2	601.3	598.8
8 U.S. addressees[4]	620.6	616.6	612.6	610.3	605.7	608.5	608.9	606.8	602.9	601.1	595.0	592.4
9 Non-U.S. addressees[4]	5.8	5.9	5.7	5.7	5.9	6.1	6.6r	6.6	6.8	6.1	6.2r	6.4
10 Real estate	861.5	863.8	868.6	867.7	866.9	867.9	869.0	870.6	871.1	870.7	875.4r	877.0
11 Individual	374.3	373.6	372.9	371.0	370.3	367.2	364.4	363.2	363.9	363.9	364.2	362.9
12 Security	48.5	49.1	49.0	47.4	48.4	50.1r	51.2	53.6	54.6	59.3r	56.9	60.4
13 Nonbank financial institutions	36.0	36.5	39.3	38.8	37.7	37.6	38.1	39.2	40.6	40.3	42.1	42.6
14 Agricultural	33.6	33.7	33.9	34.0	34.2	34.3	34.1	33.9	34.1	33.7	33.7	34.3
15 State and political subdivisions	32.3	31.7	31.3	30.9	30.5	30.1	29.7	29.4	29.2	28.3	28.4	28.4
16 Foreign banks	7.1	6.6	6.5	6.6	6.6	6.9	6.6	6.8	7.2	7.1	6.6	6.4
17 Foreign official institutions	2.5	2.4	2.5	2.4	2.3	2.3	2.4	2.6	2.5	2.4	2.3	2.2
18 Lease-financing receivables	33.1	33.0	33.2	32.4	31.7	31.7	31.5	31.3	31.4	31.3	31.3	31.4
19 All other loans	44.2	43.6	41.5	42.8	43.1	40.2	40.0	41.8	42.9	48.8r	46.9	46.4
	Not seasonally adjusted											
20 **Total loans and securities[2]**	**2,762.7**	**2,761.6**	**2,775.7**	**2,769.6**	**2,775.4**	**2,789.5**	**2,807.8**	**2,826.9**	**2,842.4**	**2,840.3**	**2,847.2**	**2,852.6**
21 U.S. government securities	479.9	484.0	493.1	501.5	511.7	521.9	537.3	551.5	558.5	563.8	572.7	582.2
22 Other securities	177.0	176.5	176.2	174.3	174.2	175.8	177.4	177.9	178.7	179.5	179.2	176.8
23 Total loans and leases[2]	2,105.7	2,101.0	2,106.5	2,093.8	2,089.5	2,091.8	2,093.1	2,097.6	2,105.2	2,096.9	2,095.3r	2,093.7
24 Commercial and industrial	638.3	633.4	628.0	623.5	617.6	619.1	621.1	619.7	618.9	611.4	608.1	609.1
25 Bankers acceptances held[3]	8.4	8.2	7.7	7.2	7.6	7.4	7.0	7.9	8.2	7.4	7.8	7.6
26 Other commercial and industrial	629.9	625.2	620.3	616.3	609.9	611.8	614.1	611.9	610.7	604.0	600.3r	601.5
27 U.S. addressees[4]	623.8	619.3	614.3	610.5	604.1	605.8	607.9	605.7	604.3	597.5	593.7	594.9
28 Non-U.S. addressees[4]	6.0	5.9	6.0	5.7	5.8	6.0	6.2	6.1	6.4	6.5	6.7	6.5
29 Real estate	860.2	864.4	868.9	868.8	868.8	868.8	870.3	872.0	871.3	870.1	872.5	873.6
30 Individual	371.6	371.9	370.7	368.3	369.3	368.7	365.3	364.7	368.6	368.1	364.2	360.4
31 Security	49.8	46.7	49.1	46.3	47.3	48.7	50.9	53.6	55.2	58.9r	61.5	62.1
32 Nonbank financial institutions	35.5	36.1	39.6	39.0	37.8	37.2	37.8	39.5	41.9	40.8	41.8	42.0
33 Agricultural	32.7	33.3	34.2	34.7	35.1	35.3	35.0	34.2	34.1	33.3	32.8	33.0
34 State and political subdivisions	32.2	31.7	31.3	30.7	30.4	30.1	29.7	29.4	29.1	28.6	28.5	28.4
35 Foreign banks	6.9	6.4	6.3	6.5	6.5	6.9	6.8	7.1	7.7	6.9	6.5	6.3
36 Foreign official institutions	2.5	2.4	2.5	2.4	2.3	2.3	2.4	2.6	2.5	2.4	2.3	2.2
37 Lease-financing receivables	33.1	33.0	32.9	32.1	31.6	31.6	31.6	31.4	31.4	31.6	31.5	31.5
38 All other loans	42.8	41.6	43.0	41.6	42.9	43.2	42.2	43.3	44.6	44.9r	45.7	45.2

1. Data have been revised to reflect new seasonal adjustment factors and benchmarking to Call reports. Historical data may be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Billions of dollars, monthly averages

Source of funds	1991[r]									1992		
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.
Seasonally adjusted												
1 Total nondeposit funds[2]	265.7	260.8	250.4	248.5	246.8	249.1	263.1	264.0	275.4	279.3	283.6	284.7
2 Net balances due to related foreign offices[3]	27.8	23.6	17.0	18.1	18.2	20.3	31.1	33.0	39.0	43.7	42.6	45.8
3 Borrowings from other than commercial banks in United States[4]	237.9	237.2	233.4	230.4	228.6	228.9	232.1	231.0	236.4	235.6	241.0	238.9
4 Domestically chartered banks	170.8	167.7	164.4	160.7	156.5	155.2	153.7	149.6	151.4	153.8	156.7	152.6
5 Foreign-related banks	67.1	69.5	69.0	69.7	72.1	73.7	78.3	81.4	85.0	81.8	84.3	86.3
Not seasonally adjusted												
6 Total nondeposit funds[2]	263.1	267.0	251.4	244.7	243.5	246.5	264.4	268.3	273.7	275.3	284.2	288.5
7 Net balances due to related foreign offices[3]	26.5	26.2	16.5	14.8	16.3	19.4	30.7	33.9	42.6	44.3	42.8	46.2
8 Domestically chartered banks	−3.3	−.3	−3.7	−7.3	−7.2	−8.8	−7.2	−4.4	−3.8	−4.9	−1.0	−1.2
9 Foreign-related banks	29.8	26.5	20.2	22.1	23.6	28.3	37.8	38.3	46.3	49.2	43.8	47.5
10 Borrowings from other than commercial banks in United States[4]	236.6	240.9	234.9	229.8	227.2	227.1	233.7	234.4	231.2	230.9	241.4	242.3
11 Domestically chartered banks	168.9	170.9	164.6	158.9	154.8	154.1	154.5	153.9	150.1	149.5	157.2	155.7
12 Federal funds and security RP borrowings[5]	166.1	168.1	161.7	155.7	151.1	150.6	151.3	150.7	146.9	146.1	153.7	152.4
13 Other[6]	2.9	2.8	2.8	3.2	3.7	3.5	3.2	3.2	3.1	3.4	3.5	3.3
14 Foreign-related banks[6]	67.7	70.0	70.4	70.9	72.4	72.9	79.2	80.5	81.1	81.4	84.3	86.7
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	441.5	442.5	441.5	437.5	438.2	436.0	429.5	426.1	423.9	416.0	413.6	406.7
16 Not seasonally adjusted	440.2	443.7	442.8	437.1	440.0	437.5	429.7	425.8	422.6	413.6	412.5	407.2
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	22.8	15.8	24.1	22.8	25.3	23.8	29.2	34.2	26.4	27.8	19.5	21.8
18 Not seasonally adjusted	20.4	19.9	23.6	20.7	17.2	26.9	28.7	28.5	25.4	33.1	25.2	20.1

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.

Data have been revised to reflect new seasonal adjustment factors and benchmarking to Call reports. Historical data may be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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

3. Reflects net positions of U.S. chartered banks, Edge act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own International Banking Facilities (IBFs).

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

5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

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

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

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

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

Billions of dollars

Account	1991								1992		
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
ALL COMMERCIAL BANKING INSTITUTIONS[2]											
1 **Total assets**	**3,413.3**	**3,416.8**	**3,443.6**	**3,403.4**	**3,433.3**	**3,470.1**	**3,508.4**	**3,536.0**	**3,496.1**	**3,493.7**	**3,491.9**
2 Loans and securities	2,929.7	2,941.0	2,947.9	2,933.7	2,953.1	2,980.6	3,001.8	3,022.0	3,011.3	3,011.2	3,015.4
3 Investment securities	633.2	640.6	650.5	654.0	663.5	686.3	695.9	704.9	704.8	711.4	720.0
4 U.S. government securities	468.4	477.5	488.2	492.1	500.6	522.3	530.6	538.5	539.6	547.3	557.3
5 Other	164.8	163.1	162.3	161.9	162.9	164.0	165.2	166.4	165.2	164.1	162.7
6 Trading account assets	26.9	30.1	33.4	31.3	32.4	34.9	36.0	33.2	38.1	37.6	39.1
7 Total loans	2,269.6	2,270.3	2,264.0	2,248.4	2,257.3	2,259.4	2,270.0	2,283.9	2,268.4	2,262.2	2,256.3
8 Interbank loans	167.9	161.4	169.2	161.3	163.8	168.4	171.4	172.4	176.0	171.3	166.3
9 Loans excluding interbank	2,101.7	2,108.8	2,094.8	2,087.1	2,093.5	2,091.0	2,098.6	2,111.5	2,092.4	2,091.0	2,090.0
10 Commercial and industrial	632.0	627.6	622.2	616.5	619.0	618.5	620.3	620.4	608.7	607.8	607.9
11 Real estate	865.7	868.8	867.8	868.2	867.9	871.5	871.4	871.3	870.7	871.5	872.5
12 Individual	370.9	370.7	369.5	369.3	368.7	365.5	363.8	370.2	367.5	363.1	360.3
13 All other	233.2	241.8	235.4	233.1	237.8	235.5	243.1	249.7	245.5	248.6	249.3
14 Total cash assets	219.8	210.8	212.9	197.5	204.0	206.8	225.3	230.6	203.2	206.1	205.0
15 Reserves with Federal Reserve Banks	26.7	29.3	24.3	22.6	26.1	25.9	24.7	29.2	23.7	27.4	28.5
16 Cash in vault	31.1	29.8	29.7	31.0	30.2	30.7	29.6	30.7	31.1	30.7	29.8
17 Cash items in process of collection	87.2	78.2	88.0	71.9	75.5	75.3	90.5	87.5	72.8	73.4	71.4
18 Demand balances at U.S. depository institutions	31.0	29.1	27.3	27.6	27.2	29.3	32.8	33.3	28.2	28.9	28.2
19 Other cash assets	43.8	44.3	43.6	44.4	44.9	45.5	47.7	49.9	47.4	45.6	47.1
20 Other assets	263.8	265.0	282.8	272.2	276.2	282.8	281.3	283.4	281.7	276.3	271.6
21 **Total liabilities**	**3,086.0**	**3,087.2**	**3,107.0**	**3,059.2**	**3,086.1**	**3,132.1**	**3,171.3**	**3,195.9**	**3,145.8**	**3,142.3**	n.a.
22 Total deposits	2,322.2	2,312.3	2,350.3	2,327.1	2,325.7	2,345.7	2,388.4	2,392.1	2,339.3	2,346.5	2,353.9
23 Transaction accounts	617.7	611.4	639.8	612.4	614.3	628.7	670.4	682.9	643.9	652.5	663.6
24 Savings deposits (excluding checkable)	608.7	613.4	623.1	627.4	631.3	643.0	650.7	656.1	667.7	680.2	691.1
25 Time deposits	1,095.7	1,087.5	1,087.4	1,087.2	1,080.0	1,074.0	1,067.3	1,053.1	1,027.8	1,013.8	999.2
26 Borrowings	489.8	500.4	489.0	466.7	483.8	501.3	487.3	499.5	507.2	503.5	495.4
27 Other liabilities	274.0	274.5	267.7	265.4	276.6	285.1	295.6	304.3	299.3	292.3	290.7
28 Residual (assets less liabilities)[3]	327.3	329.6	336.5	344.2	347.2	338.0	337.0	340.2	350.2	351.4	352.0
DOMESTICALLY CHARTERED COMMERCIAL BANKS[4]											
29 **Total assets**	**3,002.4**	**3,003.5**	**3,021.4**	**2,985.4**	**3,000.9**	**3,025.1**	**3,052.3**	**3,068.7**	**3,032.2**	**3,029.6**	**3,033.4**
30 Loans and securities	2,647.8	2,655.3	2,665.1	2,650.3	2,659.4	2,673.8	2,687.9	2,694.7	2,688.2	2,688.0	2,697.7
31 Investment securities	594.7	602.1	611.3	613.0	621.1	638.2	644.9	651.0	652.3	660.3	668.5
32 U.S. government securities	447.7	456.9	467.2	470.0	477.2	493.4	499.4	505.6	508.5	517.8	527.5
33 Other	147.0	145.1	144.1	143.0	143.8	144.8	145.4	145.4	143.8	142.5	141.0
34 Trading account assets	26.9	30.1	33.4	31.3	32.4	34.9	36.0	33.2	38.1	37.6	39.1
35 Total loans	2,026.2	2,023.1	2,020.5	2,005.9	2,006.0	2,000.6	2,007.1	2,010.5	1,997.8	1,990.0	1,990.1
36 Interbank loans	141.0	136.8	146.5	141.5	142.8	144.5	150.7	150.5	156.3	150.7	148.7
37 *Loans excluding interbank*	*1,885.2*	*1,886.3*	*1,874.1*	*1,864.4*	*1,863.2*	*1,856.2*	*1,856.4*	*1,860.1*	*1,841.5*	*1,839.3*	*1,841.4*
38 Commercial and industrial	494.4	490.0	482.5	475.6	472.9	471.0	468.3	463.4	454.9	454.5	454.6
39 Real estate	814.3	816.8	815.1	814.9	814.3	817.1	816.8	816.3	815.7	816.0	817.2
40 Revolving home equity	65.3	66.0	66.6	67.3	68.1	68.9	69.2	69.9	71.0	70.6	70.6
41 Other real estate	749.0	750.8	748.4	747.6	746.2	748.2	747.6	746.4	744.8	745.4	746.6
42 Individual	370.9	370.7	369.5	369.3	368.7	365.5	363.8	370.2	367.5	363.1	360.2
43 All other	205.7	208.9	207.0	204.6	207.4	202.6	207.5	210.2	203.4	205.8	209.4
44 Total cash assets	194.2	185.2	187.7	171.5	176.5	179.1	197.6	201.7	176.3	179.7	177.6
45 Reserves with Federal Reserve Banks	25.8	28.2	23.9	22.1	24.9	25.1	24.0	28.5	23.3	26.8	28.0
46 Cash in vault	31.1	29.8	29.7	31.0	30.1	30.7	29.6	30.7	31.1	30.7	29.7
47 Cash items in process of collection	85.6	76.2	86.3	70.3	74.0	73.6	88.3	85.4	71.0	71.7	68.9
48 Demand balances at U.S. depository institutions	29.1	27.3	25.6	25.7	25.2	27.4	30.7	31.1	26.2	27.1	26.8
49 Other cash assets	22.7	23.6	22.3	22.3	22.3	22.4	25.0	25.9	24.7	23.4	24.1
50 Other assets	160.4	163.0	168.5	163.6	165.0	172.2	166.8	172.3	167.7	161.9	158.1
51 **Total liabilities**	**2,775.1**	**2,776.2**	**2,792.2**	**2,753.4**	**2,767.4**	**2,794.1**	**2,821.0**	**2,836.2**	**2,796.1**	**2,792.6**	n.a.
52 Deposits	2,285.6	2,275.7	2,313.5	2,289.3	2,286.9	2,301.2	2,340.9	2,342.5	2,292.0	2,301.3	2,307.8
53 Transaction accounts	608.3	601.7	630.4	603.1	605.3	619.4	660.4	672.6	634.1	643.2	653.7
54 Savings deposits (excluding checkable)	605.1	609.7	619.3	623.7	627.5	639.2	646.8	652.1	663.6	676.1	687.0
55 Time deposits	1,072.2	1,064.3	1,063.8	1,062.6	1,054.1	1,042.6	1,033.7	1,017.8	994.3	982.0	967.1
56 Borrowings	357.6	369.8	352.7	339.1	354.6	362.1	346.8	356.8	367.9	360.8	355.9
57 Other liabilities	131.9	130.7	126.0	125.0	125.9	130.8	133.3	136.9	136.2	130.5	131.9
58 Residual (assets less liabilities)[3]	227.3	227.2	229.2	232.0	233.5	230.9	231.3	232.4	236.1	236.9	237.7

1. Data have been revised to reflect benchmarking to quarterly Call reports. Back data are available from the Banking and Monetary Statistics Section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Data in this table also appear in the Board's H.8 (510) weekly statistical release.

Data are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Components may not sum to totals because of rounding.

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

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

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

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

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 29[r]	Feb. 5[r]	Feb. 12[r]	Feb. 19[r]	Feb. 26[r]	Mar. 4	Mar. 11	Mar. 18	Mar. 25
ASSETS									
1 Cash and balances due from depository institutions	104,647	103,562	103,753	127,323	105,954	111,597	106,475	107,885	104,112
2 U.S. Treasury and government securities	228,752	236,427	235,114	235,668	233,915	239,442	239,261	238,298	239,269
3 Trading account	20,659	22,681	22,485	23,319	21,861	22,213	20,824	21,764	23,306
4 Investment account	208,093	213,745	212,628	212,349	212,055	217,229	218,437	216,534	215,962
5 Mortgage-backed securities[2]	78,603	80,075	80,398	79,361	79,643	81,363	81,187	80,522	80,700
All others, by maturity									
6 One year or less	24,731	24,123	23,086	23,864	23,647	24,497	25,423	25,725	26,089
7 One year through five years	57,940	61,566	61,471	61,377	61,793	63,212	63,621	62,899	62,741
8 More than five years	46,819	47,981	47,674	47,747	46,972	48,157	48,205	47,388	46,432
9 Other securities	55,464	55,415	54,745	54,414	54,432	54,678	54,243	53,739	54,256
10 Trading account	1,614	1,214	1,155	1,094	1,147	1,256	1,188	1,286	1,690
11 Investment account	53,850	54,200	53,589	53,319	53,285	53,421	53,055	52,453	52,566
12 State and political subdivisions, by maturity	22,580	22,377	22,323	22,291	22,306	22,155	22,152	22,116	22,064
13 One year or less	3,231	3,239	3,233	3,325	3,331	3,325	3,361	3,338	3,322
14 More than one year	19,349	19,137	19,091	18,966	18,975	18,830	18,790	18,779	18,742
15 Other bonds, corporate stocks, and securities	31,269	31,823	31,266	31,028	30,978	31,266	30,904	30,337	30,502
16 Other trading account assets	13,178	13,560	13,398	13,895	12,532	12,456	12,346	12,281	11,804
17 Federal funds sold[3]	95,174	105,909	99,220	102,611	93,564	106,866	94,426	98,102	93,869
18 To commercial banks in the United States	66,533	71,849	67,665	71,092	61,418	69,704	60,048	63,756	60,083
19 To nonbank brokers and dealers	22,804	26,966	25,051	25,699	26,219	30,993	27,606	28,587	28,536
20 To others[4]	5,837	7,094	6,503	5,820	5,927	6,168	6,772	5,759	5,250
21 Other loans and leases, gross	1,008,012	1,011,899	1,007,027	1,006,939	1,001,530	1,005,490	1,002,846	1,002,613	1,001,859
22 Commercial and industrial	288,483	290,399	287,870	289,256	288,727	290,562	289,038	289,678	289,028
23 Bankers acceptances and commercial paper	1,584	1,669	1,586	1,820	1,771	1,761	1,764	1,638	1,501
24 All other	286,899	288,730	286,284	287,436	286,956	288,801	287,274	288,040	287,527
25 U.S. addressees	285,399	287,197	284,841	285,838	285,404	287,414	285,996	286,744	286,192
26 Non-U.S. addressees	1,500	1,533	1,443	1,597	1,551	1,387	1,278	1,297	1,335
27 Real estate loans	402,283	403,469	404,307	402,036	400,707	401,807	402,972	401,716	400,430
28 Revolving, home equity	41,688	41,635	41,604	41,563	41,510	41,432	41,361	41,330	41,321
29 All other	360,595	361,835	362,703	360,472	359,198	360,376	361,611	360,386	359,109
30 To individuals for personal expenditures	186,781	185,874	185,740	184,695	184,210	182,971	182,318	182,248	182,536
31 To financial institutions	45,521	46,628	44,720	44,615	43,733	43,940	44,178	44,495	44,946
32 Commercial banks in the United States	21,565	21,458	20,375	20,709	20,305	19,099	19,849	20,192	20,428
33 Banks in foreign countries	1,934	2,348	1,732	1,593	1,596	1,819	1,490	1,710	2,020
34 Nonbank financial institutions	22,022	22,822	22,614	22,313	21,832	23,021	22,839	22,594	22,499
35 For purchasing and carrying securities	14,126	14,282	14,025	13,777	13,387	14,975	13,226	13,751	14,217
36 To finance agricultural production	5,850	5,825	5,867	5,872	5,774	5,805	5,804	5,784	5,784
37 To states and political subdivisions	17,344	17,260	17,241	17,322	17,221	17,193	17,116	17,118	17,083
38 To foreign governments and official institutions	898	957	896	985	885	855	861	915	852
39 All other loans[5]	20,898	21,399	20,622	22,590	21,102	21,611	21,578	21,207	21,299
40 Lease-financing receivables	25,826	25,805	25,739	25,792	25,784	25,770	25,755	25,700	25,685
41 LESS: Unearned income	3,275	3,223	3,215	3,213	3,195	3,120	3,094	3,075	3,065
42 Loan and lease reserve[6]	37,133	37,840	38,023	37,992	37,885	38,551	38,587	38,444	38,169
43 Other loans and leases, net	967,603	970,836	965,790	965,734	960,451	963,819	961,166	961,095	960,625
44 Other assets	154,890	157,281	156,474	153,307	149,516	153,463	151,623	151,863	145,936
45 **Total assets**	**1,619,709**	**1,642,988**	**1,628,492**	**1,652,951**	**1,610,364**	**1,642,320**	**1,619,539**	**1,623,264**	**1,609,871**

Footnotes appear on the following page.

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

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 29[r]	Feb. 5[r]	Feb. 12[r]	Feb. 19[r]	Feb. 26[r]	Mar. 4	Mar. 11	Mar. 18	Mar. 25
LIABILITIES									
46 Deposits	1,110,251	1,130,593	1,121,830	1,134,594	1,112,697	1,139,953	1,127,609	1,117,038	1,114,291
47 Demand deposits	230,402	239,837	233,930	249,800	233,222	249,354	240,698	237,144	236,973
48 Individuals, partnerships, and corporations	182,636	192,247	188,726	196,825	184,686	198,922	192,711	191,250	188,978
49 Other holders	47,766	47,590	45,204	52,974	48,536	50,431	47,986	45,894	47,994
50 States and political subdivisions	7,957	8,599	7,649	8,192	8,026	7,780	7,182	7,645	8,059
51 U.S. government	1,796	2,339	1,757	1,653	1,771	2,149	1,808	1,671	1,535
52 Depository institutions in the United States	20,098	20,934	20,645	25,619	22,083	22,341	21,645	20,922	20,999
53 Banks in foreign countries	5,194	4,870	4,490	5,133	4,661	4,648	4,492	4,837	5,421
54 Foreign governments and official institutions	668	940	542	573	622	524	958	524	643
55 Certified and officers' checks	12,051	9,909	10,120	11,805	11,373	12,989	11,900	10,294	11,338
56 Transaction balances other than demand deposits[5]	99,458	104,610	101,469	102,112	100,503	106,718	103,847	103,223	102,384
57 Nontransaction balances	780,391	786,147	786,432	782,683	778,972	783,881	783,064	776,671	774,935
58 Individuals, partnerships, and corporations	748,866	754,085	753,794	749,888	746,505	751,381	750,725	745,569	744,372
59 Other holders	31,525	32,062	32,638	32,795	32,467	32,500	32,339	31,102	30,563
60 States and political subdivisions	25,172	25,737	26,396	26,279	26,226	26,135	26,075	25,546	25,137
61 U.S. government	1,517	1,565	1,570	1,619	1,611	1,781	1,806	1,824	1,843
62 Depository institutions in the United States	4,477	4,400	4,314	4,544	4,282	4,305	4,168	3,437	3,274
63 Foreign governments, official institutions, and banks	360	360	357	353	348	279	290	296	309
64 Liabilities for borrowed money[6]	281,938	285,886	282,342	296,408	275,491	283,727	270,840	285,935	271,694
65 Borrowings from Federal Reserve Banks	0	440	0	0	0	0	0	350	0
66 Treasury tax and loan notes	29,818	20,152	19,704	14,696	12,600	14,545	10,049	20,446	13,125
67 Other liabilities for borrowed money[7]	252,120	265,294	262,638	281,712	262,891	269,183	260,792	265,139	258,569
68 Other liabilities (including subordinated notes and debentures)	107,489	106,730	104,006	101,472	101,726	97,885	100,361	99,355	102,892
69 **Total liabilities**	**1,499,678**	**1,523,209**	**1,508,178**	**1,532,474**	**1,489,914**	**1,521,565**	**1,498,810**	**1,502,328**	**1,488,877**
70 Residual (total assets less total liabilities)[8]	120,031	119,780	120,313	120,477	120,450	120,755	120,729	120,937	120,994
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[9]	1,312,482	1,329,902	1,321,463	1,321,726	1,314,251	1,330,128	1,323,225	1,321,087	1,320,546
72 Time deposits in amounts of $100,000 or more	160,122	160,773	160,545	158,227	158,131	158,762	156,660	153,531	152,278
73 Loans sold outright to affiliates[10]	1,224	1,219	1,212	1,214	1,220	1,221	1,223	1,219	1,207
74 Commercial and industrial	685	684	674	681	683	690	692	692	679
75 Other	538	535	537	533	537	531	530	527	528
76 Foreign branch credit extended to U.S. residents[11]	23,409	23,544	23,195	23,165	23,136	23,225	23,247	23,173	23,186
77 Net due to related institutions abroad	453	−971	−2,834	−2,068	1,961	−4,650	−3,406	−3,492	2,543

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

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

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

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 29r	Feb. 5r	Feb. 12r	Feb. 19	Feb. 26r	Mar. 4	Mar. 11	Mar. 18	Mar. 25
1 Cash and balances due from depository institutions	16,543	16,441	15,633	16,504	16,226	16,705	16,667	16,850	16,881
2 U.S. Treasury and government agency securities	20,459	20,802	20,180	20,167	19,381	20,005	19,865	19,596	19,541
3 Other securities	8,913	8,947	9,015	8,992	8,990	9,006	8,983	9,150	9,065
4 Federal funds sold[1]	11,276	10,271	11,896	14,441	13,461	13,795	12,652	12,233	9,194
5 To commercial banks in the United States	3,905	3,518	3,116	5,890	4,318	4,720	4,665	5,407	3,061
6 To others[2]	7,371	6,753	8,780	8,551	9,143	9,075	7,987	6,827	6,133
7 Other loans and leases, gross	164,689	164,837	161,778	162,240r	163,587	163,983	161,985	162,906	163,909
8 Commercial and industrial	97,381	96,916	96,729	96,531r	97,266	98,074	97,341	97,764	97,365
9 Bankers acceptances and commercial paper	2,314	2,620	2,487	2,454	2,611	2,751	2,601	2,507	2,455
10 All other	95,067	94,296	94,243	94,077r	94,655	95,323	94,740	95,257	94,909
11 U.S. addressees	92,171	91,422	91,416	91,262r	91,808	92,447	91,875	92,376	92,069
12 Non-U.S. addressees	2,896	2,873	2,827	2,816	2,847	2,876	2,865	2,881	2,840
13 Loans secured by real estate	36,843	37,104	37,107	37,038r	36,930	36,873	36,783	36,737	36,830
14 To financial institutions	20,851	21,578	20,238	20,325	21,144	20,718	19,966	19,595	20,605
15 Commercial banks in the United States	7,824	8,119	7,294	7,347	7,755	7,854	7,687	7,407	7,476
16 Banks in foreign countries	1,866	2,068	1,832	1,685	1,692	1,681	1,493	1,598	1,687
17 Nonbank financial institutions	11,161	11,391	11,112	11,292	11,697	11,183	10,787	10,590	11,442
18 For purchasing and carrying securities	7,225	6,925	5,348	5,828	5,759	5,841	5,479	6,319	6,599
19 To foreign governments and official institutions	405	368	357	370	373	354	381	369	363
20 All other	1,984	1,946	2,000	2,148r	2,114	2,123	2,036	2,122	2,148
21 Other assets (claims on nonrelated parties)	30,169	29,774	29,382	28,619r	28,722	28,572	30,229	28,161	27,542
22 Total assets[3]	**291,836**	**293,310**	**290,954**	**289,975r**	**291,929**	**296,005**	**291,646**	**293,101**	**288,400**
23 Deposits or credit balances due to other than directly related institutions	100,643	98,889	97,881	96,346r	99,639	97,864	99,802	101,485	101,039
24 Demand deposits[4]	3,665	4,030	3,613	3,919	3,439	3,753	3,529	3,516	3,638
25 Individuals, partnerships, and corporations	2,801	2,898	2,771	3,019	2,759	2,731	2,729	2,804	2,882
26 Other	864	1,131	842	899	679	1,022	800	713	756
27 Nontransaction accounts	96,978	94,859	94,269	92,427r	96,200	94,112	96,273	97,968	97,401
28 Individuals, partnerships, and corporations	68,409	66,421	66,131	64,050r	67,395	66,395	68,454	69,857	69,699
29 Other	28,569	28,439	28,138	28,377	28,805	27,717	27,819	28,112	27,702
30 Borrowings from other than directly related institutions	100,834	107,677	103,524	104,131r	103,051	111,763	104,905	104,804	99,924
31 Federal funds purchased[5]	51,208	58,151	56,087	55,760	51,131	61,162	49,828	49,472	45,861
32 From commercial banks in the United States	22,093	25,313	20,895	21,340	21,331	25,122	17,501	18,051	16,743
33 From others	29,115	32,838	35,192	34,419	29,800	36,040	32,326	31,421	29,118
34 Other liabilities for borrowed money	49,627	49,526	47,437	48,371r	51,920	50,600	55,078	55,332	54,063
35 To commercial banks in the United States	15,600	14,454	13,626	13,217r	13,705	12,917	13,945	14,537	14,520
36 To others	34,027	35,073	33,811	35,154r	38,215	37,683	41,133	40,795	39,543
37 Other liabilities to nonrelated parties	27,234	26,955	26,920	26,480	26,515	25,712	25,939	24,329	24,183
38 Total liabilities[6]	**291,836**	**293,310**	**290,954**	**289,975r**	**291,929**	**296,005**	**291,646**	**293,101**	**288,400**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	193,608	193,220	192,459	192,603r	193,346	194,216	191,134	191,071	191,171
40 Net due to related institutions abroad	23,337	17,550	19,559	24,007r	21,162	16,729	19,735	18,279	20,985

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING[1]

Millions of dollars, end of period

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**358,997**	**458,464**	**525,831**	**561,142**	**530,300**	**532,426**	**532,342**	**534,969**	**530,300**	**533,342**[r]	**527,942**
Financial companies[2]											
Dealer-placed paper[3]											
2 Total	102,742	159,777	183,622	215,123	214,445	212,031	219,938	218,149	214,445	220,208	210,687
3 Bank-related (not seasonally adjusted)[4]	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[5]											
4 Total	174,332	194,931	210,930	199,835	183,195	189,236	180,179	181,582	183,195	180,224[r]	178,995
5 Bank-related (not seasonally adjusted)[5]	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies[6]	81,923	103,756	131,279	146,184	132,660	131,159	132,225	135,238	132,660	132,910	138,260
	Bankers dollar acceptances (not seasonally adjusted)[7]										
7 **Total**	**70,565**	**66,631**	**62,972**	**54,771**	**43,770**	**43,462**	**44,910**	**43,947**	**43,770**	**43,112**	**41,305**
Holder											
8 Accepting banks	10,943	9,086	9,433	9,017	11,017	10,174	9,876	10,750	11,017	11,291	10,578
9 Own bills	9,464	8,022	8,510	7,930	9,347	8,237	8,306	8,754	9,347	9,273	8,831
10 Bills bought	1,479	1,064	924	1,087	1,670	1,937	1,570	1,996	1,670	2,018	1,747
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	965	1,493	1,066	918	1,739	1,678	1,862	1,705	1,739	1,574	1,364
13 Others	58,658	56,052	52,473	44,836	31,014	31,610	33,172	31,491	31,014	30,247	29,363
Basis											
14 Imports into United States	16,483	14,984	15,651	13,096	12,843	12,876	13,265	13,472	12,843	12,995	12,819
15 Exports from United States	15,227	14,410	13,683	12,703	10,351	10,966	11,105	10,486	10,351	9,740	9,315
16 All other	38,855	37,237	33,638	28,973	20,577	19,620	20,541	19,982	20,577	20,377	19,170

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

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

Percent per year

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	1989	1990	1991	1991	1992			1992, week ending				
				Dec.	Jan.	Feb.	Mar.	Feb. 28	Mar. 6	Mar. 13	Mar. 20	Mar. 27
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	9.21	8.10	5.69	4.43	4.03	4.06	3.98	3.96	4.08	3.95	4.04	3.94
2 Discount window borrowing[2,4]	6.93	6.98	5.45	4.11	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Commercial paper[3,5,6]												
3 1-month	9.11	8.15	5.89	4.98	4.11	4.11	4.28	4.19	4.27	4.28	4.32	4.27
4 3-month	8.99	8.06	5.87	4.61	4.07	4.11	4.30	4.20	4.28	4.29	4.34	4.29
5 6-month	8.80	7.95	5.85	4.49	4.06	4.13	4.38	4.24	4.32	4.35	4.43	4.39
Finance paper, directly placed[3,5,7]												
6 1-month	8.99	8.00	5.73	4.69	3.99	4.01	4.18	4.08	4.17	4.19	4.23	4.16
7 3-month	8.72	7.87	5.71	4.39	3.99	4.02	4.20	4.12	4.19	4.21	4.24	4.19
8 6-month	8.16	7.53	5.60	4.31	3.95	3.96	4.15	4.04	4.12	4.14	4.17	4.17
Bankers acceptances[3,5,8]												
9 3-month	8.87	7.93	5.70	4.42	3.97	4.00	4.19	4.08	4.17	4.19	4.21	4.19
10 6-month	8.67	7.80	5.67	4.28	3.96	4.02	4.29	4.11	4.23	4.28	4.36	4.31
Certificates of deposit, secondary market[3,9]												
11 1-month	9.11	8.15	5.82	4.84	4.07	4.05	4.23	4.14	4.22	4.24	4.28	4.22
12 3-month	9.09	8.15	5.83	4.47	4.05	4.07	4.25	4.16	4.22	4.24	4.29	4.25
13 6-month	9.08	8.17	5.91	4.41	4.07	4.13	4.42	4.27	4.34	4.41	4.50	4.42
14 Eurodollar deposits, 3-month[3,10]	9.16	8.16	5.86	4.48	4.06	4.05	4.26	4.16	4.20	4.28	4.30	4.26
U.S. Treasury bills[5]												
Secondary market[3,5]												
15 3-month	8.11	7.50	5.38	4.07	3.80	3.84	4.04	3.94	4.04	4.02	4.06	4.03
16 6-month	8.03	7.46	5.44	4.10	3.87	3.93	4.18	4.03	4.13	4.16	4.23	4.18
17 1-year	7.92	7.35	5.52	4.17	3.95	4.08	4.40	4.19	4.32	4.43	4.50	4.40
Auction average[3,5,11]												
18 3-month	8.12	7.51	5.42	4.12	3.84	3.84	4.05	3.96	4.02	4.02	4.09	4.08
19 6-month	8.04	7.47	5.49	4.16	3.88	3.94	4.19	4.08	4.10	4.13	4.27	4.27
20 1-year	7.91	7.36	5.54	4.20	3.84	4.01	4.37	n.a.	n.a.	4.37	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	8.53	7.89	5.86	4.38	4.15	4.29	4.63	4.41	4.55	4.64	4.73	4.64
22 2-year	8.57	8.16	6.49	5.03	4.96	5.21	5.69	5.37	5.53	5.66	5.84	5.75
23 3-year	8.55	8.26	6.82	5.39	5.40	5.72	6.18	5.86	6.00	6.14	6.33	6.26
24 5-year	8.50	8.37	7.37	6.19	6.24	6.58	6.95	6.70	6.79	6.91	7.08	7.00
25 7-year	8.52	8.52	7.68	6.69	6.70	6.96	7.26	7.04	7.13	7.24	7.37	7.29
26 10-year	8.49	8.55	7.86	7.09	7.03	7.34	7.54	7.37	7.45	7.54	7.63	7.56
27 30-year	8.45	8.61	8.14	7.70	7.58	7.85	7.97	7.88	7.92	7.97	8.03	7.97
Composite[13]												
28 Over 10 years (long-term)	8.58	8.74	8.16	7.58	7.48	7.78	7.93	7.81	7.86	7.93	8.00	7.93
STATE AND LOCAL NOTES AND BONDS												
Moody's series[14]												
29 Aaa	7.00	6.96	6.56	6.32	6.13	n.a.	n.a.	6.27	6.35	6.45	6.48	6.50
30 Baa	7.40	7.29	6.99	6.65	6.47	n.a.	n.a.	6.67[r]	6.77	6.88	6.91	6.94
31 *Bond Buyer* series[15]	7.23	7.27	6.92	6.69	6.54	6.74	6.76	6.74	6.71	6.76	6.79	6.77
CORPORATE BONDS												
32 Seasoned issues, all industries[16]	9.66	9.77	9.23	8.75	8.64	8.75	8.81	8.78	8.77	8.80	8.85	8.81
Rating group												
33 Aaa	9.26	9.32	8.77	8.31	8.20	8.29	8.35	8.31	8.32	8.34	8.38	8.36
34 Aa	9.46	9.56	9.05	8.61	8.51	8.67	8.73	8.72	8.70	8.74	8.78	8.73
35 A	9.74	9.82	9.30	8.82	8.72	8.83	8.89	8.87	8.87	8.89	8.89	8.90
36 Baa	10.18	10.36	9.80	9.26	9.13	9.23	9.25	9.23	9.21	9.23	9.31	9.25
37 A-rated, recently offered utility bonds[17]	9.79	10.01	9.32	8.68	8.57	8.79	8.91	8.72	8.86	8.99	8.98	8.87
MEMO: Dividend–price ratio[18]												
38 Preferred stocks	9.05	8.96	8.17	7.62	7.54	7.54	7.64	7.86	7.52	8.00	7.69	7.76
39 Common stocks	3.45	3.61	3.25	3.11	2.90	2.94	3.01	2.94	2.99	3.03	2.99	3.01

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

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

1.36 STOCK MARKET Selected Statistics

Indicator	1989	1990	1991	1991						1992		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	180.13	183.66	206.35	208.29	213.33	212.55	213.10	213.25	214.26	229.34	228.12	225.21
2 Industrial	228.04	226.06	258.16	262.48	268.22	266.21	265.68	264.89	266.01	286.62	286.09	282.36
3 Transportation	174.90	158.80	173.97	177.15	178.42	177.99	187.45	188.52	185.47	201.55	205.53	204.09
4 Utility	94.33	90.72	92.64	90.05	92.38	93.72	95.25	96.78	98.08	99.31	96.19	94.16
5 Finance	162.01	133.21	150.84	151.69	157.70	157.69	158.94	159.78	159.96	174.50	174.05	173.49
6 Standard & Poor's Corporation (1941–43 = 10)[1]	323.05	335.01	376.20	380.23	389.40	387.20	386.88	385.87	388.51	416.08	412.56	407.36
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	356.67	338.32	360.32	364.33	367.38	369.55	376.82	382.38	373.08	409.08	413.74	404.09
Volume of trading (thousands of shares)												
8 New York Stock Exchange	165,568	156,359	179,411	157,871	171,490	163,242	177,502	187,191	197,914	239,903	226,476	185,581
9 American Stock Exchange	13,124	13,155	12,486	10,883	12,514	13,378	13,764	14,487	17,475	20,444	18,126	15,654
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker-dealers**[3]	**34,320**	**28,210**	**36,660**	**30,600**	**32,240**	**33,170**	**33,360**	**34,840**	**36,660**	**36,350**	**38,200**	**39,090**
Free credit balances at brokers[4]												
11 Margin accounts[5]	7,040	8,050	8,290	6,545	7,040	6,950	6,965	7,040	8,290	7,865	7,620	7,350
12 Cash accounts	18,505	19,285	19,255	16,945	17,040	17,595	17,100	17,780	19,255	19,990	20,370	19,305

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

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

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

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

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1989	1990	1991 Apr.	1991 May	1991 June	1991 July	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.
	SAIF-insured institutions											
1 **Assets**	**1,249,055**	**1,084,821**	**1,027,464**	**1,020,677**	**1,001,582**	**984,966**	**972,524**	**949,008**	**937,813**	**934,560**	**920,170**	**909,266**
2 Mortgages	733,729	633,385	608,857	605,947	596,022	586,285	578,274	566,053	560,756	557,134	551,140	545,689
3 Mortgage-backed securities	170,532	155,228	143,968	141,582	139,536	137,098	135,751	135,253	134,967	133,344	129,583	127,415
4 Contra-assets to mortgage assets[1]	25,457	16,897	14,413	14,438	14,625	14,247	14,036	13,126	12,446	12,307	12,287	11,669
5 Commercial loans	32,150	24,125	21,903	21,724	20,645	20,301	20,390	18,519	18,150	17,511	17,547	16,842
6 Consumer loans	58,685	48,753	46,702	45,827	45,174	44,352	43,259	42,423	43,061	42,761	41,769	40,934
7 Contra-assets to nonmortgage loans[2]	3,592	1,939	1,742	1,739	1,745	1,676	1,546	1,399	1,375	1,153	1,247	1,104
8 Cash and investment securities	166,053	146,644	132,878	134,012	130,443	130,263	132,010	125,905	120,793	123,422	120,129	118,539
9 Other[3]	116,955	95,522	89,301	87,757	86,133	82,590	78,422	75,380	73,907	73,847	73,847	72,620
10 **Liabilities and net worth**	**1,249,055**	**1,084,821**	**1,027,464**	**1,020,677**	**1,001,582**	**984,966**	**972,524**	**949,008**	**937,813**	**934,560**	**920,170**	**909,266**
11 Savings capital	945,656	835,496	806,266	801,678	792,923	775,434	763,751	749,363	741,360	737,554	732,070	649,045
12 Borrowed money	252,230	197,353	164,268	159,625	151,474	146,901	142,908	132,727	127,356	125,147	121,931	119,953
13 FHLBB	124,577	100,391	86,779	82,312	78,966	76,104	74,424	68,816	66,609	66,005	65,842	62,636
14 Other	127,653	96,962	77,489	77,313	72,508	70,797	68,484	63,911	60,747	59,142	56,089	57,317
15 Other	27,556	21,332	21,752	23,647	20,480	21,654	22,649	19,080	20,390	21,695	17,468	18,878
16 Net worth	23,612	30,640	35,178	35,720	36,705	40,976	43,216	47,838	48,706	50,163	48,701	49,197

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

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

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

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS[1]

Millions of dollars

Type of account or operation	Fiscal year 1989	Fiscal year 1990	Fiscal year 1991	Calendar year 1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.	1992 Mar.
U.S. budget[2]									
1 Receipts, total	990,701	1,031,308	1,054,260	78,068	73,194	103,662	104,091	62,056	72,917
2 On-budget	727,035	749,652	760,377	57,216	50,898	80,172	79,937	38,290	46,353
3 Off-budget	263,666	281,656	293,883	20,852	22,296	23,490	24,154	23,766	26,564
4 Outlays, total	1,144,020	1,251,766	1,323,750	114,082	117,748	106,199	119,742	110,817r	122,279
5 On-budget	933,107	1,026,711	1,082,067	94,099	95,455	95,500	97,189	87,593r	100,700
6 Off-budget	210,911	225,065	241,685	19,983	22,293	10,698	22,553	23,224	21,579
7 Surplus or deficit (−), total	−153,319	−220,469	−269,492	−36,014	−44,555	−2,537r	−15,650	−48,761r	−49,362
8 On-budget	−206,072	−277,059	−321,690	−36,883	−44,557	−15,328	−17,252	−49,303r	−54,347
9 Off-budget	52,753	56,590	52,198	869	3	12,792	1,601	542	4,985
Source of financing (total)									
10 Borrowing from the public	141,806	220,101	276,802	40,657	25,641	22,825	11,449	20,938	50,138
11 Operating cash (decrease, or increase (−))	3,425	818	−1,329	−11,235	28,195	−24,258	925	30,975	−2,961
12 Other[3]	8,088	−451	−5,981	6,592	−9,281	3,970r	3,276	−3,152r	2,185
MEMO									
13 Treasury operating balance (level, end of period)	40,973	40,155	41,484	52,719	24,524	48,782	47,857	16,882	19,843
14 Federal Reserve Banks	13,452	7,638	7,928	18,111	6,317	17,697	10,828	5,477	6,846
15 Tax and loan accounts	27,521	32,517	33,556	34,608	18,207	31,085	37,028	11,405	12,997

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

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

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

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

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

Millions of dollars

Source or type	Fiscal year 1990	Fiscal year 1991	Calendar year 1990 H1	1990 H2	1991 H1	1991 H2	1992 Jan.	1992 Feb.	1992 Mar.
RECEIPTS									
1 **All sources**	**1,031,308**	**1,054,260**	**548,861**	**503,123**	**540,504**	**519,288**	**104,091**	**62,056**	**72,917**
2 Individual income taxes, net	466,884	467,827	243,087	230,745	232,389	233,983	60,451	22,213	19,503
3 Withheld	388,384	404,152	190,219	207,469	193,440	210,552	36,047	33,941	35,728
4 Presidential Election Campaign Fund	32	32	30	3	31	1	0	5	7
5 Nonwithheld	151,285	142,693	117,675	31,728	109,405	33,296	25,601	1,056	3,925
6 Refunds	72,817	79,050	64,838	8,455	70,487	9,867	1,197	12,789	20,157
Corporation income taxes									
7 Gross receipts	110,017	113,599	58,830	54,044	58,903	54,016	3,856	2,348	13,547
8 Refunds	16,510	15,513	8,326	7,603	7,904	7,956	864	1,129	1,805
9 Social insurance taxes and contributions, net	380,047	396,011	210,476	178,468	214,303	186,839	31,832	32,282	34,237
10 Employment taxes and contributions[2]	353,891	370,526	195,269	167,224	199,727	175,802	30,797	29,964	33,557
11 Self-employment taxes and contributions[3]	21,795	25,457	19,017	2,638	22,150	3,306	−1,361	1,472	1,853
12 Unemployment insurance	21,635	20,922	12,929	8,996	12,296	8,721	619	1,945	265
13 Other net receipts[4]	4,522	4,563	2,278	2,249	2,279	2,317	415	373	415
14 Excise taxes	35,345	42,430	18,153	17,535	20,703	24,690	3,349	3,395	4,077
15 Customs deposits	16,707	15,921	8,096	8,568	7,488	8,694	1,367	1,291	1,412
16 Estate and gift taxes	11,500	11,138	6,442	5,333	5,631	5,521	930	733	879
17 Miscellaneous receipts[5]	27,316	22,847	12,106	16,032	8,991	13,503	3,170	923	1,066
OUTLAYS									
18 **All types**	**1,251,776**	**1,323,750**	**640,867**	**647,461**	**632,153**	**693,760**	**119,742**	**110,817**[r]	**122,279**
19 National defense	299,331	272,514	152,733	149,497	122,089	147,531	25,675	24,265	22,947
20 International affairs	13,762	16,167	6,770	8,943	7,592	7,651	1,678	1,217	1,675
21 General science, space, and technology	14,444	15,946	6,974	8,081	7,496	8,473	1,308	1,312	1,592
22 Energy	2,372	1,750	1,216	979	816	1,436	−23	254	411
23 Natural resources and environment	17,067	18,708	7,343	9,933	8,324	11,221	1,232	1,244	1,397
24 Agriculture	11,958	14,864	7,450	6,878	7,684	7,335	878	1,055	1,527
25 Commerce and housing credit	67,160	75,639	38,672	37,491	17,992	36,579	4,736	−1,851	7,733
26 Transportation	29,485	31,531	13,754	16,218	14,748	17,094	2,546	2,111	2,462
27 Community and regional development	8,498	7,432	3,987	3,939	3,552	3,784	599	540	743
28 Education, training, employment, and social services	38,497	41,479	19,537	18,988	21,234	21,104	4,375	3,750	3,642
29 Health	57,716	71,183	29,488	31,424	35,608	41,458	6,688	6,808	7,423
30 Social security and medicare	346,383	373,495	175,997	176,353	190,247	193,156	33,497	32,937	33,485
31 Income security	147,314	171,618	78,475	75,948	88,778	87,215	17,663	18,465	19,754
32 Veterans benefits and services	29,112	31,344	15,217	15,479	14,326	17,425	2,465	3,142	1,833
33 Administration of justice	10,004	12,295	4,868	5,265	6,187	6,586	1,058	1,145	1,130
34 General government	10,724	11,358	4,916	6,976	5,212	6,821	937	776	881
35 Net interest[6]	184,221	195,012	91,155	94,650	98,556	99,405	17,577	16,498	16,884
36 Undistributed offsetting receipts[7]	−36,615	−39,356	−17,688	−19,829	−18,702	−20,435	−3,147	−2,851	−3,238

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

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION[1]

Billions of dollars, end of month

Item	1990				1991				1992
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**3,081.90**	**3,175.50**	**3,266.10**	**3,397.30**	**3,491.70**	**3,562.90**	**3,683.10**	**3,820.40[r]**	n.a.
2 Public debt securities	3,052.00	3,143.80	3,233.30	3,364.80	3,465.20	3,538.00	3,665.30	3,801.70	3,881.30
3 Held by public	2,329.30	2,368.80	2,437.60	2,536.60	2,598.40	2,642.90	2,745.70	2,833.00	n.a.
4 Held by agencies	722.70	775.00	795.80	828.30	866.80	895.10	919.60	968.70	n.a.
5 Agency securities	29.90	31.70	32.80	32.50	26.50	25.00	17.80	18.70	n.a.
6 Held by public	29.80	31.60	32.60	32.40	26.40	24.80	17.60	18.60	n.a.
7 Held by agencies	.20	.20	.20	.10	.10	.10	.10	.10	n.a.
8 **Debt subject to statutory limit**	**2,988.90**	**3,077.00**	**3,161.20**	**3,281.70**	**3,377.10**	**3,450.30**	**3,569.30**	**3,706.80**	**3,783.60**
9 Public debt securities	2,988.60	3,076.60	3,160.90	3,281.30	3,376.70	3,449.80	3,569.00	3,706.40	3,783.20
10 Other debt[2]	.30	.40	.40	.40	.40	.40	.30	.40	.40
11 MEMO: Statutory debt limit	3,122.70	3,122.70	3,195.00	4,145.00	4,145.00	4,145.00	4,145.00	4,145.00	4,145.00

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

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

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

Billions of dollars, end of period

Type and holder	1988	1989	1990	1991	1991			1992
					Q2	Q3	Q4	Q1
1 **Total gross public debt**	**2,684.4**	**2,953.0**	**3,364.8**	**3,801.7**	**3,538.0**	**3,665.3**	**3,801.7**	**3,881.3**
By type								
2 Interest-bearing	2,663.1	2,931.8	3,362.0	3,798.9	3,516.1	3,662.8	3,798.9	3,878.5
3 Marketable	1,821.3	1,945.4	2,195.8	2,471.6	2,268.1	2,390.7	2,471.6	2,552.3
4 Bills	414.0	430.6	527.4	590.4	521.5	564.6	590.4	615.8
5 Notes	1,083.6	1,151.5	1,265.2	1,430.8	1,320.3	1,387.7	1,430.8	1,477.7
6 Bonds	308.9	348.2	388.2	435.5	411.2	423.4	435.5	443.8
7 Nonmarketable[2]	841.8	986.4	1,166.2	1,327.2	1,248.0	1,272.1	1,327.2	1,326.2
8 State and local government series	151.5	163.3	160.8	159.7	161.0	158.1	159.7	157.8
9 Foreign issues[3]	6.6	6.8	43.5	41.9	42.1	41.6	41.9	42.0
10 Government	6.6	6.8	43.5	41.9	42.1	41.6	41.9	42.0
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	107.6	115.7	124.1	135.9	131.3	133.5	135.9	139.9
13 Government account series[4]	575.6	695.6	813.8	959.2	883.2	908.4	959.2	956.1
14 Non-interest-bearing	21.3	21.2	2.8	2.8	21.9	2.5	2.8	2.8
By holder[5]								
15 U.S. Treasury and other federal agencies and trust funds	589.2	707.8	828.3	968.7	895.1	919.6	968.7	n.a.
16 Federal Reserve Banks	238.4	228.4	259.8	288.4	255.1	264.7	288.4	n.a.
17 Private investors	1,858.5	2,015.8	2,288.3	2,563.2	2,397.9	2,489.4	2,563.2	n.a.
18 Commercial banks	184.9[r]	164.9[r]	171.5[r]	222.0	195.6[r]	216.9[r]	222.0	n.a.
19 Money market funds	11.8	14.9	45.4	80.0	55.2	64.5	80.0	n.a.
20 Insurance companies	118.6[r]	125.1[r]	142.0[r]	168.0	152.5[r]	162.9[r]	168.0	n.a.
21 Other companies	87.1	93.4	108.9	150.8	130.8	142.0	150.8	n.a.
22 State and local treasuries	471.6[r]	487.5[r]	490.4[r]	490.0	489.3[r]	491.4[r]	490.0	n.a.
Individuals								
23 Savings bonds	109.6	117.7	126.2	138.1	133.2	135.4	138.1	n.a.
24 Other securities	79.2	98.7	107.6	125.8	110.3	122.1	125.8	n.a.
25 Foreign and international[6]	362.2	392.9	421.7[r]	457.7	439.8[r]	443.4[r]	457.7	n.a.
26 Other miscellaneous investors[7]	433.0[r]	520.7[r]	674.4[r]	730.8	691.1[r]	710.8[r]	730.8	n.a.

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

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

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

Millions of dollars, daily averages, par value

Item	1991	1992		1992, week ending								
	Dec.	Jan.	Feb.	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. Treasury securities												
1 Bills	30,957	37,212	36,927	32,335	32,442	39,257	37,948	34,829	41,031	41,049	33,803	30,858
Coupon securities, by maturity												
2 Less than 3.5 years	32,848	48,693	50,004	51,138	44,856	51,448	51,306	50,530	50,196	42,751	42,544	41,682
3 3.5 to 7.5 years	29,975	43,820	32,906	40,483	32,179	32,056	33,518	33,559	33,266	31,151	33,283	29,279
4 7.5 to 15 years	14,037	19,367	17,537	18,515	16,010	21,845	18,904	14,364	14,253	15,785	14,483	12,516
5 15 years or more	14,504	17,455	14,718	14,787	14,548	13,809	19,831	11,672	14,638	14,612	12,385	12,277
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,636	5,301	5,702	6,276	5,918	6,017	4,540	6,431	5,094	4,010	4,285	4,955
7 3.5 to 7.5 years	610	652	615	620	515	733	500	563	830	711	570	486
8 7.5 years or more	720	681	596	622	664	545	424	633	875	654	762	626
Mortgage-backed securities												
9 Pass-throughs	11,891	13,669	12,359	10,624	10,593	13,566	13,010	12,714	9,800	14,170	16,382	10,352
10 All others[3]	2,657	2,948	2,646	2,978	2,732	2,955	2,076	2,736	2,664	3,090	1,847	1,814
By type of counterparty												
Primary dealers and brokers												
11 U.S. Treasury securities	73,458	105,664	95,816	103,810	89,504	101,665	98,125	91,728	96,260	93,941	85,834	81,295
Federal agency securities												
12 Debt	1,383	1,456	1,463	1,534	1,281	1,914	1,037	1,437	1,521	1,146	1,147	1,188
13 Mortgage-backed	6,227	7,284	6,590	5,818	5,748	7,257	5,957	7,212	5,892	8,244	8,217	6,398
Customers												
14 U.S. Treasury securities	48,862	60,884	56,276	53,448	50,531	56,750	63,381	53,226	57,123	51,407	50,665	45,317
Federal agency securities												
15 Debt	4,585	5,178	5,451	5,984	5,816	5,381	4,427	6,191	5,278	4,228	4,469	4,879
16 Mortgage-backed	8,321	9,332	8,416	7,784	7,576	9,265	9,129	8,238	6,573	9,016	10,012	5,767
FUTURE AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. Treasury securities												
17 Bills	3,295	4,078	4,242	4,234	3,601	3,313	3,870	4,503	7,619	6,484	4,335	2,388
Coupon securities, by maturity												
18 Less than 3.5 years	1,801	2,177	2,014	2,552	1,667	1,836	2,470	1,955	2,215	1,930	1,743	1,771
19 3.5 to 7.5 years	1,096	1,446	1,311	1,477	1,032	1,118	1,172	1,528	1,946	1,487	1,402	992
20 7.5 to 15 years	1,052	1,720	1,928	1,680	1,516	2,639	2,077	1,365	1,877	1,510	1,330	1,004
21 15 years or more	7,264	11,407	10,178	10,259	9,653	8,985	12,313	9,614	11,087	9,385	9,209	7,710
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	119	67	38	17	14	22	15	97	10	11	142	62
23 3.5 to 7.5 years	39	75	44	55	79	50	8	49	33	25	37	43
24 7.5 years or more	30	26	51	8	33	103	20	49	12	28	55	59
Mortgage-backed												
25 Pass-throughs[3]	9,105	17,241r	14,856	15,722	16,928r	18,787	12,576	11,909	13,844	16,000	14,989	13,318
26 Others	1,308	2,099	2,299	2,657	2,523	2,653	1,693	2,302	2,287	1,646	2,132	1,999
OPTION TRANSACTIONS[5]												
By type of underlying security												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	1,074	1,527	1,809	1,390	1,177	1,478	2,626	2,192	991	1,212	1,693	940
28 3.5 to 7.5 years	526	368	314	211	423	186	262	397	368	461	752	216
29 7.5 to 15 years	386	750	718	1,323	516	522	678	1,235	302	277	314	424
30 15 years or more	2,019	2,618	2,655	2,877	2,543	2,212	2,924	3,253	1,899	1,972	2,412	1,825
Federal agency, mortgage-backed securities												
31 Pass-throughs	480	791	722	438	508	1,287	552	555	385	458	451	193

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

Dealers report cumulative transactions for each week ending Wednesday.

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

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

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

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

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

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

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

Millions of dollars

Item	1991 Dec.	1992 Jan.	1992 Feb.	1992, week ending Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Mar. 4	Mar. 11	Mar. 18
	Positions[2]										
NET IMMEDIATE TRANSACTIONS[3]											
By type of security											
U.S. Treasury securities											
1 Bills	16,998	12,607	11,229	15,153	11,865	11,393	11,705	7,686	16,945	17,365	17,489
Coupon securities, by maturity											
2 Less than 3.5 years	5,572	2,425	3,136	−1,623	−680	5,894	1,691	4,880	2,364	−874	−3,546
3 3.5 to 7.5 years	−6,646	−7,485	−12,891	−10,009	−11,956	−15,707	−14,980	−9,209	−11,592	−7,546	−9,396
4 7.5 to 15 years	−5,919	−6,185	−3,040	−6,158	−6,176	−991	−3,090	−2,679	−3,323	−4,875	−5,770
5 15 years or more	−1,471	−1,643	−1,755	−1,553	−2,932	−3,974	−279	−259	−1,549	−2,075	−3,748
Federal agency securities											
Debt, maturing in											
6 Less than 3.5 years	4,474	4,190	5,788	5,175	6,285	5,989	6,673	4,514	5,403	3,883	5,598
7 3.5 to 7.5 years	2,720	3,536	4,208	3,961	3,975	4,163	4,483	4,184	4,120	3,850	3,518
8 7.5 years or more	3,711	3,597	3,705	3,503	3,683	3,667	3,455	4,029	3,656	3,731	3,598
Mortgage-backed securities											
9 Pass-throughs	22,743	26,067	25,445	24,441	20,411	33,198	26,582	23,810	16,830	25,097	33,462
10 All others[4]	17,578	18,947	16,417	17,374	19,413	17,234	15,774	14,475	15,546	14,383	12,738
Other money market instruments											
11 Certificates of deposit	2,928	3,442	2,717	3,289	2,666	2,534	2,748	3,133	2,182	2,651	2,981
12 Commercial paper	5,420	5,228	6,266	5,352	5,036	6,541	6,357	6,827	6,153	5,156	4,822
13 Bankers acceptances	1,413	1,195	1,456	995	1,380	1,395	1,555	1,569	1,226	908	845
FUTURE AND FORWARD TRANSACTIONS[5]											
By type of deliverable security											
U.S. Treasury securities											
14 Bills	−9,264	−11,740	−7,362	−12,426	−11,004	−9,993	−6,738	−4,978	−2,168	−13	−42
Coupon securities, by maturity											
15 Less than 3.5 years	2,136	1,776	1,810	2,526	2,067	1,745	1,589	1,921	1,786	1,750	1,283
16 3.5 to 7.5 years	−571	2,550	2,817	2,559	1,973	3,408	3,609	2,453	1,849	2,256	3,745
17 7.5 to 15 years	−655	576	228	599	889	224	−235	−53	875	1,092	1,297
18 15 years or more	−5,094	−4,835	−5,093	−4,643	−4,360	−3,301	−3,901	−7,977	−6,388	−5,267	−5,551
Federal agency securities											
Debt, maturing in											
19 Less than 3.5 years	110	313	−24	14	−28	−54	−49	30	−19	−32	−21
20 3.5 to 7.5 years	117	127	−37	15	−49	238	−5	−23	29	39	100
21 7.5 years or more	28	17	59	4	−38	166	−7	19	65	−51	96
Mortgage-backed securities											
22 Pass-throughs	−7,180	−7,680r	−8,152	−2,399	−548	−17,100	−10,319	−8,942	1,829	−6,309	−12,371
23 All others[4]	1,457	2,511	3,851	3,922	1,710	4,339	4,430	4,541	3,318	2,767	3,608
24 Certificates of deposit	−192,213	−144,496	−112,128	−116,867	−114,105	−118,244	−107,153	−108,811	−113,906	−131,487	−128,847
	Financing[6]										
Reverse repurchase agreements											
25 Overnight and continuing	169,965	203,915	211,815	195,723	215,129	200,490	220,692	208,689	219,297	208,649	217,530
26 Term	231,570	277,551	278,414	294,626	290,397	305,654	259,834	270,360	257,030	265,674	264,365
Repurchase agreements											
27 Overnight and continuing	271,474	320,575r	322,440	313,548	322,953	306,038	331,275	328,160	325,893	318,936	333,579
28 Term	223,264	258,693	264,340	284,050	275,376	292,167	248,460	254,891	240,120	241,764	246,613
Securities borrowed											
29 Overnight and continuing	60,006r	66,170r	71,618	67,734r	72,346	73,806	72,487	73,132	71,504	76,597	75,785
30 Term	29,811	32,028	31,200	33,626	31,536	31,454	28,990	32,904	31,230	32,317	31,380
Securities loaned											
31 Overnight and continuing	5,867r	7,327r	7,703	7,282r	7,071	9,548	10,346	8,796	7,506	7,769	6,912
32 Term	897	1,556	1,436	3,436	1,201	1,049	1,238	2,143	1,544	1,754	1,698
Collateralized loans											
33 Overnight and continuing	10,755	18,459	16,951	19,729	18,488	16,440	15,862	17,883	15,944	15,983	16,815
MEMO: Matched book[7]											
Reverse repurchases											
34 Overnight and continuing	117,204	144,047	150,143	139,527	154,507	144,555	153,531	147,813	153,438	151,839	155,228
35 Term	198,594	238,005	234,039	250,915	246,586	258,946	213,652	227,887	216,934	224,788	222,781
Repurchases											
36 Overnight and continuing	138,847	173,994	176,327	165,516	178,737	168,701	174,649	181,234	182,566	179,428	181,513
37 Term	170,965	194,820	197,647	213,751	209,821	225,018	180,511	186,975	178,373	179,898	180,882

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

2. Securities positions are reported at market value.

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

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

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1987	1988	1989	1990	1991				1992
					Sept.	Oct.	Nov.	Dec.	Jan.
1 **Federal and federally sponsored agencies**	**341,386**	**381,498**	**411,805**	**434,668**	**436,189**	**438,032**	**439,670**	**442,772**	**440,317**
2 Federal agencies	37,981	35,668	35,664	42,159	42,409	42,638	42,951	41,035	42,872
3 Defense Department[1]	13	8	7	7	7	7	7	7	7
4 Export-Import Bank[2,3]	11,978	11,033	10,985	11,376	11,267	11,267	11,267	9,809	9,809
5 Federal Housing Administration[4]	183	150	328	393	336	337	365	397	335
6 Government National Mortgage Association participation certificates[5]	1,615	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,103	6,142	6,445	6,948	8,421	8,421	8,421	8,421	8,421
8 Tennessee Valley Authority	18,089	18,335	17,899	23,435	22,378	22,606	22,891	22,401	24,300
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	303,405	345,830	375,407	392,509	393,780	395,394	396,719	401,737	397,445
11 Federal Home Loan Banks	115,727	135,836	136,108	117,895	106,510	105,945	107,344	107,543	104,607
12 Federal Home Loan Mortgage Corporation	17,645	22,797	26,148	30,941	31,502	31,818	31,099	30,262	29,332
13 Federal National Mortgage Association	97,057	105,459	116,064	123,403	127,460	128,594	130,197	133,937	133,988
14 Farm Credit Banks[8]	55,275	53,127	54,864	53,590	52,010	52,488	52,105	52,199	51,673
15 Student Loan Marketing Association[9]	16,503	22,073	28,705	34,194	36,821	37,072	36,497	38,319	38,419
16 Financing Corporation[10]	1,200	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	0	690	847	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	0	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt[13]**	**152,417**	**142,850**	**134,873**	**179,083**	**194,234**	**192,747**	**194,837**	**185,576**	**183,098**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	11,972	11,027	10,979	11,370	11,261	11,261	11,261	9,803	9,803
21 Postal Service[6]	5,853	5,892	6,195	6,698	8,201	8,201	8,201	8,201	8,201
22 Student Loan Marketing Association	4,940	4,910	4,880	4,850	4,850	4,820	4,820	4,820	4,820
23 Tennessee Valley Authority	16,709	16,955	16,519	14,055	11,875	11,375	11,375	10,725	10,725
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other Lending[14]									
25 Farmers Home Administration	59,674	58,496	53,311	52,324	50,694	48,534	48,534	48,534	48,534
26 Rural Electrification Administration	21,191	19,246	19,265	18,890	18,597	18,599	18,628	18,562	18,534
27 Other	32,078	26,324	23,724	70,896	88,756	89,957	92,018	84,931	82,481

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

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1989	1990	1991	1991 Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.	Feb.	Mar.
1 **All issues, new and refunding**[1]	**113,646**	**120,339**	**154,402**	**15,744**	**13,240**	**11,357**	**17,734**	**15,796**	**12,612**	**12,256**	**15,956**
By type of issue											
2 General obligation	35,774	39,610	55,100	5,919	5,253	3,088	6,510	5,871	3,954	5,643	6,212
3 Revenue	77,873	81,295	99,302	9,825	7,987	8,269	11,224	9,925	8,658	6,613	9,744
By Type of issuer											
4 State	11,819	15,149	24,939	2,328	3,371	7,195	1,171	1,671	1,036	3,021	3,174
5 Special district or statutory authority[2]	71,022	72,661	80,614	8,890	6,272	605	10,817	9,435	8,243	5,162	7,511
6 Municipality, county, or township	30,805	32,510	48,849	4,526	3,597	3,557	5,746	4,690	3,333	4,073	5,271
7 **Issues for new capital, total**	**84,062**	**103,235**	**116,953**	**12,164**	**9,586**	**8,967**	**13,495**	**12,020**	**7,127**	**7,691**	**10,637**
By use of proceeds											
8 Education	15,133	17,042	21,664	1,585	1,507	1,511	1,297	1,924	2,385	1,974	1,075
9 Transportation	6,870	11,650	13,395	720	1,248	1,744	2,682	488	1,194	1,643	1,412
10 Utilities and conservation	11,427	11,739	21,447	1,673	1,573	1,825	1,915	1,931	1,953	894	2,104
11 Social welfare	16,703	23,099	26,121	4,119	2,793	1,276	2,621	3,070	868	1,683	1,811
12 Industrial aid	5,036	6,117	8,542	676	916	973	349	1,083	218	141	528
13 Other purposes	28,894	34,607	n.a.	3,391	1,549	1,638	4,631	3,524	n.a.	n.a.	3,707

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1989	1990	1991	1991 July	Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.	Feb.
1 **All issues**[1]	**377,836**[r]	**339,052**[r]	**455,291**[r]	**23,155**	**35,472**[r]	**32,180**	**34,893**	**34,286**	**32,391**	**45,000**[r]	**37,137**
2 **Bonds**[2]	**319,965**[r]	**298,814**[r]	**389,933**[r]	**20,473**	**28,742**[r]	**26,759**	**26,029**	**25,233**	**24,871**	**38,202**[r]	**27,601**
By type of offering											
3 Public, domestic	179,694[r]	188,778[r]	287,041[r]	18,899	26,867[r]	23,856	23,469	23,164	23,326	34,530[r]	26,200
4 Private placement, domestic[3]	117,420	86,982[r]	74,930	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	22,851	23,054	27,962[r]	1,574	1,875	2,902	2,560	2,070	1,544	3,671[r]	1,700
By industry group											
6 Manufacturing	76,175[r]	52,635[r]	85,535[r]	3,600	7,643	6,994[r]	4,732	4,536	4,956	7,302[r]	3,844
7 Commercial and miscellaneous	49,465[r]	40,018[r]	37,809[r]	1,500	1,388	967[r]	1,209	2,044	1,977	2,818[r]	1,664
8 Transportation	10,032	12,711[r]	13,628	697	809	231	744	180	150	455[r]	1,004
9 Public utility	18,656[r]	17,621	23,994[r]	1,457	1,897	1,315	1,430	3,073	2,238	3,761[r]	3,569
10 Communication	8,461	6,597	9,331	749	668	408	958	226	1,085	2,467[r]	416
11 Real estate and financial	157,176[r]	169,231[r]	219,637[r]	12,471	16,337[r]	16,844	16,957	15,175	14,464	21,399[r]	17,104
12 **Stocks**[2]	**57,870**	**40,165**	n.a.	**2,682**	**6,730**	**5,421**	**8,864**	**9,053**	**7,520**	**6,798**	**9,536**
By type of offering											
13 Public preferred	6,194	3,998	17,408	203	1,952	666	3,527	3,240	2,771	739	4,306
14 Common	26,030	19,443	47,860	2,479	4,778	4,755	5,337	5,813	4,749	6,060	5,230
15 Private placement[3]	25,647	16,736	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	9,308	5,649	n.a.	685	3,167	1,842	3,623	4,054	2,684	2,040	2,541
17 Commercial and miscellaneous	7,446	10,171	n.a.	1,427	2,050	858	2,095	2,158	2,535	1,233	3,194
18 Transportation	1,929	369	n.a.	18	56	0	16	0	0	426	78
19 Public utility	3,090	416	n.a.	143	150	55	320	174	233	200	489
20 Communication	1,904	3,822	n.a.	46	8	0	25	84	17	163	n.a.
21 Real estate and financial	34,028	19,738	n.a.	350	1,298	2,666	2,622	2,583	2,014	2,689	3,234

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

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

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item[1]	1990	1991	1991						1992	
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan[r]	Feb.
1 **Sales of own shares[2]**	**344,420**	**464,488**	**39,329**	**38,014**	**37,316**	**45,218**	**41,365**	**51,018**	**66,048**	**48,007**
2 Redemptions of own shares	288,441	342,088	28,767	28,128	26,319	27,957	28,454	39,050	41,917	30,867
3 Net sales[3]	55,979	122,400	10,562	9,886	10,997	17,261	12,911	11,968	24,131	17,140
4 **Assets[4]**	**568,517**	**807,001**	**690,486**	**712,782**	**730,426**	**753,344**	**752,798**	**807,077**	**823,767**	**846,880**
5 Cash[5]	48,638	60,937	55,293	52,791	53,884	59,902	59,689	60,292	62,289	63,410
6 Other	519,875	746,064	635,193	659,992	676,543	695,492	693,109	746,785	761,478	783,470

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

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1989	1990	1991[r]	1990				1991			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[r]
1 Profits with inventory valuation and capital consumption adjustment	351.7	319.0	306.8	340.2	339.8	299.8	296.1	302.1	303.5	306.1	315.6
2 Profits before taxes	344.5	332.3	312.4	336.6	331.6	335.1	326.1	309.1	306.2	318.2	316.1
3 Profits tax liability	138.0	135.3	124.5	137.6	137.9	138.8	127.1	119.4	123.5	128.6	126.4
4 Profits after taxes	206.6	197.0	187.9	199.1	193.7	196.3	199.0	189.7	182.7	189.6	189.7
5 Dividends	127.9	133.7	137.8	132.3	132.5	133.8	136.2	137.8	136.7	138.1	138.5
6 Undistributed profits	78.7	63.3	50.2	66.7	61.2	62.5	62.8	51.9	46.1	51.5	51.2
7 Inventory valuation	−17.5	−14.2	3.1	−6.6	3.8	−32.6	−21.2	6.7	9.9	−4.8	.7
8 Capital consumption adjustment	24.7	.8	−8.7	10.2	4.4	−2.7	−8.8	−13.6	−12.6	−7.3	−1.3

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1990	1991	1992[1]	1990		1991				1992[1]	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 **Total nonfarm business**	**532.61**	**529.20**	**553.68**	**534.11**	**530.13**	**535.50**	**524.57**	**527.86**	**528.88**	**544.99**	**557.48**
Manufacturing											
2 Durable goods industries	82.58	77.95	78.18	82.48	79.03	81.24	79.69	74.51	76.36	80.32	79.63
3 Nondurable goods industries	110.04	105.66	104.63	111.57	110.69	109.90	107.66	102.54	102.54	101.52	106.64
Nonmanufacturing											
4 Mining	9.88	10.02	9.12	9.97	10.12	9.89	10.09	10.09	10.00	9.12	9.29
Transportation											
5 Railroad	6.40	5.92	6.44	5.66	6.81	5.59	6.27	6.50	5.32	5.33	6.53
6 Air	8.87	10.22	10.43	9.55	7.54	11.18	10.10	9.81	9.79	9.21	9.61
7 Other	6.20	6.55	7.56	5.87	6.82	6.48	6.68	6.52	6.54	6.88	7.70
Public utilities											
8 Electric	44.10	43.67	47.67	43.80	45.88	43.36	42.87	43.09	45.36	47.08	49.22
9 Gas and other	23.11	22.84	23.63	23.88	24.36	23.68	21.71	23.38	22.60	23.32	23.17
10 Commercial and other[2]	241.43	246.37	266.00	241.32	238.87	244.19	239.50	251.42	250.37	262.20	265.68

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

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1988	1989	1990	1990			1991			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
Assets										
1 Accounts receivable, gross[1]	426.2	445.7	486.7	468.8	474.0	486.7	478.9	487.9	487.8	491.6
2 Consumer	146.2	140.8	136.0	138.6	140.9	136.0	131.6	133.9	132.5	129.6
3 Business	236.5	256.0	290.8	274.8	275.4	290.8	290.0	295.5	296.6	303.8
4 Real estate	43.5	48.9	59.9	55.4	57.7	59.9	57.3	58.5	58.7	58.1
5 Less: Reserves for unearned income	50.0	52.0	56.6	54.3	55.1	56.6	57.0	58.7	59.6	58.5
6 Reserves for losses	7.3	7.7	9.2	8.2	8.6	9.2	10.3	10.8	12.9	13.2
7 Accounts receivable, net	368.9	386.1	420.9	406.3	410.3	420.9	411.6	418.4	415.2	419.9
8 All other	72.4	91.6	99.6	95.5	102.8	99.6	103.4	106.1	111.9	116.5
9 **Total assets**	**441.3**	**477.6**	**520.6**	**501.9**	**513.1**	**520.6**	**515.0**	**524.5**	**527.1**	**536.4**
Liabilities and Capital										
10 Bank loans	15.4	14.5	19.4	15.8	15.6	19.4	22.0	22.7	24.0	24.3
11 Commercial paper	142.0	149.5	152.7	152.4	148.6	152.7	141.2	140.6	138.1	141.3
Debt										
12 Other short-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	50.6	63.8	82.7	72.8	82.0	82.7	77.8	81.7	87.4	83.0
15 Not elsewhere classified	137.9	147.8	157.0	153.0	156.6	157.0	162.4	164.2	163.4	170.6
16 All other liabilities	59.8	62.6	66.0	66.1	68.7	66.0	68.0	72.2	72.1	73.7
17 Capital, surplus, and undivided profits	35.6	39.4	42.8	41.8	41.6	42.8	43.7	43.0	42.1	43.5
18 **Total liabilities and capital**	**441.3**	**477.6**	**520.6**	**501.9**	**513.1**	**520.6**	**515.0**	**524.5**	**527.1**	**536.4**

1. Excludes pools of securitized assets.

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

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

Type of credit	1989	1990	1991	1991				1992	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 **Total**	**258,957**	**292,638**	**309,709**	**307,599**	**310,876**	**311,632**	**309,709**	**306,905**	**308,162**
Retail financing of installment sales									
2 Automotive	39,479	38,110	33,204	34,119	34,167	33,664	33,204	31,764	31,886
3 Equipment	29,627	31,784	35,404	34,822	33,989	33,375	35,404	33,841	34,433
4 Pools of securitized assets[2]	698	951	819	797	769	746	819	879	878
Wholesale									
5 Automotive	33,814	32,283	32,487	30,072	31,831	32,292	32,487	31,788	32,877
6 Equipment	6,928	11,569	9,790	10,594	11,075	10,414	9,790	9,274	9,302
7 All other	9,985	9,126	8,459	8,695	8,407	8,418	8,459	8,072	8,271
8 Pools of securitized assets[2]	0	2,950	4,905	4,053	4,458	4,639	4,905	4,661	4,690
Leasing									
9 Automotive	26,804	39,129	44,445	45,387	45,837	45,299	44,445	44,277	43,009
10 Equipment	68,240	75,626	87,821	86,732	87,701	90,079	87,821	88,849	88,958
11 Pools of securitized assets[2]	1,247	1,849	1,820	1,844	1,803	1,885	1,820	1,837	1,753
12 Loans on commercial accounts receivable and factored commercial accounts receivable	18,511	22,475	23,859	23,204	23,295	23,338	23,859	24,600	24,575
13 All other business credit	23,623	26,784	26,697	27,279	27,544	27,483	26,697	27,062	27,531
	Net change (during period)								
1 **Total**	**24,066**	**33,681**	**17,071**	**2,576**	**3,277**	**756**	**−1,923**	**−2,804**	**1,257**
Retail financing of installment sales									
2 Automotive	2,269	−1,369	−4,906	−547	48	−503	−460	−1,440	122
3 Equipment	1,442	2,157	3,619	1,676	−833	−614	2,029	−1,562	591
4 Pools of securitized assets[2]	−26	253	−132	−36	−28	−23	73	60	−1
Wholesale									
5 Automotive	861	−1,532	204	−564	1,759	461	195	−699	1,089
6 Equipment	957	4,641	−1,779	−37	481	−662	−624	−516	28
7 All other	628	−859	−668	−17	−289	11	41	−387	199
8 Pools of securitized assets[2]	0	2,950	1,955	545	405	181	266	−244	29
Leasing									
9 Automotive	2,111	12,325	5,316	759	450	−538	−854	−168	−1,268
10 Equipment	10,581	7,386	12,195	587	969	2,378	−2,258	1,028	109
11 Pools of securitized assets[2]	526	602	−29	165	−41	82	−65	17	−84
12 Loans on commercial accounts receivable and factored commercial accounts receivable	825	3,964	1,383	−162	91	43	520	741	−25
13 All other business credit									

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

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

1.53 MORTGAGE MARKETS Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1989	1990	1991	1991				1992		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	159.6	153.2	155.0	157.8	153.4	162.6	159.1	153.9	154.7	167.0
2 Amount of loan (thousands of dollars)	117.0	112.4	114.0	114.3	115.0	116.0	113.8	114.9	110.2	123.2
3 Loan-price ratio (percent)	74.5	74.8	75.0	73.3	76.5	73.5	73.1	75.2	72.9	76.1
4 Maturity (years)	28.1	27.3	26.8	25.9	27.5	26.4	26.4	26.2	24.5	25.2
5 Fees and charges (percent of loan amount)[2]	2.06	1.93	1.71	1.86	1.61	1.53	1.50	1.85	1.84	1.75
6 Contract rate (percent per year)	9.76	9.68	9.02	9.00	8.78	8.38	8.28	8.17	8.29	8.21
Yield (percent per year)										
7 OTS series[3]	10.11	10.01	9.30	9.30	9.04	8.64	8.53	8.49	8.65	8.51
8 HUD series[4]	10.21	10.08	9.20	8.88	8.76	8.67	8.30	8.69	8.74	8.91
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series)[5]	10.24	10.17	9.25	9.06	8.71	8.69	8.10	8.72	8.74	8.85
10 GNMA securities[6]	9.71	9.51	8.59	8.60	8.34	8.09	7.81	7.81	8.01	8.20
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	104,974	113,329	122,837	124,954	125,884	126,624	128,983	131,058	133,399	136,506
12 FHA/VA-insured	19,640	21,028	21,702	21,636	21,576	21,547	21,796	21,981	21,980	21,902
13 Conventional	85,335	92,302	101,135	103,318	104,308	105,077	107,187	109,077	111,419	114,604
Mortgage transactions (during period)										
14 Purchases	22,518	23,959	37,202	3,032	3,408	3,299	5,114	4,809	5,358	7,282
Mortgage commitments (during period)[7]										
15 Issued[8]	n.a.	23,689	40,010	3,196	4,122	3,806	5,285	7,202	6,639	6,834
16 To sell[9]	n.a.	5,270	7,608	762	917	569	78	249	343	1,143
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[9]										
17 Total	20,105	20,419	24,131	23,906	24,922	25,239	26,809	27,384	n.a.	n.a.
18 FHA/VA-insured	590	547	484	471	462	468	460	456	n.a.	n.a.
19 Conventional	19,516	19,871	23,283	23,435	24,460	24,772	26,349	26,928	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	78,588	75,517	97,727	9,155	8,644	10,170	11,475	11,475	n.a.	n.a.
21 Sales	73,446	73,817	92,478[r]	9,305	7,449	9,545	9,537[r]	10,521[r]	12,061	14,002
Mortgage commitments (during period)[10]										
22 Contracted	88,519	102,401	114,031	7,468	6,358	11,594	16,961	15,683	n.a.	n.a.

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

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1988	1989	1990	1990	1991			
				Q4	Q1	Q2	Q3	Q4p
1 **All holders**	**3,270,118**	**3,676,616**	**3,912,217**	**3,912,217**	**3,947,700**	**3,999,621**	**4,016,644**	**4,048,767**
By type of property								
2 One- to four-family residences	2,201,231	2,549,935	2,765,111	2,765,111	2,790,684	2,837,989	2,870,100	2,904,287
3 Multifamily residences	291,405	303,416	307,069	307,069	310,746	311,817	308,357	310,276
4 Commercial	692,236	739,240	756,075	756,075	762,328	766,043	755,041	750,473
5 Farm	85,247	84,025	83,962	83,962	83,942	83,771	83,145	83,730
By type of holder								
6 Major financial institutions	1,831,472	1,931,537	1,913,945	1,913,945	1,902,050	1,898,114	1,860,161	1,845,625
7 Commercial banks[2]	674,003	767,069	844,456	844,456	856,499	871,222	870,726	875,914
8 One- to four-family	334,367	389,632	455,698	455,698	461,916	476,188	478,678	484,596
9 Multifamily	33,912	38,876	37,008	37,008	38,379	37,562	36,394	37,523
10 Commercial	290,254	321,906	334,520	334,520	338,697	339,433	337,331	335,357
11 Farm	15,470	16,656	17,231	17,231	17,507	18,039	18,323	18,438
12 Savings institutions[3]	924,606	910,254	801,628	801,628	776,551	755,219	719,341	698,754
13 One- to four-family	671,722	669,220	600,154	600,154	583,694	570,044	547,455	533,850
14 Multifamily	110,775	106,014	91,806	91,806	88,743	86,448	81,880	79,344
15 Commercial	141,433	134,370	109,168	109,168	103,647	98,280	89,603	85,183
16 Farm	676	650	500	500	468	447	402	377
17 Life insurance companies	232,863	254,214	267,861	267,861	269,000	271,674	270,094	270,958
18 One- to four-family	11,164	12,231	13,005	13,005	11,737	11,743	11,720	11,763
19 Multifamily	24,560	26,907	28,979	28,979	29,493	30,006	29,962	30,115
20 Commercial	187,549	205,472	215,121	215,121	216,768	219,204	218,179	218,111
21 Farm	9,590	9,604	10,756	10,756	11,001	10,721	10,233	10,968
22 Finance companies[4]	37,846	45,476	48,777	48,777	48,187	48,972	50,658	51,567
23 Federal and related agencies	200,570	209,498	250,761	250,761	264,189	276,798	283,455	282,731
24 Government National Mortgage Association	26	23	20	20	22	22	22	23
25 One- to four-family	26	23	20	20	22	22	22	23
26 Multifamily	0	0	0	0	0	0	0	0
27 Farmers Home Administration[5]	42,018	41,176	41,439	41,439	41,307	41,430	41,566	41,713
28 One- to four-family	18,347	18,422	18,527	18,527	18,522	18,521	18,598	18,496
29 Multifamily	8,513	9,054	9,640	9,640	9,720	9,898	9,990	10,141
30 Commercial	5,343	4,443	4,690	4,690	4,715	4,750	4,829	4,905
31 Farm	9,815	9,257	8,582	8,582	8,350	8,261	8,149	8,171
32 Federal Housing and Veterans Administration	5,973	6,087	8,801	8,801	9,492	10,210	11,395	12,744
33 One- to four-family	2,672	2,875	3,593	3,593	3,600	3,729	3,948	4,384
34 Multifamily	3,301	3,212	5,208	5,208	5,891	6,480	7,446	8,360
35 Federal National Mortgage Association	103,013	110,721	116,628	116,628	119,196	122,806	125,451	128,578
36 One- to four-family	95,833	102,295	106,081	106,081	108,348	111,560	113,696	116,336
37 Multifamily	7,180	8,426	10,547	10,547	10,848	11,246	11,755	12,242
38 Federal Land Banks	32,115	29,640	29,416	29,416	29,253	29,152	29,053	28,970
39 One- to four-family	1,890	1,210	1,838	1,838	1,884	2,041	2,124	2,225
40 Farm	30,225	28,430	27,577	27,577	27,368	27,111	26,929	26,745
41 Federal Home Loan Mortgage Corporation	17,425	21,851	21,857	21,857	23,221	23,649	23,906	24,881
42 One- to four-family	15,077	18,248	19,185	19,185	20,570	21,120	21,489	22,529
43 Multifamily	2,348	3,603	2,672	2,672	2,651	2,529	2,417	2,352
44 Mortgage pools or trusts[6]	811,847	946,766	1,110,555	1,110,555	1,144,876	1,186,251	1,228,788	1,272,155
45 Government National Mortgage Association	340,527	368,367	403,613	403,613	409,929	413,707	422,501	429,772
46 One- to four-family	331,257	358,142	391,505	391,505	397,631	401,304	409,826	416,425
47 Multifamily	9,270	10,225	12,108	12,108	12,298	12,403	12,675	13,347
48 Federal Home Loan Mortgage Corporation	226,406	272,870	316,359	316,359	328,215	341,132	348,843	361,785
49 One- to four-family	219,988	266,060	308,369	308,369	319,978	332,624	341,183	354,214
50 Multifamily	6,418	6,810	7,990	7,990	8,237	8,509	7,660	7,571
51 Federal National Mortgage Association	178,250	228,232	299,833	299,833	312,101	331,089	351,917	372,107
52 One- to four-family	172,331	219,577	291,194	291,194	303,554	322,444	343,430	363,615
53 Multifamily	5,919	8,655	8,639	8,639	8,547	8,645	8,487	8,492
54 Farmers Home Administration[5]	104	80	66	66	62	55	52	47
55 One- to four-family	26	21	17	17	14	13	12	11
56 Multifamily	0	0	0	0	0	0	0	0
57 Commercial	38	26	24	24	23	21	20	19
58 Farm	40	33	26	26	24	21	20	17
59 Individuals and others[7]	426,229	588,815	636,955	636,955	636,585	638,457	644,241	648,256
60 One- to four-family	259,971	414,763	449,440	449,440	447,344	447,339	451,988	454,841
61 Multifamily	79,209	81,634	84,408	84,408	84,227	83,452	83,740	83,772
62 Commercial	67,618	73,023	83,816	83,816	85,790	88,495	89,424	90,628
63 Farm	19,431	19,395	19,291	19,291	19,224	19,171	19,089	19,014

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

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

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1988	1989	1990	1991				1992	
				Sept.	Oct.	Nov.	Dec.	Jan[r]	Feb.
	Seasonally adjusted								
1 **Total**	**664,049**	**718,863**	**735,102**	**729,152**	**730,317**	**730,147**	**729,420**	**729,473**	**729,274**
2 Automobile	284,214	290,676	284,585	270,219	270,013	268,123	267,909	268,256	267,780
3 Revolving	174,104	199,082	220,110	232,070	233,661	234,666	234,504	234,816	236,001
4 Mobile home	25,348	22,471	20,919	18,892	18,943	19,059	19,116	18,649	18,292
5 Other	180,383	206,633	209,487	207,971	207,700	208,300	207,891	207,752	207,202
	Not seasonally adjusted								
6 **Total**	**674,855**	**730,901**	**748,300**	**732,183**	**730,722**	**732,256**	**743,548**	**733,256**	**725,774**
By major holder									
7 Commercial banks	324,792	342,770	347,466	335,509	335,258	334,904	340,930	335,983	331,317
8 Finance companies	146,212	140,832	137,450	132,471	131,778	130,679	129,566	126,677	127,281
9 Credit unions	88,340	93,114	92,911	93,305	92,746	92,373	92,779	91,922	91,471
10 Retailers	48,438	44,154	43,552	37,281	37,359	38,651	43,130	40,580	39,108
11 Savings institutions	63,399	57,253	45,616	37,036	37,424	36,987	36,014	35,153	34,510
12 Gasoline companies	3,674	3,935	4,822	4,753	4,529	4,388	4,362	4,377	4,151
13 Pools of securitized assets[2]	n.a.	48,843	76,483	91,829	91,628	94,274	96,767	98,564	97,936
By major type of credit[3]									
14 Automobile	284,328	290,705	284,813	273,354	272,092	268,927	268,284	266,888	265,183
15 Commercial banks	123,392	126,288	126,259	119,730	119,276	118,502	117,494	116,750	116,159
16 Finance companies	97,245	82,721	74,396	69,853	69,364	67,907	66,549	65,151	65,412
17 Pools of securitized assets[2]	0	18,235	24,537	26,808	26,803	26,237	27,997	29,431	28,482
18 Revolving	184,045	210,310	232,370	231,281	231,862	235,674	247,519	239,019	235,033
19 Commercial banks	123,020	130,811	132,433	125,524	126,234	125,734	132,625	126,736	123,905
20 Retailers	43,833	39,583	39,029	32,964	33,055	34,319	38,652	36,169	34,727
21 Gasoline companies	3,674	3,935	4,822	4,753	4,529	4,388	4,362	4,377	4,151
22 Pools of securitized assets[2]	n.a.	23,477	44,335	56,438	56,290	59,459	60,139	60,087	60,633
23 Mobile home	25,143	22,240	20,666	18,996	19,026	19,021	18,877	18,808	18,460
24 Commercial banks	9,025	9,112	9,763	9,614	9,600	9,656	9,552	9,638	9,409
25 Finance companies	7,191	4,716	5,252	5,300	5,358	5,401	5,520	5,509	5,509
26 Other	181,339	207,646	210,451	208,553	207,742	208,633	208,868	208,541	207,098
27 Commercial banks	69,355	76,559	79,011	80,641	80,148	81,012	81,259	82,859	81,844
28 Finance companies	41,776	53,395	57,801	57,318	57,056	57,371	57,497	56,017	56,360
29 Retailers	4,605	4,571	4,523	4,317	4,304	4,332	4,478	4,411	4,381
30 Pools of securitized assets[2]	n.a.	7,131	7,611	8,583	8,535	8,578	8,631	9,046	8,821

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

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

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year, except as noted

Item	1989	1990	1991	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car[3]	12.07	11.78	11.14	11.06	n.a.	n.a.	10.61	n.a.	n.a.	9.89
2 24-month personal	15.44	15.46	15.18	15.24	n.a.	n.a.	14.88	n.a.	n.a.	14.39
3 120-month mobile home[3]	14.11	14.02	13.70	13.73	n.a.	n.a.	13.37	n.a.	n.a.	12.93
4 Credit card	18.02	18.17	18.23	18.24	n.a.	n.a.	18.19	n.a.	n.a.	18.09
Auto finance companies										
5 New car	12.62	12.54	12.41	12.40	12.38	12.23	10.79	10.41	10.04	10.19
6 Used car	16.18	15.99	15.60	15.63	15.60	15.46	15.06	14.90	14.34	14.00
OTHER TERMS[4]										
Maturity (months)										
7 New car	54.2	54.6	55.1	55.4	55.4	55.4	54.1	53.7	53.5	53.8
8 Used car	46.6	46.1	47.2	47.2	47.2	47.0	47.0	46.9	48.4	48.0
Loan-to-value ratio										
9 New car	91	87	88	88	87	88	88	88	89	89
10 Used car	97	95	96	97	96	97	96	93	97	97
Amount financed (dollars)										
11 New car	12,001	12,071	12,494	12,518	12,460	12,684	13,245	13,476	13,135	13,340
12 Used car	7,954	8,289	8,884	8,902	8,996	9,077	9,029	9,105	9,007	8,912

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

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data at seasonally adjusted annual rates

Instrument or sector	1987	1988	1989	1990	1991	1990			1991			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**722.8**	**767.2**	**714.7**	**644.5**	**465.9**	**669.3**	**593.2**	**479.9**	**434.5**	**538.9**	**476.1**	**414.1**
By lending sector and instrument												
2 U.S. government	143.9	155.1	146.4	246.9	278.2	239.6	242.3	271.5	199.2	269.1	365.5	278.7
3 Treasury securities	142.4	137.7	144.7	238.7	291.9	234.2	243.6	272.5	223.2	275.3	394.3	274.9
4 Agency issues and mortgages	1.5	17.4	1.6	8.2	-13.8	5.4	-1.3	-1.0	-24.0	-6.2	-28.8	3.8
5 Private	578.9	612.1	568.4	397.6	187.7	429.7	350.9	208.5	235.2	269.7	110.6	135.4
By instrument												
6 Debt capital instruments	487.1	463.5	414.9	328.5	254.7	335.2	277.3	250.2	289.3	320.2	179.8	229.5
7 Tax-exempt obligations	83.5	53.7	65.0	45.5	32.3	56.2	36.5	18.3	25.3	37.7	37.9	28.2
8 Corporate bonds	79.1	103.4	74.3	47.7	85.8	66.8	30.2	65.7	83.7	104.1	88.3	67.1
9 Mortgages	324.5	306.5	275.7	235.3	136.6	212.2	210.6	166.1	180.3	178.4	53.6	134.2
10 Home mortgages	234.9	231.0	218.0	215.2	139.2	218.4	187.6	158.3	140.5	161.5	115.0	139.8
11 Multifamily residential	24.4	16.7	16.4	3.6	3.2	-7.5	17.0	3.6	14.7	4.3	-14.1	8.1
12 Commercial	71.6	60.8	42.7	16.7	-5.5	2.5	4.8	4.0	25.0	14.9	-44.6	-17.5
13 Farm	-6.4	-2.1	-1.5	-.1	-.2	-1.2	1.3	.2	.2	-2.3	-2.6	3.8
14 Other debt instruments	91.8	148.6	153.5	69.2	-67.0	94.5	73.6	-41.7	-54.0	-50.5	-69.2	-94.1
15 Consumer credit	33.5	50.4	43.1	14.3	-16.5	14.2	13.4	-4.2	-21.2	-7.0	-26.3	-11.3
16 Bank loans n.e.c.	9.9	40.5	39.9	1.5	-25.7	26.7	-6.9	-20.6	3.2	-36.1	-22.9	-47.0
17 Open market paper	1.6	11.9	21.4	9.7	-18.4	-.7	19.3	-34.4	-6.9	-16.1	-42.4	-8.1
18 Other	46.8	45.8	49.1	43.7	-6.4	54.4	47.7	17.6	-29.1	8.7	22.4	-27.6
By borrowing sector												
19 State and local government	83.0	48.9	63.2	42.6	24.4	48.9	34.6	12.4	25.5	28.0	20.2	23.8
20 Household	302.2	315.8	287.3	257.8	160.3	274.5	223.8	165.5	169.7	186.9	108.3	176.1
21 Nonfinancial business	193.7	247.4	217.9	97.3	3.1	106.3	92.5	30.5	40.0	54.8	-17.9	-64.4
22 Farm	-10.6	-7.5	1.6	2.5	2.6	-5.5	8.7	1.1	4.7	1.6	.9	3.4
23 Nonfarm noncorporate	65.9	62.4	50.0	15.3	-21.6	14.1	11.2	4.8	5.8	6.6	-47.2	-51.7
24 Corporate	138.5	192.5	166.3	79.5	22.1	97.8	72.6	24.6	29.4	46.6	28.5	-16.0
25 Foreign net borrowing in United States	6.2	6.4	10.6	23.5	15.6	36.3	26.2	19.0	62.8	-59.6	22.7	36.4
26 Bonds	7.4	6.9	5.3	21.6	16.4	20.7	1.9	28.6	11.5	14.7	16.5	22.9
27 Bank loans n.e.c.	-3.6	-1.8	-.1	-2.9	4.0	1.3	2.0	-5.2	8.1	-3.5	1.4	9.9
28 Open market paper	3.8	8.7	13.1	12.3	6.4	23.1	25.6	15.6	46.7	-51.9	16.0	14.9
29 U.S. government loans	-1.4	-7.5	-7.7	-7.5	-11.2	-8.8	-3.3	-20.0	-3.5	-18.8	-11.1	-11.4
30 **Total domestic plus foreign**	**729.0**	**773.6**	**725.3**	**668.0**	**481.4**	**705.6**	**619.4**	**498.9**	**497.2**	**479.3**	**498.8**	**450.5**
	Financial sectors											
31 **Total net borrowing by financial sectors**	**264.1**	**213.4**	**191.0**	**168.3**	**135.4**	**192.3**	**92.0**	**220.7**	**101.3**	**83.2**	**141.8**	**215.3**
By instrument												
32 U.S. government-related	171.8	119.8	151.0	167.4	157.0	172.8	146.2	185.6	149.6	118.0	172.9	187.6
33 Sponsored-credit-agency securities	30.2	44.9	25.2	17.1	8.8	11.6	13.7	37.1	13.1	-29.7	20.6	31.1
34 Mortgage pool securities	142.3	74.9	125.8	150.3	148.2	161.2	132.5	148.9	136.5	147.6	152.3	156.3
35 Loans from U.S. government	-.8	.0	.0	-.1	.0	.0	.0	-.5	.0	.0	.0	.2
36 Private	92.4	93.7	40.0	.9	-21.6	19.5	-54.3	35.2	-48.3	-34.7	-31.1	27.7
37 Corporate bonds	44.2	18.2	17.7	15.6	44.5	82.7	-64.1	24.9	38.1	63.1	10.8	66.0
38 Mortgages	.4	.3	.0	.3	-.1	.2	.1	.6	.1	-.1	.9	-1.2
39 Bank loans n.e.c.	-3.6	.6	1.9	1.2	3.7	2.1	2.0	1.1	1.3	-2.9	9.6	6.7
40 Open market paper	26.9	54.8	31.3	8.6	-31.7	-38.6	35.1	24.2	-52.0	-46.3	-16.0	-12.3
41 Loans from Federal Home Loan Banks	24.4	19.7	-11.0	-24.7	-38.0	-26.9	-27.3	-15.7	-35.8	-48.5	-36.4	-31.5
By borrowing sector												
42 Sponsored credit agencies	29.5	44.9	25.2	17.0	8.8	11.6	13.7	36.7	13.1	-29.7	20.6	31.3
43 Mortgage pools	142.3	74.9	125.8	150.3	148.2	161.2	132.5	148.9	136.5	147.6	152.3	156.3
44 Private	92.4	93.7	40.0	.9	-21.6	19.5	-54.3	35.2	-48.3	-34.7	-31.1	27.7
45 Commercial banks	6.2	-3.0	-1.4	-1.1	-12.9	-9.9	-5.8	14.2	-17.9	-11.9	-8.5	-13.1
46 Bank affiliates	14.3	5.2	6.2	-27.7	-5.4	-29.5	-42.0	-30.8	-8.0	-3.3	-7.9	-2.4
47 Savings and loan associations	19.6	19.9	-14.1	-31.2	-39.6	-45.0	-30.9	-20.6	-43.2	-51.4	-37.7	-26.3
48 Mutual savings banks	8.1	1.9	-1.4	-.5	-2.7	4.1	-2.7	1.3	1.9	-.9	-3.3	-8.6
49 Finance companies	4.7	33.5	31.1	23.2	6.0	47.4	1.1	25.1	-9.4	-4.8	-6.8	45.0
50 Real estate investment trusts (REITs)	.4	3.6	-1.9	-1.9	-.2	-2.7	-1.4	.3	-.6	-.1	4.0	-4.3
51 Securitized credit obligation (SCO) issuers	39.1	32.5	21.4	40.1	33.3	55.1	27.5	45.6	28.9	37.7	29.2	37.5

1.57—Continued

Transaction category or sector	1987	1988	1989	1990	1991	1990			1991			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
	All sectors											
52 **Total net borrowing, all sectors**	**993.1**	**987.0**	**916.3**	**836.3**	**616.9**	**897.8**	**711.3**	**719.7**	**598.5**	**562.5**	**640.6**	**665.8**
53 U.S. government securities	316.4	274.9	297.3	414.4	435.1	412.4	388.5	457.5	348.8	387.1	538.4	466.1
54 State and local obligations	83.5	53.7	65.0	45.5	32.3	56.2	36.5	18.3	25.3	37.7	37.9	28.2
55 Corporate and foreign bonds	130.7	128.5	97.3	84.8	146.7	170.2	−32.0	119.2	133.2	182.0	115.5	156.1
56 Mortgages	324.9	306.7	275.7	235.6	136.5	212.3	210.7	166.8	180.4	178.3	54.5	133.0
57 Consumer credit	33.5	50.4	43.1	14.3	−16.5	14.2	13.4	−4.2	−21.2	−7.0	−26.3	−11.3
58 Bank loans n.e.c.	2.7	39.3	41.6	−.2	−18.1	30.1	−2.8	−24.7	12.6	−42.5	−11.9	−30.4
59 Open market paper	32.3	75.4	65.9	30.7	−43.6	−16.3	79.9	5.4	−12.2	−114.3	−42.5	−5.5
60 Other loans	69.1	58.1	30.4	11.4	−55.6	18.6	17.1	−18.6	−68.4	−58.7	−25.1	−70.3
61 MEMO: U.S. government, cash balance	−7.9	10.4	−5.9	8.3	14.7	−17.6	18.4	24.2	34.6	−35.8	−14.6	74.4
Totals net of changes in U.S. government cash balances												
62 Net borrowing by domestic nonfinancial sectors	730.7	756.8	720.6	636.2	451.2	686.9	574.7	455.7	399.9	574.7	490.8	339.7
63 Net borrowing by U.S. government	151.8	144.7	152.3	238.6	263.5	257.2	223.8	247.3	164.6	304.9	380.2	204.2
	External corporate equity funds raised in United States											
64 **Total net share issues**	**7.1**	**−119.3**	**−65.4**	**15.8**	**208.6**	**56.4**	**−19.5**	**27.0**	**116.1**	**179.8**	**237.5**	**300.9**
65 Mutual funds	70.2	6.1	38.5	65.7	150.6	77.1	45.9	83.7	97.6	125.2	178.1	201.3
66 All other	−63.1	−125.4	−103.9	−50.0	58.0	−20.7	−65.4	−56.7	18.5	54.6	59.4	99.6
67 Nonfinancial corporations	−75.5	−129.5	−124.2	−63.0	17.5	−48.0	−74.0	−61.0	−12.0	11.0	17.0	54.0
68 Financial corporations	14.5	3.2	3.0	6.1	6.4	3.3	6.5	2.8	4.3	7.0	7.0	7.2
69 Foreign shares purchased in United States	−2.1	.9	17.3	6.9	34.2	23.9	2.2	1.6	26.2	36.6	35.3	38.4

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category or sector	1987	1988	1989	1990	1991	1990			1991			
						Q2	Q3	Q4[r]	Q1[r]	Q2[r]	Q3[r]	Q4
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**722.8**	**767.2**	**714.7**	**644.5[r]**	**465.9**	**669.3**	**593.2[r]**	**479.9**	**434.5**	**538.9**	**476.1**	**414.1**
2 **Total net advances by federal agencies and foreign sectors**	**248.0**	**208.1**	**188.1**	**261.7**	**246.8**	**290.1**	**347.4**	**190.8**	**282.9**	**213.7**	**290.4**	**200.4**
By instrument												
3 U.S. government securities	70.1	85.2	30.2	74.4	99.4	100.9	142.0	45.6	140.1	50.9	123.5	83.1
4 Residential mortgages	139.1	86.3	137.9	184.1	173.7	185.2	176.3	180.5	176.0	186.6	180.6	151.3
5 Federal Home Loan Bank advances to thrifts	24.4	19.7	-11.0	-24.7	-38.0	-26.9	-27.3	-15.7	-35.8	-48.5	-36.4	-31.5
6 Other loans and securities	14.3	16.8	31.0	27.8	11.8	31.0	56.4	-19.6	2.5	24.6	22.6	-2.5
By lender												
7 U.S. government	-7.9	-9.4	-2.6	33.6	9.8	36.1	63.6	-3.7	28.1	28.8	4.6	-22.5
8 Sponsored credit agencies and mortgage pools	169.3	112.0	125.3	166.7	160.2	163.6	182.4	141.9	164.0	123.9	185.0	167.6
9 Monetary authority	24.7	10.5	-7.3	8.1	31.1	30.8	26.2	-24.2	60.2	1.8	57.4	5.0
10 Foreign	61.8	95.0	72.7	53.2	45.8	59.6	75.1	76.8	30.6	59.1	43.3	50.3
Agency and foreign borrowing not included in line 1												
11 Sponsored credit agencies and mortgage pools	171.8	119.8	151.0	167.4	157.0	172.8	146.2	185.6	149.6	118.0	172.9	187.6
12 Foreign	6.2	6.4	10.6	23.5	15.6	36.3	26.2	19.0	62.8	-59.6	22.7	36.4
13 **Total private domestic funds advanced**	**652.8**	**685.3**	**688.2**	**573.7[r]**	**391.6**	**588.2**	**418.2[r]**	**493.7**	**363.9**	**383.6**	**381.3**	**437.7**
14 U.S. government securities	246.3	189.7	267.2	340.0	335.7	311.5	246.6	411.9	208.7	336.2	415.0	383.0
15 State and local obligations	83.5	53.7	65.0	45.5	32.3	56.2	36.5	18.3	25.3	37.7	37.9	28.2
16 Corporate and foreign bonds	67.5	94.4	65.5	63.4[r]	83.2	75.7	27.1[r]	95.6	73.5	97.0	84.9	77.3
17 Residential mortgages	120.2	161.3	96.5	34.6[r]	-31.3	25.7	28.2[r]	-18.6	-20.9	-20.8	-79.8	-3.5
18 Other mortgages and loans	159.8	205.9	183.1	65.6[r]	-66.3	92.1	52.6[r]	-29.2	41.5	-115.0	-112.9	-78.9
19 LESS: Federal Home Loan Bank advances	24.4	19.7	-11.0	-24.7	-38.0	-26.9	-27.3	-15.7	-35.8	-48.5	-36.4	-31.5
20 **Total credit market funds advanced by private financial institutions**	**497.3**	**538.5**	**534.0**	**388.7[r]**	**348.4**	**282.4**	**299.4[r]**	**519.5**	**307.4**	**214.3**	**407.0**	**464.6**
By lending institution												
21 Commercial banks	135.3	157.0	177.0	121.2	92.7	140.9	107.6	61.8	123.3	30.1	77.0	140.4
22 Savings institutions	136.8	118.0	-90.9	-153.4	-157.3	-211.9	-160.8	-170.8	-173.6	-153.2	-205.2	-97.3
23 Insurance and pension funds	149.1	176.4	197.9	183.7[r]	215.5	241.6	135.6	188.3	209.4	218.3	230.2	204.0
24 Other financial institutions	76.2	87.1	249.9	237.2[r]	197.6	111.7	216.9[r]	440.2	148.4	119.2	305.0	217.6
By source of funds												
25 Private domestic deposits and repurchase agreements	173.8	229.6	209.5	53.3	1.0	-5.7	45.5	-22.8	214.6	-118.1	-72.6	-20.0
26 Credit market borrowing	92.4	93.7	40.0	.9[r]	-21.6	19.5	-54.3[r]	35.2	-48.3	-34.7	-31.1	27.7
27 Other sources	231.1	215.3	284.5	334.5[r]	369.0	268.6	308.2[r]	507.1	141.1	367.2	510.7	456.9
28 Foreign funds	43.7	9.3	-9.9	24.0	-20.7	23.5	87.5	-28.5	9.4	-99.3	30.3	-23.1
29 Treasury balances	-5.8	7.3	-3.4	5.3	5.7	-1.0	13.7	3.4	20.6	-22.3	5.7	18.7
30 Insurance and pension reserves	94.9	174.1	192.0	164.1	235.5	209.1	128.3	222.1	291.6	178.7	276.2	195.4
31 Other, net	98.4	24.5	105.8	141.0[r]	148.5	36.9	78.7[r]	310.1	-180.6	310.1	198.5	265.9
Private domestic nonfinancial investors												
32 Direct lending in credit markets	247.9[r]	240.5	194.2	185.9[r]	21.7	325.4	64.6[r]	9.4	8.2	134.5	-56.8	.8
33 U.S. government securities	100.5	134.5	125.5	123.3[r]	47.7	175.4	134.6	-5.7	16.7	162.1	-5.8	17.5
34 State and local obligations	96.1	57.3	62.7	24.9	9.6	40.0	7.6	-13.5	15.2	22.1	16.3	-14.9
35 Corporate and foreign bonds	6.4	-32.2	-26.5	-23.4[r]	-21.0	21.3	-120.3[r]	-2.8	4.8	19.2	-90.6	-17.5
36 Open market paper	13.3	41.9	2.9	18.8	-36.6	53.0	12.8	-9.6	-46.6	-85.7	-1.8	-12.2
37 Other loans and mortgages	31.5	39.0	29.6	42.3[r]	21.9	35.7	29.8[r]	41.0	18.1	16.7	25.0	27.8
38 Deposits and currency	190.3	233.1	225.7	83.0	28.1	24.7	74.2	20.4	231.2	-94.7	-38.4	14.5
39 Currency	19.0	14.7	11.7	22.6	19.7	22.6	30.9	16.9	38.7	6.0	8.0	25.9
40 Checkable deposits	-.3	12.5	.6	.4	52.0	4.5[r]	-4.1[r]	-23.5	56.3	14.2	104.7	32.8
41 Small time and savings accounts	76.0	122.4	98.2	59.4	19.5	19.9[r]	40.8[r]	61.6	104.8	1.0	-52.8	25.1
42 Money market fund shares	28.9	21.2	86.7	56.0	34.5	-32.7	106.0	42.1	171.0	-63.5	-1.7	32.0
43 Large time deposits	47.6	40.6	9.1	-42.1	-91.2	-15.5	-70.7	-66.4	-60.8	-72.8	-106.3	-124.8
44 Security repurchase agreements	21.6	32.9	14.9	-20.5	-13.8	18.2	-26.5	-36.6	-56.7	3.0	-16.5	14.9
45 Deposits in foreign countries	-2.5	-11.2	4.4	7.1[r]	7.5	7.8	-2.2	26.3	-22.2	17.5	26.1	8.6
46 **Total of credit market instruments, deposits, and currency**	**438.2**	**473.6**	**419.9**	**268.9[r]**	**49.8**	**350.1**	**138.7[r]**	**29.8**	**239.3**	**39.8**	**-95.2**	**15.3**
MEMO												
47 Public holdings as percent of total	34.0	26.9	25.9	39.2[r]	51.3	41.1	56.1[r]	38.2	56.9	44.6	58.2	44.5
48 Private financial intermediation (percent)	76.2	78.6	77.6	67.8[r]	89.0	48.0	71.6[r]	105.2	84.5	55.9	106.7	106.2
49 Total foreign funds	105.5	104.3	62.8	77.2	25.1	83.1	162.6	48.3	40.0	-40.2	73.6	27.1
Corporate equities not included above												
50 **Total net issues**	**7.1**	**-119.3**	**-65.4**	**15.8**	**208.6**	**56.4**	**-19.5[r]**	**27.0**	**116.1**	**179.8**	**237.5**	**300.9**
51 Mutual fund shares	70.2	6.1	38.5	65.7	150.6	77.1	45.9	83.7	97.6	125.2	178.1	201.3
52 Other equities	-63.1	-125.4	-103.9	-50.0	58.0	-20.7	-65.4[r]	-56.7	18.5	54.6	59.4	99.6
53 Acquisitions by financial institutions	22.2	4.1	18.9	27.5[r]	76.5	64.6[r]	-44.4[r]	53.2	80.9	57.1	91.1	76.7
54 Other net purchases	-15.1	-123.3	-84.3	-11.7[r]	132.1	-8.3[r]	24.9[r]	-26.2	35.2	122.7	146.3	224.2

NOTES BY LINE NUMBER.
1. Line 1 of table 1.57.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 19.
28. Foreign deposits at commercial banks, plus bank borrowings from foreign branches, plus liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking institutions in foreign banks.
29. Demand deposits and note balances at commercial banks.
30. Excludes investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 13 less line 20 plus line 26.
33–37. Lines 14–18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
39. Mainly an offset to line 9.
46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
47. Line 2 divided by line 1.
48. Line 20 divided by line 13.
49. Sum of lines 10 and 28.
50, 52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding appear in the Board's Z.1 (780) quarterly statistical release. For ordering address, see inside front cover.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars, end of period

Transaction category or sector	1988	1989	1990	1991	1990			1991			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Nonfinancial sectors										
1 **Total credit market debt owed by domestic nonfinancial sectors**	**9,242.3**	**9,987.1**	**10,760.5**	**11,229.1**	**10,445.0**	**10,597.7**	**10,760.5**	**10,833.4**	**10,958.3**	**11,084.3**	**11,229.1**
By lending sector and instrument											
2 U.S. government	2,104.9	2,251.2	2,498.1	2,776.3	2,347.4	2,410.4	2,498.1	2,548.8	2,591.9	2,687.2	2,776.3
3 Treasury securities	2,082.3	2,227.0	2,465.8	2,757.7	2,314.4	2,377.8	2,465.8	2,522.4	2,567.1	2,669.6	2,757.7
4 Agency issues and mortgages	22.6	24.2	32.4	18.6	32.9	32.6	32.4	26.4	24.8	17.6	18.6
5 Private	7,137.4	7,735.9	8,262.4	8,452.8	8,097.6	8,187.3	8,262.4	8,284.6	8,366.4	8,397.0	8,452.8
By instrument											
6 Debt capital instruments	5,035.8	5,467.9	5,932.3	6,187.0	5,793.2	5,868.4	5,932.3	5,991.7	6,077.6	6,128.7	6,187.0
7 Tax-exempt obligations	939.4	1,004.4	1,049.8	1,082.1	1,031.4	1,043.0	1,049.8	1,052.8	1,060.7	1,072.9	1,082.1
8 Corporate bonds	852.6	926.9	974.5	1,060.3	950.6	958.1	974.5	995.5	1,021.5	1,043.6	1,060.3
9 Mortgages	3,243.8	3,536.6	3,908.0	4,044.6	3,811.2	3,867.3	3,908.0	3,943.5	3,995.4	4,012.2	4,044.6
10 Home mortgages	2,173.9	2,404.3	2,765.1	2,904.3	2,675.7	2,726.0	2,765.1	2,790.7	2,838.0	2,870.1	2,904.3
11 Multifamily residential	286.7	304.4	305.7	308.9	300.5	304.8	305.7	309.3	310.4	306.9	308.9
12 Commercial	696.4	742.6	753.3	747.7	751.1	752.3	753.3	759.5	763.2	752.1	747.7
13 Farm	86.8	85.3	84.0	83.7	84.0	84.3	84.0	83.9	83.8	83.1	83.7
14 Other debt instruments	2,101.6	2,268.0	2,330.0	2,265.8	2,304.4	2,318.9	2,330.0	2,292.9	2,288.8	2,268.4	2,265.8
15 Consumer credit	743.6	794.7	808.9	792.5	789.4	798.7	808.9	782.3	784.2	783.7	792.5
16 Bank loans n.e.c.	710.0	759.8	754.1	731.2	753.3	750.5	754.1	748.5	740.9	734.8	731.2
17 Open market paper	85.7	107.1	116.9	98.5	128.7	131.8	116.9	120.8	119.4	107.0	98.5
18 Other	562.3	606.4	650.1	643.7	633.1	637.9	650.1	641.3	644.3	642.8	643.7
By borrowing sector											
19 State and local government	752.5	815.7	858.3	882.6	841.8	852.9	858.3	861.3	866.7	874.6	882.6
20 Household	3,188.9	3,501.5	3,897.7	4,060.7	3,777.2	3,841.9	3,897.7	3,914.9	3,966.3	4,002.6	4,060.7
21 Nonfinancial business	3,196.0	3,418.7	3,506.3	3,509.5	3,478.6	3,492.5	3,506.3	3,508.4	3,533.4	3,519.8	3,509.5
22 Farm	137.6	139.2	140.5	143.1	138.7	141.6	140.5	139.5	142.6	143.6	143.1
23 Nonfarm noncorporate	1,130.5	1,180.5	1,194.3	1,172.7	1,195.4	1,195.1	1,194.3	1,195.4	1,197.4	1,181.9	1,172.7
24 Corporate	1,927.9	2,098.9	2,171.5	2,193.7	2,144.6	2,155.8	2,171.5	2,173.5	2,193.4	2,194.3	2,193.7
25 **Foreign credit market debt held in United States**	**255.7**	**265.4**	**288.9**	**304.4**	**277.0**	**283.4**	**288.9**	**301.4**	**288.8**	**294.5**	**304.4**
26 Bonds	94.0	98.5	120.1	136.5	112.4	112.9	120.1	122.9	126.6	130.7	136.5
27 Bank loans n.e.c.	21.5	21.4	18.5	22.5	19.3	19.8	18.5	20.5	19.7	20.0	22.5
28 Open market paper	49.9	63.0	75.3	81.8	65.1	71.5	75.3	87.0	74.0	78.0	81.8
29 U.S. government loans	90.2	82.5	75.0	63.7	80.2	79.3	75.0	70.9	68.4	65.7	63.7
30 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**9,498.0**	**10,252.5**	**11,049.4**	**11,533.5**	**10,721.9**	**10,881.2**	**11,049.4**	**11,134.8**	**11,247.0**	**11,378.8**	**11,533.5**
	Financial sectors										
31 ***Total credit market debt owed by financial sectors***	**1,999.8**	**2,219.4**	**2,512.0**	**2,648.2**	**2,425.3**	**2,447.7**	**2,512.0**	**2,530.5**	**2,550.7**	**2,585.3**	**2,648.2**
By instrument											
32 U.S. government-related	1,098.4	1,249.3	1,418.4	1,575.4	1,330.1	1,367.9	1,418.4	1,452.1	1,480.3	1,524.3	1,575.4
33 Sponsored credit-agency securities	348.1	373.3	393.7	402.5	381.0	384.4	393.7	397.0	389.6	394.7	402.5
34 Mortgage pool securities	745.3	871.0	1,019.9	1,168.1	944.2	978.5	1,019.9	1,050.3	1,085.9	1,124.8	1,168.1
35 Loans from U.S. government	5.0	5.0	4.9	4.9	5.0	5.0	4.9	4.9	4.9	4.9	4.9
36 Private	901.4	970.0	1,093.5	1,072.7	1,095.1	1,079.8	1,093.5	1,078.4	1,070.3	1,061.0	1,072.7
37 Corporate bonds	331.9	378.2	515.9	561.2	528.0	511.6	515.9	529.7	544.2	546.7	561.2
38 Mortgages	3.4	3.4	4.2	4.1	4.0	4.1	4.2	4.2	4.2	4.4	4.1
39 Bank loans n.e.c.	35.6	37.5	38.6	42.3	36.5	36.7	38.6	36.5	37.0	39.0	42.3
40 Open market paper	377.7	409.1	417.7	386.0	400.3	409.6	417.7	400.9	390.1	387.0	386.0
41 Loans from Federal Home Loan Banks	152.8	141.8	117.1	79.1	126.3	117.9	117.1	107.0	94.7	83.9	79.1
By borrowing sector											
42 Sponsored credit agencies	353.1	378.3	398.5	407.4	385.9	389.4	398.5	401.8	394.4	399.5	407.4
43 Mortgage pools	745.3	871.0	1,019.9	1,168.1	944.2	978.5	1,019.9	1,050.3	1,085.9	1,124.8	1,168.1
44 Private financial sectors	901.4	970.0	1,093.5	1,072.7	1,095.1	1,079.8	1,093.5	1,078.4	1,070.3	1,061.0	1,072.7
45 Commercial banks	78.8	77.4	76.3	63.4	71.6	70.7	76.3	68.1	65.9	64.6	63.4
46 Bank affiliates	136.2	142.5	114.8	109.4	134.3	122.9	114.8	114.4	113.3	110.5	109.4
47 Savings and loan associations	159.3	145.2	114.0	74.4	125.6	116.2	114.0	102.8	89.4	78.2	74.4
48 Mutual savings banks	18.6	17.2	16.7	14.0	16.7	16.2	16.7	16.4	16.6	15.9	14.0
49 Finance companies	361.4	392.5	536.0	542.0	529.5	529.8	536.0	533.7	532.5	530.8	542.0
50 Real estate investment trusts (REITs)	11.4	10.1	10.6	11.1	10.4	10.3	10.6	10.6	10.8	12.0	11.1
51 Securitized credit obligation (SCO) issuers	135.7	185.1	225.2	258.5	206.9	213.8	225.2	232.4	241.8	249.1	258.5
	All sectors										
52 **Total credit market debt, domestic and foreign**	**11,497.8**	**12,471.9**	**13,561.3**	**14,181.7**	**13,147.2**	**13,328.9**	**13,561.3**	**13,665.3**	**13,797.7**	**13,964.1**	**14,181.7**
53 U.S. government securities	3,198.3	3,495.6	3,911.7	4,346.8	3,672.5	3,773.4	3,911.7	3,996.1	4,067.4	4,206.7	4,346.8
54 State and local obligations	939.4	1,004.4	1,049.8	1,082.1	1,031.4	1,043.0	1,049.8	1,052.8	1,060.7	1,072.9	1,082.1
55 Corporate and foreign bonds	1,278.5	1,403.6	1,610.5	1,758.0	1,591.0	1,582.6	1,610.5	1,648.1	1,692.3	1,720.9	1,758.0
56 Mortgages	3,247.2	3,540.1	3,912.2	4,048.8	3,815.3	3,871.4	3,912.2	3,947.7	3,999.6	4,016.6	4,048.8
57 Consumer credit	743.6	794.7	808.9	792.5	789.4	798.7	808.9	782.3	784.2	783.7	792.5
58 Bank loans n.e.c.	767.2	818.6	811.3	795.9	809.1	807.0	811.3	805.6	797.6	793.8	795.9
59 Open market paper	513.4	579.2	609.9	566.3	594.0	612.9	609.9	608.8	583.6	572.0	566.3
60 Other loans	810.2	835.7	847.0	791.4	844.6	840.0	847.0	824.0	812.4	797.3	791.4

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted, end of period

Transaction category or sector	1988	1989	1990	1991	1990 Q2	1990 Q3	1990 Q4	1991 Q1	1991 Q2	1991 Q3	1991 Q4
1 **Total funds advanced in credit markets to domestic nonfinancial sectors**	**9,242.3**	**9,987.1**	**10,760.5**	**11,229.1**	**10,445.0**	**10,597.7**	**10,760.5**	**10,833.4**	**10,958.3**	**11,084.3**	**11,229.1**
2 **Total held by federal agencies and foreign sector**	**2,223.2**	**2,413.1**	**2,673.3**	**2,920.2**	**2,529.9**	**2,611.3**	**2,673.3**	**2,729.0**	**2,789.3**	**2,855.9**	**2,920.2**
By instrument											
3 U.S. government securities	651.5	688.9	763.3	862.6	714.1	745.6	763.3	789.5	808.7	835.9	862.6
4 Residential mortgages	900.4	1,038.4	1,221.0	1,394.7	1,126.5	1,171.8	1,221.0	1,261.4	1,306.7	1,352.6	1,394.7
5 Federal Home Loan Bank advances to thrifts	152.8	141.8	117.1	79.1	126.3	117.9	117.1	107.0	94.7	83.9	79.1
6 Other loans and securities	518.5	544.1	571.9	583.8	563.1	576.0	571.9	571.1	579.1	583.4	583.8
By type of lender											
7 U.S. government	214.6	207.0	240.6	250.3	227.4	242.7	240.6	248.2	256.6	257.1	250.3
8 Sponsored credit agencies and mortgage pools	1,113.0	1,238.2	1,403.4	1,563.6	1,315.0	1,360.5	1,403.4	1,438.8	1,468.7	1,514.2	1,563.6
9 Monetary authority	240.6	233.3	241.4	272.5	237.8	240.8	241.4	247.3	253.7	264.7	272.5
10 Foreign	655.0	734.6	787.9	833.7	749.8	767.5	787.9	794.7	810.3	819.9	833.7
Agency and foreign debt not in line 1											
11 Sponsored credit agencies and mortgage pools	1,098.4	1,249.3	1,418.4	1,575.4	1,330.1	1,367.9	1,418.4	1,452.1	1,480.3	1,524.3	1,575.4
12 Foreign	255.7	265.4	288.9	304.4	277.0	283.4	288.9	301.4	288.8	294.5	304.4
13 **Total private domestic holdings**	**8,373.2**	**9,088.7**	**9,794.4**	**10,188.8**	**9,522.1**	**9,637.7**	**9,794.4**	**9,857.9**	**9,938.1**	**10,047.2**	**10,188.8**
14 U.S. government securities	2,546.8	2,806.7	3,148.4	3,484.1	2,958.5	3,027.7	3,148.4	3,206.5	3,258.7	3,370.8	3,484.1
15 State and local obligations	939.4	1,004.4	1,049.8	1,082.1	1,031.4	1,043.0	1,049.8	1,052.8	1,060.7	1,072.9	1,082.1
16 Corporate and foreign bonds	744.8	809.8	873.2	956.4	842.7	850.5	873.2	892.4	915.8	938.3	956.4
17 Residential mortgages	1,560.2	1,670.4	1,849.8	1,818.5	1,849.7	1,859.0	1,849.8	1,838.7	1,841.7	1,824.4	1,818.5
18 Other mortgages and loans	2,734.7	2,939.2	2,990.4	2,926.7	2,966.2	2,975.4	2,990.4	2,974.6	2,955.9	2,924.8	2,926.7
19 LESS: Federal Home Loan Bank advances	152.8	141.8	117.1	79.1	126.3	117.9	117.1	107.0	94.7	83.9	79.1
20 **Total credit market claims held by private financial institutions**	**7,055.3**	**7,602.9**	**8,132.4**	**8,480.4**	**7,931.6**	**7,990.0**	**8,132.4**	**8,200.4**	**8,261.9**	**8,355.5**	**8,480.4**
By holding institution											
21 Commercial banks	2,476.2	2,643.9	2,765.1	2,860.5	2,709.5	2,739.0	2,765.1	2,778.6	2,793.1	2,815.2	2,860.5
22 Savings institutions	1,565.2	1,478.2	1,345.1	1,184.6	1,424.2	1,385.9	1,345.1	1,302.8	1,263.6	1,210.0	1,184.6
23 Insurance and pension funds	1,836.1	2,034.0	2,218.1	2,433.5	2,153.3	2,173.8	2,218.1	2,274.9	2,329.6	2,385.5	2,433.5
24 Other finance	1,177.9	1,446.7	1,804.2	2,001.8	1,644.5	1,691.3	1,804.2	1,844.1	1,875.6	1,944.8	2,001.8
By source of funds											
25 Private domestic deposits and repurchase agreements	3,581.3	3,790.4	3,843.8	3,844.6	3,806.5	3,812.1	3,843.8	3,873.3	3,836.0	3,812.1	3,844.6
26 Credit market debt	901.4	970.0	1,093.5	1,072.7	1,095.1	1,079.8	1,093.5	1,078.4	1,070.3	1,061.0	1,072.7
27 Other sources	2,572.6	2,842.5	3,195.1	3,563.0	3,030.0	3,098.0	3,195.1	3,248.7	3,355.6	3,482.3	3,563.0
28 Foreign funds	71.6	62.1	86.1	65.5	63.5	86.6	86.1	84.8	55.3	64.8	65.5
29 U.S. Treasury balances	29.0	25.6	30.9	36.6	32.1	36.6	30.9	26.3	36.0	38.5	36.6
30 Insurance and pension reserves	1,723.2	1,908.2	2,067.7	2,286.3	1,983.0	2,018.6	2,067.7	2,126.8	2,174.6	2,237.4	2,286.3
31 Other, net	748.9	846.6	1,010.4	1,174.7	951.3	956.2	1,010.4	1,010.7	1,089.6	1,141.5	1,174.7
Private domestic nonfinancial investors											
32 Credit market claims	2,219.3	2,455.9	2,755.5	2,781.1	2,685.7	2,727.6	2,755.5	2,736.0	2,746.5	2,752.7	2,781.1
33 U.S. government securities	1,050.7	1,169.0	1,278.0	1,325.7	1,214.5	1,256.8	1,278.0	1,277.7	1,290.5	1,298.7	1,325.7
34 State and local obligations	486.7	549.4	574.2	583.9	568.9	573.8	574.2	568.2	576.8	584.0	583.9
35 Corporate and foreign bonds	52.4	64.7	194.8	177.7	217.8	201.3	194.8	198.1	201.7	185.1	177.7
36 Open market paper	243.0	245.9	264.7	228.1	264.5	266.4	264.7	250.1	232.1	230.5	228.1
37 Other loans and mortgages	386.5	427.0	443.8	465.7	420.0	429.2	443.8	441.8	445.5	454.5	465.7
38 Deposits and currency	3,814.5	4,039.7	4,122.7	4,150.8	4,066.6	4,076.1	4,122.7	4,149.5	4,124.4	4,105.6	4,150.8
39 Currency	220.1	231.8	254.4	274.0	242.7	247.2	254.4	262.0	265.9	264.8	274.0
40 Checkable deposits	532.9	532.9	533.3	585.2	514.2	503.5	533.3	515.5	524.3	540.8	585.2
41 Small time and savings accounts	2,156.2	2,254.7	2,313.2	2,332.7	2,286.6	2,295.8	2,313.2	2,342.5	2,338.8	2,324.7	2,332.7
42 Money market fund shares	318.9	405.6	461.6	496.1	425.9	452.1	461.6	509.6	489.6	489.1	496.1
43 Large time deposits	390.3	399.3	358.3	267.1	387.1	374.1	358.3	342.9	319.7	297.8	267.1
44 Security repurchase agreements	182.9	197.9	177.4	163.6	192.7	186.6	177.4	162.9	163.6	159.8	163.6
45 Deposits in foreign countries	13.1	17.6	24.6	32.1	17.5	16.8	24.6	14.3	22.5	28.7	32.1
46 **Total of credit market instruments, deposits, and currency**	**6,033.8**	**6,495.6**	**6,878.3**	**6,931.9**	**6,752.3**	**6,803.7**	**6,878.3**	**6,885.5**	**6,870.9**	**6,858.3**	**6,931.9**
MEMO											
47 Public holdings as percent of total	23.4	23.5	24.2	25.3	23.6	24.0	24.2	24.5	24.8	25.1	25.3
48 Private financial intermediation (percent)	97.2	94.2	87.8	82.1	91.6	90.5	87.8	86.7	85.7	83.5	82.1
49 Total foreign funds	726.6	796.7	873.9	899.2	813.3	854.1	873.9	879.5	865.6	884.7	899.2
Corporate equities not included above											
50 Total market value	3,619.8	4,374.8	4,084.6	5,219.5	4,400.7	3,824.0	4,084.6	4,635.1	4,669.3	4,937.0	5,219.5
51 Mutual fund shares	478.3	555.1	578.5	852.4	587.9	547.3	578.5	643.0	681.3	764.0	852.4
52 Other equities	3,141.6	3,819.7	3,506.2	4,367.2	3,812.8	3,276.8	3,506.2	3,992.1	3,988.0	4,172.9	4,367.2
53 Holdings by financial institutions	1,113.6	1,416.9	1,342.1	1,844.4	1,459.6	1,232.6	1,342.1	1,572.0	1,577.7	1,708.0	1,844.4
54 Other holdings	2,506.2	2,958.0	2,742.6	3,375.1	2,941.1	2,591.4	2,742.6	3,063.2	3,091.6	3,229.0	3,375.1

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

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding appear in the Board's Z.1 (780) quarterly statistical release. For ordering address, see inside front cover.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, 1987=100, except as noted

Measure	1989	1990	1991	1991						1992		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[r]	Mar.
1 **Industrial production**[1]	**108.1**	**109.2**	**107.1**	**108.1**	**108.0**	**108.4**	**108.4**	**108.1**	**107.4**	**106.4**	**106.9**	**107.2**
Market groupings												
2 Products, total	108.6	110.1	108.1	108.7	108.5	108.9	109.0	109.0	108.4[r]	107.4	107.9	108.3
3 Final, total	109.1	110.9	109.6	110.2	109.8	110.4	110.6	110.6	109.9[r]	108.6	109.3	109.6
4 Consumer goods	106.7	107.3	107.5	108.3	108.4	109.4	109.7	110.0	109.1[r]	108.0	108.5	109.0
5 Equipment	112.3	115.5	112.2	112.8	111.6	111.8	111.9	111.4	110.9[r]	109.5	110.4	110.5
6 Intermediate	106.8	107.7	103.4[r]	104.0	104.4	104.3	104.1	103.9	103.8[r]	103.4	103.6	103.9
7 Materials	107.4	107.8	105.5	107.0	107.2	107.5	107.4	106.6	105.8[r]	104.9	105.2	105.4
Industry groupings												
8 Manufacturing	108.9	109.9	107.4	108.3	108.4	108.9	109.0	108.6	108.1	107.2	107.8	107.9
9 Capacity utilization, manufacturing (percent)[2]	83.9	82.3	78.2	78.7	78.6	78.8	78.7	78.2	77.7	76.9	77.1	77.0
10 Construction contracts (1982=100)[3]	172.9	156.2	132.5[r]	144.0	150.0	143.0	157.0	134.0	152.0	95.0	100.0	n.a.
11 Nonagricultural employment, total[4]	106.0	107.6	106.6	106.5	106.6	106.7	106.7	106.5	106.5	106.4	106.5	106.5
12 Goods-producing, total	102.5	101.0	96.4	96.3	96.4	96.3	96.0	95.5	95.3	95.1	95.1	95.1
13 Manufacturing, total	102.2	100.5	96.9	96.7	96.9	96.8	96.6	96.4	96.2	95.9	95.9	95.9
14 Manufacturing, production worker	102.3	100.0	96.0	96.0	96.3	96.0	95.9	95.6	95.4	95.1	95.3	95.4
15 Service-producing	107.1	109.7	109.9	109.8	109.9	110.0	110.1	110.0	110.1	110.0	110.2	110.2
16 Personal income, total	115.2	123.1	127.2	127.1	127.7	128.2	128.4[r]	128.3[r]	129.6[r]	129.4	130.8	n.a.
17 Wages and salary disbursements	114.4	121.1	124.2	124.2	124.9	125.4	125.2	125.4	126.2	125.4	127.0	n.a.
18 Manufacturing	110.6	113.4	113.5	113.8	114.4	114.6	115.6	114.5	115.4[r]	113.5	114.4	n.a.
19 Disposable personal income[5]	115.2	123.4	128.2[r]	128.3	128.9	129.3	129.7	129.5[r]	130.9[r]	130.7	132.1	n.a.
20 Retail sales[6]	113.2	117.4	118.3	119.4	118.6	119.0	118.9	118.9	118.8	121.3	122.9	122.5
Prices[7]												
21 Consumer (1982–84=100)	124.0	130.7	136.2	136.2	136.6	137.2	137.4	137.8	137.9	138.1	138.6	139.3
22 Producer finished goods (1982=100)	113.6	119.2	121.7	121.6	121.7	121.4	122.2	122.3	121.9	121.7	121.9	122.0

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

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

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted; exceptions noted

Category	1989	1990	1991	1991					1992		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[r]	Mar.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**188,601**	**190,216**	**191,883**	**192,095**	**192,240**	**192,386**	**192,522**	**192,661**	**192,796**	**192,906**	**193,036**
2 Labor force (including Armed Forces)[1]	126,077	126,954	127,421	127,126	127,708	127,605	127,444	127,675	128,083	128,309	128,604
3 Civilian labor force	123,869	124,787	125,303	125,004	125,590	125,508	125,374	125,619	126,046	126,287	126,590
Employment											
4 Nonagricultural industries[2]	114,142	114,728	114,644	113,230	113,806	113,663	113,500	113,545	113,951	113,811	114,155
5 Agriculture	3,199	3,186	3,233	3,254	3,283	3,204	3,272	3,183	3,166	3,232	3,194
Unemployment											
6 Number	6,528	6,874	8,426	8,520	8,501	8,641	8,602	8,891	8,929	9,244	9,242
7 Rate (percent of civilian labor force)	5.3	5.5	6.7	6.8	6.8	6.9	6.9	7.1	7.1	7.3	7.3
8 Not in labor force	62,524	63,262	64,462	64,969	64,532	64,781	65,078	64,986	64,713	64,597	64,432
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**108,329**	**109,971**	**108,975**	**108,971**	**109,066**	**109,073**	**108,843**	**108,882**	**108,760**[r]	**108,867**	**108,886**
10 Manufacturing	19,442	19,111	18,427	18,442	18,414	18,377	18,337	18,293	18,238[r]	18,252	18,249
11 Mining	693	711	697	693	684	679	674	670	666	664	659
12 Contract construction	5,187	5,136	4,696	4,691	4,699	4,671	4,584	4,589	4,602[r]	4,574	4,584
13 Transportation and public utilities	5,644	5,826	5,823	5,820	5,829	5,828	5,816	5,811	5,794[r]	5,800	5,797
14 Trade	25,770	25,843	25,412	25,393	25,387	25,335	25,261	25,247	25,175[r]	25,288	25,255
15 Finance	6,695	6,739	6,707	6,687	6,692	6,697	6,694	6,701	6,693[r]	6,702	6,706
16 Service	27,120	28,240	28,778	28,831	28,937	29,019	29,008	29,057	29,073[r]	29,076	29,086
17 Government	17,779	18,322	18,434	18,414	18,424	18,467	18,469	18,514	18,519[r]	18,511	18,550

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

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

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1991			1992	1991			1992	1991			1992
	Q2	Q3	Q4[r]	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4[r]	Q1
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)			
1 **Total industry**	**106.4**	**108.1**	**107.9**	**106.8**	**134.5**	**135.3**	**136.2**	**137.0**	**79.1**	**79.9**	**79.3**	**78.0**
2 Manufacturing	106.7	108.5	108.6	107.6	136.9	137.9	138.9	139.7	77.9	78.7	78.2	77.0
3 Primary processing	100.8	104.1	104.1	103.1	127.5	128.1	128.8	129.3	79.1	81.2	80.8	79.7
4 Advanced processing	109.4	110.6	110.7	109.7	141.3	142.4	143.5	144.6	77.4	77.7	77.1	75.9
5 Durable goods	106.7	108.1	107.7	106.4	140.9	141.8	142.8	143.7	75.7	76.2	75.4	74.1
6 Lumber and products	94.0	95.1	95.1	97.6	125.2	125.4	125.7	125.9	75.1	75.8	75.7	77.6
7 Primary metals	95.9	102.0	102.5	100.6	128.6	129.0	129.3	129.1	74.6	79.1	79.2	77.9
8 Iron and steel	92.8	100.3	103.2	101.8	133.5	134.0	134.5	134.1	69.5	74.8	76.7	75.9
9 Nonferrous	100.3	104.5	101.4	98.9	121.5	121.7	121.9	122.1	82.6	85.8	83.2	81.0
10 Nonelectrical machinery	123.5	123.5	122.7	121.9	159.5	161.2	162.8	164.3	77.4	76.6	75.4	74.2
11 Electrical machinery	110.6	111.2	110.4	110.6	144.0	145.3	146.6	147.9	76.8	76.5	75.3	74.8
12 Motor vehicles and parts	89.5	95.9	97.0	91.7	134.2	134.9	135.6	136.2	66.7	71.1	71.5	67.3
13 *Aerospace and miscellaneous transportation equipment*	106.4	105.2	102.8	100.1	137.9	138.7	139.6	140.4	77.2	75.9	73.7	71.3
14 Nondurable goods	106.7	109.1	109.7	109.1	131.9	132.9	133.8	134.8	80.9	82.1	82.0	81.0
15 Textile mill products	99.4	104.1	104.1	102.8	117.7	118.0	118.3	118.8	84.5	88.2	88.0	86.6
16 Paper and products	102.7	107.6	107.4	104.7	117.1	117.9	118.7	119.3	87.7	91.2	90.5	87.8
17 Chemicals and products	109.3	112.1	113.0	112.9	139.7	141.0	142.3	143.4	78.2	79.5	79.4	78.7
18 Plastics materials	115.6	125.4	126.2	122.6	139.2	142.6	146.1	148.7	83.0	87.9	86.4	82.4
19 Petroleum products	107.6	108.1	107.1	106.9	121.4	121.4	121.4	121.4	88.6	89.0	88.2	88.0
20 Mining	101.1	101.8	99.7	97.9	114.3	114.6	114.7	114.7	88.4	88.9	87.0	85.3
21 Utilities	109.6	110.4	109.4	107.4	128.4	128.8	129.2	129.5	85.3	85.7	84.7	82.9
22 Electric	114.4	115.2	111.6	109.9	124.3	124.7	125.2	125.6	92.1	92.4	89.1	87.5

Series	Previous cycle		Latest cycle		1991	1991					1992		
	High	Low	High	Low	Mar.	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[p]
	Capacity utilization rate (percent)												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.8**	**78.4**	**79.8**	**79.9**	**79.8**	**79.3**	**78.7**	**77.8**	**78.0**	**78.1**
2 Manufacturing	88.9	70.8	87.3	70.0	77.2	78.6	78.8	78.7	78.2	77.7	76.9	77.1	77.0
3 Primary processing	92.2	68.9	89.7	66.8	77.9	81.2	81.3	81.4	80.8	80.2	79.7	79.8	79.7
4 Advanced processing	87.5	72.0	86.3	71.4	76.8	77.5	77.7	77.6	77.1	76.6	75.7	76.0	75.9
5 Durable goods	88.8	68.5	86.9	65.0	74.9	76.0	76.2	75.9	75.5	74.8	73.8	74.3	74.2
6 Lumber and products	90.1	62.2	87.6	60.9	72.9	76.0	75.8	74.6	76.7	75.7	77.2	77.7	77.7
7 Primary metals	100.6	66.2	102.4	46.8	73.8	79.6	79.3	79.4	80.0	78.3	78.8	77.5	77.6
8 Iron and steel	105.8	66.6	110.4	38.3	69.1	75.0	75.1	76.2	78.5	75.5	77.3	75.1	75.5
9 Nonferrous	92.9	61.3	90.5	62.2	81.1	86.7	85.7	84.5	82.5	82.6	81.0	81.2	80.7
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	77.7	76.5	76.1	76.1	75.4	74.7	74.1	74.1	74.4
11 Electrical machinery	87.8	63.8	89.4	71.1	75.9	76.8	76.2	75.1	75.5	75.2	74.8	74.9	74.6
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	59.7	67.9	73.6	74.2	70.7	69.6	64.0	68.8	69.0
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	79.3	76.1	75.3	74.8	73.9	72.3	71.1	71.4	71.4
14 Nondurable goods	87.9	71.8	87.0	76.9	80.3	82.1	82.3	82.4	81.9	81.6	81.1	80.9	80.9
15 Textile mill products	92.0	60.4	91.7	73.8	81.3	88.8	87.4	89.2	88.2	86.5	86.1	86.7	86.9
16 Paper and products	96.9	69.0	94.2	82.0	86.8	90.4	91.4	92.1	89.4	90.0	87.6	87.6	88.1
17 Chemicals and products	87.9	69.9	85.1	70.1	77.9	79.7	79.6	80.0	79.4	78.9	78.5	78.9	78.8
18 Plastics materials	102.0	50.6	90.9	63.4	79.0	87.1	87.0	89.5	87.2	82.5	83.1	82.2	82.0
19 Petroleum products	96.7	81.1	89.5	68.2	89.4	88.4	89.4	87.3	87.9	89.5	87.5	88.0	88.4
20 Mining	94.4	88.4	96.6	80.6	89.0	88.5	88.5	87.9	86.8	86.2	85.0	85.6	85.4
21 Utilities	95.6	82.5	88.3	76.2	83.0	85.9	85.1	84.8	85.9	83.4	82.6	82.3	84.0
22 Electric	99.0	82.7	88.3	78.7	88.6	92.7	90.8	89.7	90.0	87.7	87.1	86.9	88.6

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

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1987 proportion	1991 avg.	1991 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	1992 Jan.[r]	Feb.[r]	Mar.[p]
			Index (1987 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**107.1**	**105.0**	**105.5**	**106.4**	**107.3**	**108.1**	**108.0**	**108.4**	**108.4**	**108.1**	**107.4**	**106.4**	**106.9**	**107.2**
2 Products	60.8	108.1	106.5	106.9	107.7	108.6	108.7	108.5	108.9	109.0	109.0	108.4	107.4	107.9	108.3
3 Final products	46.0	109.6	108.1	108.7	109.3	110.1	110.2	109.8	110.4	110.6	110.6	109.9	108.6	109.3	109.6
4 Consumer goods, total	26.0	107.5	104.7	105.5	106.6	108.0	108.3	108.4	109.4	109.7	110.0	109.1	108.0	108.5	109.0
5 Durable consumer goods	5.6	102.3	95.9	99.3	101.1	104.2	105.5	104.0	107.7	107.5	106.0	104.6	101.4	104.6	105.1
6 Automotive products	2.5	97.8	88.9	94.2	97.4	100.4	102.3	98.6	106.5	106.7	103.6	101.3	94.0	100.8	101.9
7 Autos and trucks	1.5	90.2	76.7	85.0	89.2	92.5	98.1	90.2	103.0	105.1	99.0	96.7	84.3	94.3	95.7
8 Autos, consumer	.9	84.6	76.3	78.3	81.9	83.8	92.8	83.0	94.6	92.6	89.8	88.2	79.1	84.8	81.9
9 Trucks, consumer	.6	99.6	77.4	96.3	101.6	107.1	106.9	102.2	117.1	126.1	114.5	111.0	93.0	110.2	118.9
10 Auto parts and allied goods	1.0	109.3	107.3	108.0	109.5	112.2	108.6	111.3	111.8	109.1	110.5	108.2	108.5	110.5	111.2
11 Other	3.1	105.8	101.4	103.4	104.1	107.3	108.1	108.3	108.7	108.1	108.0	107.2	107.4	107.6	107.6
12 Appliances, A/C, and TV	.8	99.5	96.2	97.3	96.8	104.8	100.6	99.6	104.1	102.1	102.3	98.9	101.8	103.0	104.0
13 *Carpeting and furniture*	.9	99.4	93.9	97.0	96.9	99.2	*103.1*	*103.9*	*101.8*	*101.8*	*101.6*	*101.5*	*101.1*	*101.4*	*102.4*
14 Miscellaneous home goods	1.4	113.4	109.2	110.8	112.8	113.8	115.5	115.9	115.6	115.6	115.2	115.5	114.5	114.1	112.9
15 Nondurable consumer goods	20.4	109.0	107.1	107.2	108.1	109.0	109.0	109.6	109.8	110.3	111.1	110.3	109.8	109.6	110.1
16 Foods and tobacco	9.1	106.7	105.4	105.3	106.2	106.9	106.9	107.1	107.8	107.8	108.1	107.0	107.0	107.2	107.0
17 Clothing	2.6	93.5	90.4	90.6	92.0	93.9	94.3	94.8	95.2	96.3	96.5	96.2	95.0	94.8	94.5
18 Chemical products	3.5	115.8	114.2	115.0	113.9	114.3	115.4	117.4	117.3	117.0	117.9	118.0	117.9	118.5	119.1
19 Paper products	2.5	123.6	122.2	122.7	121.8	123.3	122.1	122.6	124.8	125.6	126.4	126.8	126.8	124.6	125.6
20 Energy	2.7	108.5	105.5	104.4	109.0	110.0	109.4	109.5	106.7	108.5	112.0	109.3	106.7	106.1	109.0
21 Fuels	.7	103.5	104.3	101.4	103.6	104.9	105.2	104.0	104.4	103.5	103.6	104.3	103.4	103.4	103.0
22 Residential utilities	2.0	110.4	105.9	105.5	111.0	111.9	110.9	111.5	107.6	110.3	115.1	111.2	108.0	107.2	111.2
23 Equipment	20.0	112.2	112.5	112.8	112.7	112.8	112.8	111.6	111.8	111.9	111.4	110.9	109.5	110.4	110.5
24 Business equipment	13.9	121.5	120.3	121.3	121.7	121.9	122.5	121.3	122.2	122.3	121.8	121.4	119.8	121.2	121.4
25 Information processing and related	5.6	131.5	131.2	131.5	131.8	130.9	131.1	130.3	130.3	131.7	133.4	134.0	134.1	134.8	135.0
26 Office and computing	1.9	155.5	155.1	155.6	155.6	154.0	156.0	153.1	152.2	156.0	157.8	159.1	160.6	162.2	163.0
27 Industrial	4.0	108.0	109.5	109.3	109.3	109.1	109.0	108.6	108.2	106.8	104.2	102.3	100.6	101.2	101.3
28 Transit	2.5	126.8	120.4	124.1	125.9	128.0	131.2	126.7	132.7	133.1	130.5	129.5	124.2	129.5	129.4
29 Autos and trucks	1.2	88.6	76.7	84.4	87.9	90.8	96.6	86.2	99.3	101.1	96.5	96.1	84.9	94.7	95.0
30 Other	1.9	113.6	110.8	112.7	113.0	114.8	114.0	114.8	114.2	113.6	113.8	114.1	113.1	113.1	114.0
31 Defense and space equipment	5.4	91.1	93.9	92.5	91.5	91.0	90.0	89.8	89.1	89.1	88.8	88.1	86.9	86.3	85.8
32 Oil and gas well drilling	.6	93.3	107.7	105.1	101.3	103.0	97.8	86.7	80.1	79.0	78.1	75.8	71.8	73.9	76.2
33 Manufactured homes	.2	85.5	79.3	83.1	86.6	90.8	86.5	90.3	86.2	86.3	87.0	87.9	98.5	99.7	102.0
34 Intermediate products, total	14.7	103.4	101.3	101.2	102.7	104.0	104.0	104.4	104.3	104.1	103.9	103.8	103.4	103.6	103.9
35 Construction supplies	6.0	96.0	94.0	94.9	95.8	97.4	96.9	96.7	96.5	95.4	95.9	95.0	95.3	95.3	95.1
36 Business supplies	8.7	108.4	106.4	105.6	107.5	108.5	109.0	109.7	109.7	110.1	109.4	110.0	109.0	109.4	110.1
37 Materials	39.2	105.5	102.6	103.4	104.5	105.4	107.0	107.2	107.5	107.4	106.6	105.8	104.9	105.2	105.4
38 Durable goods materials	19.4	107.1	103.3	104.9	106.2	106.7	108.2	109.1	109.3	108.8	108.6	108.1	106.9	107.5	107.5
39 Durable consumer parts	4.2	96.4	87.5	92.1	95.5	97.3	100.2	100.1	101.3	101.6	100.5	97.0	95.2	96.5	97.0
40 Equipment parts	7.3	114.4	114.8	114.6	114.8	113.6	113.5	114.3	113.9	113.6	113.7	114.2	114.1	114.9	114.9
41 Other	7.9	106.0	101.0	102.6	103.8	105.3	107.5	109.0	109.3	108.2	108.3	108.4	106.5	106.4	106.2
42 Basic metal materials	2.8	106.0	101.2	101.6	103.0	105.9	108.8	110.2	109.5	107.7	108.1	108.1	105.1	105.3	104.8
43 Nondurable goods materials	9.0	105.9	102.8	103.1	103.7	104.9	108.1	107.8	108.3	109.6	107.7	107.1	106.2	106.3	106.3
44 Textile materials	1.2	97.0	92.7	94.7	96.8	98.1	101.4	101.5	99.5	101.8	99.9	98.5	97.8	98.8	99.5
45 Pulp and paper materials	1.9	106.9	102.4	102.0	101.5	106.9	110.3	108.2	110.4	112.0	108.6	109.6	104.8	106.4	107.7
46 Chemical materials	3.8	106.1	102.7	102.9	103.9	103.9	107.7	107.9	108.2	109.9	108.3	107.0	107.3	106.9	106.4
47 Other	2.1	109.7	108.8	109.0	109.2	108.6	110.5	110.9	111.3	111.2	110.1	109.7	110.1	109.3	108.8
48 Energy materials	10.9	102.3	101.3	101.1	102.4	103.4	104.1	103.3	103.6	103.1	102.2	100.4	100.2	100.4	101.0
49 Primary energy	7.2	102.4	101.5	100.5	101.2	104.7	106.2	104.5	103.8	102.8	100.9	100.4	100.2	100.2	100.1
50 Converted fuel materials	3.7	102.0	100.8	102.4	104.7	101.0	100.1	101.0	103.4	103.8	104.5	100.5	100.2	100.8	102.9
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	107.6	105.7	106.1	106.9	107.8	108.4	108.5	108.6	108.5	108.3	107.7	107.0	107.2	107.5
52 Total excluding motor vehicles and parts	95.3	107.9	106.2	106.5	107.3	108.1	108.6	108.8	108.8	108.8	108.7	108.0	107.3	107.5	107.8
53 Total excluding office and computing machines	97.5	105.8	103.7	104.2	105.2	106.2	106.9	106.8	107.3	107.2	106.8	106.1	105.0	105.5	105.7
54 Consumer goods excluding autos and trucks	24.5	108.6	106.4	106.7	107.6	108.9	108.9	109.5	109.8	109.9	110.7	109.8	109.4	109.4	109.8
55 Consumer goods excluding energy	23.3	107.4	104.6	105.6	106.3	107.7	108.1	108.3	109.7	109.8	109.8	109.1	108.2	108.8	109.0
56 Business equipment excluding autos and trucks	12.7	124.7	124.5	124.9	125.0	125.0	125.0	124.7	124.4	124.4	124.3	123.9	123.4	123.9	124.2
57 Business equipment excluding office and computing equipment	12.0	116.0	114.6	115.7	116.3	116.7	117.0	116.2	117.3	116.9	116.0	115.3	113.3	114.6	114.7
58 Materials excluding energy	28.4	106.7	103.1	104.3	105.4	106.1	108.2	108.7	109.0	109.1	108.3	107.8	106.7	107.1	107.1

2.13—Continued

Group	SIC[2] code	1987 proportion	1991 avg.	1991 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	1992 Jan.[r]	Feb.[r]	Mar.[p]
				Index (1987 = 100)												
MAJOR INDUSTRIES																
1 **Total index**	....	**100.0**	**107.1**	**105.0**	**105.5**	**106.4**	**107.3**	**108.1**	**108.0**	**108.4**	**108.4**	**108.1**	**107.4**	**106.4**	**106.9**	**107.2**
2 Manufacturing	....	84.4	107.4	105.2	105.9	106.6	107.5	108.3	108.4	108.9	109.0	108.6	108.1	107.2	107.8	107.9
3 Primary processing	....	26.7	102.4	99.0	99.6	100.7	102.1	103.7	104.1	104.4	104.7	104.1	103.5	103.0	103.2	103.1
4 Advanced processing	....	57.7	109.8	108.0	108.9	109.3	109.9	110.5	110.3	111.0	111.0	110.7	110.3	109.3	109.9	110.1
5 Durable goods	....	47.3	107.1	105.0	106.0	106.7	107.3	108.1	107.8	108.4	108.2	107.8	107.1	105.8	106.7	106.8
6 Lumber and products	24	2.0	94.2	91.2	92.7	92.5	96.7	94.8	95.3	95.2	93.8	96.4	95.2	97.1	97.9	97.9
7 Furniture and fixtures	25	1.4	99.1	95.4	98.3	98.5	99.4	100.5	101.3	101.2	100.5	99.9	100.6	98.7	98.5	100.1
8 Clay, glass, and stone products	32	2.5	94.9	94.4	94.2	95.1	95.0	95.8	95.5	94.4	94.4	92.8	93.0	92.6	94.2	93.2
9 Primary metals	33	3.3	99.5	94.7	94.5	96.9	96.4	101.2	102.6	102.3	102.6	103.5	101.3	101.9	100.0	99.9
10 Iron and steel	331,2	1.9	98.0	92.0	91.6	94.0	92.9	99.5	100.6	100.8	102.4	105.6	101.7	104.0	100.6	100.9
11 Raw steel	....	.1	97.3	89.8	91.0	88.9	94.0	102.6	102.4	100.9	101.3	99.1	97.6	103.3	102.7	100.1
12 Nonferrous	333–6,9	1.4	101.5	98.4	98.5	101.0	101.5	103.5	105.5	104.4	102.9	100.5	100.8	98.9	99.1	98.6
13 Fabricated metal products	34	5.4	100.4	97.8	98.0	99.1	99.8	100.9	101.4	101.9	101.9	101.8	101.2	99.6	100.4	100.1
14 Nonelectrical machinery	35	8.6	123.5	123.1	123.5	123.6	123.4	123.9	123.3	123.1	123.5	122.8	121.9	121.4	121.8	122.6
15 Office and computing machines	357	2.5	155.5	155.1	155.6	155.6	154.0	156.0	153.0	152.2	155.9	157.8	159.1	160.5	162.2	163.0
16 Electrical machinery	36	8.6	110.1	108.6	109.7	110.6	111.5	111.0	111.5	111.0	109.8	110.7	110.6	110.3	110.8	110.7
17 Transportation equipment	37	9.8	98.6	95.0	97.2	98.2	99.7	101.3	99.0	102.2	102.4	99.7	98.0	93.7	97.1	97.4
18 Motor vehicles and parts	371	4.7	90.4	79.8	86.2	89.8	92.5	96.7	91.6	99.5	100.4	95.9	94.6	87.1	93.8	94.1
19 Autos and light trucks	....	2.3	89.4	76.6	84.0	88.2	91.2	97.3	89.1	101.8	103.2	97.6	95.5	83.5	92.9	93.7
20 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	106.0	108.8	107.2	105.8	106.1	105.4	105.6	104.6	104.3	103.1	101.2	99.7	100.2	100.3
21 Instruments	38	3.3	118.2	118.4	118.6	118.2	117.3	116.5	116.9	118.1	118.2	118.7	119.0	118.3	118.8	118.2
22 Miscellaneous	39	1.2	119.3	115.3	117.5	118.7	119.8	121.6	123.2	121.5	120.6	120.7	121.0	120.3	119.0	118.5
23 Nondurable goods	....	37.2	107.9	105.4	105.9	106.5	107.6	108.6	109.0	109.6	110.1	109.6	109.5	109.0	109.1	109.3
24 Foods	20	8.8	108.6	107.4	107.6	107.8	108.6	108.3	108.7	109.5	109.4	110.1	109.6	109.2	109.4	109.1
25 Tobacco products	21	1.0	99.7	98.2	97.6	98.7	99.4	102.6	103.1	102.7	102.2	97.7	94.7	98.8	98.5	99.1
26 Textile mill products	22	1.8	100.5	95.4	97.2	99.2	101.7	104.2	104.7	103.2	105.5	104.4	102.5	102.1	103.0	103.3
27 Apparel products	23	2.4	96.2	92.5	93.2	95.2	96.2	97.8	98.3	98.1	98.7	98.8	99.0	97.5	97.0	97.1
28 Paper and products	26	3.6	105.1	101.3	101.3	101.3	105.3	108.1	106.5	108.0	109.0	106.1	107.0	104.4	104.5	105.3
29 Printing and publishing	27	6.4	112.3	110.4	110.7	110.6	111.2	111.9	112.3	113.3	114.4	114.2	114.5	114.6	113.9	114.2
30 Chemicals and products	28	8.6	110.9	108.2	109.0	109.2	109.6	111.5	112.3	112.6	113.5	113.0	112.6	112.4	113.1	113.3
31 Petroleum products	29	1.3	107.5	108.5	105.7	107.5	109.6	108.3	107.3	108.6	106.0	106.7	108.6	106.3	106.9	107.4
32 Rubber and plastic products	30	3.0	110.0	104.4	106.6	109.2	110.5	110.1	112.6	113.8	113.2	112.6	113.0	113.0	112.4	112.7
33 Leather and products	31	.3	88.1	91.5	90.0	89.5	90.9	91.0	87.1	85.8	83.9	84.3	83.2	83.0	81.0	81.1
34 Mining	....	7.9	101.1	101.5	100.9	100.2	102.1	102.7	101.3	101.4	100.7	99.6	98.8	97.5	98.1	97.9
35 Metal	10	.3	150.2	147.6	145.7	148.0	157.0	153.0	155.5	153.1	146.5	151.5	154.0	144.8	153.2	153.2
36 Coal	11,12	1.2	109.2	109.9	105.9	103.4	110.2	116.0	110.8	110.1	107.9	108.4	107.6	107.3	107.9	106.2
37 Oil and gas extraction	13	5.7	95.8	96.4	96.6	96.0	96.9	96.4	95.7	96.0	96.0	94.1	93.0	92.0	92.4	92.3
38 Stone and earth minerals	14	.7	108.1	108.0	107.0	107.5	106.4	107.8	107.0	107.3	105.9	105.8	106.4	104.1	103.6	104.9
39 Utilities	....	7.6	109.2	106.4	105.9	111.4	111.5	110.9	110.7	109.7	109.4	111.0	107.9	106.8	106.6	108.8
40 Electric	491,3PT	6.0	112.8	109.8	109.8	116.4	117.1	116.6	115.6	113.4	112.2	112.7	109.9	109.3	109.1	111.3
41 Gas	492,3PT	1.6	96.0	93.6	91.6	92.8	90.7	89.7	92.4	95.8	98.9	104.7	100.5	97.6	97.0	99.6
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts	....	79.8	108.4	106.7	107.1	107.6	108.3	109.0	109.3	109.5	109.5	109.3	108.9	108.4	108.6	108.7
43 Manufacturing excluding office and computing machines	....	82.0	106.0	103.7	104.4	105.1	106.1	106.9	107.0	107.6	107.6	107.1	106.6	105.6	106.1	106.2
			Gross value (billions of 1982 dollars, annual rates)													
MAJOR MARKETS																
44 **Products, total**	....	**1,734.8**	**1,880.0**	**1,845.4**	**1,853.3**	**1,875.7**	**1,890.5**	**1,895.3**	**1,885.5**	**1,901.8**	**1,911.4**	**1,904.9**	**1,888.9**	**1,868.3**	**1,889.9**	**1,898.2**
45 Final	....	1,350.9	1,481.8	1,455.6	1,464.6	1,478.1	1,490.5	1,496.1	1,484.5	1,501.5	1,510.0	1,504.1	1,488.0	1,467.5	1,489.9	1,497.8
46 Consumer goods	....	833.4	879.8	857.4	862.9	874.4	884.2	888.3	882.7	898.3	902.4	902.2	894.5	876.2	888.5	893.2
47 Equipment	....	517.5	602.0	598.2	601.7	603.7	606.2	607.8	601.8	603.3	607.6	601.8	593.5	591.3	601.4	604.6
48 Intermediate	....	384.0	398.2	389.8	388.7	397.6	400.1	399.2	401.0	400.3	401.4	400.8	401.0	400.8	400.0	400.4

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

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

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates, except as noted

Item	1989	1990	1991	1991								1992	
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.[r]	Feb.
	Private residential real estate activity (thousands of units, except as noted)												
NEW UNITS													
1 Permits authorized	1,339	1,111	961	966	999	1,005	953	982	1,028	993	1,055	1,111	1,166
2 One-family	932	794	759	760	780	794	769	782	796	787	851	912	965
3 Two-or-more-family	407	317	202	206	219	211	184	200	232	206	204	199	201
4 Started	1,376	1,193	1,014	983	1,036	1,053	1,053	1,020	1,085	1,085	1,118	1,180	1,283
5 One-family	1,003	895	840	830	870	881	881	864	887	907	972	989	1,131
6 Two-or-more-family	373	298	174	153	166	172	172	156	198	178	146	191	152
7 Under construction at end of period[1]	850	711	606[r]	665	654	652	648	632	631	633	633	641	635
8 One-family	535	449	434[r]	445	446	452	455	452	451	454	458	467	468
9 Two-or-more-family	315	262	173[r]	220	208	200	193	180	180	179	175	174	167
10 Completed	1,423	1,308	1,091[r]	1,072	1,104	1,065	1,051	1,193	1,073	1,021	1,021	1,033	1,051
11 One-family	1,026	966	838[r]	803	817	809	821	870	879	824	851	828	887
12 Two-or-more-family	396	342	253	269	287	256	230	323	194	197	170	205	164
13 Mobile homes shipped	198	188	171	173	172	175	175	172	171	171	176	192	197
Merchant builder activity in one-family units													
14 Number sold	650	535	507[r]	511	513	505	522	499	526	578[r]	567	630	613
15 Number for sale at end of period[1]	365	321	283	298	296	295	292	292	289	286	283	281	269
Price of units sold (thousands of dollars)[2]													
16 Median	120.4	122.3	120.0	116.0	119.0	120.0	120.8	120.0	122.6	118.5	122.0	123.0	117.0
17 Average	148.3	149.0	147.0[r]	145.4	145.9	148.2	141.8	147.3	147.4	141.7[r]	142.8	145.1	144.7
EXISTING UNITS (one-family)													
18 Number sold	3,346	3,211	3,219	3,480[r]	3,480[r]	3,260[r]	3,190[r]	3,120[r]	3,150[r]	3,230[r]	3,310	3,220	3,490
Price of units sold (thousands of dollars)[2]													
19 Median	92.9	95.2	99.7	101.3	102.1	103.4	102.0	100.3	99.1	97.9	100.3	102.4	102.8
20 Average	118.0	118.3	127.4	130.8	130.6	132.2	130.9	127.8	126.4	124.9	127.3	130.5	128.8
	Value of new construction[3] (millions of dollars)												
CONSTRUCTION													
21 Total put in place	**443,720**	**446,433**	**403,955[r]**	**399,030**	**398,189**	**398,409**	**403,151**	**406,983**	**408,779[r]**	**405,482[r]**	**400,825**	**407,934**	**406,243**
22 Private	345,416	337,776	295,187[r]	291,048	290,871	290,299	293,402	296,621	296,306[r]	293,693[r]	291,202	294,664	292,628
23 Residential	196,551	182,856	160,561[r]	154,567	158,282	158,039	162,800	166,578	166,919[r]	166,474[r]	165,378	168,636	168,484
24 Nonresidential, total	148,865	154,920	134,626[r]	136,481	132,589	132,260	130,602	130,043	129,387[r]	127,219[r]	125,824	126,028	124,144
25 Industrial buildings	20,412	23,849	21,732	20,683	20,868	20,885	20,418	20,321	21,573[r]	21,665	22,472	22,246	21,656
26 Commercial buildings	65,496	62,866	47,997	50,220	47,596	47,144	46,341	45,589	44,580[r]	42,155[r]	40,763	39,863	39,338
27 Other buildings	19,683	21,591	20,707	20,858	20,429	20,674	19,973	20,615	20,657[r]	20,368[r]	20,770	20,628	20,519
28 Public utilities and other	43,274	46,614	44,190[r]	44,720	43,696	43,557	43,870	43,518	42,577[r]	43,031[r]	41,819	43,291	42,631
29 Public	98,303	108,655	108,769[r]	107,982	107,318	108,110	109,749	110,361	112,472[r]	111,790[r]	109,624	113,270	113,614
30 Military	3,520	2,734	1,880[r]	1,918	1,864	1,759	1,783	2,261	1,181[r]	1,829[r]	2,671	2,071	2,266
31 Highway	28,171	30,595	29,012	29,246	28,776	28,854	30,047	28,610	29,038[r]	28,737[r]	28,991	29,310	31,791
32 Conservation and development	4,989	4,718	5,331[r]	5,123	5,807	4,688	4,901	4,226	6,095[r]	6,812[r]	5,412	5,377	5,886
33 Other	61,623	70,608	72,546[r]	71,695	70,871	72,809	73,018	75,264	76,158[r]	74,412[r]	72,550	76,512	73,671

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

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

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Mar. 1992
	1991 Mar.	1992 Mar.	1991			1992	1991		1992			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**4.9**	**3.2**	**3.0**	**3.0**	**3.2**	**3.5**	**.4**	**.2**	**.1**	**.3**	**.5**	**139.3**
2 Food	3.3	1.7	4.8	−2.3	2.7	1.5	.4	.3	−.4	.3	.5	138.1
3 Energy items												
4 All items less food and energy	4.4	−.8	−.8	1.2	3.6	−6.9	.8	.1	−1.5	−.9	.6	98.9
5 Commodities	5.2	3.9	3.2	4.6	3.1	4.8	.3	.2	.3	.4	.5	146.4
6 Services	3.8	3.1	2.2	4.4	.6	5.3	.3	−.2	.2	.6	.5	132.1
	6.0	4.2	3.3	4.6	4.3	4.8	.3	.4	.4	.3	.5	154.7
PRODUCER PRICES (1982=100)												
7 Finished goods	3.2	.9	.7	1.3	1.0	.7	.1	−.1	−.3	.2	.2	122.0
8 Consumer foods	.6	−1.4	−.6	−4.4	−1.3	1.0	−.2	−.2	−.3	1.1	−.5	123.4
9 Consumer energy	12.7	−1.5	−1.5	3.7	−.5	−7.0	.1	−1.4	−2.8	−.1	1.2	74.4
10 Other consumer goods	4.2	2.7	1.8	3.6	2.4	3.0	.2[r]	.1[r]	.4	.1	.2	136.4
11 Capital equipment	3.5	1.7	1.6	1.3	1.9	1.9	.2	.2	.2	.0	.2	128.4
Intermediate materials												
12 Excluding foods and feeds	1.7	−.5	−1.0	.4	−1.7	.0	−.1[r]	−.1[r]	−.5	.5	.0	113.8
13 Excluding energy	1.2	−.2	−.7	−1.3	.0	1.7	.1	.1	−.2	.4	.2	121.6
Crude materials												
14 Foods	−4.7	−2.2	−8.6	−6.6	−3.8	11.3	−.7[r]	−.3[r]	1.7	2.2	−1.2	107.5
15 Energy	−2.0	−4.5	.5	−.5	4.8	−20.7	.7[r]	−4.1[r]	−3.5	1.2	−3.4	73.5
16 Other	−1.5	−3.3	−14.1	−4.9	−7.4	15.5	−.8[r]	−.6[r]	.0	1.4	2.2	127.8

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

SOURCE. Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1989	1990	1991[r]	1990	1991			
				Q4	Q1	Q2	Q3	Q4[r]
GROSS DOMESTIC PRODUCT								
1 **Total**	**5,244.0**	**5,513.8**	**5,672.6**	**5,557.5**	**5,589.0**	**5,652.6**	**5,709.2**	**5,739.7**
By source								
2 Personal consumption expenditures	3,517.9	3,742.6	3,889.1	3,812.0	3,827.7	3,868.5	3,916.4	3,943.7
3 Durable goods	459.8	465.9	445.2	451.9	440.7	440.0	452.9	447.3
4 Nondurable goods	1,146.9	1,217.7	1,251.9	1,246.4	1,246.3	1,252.9	1,257.4	1,251.1
5 Services	1,911.2	2,059.0	2,191.9	2,113.6	2,140.7	2,175.6	2,206.1	2,245.2
6 Gross private domestic investment	837.6	802.6	726.7	750.9	709.3	708.8	740.9	747.9
7 Fixed investment	801.6	802.7	745.2	787.4	748.4	745.8	744.5	742.0
8 Nonresidential	570.7	587.0	550.1	585.2	560.0	554.6	546.8	539.0
9 Structures	193.1	198.7	174.6	191.2	184.0	180.0	169.0	165.2
10 Producers' durable equipment	377.6	388.3	375.5	394.0	375.9	374.7	377.8	373.8
11 Residential structures	230.9	215.7	195.1	202.2	188.4	191.2	197.7	203.0
12 Change in business inventories	36.0	.0	−18.5	−36.5	−39.2	−37.1	−3.6	6.0
13 Nonfarm	35.5	−2.0	−15.0	−28.9	−35.0	−34.0	−3.2	12.1
14 Net exports of goods and services	−82.9	−74.4	−30.7	−76.6	−36.8	−17.2	−37.3	−31.4
15 Exports	504.9	550.4	591.3	572.6	565.9	589.8	597.0	612.5
16 Imports	587.8	624.8	622.0	649.2	602.7	607.0	634.3	643.8
17 Government purchases of goods and services	971.4	1,042.9	1,087.5	1,071.2	1,088.8	1,092.5	1,089.1	1,079.5
18 Federal	401.4	424.9	445.1	434.5	451.5	452.1	444.9	432.0
19 State and local	570.0	618.0	642.4	636.7	637.3	640.4	644.2	647.5
By major type of product								
20 Final sales, total	5,208.1	5,513.8	5,691.1	5,594.0	5,628.2	5,689.6	5,712.8	5,733.8
21 Goods	2,062.1	2,167.6	2,211.7	2,194.5	2,208.6	2,223.2	2,214.1	2,200.8
22 Durable	892.9	934.7	926.5	927.2	916.4	939.5	929.4	920.5
23 Nondurable	1,169.2	1,233.0	1,285.2	1,267.3	1,292.1	1,283.7	1,284.7	1,280.3
24 Services	2,634.7	2,834.0	3,012.9	2,905.5	2,951.7	2,999.0	3,035.1	3,065.7
25 Structures	511.3	512.2	466.5	494.0	467.9	467.4	463.5	467.3
26 Change in business inventories	36.0	.0	−18.5	−36.5	−39.2	−37.1	−3.6	6.0
27 Durable goods	26.9	−7.0	−25.2	−29.4	−43.5	−33.5	−9.2	−14.5
28 Nondurable goods	9.1	7.0	6.7	−7.1	4.3	−3.6	5.6	20.4
MEMO								
29 **Total GDP in 1987 dollars**	**4,836.9**	**4,884.9**	**4,848.8**	**4,855.1**	**4,824.0**	**4,840.7**	**4,862.7**	**4,868.0**
NATIONAL INCOME								
30 **Total**	**4,244.7**	**4,459.6**	**4,542.5**	**4,506.8**	**4,489.8**	**4,530.8**	**4,559.8**	**4,589.3**
31 Compensation of employees	3,101.3	3,290.3	3,388.2	3,340.0	3,342.9	3,377.4	3,405.3	3,427.4
32 Wages and salaries	2,585.8	2,738.9	2,808.2	2,778.3	2,771.1	2,800.2	2,822.4	2,839.3
33 Government and government enterprises	478.6	514.0	540.5	525.4	536.0	540.1	541.8	544.2
34 Other	2,107.2	2,224.9	2,267.7	2,253.0	2,235.1	2,260.1	2,280.6	2,295.1
35 Supplement to wages and salaries	515.5	551.4	580.0	561.6	571.8	577.2	582.9	588.1
36 Employer contributions for social insurance	261.7	277.3	289.4	281.7	287.5	288.7	290.2	291.1
37 Other labor income	253.7	274.0	290.6	279.9	284.2	288.5	292.8	297.0
38 Proprietors' income[1]	347.0	373.2	379.7	373.9	364.2	380.0	382.5	392.0
39 Business and professional[1]	305.5	330.7	344.5	332.7	331.4	340.4	350.5	355.9
40 Farm[1]	41.4	42.5	35.1	41.2	32.8	39.6	32.0	36.1
41 Rental income of persons[2]	−7.9	−12.9	−12.7	−9.5	−11.9	−11.7	−14.2	−13.1
42 Corporate profits[1]	351.7	319.0	307.1	296.1	302.1	303.5	306.1	316.6
43 Profits before tax[3]	344.5	332.3	312.7	326.1	309.1	306.2	318.2	317.2
44 Inventory valuation adjustment	−17.5	−14.2	3.1	−21.2	6.7	9.9	−4.8	.7
45 Capital consumption adjustment	24.7	.8	−8.7	−8.8	−13.6	−12.6	−7.3	−1.3
46 Net interest	452.6	490.1	480.2	506.4	492.6	481.6	480.1	466.5

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

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1989	1990	1991[r]	1990	1991			
				Q4	Q1	Q2	Q3	Q4[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,380.2**	**4,679.8**	**4,834.4**	**4,764.7**	**4,768.0**	**4,821.1**	**4,853.3**	**4,895.3**
2 Wage and salary disbursements	2,585.8	2,738.9	2,808.3	2,778.2	2,770.9	2,800.6	2,822.4	2,839.3
3 *Commodity-producing industries*	723.8	745.4	738.7	745.2	733.4	735.2	742.3	744.1
4 Manufacturing	542.1	555.8	556.5	557.3	549.3	552.3	559.9	564.3
5 Distributive industries	607.5	634.6	641.2	639.0	635.1	642.0	644.0	643.9
6 Service industries	775.9	845.0	887.8	868.8	866.5	883.0	894.4	907.2
7 Government and government enterprises	478.6	514.0	540.6	525.2	535.8	540.5	541.8	544.2
8 Other labor income	253.7	274.0	290.6	279.9	284.2	288.5	292.8	297.0
9 Proprietors' income[1]	347.0	373.2	379.7	373.9	364.2	380.0	382.5	392.0
10 Business and professional[1]	305.5	330.7	344.5	332.7	331.4	340.4	350.5	355.9
11 Farm[1]	41.4	42.5	35.1	41.2	32.8	39.6	32.0	36.1
12 Rental income of persons[2]	−7.9	−12.9	−12.7	−9.5	−11.9	−11.7	−14.2	−13.1
13 Dividends	119.8	124.8	128.5	127.0	128.7	127.4	128.7	129.4
14 Personal interest income	669.0	721.3	718.6	736.9	730.1	721.8	716.7	705.7
15 Transfer payments	624.4	684.9	759.5	705.8	737.2	751.5	763.7	785.4
16 Old-age survivors, disability, and health insurance benefits	325.1	352.0	380.0	358.4	373.1	377.2	381.7	388.1
17 LESS: Personal contributions for social insurance	211.7	224.3	238.0	227.5	235.4	237.0	239.3	240.4
18 EQUALS: Personal income	4,380.2	4,679.8	4,834.4	4,764.7	4,768.0	4,821.1	4,853.3	4,895.3
19 LESS: Personal tax and nontax payments	591.7	621.0	616.1	627.2	617.1	613.6	615.1	618.4
20 EQUALS: Disposable personal income	3,788.6	4,058.8	4,218.4	4,137.5	4,151.0	4,207.5	4,238.2	4,276.8
21 LESS: Personal outlays	3,622.4	3,853.1	3,999.1	3,922.5	3,938.4	3,978.7	4,025.7	4,053.5
22 EQUALS: Personal saving	166.1	205.8	219.3	215.0	212.6	228.8	212.5	223.4
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,550.5	19,540.2	19,189.8	19,337.3	19,166.5	19,187.7	19,220.9	19,184.8
24 Personal consumption expenditures	13,027.6	13,050.8	12,897.9	12,951.6	12,877.4	12,892.0	12,930.2	12,891.4
25 Disposable personal income	14,030.0	14,154.0	13,990.0	14,058.0	13,965.0	14,022.0	13,992.0	13,981.0
26 Saving rate (percent)	4.4	5.1	5.2	5.2	5.1	5.4	5.0	5.2
GROSS SAVING								
27 **Gross saving**	**743.4**	**710.9**	**715.5**	**677.5**	**746.9**	**713.1**	**697.2**	**704.8**
28 Gross private saving	826.5	850.4	887.0	853.1	873.0	892.1	875.5	907.2
29 Personal saving	166.1	205.8	219.3	215.0	212.6	228.8	212.5	223.4
30 Undistributed corporate profits[1]	85.8	49.9	44.7	32.8	45.0	43.4	39.4	51.2
31 Corporate inventory valuation adjustment	−17.5	−14.2	3.1	−21.2	6.7	9.9	−4.8	.7
Capital consumption allowances								
32 Corporate	350.5	365.5	383.6	372.7	380.1	383.2	384.6	386.6
33 Noncorporate	224.0	229.3	239.3	232.7	235.3	236.8	239.1	246.1
34 Government surplus, or deficit (−), national income and product accounts	−83.0	−139.5	−171.5	−175.6	−126.1	−179.1	−178.4	−202.4
35 Federal	−124.2	−165.3	−201.5	−193.6	−146.4	−206.7	−210.2	−242.8
36 State and local	41.1	25.7	30.0	18.0	20.4	27.6	31.8	40.4
37 **Gross investment**	**740.7**	**719.0**	**734.3**	**679.6**	**764.9**	**729.6**	**719.1**	**723.4**
38 Gross private domestic	837.6	802.6	726.7	750.9	709.3	708.8	740.9	747.9
39 Net foreign	−96.8	−83.6	7.6	−71.3	55.7	20.8	−21.8	−24.5
40 **Statistical discrepancy**	**−2.7**	**8.1**	**18.8**	**2.1**	**18.0**	**16.5**	**22.0**	**18.6**

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

	Item credits or debits	1989	1990	1991	1990	1991			
					Q4	Q1	Q2	Q3	Q4
1	Balance on current account	−106,304	−92,123	−8,615	−23,402	10,374	2,897	−11,617	−10,266
2	Not seasonally adjusted	....	....	....	−25,136	15,507	4,593	−16,502	−12,213
3	Merchandise trade balance[2]	−115,917	−108,115	−73,586	−27,728	−18,538	−15,537	−20,849	−18,662
4	Merchandise exports	361,451	389,550	416,517	100,580	100,549	103,889	104,018	108,061
5	Merchandise imports	−477,368	−497,665	−490,103	−128,308	−119,087	−119,426	−124,867	−126,723
6	Military transactions, net	−6,203	−7,219	−5,280	−2,243	−2,329	−1,484	−882	−584
7	Investment income, net	2,689	11,945	9,363	6,133	4,902	2,365	1,863	234
8	Other service transactions, net	28,618	33,595	41,158	9,716	9,420	10,445	11,131	10,163
9	Remittances, pensions, and other transfers	−4,420	−4,843	−5,383	−1,201	−1,336	−1,336	−1,293	−1,417
10	U.S. government grants (excluding military)	−11,071	−17,486	25,111	−8,079	18,255	8,444	−1,587	0
11	Change in U.S. government assets other than official reserve assets, net (increase, −)	1,320	2,976	3,572	4,759	1,422	−493	3,197	−553
12	Change in U.S. official reserve assets (increase, −)	−25,293	−2,158	5,763	−1,092	−353	1,014	3,878	1,225
13	Gold	0	0	0	0	0	0	0	0
14	Special drawing rights (SDRs)	−535	−192	−177	−93	31	−190	6	−23
15	Reserve position in International Monetary Fund	471	731	−367	−4	−341	72	−114	17
16	Foreign currencies	−25,229	−2,697	6,307	−995	−43	1,132	3,986	1,232
17	Change in U.S. private assets abroad (increase, −)	−104,637	−58,524	−77,082	−38,370	−2,192	−15,702	−18,281	−40,908
18	Bank-reported claims[3]	−51,255	5,333	3,428	−24,513	20,598	1,215	2,325	−20,710
19	Nonbank-reported claims	2,581	−1,944	−4,798	−2,509	−1,308	−2,076	−1,414	....
20	U.S. purchases of foreign securities, net	−22,575	−28,476	−46,215	−7,546	−9,430	−12,833	−12,533	−11,419
21	U.S. direct investments abroad, net	−33,388	−33,437	−29,498	−3,802	−12,052	−2,008	−6,659	−8,779
22	Change in foreign official assets in United States (increase, +)	8,624	32,425	20,585	20,301	6,631	−3,105	3,854	13,205
23	U.S. Treasury securities	149	28,643	18,623	20,119	2,381	−2,287	5,799	12,730
24	Other U.S. government obligations	1,383	667	926	708	−29	−219	407	767
25	Other U.S. government liabilities[4]	281	1,703	1,603	1,102	1,012	370	453	−232
26	Other U.S. liabilities reported by U.S. banks[3]	4,976	2,998	−1,856	−707	2,501	−1,084	−2,830	−443
27	Other foreign official assets[5]	1,835	−1,586	1,289	−921	766	115	25	383
28	Change in foreign private assets in United States (increase, +)	207,925	53,879	58,919	18,732	−7,361	6,608	23,125	36,546
29	U.S. bank-reported liabilities[3]	63,382	9,975	−15,046	17,261	−18,795	−28,687	6,474	25,962
30	U.S. nonbank-reported liabilities	5,454	3,779	−511	−1,840	−1,616	−760	1,865	....
31	Foreign private purchases of U.S. Treasury securities, net	29,618	1,131	16,861	−2,029	3,409	13,434	−1,468	1,486
32	Foreign purchases of other U.S. securities, net	38,920	1,781	35,417	802	5,306	15,073	10,154	4,884
33	Foreign direct investments in United States, net	70,551	37,213	22,198	4,538	4,336	7,548	6,100	4,214
34	Allocation of special drawing rights	0	0	0	0	0	0	0	0
35	Discrepancy	18,366	63,526	−3,139	19,072	−8,522	8,781	−4,156	750
36	Due to seasonal adjustments	....	....	....	2,007	4,322	496	−6,232	1,407
37	Statistical discrepancy in recorded data before seasonal adjustment	18,366	63,526	−3,139	17,066	−12,844	8,285	2,076	−657
	MEMO								
	Changes in official assets								
38	U.S. official reserve assets (increase, −)	−25,293	−2,158	5,763	−1,092	−353	1,014	3,878	1,226
39	Foreign official assets in United States excluding line 25 (increase, +)	8,343	30,722	18,982	19,199	5,619	−3,475	3,401	13,437
40	Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	10,738	2,163	−3,656	575	988	−3,162	−4,352	2,870

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

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

3.11 U.S. FOREIGN TRADE[1]

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

Item	1989	1990	1991	1991 Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.[r]	Feb.[p]
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	363,812	393,592	421,614	34,380	35,348	37,114	36,939	35,887	35,406	37,815
2 General imports, including merchandise for immediate consumption plus entries into bonded warehouses	473,211	495,311	487,870	40,910	42,282	43,434	41,109	41,886	41,355	41,198
3 **Trade balance**	**−109,399**	**−101,718**	**−66,256**	**−6,530**	**−6,934**	**−6,320**	**−4,171**	**−5,999**	**−5,949**	**−3,383**

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

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1988	1989	1990	1991 Sept.	Oct.	Nov.	Dec.	1992 Jan.	Feb.	Mar.[p]
1 **Total**	**47,802**	**74,609**	**83,316**	**74,731**	**74,508**	**74,651**	**77,719**	**75,868**	**75,088**	**74,657**
2 Gold stock, including Exchange Stabilization Fund[1]	11,057	11,059	11,058	11,062	11,059	11,058	11,057	11,058	11,058	11,057
3 Special drawing rights[2,3]	9,637	9,951	10,989	10,722	10,710	10,942	11,240	10,980	11,020	10,947
4 Reserve position in International Monetary Fund[2]	9,745	9,048	9,076	9,094	9,065	8,943	9,488	9,113	8,996	8,994
5 Foreign currencies[4]	17,363	44,551	52,193	43,853	43,674	43,708	45,934	44,717	44,014	43,659

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

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

Millions of dollars, end of period

Assets	1988	1989	1990	1991 Sept.	Oct.	Nov.	Dec.	1992 Jan.[r]	Feb.[p]	Mar.[p]
1 Deposits	347	589	369	384	223	346	968	321	264	262
Assets held in custody										
2 U.S. Treasury securities[2]	232,547	224,911	278,499	279,013	280,249	285,905	281,107	293,958	297,834	300,277
3 Earmarked gold[3]	13,636	13,456	13,387	13,330	13,326	13,307	13,303	13,303	13,305	13,304

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

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

Millions of dollars, end of period

Assets	1988	1989	1990	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.
					All foreign countries					
1 **Total, all currencies**	**505,595**	**545,366**	**556,925**	**528,077**	**547,038**	**546,570**	**550,777**	**548,901**	**547,968**	**550,618**
2 Claims on United States	169,111	198,835	188,496	169,061	177,572	176,959	177,828	176,301	180,298	178,026
3 Parent bank	129,856	157,092	148,837	130,169	137,036	136,570	137,165	137,509	142,483	142,019
4 Other banks in United States	14,918	17,042	13,296	12,447	13,692	13,432	13,543	12,884	11,715	10,837
5 Nonbanks	24,337	24,701	26,363	26,445	26,844	26,957	27,120	25,908	26,100	25,170
6 Claims on foreigners	299,728	300,575	312,449	296,855	299,910	299,915	304,212	303,934	297,154	301,900
7 Other branches of parent bank	107,179	113,810	135,003	112,916	114,526	108,269	107,343	111,729	103,456	108,052
8 Banks	96,932	90,703	72,602	76,393	77,293	80,060	84,980	81,970	82,081	83,255
9 Public borrowers	17,163	16,456	17,555	19,110	18,930	18,685	18,940	18,652	18,223	18,421
10 Nonbank foreigners	78,454	79,606	87,289	88,436	89,161	92,901	92,949	91,583	93,394	92,172
11 Other assets	36,756	45,956	55,980	62,161	69,556	69,696	68,737	68,666	70,516	70,692
12 **Total payable in U.S. dollars**	**357,573**	**382,498**	**379,479**	**359,316**	**367,828**	**365,223**	**365,143**	**363,941**	**359,651**	**365,149**
13 *Claims on United States*	*163,456*	*191,184*	*180,174*	*163,593*	*171,393*	*170,615*	*171,701*	*169,662*	*174,033*	*172,377*
14 Parent bank	126,929	152,294	142,962	126,746	133,450	132,929	133,984	133,476	138,892	138,754
15 Other banks in United States	14,167	16,386	12,513	11,973	13,109	12,904	12,668	12,025	10,924	10,006
16 Nonbanks	22,360	22,504	24,699	24,874	24,834	24,782	25,049	24,161	24,217	23,617
17 Claims on foreigners	177,685	169,690	174,451	167,039	166,677	164,543	165,653	167,010	157,132	163,623
18 Other branches of parent bank	80,736	82,949	95,298	79,317	79,860	75,649	75,986	78,114	70,637	75,087
19 Banks	54,884	48,396	36,440	41,761	40,656	41,132	42,808	41,635	39,753	41,839
20 Public borrowers	12,131	10,961	12,298	14,160	13,609	13,889	13,671	13,685	13,202	13,136
21 Nonbank foreigners	29,934	27,384	30,415	31,801	32,552	33,873	33,188	33,576	33,540	33,561
22 Other assets	16,432	21,624	24,854	28,684	29,758	30,065	27,789	27,269	28,486	29,149
					United Kingdom					
23 **Total, all currencies**	**156,835**	**161,947**	**184,818**	**162,879**	**172,113**	**172,795**	**174,648**	**175,599**	**174,467**	**172,479**
24 Claims on United States	40,089	39,212	45,560	31,315	34,409	32,615	32,531	35,257	36,660	34,655
25 *Parent bank*	34,243	35,847	42,413	28,189	31,205	29,021	28,901	31,931	32,765	31,302
26 Other banks in United States	1,123	1,058	792	816	997	1,502	1,259	1,267	1,432	1,211
27 Nonbanks	4,723	2,307	2,355	2,310	2,207	2,092	2,371	2,059	2,463	2,142
28 Claims on foreigners	106,388	107,657	115,536	103,935	105,699	108,397	111,323	109,692	108,006	107,645
29 Other branches of parent bank	35,625	37,728	46,367	38,382	39,077	36,757	36,637	35,735	33,357	33,924
30 Banks	36,765	36,159	31,604	30,168	31,658	33,375	36,709	36,394	36,497	36,700
31 Public borrowers	4,019	3,293	3,860	3,717	3,502	3,492	3,512	3,306	3,377	3,144
32 Nonbank foreigners	29,979	30,477	33,705	31,668	31,462	34,773	34,465	34,257	34,775	33,877
33 Other assets	10,358	15,078	23,722	27,629	32,005	31,783	30,794	30,650	29,801	30,179
34 **Total payable in U.S. dollars**	**103,503**	**103,208**	**116,762**	**100,966**	**105,243**	**103,439**	**103,591**	**105,974**	**103,833**	**102,341**
35 Claims on United States	38,012	36,404	41,259	28,870	31,772	29,995	30,054	32,418	33,801	31,788
36 Parent bank	33,252	34,329	39,609	26,608	29,673	27,404	27,689	30,370	31,239	29,724
37 Other banks in United States	964	843	334	680	727	1,378	894	822	901	678
38 Nonbanks	3,796	1,232	1,316	1,582	1,372	1,213	1,471	1,226	1,661	1,386
39 Claims on foreigners	60,472	59,062	63,701	56,127	56,354	57,155	59,200	58,791	55,281	55,985
40 Other branches of parent bank	28,474	29,872	37,142	30,279	30,840	28,655	29,210	28,667	26,827	26,747
41 Banks	18,494	16,579	13,135	12,534	12,485	13,269	15,480	15,219	14,106	14,789
42 Public borrowers	2,840	2,371	3,143	3,083	2,899	2,969	2,848	2,853	2,707	2,657
43 Nonbank foreigners	10,664	10,240	10,281	10,231	10,130	12,262	11,662	12,052	11,641	11,792
44 Other assets	5,019	7,742	11,802	15,969	17,117	16,289	14,337	14,765	14,751	14,568
					Bahamas and Caymans					
45 **Total, all currencies**	**170,639**	**176,006**	**162,316**	**166,333**	**169,898**	**170,529**	**170,846**	**168,326**	**167,678**	**168,972**
46 Claims on United States	105,320	124,205	112,989	111,787	116,263	117,782	118,164	115,244	116,694	115,400
47 Parent bank	73,409	87,882	77,873	77,566	80,890	83,286	83,348	81,520	84,712	84,499
48 Other banks in United States	13,145	15,071	11,869	11,119	12,063	11,028	11,457	10,907	9,626	8,969
49 Nonbanks	18,766	21,252	23,247	23,102	23,310	23,468	23,359	22,817	22,356	21,932
50 Claims on foreigners	58,393	44,168	41,356	46,318	45,321	43,662	44,177	45,229	42,660	44,033
51 Other branches of parent bank	17,954	11,309	13,416	10,774	10,326	9,086	10,268	11,098	10,549	11,528
52 Banks	28,268	22,611	16,310	21,113	20,535	20,300	19,865	20,174	18,787	19,311
53 Public borrowers	5,830	5,217	5,807	7,394	7,149	7,435	7,363	7,161	6,600	6,545
54 Nonbank foreigners	6,341	5,031	5,823	7,037	7,311	6,841	6,681	6,796	6,724	6,649
55 Other assets	6,926	7,633	7,971	8,228	8,314	9,085	8,505	7,853	8,324	9,539
56 **Total payable in U.S. dollars**	**163,518**	**170,780**	**158,390**	**162,260**	**165,966**	**166,598**	**166,582**	**163,771**	**163,108**	**164,548**

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

3.14—Continued

Liabilities	1988	1989	1990	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
	All foreign countries									
57 **Total, all currencies**	**505,595**	**545,366**	**556,925**	**528,077**	**547,038**	**546,570**	**550,777**	**548,901**	**547,968**	**550,618**
58 Negotiable certificates of deposit (CDs)	28,511	23,500	18,060	18,796	17,579	18,928	18,334	16,284	16,156	15,988
59 To United States	185,577	197,239	189,412	178,249	188,381	186,246	188,686	198,121	189,231	190,885
60 Parent bank	114,720	138,412	138,748	122,179	131,931	130,092	131,383	136,431	127,730	123,775
61 Other banks in United States	14,737	11,704	7,463	10,085	11,843	10,356	12,892	13,260[r]	13,683[r]	12,674
62 Nonbanks	56,120	47,123	43,201	45,985	44,607	45,798	44,411	48,430[r]	47,818[r]	54,436
63 To foreigners	270,923	296,850	311,668	290,257	295,393	295,282	298,152	288,254	295,713	299,046
64 Other branches of parent bank	111,267	119,591	139,113	112,845	113,849	108,534	109,085	112,033	105,725	108,744
65 Banks	72,842	76,452	58,986	62,329	62,665	68,286	67,945	63,097	72,374	71,346
66 Official institutions	15,183	16,750	14,791	18,030	19,420	17,247	19,394	15,596	16,704	16,972
67 Nonbank foreigners	71,631	84,057	98,778	97,053	99,459	101,215	101,728	97,528	100,910	101,984
68 Other liabilities	20,584	27,777	37,785	40,775	45,685	46,114	45,605	46,242	46,868	44,699
69 **Total payable in U.S. dollars**	**367,483**	**396,613**	**383,522**	**360,397**	**367,450**	**366,449**	**369,515**	**370,561**	**360,439**	**363,680**
70 Negotiable CDs	24,045	19,619	14,094	14,183	13,180	14,157	13,813	11,909	11,442	11,515
71 To United States	173,190	187,286	175,654	167,207	176,642	174,274	176,254	185,286	176,783	179,178
72 Parent bank	107,150	132,563	130,510	115,999	125,429	123,399	124,625	129,669	121,296	117,272
73 Other banks in United States	13,468	10,519	6,052	8,449	10,368	9,011	11,436	11,707[r]	12,191[r]	11,532
74 Nonbanks	52,572	44,204	39,092	42,759	40,845	41,864	40,193	43,910[r]	43,296[r]	50,374
75 To foreigners	160,766	176,460	179,002	164,188	163,299	161,850	164,275	158,993	156,191	156,744
76 Other branches of parent bank	84,021	87,636	98,128	79,277	79,427	75,243	76,224	76,601	70,691	74,466
77 Banks	28,493	30,537	20,251	23,330	21,239	25,653	24,501	24,156	25,748	23,665
78 Official institutions	8,224	9,873	7,921	11,496	12,591	10,565	13,375	10,304	10,555	10,652
79 Nonbank foreigners	40,028	48,414	52,702	50,085	50,042	50,389	50,175	47,932	49,197	47,961
80 Other liabilities	9,482	13,248	14,772	14,819	14,329	16,168	15,173	14,373	16,023	16,243
	United Kingdom									
81 **Total, all currencies**	**156,835**	**161,947**	**184,818**	**162,879**	**172,113**	**172,795**	**174,648**	**175,599**	**174,467**	**172,479**
82 Negotiable CDs	24,528	20,056	14,256	14,148	12,941	14,145	13,506	11,333	10,993	10,581
83 To United States	36,784	36,036	39,928	27,915	31,534	29,137	30,560	37,720	31,018	30,631
84 Parent bank	27,849	29,726	31,806	20,367	23,707	21,080	22,629	29,834	23,112	23,464
85 Other banks in United States	2,037	1,256	1,505	1,662	1,724	2,053	1,934	1,438	2,325	1,891
86 Nonbanks	6,898	5,054	6,617	5,886	6,103	6,004	5,997	6,448	5,581	5,276
87 To foreigners	86,026	92,307	108,531	96,773	98,572	100,267	102,299	98,167	104,868	104,432
88 Other branches of parent bank	26,812	27,397	36,709	27,457	29,898	26,879	26,977	30,054	27,561	27,864
89 Banks	30,609	29,780	25,126	25,131	23,525	28,254	27,959	25,541	31,929	30,686
90 Official institutions	7,873	8,551	8,361	10,722	12,071	10,045	12,628	9,670	10,432	10,685
91 Nonbank foreigners	20,732	26,579	38,335	33,463	33,078	35,089	34,735	32,902	34,946	35,197
92 Other liabilities	9,497	13,548	22,103	24,043	29,066	29,246	28,283	28,379	27,588	26,835
93 **Total payable in U.S. dollars**	**105,907**	**108,178**	**116,094**	**100,131**	**104,303**	**103,238**	**104,433**	**108,755**	**103,232**	**100,882**
94 Negotiable CDs	22,063	18,143	12,710	12,337	11,249	12,397	12,042	10,076	9,236	9,061
95 To United States	32,588	33,056	34,697	23,788	27,272	24,394	25,517	33,003	26,419	26,261
96 Parent bank	26,404	28,812	29,955	18,949	22,228	19,391	20,923	28,260	21,663	21,788
97 Other banks in United States	1,752	1,065	1,156	1,216	1,259	1,704	1,481	1,177	1,954	1,639
98 Nonbanks	4,432	3,179	3,586	3,623	3,785	3,299	3,113	3,566	2,802	2,834
99 To foreigners	47,083	50,517	60,014	54,848	56,829	56,639	57,527	56,626	57,522	55,216
100 Other branches of parent bank	18,561	18,384	25,957	18,480	20,878	18,319	18,678	20,800	18,498	18,863
101 Banks	13,407	12,244	9,488	9,731	8,401	12,040	10,542	11,069	13,061	11,188
102 Official institutions	4,348	5,454	4,692	7,929	9,149	7,050	9,995	7,156	7,580	7,698
103 Nonbank foreigners	10,767	14,435	19,877	18,708	18,401	19,230	18,312	17,601	18,383	17,467
104 Other liabilities	4,173	6,462	8,673	9,158	8,953	9,808	9,347	9,050	10,055	10,344
	Bahamas and Caymans									
105 **Total, all currencies**	**170,639**	**176,006**	**162,316**	**166,333**	**169,898**	**170,529**	**170,846**	**168,326**	**167,678**	**168,972**
106 Negotiable CDs	953	678	646	963	1,055	981	1,034	1,173	1,382	1,709
107 To United States	122,332	124,859	114,738	123,117	128,150	130,223	129,781	129,872	130,433	131,009
108 Parent bank	62,894	75,188	74,941	77,159	82,075	84,853	83,057	79,394	79,783	73,744
109 Other banks in United States	11,494	8,883	4,526	7,036	8,841	7,070	9,728	10,231[r]	10,045[r]	9,733
110 Nonbanks	47,944	40,788	35,271	38,922	37,234	38,300	36,996	40,247[r]	40,605[r]	47,532
111 To foreigners	45,161	47,382	44,444	39,994	38,616	36,861	37,857	35,200	33,958	34,425
112 Other branches of parent bank	23,686	23,414	24,715	21,846	20,515	19,675	19,555	17,388	16,442	17,050
113 Banks	8,336	8,823	5,588	5,558	5,431	5,218	5,984	5,662	5,464	5,054
114 Official institutions	1,074	1,097	622	655	647	666	646	572	450	490
115 Nonbank foreigners	12,065	14,048	13,519	11,935	12,023	11,302	11,672	11,578	11,602	11,831
116 Other liabilities	2,193	3,087	2,488	2,259	2,077	2,464	2,174	2,081	1,905	1,829
117 **Total payable in U.S. dollars**	**162,950**	**171,250**	**157,132**	**162,040**	**165,235**	**166,226**	**166,157**	**163,603**	**162,667**	**164,241**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1989	1990	1991[r]					1992	
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[p]
1 **Total**[1]	**312,477**	**344,529**	**350,476**	**356,885**	**350,518**	**358,025**	**366,199**	**364,286**	**374,385**
By type									
2 Liabilities reported by banks in the United States[2]	36,496	39,880	43,417	47,374	38,402	41,526	42,701	38,161	40,487
3 U.S. Treasury bills and certificates[3]	76,985	79,424	86,071	88,596	90,394	94,428	92,855	92,692	92,711
U.S. Treasury bonds and notes									
4 Marketable	179,269	202,487	197,104	196,815	197,645	198,157	205,351	207,805	215,549
5 Nonmarketable[4]	568	4,491	4,704	4,734	4,765	4,796	4,827	4,858	4,892
6 U.S. securities other than U.S. Treasury securities[5]	19,159	18,247	19,180	19,366	19,312	19,118	20,465	20,770	20,746
By area									
7 Western Europe[1]	132,849	167,191	166,349	170,467	165,061	170,423	173,891	169,652	173,873
8 Canada	9,482	8,671	9,260	10,001	9,608	9,121	9,428	7,310	7,636
9 Latin America and Caribbean	9,313	21,184	30,064	31,377	31,911	32,604	33,991	36,038	36,774
10 Asia	153,338	138,096	134,806	134,826	133,082	134,667	137,522	139,590	145,407
11 Africa	1,030	1,434	1,183	1,202	1,558	1,519	1,383	2,092	2,409
12 Other countries[6]	6,469	7,955	8,812	9,010	9,296	9,689	9,982	9,602	8,284

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.
SOURCE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

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

Millions of dollars, end of period

Item	1988	1989	1990	1991[r]			
				Mar.	June	Sept.	Dec.
1 Banks' own liabilities	74,980	67,835	70,477	64,815	59,306	63,063	74,944
2 Banks' own claims	68,983	65,127	66,796	65,404	60,534	63,518	73,099
3 Deposits	25,100	20,491	29,672	27,587	27,795	29,632	26,307
4 Other claims	43,884	44,636	37,124	37,818	32,739	33,886	46,792
5 Claims of banks' domestic customers[2]	364	3,507	6,309	4,375	1,648	2,348	3,274

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1989	1990	1991[r]	1991[r] Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.[r]	Feb.[p]
1 **All foreigners**	**736,878**	**759,634**	**753,759**	**735,425**	**739,374**	**750,213**	**758,168**	**753,759**	**750,593**	**753,961**
2 Banks' own liabilities	577,498	577,229	573,156	554,807	558,008	565,384	575,625	573,156	571,078	573,289
3 Demand deposits	22,032	21,723	20,319	18,425	19,889	17,637	21,630	20,319	19,309	18,902
4 Time deposits[2]	168,780	168,017	159,520	147,136	150,211	154,693	154,314	159,520	147,328	144,298
5 Other[3]	67,823	65,822	65,607	71,791	67,927	72,934	75,679	65,607	73,698	77,092
6 Own foreign offices[4]	318,864	321,667	327,710	317,455	319,981	320,120	324,002	327,710	330,743	332,997
7 Banks' custody liabilities[5]	159,380	182,405	180,603	180,618	181,366	184,829	182,543	180,603	179,515	180,672
8 U.S. Treasury bills and certificates[6]	91,100	96,796	110,734	105,325	107,019	112,280	110,938	110,734	109,980	112,299
9 Other negotiable and readily transferable instruments[7]	19,526	17,578	18,664	16,475	16,791	17,047	17,206	18,664	17,687	17,115
10 Other	48,754	68,031	51,205	58,818	57,556	55,502	54,399	51,205	51,848	51,258
11 **Nonmonetary international and regional organizations**[8]	**4,894**	**5,918**	**8,597**	**6,945**	**7,160**	**7,665**	**8,721**	**8,597**	**9,795**	**10,555**
12 Banks' own liabilities	3,279	4,540	6,443	4,971	5,655	5,964	6,828	6,443	8,012	8,819
13 Demand deposits	96	36	43	28	36	28	24	43	39	35
14 Time deposits[2]	927	1,050	2,414	1,550	2,307	2,490	2,392	2,414	1,949	1,808
15 Other[3]	2,255	3,455	3,986	3,393	3,312	3,446	4,412	3,986	6,024	6,976
16 Banks' custody liabilities[5]	1,616	1,378	2,154	1,974	1,505	1,701	1,893	2,154	1,783	1,736
17 U.S. Treasury bills and certificates[6]	197	364	1,730	1,269	1,032	1,246	1,530	1,730	1,328	1,317
18 Other negotiable and readily transferable instruments[7]	1,417	1,014	424	705	473	455	363	424	455	417
19 Other	2	0	0	0	0	0	0	0	0	2
20 **Official institutions**[9]	**113,481**	**119,303**	**130,903**	**136,648**	**129,519**	**135,933**	**135,640**	**130,903**	**133,827**	**136,804**
21 Banks' own liabilities	31,108	34,910	34,226	43,860	34,603	37,559	38,960	34,226	37,604	38,187
22 Demand deposits	2,196	1,924	2,642	1,683	1,645	1,307	1,621	2,642	1,480	1,297
23 Time deposits[2]	10,495	14,359	16,324	15,465	13,951	14,544	13,145	16,324	16,203	14,444
24 Other[3]	18,417	18,628	15,260	26,712	19,007	21,708	24,194	15,260	19,921	22,446
25 Banks' custody liabilities[5]	82,373	84,393	96,677	92,788	94,916	98,374	96,680	96,677	96,223	98,617
26 U.S. Treasury bills and certificates[6]	76,985	79,424	92,692	88,596	90,394	94,428	92,855	92,692	92,711	94,731
27 Other negotiable and readily transferable instruments[7]	5,028	4,766	3,879	4,021	4,102	3,811	3,611	3,879	3,424	3,699
28 Other	361	203	106	171	420	135	214	106	88	187
29 **Banks**[10]	**515,275**	**540,805**	**520,138**	**501,929**	**511,935**	**515,954**	**521,517**	**520,138**	**515,054**	**516,343**
30 Banks' own liabilities	454,273	458,470	457,566	431,124	442,303	447,730	455,881	457,566	451,178	453,170
31 Unaffiliated foreign banks	135,409	136,802	129,856	113,669	122,322	127,610	131,879	129,856	120,435	120,173
32 Demand deposits	10,279	10,053	8,630	8,254	8,990	8,164	11,396	8,630	8,807	8,369
33 Time deposits[2]	90,557	88,541	83,088	70,595	74,589	78,181	80,199	83,088	73,079	73,786
34 Other[3]	34,573	38,208	38,138	34,820	38,743	41,265	40,284	38,138	38,549	38,018
35 Own foreign offices[4]	318,864	321,667	327,710	317,455	319,981	320,120	324,002	327,710	330,743	332,997
36 Banks' custody liabilities[5]	61,002	82,335	62,572	70,805	69,632	68,224	65,636	62,572	63,876	63,173
37 U.S. Treasury bills and certificates[6]	9,367	10,669	7,471	8,242	8,161	8,363	7,855	7,471	7,693	7,700
38 Other negotiable and readily transferable instruments[7]	5,124	5,341	5,694	5,309	5,816	6,041	5,852	5,694	5,782	5,980
39 Other	46,510	66,325	49,407	57,254	55,655	53,820	51,929	49,407	50,401	49,493
40 ***Other foreigners***	**103,228**	**93,608**	**94,121**	**89,903**	**90,760**	**90,661**	**92,290**	**94,121**	**91,917**	**90,259**
41 Banks' own liabilities	88,839	79,309	74,921	74,852	75,447	74,131	73,956	74,921	74,284	73,113
42 Demand deposits	9,460	9,711	9,004	8,460	9,218	8,138	8,589	9,004	8,983	9,201
43 Time deposits[2]	66,801	64,067	57,694	59,526	59,364	59,478	58,578	57,694	56,097	54,260
44 Other[3]	12,577	5,530	8,223	6,866	6,865	6,515	6,789	8,223	9,204	9,652
45 Banks' custody liabilities[5]	14,389	14,299	19,200	15,051	15,313	16,530	18,334	19,200	17,633	17,146
46 U.S. Treasury bills and certificates[6]	4,551	6,339	8,841	7,218	7,432	8,243	8,698	8,841	8,248	8,551
47 Other negotiable and readily transferable instruments[7]	7,958	6,457	8,667	6,440	6,400	6,740	7,380	8,667	8,026	7,019
48 Other	1,880	1,503	1,692	1,393	1,481	1,547	2,256	1,692	1,359	1,576
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	7,203	7,073	7,456	7,062	7,542	7,596	7,137	7,456	7,835	8,048

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

3.17—Continued

Area and country	1989	1990	1991	1991 Aug.	1991 Sept.r	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.r	1992 Feb.p
1 **Total**	**736,878**	**759,634**	**753,759r**	**735,425r**	**739,374**	**750,213r**	**758,168r**	**753,759r**	**750,593**	**753,961**
2 **Foreign countries**	**731,984**	**753,716**	**745,162r**	**728,480r**	**732,214**	**742,548r**	**749,447r**	**745,162r**	**740,798**	**743,406**
3 Europe	237,501	254,452	249,001r	234,979r	237,068	246,935r	251,443r	249,001r	244,603	245,698
4 Austria	1,233	1,229	1,193r	961	1,109	1,232	1,313	1,193r	1,041	1,030
5 Belgium-Luxembourg	10,648	12,382	13,337r	11,168	13,992	13,659r	14,600	13,337r	13,350	15,185
6 Denmark	1,415	1,399	937	1,065	1,038	912	1,143	937	991	997
7 Finland	570	602	1,341	1,170	618	938	1,080	1,341	893	623
8 France	26,903	30,946	31,808	26,572r	27,467	30,491r	31,095	31,808	29,044	26,450
9 Germany	7,578	7,485	8,620r	7,038r	7,500	7,891	8,032	8,620r	8,048	9,098
10 Greece	1,028	934	765r	851	944	840	890	765r	873	897
11 Italy	16,169	17,735	13,541r	12,507	12,507	12,274	13,288	13,541r	10,798	9,554
12 Netherlands	6,613	5,350	7,161r	5,651	6,311	6,546	6,124	7,161r	7,962	7,322
13 Norway	2,401	2,357	1,866	1,248r	1,459	1,173r	1,452	1,866	1,912	1,388
14 Portugal	2,418	2,958	2,184	2,313	2,391	2,431	2,223	2,184	1,114	2,540
15 Spain	4,364	7,544	11,391	10,396	10,834	12,279r	11,148	11,391	9,371	10,653
16 Sweden	1,491	1,837	2,222	1,424	1,435	1,217	1,105	2,222	1,887	2,544
17 Switzerland	34,496	36,690	37,236r	35,967	38,343	36,733	36,711	37,236r	35,867	34,945
18 Turkey	1,818	1,169	1,598	1,780	1,538	1,493	1,836r	1,598	1,476	1,681
19 United Kingdom	102,362	109,555	100,247r	95,358r	95,612	99,466r	99,844r	100,247r	102,364	102,115
20 Yugoslavia	1,474	928	622	955	854	807	544	622	493	529
21 Other Western Europe[11]	13,563	11,689	9,224r	15,176	9,670	12,964	15,357r	9,224r	13,555	13,747
22 U.S.S.R.	350	119	241	136	117	178	236	241	169	246
23 Other Eastern Europe[12]	608	1,545	3,467r	3,243	3,329	3,411	3,422	3,467r	3,395	4,154
24 Canada	18,865	20,349	21,563	23,919	24,039	24,685	23,131	21,563	18,646	20,437
25 Latin America and Caribbean	311,028	332,997	343,705r	339,139r	342,851	340,473r	345,107r	343,705r	348,561	347,674
26 Argentina	7,304	7,365	7,758	6,978	6,869	7,190	7,452	7,758	7,901	7,883
27 Bahamas	99,341	107,386	99,727r	93,459r	96,141	99,858	100,339	99,727r	100,557	99,083
28 Bermuda	2,884	2,822	3,178	3,520	3,120	3,191	3,295	3,178	3,658	3,478
29 Brazil	6,351	5,834	5,942	6,074	6,069	5,998	5,811	5,942	5,785	5,760
30 British West Indies	138,309	147,321	162,422r	164,512r	165,769	160,488r	163,419r	162,422r	165,012	166,832
31 Chile	3,212	3,145	3,284	3,162	3,090	3,348	3,388	3,284	3,322	3,457
32 Colombia	4,653	4,492	4,662	4,735	4,642	4,823	4,797	4,662	4,627	4,714
33 Cuba	10	11	2	9	8	4	12	2	6	5
34 Ecuador	1,391	1,379	1,232	1,236	1,226	1,237	1,236	1,232	1,250	1,219
35 Guatemala	1,312	1,541	1,594	1,613	1,585	1,541	1,589	1,594	1,554	1,549
36 Jamaica	209	257	231	235	213	202	201	231	234	227
37 Mexico	15,423	16,650	19,957r	20,331r	20,958	19,958r	20,499r	19,957r	20,373	20,322
38 Netherlands Antilles	6,310	7,357	5,592r	5,732	5,565	5,499	5,924	5,592r	6,272	6,262
39 Panama	4,362	4,574	4,695	4,748	4,374	4,450	4,563	4,695	4,348	4,403
40 Peru	1,984	1,294	1,249	1,287	1,305	1,234	1,240	1,249	1,233	1,221
41 Uruguay	2,284	2,520	2,111	2,471r	2,539	2,442	2,373	2,111	2,313	2,157
42 Venezuela	9,482	12,271	13,181r	12,249	12,348	12,237	12,171	13,181r	13,530	12,401
43 Other	6,206	6,779	6,888r	6,788	7,030	6,773	6,798	6,888r	6,586	6,701
44 Asia	156,201	136,844	120,504r	122,422r	119,608	120,434r	120,019r	120,504r	119,105	120,449
China										
45 Mainland	1,773	2,421	2,619	2,247	2,198	2,494	2,783	2,619	2,739	2,607
46 Taiwan	19,588	11,246	11,495r	12,260r	10,100	12,443	11,675	11,495r	10,951	10,616
47 Hong Kong	12,416	12,754	14,374r	14,206	14,476	13,941r	13,795r	14,374r	15,162	14,848
48 India	780	1,233	2,418	2,373	2,487	2,504	2,613	2,418	2,297	2,336
49 Indonesia	1,281	1,238	1,463r	1,239r	1,078	1,230	1,412r	1,463r	1,037	1,296
50 Israel	1,243	2,767	2,015	2,697	2,847	2,115	2,108	2,015	2,193	2,137
51 Japan	81,184	67,076	47,053r	48,876r	48,091	47,068	46,004	47,053r	45,992	45,107
52 Korea	3,215	2,287	2,538	2,272	2,131	2,169	2,555	2,538	2,442	2,754
53 Philippines	1,766	1,585	2,449	1,465	1,651	1,926	2,139	2,449	2,256	2,469
54 Thailand	2,093	1,443	2,252	2,650	3,348	3,113	3,581	2,252	2,933	3,224
55 Middle-East oil-exporting countries[13]	13,370	15,829	15,752r	14,834r	15,309	15,529r	16,301r	15,752r	15,901	18,410
56 Other	17,491	16,965	16,076r	17,303r	15,892	15,902r	15,053	16,076r	15,202	14,645
57 Africa	3,824	4,630	4,822r	4,017	4,483	4,558	4,465	4,822r	5,042	4,895
58 Egypt	686	1,425	1,621r	957	1,125	1,241	1,060	1,621r	1,620	1,632
59 Morocco	78	104	79	91	82	78	93	79	86	82
60 South Africa	206	228	228	137	242	207	173	228	201	199
61 Zaire	86	53	31	58	37	42	32	31	28	30
62 Oil-exporting countries[14]	1,121	1,110	1,082	992	1,145	1,182	1,280	1,082	1,204	1,190
63 Other	1,648	1,710	1,781r	1,782	1,852	1,808	1,827	1,781r	1,903	1,762
64 Other countries	4,564	4,444	5,567r	4,004	4,165	5,463	5,282	5,567r	4,841	4,253
65 Australia	3,867	3,807	4,464	3,149	3,231	4,445	4,116	4,464	3,619	3,065
66 All other	697	637	1,103r	855	934	1,018	1,166	1,103r	1,222	1,188
67 Nonmonetary international and regional organizations	4,894	5,918	8,597r	6,945	7,160	7,665r	8,721r	8,597r	9,795	10,555
68 International[15]	3,947	4,390	6,101r	4,371	5,122	5,411r	6,180r	6,101r	7,339	8,232
69 Latin American regional	684	1,048	1,181	1,531	1,094	1,242	1,366	1,181	1,422	1,500
70 Other regional[16]	263	479	1,315	1,043	944	1,012	1,175	1,315	1,034	823

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

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

Millions of dollars, end of period

Area and country	1989	1990	1991[r]	1991[r] Aug.	Sept.	Oct.	Nov.	Dec.	1992 Jan.[r]	Feb.[p]
1 **Total**	**534,492**	**511,543**	**513,916**	**502,982**	**499,931**	**511,082**	**514,637**	**513,916**	**508,108**	**508,357**
2 **Foreign countries**	**530,630**	**506,750**	**507,724**	**500,502**	**497,224**	**509,301**	**511,347**	**507,724**	**503,913**	**501,817**
3 Europe	119,025	113,093	114,252	98,921	103,340	103,710	107,754	114,252	112,628	110,796
4 Austria	415	362	327	185	297	374	325	327	211	447
5 Belgium-Luxembourg	6,478	5,473	6,158	6,534	7,175	7,677	6,962	6,158	6,726	7,422
6 Denmark	582	497	686	945	670	624	671	686	792	709
7 Finland	1,027	1,047	1,912	771	908	1,195	1,378	1,912	1,854	1,586
8 France	16,146	14,468	15,112	13,827	14,504	13,085	14,813	15,112	15,196	13,742
9 Germany	2,865	3,343	3,339	3,112	2,678	2,077	2,839	3,339	3,295	3,405
10 Greece	788	727	553	495	473	487	555	553	550	562
11 Italy	6,662	6,052	8,242	5,931	6,541	6,370	6,362	8,242	8,000	7,292
12 Netherlands	1,904	1,761	2,539	2,095	1,949	2,169	2,220	2,539	2,664	2,454
13 Norway	609	782	669	599	679	682	776	669	801	665
14 Portugal	376	292	344	308	266	301	358	344	360	350
15 Spain	1,930	2,668	1,844	1,995	2,337	2,410	2,480	1,844	2,487	2,120
16 Sweden	1,773	2,094	2,315	1,633	1,896	1,842	2,347	2,315	2,751	2,923
17 Switzerland	6,141	4,202	4,540	3,609	4,048	4,195	4,469	4,540	4,497	3,921
18 Turkey	1,071	1,405	1,063	1,407	1,385	1,195	1,151	1,063	1,065	1,078
19 United Kingdom	65,527	65,151	60,429	51,971	54,243	55,436	55,917	60,429	56,582	57,086
20 Yugoslavia	1,329	1,142	824	820	802	803	848	824	822	810
21 Other Western Europe[2]	1,302	597	789	1,024	773	714	1,001	789	1,152	1,144
22 U.S.S.R.	1,179	530	1,970	1,015	1,157	1,358	1,689	1,970	2,331	2,491
23 Other Eastern Europe[3]	921	499	597	645	559	716	593	597	492	589
24 Canada	15,451	16,091	14,995	14,509	14,750	16,099	15,845	14,995	14,761	15,712
25 Latin America and Caribbean	230,438	231,506	245,997	249,811	250,969	255,126	252,834	245,997	249,524	245,451
26 Argentina	9,270	6,967	5,869	5,749	5,749	5,735	5,778	5,869	5,823	5,998
27 Bahamas	77,921	76,525	87,142	78,804	80,643	85,959	87,160	87,142	89,225	84,110
28 Bermuda	1,315	4,056	2,185	11,773	6,854	4,305	4,102	2,185	3,535	4,444
29 Brazil	23,749	17,995	11,845	12,336	11,885	11,499	11,687	11,845	12,421	12,748
30 British West Indies	68,749	88,565	107,864	111,240	112,790	116,429	111,999	107,864	106,945	106,444
31 Chile	4,353	3,271	2,805	2,779	2,732	2,721	2,833	2,805	2,817	2,745
32 Colombia	2,784	2,587	2,425	2,368	2,432	2,542	2,574	2,425	2,374	2,330
33 Cuba	1	0	0	0	0	0	0	0	0	0
34 Ecuador	1,688	1,387	1,053	1,238	1,115	1,095	1,090	1,053	1,044	1,063
35 Guatemala	197	191	228	182	185	191	195	228	214	230
36 Jamaica	297	238	158	150	150	162	161	158	157	158
37 Mexico	23,376	14,851	16,606	15,282	16,441	16,874	17,401	16,606	17,058	17,361
38 Netherlands Antilles	1,921	7,998	1,126	1,540	3,619	1,247	1,122	1,126	1,112	898
39 Panama	1,740	1,471	1,563	1,477	1,478	1,546	1,641	1,563	1,651	1,662
40 Peru	771	663	739	728	712	722	724	739	735	737
41 Uruguay	929	786	599	571	577	555	550	599	548	604
42 Venezuela	9,652	2,571	2,527	2,395	2,463	2,406	2,634	2,527	2,610	2,611
43 Other	1,726	1,384	1,263	1,199	1,144	1,138	1,183	1,263	1,255	1,308
44 Asia	157,474	138,722	125,246	129,777	120,533	126,978	127,191	125,246	119,644	122,329
China										
45 Mainland	634	620	747	575	621	597	698	747	813	704
46 Taiwan	2,776	1,952	2,089	1,522	1,460	1,578	1,584	2,089	1,919	1,881
47 Hong Kong	11,128	10,648	9,723	9,154	9,567	10,204	10,172	9,723	9,859	9,711
48 India	621	655	441	435	459	482	450	441	445	418
49 Indonesia	651	933	952	876	869	841	872	952	1,012	1,043
50 Israel	813	774	855	919	945	994	907	855	873	943
51 Japan	111,300	90,699	84,770	90,513	80,532	84,767	85,504	84,770	80,492	80,190
52 Korea	5,323	5,766	6,029	5,404	5,164	5,363	5,797	6,029	5,683	6,272
53 Philippines	1,344	1,247	1,910	1,682	1,633	1,916	1,971	1,910	1,849	1,789
54 Thailand	1,140	1,573	1,650	1,875	1,939	1,831	1,803	1,650	1,574	1,542
55 Middle East oil-exporting countries[4]	10,149	10,749	8,284	9,335	10,433	9,973	9,957	8,284	8,073	10,878
56 Other	11,594	13,106	7,796	7,487	6,911	8,432	7,476	7,796	7,052	6,958
57 Africa	5,890	5,445	4,928	5,344	5,281	5,273	5,242	4,928	4,874	4,801
58 Egypt	502	380	294	315	320	302	351	294	255	223
59 Morocco	559	513	575	576	579	589	583	575	591	550
60 South Africa	1,628	1,525	1,235	1,610	1,498	1,495	1,493	1,235	1,217	1,189
61 Zaire	16	16	4	9	8	9	7	4	4	4
62 Oil-exporting countries[5]	1,648	1,486	1,298	1,273	1,270	1,260	1,320	1,298	1,116	1,209
63 Other	1,537	1,525	1,522	1,561	1,606	1,618	1,488	1,522	1,691	1,626
64 *Other countries*	2,354	1,892	2,306	2,140	2,351	2,115	2,481	2,306	2,482	2,728
65 Australia	1,781	1,413	1,665	1,464	1,526	1,503	1,718	1,665	1,473	1,491
66 All other	573	479	641	676	825	612	763	641	1,009	1,237
67 Nonmonetary international and regional organizations[6]	3,862	4,793	6,192	2,480	2,707	1,781	3,290	6,192	4,195	6,540

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

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

Millions of dollars, end of period

Type of claim	1989	1990	1991r	1991r					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.r	Feb.p
1 **Total**	**593,087**	**579,044**	**580,013**	....	**567,307**	....	....	**580,013**	....	....
2 Banks' own claims on foreigners	534,492	511,543	513,916	502,982	499,931	511,082	514,637	513,916	508,108	508,357
3 Foreign public borrowers	60,511	41,900	36,705	35,699	35,680	35,261	36,323	36,705	34,894	38,681
4 Own foreign offices[2]	296,011	304,315	318,849	302,086	304,518	313,021	313,783	318,849	307,850	305,937
5 Unaffiliated foreign banks	134,885	117,272	116,534	116,449	113,872	119,829	120,218	116,534	121,198	118,595
6 Deposits	78,185	65,253	69,237	70,874	68,482	72,534	71,610	69,237	71,174	70,646
7 Other	56,700	52,019	47,297	45,575	45,390	47,295	48,608	47,297	50,024	47,949
8 All other foreigners	43,085	48,056	41,828	48,748	45,861	42,971	44,313	41,828	44,166	45,144
9 Claims of banks' domestic customers[3]	58,594	67,501	66,097	....	67,376	....	....	66,097	....	....
10 Deposits	13,019	14,375	15,240	....	19,512	....	....	15,240	....	....
11 Negotiable and readily transferable instruments[4]	30,983	41,333	37,918	....	35,054	....	....	37,918	....	....
12 Outstanding collections and other claims	14,592	11,792	12,939	....	12,810	....	....	12,939	....	....
13 MEMO: Customer liability on acceptances	12,899	13,628	6,743	....	8,739	....	....	6,743	....	....
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	45,767r	44,574r	38,815	41,920	38,213	39,822	40,589	38,815	37,285	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. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
3. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
4. Principally negotiable time certificates of deposit and bankers acceptances.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 *Bulletin*, p. 550.

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

Millions of dollars, end of period

Maturity, by borrower and area	1988	1989	1990	1991r			
				Mar.	June	Sept.	Dec.
1 **Total**	**233,184**	**238,123**	**206,903**	**199,216**	**199,517**	**195,164**	**194,850**
By borrower							
2 Maturity of one year or less[2]	172,634	178,346	165,985	158,660	160,346	159,829	160,585
3 Foreign public borrowers	26,562	23,916	19,305	21,794	19,286	17,461	20,366
4 All other foreigners	146,071	154,430	146,680	136,866	141,060	142,368	140,219
5 Maturity of more than one year[2]	60,550	59,776	40,918	40,555	39,171	35,335	34,265
6 Foreign public borrowers	35,291	36,014	22,269	22,417	20,820	17,925	16,122
7 All other foreigners	25,259	23,762	18,649	18,138	18,352	17,410	18,143
By area							
Maturity of one year or less[2]							
8 Europe	55,909	53,913	49,184	49,840	50,368	51,207	51,849
9 Canada	6,282	5,910	5,450	5,939	7,309	5,682	6,425
10 Latin America and Caribbean	57,991	53,003	49,782	42,670	41,127	47,280	43,036
11 Asia	46,224	57,755	53,258	53,993	53,150	49,462	49,970
12 Africa	3,337	3,225	3,040	3,008	2,937	2,815	2,535
13 All other[3]	2,891	4,541	5,272	3,212	5,455	3,383	6,770
Maturity of more than one year[2]							
14 Europe	4,666	4,121	3,859	4,128	3,832	3,717	3,876
15 Canada	1,922	2,353	3,290	3,390	3,823	3,676	3,516
16 Latin America and Caribbean	47,547	45,816	25,774	24,962	23,220	19,232	18,678
17 Asia	3,613	4,172	5,165	5,414	5,645	6,095	5,433
18 Africa	2,301	2,630	2,374	2,426	2,456	2,393	2,349
19 All other[3]	501	684	456	237	195	222	413

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.
2. Remaining time to maturity.
3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1987	1988	1989	1990				1991			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.[p]
1 **Total**	**382.4**	**346.3**	**338.8**	**333.9**	**321.7**	**331.5**	**317.8**	**325.6[r]**	**321.0[r]**	**336.8[r]**	**341.6[r]**
2 *G-10 countries and Switzerland*	159.7	152.7	152.9	146.6	139.3	143.6	132.1	129.9	130.2[r]	134.7	137.5
3 Belgium-Luxembourg	10.0	9.0	6.3	6.7	6.2	6.5	5.9	6.2	6.1	5.8	6.0
4 France	13.7	10.5	11.7	10.4	10.2	11.1	10.4	9.7	10.5	11.1	11.3
5 Germany	12.6	10.3	10.5	11.2	11.2	11.1	10.6	8.8	8.3	9.7	8.2
6 Italy	7.5	6.8	7.4	5.9	5.4	4.4	5.0	4.0	3.6	4.5	5.6
7 Netherlands	4.1	2.7	3.1	3.1	2.7	3.8	3.0	3.3	3.3	3.0	4.7
8 Sweden	2.1	1.8	2.0	2.1	2.3	2.3	2.2	2.0	2.5	2.1	1.9
9 Switzerland	5.6	5.4	7.1	6.2	6.3	5.6	4.4	3.7	3.3	3.9	3.4
10 United Kingdom	68.8	66.2	67.2	64.0	59.9	62.6	60.8	62.3	59.8	65.6	68.5
11 Canada	5.5	5.0	5.4	4.8	5.1	5.0	5.9	6.8	8.2	5.9[r]	5.8
12 Japan	29.8	34.9	32.2	32.2	30.1	31.3	23.9	23.2	24.6	23.2	22.2
13 Other developed countries	26.4	21.0	20.7	23.0	22.4	23.0	22.6	23.1	21.1	21.7	22.6
14 Austria	1.9	1.5	1.5	1.5	1.5	1.6	1.4	1.4	1.1	1.0	.6
15 Denmark	1.7	1.1	1.1	1.2	1.1	1.1	1.1	.9	1.2	.9	.9
16 Finland	1.2	1.1	1.0	1.1	.9	.8	.7	1.0	.8	.7	.7
17 Greece	2.0	1.8	2.5	2.6	2.7	2.8	2.7	2.5	2.4	2.3	2.6
18 Norway	2.2	1.8	1.4	1.7	1.4	1.6	1.6	1.5	1.5	1.4	1.4
19 Portugal	.6	.4	.4	.4	.8	.6	.6	.6	.6	.5	.6
20 Spain	8.0	6.2	7.1	8.2	7.8	8.4	8.3	9.0	7.0	8.3	8.2
21 Turkey	2.0	1.5	1.2	1.3	1.4	1.6	1.7	1.7	1.9	1.6	1.4
22 Other Western Europe	1.6	1.3	.7	1.0	1.1	.7	.9	.8	.9	1.0	1.6
23 South Africa	2.9	2.4	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.6	1.9
24 Australia	2.4	1.8	1.6	2.1	1.8	2.0	1.8	1.9	2.0	2.4	2.7
25 OPEC countries[2]	17.4	16.6	17.1	15.5	15.3	14.2	12.8	17.1	14.0	15.6	14.6
26 Ecuador	1.9	1.7	1.3	1.2	1.1	1.1	1.0	.9	.9	.8	.7
27 Venezuela	8.1	7.9	7.0	6.1	6.0	6.0	5.0	5.1	5.3	5.6	5.4
28 Indonesia	1.9	1.7	2.0	2.1	2.0	2.3	2.7	2.8	2.6	2.8	2.8
29 *Middle East countries*	3.6	3.4	5.0	4.3	4.4	3.1	2.5	6.6	3.7	5.0	4.2
30 African countries	1.9	1.9	1.7	1.8	1.8	1.7	1.7	1.6	1.5	1.5	1.5
31 Non-OPEC developing countries	97.8	85.3	77.5	68.8	66.7	67.1	65.4	66.4[r]	65.0[r]	65.2	64.3
Latin America											
32 Argentina	9.5	9.0	6.3	5.6	5.2	5.0	5.0	4.7	4.6	4.7	4.8
33 Brazil	24.7	22.4	19.0	17.5	16.7	15.4	14.4	13.9	11.6	10.5	9.5
34 Chile	6.9	5.6	4.6	4.3	3.7	3.6	3.5	3.6	3.6	3.7	3.6
35 Colombia	2.0	2.1	1.8	1.8	1.7	1.8	1.8	1.7	1.6	1.6	1.7
36 Mexico	23.5	18.8	17.7	12.8	12.6	12.8	13.0	13.7	14.3	16.2[r]	15.5
37 Peru	1.1	.8	.6	.5	.5	.5	.5	.5	.5	.4	.4
38 *Other Latin America*	2.8	2.6	2.8	2.8	2.3	2.4	2.3	2.2	2.0	1.9	2.1
Asia											
China											
39 Mainland	.3	.3	.3	.3	.2	.2	.2	.4	.6	.4	.3
40 Taiwan	8.2	3.7	4.5	3.8	3.6	4.0	3.5	3.6	4.1	4.1	4.1
41 India	1.9	2.1	3.1	3.5	3.6	3.6	3.3	3.5	3.0	2.8	3.0
42 Israel	1.0	1.2	.7	.6	.7	.6	.5	.5	.5	.5	.5
43 Korea (South)	5.0	6.1	5.9	5.3	5.6	6.2	6.2	6.8	6.9	6.5	6.8
44 Malaysia	1.5	1.6	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.3	2.3
45 Philippines	5.2	4.5	4.1	3.7	3.9	3.9	3.8	3.7	3.7	3.6	3.7
46 Thailand	.7	1.1	1.3	1.1	1.3	1.5	1.5	1.6	1.7	1.9	1.7
47 Other Asia[3]	.7	.9	1.0	1.2	1.1	1.6	1.7	2.1	2.3	2.3	2.4
Africa											
48 Egypt	.6	.4	.4	.4	.5	.4	.4	.4	.4	.4	.4
49 Morocco	.9	.9	.9	.9	.9	.9	.8	.8	.7	.7	.7
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	1.3	1.1	1.0	.9	.8	.8	1.0	.8	.8	.8	.7
52 Eastern Europe	3.2	3.6	3.5	3.3	2.9	2.7	2.3	2.1	2.1	1.8	2.4
53 U.S.S.R.	.3	.7	.7	.8	.4	.4	.2	.3	.4	.4	.9
54 Yugoslavia	1.8	1.8	1.6	1.4	1.4	1.3	1.2	1.0	1.0	.8	.9
55 Other	1.1	1.1	1.3	1.2	1.1	1.1	.9	.8	.7	.7	.7
56 Offshore banking centers	54.5	44.2	36.6	43.1	40.3	42.6	42.5	50.2[r]	48.5[r]	52.7[r]	52.0
57 Bahamas	17.3	11.0	5.5	9.2	8.5	8.9	2.8	8.4[r]	6.8[r]	6.8[r]	12.0
58 Bermuda	.6	.9	1.7	1.2	2.5	4.5	4.4	4.4	4.2	7.1	2.2
59 Cayman Islands and other British West Indies	13.5	12.9	9.0	10.9	8.5	9.3	11.5	14.2	15.1	14.1[r]	15.9
60 Netherlands Antilles	1.2	1.0	2.3	2.6	2.3	2.2	7.9	1.1	1.4	3.5	1.2
61 Panama[4]	3.7	2.5	1.4	1.3	1.4	1.5	1.4	1.4	1.3	1.3	1.3
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.2	9.6	9.7	9.8	10.0	8.7	7.7	11.6	12.4	12.1	12.2
64 Singapore	7.0	6.1	7.0	8.0	7.0	7.5	6.6	8.9	7.2	7.7	7.1
65 Others[5]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[6]	23.2	22.6	30.3	33.3	34.5	38.1	39.8	36.5	40.0[r]	44.7[r]	48.1[r]

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

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

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

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

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

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

Millions of dollars, end of period

	Type and area or country	1988	1989[r]	1990	1990		1991			
					Sept.	Dec.	Mar.	June	Sept.	Dec.[p]
1	**Total**	**32,952**	**38,764**	**43,417**	**45,614[r]**	**43,417[r]**	**40,982[r]**	**39,794[r]**	**40,653[r]**	**40,036**
2	Payable in dollars	27,335	33,973	38,535	40,034	38,535[r]	36,415[r]	35,317[r]	36,174[r]	35,277
3	Payable in foreign currencies	5,617	4,791	4,882	5,580[r]	4,882[r]	4,566[r]	4,477[r]	4,479[r]	4,759
	By type									
4	Financial liabilities	14,507	17,879	18,467	20,347[r]	18,467[r]	17,557[r]	17,280[r]	18,175[r]	17,903
5	Payable in dollars	10,608	14,035	14,737	16,059	14,737[r]	14,188[r]	13,928[r]	14,686[r]	14,365
6	Payable in foreign currencies	3,900	3,844	3,730	4,288[r]	3,730[r]	3,369[r]	3,352[r]	3,489[r]	3,538
7	Commercial liabilities	18,445	20,885	24,949	25,267	24,949	23,424[r]	22,515[r]	22,478[r]	22,133
8	Trade payables	6,505	8,070	10,494	10,960	10,494	8,842[r]	8,699[r]	9,039[r]	9,018
9	Advance receipts and other liabilities	11,940	12,815	14,456	14,306	14,456	14,583[r]	13,815[r]	13,439	13,115
10	Payable in dollars	16,727	19,938	23,798	23,974	23,798	22,227[r]	21,390[r]	21,488[r]	20,912
11	Payable in foreign currencies	1,717	947	1,152	1,292	1,152	1,197	1,125[r]	990[r]	1,221
	By area or country									
	Financial liabilities									
12	Europe	9,962	11,660	9,866	11,299[r]	9,866[r]	9,219[r]	9,318[r]	9,835[r]	9,153
13	Belgium-Luxembourg	289	340	344	350	344	285	297	347	362
14	France	359	258	700	463	700[r]	632[r]	556[r]	416	297
15	Germany	699	464	622	606	622	561	659[r]	654	659
16	Netherlands	880	941	990	942	990	945	917	943	932
17	Switzerland	1,033	541	576	628	576	577	535	510	361
18	United Kingdom	6,533	8,818	6,024	7,679[r]	6,024[r]	5,579[r]	5,731[r]	6,397[r]	5,912
19	Canada	388	610	229	309	229[r]	278[r]	293[r]	305	268
20	Latin America and Caribbean	839	1,357	3,400	3,560	3,400	3,636	3,308	3,472	3,814
21	Bahamas	184	157	371	395	371	392	375	314	512
22	Bermuda	0	17	0	0	0	0	12	0	0
23	Brazil	0	0	0	0	0	0	0	1	1
24	British West Indies	645	724	2,407	2,548	2,407	2,674	2,319	2,555	2,697
25	Mexico	1	6	5	4	5	6	6	6	8
26	Venezuela	0	0	4	0	4	4	4	4	4
27	Asia	3,312	4,151	4,562	4,697[r]	4,562[r]	4,420[r]	4,350[r]	4,559[r]	4,610
28	Japan	2,563	3,299	3,360	3,562[r]	3,360[r]	3,347[r]	3,297[r]	3,530[r]	3,533
29	Middle East oil-exporting countries[2]	3	2	5	4	5	1	4	19	13
30	Africa	2	2	2	2	2	2	9	3	6
31	Oil-exporting countries[3]	0	0	0	0	0	0	7	2	4
32	All other[4]	4	100	409	479	409	2	2	1	52
	Commercial liabilities									
33	Europe	7,319	9,071	10,310	10,039	10,310	9,826[r]	8,835[r]	8,976[r]	8,726
34	Belgium-Luxembourg	158	175	275	245	275	263	254	229	247
35	France	455	877	1,218	1,270	1,218	1,214[r]	1,246	999	880
36	Germany	1,699	1,392	1,270	1,051	1,270	1,389	1,044	914[r]	943
37	Netherlands	587	710	844	699	844	730[r]	745[r]	750	704
38	Switzerland	417	693	775	746	775	661	586	490	471
39	United Kingdom	2,079	2,620	2,792	2,839	2,792	2,813[r]	2,328[r]	3,071[r]	3,168
40	Canada	1,217	1,124	1,251	1,263	1,251	1,231	1,186	1,018	992
41	Latin America and Caribbean	1,090	1,224	1,671	1,690	1,671	1,621	1,646[r]	1,512	1,351
42	Bahamas	49	41	12	18	12	14	6	14	3
43	Bermuda	286	308	538	371	538	495	505	450	310
44	Brazil	95	100	145	129	145	218	180	209	217
45	British West Indies	34	27	30	42	30	36	50	46	107
46	Mexico	217	323	475	592	475	346	364	290	302
47	Venezuela	114	164	130	165	130	126	121	101	93
48	Asia	6,915	7,550	9,471	9,533	9,471	8,623[r]	8,818[r]	8,869	9,233
49	Japan	3,094	2,914	3,639	3,356	3,639	3,412[r]	3,394[r]	3,317	3,610
50	Middle East oil-exporting countries[2,5]	1,385	1,632	2,016	2,728	2,016	1,568[r]	1,699	1,808	1,500
51	Africa	576	886	841	1,334	841	655	594	835	761
52	Oil-exporting countries[3]	202	339	422	610	422	225	224	356	357
53	All other[4]	1,328	1,030	1,406	1,408	1,406	1,468[r]	1,436	1,268	1,070

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

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1988	1989r	1990	1990 Sept.	1990 Dec.	1991r Mar.	1991r June	1991r Sept.	1991r Dec.p
1 **Total**	**33,805**	**33,173**	**35,008**	**32,387r**	**35,008**	**35,213**	**36,837**	**37,898**	**42,101**
2 Payable in dollars	31,425	30,773	32,499	29,902r	32,499	32,945	34,779	35,585	39,710
3 Payable in foreign currencies	2,381	2,400	2,509	2,485r	2,509	2,268	2,058	2,313	2,391
By type									
4 Financial claims	21,640	19,297	19,609	17,865r	19,609	19,498	20,741	22,221	24,203
5 Deposits	15,643	12,353	13,495	11,916r	13,495	12,907	12,417	16,055	16,801
6 Payable in dollars	14,544	11,364	12,400	10,640r	12,400	11,901	11,644	15,070	15,994
7 Payable in foreign currencies	1,099	989	1,095	1,276r	1,095	1,006	773	985	807
8 Other financial claims	5,997	6,944	6,114	5,949	6,114	6,590	8,325	6,166	7,402
9 Payable in dollars	5,220	6,190	5,247	5,296	5,247	5,894	7,637	5,493	6,629
10 Payable in foreign currencies	777	754	866	652	866	696	688	673	773
11 Commercial claims	12,166	13,876	15,400	14,522r	15,400	15,715	16,095	15,677	17,898
12 Trade receivables	11,091	12,253	13,521	12,744r	13,521	13,649	13,912	13,235	15,145
13 Advance payments and other claims	1,075	1,624	1,878	1,778	1,878	2,066	2,183	2,442	2,753
14 Payable in dollars	11,660	13,219	14,852	13,966r	14,852	15,150	15,498	15,022	17,087
15 Payable in foreign currencies	505	657	548	556	548	565	597	655	811
By area or country									
Financial claims									
16 Europe	10,278	8,463	9,505	9,013r	9,505	10,588	11,821	13,029	13,281
17 Belgium-Luxembourg	18	28	76	27	76	85	74	76	13
18 France	203	153	358	145	358	193	255	245	252
19 Germany	120	152	367	142r	367	312	298	434	337
20 Netherlands	348	238	265	264r	265	380	429	420	386
21 Switzerland	217	153	357	228r	357	422	433	580	589
22 United Kingdom	9,039	7,496	7,838	7,980r	7,838	8,981	10,184	10,905	11,075
23 Canada	2,325	1,904	2,904	2,006r	2,904	1,850	1,986	2,084	2,509
24 Latin America and Caribbean	8,160	8,020	6,096	6,107	6,096	6,161	5,849	6,118	7,422
25 Bahamas	1,846	1,890	1,594	1,443	1,594	1,847	1,031	1,396	1,717
26 Bermuda	19	7	3	4	3	6	4	19	8
27 Brazil	47	224	68	70	68	68	127	124	115
28 British West Indies	5,763	5,486	4,026	4,191	4,026	3,810	4,307	4,209	5,188
29 Mexico	151	94	177	158	177	179	161	173	210
30 Venezuela	21	20	25	23	25	28	29	32	40
31 Asia	623	590	860	531	860	568	747	637	624
32 Japan	354	213	523	207	523	246	398	279	343
33 Middle East oil-exporting countries[2]	5	8	8	9	8	11	4	3	5
34 Africa	106	140	37	49	37	62	64	61	57
35 Oil-exporting countries[3]	10	12	0	7	0	3	1	1	1
36 All other[4]	148	180	206	158	206	268	275	292	310
Commercial claims									
37 Europe	5,181	6,209	7,038	6,497r	7,038	7,041	7,434	6,863	8,389
38 Belgium-Luxembourg	189	242	212	188	212	226	220	186	192
39 France	672	964	1,240	1,206	1,240	1,273	1,388	1,328	1,537
40 Germany	669	696	806	642r	806	870	953	852	928
41 Netherlands	212	479	555	491	555	604	707	641	637
42 Switzerland	344	313	301	300	301	324	296	259	287
43 United Kingdom	1,324	1,575	1,774	1,673	1,774	1,636	1,813	1,803	2,058
44 Canada	983	1,091	1,073	1,152r	1,073	1,211	1,240	1,231	1,591
45 Latin America and Caribbean	2,241	2,184	2,371	2,408r	2,371	2,314	2,418	2,489	2,577
46 Bahamas	36	58	14	25	14	15	16	8	11
47 Bermuda	230	323	246	340	246	231	245	255	263
48 Brazil	299	297	324	252r	324	309	297	384	388
49 British West Indies	22	36	40	35	40	49	43	37	41
50 Mexico	461	508	661	652r	661	653	711	740	827
51 Venezuela	227	147	192	224	192	181	195	196	201
52 Asia	2,993	3,570	4,064	3,659r	4,064	4,282	4,123	4,209	4,461
53 Japan	946	1,199	1,399	1,223r	1,399	1,756	1,582	1,742	1,786
54 Middle East oil-exporting countries[2]	453	518	460	408r	460	497	500	495	639
55 Africa	435	429	488	372r	488	394	428	431	417
56 Oil-exporting countries[3]	122	108	67	72	67	68	63	80	95
57 All other[4]	333	393	366	434r	366	473	452	454	463

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

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1990	1991	1992 Jan.–Feb.	1991 Aug.	1991 Sept.	1991 Oct.[r]	1991 Nov.[r]	1991 Dec.[r]	1992 Jan.[r]	1992 Feb.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	173,293	210,782	44,622	17,934	12,919	17,201	20,587	14,729	23,305	21,317
2 Foreign sales	188,419	199,598	46,998	16,192	13,659	16,791	19,594	17,446	25,904	21,094
3 Net purchases, or sales (−)	**−15,126**	**11,183**	**−2,376**	**1,742**	**−740**	**410**	**993**	**−2,717**	**−2,599**	**223**
4 Foreign countries	**−15,197**	**10,615**	**−2,256**	**1,606**	**−850**	**365**	**956**	**−2,700**	**−2,480**	**224**
5 Europe	−8,479	182	−1,423	753	−567	−452	−238	−1,883	−1,318	−105
6 France	−1,234	18	−252	39	−95	−21	−50	−125	−28	−224
7 Germany	−367	−63	−129	21	62	12	22	44	−159	30
8 Netherlands	−397	−228	−70	−209	38	6	−42	−52	44	−114
9 Switzerland	−2,866	−139	17	96	−48	−93	−508	−7	−287	304
10 United Kingdom	−2,980	−222	−1,186	831	−501	−216	254	−1,637	−882	−304
11 Canada	886	3,809	482	439	16	385	694	131	260	222
12 Latin America and Caribbean	−1,330	2,177	1,384	315	25	366	−197	−280	1,025	359
13 Middle East[1]	−2,435	−126	−171	67	−402	−6	39	−35	−272	101
14 Other Asia	−3,477	4,263	−2,607	−33	210	267	735	−665	−2,211	−396
15 Japan	−2,891	1,181	−2,809	−96	135	156	158	−429	−2,194	−615
16 Africa	−63	153	28	4	−7	20	14	7	13	15
17 Other countries	−298	158	51	61	−125	−215	−91	25	23	28
18 Nonmonetary international and regional organizations	**71**	**568**	**−120**	**136**	**110**	**45**	**37**	**−17**	**−119**	**−1**
BONDS[2]										
19 Foreign purchases	118,764	152,815	34,187	14,989	14,492	12,844	16,035	15,092	16,334	17,853
20 Foreign sales	102,047	125,146[r]	28,689	10,817[r]	12,315	10,709	13,051	12,348	14,177	14,512
21 Net purchases, or sales (−)	**16,717**	**27,669[r]**	**5,498**	**4,172[r]**	**2,177**	**2,135**	**2,984**	**2,744**	**2,157**	**3,341**
22 Foreign countries	**17,187**	**27,800[r]**	**5,458**	**4,269[r]**	**2,216**	**2,198**	**2,883**	**2,701**	**2,124**	**3,334**
23 Europe	10,079	13,651[r]	3,820	1,722[r]	−111	1,722	1,284	1,084	1,404	2,416
24 France	373	854	56	−26	93	−25	110	75	−2	58
25 Germany	−377	1,577	871	106	156	213	274	113	594	277
26 Netherlands	172	482	−104	47	−18	44	91	13	−113	9
27 Switzerland	284	572	189	116	−52	−64	−449	73	−67	256
28 United Kingdom	10,383	9,239[r]	2,745	1,400[r]	384	1,878	714	184	919	1,826
29 Canada	1,906	1,340	−56	−40	−155	86	51	114	−153	97
30 Latin America and Caribbean	4,291	2,446[r]	1,273	172	130	−365	110	624	505	768
31 Middle East[1]	76	2,185	−146	449	350	182	313	253	−75	−71
32 Other Asia	1,083	8,237	453	2,015	2,027	526	1,164	543	352	101
33 Japan	727	5,730	136	1,818	1,149	237	874	149	257	−121
34 Africa	96	56	43	4	−2	12	13	11	28	15
35 Other countries	−344	−115[r]	71	−53	−23	35	−52	72	63	8
36 Nonmonetary international and regional organizations	**−471**	**−131**	**40**	**−97**	**−39**	**−63**	**101**	**43**	**33**	**7**
	Foreign securities									
37 Stocks, net purchases, or sales (−)[3]	−9,205	−31,446[r]	−4,844	−3,527[r]	−2,163[r]	−2,381	−2,016	−1,716	−2,574	−2,270
38 Foreign purchases	122,641	119,853[r]	22,953	9,620[r]	9,940[r]	11,310	13,155	11,015	12,433	10,520
39 Foreign sales[3]	131,846	151,299[r]	27,797	13,147[r]	12,103[r]	13,691	15,171	12,731	15,007	12,790
40 Bonds, net purchases, or sales (−)	−22,412	−15,842[r]	−1,102	−2,167[r]	−1,064[r]	−4,721	779	−1,839	−1,365	263
41 Foreign purchases	314,645	324,809[r]	67,795	22,197[r]	23,546[r]	33,240	29,938	26,296	35,494	32,301
42 Foreign sales	337,057	340,652[r]	68,897	24,364[r]	24,610[r]	37,961	29,159	28,135	36,859	32,038
43 Net purchases, or sales (−), of stocks and bonds	**−31,617**	**−47,288[r]**	**−5,946**	**−5,694[r]**	**−3,227[r]**	**−7,102**	**−1,237**	**−3,555**	**−3,939**	**−2,007**
44 Foreign countries	**−28,943**	**−47,054[r]**	**−6,362**	**−5,799[r]**	**−3,407[r]**	**−6,766**	**−1,680**	**−3,925**	**−4,190**	**−2,172**
45 Europe	−8,443	−34,377[r]	−6,854	−4,773[r]	−2,594[r]	−5,700	−4,898	−4,326	−4,593	−2,261
46 Canada	−7,502	−7,636	249	−1,009	−352	−1,619	675	8	−910	1,159
47 Latin America and Caribbean	−8,854	837[r]	−119	108	454	546	991	−478	−819	700
48 Asia	−3,828	−7,113[r]	694	−306[r]	−1,155[r]	−198	1,505	316	2,183	−1,489
49 Africa	−137	−8	−15	−7	2	1	−41	159	−5	−10
50 Other countries	−180	1,243[r]	−317	188	238	204	88	396	−46	−271
51 Nonmonetary international and regional organizations	**−2,673**	**−234[r]**	**416**	**105**	**180**	**−336**	**443**	**370**	**251**	**165**

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

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

Millions of dollars

Country or area	1990	1991	1992	1991					1992	
			Jan.–Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[r]	Feb.[p]
	Transactions, net purchases or sales (−) during period[1]									
1 **Estimated total[2]**	**18,927**	**22,342[r]**	**12,888**	**1,356**	**−3,862**	**414**	**5,446**	**4,483[r]**	**10,623**	**2,265**
2 Foreign countries[2]	18,764	22,161[r]	13,490	722	−2,804	−171	5,352	3,774[r]	9,866	3,624
3 Europe[2]	18,455	9,507[r]	12,644	1,554	464	228	5,023	2,779[r]	5,324	7,320
4 Belgium-Luxembourg	10	523	855	71	−190	1	201	−21	559	296
5 Germany[2]	5,880	−4,725	1,087	−360	195	326	707	−139	805	282
6 Netherlands	1,077	−3,735	−2,903	−372	−426	549	−25	−888	−1,936	−967
7 Sweden	1,152	−662	480	−239	3	46	−74	582	180	300
8 Switzerland[2]	112	1,005	−246	292	−184	195	1,105	−778	142	−388
9 United Kingdom	−1,260	5,647[r]	8,883	388	−32	−311	212	2,349[r]	2,649	6,234
10 Other Western Europe	11,463	11,440[r]	4,448	1,774	1,090	−578	2,910	1,664[r]	2,925	1,523
11 Eastern Europe	13	13	40	0	8	0	−13	10	0	40
12 Canada	−4,627	−2,746	−588	−118	78	−838	−441	−1,841	964	−1,552
13 Latin America and Caribbean	14,734	11,539	−4,111	1,436	−1,076	−2,086	−3,842	1,075	−2,920	−1,191
14 Venezuela	33	10	435	−20	−2	20	7	122	266	169
15 Other Latin America and Caribbean	3,943	5,316	−801	−2,010	−1,883	−14	−525	−1,065	−357	−444
16 Netherlands Antilles	10,757	6,213	−3,745	3,466	809	−2,092	−3,324	2,018	−2,829	−916
17 Asia	−10,952	3,471[r]	7,245	−2,115	−2,067	3,467	3,709	864[r]	7,675	−430
18 Japan	−14,785	−4,034[r]	−2,331	−364	−3,625	4,111	503	−1,332[r]	−398	−1,933
19 Africa	313	689	307	27	10	39	−26	318	207	100
20 All other	842	−299	−2,007	−62	−213	−981	929	579	−1,384	−623
21 Nonmonetary international and regional organizations	163	181[r]	−602	634	−1,058	585	94	709	757	−1,359
22 International	287	−355[r]	−1,007	654	−1,211	287	95	786	197	−1,204
23 Latin American regional	−2	−72	−7	−146	152	72	−133	−156	−58	51
MEMO										
24 Foreign countries[2]	18,764	22,161[r]	13,490	722	−2,804	−171	5,352	3,774[r]	9,866	3,624
25 Official institutions	23,218	5,200[r]	8,247	−458[r]	830	512	7,194	2,521[r]	8,361	−114
26 Other foreign[2]	−4,453	16,961[r]	5,243	1,180[r]	−3,634	−683	−1,842	1,253[r]	1,505	3,738
Oil-exporting countries										
27 Middle East[3]	−387	−6,822	2,302	−3,731	−795	313	96	−163	623	1,679
28 Africa[4]	0	239	48	0	0	0	0	219	48	0

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Apr. 30, 1992		Country	Rate on Apr. 30, 1992		Country	Rate on Apr. 30, 1992	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	8.0	Dec. 1991	Germany, Fed. Rep. of	8.0	Dec. 1991	Norway	10.50	July 1990
Belgium	8.5	Dec. 1991	Italy	12.0	Nov. 1991	Switzerland	7.0	Aug. 1991
Canada	6.85	Apr. 1992	Japan	3.75	Apr. 1992	United Kingdom[2]	....	....
Denmark	9.5	Dec. 1991	Netherlands	8.5	Dec. 1991			
France[1]	9.6	Dec. 1991						

1. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.
2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Averages of daily figures, percent per year

Type or country	1989	1990	1991	1991			1992			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Eurodollars	9.16	8.16	5.86	5.34	4.96	4.48	4.06	4.05	4.26	4.05
2 United Kingdom	13.87	14.73	11.47	10.38	10.44	10.73	10.60	10.33	10.58	10.56
3 Canada	12.20	13.00	9.07	8.29	7.75	7.50	7.23	7.42	7.63	7.10
4 Germany	7.04	8.41	9.15	9.28	9.33	9.48	9.45	9.51	9.59	9.63
5 Switzerland	6.83	8.71	8.01	8.09	7.89	7.99	7.55	7.28	8.16	8.48
6 Netherlands	7.28	8.57	9.19	9.27	9.32	9.59	9.45	9.52	9.52	9.42
7 France	9.27	10.20	9.49	9.20	9.41	9.97	9.86	9.93	9.99	9.92
8 Italy	12.44	12.11	12.04	11.44	11.66	12.46	12.00	12.17	12.25	12.38
9 Belgium	8.65	9.70	9.30	9.22	9.39	9.61	9.41	9.50	9.56	9.50
10 Japan	5.39	7.75	7.33	6.41	6.22	6.02	5.18	5.19	4.95	4.72

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

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar

Country/currency	1989	1990	1991	1991		1992			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Australia/dollar[2]	79.186	78.069	77.872	78.660	77.122	74.756	75.178	75.865	76.241
2 Austria/schilling	13.236	11.331	11.686	11.408	11.003	11.108	11.391	11.693	11.620
3 Belgium/franc	39.409	33.424	34.195	33.391	32.198	32.501	33.307	34.189	33.927
4 Canada/dollar	1.1842	1.1668	1.1460	1.1302	1.1467	1.1571	1.1825	1.1928	1.1874
5 China, P.R./yuan	3.7673	4.7921	5.3337	5.3994	5.4232	5.4618	5.4776	5.4871	5.5098
6 Denmark/krone	7.3210	6.1899	6.4038	6.2947	6.0831	6.1257	6.2763	6.4462	6.3906
7 Finland/markka	4.2963	3.8300	4.0521	4.1953	4.2447	4.2971	4.4230	4.5325	4.5023
8 France/franc	6.3802	5.4467	5.6468	5.5391	5.3406	5.3858	5.5088	5.6400	5.5773
9 Germany/deutsche mark	1.8808	1.6166	1.6610	1.6208	1.5630	1.5788	1.6186	1.6616	1.6493
10 Greece/drachma	162.60	158.59	182.63	183.68	179.52	182.42	187.13	192.26	192.83
11 Hong Kong/dollar	7.8008	7.7899	7.7712	7.7591	7.7738	7.7612	7.7582	7.7463	7.7404
12 India/rupee	16.213	17.492	22.712	25.802	25.818	25.863	25.992	28.378	28.896
13 Ireland/pound[2]	141.80	165.76	158.26	164.75	170.46	168.73	164.87	160.50	161.65
14 Italy/lira	1,372.28	1,198.27	1,241.28	1,221.04	1,182.21	1,189.76	1,215.92	1,248.28	1,241.55
15 Japan/yen	138.07	145.00	134.59	129.63	128.04	125.46	127.70	132.86	133.54
16 Malaysia/ringgit	2.7079	2.7057	2.7503	2.7412	2.7417	2.6891	2.6012	2.5779	2.5521
17 Netherlands/guilder	2.1219	1.8215	1.8720	1.8269	1.7618	1.7780	1.8218	1.8706	1.8568
18 New Zealand/dollar[2]	59.561	59.619	57.832	56.352	55.256	54.194	54.177	54.790	54.138
19 Norway/krone	6.9131	6.2541	6.4912	6.3643	6.1558	6.2044	6.3472	6.5188	6.4606
20 Portugal/escudo	157.53	142.70	144.77	141.43	138.90	136.92	139.47	143.26	141.09
21 Singapore/dollar	1.9511	1.8134	1.7283	1.6709	1.6453	1.6337	1.6361	1.6601	1.6567
22 South Africa/rand	2.6214	2.5885	2.7633	2.7916	2.7665	2.7831	2.8156	2.8830	2.8783
23 South Korea/won	674.29	710.64	736.73	757.44	761.68	767.09	769.93	775.68	782.55
24 Spain/peseta	118.44	101.96	104.01	102.56	99.70	100.05	101.73	104.88	103.90
25 Sri Lanka/rupee	35.947	40.078	41.200	42.374	42.523	42.665	42.879	42.744	43.231
26 Sweden/krona	6.4559	5.9231	6.0521	5.9246	5.7158	5.7461	5.8764	6.0263	5.9667
27 Switzerland/franc	1.6369	1.3901	1.4356	1.4348	1.3855	1.4039	1.4561	1.5094	1.5194
28 Taiwan/dollar	26.407	26.918	26.759	25.975	25.759	25.150	25.049	25.407	25.308
29 Thailand/baht	25.725	25.609	25.528	25.497	25.431	25.328	25.463	25.637	25.644
30 United Kingdom/pound[2]	163.82	178.41	176.74	177.96	182.72	180.90	177.78	172.38	175.66
MEMO									
31 United States/dollar[3]	98.60	89.09	89.84	87.98	85.65	86.09	88.04	90.44	89.84

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

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Staff Studies 1–145 are out of print.

146. The Role of the Prime Rate in the Pricing of Business Loans by Commercial Banks, 1977–84, by Thomas F. Brady. November 1985. 25 pp.
147. Revisions in the Monetary Services (Divisia) Indexes of the Monetary Aggregates, by Helen T. Farr and Deborah Johnson. December 1985. 42 pp.
148. The Macroeconomic and Sectoral Effects of the Economic Recovery Tax Act: Some Simulation Results, by Flint Brayton and Peter B. Clark. December 1985. 17 pp.
149. The Operating Performance of Acquired Firms in Banking before and after Acquisition, by Stephen A. Rhoades. April 1986. 32 pp.
150. Statistical Cost Accounting Models in Banking: A Reexamination and an Application, by John T. Rose and John D. Wolken. May 1986. 13 pp.
151. Responses to Deregulation: Retail Deposit Pricing from 1983 through 1985, by Patrick I. Mahoney, Alice P. White, Paul F. O'Brien, and Mary M. McLaughlin. January 1987. 30 pp.
152. Determinants of Corporate Merger Activity: A Review of the Literature, by Mark J. Warshawsky. April 1987. 18 pp.
153. Stock Market Volatility, by Carolyn D. Davis and Alice P. White. September 1987. 14 pp.
154. The Effects on Consumers and Creditors of Proposed Ceilings on Credit Card Interest Rates, by Glenn B. Canner and James T. Fergus. October 1987. 26 pp.
155. The Funding of Private Pension Plans, by Mark J. Warshawsky. November 1987. 25 pp.
156. International Trends for U.S. Banks and Banking Markets, by James V. Houpt. May 1988. 47 pp.
157. M2 per Unit of Potential GNP as an Anchor for the Price Level, by Jeffrey J. Hallman, Richard D. Porter, and David H. Small. April 1989. 28 pp.
158. The Adequacy and Consistency of Margin Requirements in the Markets for Stocks and Derivative Products, by Mark J. Warshawsky with the assistance of Dietrich Earnhart. September 1989. 23 pp.
159. New Data on the Performance of Nonbank Subsidiaries of Bank Holding Companies, by Nellie Liang and Donald Savage. February 1990. 12 pp.
160. Banking Markets and the Use of Financial Services by Small and Medium-Sized Businesses, by Gregory E. Elliehausen and John D. Wolken. September 1990. 35 pp.
161. A Review of Corporate Restructuring Activity, 1980–90, by Margaret Hastings Pickering. May 1991. 21 pp.
162. Evidence on the Size of Banking Markets from Mortgage Loan Rates in Twenty Cities, by Stephen A. Rhoades. February 1992. 11 pp.
163. Clearance and Settlement in U.S. Securities Markets, by Patrick Parkinson, Adam Gilbert, Emily Gollob, Lauren Hargraves, Richard Mead, Jeff Stehm, and Mary Ann Taylor. March 1992. 37 pp.

REPRINTS OF SELECTED Bulletin *ARTICLES*

Some Bulletin *articles are reprinted. The articles listed below are those for which reprints are available. Most of the articles reprinted do not exceed twelve pages.*

Limit of ten copies

Recent Developments in the Bankers Acceptance Market. 1/86.
The Use of Cash and Transaction Accounts by American Families. 2/86.
Financial Characteristics of High-Income Families. 3/86.
Prices, Profit Margins, and Exchange Rates. 6/86.
Agricultural Banks under Stress. 7/86.
Foreign Lending by Banks: A Guide to International and U.S. Statistics. 10/86.
Recent Developments in Corporate Finance. 11/86.
Measuring the Foreign-Exchange Value of the Dollar. 6/87.
Changes in Consumer Installment Debt: Evidence from the 1983 and 1986 Surveys of Consumer Finances. 10/87.
Home Equity Lines of Credit. 6/88.
Mutual Recognition: Integration of the Financial Sector in the European Community. 9/89.
The Activities of Japanese Banks in the United Kingdom and in the United States, 1980–88. 2/90.
Industrial Production: 1989 Developments and Historical Revision. 4/90.
Recent Developments in Industrial Capacity and Utilization. 6/90.
Developments Affecting the Profitability of Commercial Banks. 7/90.
Recent Developments in Corporate Finance. 8/90.
U.S. Exchange Rate Policy: Bretton Woods to Present. 11/90.
The Transmission Channels of Monetary Policy: How Have They Changed? 12/90.
U.S. International Transactions in 1990. 5/91.
Changes in Family Finances from 1983 to 1989: Evidence from the Survey of Consumer Finances. 1/92.

Anticipated Schedule of Release Dates for Periodic Releases—Board of Governors of the Federal Reserve System[1] *(Payment must accompany requests)*

Weekly Releases	*Annual rate*	*Approximate release days*	*Date of period to which data refer*
☐ Aggregate Reserves of Depository Institutions and the Monetary Base. H.3 (502) [1.20]	$15.00	Thursday	Week ended previous Wednesday
☐ Actions of the Board: Applications and Reports Received. H.2 (501)	$35.00	Friday	Week ended previous Saturday
☐ Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions. H.8 (510) [1.25]	$15.00	Monday	Wednesday, 3 weeks earlier
☐ Factors Affecting Reserves of Depository Institutions and Condition Statement of Federal Reserve Banks. H.4.1 (503) [1.11]	$15.00	Thursday	Week ended previous Wednesday
☐ Foreign Exchange Rates. H.10 (512) [3.28]	$15.00	Monday	Week ended previous Friday
☐ Money Stock, Liquid Assets, and Debt Measures. H.6 (508) [1.21]	$35.00	Thursday	Week ended Monday of previous week
☐ Selected Borrowings in Immediately Available Funds of Large Commercial Banks. H.5 (507) [1.13]	$15.00	Wednesday	Week ended Thursday of previous week
☐ Selected Interest Rates. H.15 (519) [1.35]	$15.00	Monday	Week ended previous Saturday
☐ Weekly Consolidated Condition Report of Large Commercial Banks, and Domestic Subsidiaries. H.4.2 (504) [1.26, 1.30]	$15.00	Friday	Wednesday, 1 week earlier

Monthly Releases			
☐ Consumer Installment Credit. G.19 (421) [1.55, 1.56]	$ 5.00	5th working day of month	2nd month previous
☐ Debits and Deposit Turnover at Commercial Banks. G.6 (406) [1.22]	$ 5.00	12th of month	Previous month
☐ Finance Companies. G.20 (422) [1.51, 1.52]	$ 5.00	5th working day of month	2nd month previous
☐ Foreign Exchange Rates. G.5 (405) [3.28]	$ 5.00	1st of month	Previous month
☐ Industrial Production and Capacity Utilization. G.17 (419) [2.12, 2.13]	$15.00	Midmonth	Previous month
☐ Loans and Securities at all Commercial Banks. G.7 (407) [1.23]	$ 5.00	3rd week of month	Previous month
☐ Major Nondeposit Funds of Commercial Banks. G.10 (411) [1.24]	$ 5.00	3rd week of month	Previous month
☐ Research Library—Recent Acquisitions. G.15 (417)	Free of charge	1st of month	Previous month
☐ Selected Interest Rates. G.13 (415) [1.35]	$ 5.00	1st Tuesday of month	Previous month

1. Release dates are those anticipated or usually met. However, please note that for some releases there is normally a certain variability because of reporting or processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

The respective *Bulletin* tables that report the data are designated in brackets.

Quarterly Releases	*Annual rate*	*Approximate release days*	*Date of period to which data refer*
☐ Agricultural Finance Databook. E.15 (125)	$ 5.00	End of March, June, September, and December	January, April, July, and October
☐ Country Exposure Lending Survey. E.16 (126)	$ 5.00	January, April, July, and October	Previous quarter
☐ Flow of Funds Accounts: Seasonally Adjusted and Unadjusted. Z.1 (780) [1.57, 1.58]	$25.00	23rd of February, May, August, and November	Previous quarter
☐ Flow of Funds Summary Statistics. Z.7 (788) [1.59, 1.60]	$ 5.00	15th of February, May, August, and November	Previous quarter
☐ Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks. E.11 (121)	$ 5.00	15th of March, June, September, and December	Previous quarter
☐ Survey of Terms of Bank Lending to Business. E.2 (111) [4.23]	$ 5.00	Midmonth of March, June, September, and December	February, May, August, and November
☐ List of OTC Margin Stocks. E.7 (117)	$ 5.00	January, April, July, and October	February, May, August, and November

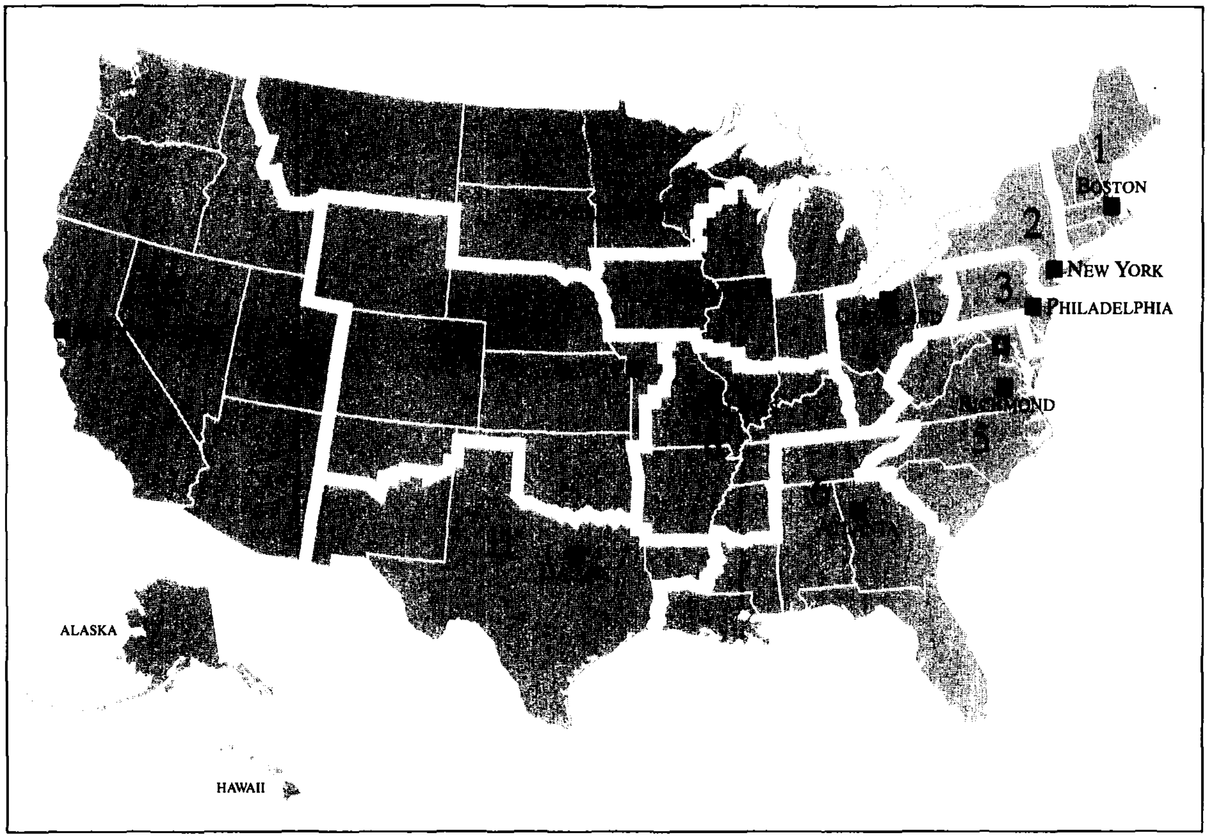
Semiannual Releases

☐ Balance Sheets for the U.S. Economy. C.9 (108)	$ 5.00	October and April	Previous year
☐ Report on the Terms of Credit Card Plans. E.5 (115)	$ 5.00	March and August	January and June

Annual Releases

☐ Aggregate Summaries of Annual Surveys of Securities Credit Extension. C.2 (101)	$ 5.00	February	End of previous June

Maps of the Federal Reserve System



Legend

Both pages

- ■ Federal Reserve Bank city
- ◘ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

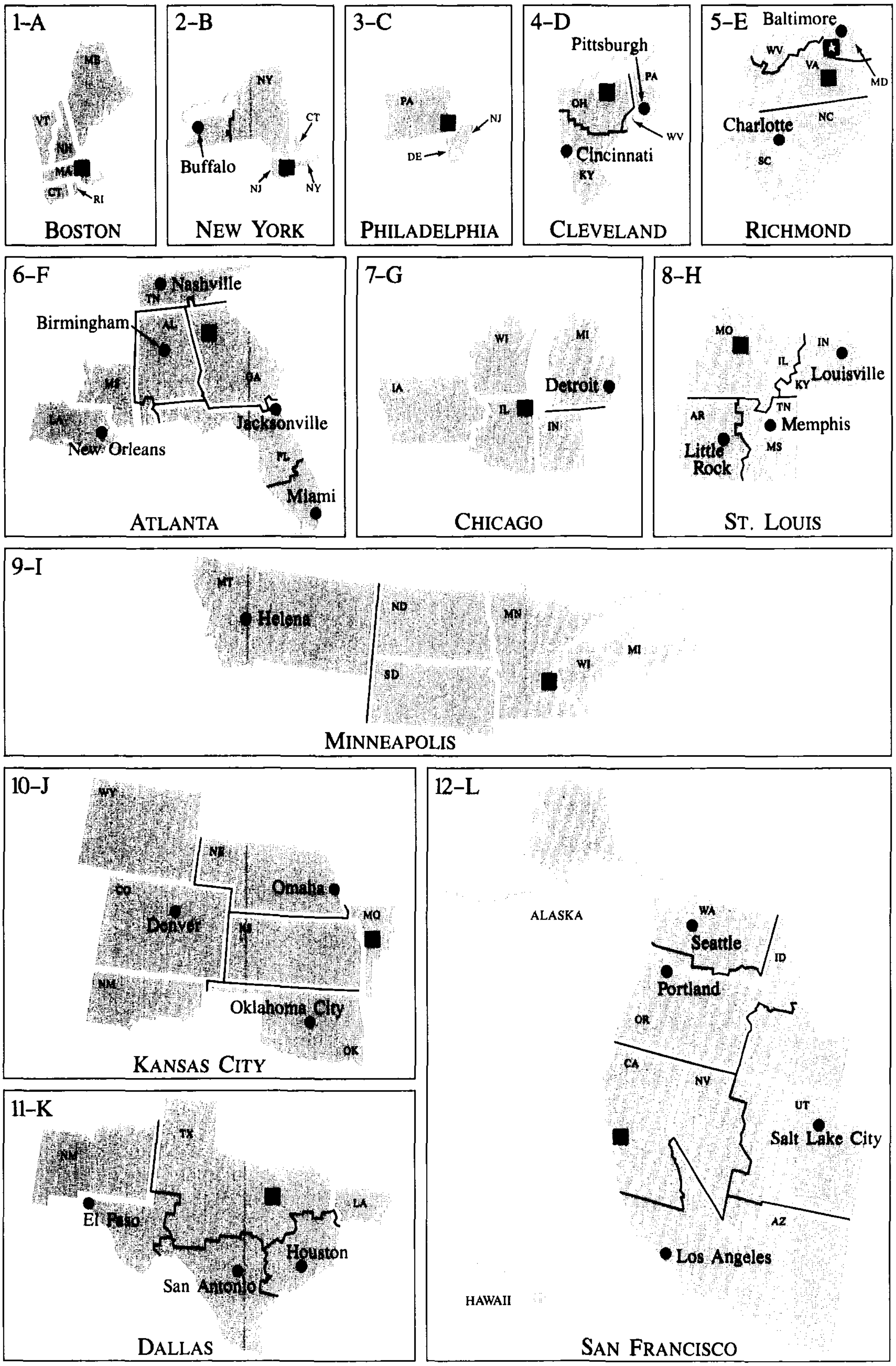
- • Federal Reserve Branch city
- — Branch boundary

Note

The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in December 1991.


1–A
ME
VT
NH
MA
CT
RI
BOSTON
2–B
NY
CT
Buffalo
NJ
NY
NEW YORK
3–C
PA
NJ
DE
PHILADELPHIA
4–D
Pittsburgh
PA
OH
WV
Cincinnati
KY
CLEVELAND
5–E
Baltimore
WV
VA
MD
Charlotte
NC
SC
RICHMOND
6–F
Nashville
TN
Birmingham
AL
GA
MS
LA
Jacksonville
New Orleans
FL
Miami
ATLANTA
7–G
WI
MI
IA
Detroit
IL
IN
CHICAGO
8–H
MO
IN
IL
Louisville
KY
AR
TN
Memphis
Little Rock
MS
ST. LOUIS
9–I
MT
Helena
ND
MN
MI
WI
SD
MINNEAPOLIS
10–J
WY
NE
Omaha
CO
Denver
MO
KS
NM
Oklahoma City
OK
KANSAS CITY
11–K
NM
TX
El Paso
LA
Houston
San Antonio
DALLAS
12–L
ALASKA
WA
Seattle
ID
Portland
OR
CA
NV
UT
Salt Lake City
AZ
Los Angeles
HAWAII
SAN FRANCISCO

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper	Richard F. Syron	
		Jerome H. Grossman	Cathy E. Minehan	
NEW YORK*	10045	Ellen V. Futter	E. Gerald Corrigan	
		Maurice R. Greenberg	James H. Oltman	
Buffalo	14240	Herbert L. Washington		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel	Edward G. Boehne	
		Jane G. Pepper	William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller	Jerry L. Jordan	
		A. William Reynolds	William H. Hendricks	
Cincinnati	45201	Marvin Rosenberg		Charles A. Cerino[1]
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart[1]
RICHMOND*	23219	Anne Marie Whittemore	Robert P. Black	
		Henry J. Faison	Jimmie R. Monhollon	
Baltimore	21203	John R. Hardesty, Jr.		Ronald B. Duncan[1]
Charlotte	28230	Anne M. Allen		Walter A. Varvel[1]
Culpeper Communications and Records Center	*22701*			John G. Stoides[1]
ATLANTA	30303	Edwin A. Huston	Robert P. Forrestal	
		Leo Benatar	Jack Guynn	Donald E. Nelson[1]
Birmingham	35283	Nelda P. Stephenson		Fred R. Herr[1]
Jacksonville	32231	Lana Jane Lewis-Brent		James D. Hawkins[1]
Miami	33152	Michael T. Wilson		James T. Curry III
Nashville	37203	Harold A. Black		Melvyn K. Purcell
New Orleans	70161	Victor Bussie		Robert J. Musso
CHICAGO*	60690	Richard G. Cline	Silas Keehn	
		Robert M. Healey	Daniel M. Doyle	
Detroit	48231	J. Michael Moore		Roby L. Sloan[1]
ST. LOUIS	63166	H. Edwin Trusheim	Thomas C. Melzer	
		Robert H. Quenon	James R. Bowen	
Little Rock	72203	James R. Rodgers		Karl W. Ashman
Louisville	40232	Daniel L. Ash		Howard Wells
Memphis	38101	Seymour B. Johnson		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson	Gary H. Stern	
		Gerald A. Rauenhorst	Thomas E. Gainor	
Helena	59601	J. Frank Gardner		John D. Johnson
KANSAS CITY	64198	Burton A. Dole, Jr.	Thomas M. Hoenig	
		Herman Cain	Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75222	Leo E. Linbeck, Jr.	Robert D. McTeer, Jr.	
		Henry G. Cisneros	Tony J. Salvaggio	
El Paso	79999	Alvin T. Johnson		Sammie C. Clay
Houston	77252	Judy Ley Allen		Robert Smith, III[1]
San Antonio	78295	Roger R. Hemminghaus		Thomas H. Robertson
SAN FRANCISCO	94120	James A. Vohs	Robert T. Parry	
		Robert F. Erburu	Patrick K. Barron	
Los Angeles	90051	To be announced		John F. Moore[1]
Portland	97208	William A. Hilliard		Leslie R. Watters
Salt Lake City	84125	Gary G. Michael		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gordon Werkema[1]

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

1. Senior Vice President.