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# FEDERAL RESERVE BULLETIN

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

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# Innovation and Regulation of Banks in the 1990s

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*Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, made the following remarks before the American Bankers Association, in Honolulu, Hawaii, on October 11, 1988.*

It is a pleasure to have the opportunity to address members of the American Bankers Association. As you may recall, a minor mishap in securities markets came between us last year. I have one request at the outset: if anyone knows how the stock market closed today, don't tell me until I've finished.

That we can joke a little about the events of a year ago is a tribute to the resilience and adaptability of our financial markets and economy. Nonetheless, such occasions do remind us of the speed and suddenness with which markets can move today, and of the potential impacts of such movements on investors and financial institutions.

Even before last October's events, there was increased concern about potential instabilities in the financial system. Such concern arose as a consequence of the major changes in the financial landscape that have occurred in this decade—changes that in some cases are continuing and even accelerating. I shall spend only a few minutes reviewing them, concentrating on their implications for the business of banking and for the regulation of banks and other depository institutions. As you adapt, so must we, and that is the focus of my remarks today.

At the very beginning I would highlight two points. First, the goals of regulatory policy for depository institutions may be stated quite simply: to avoid the risk of systemic failure of the insured depository system, to promote competitive and efficient capital markets, to protect impartiality in the granting of credit, and to prevent extension of the safety net to nonbanking

activities. Second, change is inevitable and, while it may bring the potential for increased risk, it is also likely, if properly managed, to bring improvements in economic welfare. The regulator's job is to adapt to change in ways that preserve its benefits while maintaining the stability of the financial system.

## KEY CHANGES IN RECENT YEARS

Over the past decade our financial landscape has experienced a number of key, and often interconnected, changes. Advances in computer and telecommunications technology have enabled both borrowers and lenders to obtain and use credit and market-risk information more easily and at lower cost. In important ways, these developments have displaced banks from their traditional economic functions. Many new financial products have resulted from this technological revolution in information processing that challenge traditional bank loans and funding techniques. It seems reasonable to assume that the trend toward direct investor-borrower linkage, or more securitization, will continue.

Moreover, financial markets have become increasingly international in scope, and the resulting intensity of competition has put increased pressures on the profit margins of many depository institutions. When combined with the revolution in information processing, the increase in the speed with which assets can be shifted around the world in liquid markets has accentuated the need for effective risk-management policies by both depository institutions and regulators.

A significant element in financial change, the deregulation of interest rates and selected product lines in the United States and some other countries, has improved the overall competitive-

ness and efficiency of capital markets. But it has also removed hitherto protected sources of funds to depositories, potentially exposing them to increased interest rate risk and to added pressures on profit margins. Similarly, the breakdown of barriers to interstate banking in the United States, while providing opportunities for geographic diversification and more open access to new markets, also has increased pressures on some institutions. Today, all but five states have passed some form of liberalized interstate banking law. There is every reason to believe that the competitive pressures brought about by the deregulation of interest rates, product lines, and geographic limitations will continue.

Finally, macroeconomic events such as the sharp increase in inflation and interest rates in the late 1970s, the severe recessions of the early 1980s, the steep decline in oil prices, and the October 1987 stock market crash, have, as seems evident, induced people in general, and financial market participants in particular, to expand their expectations regarding the potential volatility of asset prices and other economic variables. In other words, these events have not only caused severe contemporaneous problems; they have also injected a new and higher degree of uncertainty, or risk, into projections of the future. This reaction highlights the fundamental interdependencies between the macroeconomy and the financial markets that any policymaker—but especially one in the central bank—must recognize. For all the new techniques for shifting risk around the financial system, the ultimate safety and stability of that system depend on the stability of the economy on which it is based. And that economy cannot itself behave in a stable and predictable fashion if the markets in which claims on saving and capital are allocated are subject to waves of concern about key participants.

#### *KEY COMPONENTS OF POLICY RESPONSE*

The implications of these changes for the regulation of depository institutions are varied and complex. I believe the way to begin responding to both today's and tomorrow's economic environment is to fortify the natural "shock absorbers" of the financial system—capital and liquid-

ity—and concurrently to make better use of market and market-like incentives to discourage excessive risk-taking at individual institutions. There must be a symmetry of reward and risk for owners of depository institutions: those who stand to gain substantially if the institution is successful must also stand to lose substantially if outcomes are not so favorable. Surely, one lesson from the experience with some troubled depository institutions in recent years is that unbalanced incentives to assume risk, arising when the federal insurer absorbs losses while the owners reap profits, can lead to destabilizing behavior.

The key to engendering market incentives, and at the same time providing shock absorbers for depository institutions, is to require that those owners who would profit from an institution's success have the appropriate amount of their own capital at risk. Capital acts as a buffer against unexpected shocks to a firm and thereby helps to insulate both individual firms and the system from risk. There is no better way to ensure that owners exert discipline on the behavior of their firm than to require that they have a large stake in that enterprise. The needs for larger shock absorbers and for increased private incentives to monitor and control risk are the fundamental reasons why increasing the amount of capital in the depository institution system has been a major goal of Federal Reserve regulatory policy in the 1980s. To the extent that we succeed, we will have begun to lay a solid foundation for the 1990s.

Some may argue that raising capital standards will put banking organizations at a competitive disadvantage. This argument strikes me as short-sighted. Well-capitalized firms can be counted on to be around in the future, and thus to be worthy of customers' willingness to establish long-term relationships. Moreover, while the capital ratios of bank holding companies generally have been rising during the 1980s, they still tend to be considerably below those at nondepository financial firms. In many cases, this difference no doubt reflects real or imagined protection by the federal safety net. This tendency toward overreliance on the safety net by both owners and depositors has inhibited, and in some cases may have eliminated, the private market signals that

would have made much less likely many of the portfolio problems now facing numerous depository institutions. Thus, the safety and soundness of the financial system require that banks have adequate capital.

For many banks this means increased capital requirements. I recognize that some of these banks, not feeling market pressures to raise capital ratios, may consider increased capital requirements unnecessarily burdensome. However, given the existence of the federal safety net, market signals regarding the level of capital may not be appropriate from a broader perspective. The safety net has the effect of overriding some forms of market discipline, and the implied partial backing of the federal government for some bank funds means that incentives for banks to maintain adequate capital are weakened.

The reluctance of banks to raise equity in capital markets may also be based, to an extent, on comparisons of book and market values of equity and the apparent consequences of a short-fall in market value for shareholder dilution. But the relevant consideration is clearly enhancing the market value of the firm over time. High-capital banks will be the ones that can react to the changing environment and profit from new opportunities.

Regulatory policy can and should do more than merely raise the level of capital. A risk-based system of capital standards should help to deter excessive risk-taking by individual banks; and the greater capital costs imposed on higher-risk banks will imply a fairer distribution of capital requirements within the banking system. These principles are well known and well utilized in private markets: higher-risk borrowers are charged higher interest rates on loans in money and capital markets, and higher-risk insurees are charged higher premiums by insurance companies.

Bank regulators took an important step forward this past summer, when virtually all of the major industrial nations agreed to implement a risk-based capital system by the end of 1992. Everyone realizes that the scheme adopted is far from perfect. Indeed, in recognition of the fact that the framework does not take account of all the risks to which banks may be exposed, banking organizations generally should, I believe, be

encouraged to operate above the minimum capital ratios specified in the accord. Doing so is especially important for institutions undertaking rapid expansion, and for those with operational or financial characteristics that are of supervisory concern. In addition, it is clearly the intention of all concerned to improve the risk-based system over time. For example, work currently is proceeding on how interest rate and liquidity risk might be included.

But to dwell on the accord's shortcomings really misses the important points. We know the current system has serious deficiencies, and the risk-based capital accord clearly is an improvement. It establishes the principle of requiring that a bank's capital ratio reflect its degree of risk. The accord also recognizes explicitly that off-balance-sheet activities impose risks on the bank and therefore deserve a capital charge. In the risk-based accord a viable forum has been created in which international cooperation on bank regulatory matters can be designed and implemented. In an increasingly interdependent world, there can be little doubt that this represents important progress. The accord significantly reduces the competitive inequities to which our banks have been subject as U.S. capital standards have risen relative to those in other countries. Finally, in the long run the accord may serve as a model for international cooperation in regulating other aspects of banking and even other financial intermediaries.

The accumulation of adequate capital and the successful implementation of a risk-based capital system would certainly go far toward ensuring the stability of the system of depository institutions in the 1990s. However, the information revolution is changing the very nature of financial intermediation in ways that, if certain statutory and regulatory policies are maintained, in all likelihood will cause the role for banks to diminish. This, in turn, will make it difficult for banks to obtain the capital they need.

The key reform needed to respond to the information revolution is, of course, repeal of the Glass-Steagall separations of commercial and investment banking. The provision of investment banking services, particularly to corporate clients, is on the cutting edge of the information revolution. Repeal of Glass-Steagall would allow

banking organizations to evolve with technology and the market, and would provide real public benefits from increased competition and from possible economies of scale and scope. Maintenance of the current environment, on the other hand, will force us to incur unnecessary costs as the specialized resources of banking organizations are transferred into other activities or businesses—not because of banks' unwillingness to compete or innovate, but simply because of an inflexible statutory and regulatory structure. In response to these concerns, the Board has permitted bank holding companies to engage in certain hitherto ineligible securities activities in a separate subsidiary of the holding company. However, clarifying and comprehensive legislation at the federal level clearly is preferable to regulatory action.

While repeal of Glass-Steagall is certainly one of the Board's highest priorities, it is worth recalling that such an action raises public policy concerns. These concerns relate to preventing the transfer of increased risk to the bank, to protecting impartiality in the granting of credit, and to preventing extension of the safety net to securities activities. In its desire to achieve these goals, the Board has supported the location of certain expanded nonbanking activities, including expanded securities powers, in separate subsidiaries of bank holding companies. Successful implementation of this strategy requires the construction and maintenance of effective "firewalls" between a bank and an affiliated securities firm. Thus, the Board has required that firewalls be maintained as a condition of regulatory approval for expanded securities activities; and it has supported most of the firewall provisions of the Financial Modernization Act passed by the Senate. We believe the holding company approach is the best available; that it can be tested in the "real world" of financial institutions; and that, if it proves as effective as we expect, it should serve as a foundation on which to build more generally for the 1990s and beyond.

I would emphasize that we must attempt to coordinate our policies in such a way that each can be seen as a piece of an integrated whole. In particular, the incentives for owners and managers of financial institutions, for the public, and even for regulators must be consistent within a

given policy and compatible with the incentives that other regulatory actions provide. It would be inefficient and counterproductive, for example, if, on the one hand, we attempted to increase shareholder discipline on bank holding company risk-taking by increasing capital requirements, while, on the other hand, we reduced lenders' discipline by extending the federal safety net to holding company debt holders.

The degree of policy coordination I am suggesting is extremely difficult to achieve, in part because incentives are often complex or subtle and in part because general policies are sometimes adopted in response to specific events alone. Indeed, it may be impossible to achieve complete consistency in some cases because the goals of policy are themselves contradictory. However, unless we make a strong effort to be consistent across market participants and policies, we run the risk of achieving little or no progress.

More adequate capital, risk-based capital, and increased securities powers for bank holding companies would provide a solid beginning for our efforts to ensure financial stability. These reforms would not mean, however, that no banks would fail, or that merger and acquisition activity would cease. Competitive pressures from international banks, out-of-state domestic organizations, new depository institutions, and nonbank financial firms will continue and likely increase. Various sectors of our economy and of the world economy inevitably will experience unexpected changes in supply and demand. There will always be some owners and managers whose fraudulent behavior or simple incompetence puts their institutions at risk.

These arguments suggest other important policy responses to our changed financial environment. First, the timely closing of insolvent firms is vital if we are to avoid the misallocations of credit, the distorted competitive incentives, and the increased costs to the deposit insurance funds that result when a failed institution is allowed to operate with the public's money.

Second, the Federal Reserve supports efforts to limit deposit insurance protection to depositors in the insured intermediary, and not to extend protection to the creditors of the parent holding company. Such efforts correctly focus

the protections of the safety net on the depository institution and provide holding company creditors a strong incentive to control risk-taking at both the bank and the holding company levels. Indeed, without a program that places the risk where the profit potential is—on the private sector—it is questionable whether we should empower banking organizations to take on new risks. To do so would be inconsistent with the broad policy of increased market discipline that, as I have argued, must be part of a responsible public policy that both permits banks to respond to the changes in the financial environment and maintains financial stability.

Clearly, the policy responses that I could discuss with you have not been exhausted. I could have mentioned, for example, the continuing

efforts by the Federal Reserve to control risk in the payments mechanism, or the proposal of some observers for market-value accounting at banking organizations. We shall always need accurate and up-to-date monitoring of the risk position of individual institutions through the supervisory process.

However, I believe that the responses I have outlined today constitute the essential core of any set of policies designed to deal with the financial landscape of the 1990s. The future is inherently uncertain, and we surely shall face new and unexpected challenges in the years ahead. I believe that we can face the future with confidence if we have the wisdom and the will to lay the proper groundwork.

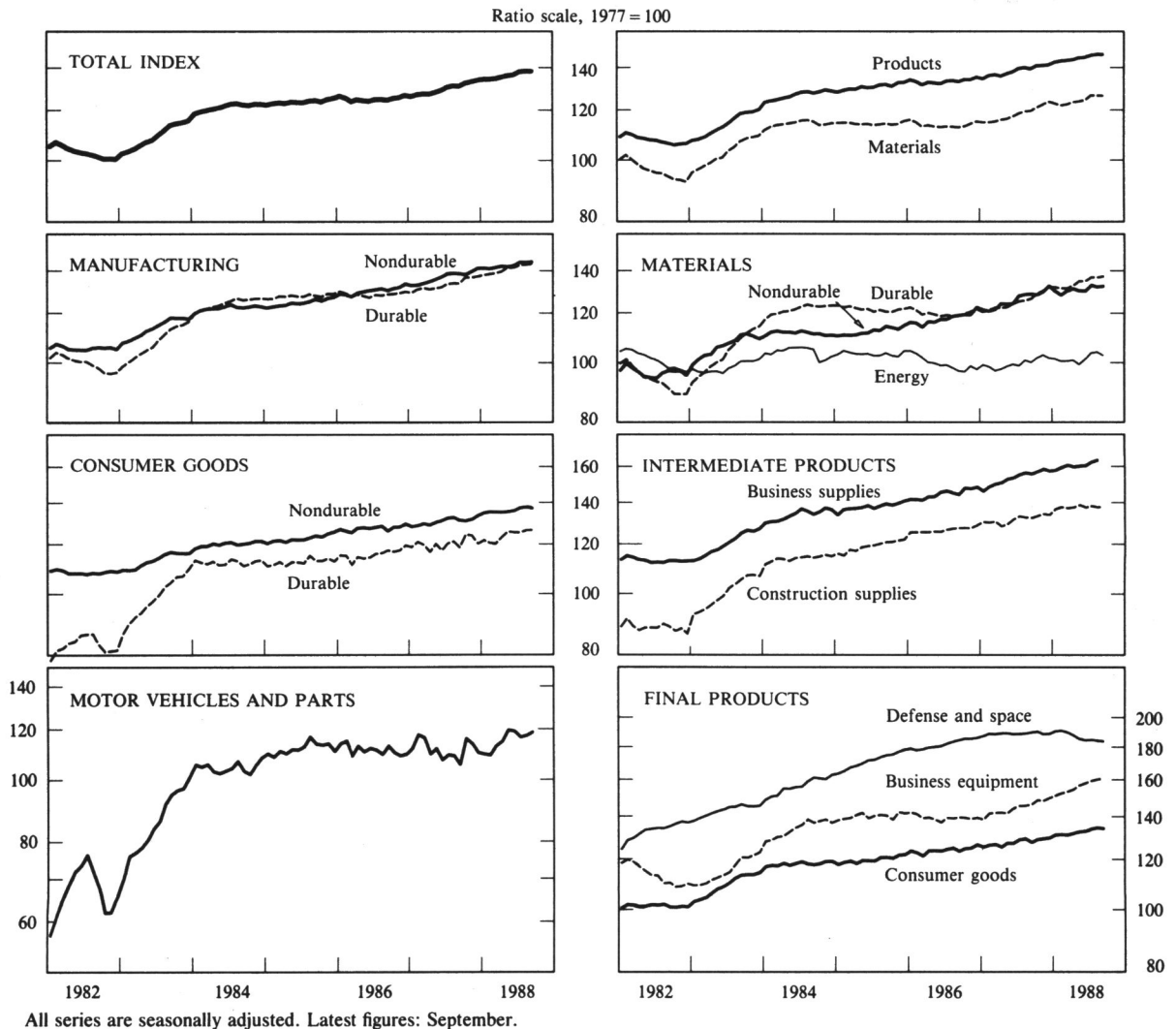
# Industrial Production

Released for publication October 14

Industrial production was unchanged in September after having risen 0.2 percent in August and 1.2 percent in July. Output of business equipment continued to rise, and auto production advanced again in September. Electricity output fell sharply, however, as usage returned to a more normal level after the surge that occurred

during last summer's heat wave. At 138.3 percent of the 1977 average, the total index in September was 5.5 percent higher than it was a year earlier; for the third quarter as a whole, production advanced nearly 7 percent at an annual rate, with most of the gain occurring early in the quarter.

In market groups, output of consumer goods declined 0.3 percent in September; production of consumer energy, mainly electricity for residen-



Group	1977 = 100		Percentage change from preceding month					Percentage change, Sept. 1987 to Sept. 1988
	1988		1988					
	Aug.	Sept.	May	June	July	Aug.	Sept.	
<b>Major market groups</b>								
<b>Total industrial production</b> .....	<b>138.3</b>	<b>138.3</b>	<b>.5</b>	<b>.3</b>	<b>1.2</b>	<b>.2</b>	<b>.0</b>	<b>5.5</b>
Products, total.....	147.0	146.9	.7	.2	.8	.3	.0	5.4
Final products.....	145.6	145.5	.7	.3	.7	.4	.0	5.6
Consumer goods.....	134.6	134.2	.6	.2	.9	.4	-.3	5.1
Durable.....	126.3	126.3	1.9	-.3	.0	.8	.1	6.5
Nondurable.....	137.7	137.2	.2	.4	1.1	.3	-.4	4.7
Business equipment.....	160.3	161.0	1.5	.8	.8	.5	.5	10.0
Defense and space.....	184.4	183.9	-1.3	-.5	.2	-.3	-.3	-3.1
Intermediate products.....	151.8	151.8	.5	-.3	1.0	.2	.0	4.8
Construction supplies.....	137.7	137.8	.9	-.9	.5	-.4	.1	4.2
Materials.....	126.6	126.6	.3	.4	1.8	-.1	.0	5.8
<b>Major industry groups</b>								
Manufacturing.....	143.7	144.0	.7	.2	1.0	.1	.2	6.1
Durable.....	143.2	143.6	1.3	.1	.9	.2	.3	7.4
Nondurable.....	144.3	144.6	-.2	.4	1.3	.0	.2	4.3
Mining.....	104.5	104.7	-2.0	.3	2.3	-.8	.2	2.8
Utilities.....	117.4	112.3	.6	1.5	1.5	2.1	-4.3	.9

NOTE. Indexes are seasonally adjusted.

tial use and automotive gasoline, declined sharply. Auto assemblies rose to an annual rate of 7.4 million units in September from the rate of 7.0 million units in August, but production of trucks for consumer use fell about 2 percent. Output of home goods, such as appliances, declined after having increased in the previous two months.

All major components of business equipment posted gains in September, with the largest rise again occurring in manufacturing equipment; over the past year, business equipment has expanded 10 percent. Production of construction supplies, which has been sluggish, on balance,

#### Total industrial production—Revisions

Estimates as shown last month and current estimates

Month	Index (1977=100)		Percentage change from previous months	
	Previous	Current	Previous	Current
June .....	136.5	136.5	.3	.3
July .....	137.9	138.1	1.0	1.2
August .....	138.2	138.3	.2	.2
Sept.....	...	138.3	...	.0

since the first quarter, was little changed in September. Output of total materials was unchanged, as gains in both durables and nondurables were offset by a sharp drop in energy materials. Among durables, production of parts for both consumer durables and for equipment rose, but basic metals, notably steel, declined. Within nondurables, chemical materials advanced further, while textiles and paper were little changed. The decline in energy materials reflected the curtailment of electricity generation.

In industry groups, manufacturing output increased 0.2 percent in September, with the most significant gains occurring in nonelectrical machinery, autos, and chemicals; however, steel production fell again after having risen sharply in July. Mining output rose 0.2 percent in September, as coal production advanced. Production at utilities declined more than 4 percent, reflecting the plunge in electricity generation.

# Announcements

## *NEW ECONOMIC MEASURES ANNOUNCED BY THE GOVERNMENT OF MEXICO*

The U.S. Treasury Department and the Federal Reserve welcome the economic measures recently announced by the government of Mexico. The U.S. financial authorities believe that these measures build upon the progress already achieved in the sustained adjustment effort undergone by the Mexican economy. Mexico's adjustment record, particularly the process of fiscal consolidation and the structural transformation of its external sector, has established the basic conditions for the renewal of sustained economic growth.

In the context of normal consultations between countries with close economic relations, the U.S. and Mexican authorities have agreed that Mexico's strengthened economic policies merit support. Accordingly, the U.S. Treasury and the Federal Reserve are prepared to develop a short-term bridge loan of up to \$3.5 billion, depending on the development of loan programs by Mexico with the World Bank and with the International Monetary Fund.

## *FINAL RULING UNDER EXPEDITED FUNDS AVAILABILITY ACT*

The Federal Reserve Board issued on October 26, 1988, a final ruling under the Expedited Funds Availability Act stating that "payable through" checks must be treated as local or nonlocal based on the location of the institution on which they are written rather than the location of the "payable through" bank. This action finalized an interim amendment that was adopted by the Board in August in response to a court order.

At the same time, the Board published for public comment four proposals that are designed

to help ease the operational difficulties and lessen the risks imposed on depository institutions as a result of the court's order. Comment on the proposals is requested by December 30, 1988.

The Board also requested comment by December 30 on other amendments to Regulation CC that would clarify various provisions of the regulation and help depository institutions to understand and comply with the regulation.

## *FEE SCHEDULES AVAILABLE FOR SERVICES PROVIDED BY FEDERAL RESERVE BANKS*

The Federal Reserve Board announced on November 1, 1988, the 1989 fee schedules for services provided by the Reserve Banks. The majority of the 1989 fees are the same as those currently imposed, and they generally become effective January 1, 1989.

The fee schedules apply to check collection, automated clearinghouse transactions, wire transfer of funds and net settlement, definitive safekeeping, noncash collection, book-entry, and check payor bank services. The 1989 fee schedules are available from the Reserve Banks.

In 1989, total costs for priced services, including the private sector adjustment factor (PSAF), are projected to be \$684.9 million. Total revenue is estimated at \$707.8 million, resulting in a 103.4 percent recovery rate.

The 1989 recovery rate may be optimistic because costs for check services may be higher than anticipated as a result of the impact of the Expedited Funds Availability Act and Regulation CC on Reserve Bank operations. The proposed fees for 1989 are based on total costs, including the PSAF, but exclude special project costs.

At the same time, the Board approved the 1989 PSAF for Reserve Bank priced services of \$69.7 million, a reduction of \$6.5 million or 8.5 percent from the \$76.2 million targeted for 1988.



# Legal Developments

## *FINAL RULE—AMENDMENT TO REGULATIONS G, T, U AND X*

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221 and 224, its Securities Credit Transactions; List of Marginable OTC Stocks. The List of Marginable OTC Stocks is comprised of stocks traded over-the-counter (OTC) 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 is published four times a year by the Board as a guide for lenders subject to the regulations and the general public. This document sets forth additions to or deletions from the previously published List effective August 8, 1988, and will serve to give notice to the public about the changed status of certain stocks.

Effective November 14, 1988, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. §§ 78g and 78w), and in accordance with 12 C.F.R. §§ 207.2(k) and 207.6(c) (Regulation G), 12 C.F.R. §§ 220.2(s) and 220.17(c) (Regulation T), and 12 C.F.R. §§ 221.2(j) and 221.7(c) (Regulation U), there is set forth below a listing of deletions from and additions to the Board's List:

### *Deletions from List*

#### **Stocks Removed for Failing Continued Listing Requirements**

Alaska Bancorporation: \$.01 par common  
 Amcole Energy Corporation: \$.01 par common  
 American First Corporation: \$1.00 par common  
 American Health Companies, Inc.: \$.01 par common  
 American Telemedia Network, Inc.: No par common  
 Anchor Financial Corporation: \$6.00 par common

Bancoklahoma Corporation: \$2.00 par common  
 Bercor, Inc.: No par common  
 Bildner, J. Sons, Inc.: \$.01 par common  
 Bioplasty, Inc.: \$.01 par common  
 Butler, John O., Company: \$.01 par common

Calstar, Inc.: \$.10 par common

Camera Platforms International, Inc.: \$.005 par common

CCA Industries, Inc.: Class A, warrants (expire 06-30-89)

Chief Automotive Systems, Inc.: \$.10 par common

Coated Sales, Inc.: \$.01 par common

Computer Microfilm Corporation: \$.25 par common

Corvus Systems: No par common

Crazy Eddie, Inc.: 6% convertible subordinated debentures

Decor Corporation: \$.01 par common

Dewey Electronics Corporation: \$.01 par common

DNA Plant Technology Corp.: Warrants (expire 01-17-90)

Eagle Telephonics, Inc.: Class A, warrants (expire 10-12-88)

Empire Insurance Company: \$1.00 par common

Endotronics, Inc.: No par common

Finest Hour, Inc.: No par common

First World Cheese, Inc.: Warrants (expire 06-06-91)

Fountain Powerboat Industries, Inc.: Warrants (expire 12-15-91)

Gateway Medical Systems, Inc.: \$.10 par common

Gemcraft, Inc.: \$.10 par common

General Physics Corporation: \$.025 par common

Geneve Capital Group, Inc.: \$.10 par common

Healthways Systems, Inc.: \$.01 par common

HITK Corporation: \$.001 par common

Infinity Broadcasting Corp.: Class A, \$.01 par common

Intel Corporation: Warrants (expire 08-15-88)

International Robomation/Intelligence: No par common

Invention, Design, Engineering Associates, Inc.: \$.01 par common

Knutson Mortgage Corporation: \$.01 par common

Medmaster Systems, Inc.: Warrants (expire 07-10-91)

Memory Metals, Inc.: \$.01 par common

Microwave Filter Company, Inc.: \$.10 par common

- North American Holding Corp.: \$.01 par common,  
Class A, non-voting, \$.001 par common
- Pay ' Save, Inc.: \$1.00 par common
- Precision Target Marketing, Inc.: \$.01 par common,  
Warrants (expire 08-23-89)
- Quality Systems, Inc.: \$.01 par common
- Ramtek Corporation: \$.01 par common
- Ritzzy's, G. D., Inc.: No par common
- Saratoga Standardbreds, Inc.: \$.01 par common
- Scientific Micro Systems, Inc.: \$.01 par common
- Sooner Defense of Florida, Inc.: \$.01 par common
- Southern Hospitality Corporation: \$.08½ par common
- Thermal Profiles, Inc.: \$.01 par common
- Trans World Airlines, Inc.: \$6.00 par cumulative,  
exchangeable preferred
- United Financial Group, Inc.: No par common
- Vanzetti Systems Inc.: \$.01 par common
- Vega Biotechnologies, Inc.: \$.01 par common
- Virgin Group, PLC: American Depository Receipts
- Webb, Del E., Corporation: Warrants (expire  
02-01-90)
- Wessex Corp.: \$.01 par common
- Stocks Removed for Listing on a National  
Securities Exchange or Being Involved in an  
Acquisition**
- Albany International Corp.: Class A, \$.001 par com-  
mon
- Amcast Industrial Corporation: No par common
- Baker, Fentress & Company: \$1.00 par common
- Bear Automotive Service Equipment Co.: \$.01 par  
common
- Berklene Corporation, The: \$1.00 par common
- Beverly Savings Bank (Massachusetts): \$.10 par com-  
mon
- BIW Cable Systems, Inc.: \$.40 par common
- Brougher Insurance Group, Inc.: No par common
- Capital Wire & Cable Corporation: No par common
- Central Pacific Corporation: No par common
- Century Communications Corp.: Class A, \$.01 par  
common
- Century Papers, Inc.: \$1.00 par common
- Command Airways, Inc.: \$.01 par common
- Comprehensive Care Corporation: \$.10 par common
- Concurrent Computer Corporation: \$.01 par common
- Crosby, Philip Associates, Inc.: \$.01 par common
- Crystal Oil Company: \$.01 par common, \$.01 par  
convertible, preferred
- Cyprus Minerals Company: No par common
- Datametrics Corporation: No par common
- Daxor Corporation: \$.01 par common
- Diagnostic Products Corporation: No par common
- Diasonics, Inc.: No par common
- Dresher, Inc.: \$.01 par common
- Energas Company: No par common
- Epsco, Inc.: \$1.00 par common
- Farm Fresh, Inc.: \$.01 par common
- First Kentucky National Corporation: No par com-  
mon
- First Union Corporation: \$3.33⅓ par common
- Freedom Federal Savings Bank (Illinois): \$.01 par  
common
- Frozen Food Express Industries, Inc.: \$1.50 par com-  
mon
- Gartner Group, Inc., The: \$.01 par common
- Grandview Resources, Inc.: No par common
- Hooper Holmes, Inc.: \$.01 par common
- Hunter-Melnor, Inc.: \$.01 par common
- IEC Electronics Corporation: \$.05 par common
- Josephson International, Inc.: \$.05 par common
- Lancer Corporation: \$.01 par common
- Lewis, Palmer G. Company, Inc.: \$1.00 par common
- Matrix Science Corporation: \$.01 par common
- Micom Systems, Inc.: \$.01 par common
- Middleby Corporation, The: \$.01 par common
- National Guardian Corporation: \$.10 par common
- Norton Enterprises, Inc.: \$.01 par common
- P & C Foods, Inc.: \$.01 par common
- Photronics Corporation: \$.10 par common
- Shoney's South, Inc.: \$.05 par common
- Silicon Systems, Inc.: \$.01 par common
- Simmons Airlines, Inc.: No par common
- Southold Savings Bank, The (New York): \$1.00 par  
common
- Southstate Bank for Savings: \$.10 par common
- Sovran Financial Corporation: \$5.00 par common
- Spectramed, Inc.: \$.01 par common

SPI Pharmaceuticals, Inc.: \$.01 par common  
System Industries, Inc.: \$.01 par common

Taunton Savings Bank: \$.10 par common  
TCBY Enterprises, Inc.: \$.10 par common  
Total Erickson Resources, Ltd.: \$.01 par common

Unicare Financial Corp.: No par common  
USP Real Estate Investment Trust: \$1.00 par shares of beneficial interest

Welbilt Corporation: \$.10 par common  
Wellman, Inc.: \$.001 par common  
Western Federal Savings and Loan Association (California): \$1.00 par common  
Wings West Airlines, Inc.: No par common  
Wyse Technology: No par common

XIDEX Corporation: \$.0875 par common, Warrants (expire 04-16-93)

Zondervan Corporation, The: \$1.00 par common

*Additions to the List*

ADT Limited: American Depository Receipts  
All American Semiconductor, Inc.: \$.01 par common  
American Continental Corporation: \$1.00 par, exchangeable preferred  
American Power Conversion Corporation: \$.01 par common  
ARIX Corporation: No par common  
Asiamerica Equities, Inc.: \$1.00 par common  
Assix International, Inc.: \$.001 par common, Warrants (expire 07-19-91)  
Associated Natural Gas Corporation: \$.10 par common

B & H Bulk Carriers, Ltd.: \$.01 par common  
Babbage's, Inc.: \$.10 par common  
Bailey Corporation: \$.10 par common  
BI Incorporated: No par common  
Biogen, Inc.: Warrants (expire 06-30-94)  
BMC Software, Inc.: \$.01 par common

Candela Laser Corporation: \$.01 par common  
Casual Male Corporation, The: \$.01 par common  
Cellular, Inc.: \$.001 par common  
Centennial Beneficial Corp.: No par common  
Ceramics Process Systems Corporation: \$.01 par common  
Charter Federal Savings Bank (New Jersey): \$.01 par common  
Chemex Pharmaceuticals, Inc.: Class 1, warrants (expire 05-20-90)

Chemical Financial Corp.: \$10.00 par common  
Cliffs Drilling Company: No par, convertible, exchangeable preferred stock  
Colorocs Corporation: Class C, warrants (expire 03-31-89)—Class D, warrants (expire 10-25-88)  
Concord Camera Corp.: No par common  
Constar International, Inc.: Warrants (expire 11-13-89)  
Convergent Solutions, Inc.: \$.01 par common, Warrants (expire 05-15-92)  
Coral Gold Corporation: No par common  
Cornucopia Resources Ltd.: No par common  
Corporate Data Sciences, Inc.: No par common  
Critical Industries, Inc.: \$.001 par common

Dekalb Genetics Corporation: Class B, no par common  
DF Southeastern, Inc.: \$1.00 par common

Eagle Bancorp, Inc.: \$.10 par common  
Eastland Financial Corp.: \$.01 par common  
Environmental Control Group, Inc.: \$.10 par common  
Essex County Gas Company: \$2.50 par common

First Federal Savings Bank of Perry: \$1.00 par common  
First of Long Island Corporation, The: \$.10 par common  
Franklin First Financial Corporation: \$.01 par common

Genlyte Group Incorporated: \$.01 par common  
GNI Group, Inc., The: No par common  
Goodheart-Willcox Company, Inc.: \$1.00 par common  
Gull Laboratories, Inc.: \$.01 par common

Healthwatch, Inc.: No par common  
High Plains Corporation: \$.10 par common  
Home Federal Savings Bank (South Carolina): \$1.00 par common  
Home Port Bancorp, Inc.: \$.10 par common

Imagine Films Entertainment, Inc.: \$.01 par common  
Intercargo Corporation: \$1.00 par common  
Intervoice, Inc.: No par common

Kinder-Care Learning Centers, Inc.: \$.01 par common  
KWIK Products International Corporation: No par common

Landmark American Corporation: \$.01 par common  
Landmark Graphics Corporation: \$.05 par common  
Long Island City Financial Corporation, The: \$.10 par common

Mayflower Financial Corporation: \$.01 par common  
 MicroAmerica, Inc.: \$.01 par common

Nalcap Holdings, Inc.: No par common  
 National Media Corporation: \$.10 par common  
 Neorx Corporation: \$.02 par common  
 Novellus Systems, Inc.: No par common

Olympic Savings Bank (Washington): \$1.00 par common

Pancretec, Inc.: No par common  
 Phoenix Technology Ltd.: \$.001 par common  
 Pride Petroleum Services, Inc.: No par common

Ratners Group, PLC: American Depository Receipts  
 Reliable Life Insurance Company, The: Class A,  
 \$1.00 par common  
 Rock Financial Corporation: \$3.33 par common

Scientific Technologies, Incorporated: No par common  
 Selfix, Inc.: \$.01 par common  
 Showscan Film Corporation: \$.001 par common  
 Sierra On-Line, Inc.: \$.01 par common  
 Silk Greenhouse, Inc.: \$.01 par common  
 Smithfield Companies, Inc., The: No par common  
 Software Toolworks, Inc., The: \$.01 par common  
 Stake Technology Ltd.: No par common  
 Stotler Group Inc.: \$1.00 par common  
 Strictfab, Inc.: \$.02 par common  
 Synoptics Communications, Inc.: No par common

Tele-Optics, Inc.: \$.01 par common, Warrants (expire  
 08-11-89)  
 Tons of Toys, Inc.: \$.01 par common  
 Tuscarora Plastics, Inc.: No par common

Unigene Laboratories, Inc.: \$.01 par common, Warrants (expire 08-11-92)  
 United National Bancorp: \$2.50 par common  
 Unitronix Corporation: No par common

VMS Mortgage Investors, L. P. III: Depository units of limited partnership interest

Washington Savings Bank, F.S.B. (Maryland): \$.01 par common  
 Weitek Corporation: No par common  
 Wetterau Properties, Inc.: \$.01 par common  
 Wholesale Club, Inc., The: No par convertible preferred

*AMENDMENT TO REGULATION CC*

The Board of Governors is amending 12 C.F.R. Part 229, its Regulation CC (Availability of Funds and Collection of Checks). The Board is adopting as a final rule, with minor technical changes, the interim amendment to Regulation CC it adopted in August. The Board adopted the interim rule to conform the definition of "paying bank" in Regulation CC to the Expedited Funds Availability Act as interpreted by a court decision. The court found that in defining a payable through bank as the paying bank where a check is written on one bank but payable through another, Regulation CC was inconsistent with the language of the Act.

Effective October 25, 1988, 12 C.F.R. Part 229 is amended as follows:

*Part 229—Availability of Funds and Collection of Checks*

1. The authority citation for Part 229 continues to read as follows:

*Authority:* Title VI of Pub. L. 100-86, 101 Stat. 552, 635; 12 U.S.C. 4001 *et seq.*

2. Section 229.2(z)(4) is revised to read as follows:

**Section 229.2—Definitions**

\* \* \* \* \*

(z) \* \* \*

(4) The bank through which a check is payable and to which it is sent for payment or collection, if the check is not payable by a bank; or

\* \* \* \* \*

**Section 229.16—[Amended]**

3. Section 229.16(b)(2) is amended by adding after the first sentence of the footnote the following new sentence to read as follows:

1 \* \* \* A bank that makes funds from nonlocal checks available for withdrawal within the time periods required for local checks under §§ 229.11, 229.12, and 229.13 is not required to provide this disclosure on payable through checks to its customers. \* \* \*

4. Appendix E—Commentary to Part 229, is amended by adding following the fourth paragraph of the Commentary to § 229.16(b) a new paragraph to read as follows:

Appendix E—Commentary

\* \* \* \* \*

Section 229.16—Specific Availability Policy Disclosures

\* \* \* \* \*

(b) \* \* \*

Generally, a bank that distinguishes in its disclosure between local and nonlocal checks based on the routing number on the check must disclose to its customers that certain checks, such as some credit union payable through drafts, will be treated as local or nonlocal based on the location of the bank by which they are payable (e.g., the credit union), and not on the basis of the location of the bank whose routing number appears on the check. A bank is not required to provide this disclosure, however, if it makes the proceeds of both local and nonlocal checks available for withdrawal within the time periods required for local checks in §§ 229.11, 229.12, and 229.13.

\* \* \* \* \*

AMENDMENT TO REGULATION CC

The Board of Governors is amending 12 C.F.R. Part 229, its Regulation CC (Availability of Funds and Collection of Checks), for the laws of California, Connecticut, Maine, Massachusetts, New Mexico, New York, and Rhode Island. The Expedited Funds Availability Act provides standards for determining whether state law governing funds availability supersedes, or is preempted by, federal law. Under Regulation CC, the Board will issue preemption determinations with respect to state law upon request.

Effective October 25, 1988, 12 C.F.R. Part 229 is amended as follows:

Part 229—[Amended]

1. The authority citation for Part 229 continues to read as follows:

*Authority:* Title VI of Pub. L. 100–86, 101 Stat. 552, 635, 12 U.S.C. 4001 *et seq.*

2. Appendix F is amended by removing the New York preemption determination, and adding preemption determinations for the states of California, Connecticut, Maine, Massachusetts, New Mexico, New York, and Rhode Island alphabetically to read as follows:

Appendix F—Official Board Interpretations; Preemption Determinations

\* \* \* \* \*

California

Background

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the “Act”) and Subpart B (and in connection therewith, Subpart A) of Regulation CC preempt the provisions of California law concerning availability of funds. This preemption determination specifies those provisions of the California funds availability law that supersede the Act and Regulation CC. (See also the Board’s preemption determination regarding the Uniform Commercial Code, § 4–213(5), pertaining to availability of cash deposits.)

California has four separate sets of regulations establishing maximum availability schedules. The regulations applicable to commercial banks and branches of foreign banks located in California (Cal. Admin. Code tit. 10, §§ 10.190400–10.190407) were promulgated by the Superintendent of Banks. The regulations applicable to savings banks and savings and loan associations (Cal. Admin. Code tit. 10, §§ 106.200–106.205) were adopted by the Savings and Loan Commissioner. The regulations applicable to credit unions (Cal. Admin. Code tit. 10, § 901) and to industrial loan companies (Cal. Admin. Code tit. 10, § 1101) were adopted by the Commissioner of Corporations.

All the regulations were adopted pursuant to California Financial Code § 866.5 and California Commercial Code § 4213(4)(a), under which the appropriate state regulatory agency for each depository institution must issue administrative regulations to define a reasonable time for permitting customers to draw on items received for deposit in the customer’s account. California Financial Code § 867 also establishes availability periods for funds deposited by cashier’s check, certified check, teller’s check, or depository check under certain circumstances. Finally, California Financial Code § 866.2 establishes disclosure requirements.

The Board’s determination with respect to these California laws and regulations governing the funds availability requirements applicable to depository institutions in California are as follows.

Commercial Banks and Branches of Foreign Banks

[RESERVED]

*Savings Institutions*

[RESERVED]

*Credit Unions and Industrial Loan Companies*

Each credit union and federally-insured industrial loan company that maintains an office in California for the acceptance of deposits must make funds deposited by check available for withdrawal in accordance with the following table:

	Availability	
	Credit Union	Industrial Loan Company
\$100 or less checks; U.S. Treasury checks; state/local government checks; .....	1st day	1st day
On us checks; cashier's/certifies/teller's/depository checks.....	2nd day	2nd day
In-state checks .....	6th day	6th day
Out-of-state checks.....	10th day	12th day

NOTE: These time periods are stated in terms of availability for withdrawal not later than the Xth business day following the banking day of deposit to facilitate comparison with Regulation CC. State regulations are stated in terms of availability at the start of the business day subsequent to the number of days specified in the regulation.

*Coverage*

The California law and regulations govern the availability of funds to "demand deposits, negotiable order of withdrawal draft accounts, savings deposits subject to automatic transfers, share draft accounts, and all savings deposits and share accounts, other than time deposits." (California Financial Code § 886(b)). The federal preemption of state funds availability laws only applies to "accounts" subject to Regulation CC, which generally includes transaction accounts. Thus, the California funds availability regulations continue to apply to deposits in savings and other accounts (such as accounts in which the account-holder is another bank) that are not "accounts" under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined as "accounts" under Regulation CC in certain circumstances.)

The California law applies to any "item" (California Financial Code § 866.5 and California Commercial Code § 4213 (4)(a)). The California Commercial Code defines "item" to mean "any instrument for the payment of money even though it is not negotiable . . ." (Cal. Com. Code § 4104(g)). This term is broader in

scope than the definition of "check" in the Act and Regulation CC. The Commissioner's regulations, however, define the term "item" to include checks, negotiable orders of withdrawal, share drafts, warrants, and money orders. As limited by the state regulations, the state law applies only to instruments that are also "checks" as defined in § 229.2(k) of Regulation CC.

*Availability Schedules*

*Temporary Schedule.* The California regulations provide that in-state nonlocal checks must be made available for withdrawal not later than the sixth business day following deposit. This time period is shorter than the seventh business day availability required for nonlocal checks under § 229.11(c) of Regulation CC, although it is not shorter than the schedules for nonlocal checks set forth in § 229.11(c)(2) and Appendix B-1 of Regulation CC. Thus, the state schedules for in-state nonlocal checks supersede the federal schedule to the extent that they apply to an item payable by a California institution that is defined as a nonlocal check under Regulation CC, and is not subject to reduced schedules under § 229.11(c)(2) and Appendix B-1.

Under the California regulations, credit unions and industrial loan companies must provide next-day availability to first-indorsed items issued by any federally-insured institution. This regulatory requirement, however, has been superseded by § 867 of the California Financial Code, which requires depository institutions to make funds deposited by cashier's check, teller's check, certified checks, or depository check available for withdrawal on the second business day following deposit, if certain conditions are met. This requirement became effective January 1, 1988.

The Regulation CC next-day availability requirement for cashier's checks and teller's checks applies only to those checks issued for remittance purposes. To the extent that the state second business day availability requirement applies to cashier's and teller's checks issued for other than remittance purposes, the state two-day requirement supersedes the federal local and nonlocal schedules.

The California regulations do not specify whether they apply to deposits of checks at nonproprietary ATMs. Under the temporary schedule in Regulation CC, deposits at nonproprietary ATMs must be made available for withdrawal at the start of the seventh business day after deposit. To the extent that the California schedules provide for shorter availability for deposits at nonproprietary ATMs, they would supersede the temporary schedule in Regulation CC for deposits at nonproprietary ATMs specified in § 229.11(d).

*Permanent schedule.* Under the California regulations, credit unions and industrial loan companies must provide next-day availability to first-indorsed items issued by any federally-insured institution. This regulatory requirement, however, has been superseded by § 867 of the California Financial Code, which requires depository institutions to make funds deposited by cashier's check, teller's check, certified check, or depository check available for withdrawal on the second business day following deposit, if certain conditions are met. This requirement became effective January 1, 1988.

The Regulation CC next-day availability requirement for cashier's and teller's checks applies only to those checks issued for remittance purposes. To the extent that the state second business day availability requirement applies to cashier's and teller's checks issued for other than remittance purposes, the state two-day requirement supersedes the federal local and nonlocal schedules.

*Next-Day Availability.* Credit unions and industrial loan companies in California are required to give next-day availability to items drawn by the State of California or any of its departments, agencies, or political subdivisions. California law supersedes the federal law in that the state law does not condition next-day availability on receipt at a staffed teller station or use of a special deposit slip.

California credit unions and industrial loan companies must provide second business day availability to checks drawn on the depository bank. Regulation CC requires next-day availability for checks deposited in a branch of the depository bank and drawn on the same or another branch of the same bank if both branches are located in the same state or the same check processing region. Thus, generally, the Regulation CC rule for availability of on us checks preempts the California regulations. To the extent, however, that an on us check is (1) drawn on an out-of-state branch of the depository bank that is not in the same check processing region as the branch in which it was deposited, or (2) deposited at an off-premises ATM or another facility of the depository bank that is not considered a branch under federal law, the state regulation supersedes the Regulation CC availability requirements.

*Exceptions to the Availability Schedules.* California law provides exceptions to the state availability schedules for large deposits, new accounts, repeated overdrafters, doubtful collectibility, foreign items, and emergency conditions. In all cases where the federal availability schedule preempts the state schedule, only the federal exceptions will apply. For deposits that are covered by the state availability schedule (e.g., in-

state nonlocal checks under the temporary schedule; cashier's or teller's checks that are not deposited with a special deposit slip or at a staff teller station), the state exceptions may be used to extend the state availability schedule up to the federal availability schedule. Once the deposit is held up to the federal availability limit under a state exception, the depository bank may further extend the hold under any federal exception that can be applied to the deposit. Any time a depository bank invokes an exception to extend a hold beyond the time periods otherwise permitted by law, it must give notice of the extended hold to its customer in accordance with § 229.13(g) of Regulation CC.

*Business Day/Banking Day.* The definitions of "business day" and "banking day" in the California regulations are preempted by the Regulation CC definition of those terms. Thus, for determining the permissible hold under the California schedules that supersede the Regulation CC schedule, deposits are considered made on the specified number of "business days" following the "banking day" of deposit.

#### *Disclosures*

California law (Cal. Fin. Code § 866.2) requires depository institutions to provide written disclosures of their general availability policies to potential customers prior to opening any deposit account. The law also requires that preprinted deposit slips and ATM deposit envelopes contain a conspicuous summary of the general policy. Finally, the law requires a depository institution to provide specific notice of the time the customer may withdraw funds deposited by check or similar instrument into a deposit account if the funds are not available for immediate withdrawal.

Section 229.20(c)(2) of Regulation CC provides that inconsistency may exist when a state law provides for disclosures or notices concerning funds availability relating to accounts. California Financial Code § 866.2 requires disclosures that differ from those required by Regulation CC, and therefore is preempted to the extent that it applies to "accounts" as defined in Regulation CC. The state law continues to apply to savings accounts and other accounts not governed by Regulation CC disclosure requirements.

## Connecticut

### *Background*

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability

Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, preempt provisions of Connecticut law relating to the availability of funds. This preemption determination specifies those provisions of the Connecticut funds availability law that supersede the Act and Regulation CC. (See also the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1987, Connecticut amended its statute governing funds availability (Conn. Gen. Stat. § 36-9v), which requires Connecticut depository institutions to make funds deposited in a checking, time, interest, or savings account available for withdrawal within specified periods.

Generally, the Connecticut statute, as amended, provides that items deposited in a checking, time, interest, or savings account at a depository institution must be available for withdrawal in accordance with the following table:

	Availability
On us checks.....	2nd day
In-state checks.....	4th day
Out-of-state checks.....	6th day

Exceptions to the schedules are provided for items received for deposit for the purpose of opening an account and for items that the depository bank has reason to believe will not clear. The Connecticut statute also requires availability policy disclosures to depositors in the form of written notices and notices posted conspicuously at each branch.

#### Coverage

The Connecticut statute governs the availability of funds deposited in savings and time accounts, as well as "accounts" as defined in § 229.2(a) of Regulation CC. The federal preemption of state funds availability requirements only applies to "accounts" subject to Regulation CC, which generally consist of transaction accounts. Regulation CC does not affect the Connecticut statute to the extent that the state law applies to deposits in savings and other accounts (including transaction accounts where the account holder is a bank, foreign bank or the U.S. Treasury) that are not "accounts" under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined

as "accounts" under Regulation CC, in certain circumstances.)

The Connecticut statute applies to "items" deposited in accounts. This term encompasses instruments that are not defined as "checks" in Regulation CC (§ 229.2(k)), such as nonnegotiable instruments, and are therefore not subject to Regulation CC's provisions governing funds availability. Those items that are subject to Connecticut law but are not subject to Regulation CC will continue to be covered by the state availability schedules and exceptions.

#### Availability Schedules

*Temporary Schedule.* Connecticut law provides that certain checks that are nonlocal under Regulation CC must be available in a shorter time (sixth business day after deposit for checks payable by depository institutions not located in Connecticut) than under the federal regulation (seventh business day after deposit under the temporary schedule for nonlocal checks). Accordingly, the Connecticut law supersedes Regulation CC with respect to nonlocal checks (other than checks covered by Appendix B-1) deposited in "accounts" until the federal permanent availability schedules take effect on September 1, 1990.

The Connecticut statute does not specify whether it applies to deposits of checks at nonproprietary ATMs. Under the temporary schedule in Regulation CC, deposits at nonproprietary ATMs must be made available for withdrawal at the start of the seventh business day after deposit. To the extent that the Connecticut schedules provide for shorter availability for deposits at nonproprietary ATMs, they would supersede the temporary schedule in Regulation CC for deposits at nonproprietary ATMs specified in § 229.11(d).

*Exceptions to the Availability Schedule.* The Connecticut law provides exceptions for items received for deposit for the purpose of opening new accounts and for items that the depository bank has reason to believe will not clear. In all cases where the federal availability schedule preempts the state schedule, only the federal exceptions will apply. For deposits that are covered by the state availability schedule (e.g., nonlocal out-of-state checks under the temporary schedule), the state exceptions may be used to extend the state availability schedule (of six business days) to meet the federal availability schedule (of seven business days). Once the deposit is held up to the federal availability schedule limit under a state exception, the depository bank may further extend the hold under any federal exception that can be applied to the deposit. Any time a depository bank invokes an exception to extend a hold beyond the time periods

otherwise permitted by law, it must give notice of the extended hold to its customer, in accordance with § 229.13(g) of Regulation CC.

### *Disclosures*

The Connecticut statute (Conn. Gen. Stat. § 36-9v(b)) requires written notice to depositors of an institution's check hold policy and requires a notice of the policy to be posted in each branch.

Regulation CC preempts state disclosure requirements concerning funds availability that relate to "accounts" that are inconsistent with the federal requirements. The state requirements are different from, and therefore inconsistent with, the federal disclosure rules. (§ 229.20(c)(2)). Thus, the Connecticut statute is preempted by Regulation CC to the extent that these disclosure provisions apply to "accounts" as defined by Regulation CC. The Connecticut disclosure rules would continue to apply to accounts, such as savings and time accounts, not governed by the Regulation CC disclosure requirements.

## Maine

### *Background*

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, preempt the provisions of Maine law concerning the availability of funds. This preemption determination addresses the relation of the Act and Regulation CC to the Maine funds availability law. (*See also* the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1985, Maine adopted a statute governing funds availability (Title 9-B MRSA § 241(5)), which requires Maine financial institutions to make funds deposited in a transaction account, savings account, or time account available for withdrawal within a reasonable period. The Maine statute gives the Superintendent of Banking for the State of Maine the authority to promulgate rules setting forth time limitations and disclosure requirements governing funds availability.

The Superintendent of Banking issued regulations implementing the Maine funds availability statute, effective July 1, 1987 (Regulation 18(IV)), and adopted amendments to this regulation, effective September 1, 1988. Under the revised regulation, funds deposited to any deposit account in a Maine financial institution

must be made available for withdrawal in accordance with the Act and Regulation CC (Regulation 18-IV(A)(1)). The state regulation provides that an institution's funds availability policies for accounts subject to Regulation CC be disclosed in a manner consistent with the Regulation CC requirements. Funds availability policies for accounts not subject to Regulation CC must be disclosed in accordance with the state regulation (Regulation 18-IV(A)(2)).

### *Coverage*

The Maine law and regulation govern the availability of funds to any deposit account, as defined in the Board's Regulation D (12 C.F.R. 204.2(a)). This coverage is broader than the "accounts" covered in Regulation CC. The Maine law continues to apply to all deposit accounts, including those that are not accounts under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined as "accounts" under Regulation CC, in certain circumstances.)

### *Availability Schedules and Disclosures*

The Maine regulation incorporates the Regulation CC availability and disclosure requirements with respect to deposits to accounts covered by Regulation CC. Because the state requirements are consistent with the federal requirements, the Maine regulation is not preempted by, nor does it supersede, the federal law.

## Massachusetts

### *Background*

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, preempt provisions of Massachusetts law relating to the availability of funds. This preemption determination addresses the relationship of the Act and Regulation CC to the Massachusetts funds availability law. (*See also* the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1988, Massachusetts amended its statute governing funds availability (Mass. Gen. L. ch. 167D, § 35), to require Massachusetts banking institutions to make funds available for withdrawal and disclose their avail-

ability policies in accordance with the Act and Regulation CC. The Massachusetts law, however, provides that "local originating depository institution" is to be defined as any originating depository institution located in the Commonwealth.

#### *Coverage*

The Massachusetts statute governs the availability of funds deposited in "any demand deposit, negotiable order of withdrawal account, savings deposit, share account or other asset account." Regulation CC applies only to "accounts" as defined in § 229.2(a). Regulation CC does not affect the Massachusetts statute to the extent that the state law applies to deposits in savings and other accounts (including transaction accounts where the account holder is a bank, foreign bank, or the U.S. Treasury) that are not "accounts" under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined as "accounts" under Regulation CC, in certain circumstances.)

#### *Availability Schedules*

The Massachusetts definition of "local originating depository institution" (local paying bank in Regulation CC terminology) requires that in-state checks that are nonlocal checks under Regulation CC be made available in accordance with the Regulation CC local schedule. The Massachusetts law supersedes Regulation CC under the temporary and permanent schedule with respect to nonlocal checks payable by banks located in Massachusetts and deposited into "accounts." Regulation CC preempts the Massachusetts law, however, to the extent the state law does not define banks located outside of Massachusetts, but in the same check processing region as the paying bank, as "local originating depository institutions."

#### *Disclosures*

The Massachusetts regulation incorporates the Regulation CC disclosure requirements with respect to both accounts covered by Regulation CC and savings and other accounts not governed by the federal regulation. Because the state requirements are consistent with the federal requirements, the Massachusetts regulation is not preempted by, nor does it supersede, the federal law. The Massachusetts disclosure rules would continue to apply to accounts not governed by the Regulation CC disclosure requirements.

## New Mexico

### *Background*

The Board has been requested in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, preempt provisions of New Mexico law relating to the availability of funds. This preemption determination specifies those provisions in the New Mexico funds availability law that supersede the Act and Regulation CC. (See also the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1987, New Mexico adopted a statute governing funds availability (N.M. Stat. Ann. § 58-3-4 (1978, Supp. 1987)), which requires New Mexico financial institutions to make funds deposited into retail accounts available for withdrawal after a reasonable period of time. Section 4A of the New Mexico statute establishes the time frames within which financial institutions must make funds deposited by checks or share drafts available for withdrawal if the checks or share drafts are drawn and payable on demand at other financial institutions located in the continental United States. Section 4B of the statute defines terms and specifies availability for checks deposited in branch offices of certain financial institutions, § 4C specifies exceptions to the availability schedules, and § 4D specifies damages recoverable for a violation of this statute.

Generally, the New Mexico law provides that checks and share drafts, other than "on us" checks, drawn and payable on demand at a financial institution and deposited into an individual or household account must be made available for withdrawal at the beginning of the third business day after deposit for checks or share drafts drawn and payable on demand at financial institutions located within the same municipality as the depository bank, and for checks or share drafts deposited in a branch office of a financial institution if the main office of that financial institution is located in the same municipality as the depository bank. Other in-state checks or share drafts must be made available at the opening of the fourth business day after deposit. Checks or share drafts drawn and payable on demand at any other financial institution located within continental United States must be made available at the beginning of the sixth business day after deposit.

Exceptions to the schedules are provided for documentary drafts, accounts which have been open less than 60 days, checks or share drafts with two-party

indorsements, checks or share drafts in an amount greater than the average balance in the account over the last 12 months or the average balance since the account was opened, whichever is less, and checks or share drafts deposited in an account on which six or more nonsufficient fund checks or share drafts were presented in the prior six-month period.

### Coverage

The New Mexico statute is limited to retail accounts and does not apply to business accounts. No portion of the New Mexico statute supersedes Regulation CC for any "account" as that term is defined in Regulation CC that is not held by an individual or household. Regulation CC does not affect the New Mexico statute to the extent that the state law applies to time, savings, and other deposits that are not defined as "accounts" under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined as "accounts" under Regulation CC, in certain circumstances.)

The New Mexico statute is limited to checks and share drafts payable by financial institutions. The term "financial institution" corresponds generally to the term "bank" in Regulation CC. The terms "check" and "share draft" are narrower than the term "check" in Regulation CC because they do not appear to apply to Treasury checks, checks payable by state or local governments (i.e., warrants), checks payable by Federal Reserve Banks or Federal Home Loan Banks, or U.S. Postal Service money orders. No portion of the New Mexico statute supersedes Regulation CC with respect to these instruments.

### Availability Schedules

**Temporary Schedules.** The New Mexico statute requires checks and share drafts drawn and payable on demand at an office of financial institution located in the same municipality as the depository bank and checks and share drafts drawn and payable on demand at offices of financial institutions located in New Mexico whose main office is located in the same municipality as the depository bank to be made available at the opening of the third business day after deposit. (N.M. Stat. Ann. § 58-3-4A(1)).<sup>1</sup> New Mexico is

served by two Federal Reserve check processing regions and, therefore, while most checks and share drafts subject to this schedule will be local under Regulation CC, some checks and share drafts covered by this schedule may be nonlocal under Regulation CC. Under the temporary schedule in Regulation CC, the proceeds of local checks must be available for withdrawal at the start of the third business day after deposit, but Regulation CC permits a time period adjustment for withdrawals by cash and similar means that permits a depository bank to delay the time it must make funds available for deposits of local checks cleared outside a check clearinghouse arrangement. Under the temporary schedule in Regulation CC, the proceeds of nonlocal checks must be made available for withdrawal at the opening of the seventh business day following deposit. No time period adjustment is provided. New Mexico law supersedes this time period adjustment for local checks under the temporary schedule and for nonlocal checks coming within the portion of the New Mexico schedule calling for availability on the third banking day after deposit.

The New Mexico statute calls for the proceeds of checks and share drafts to be made available at the opening of the fifth day after deposit for checks and share drafts drawn and payable on demand at other offices of financial institutions located in New Mexico. (N.M. Stat. Ann. § 58-3-4A(2)). To the extent that this schedule applies to nonlocal checks as defined by Regulation CC, it supersedes the temporary schedules in Regulation CC. The New Mexico statute also provides for availability of checks and share drafts drawn and payable on demand at financial institutions located in the continental United States, excluding Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands, at the opening of the seventh banking day after deposit. (N.M. Stat. Ann. § 58-3-4A(3)). This schedule is the same as Regulation CC with respect to nonlocal checks.

The New Mexico statute does not specify whether it applies to deposits of checks at nonproprietary ATMs. Under the temporary schedule in Regulation CC, deposits at nonproprietary ATMs must be made available for withdrawal at the opening of the seventh business day after deposit. To the extent that the New Mexico schedules described above provide for shorter availability for deposits at nonproprietary ATMs, they would supersede the temporary schedule in Regulation CC for deposits at nonproprietary ATMs specified in § 229.11(d).

**Permanent Schedules.** Under the permanent schedule in Regulation CC, the proceeds of checks must be made available at the opening of the second business day after deposit for local checks and the fifth business

1. It is not clear from the New Mexico statute whether days stated in the schedules include the day of deposit. For the purposes of this interpretation, it is assumed that the stated days do include the day of deposit. References to days included in the New Mexico schedules have also been revised to reflect Regulation CC terminology.

day after deposit for nonlocal checks. Both of these schedules are subject to time period adjustments for withdrawal by cash or similar means. The New Mexico statute supersedes the permanent schedules in Regulation CC for nonlocal checks subject to the third day withdrawal requirement (N.M. Stat. Ann. § 58-3-4A(1)) and the time period adjustment for nonlocal checks subject to the fifth day withdrawal requirement (N.M. Stat. Ann. § 58-3-4A(2)) of the New Mexico statute.

*Exceptions to Availability Schedules.* The New Mexico statute provides for exceptions to the state schedules for:

- (1) documentary drafts;
- (2) accounts opened less than 60 days;
- (3) checks or share drafts with two-party indorsements;
- (4) a check or share draft in a face amount greater than the average balance of the depositor's account for the prior 12 months or the average balance since the account was opened, whichever is less; and
- (5) a check or share draft deposited in an account on which six or more nonsufficient fund checks or share drafts were presented for payment in the prior six month period.

The state exceptions will continue to apply when the state schedules are not preempted Regulation CC, but holds may be placed under the state schedules only up to the limits permitted by the Regulation CC schedules. Where the Regulation CC schedules are subject to exceptions, holds placed on checks under the state schedules that would also be permissible under Regulation CC may be continued up to the limit on holds under Regulation CC. Notice of holds as required by Regulation CC (§ 229.13(g)) must be given whenever a hold is placed so that availability is extended beyond the applicable state or federal schedule.

*Business Day/Banking Day.* Under New Mexico law a bank is authorized to establish its own banking days except that it must observe certain holidays (N.M. Stat. Ann. §§ 58-5-6 and 58-5-7). This definition is preempted by the Regulation CC definitions of "business day" and "banking day." Thus, for determining the permissible hold under the New Mexico schedules that supersede the Regulation CC schedule, deposits are considered made on the specified number of "business days" following the "banking day" of deposit.

### Disclosures

The New Mexico law does not contain funds availability disclosure requirements applicable to accounts subject to Regulation CC.

## New York

### Background

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, preempt the provisions of New York law concerning the availability of funds. This preemption determination addresses the relation of the Act and Regulation CC to the New York funds availability law. (See also the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1983, the New York State Banking Department, pursuant to section 14-d of the New York Banking Law, issued regulations requiring that funds deposited in an account be made available for withdrawal within specified time periods, and provided certain exceptions to those availability schedules. Part 34 of the New York State Banking Department's General Regulations established time frames within which commercial banks, trust companies, and branches of foreign banks ("banks"); and savings banks, savings and loan associations, and credit unions ("savings institutions") must make funds deposited in customer accounts available for withdrawal.

The Banking Department amended Part 34, effective September 1, 1988, generally to exclude accounts covered by Regulation CC from the scope of the state regulation. Part 34.4(a)(2) and (b)(2) of the revised New York rules, however, continue to apply to checks deposited to accounts, as defined in Regulation CC. These provisions require that the proceeds of nonlocal checks payable by a New York institution be made available for withdrawal not later than the start of the fourth business day following deposit, if deposited in a bank, or the fifth business day following deposit, if deposited in a savings institution. The revised regulation also provides that, with respect to savings accounts and time deposits, New York institutions could elect to comply with either the state or federal availability and disclosure requirements.

This preemption determination supersedes the determination issued by the Board on August 18, 1988 (53 *Federal Register* 32,357 (August 24, 1988)).

### Coverage

The New York law and regulation govern the availability of funds in savings accounts and time deposits, as well as "accounts" as defined in § 229.2(a) of

Regulation CC. The New York law continues to apply to deposits to savings accounts and time deposits that are not accounts under Regulation CC. (Note, however, that under § 229.19(e) of Regulation CC, *Holds on other funds*, the federal availability schedules may apply to savings, time, and other accounts not defined as "accounts" under Regulation CC, in certain circumstances.)

The New York law and regulation apply to "items" deposited to accounts. Part 34.3(e) defines "item" as "a check, negotiable order of withdrawal or money order deposited into an account." The Board interprets the definition of "item" in New York law to be consistent with the definition of "check" in Regulation CC (§ 229.2(k)).

### *Availability Schedules*

The provisions of New York law governing the availability of in-state nonlocal items provide for a shorter hold than is provided under Regulation CC, and supersede the federal availability requirements. With the exception of these provisions, the New York regulation does not apply to deposits to accounts covered by Regulation CC.

*Temporary Schedule.* The time periods for the availability of in-state nonlocal checks, contained in Part 34.4(a)(2) and (b)(2), are shorter than the seventh business day availability required for nonlocal checks under § 229.11(c) of Regulation CC, although they are not necessarily shorter than the schedules for nonlocal checks set forth in § 229.11(c)(2) and Appendix B-1 of Regulation CC. Thus, these state schedules supersede the federal schedule to the extent that they apply to an item payable by a New York bank or savings institution that is defined as a nonlocal check under Regulation CC and the applicable state schedule is less than the applicable schedule specified in § 229.11(c) and Appendix B-1.

*Permanent Schedule.* The New York schedule for banks supersedes the Regulation CC requirement in the permanent schedule, effective September 1, 1990, that nonlocal checks be made available for withdrawal by the start of the fifth business day following deposit, to the extent that the in-state checks are defined as nonlocal under Regulation CC, and the Regulation CC schedule for nonlocal checks is not shortened under § 229.12(c)(2) and Appendix B-2 of Regulation CC. In addition, the New York schedule for savings institutions supersedes the Regulation CC time period adjustment for withdrawal by cash or similar means in the permanent schedule, to the extent that the in-state checks are defined as nonlocal under Regulation CC,

and the Regulation CC schedule for nonlocal checks is not shortened under § 229.12(c)(2) and Appendix B-2.

*Exceptions to the Availability Schedules.* New York law provides exceptions to the state availability schedules for large deposits, new accounts, repeated overdrafters, doubtful collectibility, foreign items, and emergency conditions (Part 34.4). The state exceptions apply only with respect to deposits of in-state nonlocal checks that are subject to the state availability schedule. For these deposits, the depository bank may invoke a state exception and place a hold on the deposit up to the federal availability schedule limit for that type of deposit. Once the federal availability schedule limit is reached, the depository bank may further extend the hold under any of the federal exceptions that apply to that deposit. Any time a depository bank invokes an exception to extend a hold beyond the time periods otherwise permitted by law, it must give notice of the extended hold to its customer in accordance with § 229.13(g) of Regulation CC.

### *Disclosures*

The revised New York regulation does not contain funds availability disclosure requirements applicable to accounts subject to Regulation CC.

## Rhode Island

### *Background*

The Board has been requested, in accordance with § 229.20(d) of Regulation CC (12 C.F.R. Part 229), to determine whether the Expedited Funds Availability Act (the "Act") and Subpart B (and in connection therewith, Subpart A) of Regulation CC, supersede provisions of Rhode Island law relating to the availability of funds. This preemption determination specifies those provisions in the Rhode Island funds availability law that supersede the Act and Regulation CC. (See also the Board's preemption determination regarding the Uniform Commercial Code, § 4-213(5), pertaining to availability of cash deposits.)

In 1986, Rhode Island adopted a statute governing funds availability (R.I. Gen. Laws tit. 6A, §§ 4-601 through 4-608), which requires Rhode Island depository institutions to make checks deposited in a personal transaction account available for withdrawal within certain specific periods. Commercial banks and thrift institutions (mutual savings banks, savings banks, savings and loan institutions and credit unions) must make funds available for withdrawal in accordance with the following table:

	Commercial Banks	Thrift Institutions
Treasury checks, Rhode Island Government checks, first-indorsed .....	2nd	2nd
In-state, cashier's checks less than \$2,500 .....	2nd	2nd
On-us checks .....	2nd	3rd
In-state clearinghouse checks .....	3rd	4th
In-state nonclearinghouse checks ..	5th	6th
1st or 2nd Federal Reserve District checks (out-of-state) ..	7th	7th
Other checks .....	9th	10th

NOTE: These time periods are stated in terms of availability for withdrawal not later than the Xth business day following the banking day of deposit to facilitate comparison with Regulation CC. State regulations are stated in terms of availability at the start of the business day subsequent to the number of days specified in the regulation.

The Rhode Island statute also provides restrictions and exceptions to the schedules and requires institutions to make certain disclosures to their customers.

### Coverage

The Rhode Island statute governs the availability of funds deposited in "personal transaction accounts," a term not defined in the statute. The federal law would continue to apply to "accounts," as defined in § 229.2(a), that are not "personal transaction accounts."

The Rhode Island statute applies to "items," defined as checks, negotiable orders of withdrawal, or money orders. The Board interprets the definition of item to be consistent with the definition of "check" in Regulation CC (§ 229.2(k)).

### Availability Schedules

**Temporary Schedule.** Rhode Island law requires availability for certain checks in the same time as does Regulation CC. Thus, in these instances, the federal law does not preempt the state law. Rhode Island law requires commercial banks (but not thrift institutions) to make checks payable by a depository institution that uses the same in-state clearing facility as the depository bank available for withdrawal on the third business day following the day of the deposit. This is the same time period contained in Regulation CC for local checks payable by a bank that is a member of the same local clearinghouse as the depository bank. (The Board views the definition of "the same in-state clearing facility" as having the same meaning as the term "the same check clearinghouse association" in the federal law's provision that allows banks to limit the customer's ability to withdraw cash on the third business day if the local check being deposited is payable by a bank that is not a member of the same local clearinghouse as the depository bank.) Since the

Rhode Island law and the federal law both require the funds to be made available no later than the third business day, the state law is not preempted by the federal law.

The Rhode Island law also requires commercial banks and savings institutions to make checks payable by a depository institution located in the First or Second Federal Reserve District (outside of Rhode Island) available on the seventh business day following deposit. To the extent that this provision applies to checks payable by institutions located outside the Boston check processing region, it provides for availability in the same time as required for nonlocal checks under the temporary federal schedule, and thus is not preempted by the federal law.

The Rhode Island statute does not specify whether it applies to deposits of checks at nonproprietary ATMs. Under the temporary schedule in Regulation CC, deposits at nonproprietary ATMs must be made available for withdrawal at the opening of the seventh business day after deposit. To the extent that the Rhode Island schedules provide for shorter availability for deposits at nonproprietary ATMs, they would supersede the temporary schedule.

**Exceptions to the Availability Schedules.** The Rhode Island law contains exceptions for reason to doubt collectibility or ability of the depositor to reimburse the depository bank, for new accounts, for large checks, and for foreign checks. In all cases where the federal availability schedule preempts the state schedule, only the federal exceptions will apply. For deposits that are covered by the state availability schedule, the state exceptions may be used to extend the state availability schedule to meet the federal availability schedule. Once the deposit is held up to the federal availability schedule limit under a state exception, the depository bank may further extend the hold under any federal exception that can be applied to the deposit. Thus, if the state and federal availability schedules are the same for a particular deposit, both a state and a federal exception must be applicable to that deposit in order to extend the hold beyond the schedule. Any time a depository bank invokes an exception to extend a hold beyond the time periods otherwise permitted by law, it must give notice of the extended hold to its customer, in accordance with § 229.13(g) of Regulation CC.

**Business Day/Banking Day.** The Rhode Island statute defines "business day" as excluding Saturday, Sunday and legal holidays. This definition is preempted by the Regulation CC definitions of "business day" and "banking day". Thus, for determining the permissible hold under the Rhode Island schedules that supersede the Regulation CC schedule, deposits

are considered made on the specified number of "business days" following the "banking day" of deposit.

### Disclosures

The Rhode Island statute requires written notice to depositors of an institution's check hold policy and requires a notice on deposit slips. Regulation CC preempts state disclosure requirements concerning funds availability that relate to accounts that are inconsistent with the federal requirements. The state requirements are different from, and therefore inconsistent with, the federal rules. (§ 229.20(c)(2)). Thus, Regulation CC preempts the Rhode Island disclosure requirements concerning funds availability.

### ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

#### Orders Issued Under Section 3 of the Bank Holding Company Act

Cenvest, Inc.  
Meriden, Connecticut

#### Order Approving Acquisition of a Bank

Cenvest, Inc., Meriden, Connecticut ("Cenvest"), has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(3)) ("BHC Act"), to acquire all of the outstanding voting shares of Meriden Trust and Safe Deposit Company, Meriden, Connecticut ("Bank").<sup>1</sup>

Notice of the application, affording an opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the BHC Act (53 *Federal Register* 26,661 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Cenvest, a savings bank holding company,<sup>2</sup> is the

1. Alternatively, in the event that another entity makes an acquisition proposal for Bank, Cenvest proposes to acquire up to 25 percent of the shares of Bank pursuant to a stock option agreement entered into between Cenvest and Bank.

2. Cenvest became a savings bank holding company under the provisions of the Competitive Equality Banking Act of 1987, Pub. L. No. 100-86, 101 Stat. 552, 557 (1987), which provides for the formation and operation of a savings bank holding company where a qualified savings bank constitutes at least 70 percent of the assets of the parent holding company. Cenvest's current subsidiary, Central Bank, Meriden, Connecticut, is such a qualified savings bank and constitutes approximately 99 percent of the total assets of Cenvest. Upon consummation of this transaction—comprising the acquisition of a commercial bank—Cenvest will remain a qualified savings bank holding company.

34th largest depository institution among commercial banks and thrifts in Connecticut, controlling deposits of \$301.4 million, representing less than one percent of the total deposits in such institutions in the state.<sup>3</sup> Bank is among the smaller commercial banks in Connecticut, controlling deposits of \$27 million, also representing less than one percent of the total deposits in commercial banks and thrifts in the state. Upon consummation of this proposal, Cenvest would become the 33rd largest depository institution among commercial banks and thrifts in Connecticut, and would control \$328.4 million in deposits, representing 0.5 percent of statewide commercial bank and thrift deposits. Consummation of this proposal would not increase significantly the concentration of banking resources in Connecticut.

Cenvest competes directly with Bank in the New Haven, Connecticut banking market.<sup>4</sup> Cenvest is the fifth largest banking organization in the market, with deposits of \$217.5 million, representing 6.9 percent of deposits in commercial banks.<sup>5</sup> Bank is the tenth largest banking organization in the market, with deposits of \$25.1 million, representing 0.8 percent of deposits in commercial banks. Upon consummation of the proposal, Cenvest would remain the fifth largest banking organization in the market, with deposits of \$242.6 million, representing 7.7 percent of the market's total deposits in commercial banks. In light of these factors and other facts of record, the Board concludes that consummation of this proposal would have no significant adverse effect on existing or potential competition in any relevant banking market.

The financial and managerial resources and future prospects of Cenvest, Central Bank, and Bank also are consistent with approval of the proposal.

In considering the convenience and needs of the communities to be served, the Board has taken into account the records of Cenvest and Bank under the Community Reinvestment Act ("CRA").<sup>6</sup> The CRA requires the federal banking agencies, in connection with their examination of financial institutions, to assess the record of banks under their supervision in meeting the credit needs of their entire communities, including the low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institutions. The CRA also requires the agencies to

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

4. The New Haven, Connecticut banking market is approximated by the New Haven RMA. Market data are as of June 30, 1986.

5. Central Bank, Cenvest's savings bank subsidiary, offers a full array of commercial bank products in those banking markets in which it operates. Accordingly, Central Bank is treated as a commercial bank for purposes of analyzing the competitive effects of this proposal.

6. 12 U.S.C. § 2901 *et seq.*

take these records into account when acting on certain applications involving the institutions.

The Board has received comments from The Reinvestment Alliance of Meriden ("RAM") regarding Cenvest's CRA performance generally and with particular respect to its subsidiary, Central Bank. RAM asserts that Central Bank has failed to identify the credit needs of low-income and minority members of the community it serves and has exhibited bias on the basis of race as well as income in its housing-related lending. RAM also maintains that Central Bank has participated to only a limited extent in government-supported or assisted credit programs and has contributed to the displacement of less affluent persons through the financing of conversions, reinforcing a general pattern of disinvestment in inner city neighborhoods.

In accordance with the Board's practice and procedure for handling protested applications,<sup>7</sup> the Federal Reserve Bank of Boston encouraged the parties to meet to clarify the issues under the CRA. The parties met and were unable to come to a resolution of their differences.

Pursuant to the requirements of the CRA, the Board has carefully reviewed the overall CRA record of Cenvest and of Central Bank in particular, and the comments of RAM. Initially, the Board notes that the most recent examination of Central Bank by the Federal Deposit Insurance Corporation revealed a satisfactory CRA performance. The examination indicated that Central Bank is an active participant in a number of mortgage programs, including FHA, VA, and Connecticut Housing Finance Authority loans.<sup>8</sup> Central Bank has also recently become a qualified lender under Connecticut's Downpayment Assistance Program aimed at assisting low- and moderate-income families in financing their homes.

An analysis of Home Mortgage Disclosure Act ("HMDA") census tract data for the Meriden-New Haven Metropolitan Statistical Area indicates that Central Bank's lending practices in integrated areas compare favorably with its lending practices in predominantly white areas.<sup>9</sup> Moreover, HMDA data in-

dicates that Central Bank continues to provide mortgage and home improvement loans throughout Meriden, and in 1986 Central Bank ranked third among 18 local lenders in the extension of home improvement loans to low- and moderate-income areas of Meriden.

While the amount of advertising focused on credit products of particular benefit to low- and moderate-income persons has decreased over the past few years, and the difference between lending in low-income areas and other areas has increased in recent years, Central Bank has made appropriate representations to address these concerns. In particular, it has indicated to the Board that it will:

- (1) continue its efforts to establish a regular pattern of contact with community organizations and government entities dealing with community credit needs;
- (2) continue its efforts, through advertising and direct contact, to apprise members of the community of its credit related banking services, especially those services provided in conjunction with government programs; and
- (3) continue to actively seek opportunities to collaborate with government entities, community groups, and/or other local financial institutions on community redevelopment projects.

Based upon the overall satisfactory CRA record of Central Bank, Applicant's additional representations, and other facts of record, the Board concludes that convenience and needs considerations in this case are consistent with approval of the application.<sup>10</sup>

Accordingly, based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. The acquisi-

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racially mixed tracts, versus 2.68 loans in the predominantly white ones.

10. RAM has also requested that the Board order a public meeting or hearing to receive public testimony on the issues presented by this application. Although section 3(b) of the BHC Act does not require a public meeting or hearing in this instance, the Board may, in its discretion, order a public meeting or hearing. See 12 C.F.R. § 262.3(e). In that regard, the Board's Rules of Procedure provide that a public meeting may be held to clarify factual issues related to an application or to provide an opportunity for interested persons to testify. 12 C.F.R. § 262.25(d). In addition, under the provisions of the Board's Regulation Y, 12 C.F.R. § 225.23(g), the Board shall order a hearing only if there are disputed issues of material fact that cannot be resolved in some other manner.

The Board has carefully considered RAM's requests for a public meeting or hearing. In accordance with the Board's guidelines, RAM and Cenvest have met privately to discuss this application and have exchanged extensive correspondence, all of which has been provided to the Board for its review. In the Board's view, the parties have had ample opportunity to present their arguments in writing and to respond to one another's submissions. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application. Accordingly, RAM's request for a public meeting or hearing on this application is hereby denied.

7. See 12 C.F.R. § 262.25(c).

8. This last program offers low- and moderate-income persons credit for home purchase or improvement at interest rates below those generally available.

9. In 1985, Central Bank made 15.62 mortgage loans per 1000 owner-occupied units in integrated tracts, and 13.25 loans in predominantly white tracts, where income ranged between 80 percent and 120 percent of the MSA median. For home improvement loans in the same tracts, 6.25 loans were made in the racially mixed neighborhoods, compared with 3.10 in the predominantly white neighborhoods. The differences for middle income areas are even more pronounced in 1986; Central Bank made 31.25 mortgage loans per 1000 owner-occupied units in integrated tracts, and 9.02 loans in their mostly white counterparts. Central Bank made 8.33 home improvement loans in the

tion 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 Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective October 20, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

### Comerica Incorporated Detroit, Michigan

#### *Order Approving Acquisition of a Bank Holding Company*

Comerica Incorporated, Detroit, Michigan ("Comerica"), a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) (the "Act"), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the outstanding voting shares of Grand Bancshares, Inc., Dallas, Texas ("Grand"), and thereby indirectly to acquire Grand Bank R.L. Thornton at Grand, Grand Bank, N.A., and Grand Bank Northeast, all of Dallas, Texas.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (53 *Federal Register* 10,429 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

The Douglas Amendment to the BHC Act prohibits the Board from approving an application by a bank holding company to acquire a bank located outside the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the state in which such bank is located, by language to that effect and not merely by implication."<sup>1</sup>

The Texas interstate banking statute permits out-of-state bank holding companies to acquire established Texas banks and bank holding companies.<sup>2</sup> The Texas

Banking Department has informed the Board that it has no objection to this proposal. In light of the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of Texas and thus is not prohibited by the Douglas Amendment.

Comerica is the second largest banking organization in Michigan, operating eleven subsidiary banks with total deposits of \$8.1 billion, representing 13.1 percent of the total deposits in commercial banks in Michigan.<sup>3</sup> Grand is the twenty-second largest commercial banking organization in Texas, controlling deposits of \$438.6 million, representing less than one percent of total deposits in commercial banks in the state. Consummation of the proposal would not have any significant adverse effect upon the concentration of banking resources in Michigan or Texas.

Comerica and Grand do not compete directly in any banking market. Accordingly, consummation of the proposal would not eliminate any significant existing competition in any relevant banking market. Consummation also would not have any significant adverse effect on probable future competition in any relevant banking market.

The financial and managerial resources of Comerica, Grand, and their subsidiaries are consistent with approval.

In considering the convenience and needs of the community to be served, the Board has taken into account the record of Comerica's banks under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA") and various consumer compliance statutes. The CRA requires the federal bank supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the 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." The Board is required to "take such record into account in its evaluation" of applications under section 3 of the BHC Act.

The Board's experience over the years in examining bank performance under the CRA has indicated that institutions with the most effective programs to help meet community credit needs share a number of

1. 12 U.S.C. § 1842. A bank holding company's home state for purposes of the Douglas Amendment is that state in which the total deposits of its banking subsidiaries were largest on July 1, 1966, or on the date it became a bank holding company, whichever date is later.

2. Tex. Rev. Civ. Stat. Ann. art. 342-916 (Vernon 1988). The Board has previously approved the acquisition of Texas banks by out-of-

state bank holding companies. See e.g., *Chemical New York Corporation*, 73 FEDERAL RESERVE BULLETIN 378 (1987); *State First Financial Corporation*, 73 FEDERAL RESERVE BULLETIN 307 (1987).

3. State banking data are as of June 30, 1987. All other data are as of March 31, 1988. Comerica also operates a bank in Toledo, Ohio.

elements. These institutions maintain outreach programs which include procedures to permit effective communication between the bank and various segments of the community and formalized methods for incorporating findings regarding community credit needs into the development and delivery of products and services. They monitor institutional performance at senior management levels and periodically evaluate new opportunities for innovative lending programs, such as home mortgage and neighborhood residential rehabilitation lending and similar programs, to meet specific community credit needs, including those of low- and moderate-income persons. An effective program also includes the use of specifically designed marketing and advertising plans to stimulate public-awareness of the bank's services throughout the community, including low- and moderate-income neighborhoods, as well as support of community development projects and programs.

In this case, in accordance with the requirements of the CRA, the Board has given careful attention to the most recent CRA examination of Comerica's lead bank, Comerica Bank - Detroit, Detroit, Michigan ("Bank"), which was completed by the Federal Reserve Bank of Chicago in December 1987. That examination noted certain important deficiencies in Bank's CRA performance. On July 29, 1988, the Commissioner of the Michigan Financial Institutions Bureau ("Commissioner"), in acting on this application under provisions of Michigan law, also noted certain areas for improvement in Bank's CRA performance. The Commissioner conditioned his approval of the application on, among other things, the adoption by Comerica of a satisfactory written plan for enhancing Bank's investment in the city of Detroit.

In response to the concerns noted in the examination, Comerica and Bank, in April 1988, generated and submitted to the Federal Reserve an extensive plan to improve Bank's CRA performance, particularly with respect to credit ascertainment and outreach to its community. This CRA plan is designed to ensure that Bank's services reach all areas of the city of Detroit and respond to the needs identified by its citizens. As part of Comerica's proposal to the Board, Comerica intends to increase its efforts to ascertain the credit needs of the city of Detroit by providing additional training to its managers regarding Bank's CRA policies and programs and by requiring its CRA officers and branch managers to meet frequently with representatives of local community organizations to discuss the credit needs of the community. In addition, Comerica representatives have begun working with Detroit community organizations through seminars and credit surveys to develop mortgage lending programs that address the credit needs of residents of low- and

moderate-income and minority communities in Detroit.

Comerica will increase its advertising, particularly with regard to home equity, home improvement, and home mortgage loans, in newspapers of general circulation as well as minority newspapers and other media. Comerica also has expanded its realtor call program to include realtors operating in the city of Detroit. With regard to its lending operations, Comerica has committed to participate more actively in government sponsored housing-related lending programs.

Subsequent to submitting the CRA plan to the Board, Comerica submitted a CRA plan to the Commissioner in accordance with his July 29, 1988 Order. That plan contains certain additional elements not present in the plan submitted to the Board.<sup>4</sup> On September 19, 1988, the Commissioner issued a letter stating that this latter plan was satisfactory and consistent with approval of Comerica's application.

Comerica's CRA plan, as submitted to the Board, contains the elements that, in the Board's experience, reflect a strong CRA commitment. When properly implemented, the Board believes the plan would correct the deficiencies in Bank's CRA performance, and Bank's actions since adoption of the plan have shown satisfactory progress toward correction of deficiencies. While certain aspects of the plan have not been fully implemented, the Board has stated that an applicant's commitments to correct deficiencies in its CRA performance are an important aspect of the Board's role in encouraging performance under CRA.<sup>5</sup> Accordingly, on the basis of the record, including Comerica's commitments to the Board regarding its CRA plan, and the steps it has taken to implement that plan, the Board believes that considerations relating to the convenience and needs of the communities to be served are consistent with approval.<sup>6</sup>

4. Under the plan submitted to the Commissioner, Bank has made certain specific financial commitments to a number of state and local authorities and community programs with regard to mortgage, home improvement, small business and consumer loans, as well as with regard to small and large community development projects. Bank also committed to adopt more liberal underwriting criteria with regard to certain home improvement and mortgage loans, and has committed to increase the number of minority and bilingual lending officers in its branches. Comerica also will explore the establishment of a community development corporation.

5. See *Advance Bancorp, Inc.*, 72 FEDERAL RESERVE BULLETIN 834 (1986); Board statement of January 3, 1980, 2 Federal Reserve Regulatory Service ¶6-1312.

6. The Board received a protest concerning Bank's CRA performance from the Detroit Committee for Responsible Banking ("Protestant"). Protestant alleged that Comerica exercises a corporate policy that prohibits investment in community development and redevelopment projects in the city of Detroit. Protestant later withdrew the protest based on Bank's "commitment to devote its resources and talents to achieving the goals specified in [its revised CRA] plan." Letter dated September 13, 1988, from Protestant to the Federal Reserve Bank of Chicago.

The Board will carefully scrutinize all future applications to determine Comerica's progress in fulfilling its CRA obligations and improving its service to the convenience and needs of its community. In connection with its approval of this case, the Board has directed the Federal Reserve Bank of Chicago to monitor the progress of Bank in strengthening its CRA performance and implementing its CRA plan as submitted to the Board, and as a condition of its approval, Comerica and Bank shall continue to submit quarterly reports to the Reserve Bank concerning the plan and Bank's CRA program.

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

By order of the Board of Governors, effective October 19, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

## Dime Financial Corporation Wallingford, Connecticut

### *Order Approving Acquisition of Banks*

Dime Financial Corporation, Wallingford, Connecticut ("Dime"), has applied for the Board's approval pursuant to section 3(a)(1) of the Bank Holding Company Act ("Act"), 12 U.S.C. § 1841 *et seq.*, to become a bank holding company by acquiring 100 percent of the voting shares of The Dime Savings Bank of Wallingford, Wallingford, Connecticut ("Dime Bank"), and 100 percent of the voting shares of City Savings Bank of Meriden, Meriden, Connecticut

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The Board also received an untimely comment from an individual alleging that Comerica is not meeting its CRA commitments because Bank refused to extend a loan to him. The Board has reviewed this individual's comments and Comerica's response and concludes that the individual's allegations do not warrant denial of the application.

("City Bank").<sup>1</sup> Dime Bank and City Bank are FDIC-insured savings banks.<sup>2</sup>

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (53 *Federal Register* 29,523 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

Dime, a non-operating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Dime Bank and City Bank. Dime Bank is the 35th largest depository institution in Connecticut, with deposits of \$296.5 million, representing less than 1.0 percent of the total deposits in depository institutions in Connecticut.<sup>3</sup> City Bank is one of the smaller depository institutions in Connecticut, with deposits of \$111.4 million, representing less than 1.0 percent of the total deposits in those organizations. Upon consummation of this proposal, Dime would become the 28th largest depository institution in Connecticut, controlling deposits of \$407.9 million, representing less than 1.0 percent of the total deposits in depository institutions in Connecticut. Consummation of this proposal would not have a significant adverse effect on the concentration of banking resources in Connecticut.

Dime Bank and City Bank compete directly in the New Haven banking market.<sup>4</sup> Dime Bank is the eighth largest banking institution in the market, controlling 3.9 percent of the total deposits.<sup>5</sup> City Bank is the 17th largest banking institution in the market, controlling 1.3 percent of the total deposits in banking organizations in the market. Upon consummation of this proposal, Dime would become the eighth largest banking institution in the market, controlling 5.2 percent of the

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1. Alternatively, in the event that another entity makes an acquisition proposal for City Bank, Dime proposes to acquire 24.9 percent of the voting shares of City Bank pursuant to a stock option agreement entered into between Dime Bank and City Bank. Dime Bank will transfer the stock option to Dime.

As part of this transaction, Dime will indirectly acquire 7.1 percent of Meriden Trust and Safe Deposit Company, Meriden, Connecticut, which is currently owned by City Bank. Cenvest, Inc., Meriden, Connecticut, received Board approval on October 20, 1988, to exchange its stock for 100 percent of the voting shares of Meriden Trust and Safe Deposit Company, Meriden, Connecticut ("Meriden"), and upon consummation of that acquisition, Dime and City Bank will reduce their ownership to less than 5 percent of the shares of Cenvest, Inc.

2. As FDIC-insured institutions, Dime Bank and City Bank would qualify as banks under section 2(c) of the Act, as amended by 101(a) of the Competitive Equality Banking Act of 1987, Pub. L. No. 100-86, 101 Stat. 552, 554 (1987) (to be codified at 12 U.S.C. § 1841(c)).

3. State banking data are as of December 31, 1987.

4. The New Haven banking market is approximated by the New Haven, Connecticut, Ranally Metro Area.

5. Market data are as of June 30, 1986.

deposits in banking organizations in the market. The four-firm concentration ratio would remain 51.0 percent and the Herfindahl-Hirschman Index ("HHI") would increase by 10 points to 863.<sup>6</sup> Based upon these and other facts of record, the Board concludes that consummation of this proposal would not have a substantial adverse effect on competition in the New Haven banking market.<sup>7</sup>

The financial and managerial resources of Dime, Dime Bank and City Bank are considered satisfactory and consistent with approval.

In considering the convenience and needs of the communities to be served, the Board has considered the records of Dime Bank and City Bank under the Community Reinvestment Act ("CRA"), as well as the comments of the Reinvestment Alliance of Meriden ("RAM"). The CRA requires the Board to assess the record of banks in meeting the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with their safe and sound operation, and to take those records into account in the Board's evaluation of bank holding company applications.<sup>8</sup>

RAM alleges that Dime Bank and City Bank have not adequately met the credit needs of low-income and minority persons in Meriden and have exhibited bias on the basis of race as well as income in their housing-related lending. RAM also asserts that City Bank has failed to make loans for multi-family dwellings and that both Dime Bank and City Bank have participated only to a limited extent in government-supported or assisted credit programs, contributing to the displacement of low-income and minority persons through the financing of conversions, and reinforcing a general pattern of disinvestment in inner city neighborhoods. In particular, RAM has identified specific low- and

moderate-income areas and predominantly minority neighborhoods that RAM believes are not adequately served by City Bank and Dime Bank.<sup>9</sup>

The Board notes that Dime Bank and City Bank have achieved satisfactory overall CRA ratings based upon their most recent compliance examinations. The Board also notes that Dime Bank's delineated community does not include Meriden and that neither RAM nor the FDIC has criticized Dime Bank's delineation of its community.

An analysis of Home Mortgage Disclosure Act ("HMDA") data for the Meriden-New Haven Metropolitan Statistical Area ("MSA") indicates that, during the period from 1984 to 1986, City Bank made at least 24.0 percent of its conventional home mortgage loans in the Meriden census tracts identified by RAM.<sup>10</sup> In addition, during 1984 through 1986, City Bank made between 17.0 percent and 27.0 percent of its home improvement loans in the Meriden census tracts identified by RAM.<sup>11</sup> Dime Bank has also made conventional home mortgage loans in RAM's targeted Meriden census tracts, even though these census tracts are outside the delineated community for Dime Bank. The Board also notes that two of the three branch offices of City Bank are in low- and moderate-income census tracts identified by RAM.

Although City Bank does not currently participate in government-supported lending programs, Dime Bank is a certified FHA, VA, Small Business Administration Lender and Connecticut Housing Finance Authority lender.<sup>12</sup> Dime has stated that upon consummation of this proposal it will cause Dime Bank to assist City Bank in participating in the Connecticut Housing Finance Authority program and will study the need for extending FHA and VA mortgage lending programs in Meriden. Dime has agreed to coordinate the efforts of Dime Bank and City Bank, with assistance from the Urban Preservation of Meriden, Inc., to make Connecticut Housing Finance Authority loans available to low- and moderate-income persons in Meriden, as well as other appropriate lending facilities. Dime will also make SBA loans available in Meriden. Dime has also

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

7. Dime Bank and City Bank engage in Savings Bank Life Insurance ("SBLI") activities pursuant to state law. These activities are expressly authorized for qualified savings banks under the Act as amended by the Competitive Equality Banking Act of 1987. Dime meets all the requirements set out by the Act for bank holding companies that desire to engage in SBLI activities through qualified savings bank subsidiaries. 101 Stat. at 562 (to be codified at 12 U.S.C. § 1842(f)(3)).

8. 12 U.S.C. § 2901 *et seq.*

9. RAM contends that this lending is not sufficient in these areas based upon a comparison of the number of housing units in these census tracts. The Board notes, however, that the figures used by RAM to compute housing units include a significant number of rental units, and RAM appears to have included one census tract that is neither a low- and moderate-income neighborhood nor a predominantly minority neighborhood.

10. These ratios are 24.0 percent in 1984, 25.0 percent in 1985 and 24.0 percent in 1986.

11. These ratios are 19.0 percent in 1984, 27.0 percent in 1985 and 17.0 percent in 1986.

12. The Connecticut Housing Finance Authority program offers low- and moderate-income persons credit for home purchase or improvement at interest rates below those generally available.

indicated that Dime Bank will implement a program at City Bank for offering loans for multi-family dwellings and for non-owner occupied 1-4 family dwellings in Meriden.

In addition, Dime Bank currently advertises the availability of its services in the Meriden daily newspaper and engages in direct mail solicitation. Upon consummation of this acquisition, Dime intends to continue these advertising programs and include Meriden residents in Dime Bank's direct mail solicitation. Dime also intends to establish a similar direct mail solicitation program for City Bank. Dime Bank also will continue its efforts to ascertain the credit needs of the community through contact with community organizations and periodic consumer surveys and will assist City Bank in these efforts. Moreover, Dime Bank and City Bank have expressed a willingness to participate in housing seminars conducted by certain local community organizations.

Based on the overall satisfactory CRA records of Dime Bank and City Bank, the facts and representations described in this Order and all the other facts of record, the Board concludes that convenience and needs considerations are consistent with approval of this application.<sup>13</sup>

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

By order of the Board of Governors, effective October 26, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

13. The Board has also considered RAM's request for a public meeting under section 262.25(d) of the Board's regulations and a public hearing under the Act. Although section 3(b) of the Act does not require a public meeting or hearing in this instance, the Board may, in its discretion, order a public meeting or hearing. See 12 C.F.R. § 262.3(e). In that regard, the Board's Rules of Procedure provide that a public meeting may be held to clarify factual issues related to an application or to provide an opportunity for interested persons to testify. 12 C.F.R. § 262.25(d). In this case, both RAM and Dime have been given the opportunity to submit written facts and arguments to the Board regarding the records of Dime Bank and City Bank in meeting the convenience and needs of their communities and have submitted extensive comments on these matters. In light of this, the Board has determined to deny RAM's request for a public meeting and a formal hearing at this time.

U.S. Bancorp  
Portland, Oregon

*Order Approving the Acquisition of a Bank*

U.S. Bancorp, Portland, Oregon, a bank holding company within the meaning of the Bank Holding Company Act ("Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act, 12 U.S.C. § 1842(a)(3), to acquire 100 percent of the voting shares of Northwestern Commercial Bank, Bellingham, Washington ("Northwestern Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (53 *Federal Register* 26,312 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

The Douglas Amendment to the Act prohibits the Board from approving an application by a bank holding company to acquire a bank located outside of the bank holding company's home state, unless such acquisition is specifically authorized by the statute laws of the state in which the bank is located, by language to that effect and not merely by implication. 12 U.S.C. § 1842(d). U.S. Bancorp's home state is Oregon. The Board has previously determined that Washington has by statute specifically authorized an Oregon bank holding company to acquire a Washington bank or bank holding company.<sup>1</sup> Accordingly, approval of U.S. Bancorp's proposal to acquire Northwestern Bank is not barred by the Douglas Amendment.

U.S. Bancorp is the largest commercial banking organization in Oregon, controlling three banks in Oregon with total deposits of approximately \$5.8 billion, representing 39.8 percent of the total deposits in commercial banking organizations ("total bank deposits") in the state.<sup>2</sup> U.S. Bancorp also operates three banks in Washington, where it is the fourth largest commercial banking organization in the state, controlling deposits of approximately \$2.0 billion, representing 7.8 percent of the total bank deposits in the state.

Northwestern Bank is the 19th largest commercial banking organization in Washington, controlling deposits of \$90.3 million, representing less than 1.0 percent of the total bank deposits in the state. Upon consummation of this proposal, U.S. Bancorp would remain the fourth largest commercial banking organization in Washington, controlling deposits of \$2.1

1. *U.S. Bancorp*, 73 FEDERAL RESERVE BULLETIN 941 (1987).

2. State banking data are as of December 31, 1987. U.S. Bancorp also controls one bank in Utah.

billion, representing 8.1 percent of the total bank deposits in the state. Accordingly, consummation of this proposal would not have any significant adverse effect on the concentration of banking resources in Washington.

U.S. Bancorp's subsidiary banks compete directly with Northwestern Bank in the Whatcom County and Bellingham metropolitan banking markets.

In the Whatcom County banking market,<sup>3</sup> U.S. Bancorp is the third largest of nine commercial banking organizations, controlling deposits of \$95.8 million, representing 14.9 percent of the total bank deposits in the market.<sup>4</sup> Northwestern Bank is the fourth largest commercial banking organization in the market, controlling deposits of \$78.4 million, representing 12.2 percent of the total bank deposits in the market. Upon consummation of this proposal, U.S. Bancorp would become the largest commercial banking organization in the market, controlling deposits of \$174.2 million, representing 27.1 percent of the total bank deposits in the market. The four-firm concentration ratio would increase by 11.0 percentage points to 81.5 percent and the Herfindahl-Hirschman Index ("HHI") would increase by 363 points to 1943.<sup>5</sup>

In the Bellingham metropolitan banking market,<sup>6</sup> U.S. Bancorp is the third largest of eight commercial banking organizations, controlling deposits of \$69.9 million, representing 15.6 percent of the total bank deposits in the market.<sup>7</sup> Northwestern Bank is the second largest commercial banking organization in the market, controlling deposits of \$73.5 million, representing 16.4 percent of the total bank deposits in the market. Upon consummation of this proposal, U.S. Bancorp would become the largest commercial banking organization in the market, controlling deposits of \$143.4 million, representing 32.1 percent of the total bank deposits in the market. The four-firm concentra-

tion ratio would increase by 13.9 percentage points to 89.3 percent and the HHI would increase by 514 points to 2278.

Although consummation of this proposal would eliminate some existing competition between U.S. Bancorp and Northwestern Bank in the Whatcom County and Bellingham metropolitan banking markets, numerous other commercial banks would continue to operate in each market after consummation of this proposal. In addition, the Board has considered the presence of thrift institutions in these banking markets in its analysis of this proposal.<sup>8</sup> These institutions account for a significant percentage of the total deposits in each market.<sup>9</sup> Based upon the size and market share of thrift institutions in the markets, the Board has concluded that thrift institutions exert a significant competitive influence that mitigates the anticompetitive effects of this proposal in the Whatcom County and Bellingham metropolitan banking markets.<sup>10</sup>

On the basis of the foregoing and other facts of record, the Board concludes that consummation of this proposal would not have a substantial adverse effect on existing competition in the Whatcom County and Bellingham metropolitan banking markets.

The financial and managerial resources of U.S. Bancorp and Northwestern Bank are considered satisfactory and consistent with approval.

In considering the convenience and needs of the communities to be served, the Board has taken into account U.S. Bancorp's record under the Community Reinvestment Act ("CRA"), 12 U.S.C. § 2901 *et seq.* The CRA requires the Board, in its evaluation of a bank holding company application, to assess the record of an applicant in meeting the credit needs of

3. The Whatcom County banking market is approximated by Whatcom County, Washington, exclusive of the Bellingham, Washington, Ranally Metropolitan Area.

4. Market banking data are as of June 30, 1986.

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

6. The Bellingham metropolitan banking market is approximated by the Bellingham, Washington, Ranally Metropolitan Area (RMA).

7. Market banking data are adjusted to reflect U.S. Bancorp's June 30, 1988, acquisition of Mt. Baker Bank, Bellingham, Washington.

8. The Board has previously indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *National City Corporation*, 70 *FEDERAL RESERVE BULLETIN* 743 (1984); *NCNB Bancorporation*, 70 *FEDERAL RESERVE BULLETIN* 225 (1984); *General Bancshares Corporation*, 69 *FEDERAL RESERVE BULLETIN* 802 (1983); and *First Tennessee National Corporation*, 69 *FEDERAL RESERVE BULLETIN* 298 (1983).

9. Thrift institutions control 33.8 percent of the combined deposits of banks and thrifts in the Whatcom banking market and 39.8 percent of the combined deposits of banks and thrifts in the Bellingham metropolitan banking market.

10. If 50 percent of deposits held by thrift institutions in the Whatcom County banking market were included in the calculation of market concentration, the share of total deposits held by the four largest organizations in the market would be 66.8 percent. U.S. Bancorp would control 11.9 percent of the market's deposits and Northwestern Bank would control 9.7 percent of the market's deposits. The HHI would increase by 231 points to 1386.

If 50 percent of deposits held by thrift institutions in the Bellingham metropolitan banking market were included in the calculation of market concentration, the share of total deposits held by the four largest organizations in the market would be 68.5 percent. U.S. Bancorp would control 11.8 percent of the market's deposits and Northwestern Bank would control 12.4 percent of the market's deposits. The HHI would increase by 290 points to 1494.

the entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation. The Board has received comments from Lane County Fair Share/Friends of Lincoln School, Eugene, Oregon ("Protestant"), regarding U.S. Bancorp's CRA record. Protestant alleges that U.S. Bancorp's subsidiary, U.S. National Bank of Oregon, Eugene, Oregon ("U.S. Bank"), has failed to adequately assess and serve the credit needs of low- and moderate-income persons in Eugene's central and west-side neighborhoods.<sup>11</sup>

U.S. Bancorp has met privately with Protestant to discuss the issues raised by the comments. U.S. Bancorp has stated that it will arrange future meetings between staff of U.S. Bank's Eugene branch and Protestant's representative, regarding development of a project proposed by Protestant to renovate Lincoln School and transform it into a community services center. U.S. Bank staff will assist Protestant in the further development of its proposal to renovate Lincoln School.

In accordance with the Board's practice and procedures,<sup>12</sup> the Board has reviewed Protestant's allegations, U.S. Bancorp's response to the allegations and the records of U.S. Bancorp's subsidiary banks and Northwestern Bank in meeting the convenience and needs of its community.

An analysis of U.S. Bank's CRA record reveals that U.S. Bank and Northwestern Bank have achieved satisfactory overall CRA ratings based upon the most recent compliance examinations conducted by their primary supervisory agencies. U.S. Bank offers several programs designed to meet the credit needs of low- and moderate-income persons, including the following:

1. "Opportunity loans" designed to enable individuals with job skills, who would otherwise not be considered creditworthy, to start businesses;
2. Below-market rate weatherization loans, offered in cooperation with the state of Oregon, to enable homeowners to reduce energy costs; and
3. Line of credit to the Portland Development Commission for rehabilitation of deteriorating housing in the Portland area and to build low-income housing.

In addition, during 1987, U.S. Bank acted as underwriter for municipal securities issued by Eugene-Springfield and invested in bond issues by local school, fire, and park and recreation districts.

Although U.S. Bank did not originate directly any mortgage loans in the low- and moderate-income census tracts identified by Protestant, its mortgage banking subsidiary has originated loans in those census tracts. The Board also notes that before 1986, U.S. Bank's lending record does not establish a pattern of excluding low- and moderate-income census tracts.

With regard to Protestant's allegations relating to U.S. Bank's compliance with CRA procedures, the Office of the Comptroller of the Currency determined during its most recent compliance examination that U.S. Bank's delineation of the entire state of Oregon as its designated community was appropriate because U.S. Bank's widely dispersed branches enable it to provide services throughout Oregon. In addition, U.S. Bank's CRA statement is reviewed annually by its Board of Directors and contains the required information.

Accordingly, based on the overall satisfactory CRA records of U.S. Bancorp's subsidiary banks and Northwestern Bank, and all the facts of record, the Board concludes that convenience and needs considerations are consistent with approval of this application.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. The acquisition of Northwestern Bank 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 San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective October 11, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

*Orders Issued Under Section 4 of the Bank Holding Company Act*

CoreStates Financial Corp  
Philadelphia, Pennsylvania

*Order Approving Application to Engage in Underwriting and Dealing in Certain Securities to a Limited Extent*

CoreStates Financial Corp, Philadelphia, Pennsylvania, a bank holding company within the meaning of the

11. Protestant alleges that:  
(1) there are large geographic gaps in U.S. Bank's lending;  
(2) U.S. Bank's community delineation, which includes the entire state of Oregon, is unreasonable; and  
(3) U.S. Bank's CRA statement is outdated.  
12. 12 C.F.R. § 262.25(c).

Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) (“BHC Act”), has applied for the Board’s approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board’s Regulation Y (12 C.F.R. § 225.23) to engage *de novo* through CoreStates Securities Corp., Philadelphia, Pennsylvania (“Company”), on a limited basis in underwriting and dealing in:

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

Applicant has also applied to act as agent and adviser to issuers of commercial paper and other short-term promissory notes in connection with the placement of such notes with institutional customers. In addition, Applicant proposes to underwrite and deal in securities that state member banks are permitted to underwrite and deal in under the Glass–Steagall Act (hereinafter “bank-eligible securities”) as permitted by section 225.25(b)(16) of Regulation Y (12 C.F.R. § 225.25(b)(16)). Company currently engages in securities brokerage activities pursuant to section 225.25(b)(15) of Regulation Y (12 C.F.R. § 225.25(b)(15)).

Applicant, with consolidated assets of \$15.4 billion, is the 38th largest banking organization in the nation. It operates four subsidiary banks and engages directly and through subsidiaries in a broad range of permissible nonbanking activities.<sup>1</sup>

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (53 *Federal Register* 33,848 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has previously determined that underwriting and dealing in bank-eligible securities and commercial paper placement are closely related to banking under section 4(c)(8) of the BHC Act. 12 C.F.R. § 225.25(b)(16); *Bankers Trust New York Corporation*, 73 FEDERAL RESERVE BULLETIN 138 (1987) (“*Bankers Trust*”); and *The Bank of Montreal*, 74 FEDERAL RESERVE BULLETIN 500 (1988). Applicant has proposed to place commercial paper in accordance with the terms and conditions of the Board’s prior decisions.

The Board has also previously determined that the

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

Consummation of the proposal would provide added convenience to Applicant’s customers. In addition, the Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.<sup>3</sup>

Based on the above, the Board has determined to approve the underwriting application subject to all of the terms and conditions established in section 225.25(b)(16) of Regulation Y and the *Citicorp/Morgan/Bankers Trust*, *Chemical* and *Bankers Trust Orders*,<sup>4</sup> except the market share limitation.<sup>5</sup> As in

2. *Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation*, 73 FEDERAL RESERVE BULLETIN 473 (1987) (“*Citicorp/Morgan/Bankers Trust*”), *aff’d sub nom., Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 108 S. Ct. 2830 (1988) (“*SIA v. Board*”); and *Chemical New York Corporation, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp, Manufacturers Hanover Corporation and Security Pacific Corporation*, 73 FEDERAL RESERVE BULLETIN 731 (1987) (“*Chemical*”).

3. Company may also provide services that are necessary incidents to these approved activities. The incidental services should be taken into account in computing the gross revenue limit on the underwriting subsidiary’s ineligible underwriting and dealing activities, to the extent such limits apply to particular incidental activities.

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

5. In light of the decision in *SIA v. Board*, the Board has determined not to limit Company’s ineligible activities based upon a market share limitation.

1. Ranking is as of March 31, 1988. All other data are as of June 30, 1988.

*Bank of Montreal*, Applicant's commercial paper placement activity is not subject to quantitative limitations.

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

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

By order of the Board of Governors, effective October 11, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

## First Bancorporation of Ohio Akron, Ohio

### *Order Approving Acquisition of a Federal Savings Bank*

First Bancorporation of Ohio, Akron, Ohio ("First Bancorporation"), a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) (the "BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act and section 225.23 of the Board's Regulation Y (12 C.F.R. § 225.23), to acquire all of the voting shares of the successor by merger to Peoples Federal Savings Bank, Wooster, Ohio ("Peoples Bank"), an insolvent thrift institution.<sup>1</sup> Upon consummation of the proposed acquisition, Peoples Bank will operate as a federal savings bank in Ohio.

First Bancorporation, with total consolidated assets of \$2.6 billion, is the 10th largest commercial banking

organization in Ohio.<sup>2</sup> It presently operates three banking subsidiaries and engages in permissible credit-related insurance activities through its subsidiary, FBOH Credit Life Insurance Company.

Peoples Bank, with total assets of \$385.4 million, is the 25th largest savings institution in Ohio. Peoples Bank currently operates 11 branches in Ohio and controls an inactive service corporation subsidiary.<sup>3</sup>

By letter dated October 20, 1988, the Federal Home Loan Bank Board ("Bank Board") requested that the Board approve this application to acquire Peoples Bank under the Bank Board's Expedited Case Processing Program for failing thrift institutions. The Bank Board has indicated that Peoples Bank has incurred significant operating losses over a prolonged period, and has reported a negative net worth for over 2½ years. The Bank Board urged the Board to approve this application in order to restore public confidence in Peoples Bank, maintain confidence in the savings and loan industry generally, and stabilize the daily increasing potential cost to the FSLIC. The Bank Board based its request on both the deteriorating and volatile condition of Peoples Bank, as well as on the substantial public benefits of the proposal, including the significant and stabilizing capital injections proposed by First Bancorporation and the FSLIC.

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been duly published (53 *Federal Register* 32,665 (1988)).<sup>4</sup> The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has determined previously that the operation of a federal savings bank (and thrift institutions generally) is closely related to banking.<sup>5</sup> The Board-

2. Asset data are as of December 31, 1987.

3. First Bancorporation has committed that its service corporation will not engage in any activities without the prior approval of the Board.

4. The Board is authorized by statute and regulation to waive or shorten the usual notice and comment period, as well as the hearing requirements normally accorded section 4 applications, in the case of failing thrift acquisitions. Under these provisions, the Board is required to determine, with the concurrence of the primary Federal regulator of the thrift being acquired, that an emergency exists which requires the Board to act immediately on an application to acquire a failing thrift institution. 12 U.S.C. § 1843(c)(8); 12 C.F.R. § 225.23(i). The Bank Board has concurred that an emergency exists and has requested that the Board act immediately on the application. Accordingly, the Board provided for a shortened public comment period in light of the deteriorating condition of Peoples Bank.

5. See e.g., *Citicorp*, 72 FEDERAL RESERVE BULLETIN 724 (1986); *First Pacific Investments Limited*, 72 FEDERAL RESERVE BULLETIN 342 (1986); *F.N.B. Corporation*, 71 FEDERAL RESERVE BULLETIN 340 (1985).

1. Peoples Bank is currently operated as a mutual thrift institution, and will be converted to a federal stock savings bank by the Federal Savings and Loan Insurance Corporation (the "FSLIC") in an involuntary supervisory conversion. Peoples Bank will then be merged into a *de novo* federal stock savings bank, which will retain the name Peoples Federal Savings Bank. Peoples Bank also will retain its FSLIC deposit insurance.

also has determined that, as a general matter, operation of a thrift institution was not a proper incident to banking because the potential adverse effects of generally allowing affiliations of banks and thrifts, at the time of its initial consideration of this issue, were then sufficiently strong to outweigh any public benefits that might result from individual cases. *D.H. Baldwin & Co.*, 63 FEDERAL RESERVE BULLETIN 280 (1977).<sup>6</sup> The Board, however, has consistently regarded the BHC Act as authorizing it to permit such an acquisition, and has approved several such proposals involving failing thrift institutions on the basis that any adverse effects would be outweighed by the public benefits of preserving the failing thrift institutions.<sup>7</sup>

Based upon the Board's review of the record, the Board has determined that substantial benefits to the public in this case outweigh the generalized adverse effects found by the Board in the *D.H. Baldwin* case. The Board believes First Bancorporation's acquisition of Peoples Bank will result in substantial and compelling public benefits in that First Bancorporation will provide Peoples Bank with significant financial and managerial resources sufficient to enhance its future prospects, enabling Peoples Bank to continue its operations and remain a viable competitor.

As the Board previously has noted, bank holding companies contemplating expansion proposals are expected to maintain consolidated capital levels significantly above the minimums set forth in the Board's Capital Adequacy Guidelines and without undue reliance on intangibles, particularly goodwill. In that regard, First Bancorporation is a strongly capitalized institution, and will remain so on a consolidated basis upon consummation of the proposal. Moreover, in accordance with its prior rulings in this area, the Board expects that First Bancorporation will cause Peoples Bank to achieve and maintain levels of capital consistent with those applying to banking organizations generally as soon as possible, and in any case within one year.

The proposed acquisition would not substantially lessen or otherwise decrease competition in any relevant market. On the contrary, the acquisition would have the substantial beneficial effect of preserving Peoples Bank as an effective competitor. In that regard, both First Bancorporation and Peoples Bank

engage in deposit taking<sup>8</sup> and lending activities within the Akron, Ohio banking market.<sup>9</sup> In view of Peoples Bank's small market share, the moderately concentrated nature of the market and the *de minimis* increase in concentration resulting from this proposal, the deteriorating condition of Peoples Bank, and the fact that 25 other bank and thrift institutions would remain in the market, the Board concludes that the acquisition would have no substantial adverse effect on existing competition in the market. In addition, the Board concludes that consummation of this proposal would not have a significant adverse effect on probable future competition in any relevant market.

To guard against possible adverse effects of affiliation between a banking organization and a savings bank, the Board conditions its approval as follows:

1. First Bancorporation will operate Peoples Bank as a federal savings bank having as its primary purpose the provision of residential housing credit. Peoples Bank will limit its activities to those currently permitted to thrift institutions under the Home Owners' Loan Act, but shall not engage in any activity prohibited to bank holding companies and their subsidiaries under section 4(c)(8) of the BHC Act.<sup>10</sup>
2. Peoples Bank will not establish or operate a remote service unit at any location outside of Ohio.
3. Peoples Bank will not establish or operate branches at locations not permissible for national banks located in Ohio.
4. First Bancorporation shall not change Peoples Bank's name to any title that might confuse the public regarding its status as a nonbank thrift institution.
5. Peoples Bank will not convert its charter to that of a national or state commercial bank without the Board's prior approval.

The Board concludes that consummation of the proposal, subject to the conditions set out above, would not result in conflicts of interests, unsound

8. Within the Akron, Ohio banking market (see below), First Bancorporation is the largest depository institution among banks and thrift institutions in the market, with total deposits of \$1.2 billion, representing approximately 21.1 percent of market deposits in such institutions. Peoples Bank is the 11th largest depository institution among banks and thrifts in the market, with total deposits of \$70.6 million, representing approximately 1.2 percent of the total deposits in banks and thrifts in the market. Upon consummation of the proposal, First Bancorporation would control 22.3 percent of the total deposits of banks and thrifts in the market. The market would remain moderately concentrated. Market data are as of June 30, 1987.

9. The Akron, Ohio banking market is approximated by the southern two-thirds of Summit and Portage counties, Milton and Chippewa townships in Wayne County, Lawrence and the western half of Lake Township in Stark County, and the southernmost tier of townships (including Sharon Township) in Medina County.

10. These limitations also apply to Peoples Bank's currently inactive service corporation subsidiary.

6. The Board has invited public comment on a proposal to reexamine the position espoused in its *D.H. Baldwin* Order. 52 *Federal Register* 36,041 (1987).

7. See e.g., *F.N.B. Corporation*, *supra*; *The Chase Manhattan Corporation*, 71 FEDERAL RESERVE BULLETIN 462 (1985); *Interstate Financial Corp.*, 68 FEDERAL RESERVE BULLETIN 316 (1982).

banking practices, decreased or unfair competition, undue concentration of resources, or other adverse effects.

Based upon the foregoing and other facts and circumstances reflected in the record, the Board has determined that the acquisition of Peoples Bank by First Bancorporation would result in substantial and compelling public benefits that are sufficient to outweigh any adverse effects that may reasonably be expected to result from this proposal. Accordingly, the application is approved subject to the conditions described in this Order, and the record of the application.

The Board's decision in this case is subject to the conditions set forth in Regulation Y, including 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 holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. This transaction shall not be consummated later than three months after the effective date of this Order, unless that period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, pursuant to delegated authority.

By order of the Board of Governors, effective October 21, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

Fleet/Norstar Financial Group, Inc.  
Providence, Rhode Island

Fleet/Norstar New York, Inc.  
Albany, New York

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

Fleet/Norstar Financial Group, Inc., Providence, Rhode Island, and its wholly owned subsidiary, Fleet/Norstar New York, Inc., Albany, New York (together "Applicant"), both bank holding companies within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"), have applied for the Board's approval under section 4(c)(8) of the BHC Act and section 225.21(a) of the Board's Regulation Y, 12 C.F.R. § 225.21(a), to engage through their wholly owned subsidiary, Adams, McEntee & Co., Inc., New York, New York ("Company"), in

underwriting and dealing in, on a limited basis, municipal revenue bonds, including certain industrial development bonds, and commercial paper.

Company currently engages in underwriting and dealing in securities that state member banks are permitted to underwrite and deal in under the Glass-Steagall Act (hereinafter "bank-eligible securities"), as permitted by section 225.25(b)(16) of Regulation Y (12 C.F.R. § 225.25(b)(16)). Company also engages in securities brokerage activities pursuant to section 225.25(b)(15) (12 C.F.R. § 225.25(b)(15)).

Applicant, with consolidated assets of \$25.1 billion, is the 24th largest banking organization in the nation. It operates nine subsidiary banks and engages directly and through subsidiaries in a broad range of permissible nonbanking activities.<sup>1</sup>

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (53 *Federal Register* 31,763 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

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

Consummation of the proposal would provide added convenience to Applicant's customers. In addition, the Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board has determined that the

1. Ranking is as of March 31, 1988. All other data are as of June 30, 1988.

2. *Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation*, 73 FEDERAL RESERVE BULLETIN 473 (1987) ("*Citicorp/Morgan/Bankers Trust*"), *aff'd sub nom., Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. denied*, 108 S. Ct. 2830 (1988) ("*SIA v. Board*").

performance of the proposed activities by Applicant can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.<sup>3</sup>

Based on the above, the Board has determined to approve the underwriting application subject to all of the terms and conditions established in the *Citicorp/Morgan/Bankers Trust Order*,<sup>4</sup> except the market share limitation.<sup>5</sup>

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

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

By order of the Board of Governors, effective October 3, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

Security Pacific Corporation  
Los Angeles, California

*Order Conditionally Approving Application to  
Provide Advice on Certain Futures and Options on  
Futures*

Security Pacific Corporation, Los Angeles, California,  
a bank holding company within the meaning of the

3. Company may also provide services that are necessary incidents to these approved activities. The incidental services should be taken into account in computing the gross revenue limit on the underwriting subsidiary's ineligible underwriting and dealing activities, to the extent such limits apply to particular incidental activities.

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

5. In light of the decision in *SIA v. Board*, the Board has determined not to limit Company's ineligible activities based upon a market share limitation.

Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.21(a) of the Board's Regulation Y (12 C.F.R. 225.21(a)) to engage *de novo* through its wholly owned subsidiary, SP Investment Strategies Corp., San Diego, California ("Company"), in providing investment advice concerning futures and options on futures contracts on foreign exchange, government securities, bullion and money market instruments to a limited number of institutional customers. In addition to this activity, Company would provide portfolio investment advice, for which Applicant has previously received authorization pursuant to section 225.25(b)(4)(iii) of Regulation Y (12 C.F.R. § 225.25(b)(4)(iii)).

Notice of the application, affording an opportunity for interested persons to submit comments and views, has been duly published (53 *Federal Register* 28,269 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with consolidated assets of approximately \$75.6 billion, is the seventh largest commercial banking organization in the nation.<sup>1</sup> It operates five subsidiary banks in California, Arizona, and Oregon and engages directly and through other subsidiaries in a broad range of nonbanking activities.

Section 4(c)(8) establishes a two-step test for determining the permissibility of nonbanking activities for bank holding companies:

- (1) whether the activity is closely related to banking; and
- (2) whether the activity is a "proper incident" to banking—that is, whether the proposed activity can reasonably be expected to produce benefits to the public that outweigh possible adverse effects.

The Board has previously determined that providing such investment advice as a futures commission merchant ("FCM") or as a commodity trading advisor ("CTA") registered with the Commodity Futures Trading Commission ("CFTC") is closely related to banking, and, subject to conditions to address possible risk or conflicts, is a proper incident to banking. 12 C.F.R. § 225.25(b)(19). Company would limit the scope of its advisory activity to that previously determined by the Board to be closely related to banking under this section of Regulation Y.

1. Asset data are as of June 30, 1988. All other data are as of June 30, 1987.

The issue presented by this proposal is whether the conduct of this activity by Company would be a proper incident to banking if Company does not meet the requirement under Regulation Y that the adviser register with the CFTC as a CTA or an FCM. In this case, Company expects to qualify for a statutory exemption from such registration under section 4m of the Commodity Exchange Act, which provides that any person who, during the preceding 12 months, has not furnished commodity advisory services to more than 15 persons and who does not hold himself out generally to the public as a CTA, is exempt from the registration requirements for CTA's under that Act.<sup>2</sup> Company would only serve customers who have a pre-existing relationship with it or its affiliates.

In permitting bank holding companies to provide commodity trading advice, the Board established the registration condition with the objective of minimizing potential hazards or conflicts. Registration addresses these concerns by subjecting the CTA's to the supervision and regulation of the CFTC and the requirements adopted by the CFTC to govern the conduct of that activity. Applicant's proposal would permit Company to provide commodity trading advice without such safeguards. While Applicant has agreed to comply with many of the CFTC's conditions associated with registration, it has not agreed to the disclosure requirements. Consistent with the Board's regulations and past decisions, the Board expects, however, that Company will disclose to its customers substantially the same information required for registered CTA's, including the CTA's performance record, conflicts of interests, possible trading risks, and civil and criminal actions against the CTA.

The Board believes that possible adverse effects in this case would be further minimized by the following considerations. Company will remain subject to the anti-fraud provisions of the Commodity Exchange Act as well as other restrictions contained in the Act.<sup>3</sup> Further, as noted, Applicant has agreed to comply with all the other conditions on this activity that are aimed at minimizing possible adverse effects. Thus, the adviser will not trade for its own account (except to hedge), will limit its advice to instruments that banks deal in extensively (foreign exchange, bullion, government securities and money market instruments), and will only serve customers that are financially sophisticated and have significant dealings or

holdings in the underlying commodities or instruments.

Consummation of the proposal would provide some convenience to Applicant's customers. In addition, the Board expects that the *de novo* entry of Applicant into the market for these services would increase the level of competition among providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by Applicant can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Based on the foregoing and other facts of record, including the requirement for disclosure as discussed above, the Board has determined that the application should be, and hereby is, approved. Except as provided herein with respect to the registration of Company with the CFTC, this determination is further subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

By order of the Board of Governors, effective October 18, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

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

Boatmen's Bancshares, Inc.  
St. Louis, Missouri

*Order Approving the Merger of Bank Holding  
Companies*

Boatmen's Bancshares, Inc., St. Louis, Missouri ("Boatmen's"), has applied for the Board's approval under section 3(a)(5) of the Bank Holding Company

2. 7 U.S.C. 6m.

3. Company would also be subject to reparation claims brought pursuant to the reparations program provided for under the Commodity Exchange Act, the CFTC large trader reporting requirements, and the position limits promulgated by the CFTC and licensed United States commodity exchanges.

Act (12 U.S.C. § 1842(a)(5)) ("BHC Act"), to merge with Centerre Bancorporation, St. Louis, Missouri ("Centerre"), and thereby to acquire eleven of its twelve subsidiary banks.<sup>1</sup> Boatmen's has also applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire the nonbanking subsidiaries of Centerre listed in Appendix A to this Order.

Notice of the applications, affording an opportunity for interested persons to submit comments, has been given in accordance with section 3(b) of the BHC Act (53 *Federal Register* 29,950 (1988)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.<sup>2</sup>

Boatmen's controls 34 banking institutions in Missouri, Illinois, and Tennessee, and is the largest commercial banking organization in Missouri, where it controls deposits of \$6.2 billion, representing 13.9 percent of the total deposits in commercial banks in the state.<sup>3</sup> Centerre operates twelve banking institutions in Missouri and is the fourth largest commercial banking organization in the state. Centerre controls deposits of \$3.9 billion, representing 8.8 percent of the total deposits in commercial banks in Missouri. Upon consummation of the proposed acquisition, Boatmen's would remain the largest commercial banking organization in Missouri, and its share of total deposits in commercial banks would increase to \$10.1 billion, representing approximately 22.6 percent of the deposits in the state. Consummation of this proposal would have no significant adverse effect upon the concentration of commercial banking resources in Missouri.

Under Missouri law, a bank holding company may not obtain control of any bank if the total deposits of the target bank together with the total deposits in all banks in Missouri controlled by the holding company (exclusive of certificates of deposit in the face amount of \$100,000 or more, deposits from foreign sources and deposits of other banks) exceed 13 percent of the total

deposits in depository institutions in Missouri.<sup>4</sup> The Missouri Commissioner of Finance has determined that the proposed transaction does not violate Missouri law with regard to this limitation on total deposits.

Boatmen's and Centerre compete directly in seven Missouri banking markets: St. Louis, Cape Girardeau, Kansas City, Springfield, Joplin, Aurora/Monett, and Taney County.

The St. Louis<sup>5</sup> banking market is unconcentrated. Boatmen's is the largest of 57 commercial banking organizations, controlling 17.3 percent of the total deposits in commercial banks in the market ("market deposits"), and Centerre is the third largest commercial banking organization in the market, controlling 12.7 percent of market deposits. Upon consummation, Boatmen's would control 30 percent of the market deposits in the St. Louis market. The Herfindahl-Hirschman Index ("HHI") would increase by 439 points to 1410.<sup>6</sup>

The Cape Girardeau,<sup>7</sup> Springfield,<sup>8</sup> and Aurora/Monett<sup>9</sup> markets are each moderately or highly concentrated in terms of commercial bank deposits only. Upon consummation, all three banking markets would be highly concentrated. Boatmen's would control 37.7 percent of commercial bank deposits in the Cape Girardeau market, 33.6 percent in the Springfield market, and 27.8 percent in the Aurora/Monett market. In each of these three markets, the HHI would increase by over 300 points to over 1800.

The Board has considered the presence of thrift institutions in these banking markets in its analysis of

4. 1988 Mo. Laws § 362.915.

5. The St. Louis banking market is approximated by the St. Louis Ranelly Metro Area, adjusted to include all of St. Charles and Jefferson Counties, Missouri; Pin Oak and Hamel Townships in Madison County, Illinois; and Smithton, Engelmans, and all of Lebanon and Mascoutah Townships in St. Clair County, Illinois.

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

7. The Cape Girardeau banking market is approximated by Cape Girardeau County and Kelso Township in Scott County.

8. The Springfield banking market is approximated by Greene County; Porter, Finley, Lincoln and Polk Townships in Christian County, and West Benton Township in Webster County.

9. The Aurora/Monett banking market is approximated by Lawrence County; Capps Creek, Monett, Kings Prairie, Pleasant Ridge, Ozark, Crane Creek and Pioneer Townships in Barry County; and Grant, Pierce, Lincoln, Union, Hurley and Washington Townships in Stone County.

1. Centerre Bank, N.A., St. Louis, Missouri; Centerre Bank of Cape Girardeau, Cape Girardeau, Missouri; Centerre Bank of Columbia, Columbia, Missouri; Centerre Bank of Crane, Crane, Missouri; Centerre Bank of Kansas City, N.A., Kansas City, Missouri; Centerre Bank of Kennett, Kennett, Missouri; Centerre Bank of Neosho, N.A., Neosho, Missouri; Centerre Bank of Rolla, Rolla, Missouri; Centerre Bank of Springfield, Springfield, Missouri; Centerre Bank of West Plains, N.A., West Plains, Missouri; and Centerre Bank of Vandalia, Vandalia, Missouri.

2. The Board received one comment in opposition to this proposal based on a customer's problems with a loan from Centerre Bank of Neosho, N.A., Neosho, Missouri. In light of the facts of record of this case, the Board has determined that this comment does not warrant denial of the applications.

3. State deposit data are as of December 31, 1987, and reflect holding company acquisitions approved through July 31, 1988, and bank mergers consummated through June 30, 1988.

this proposal. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks.<sup>10</sup> Thrift institutions already exert a considerable competitive influence in the market as providers of NOW accounts and consumer loans, and many are engaged in the business of making commercial loans and accepting demand deposits. Based upon the number, size, market shares and commercial lending activities of thrift institutions in the relevant markets, the Board has concluded that thrift institutions exert a significant competitive influence that mitigates the anticompetitive effects of this proposal in these markets.<sup>11</sup>

The Kansas City<sup>12</sup> and Joplin<sup>13</sup> banking markets are unconcentrated or moderately concentrated. Upon consummation of the proposal, Boatmen's would control 16 percent of the market deposits in the Kansas City market and 13.8 percent in the Joplin market. In both markets, the resulting HHI would not exceed 1200.

In the Taney County banking market,<sup>14</sup> Boatmen's is the largest of three commercial banking organizations, controlling \$73.5 million in deposits, which represents 37.9 percent of the market deposits. Centerre is the second largest commercial banking organization in the Taney County market, controlling \$66.2 million in deposits, which represents 34.2 percent of market deposits. In order to mitigate the adverse competitive effects of the proposal in Taney County, Centerre will sell Centerre Bank of Branson, Branson, Missouri, prior to the consummation of the proposed merger, to a third party that does not currently operate in the market.<sup>15</sup>

10. *National City Corporation*, 70 FEDERAL RESERVE BULLETIN 743 (1984); *The Chase Manhattan Corporation*, 70 FEDERAL RESERVE BULLETIN 529 (1984); *NCNB Bancorporation*, 70 FEDERAL RESERVE BULLETIN 225 (1984); *General Bancshares Corporation*, 69 FEDERAL RESERVE BULLETIN 802 (1983); *First Tennessee Corporation*, 69 FEDERAL RESERVE BULLETIN 298 (1983).

11. The following data indicate the market share and the change in the HHI if 50 percent of the deposits controlled by thrift institutions were included in the calculation of market concentration for the following markets: In the St. Louis market, Boatmen's would control 23.5 percent of the total market deposits, and the HHI would increase by 270 points to 908. In the Cape Girardeau market, Boatmen's would control 29.4 percent of the total market deposits, and the HHI would increase by 424 points to 1793. In the Springfield market, Boatmen's would control 26.3 percent of the total market deposits, and the HHI would increase by 205 points from 999 to 1204. In the Aurora/Monett market, Boatmen's would control 23.8 percent of the total market deposits, and the HHI would increase by 237 points to 1414.

12. The Kansas City banking market is approximated by the Kansas City Ranally Metro Area.

13. The Joplin banking market is approximated by Jasper and Newton Counties, Missouri, plus the portion of Cherokee County, Kansas, that includes the communities of Galena and Baxter Springs.

14. The Taney County banking market is approximated by all of that county.

15. The Board's policy with regard to divestitures intended to remedy the anticompetitive effects resulting from a merger or acquisition proposal requires that divestitures must occur on or before

On the basis of the above and other facts of record, the Board finds that consummation of Boatmen's proposal would not have a significant adverse effect on existing competition in any relevant market. In addition, the Board concludes that consummation of this proposal would not have a significant adverse effect on probable future competition in any relevant market.

The financial and managerial resources of Boatmen's and Centerre are consistent with approval. The Board notes that the proposal will involve an exchange of shares and Boatmen's will not acquire any significant debt as a result of this transaction. Convenience and needs factors, including Community Reinvestment Act factors,<sup>16</sup> are also consistent with approval.

Boatmen's has also applied, pursuant to section 4(c)(8) of the BHC Act, to acquire the nonbanking subsidiaries of Centerre as well as Centerre's ownership interest in an automated teller machine ("ATM") network exchange joint venture, and thereby to engage in nonbanking activities that the Board has previously determined to be permissible for a bank holding company. In this regard, the Board has considered the effect of consummation on competition in the provision of nonbanking services in markets where Boatmen's and Centerre now compete.

Under this proposal, Boatmen's would acquire Centerre Trust Company of St. Louis, St. Louis, Missouri, and the trust departments at Centerre's subsidiary banks, which together constitute the largest trust operation in Missouri, controlling discretionary trust assets of \$10.8 billion.<sup>17</sup> Boatmen's, with discretionary trust assets of \$10.3 billion, ranks as the second largest trust operation in Missouri. Upon consummation, Boatmen's would manage \$21.1 billion in trust assets, ranking as the largest provider of trust services in Missouri.<sup>18</sup>

In considering the competitive effects of combinations of trust companies with banking organizations, the Board has determined that an appropriate product is the provision of personal trust services.<sup>19</sup> The market for this service is approximated by the state of Missouri. As of December 31, 1986, Boatmen's administered 23.8 percent of all discretionary personal trusts administered by trust companies and trust departments of depository institutions in Missouri, while

consummation. *Barnett Banks of Florida, Inc.*, 68 FEDERAL RESERVE BULLETIN 190 (1982); *InterFirst Corporation*, 68 FEDERAL RESERVE BULLETIN 243 (1982).

16. 12 U.S.C. § 2901 *et seq.*

17. Data are as of December 31, 1987.

18. Nationally, Boatmen's ranks as the 35th largest trust organization, and Centerre ranks as the 33rd largest trust organization. Upon consummation, Boatmen's would become the 14th largest provider of trust services in the nation.

19. See *Bancorp Hawaii, Inc.*, 71 FEDERAL RESERVE BULLETIN 168 (1985).

Centerre administered 21.8 percent, resulting in a combined total of 45.6 percent of all such personal trusts.

There are, however, numerous other providers of personal trust services in addition to trust companies and trust departments of depository institutions. By one estimate, if these other providers were included in the market, Boatmen's would administer approximately 31 percent of personal trusts in the state of Missouri upon consummation of the proposal.<sup>20</sup> Based upon the numerous providers of personal trusts in the state, as well as the numerous potential entrants into the market, the Board concludes that consummation of the proposal would not have a substantially adverse effect on competition in the personal trust market.

Boatmen's and Centerre compete in other trust services provided in markets that are regional or national in scope. The Board concludes that the proposed merger would not result in any significant adverse effect on competition in the provision of these trust service products.

Regarding Centerre's other nonbanking subsidiaries and Centerre's ownership in the ATM network exchange joint venture, consummation of the proposal would have a *de minimis* effect on existing competition, and there are numerous competitors for these services. Accordingly, the Board concludes that the proposal would not have any significant adverse effect on existing or probable future competition in any relevant geographic or product market.

Furthermore, there is no evidence in the record to indicate that approval would result in undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the applications to acquire the nonbanking subsidiaries of Centerre.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The merger 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. The determinations as to Boatmen's nonbanking activities are subject to all of the conditions contained in Regulation Y, including

those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective October 31, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

## APPENDIX A

### *Nonbanking Subsidiaries and Joint Venture Interests to be Acquired*

Centerre Trust Company of St. Louis, St. Louis, Missouri, and thereby engage in trust company functions; Monetary Transfer System, St. Louis, Missouri, and thereby engage in providing data processing services; Centerre Life Insurance Company, St. Louis, Missouri, and Centerre Insurance Agency, Inc., St. Louis, Missouri, and thereby act as a reinsurer of credit life and credit accident and health insurance sold in connection with extensions of credit by the affiliate banks; Benefit Plan Services, Inc., St. Louis, Missouri, and thereby engage in the design and administration of small to moderately sized employee benefit and pension plans, such as defined benefit plans, defined contribution plans, 401-K plans and profit sharing plans; and Centerre Bank of Delaware, New Castle, Delaware, and thereby engage in credit card lending. The Board has determined that these activities are closely related to banking and permissible for bank holding companies. 12 C.F.R. §§ 225.23(b)(1), (3), (7), (8); *Centerre Bancorporation*, 74 FEDERAL RESERVE BULLETIN 136 (1988) and 73 FEDERAL RESERVE BULLETIN 365 (1987).

First Bank System, Inc.  
Minneapolis, Minnesota

### *Order Approving Acquisition of a Bank Holding Company*

First Bank System, Inc., Minneapolis, Minnesota, a bank holding company within the meaning of the Bank

<sup>20</sup> Although an exact HHI for this market cannot be calculated, the estimated HHI for personal trust services in Missouri would be approximately 1330 upon consummation of this proposal.

Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire at least 88.5 percent of the voting shares of Central Bancorporation, Inc., Denver, Colorado ("Central Bancorporation"), and thereby to acquire indirectly Central Bancorporation's subsidiary banks listed in Appendix A. First Bank System also has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)), to acquire Central Bancorporation Life Insurance Company, Denver, Colorado, a nonbanking subsidiary of Central Bancorporation, and thereby engage in underwriting credit life insurance pursuant to section 225.25(b)(8)(i) of the Board's Regulation Y (12 C.F.R. § 225.25(b)(8)(i)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (53 *Federal Register* 30,098 (1988)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.<sup>1</sup>

First Bank System is the largest commercial banking organization in Minnesota, controlling deposits of \$11.3 billion, representing approximately 29 percent of total deposits in commercial banking organizations in the state.<sup>2</sup> Central Bancorporation is the fifth largest commercial banking organization in Colorado, controlling deposits of \$1.7 billion, representing approximately 8.4 percent of total deposits in commercial banking organizations in the state.

Central Bancorporation's banking affiliates operate solely in Colorado banking markets. First Bank System has banking affiliates in numerous banking markets, all outside of Colorado. Based upon the facts of record, consummation of this proposal would not result in any adverse effect upon existing or future competition or increase the concentration of banking resources in Colorado. Accordingly, the Board concludes that competitive factors are consistent with approval.

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the holding company's home state,<sup>3</sup> unless such acquisition is "specifically

authorized by the statute laws of the state in which {the} bank is located, by language to that effect and not merely by implication." (12 U.S.C. § 1842(d)). First Bank System's home state is Minnesota.

Effective April 29, 1988, Colorado state law<sup>4</sup> permitted an out-of-state bank holding company to acquire a Colorado bank if successful in a special bidding process established to provide relief to depositors in Colorado industrial banks not covered by federal deposit insurance.<sup>5</sup> The new law provided that all bids were contingent upon regulatory approval by the Colorado State Bank Commissioner and required that any out-of-state bank holding company seeking to acquire a Colorado bank or bank holding company submit the name or names under which it proposes to conduct its business in Colorado.<sup>6</sup> First Bank System was the sole successful bidder. On September 19, 1988, the Colorado State Bank Commissioner approved First Bank System's proposed acquisition of Central Bancorporation. Based on the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of Colorado, and thus Board approval is not prohibited by the Douglas Amendment.

The financial and managerial resources and future prospects of First Bank System and Central Bancorporation are consistent with approval. In considering the convenience and needs of the communities to be served, the Board has taken into account the records of First Bank System and Central Bancorporation under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the Board, in its evaluation of a bank holding company application, to assess the record of an applicant in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the bank holding company.

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principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

4. Colo. Rev. Stat. § 11-22-615 (1988).

5. First Bank System's bid provided for a cash payment in exchange for the right to acquire Central Bancorporation and other existing Colorado bank holding companies.

6. The Colorado interstate banking statute specifically provides that an out-of-state bank holding company shall not be eligible to make the proposed acquisition if the proposed name is identical to or deceptively similar to the name of any existing Colorado bank or bank holding company, or likely to cause the public to be confused, deceived, or mistaken. COLO. REV. STAT. § 11-6.4-103(10). In this regard, the Board received a protest from First Bank Holding Company of Colorado, Denver, Colorado, regarding First Bank System's use of its name in the state of Colorado. To address this matter, First Bank System has committed not to change the name of Central Bancorporation or its banking subsidiaries. In addition, First Bank System represented to the Colorado State Banking Commissioner that it did not intend to use the phrase "Member First Bank System" to display its affiliation with Central Bancorporation.

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1. The Board received protests from Community Resource Center, Inc., First Bank Holding Company of Colorado, Historic Denver, Inc., the Denver Chapter of the American Institute of Architects, and the Colorado Historical Society, all of Denver, Colorado; and the National Trust for Historic Preservation, Washington, D.C.

2. Banking data are as of December 31, 1987.

3. A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were

The Board received comments from Community Resource Center, Inc., Denver, Colorado ("Community"), a nonprofit group providing support to regional social service organizations, regarding the CRA record of banking subsidiaries of Central Bancorporation, including Central Bank of Denver, Denver, Colorado ("Denver Bank"). Community contended that several banking subsidiaries of Central Bancorporation had lower loan-to-deposit ratios than those of other local banks, and it criticized Central Bancorporation's record in the areas of housing-related credit and contributions to charities.

In light of these comments, the Board has reviewed the overall CRA record of Central Bancorporation and of the Denver Bank in particular. In the most recent examination, Central Bancorporation's subsidiary banks received a satisfactory CRA rating. With regard to housing-related extensions of credit, the Board notes that the Denver Bank, which Community particularly criticized, has generally played a larger role than its peers in extending housing-related credit in less affluent neighborhoods. With regard to charitable contributions and loan-to-deposit ratios, the Board notes that while the mandate of CRA encourages outreach to community organizations and may involve financial or other support for their activities, charitable contributions are not an indicator that credit needs of a community are being met, and loan-to-deposit ratios are only a broad measure of lending activity. In addition, the record of Central Bancorporation and First Bank System in these areas is satisfactory. The Board also notes that First Bank System has expressed a willingness to meet with Community to discuss its concerns and is developing a plan to approve special lending programs to provide credit to low- and moderate-income groups.

The Board has also considered that First Bank System, in an effort to enhance the CRA performance of the Denver Bank and each subsidiary bank of Central Bancorporation, has committed that First Bank System's corporate-wide CRA policy will be implemented at each subsidiary bank of Central Bancorporation immediately following consummation of the proposed transaction.<sup>7</sup> Under this policy, First Bank System has established a Community Responsibility Policy Committee, which consists of senior management officials, to allocate resources and evaluate the performance of First Bank System's subsidiary banks under the CRA. First Bank System also has developed a model CRA program to serve as a guide

for each subsidiary bank of Central Bancorporation in developing its CRA plan. This model CRA program provides guidance for determining the credit needs of the community through various outreach programs tailored to the unique characteristics of each community and specifies mechanisms for ensuring and monitoring CRA compliance at each subsidiary bank of Central Bancorporation.

The Board also has received protests from Historic Denver, Inc., the Denver Chapter of the American Institute of Architects, the National Trust for Historic Preservation, and the Colorado Historical Society. The protestants have requested a public hearing and that the Board not approve the applications until First Bank System provides assurances that it will not demolish the Central Bank West building, located in Denver, Colorado, or until avenues to preserve the building are explored. The protestants assert that the Central Bank West building, which has been designated a historical landmark by the Denver City Council, is being demolished as a result of the acquisition of Central Bancorporation by First Bank System.

In this regard, the protestants asserted that the Federal Reserve System is required to comply with section 106 of the National Historic Preservation Act (16 U.S.C. § 470f) ("NHPA"), prior to acting on the applications. Section 106 of the NHPA provides that "(t)he head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking in any State and the head of any Federal department or independent agency having authority to license any undertaking shall, prior to the approval of the expenditure of any Federal funds on the undertaking or prior to the issuance of any license, as the case may be, take into account the effects of the agency's undertaking on any district, site, building, structure, or object that is included in or eligible for inclusion in the National Register [of Historic Places]." In addition, the head of the agency is required to afford the Advisory Council on Historic Preservation a reasonable opportunity to comment on the undertaking. The protestants also asserted that the possible demolition of the building reflects adversely on Central Bancorporation's CRA performance, on the basis that participation in local community development projects is a consideration in assessing a bank's record of performance under the CRA.

In accordance with the Board's practice and procedure for handling protested applications,<sup>8</sup> the Federal Reserve Bank of Minneapolis encouraged the parties to meet to clarify the issues relating to the Central Bank West building. Although parties were unable to

7. The Board recently approved First Bank System's corporate CRA policy and determined that the policy was consistent with its obligations under the CRA. *First Bank System*, 74 FEDERAL RESERVE BULLETIN 689 (1988).

8. See 12 C.F.R. § 262.25(c).

come to a resolution of their differences, they submitted various written submissions concerning the protests, which the Board has carefully considered.

With regard to the protestants' assertions relating to the NHPA, in order for this statute to apply, the Board's action in deciding the instant applications must constitute an "undertaking" within the meaning of the NHPA. The term "undertaking" has been defined as "any project, activity, or program that can result in changes in the character or use of historic properties [and is] under the direct or indirect jurisdiction of a Federal agency or licensed or assisted by a Federal agency." 36 C.F.R. § 800.2(o). The Board's action on the pending applications does not, in the Board's view, constitute an undertaking within the meaning of the statute. In deciding Applicant's request to acquire Central Bancorporation, the Board is not engaging in any activity that can result in changes in the use of the Central Bank West building.<sup>9</sup> In 1984, Central Bank West building was sold by Central Bancorporation, which reached an agreement with the new owner that gives Central Bancorporation an option either to repurchase the building or to pay a termination fee, demolish the building and deliver cleared land to the owner. The decision whether to repurchase the site or to return a clean site to the owner is a private financial decision of Central Bancorporation and not a matter that is licensed or assisted by the Board. The Board notes that local efforts are underway to resolve the issue of preservation of this structure.

The Board has also considered the protestant's arguments that the possible demolition reflects adversely on Central Bancorporation's performance under the CRA. The evaluation of a bank's involvement in community development projects is relevant to the CRA to the extent such involvement indicates a bank is meeting the credit needs of the entire community. As discussed above, Central Bancorporation's record in meeting credit needs is satisfactory. With regard to Central Bank West building in particular, no credit activities within the meaning of the CRA are involved. In light of these and other facts of record, the Board does not believe the protests relating to the building provide a basis for finding Central Bancorporation's CRA performance unsatisfactory.

9. The Board notes that the U.S. Court of Appeals for the Seventh Circuit held that the decision of the Federal Deposit Insurance Corporation on an application under the Federal Deposit Insurance Act, which employs factors similar to those found in the BHC Act, did not constitute an "undertaking" within the meaning of NHPA. *Edwards v. First Bank of Dundee*, 534 F. 2d 1242 (7th Cir. 1976). See also *Western Bancshares, Inc. v. Board of Governors of the Federal Reserve System*, 480 F. 2d 749 (10th Cir. 1973).

Based on these and all of the other facts of record in this case, the Board has determined that the convenience and needs factors are consistent with approval of these applications.<sup>10</sup>

First Bank System also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire Central Bancorporation Life Insurance Company and thereby engage in underwriting credit life insurance. This activity has been determined by the Board to be closely related to banking and permissible for bank holding companies. 12 C.F.R. § 225.25(b)(8)(i). Further, there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the BHC Act is consistent with approval of the application to acquire Central Bancorporation Life Insurance Company.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the BHC Act should be, and hereby are, approved. The acquisition of Central Bancorporation and Central Life Insurance Company shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Minneapolis, pursuant to delegated authority. The determination as to the nonbanking activities are subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and

10. The Board has carefully considered the protestants' requests for a public hearing concerning the Central Bank West building. Although section 3(b) of the Bank Holding Company Act does not require a public meeting or formal hearing in this instance, the Board may, in any case, order a public meeting or hearing. 12 C.F.R. § 262.3(e). The Board's Rules of Procedure also provide that a public meeting may be held to clarify factual issues related to the record of an applicant in meeting the convenience and needs of its community, or to provide an opportunity for interested persons to provide testimony. 12 C.F.R. § 262.25(d). However, in the requests for a hearing, the protestants do not present any material questions of fact in dispute that relate to matters within the Board's jurisdiction to consider. Rather, the protestants request to examine the specifics of any plans for the Central Bank West building, which are matters bearing on the preservation issue being considered at the local level. In addition, in accordance with the Board's practice and procedure for handling protested applications, the Federal Reserve Bank of Minneapolis encouraged the parties to meet to clarify the issues relating to the Central Bank West building. Although parties were unable to come to a resolution of their differences, the Board believes the parties have had ample opportunity to present their arguments in writing and to respond to one another's submissions. In light of these facts, the Board believes that a public hearing is not necessary to clarify the record in this case and would not serve any useful purpose.

225.23(b)(3)), and to the Board's authority to regulate such modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective October 25, 1988.

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

JAMES MCAFEE  
*Associate Secretary of the Board*

#### APPENDIX A

The Academy Boulevard Bank, d/b/a Central Bank of Academy Boulevard, Colorado Springs, Colorado;

Central Bank of Chapel Hills, N.A., Colorado Springs, Colorado; The Central Colorado Bank, d/b/a Central Bank of Colorado Springs, Colorado Springs, Colorado; Central Bank of Garden of the Gods, N.A., Colorado Springs, Colorado; Central Bank of Pueblo, N.A., Pueblo, Colorado; The First National Bank of Rocky Ford, Rocky Ford, Colorado; Central Bank of Grand Junction, N.A., Grand Junction, Colorado; Peoples Bank of Arapahoe County, d/b/a Central Bank of Aurora, Aurora, Colorado; Central Bank of Chatfield, Jefferson County, Colorado; Central Bank of Centennial, N.A., Littleton, Colorado; Central Bank of Inverness, N.A., Englewood, Colorado; Central Bank of Glenwood Springs, N.A., Glenwood Springs, Colorado; Central Bank of Aspen, N.A., Aspen, Colorado; Central Bank of Greeley, Greeley, Colorado; Broomfield State Bank, d/b/a Central Bank of Broomfield, Broomfield, Colorado; North Denver Bank, d/b/a Central Bank of North Denver, Denver, Colorado; Central Bank of Westminster, N.A., Westminster, Colorado; and Central Bank of Denver, Denver, Colorado.

#### APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

##### *By the Secretary of the Board*

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

#### Section 3

Applicant	Bank(s)	Effective date
Midwest Bankshares, Inc., Colby, Kansas	First Belleville Bankshares, Inc., Belleville, Kansas	October 7, 1988

#### Section 4

Applicant	Nonbanking Activity/Company	Effective date
Norwest Corporation, Minneapolis, Minnesota	Fargo Insurance Agency, Inc., Fargo, North Dakota	October 26, 1988

*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
Alabama Bancorp, Birmingham, Alabama	Highland Bank, Birmingham, Alabama	Atlanta	September 23, 1988
Beverly Bancorporation, Inc., Chicago, Illinois	First Wilmington Corp., Wilmington, Illinois	Chicago	September 30, 1988
CBS Bancshares, Inc., Spencer, Tennessee	Citizens Bank, Gainesboro, Tennessee	Atlanta	September 23, 1988
Cedar Financial Holding, Inc., Fordyce, Nebraska	Cedar Security Bank, Fordyce, Nebraska	Kansas City	September 30, 1988
Clifton Bancshares, Inc., Wamego, Kansas	First National Bank, Clifton, Kansas	Kansas City	September 29, 1988
Commerce Bancorp, Inc., Berkeley, Illinois	National Bank of Commerce, Berkeley, Illinois	Chicago	September 27, 1988
County Bancorporation, Inc., Jackson, Missouri	Century State Bancshares, Inc., Columbia, Missouri	St. Louis	October 14, 1988
Dahlonega Bancorp, Inc., Dahlonega, Georgia	First National Bank of Polk County, Copperhill, Tennessee	Atlanta	September 27, 1988
Dakota Company, Inc., Minneapolis, Minnesota	Valley National Bank, Sioux Falls, South Dakota	Minneapolis	October 18, 1988
South Dakota Bancorp, Inc., Minneapolis, Minnesota			
E.N.B. Holding Company, Inc., Ellenville, New York	Ellenville National Bank, Ellenville, New York	New York	October 7, 1988
Fidelity Bancshares, Inc., Fort Worth, Texas	Fidelity Bank, Fort Worth, Texas	Dallas	October 13, 1988
First Executive Bancorp, Inc., Philadelphia, Pennsylvania	First Executive Bank, Philadelphia, Pennsylvania	Philadelphia	September 30, 1988
First Illini Bancorp, Inc., Galesburg, Illinois	First National Bank in Galva, Galva, Illinois	Chicago	October 14, 1988
First National Bancorp, Inc., Norfolk, New York	First National Bank of Lisbon, Lisbon, New York	New York	September 23, 1988
First & Peoples Bancshares, Inc., Russell, Kentucky	First & Peoples Bank, Russell, Kentucky	Cleveland	September 23, 1988
First Valley BankCorp., Seeley Lake, Montana	First Valley Bank, Seeley Lake, Montana	Minneapolis	September 26, 1988
First Wisconsin Corporation, Milwaukee, Wisconsin	Metropolitan Bank Group, Inc., Bloomington, Minnesota	Chicago	September 28, 1988
F.W.S.B. Corporation, Milwaukee, Wisconsin			

## Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
First Wisconsin Corporation, Milwaukee, Wisconsin	St. Anthony Bancorporation, Inc., Omaha, Nebraska	Chicago	October 19, 1988
F.W.S.B. Bancorporation, Inc., Milwaukee, Wisconsin			
F & M National Corporation, Winchester, Virginia	Blakeley Bank and Trust Company, Ranson, West Virginia	Richmond	September 26, 1988
Ford Bank Group, Inc., Lubbock, Texas	Lubbock Bancorporation, Inc., Lubbock, Texas	Dallas	October 19, 1988
Frandsen Financial Corporation, Luck, Wisconsin	First State Bank, Braham, Minnesota Lakeside State Bank, Isle, Minnesota	Minneapolis	October 12, 1988
G. Fields Bancshares, Inc., Cassville, Missouri	Security Bank of Southwest Missouri, Cassville, Missouri	St. Louis	October 14, 1988
Great Lakes Financial Resources, Inc., Blue Island, Illinois	Homewood Holdings, Inc., Omaha, Nebraska	Chicago	October 7, 1988
Hazard Bancorp, Hazard, Kentucky	Peoples Bank and Trust Company, Hazard, Kentucky	Cleveland	October 11, 1988
High Point Financial Corp., Branchville, New Jersey	The Pocono Bank, Milford, Pennsylvania	New York	October 7, 1988
Horizon Banks, Inc., Concord, New Hampshire	Horizon Bank and Trust, Concord, New Hampshire	Boston	October 14, 1988
Iowa National Bankshares Corp., Waterloo, Iowa	Oelwein State Bank, Oelwein, Iowa	Chicago	October 4, 1988
Jay Financial Corporation, Portland, Indiana	The First National Bank of Portland, Portland, Indiana	Chicago	October 20, 1988
Manufacturers National Corporation, Detroit, Michigan	Affiliated Bank/Chicago, Chicago, Illinois	Chicago	October 6, 1988
Affiliated Banc Group, Inc., Morton Grove, Illinois			
Miners Bancshares, Inc., Frontenac, Kansas	The Miners State Bank of Frontenac, Frontenac, Kansas	Kansas City	September 21, 1988
Mission-Valley Bancorp, Pleasanton, California	Lamorinda Financial Corporation, Lafayette, California	San Francisco	September 30, 1988
Morrill Bancshares, Inc., Sabetha, Kansas	Morrill & Janes Bancshares, Inc., Hiawatha, Kansas	Kansas City	October 4, 1988
National City Corporation, Cleveland, Ohio	American Security Company of Bedford Incorporated, Bedford, Indiana	Cleveland	September 29, 1988
FKYN Acquisition Corp., New Salem, Indiana			

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
National Community Banks, Inc., Maywood, New Jersey	National Community Bank of New Jersey, Rutherford, New Jersey	New York	October 4, 1988
Ohio Bancorp, Youngstown, Ohio	The Mingo National Bank of Mingo Junction, Mingo Junction, Ohio	Cleveland	October 20, 1988
The Page Holding Company, Plankinton, South Dakota	Farmers and Merchants State Bank, Plankinton, South Dakota	Minneapolis	October 12, 1988
Presidential Holdings, Inc., Bourbonnais, Illinois	Bank of Bourbonnais, Bourbonnais, Illinois	Chicago	September 27, 1988
Rocky Mountain Bancorporation, Inc., Billings, Montana	Western Bancshares, Inc., Billings, Montana	Minneapolis	September 30, 1988
State Bancorp, Inc., Washington, Indiana	Spurgeon Financial Corporation, Spurgeon, Indiana	St. Louis	September 23, 1988
Stockton Bancshares, Inc., Stockton, Kansas	The Trego-WaKeeney State Bank, WaKeeney, Kansas	Kansas City	September 23, 1988
Sysco Financial, Inc., Lincolnwood, Illinois	Brickyard Bank, Chicago, Illinois	Chicago	September 27, 1988
The Summit Bancorporation, Summit, New Jersey	Somerset Bancorp, Inc., Somerville, New Jersey	New York	September 29, 1988
Union Planters Corporation, Memphis, Tennessee	Pickett County Bancshares, Inc., Byrdstown, Tennessee	St. Louis	October 14, 1988
Valley Banc Services Corp., St. Charles, Illinois	Fox Valley Bank, St. Charles, Illinois	Chicago	October 19, 1988
Valley Ridge Financial Corp., Kent City, Michigan	Kent City State Bank, Kent City, Michigan	Chicago	September 27, 1988
Vista Bancorporation, Van Buren, Arkansas	Citizens Bank and Trust Company, Van Buren, Arkansas	St. Louis	October 5, 1988
Warren Bancorp, Inc., Peabody, Massachusetts	Beverly National Corporation, Beverly, Massachusetts	Boston	October 6, 1988
Washington Commercial Bancorp, Redmond, Washington	Redmond National Bank, Redmond, Washington	San Francisco	September 23, 1988
Waterloo Bancshares, Inc., Waterloo, Illinois	Commercial State Bank of Waterloo, Waterloo, Illinois	St. Louis	October 5, 1988

Section 4

Applicant	Nonbanking Activity/Company	Reserve Bank	Effective date
Dacotah Bank Holding Co., Aberdeen, South Dakota	Bristol Insurance, Inc., Bristol, South Dakota	Minneapolis	September 28, 1988

## Sections 3 and 4

Applicant	Nonbanking Activity/Company	Reserve Bank	Effective date
Chattahoochee Bancorp, Inc., Atlanta, Georgia	The Buckhead Bank, Atlanta, Georgia The Chattahoochee Financial Corporation, Marietta, Georgia	Atlanta	October 7, 1988

*APPLICATIONS APPROVED UNDER BANK MERGER ACT**By Federal Reserve Banks*

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

Applicant	Bank(s)	Reserve Bank	Effective date
First City Bank of Dallas, Dallas, Texas	First City Bank-East Dallas, Dallas, Texas First City Bank-Market Center, N.A., Dallas, Texas First City Bank-Valley View, Dallas, Texas First City Bank-Farmers Branch, Farmers Branch, Texas First City Bank of Garland, N.A., Garland, Texas First City National Bank in Grand Prairie, Grand Prairie, Texas First City Bank of Lancaster, Lancaster, Texas First City Bank of Richardson, Richardson, Texas	Dallas	September 29, 1988
First Virginia Bank-South Central, Amherst, Virginia	Colonia American National Bank, Roanoke, Virginia	Richmond	October 4, 1988
Ranson Interim Bank, Inc., Ranson, West Virginia	Blakeley Bank and Trust Company, Ranson, West Virginia	Richmond	September 26, 1988

## 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.*

- Whitney v. United States, et al.*, No. CA3-88-1596-H (N.D. Tex., filed July 7, 1988).
- VanDyke v. Board of Governors*, No. 88-5280 (8th Cir., filed July 13, 1988).
- Credit Union National Association, Inc., et al., v. Board of Governors*, No. 88-1295 (D.D.C. May 13, 1988).
- Bonilla v. Board of Governors*, No. 88-1464 (7th Cir., filed March 11, 1988).
- Cohen v. Board of Governors*, No. 88-1061 (D.N.J., filed March 7, 1988).
- Stoddard v. Board of Governors*, No. 88-1148 (D.C. Cir., filed Feb. 25, 1988).
- Independent Insurance Agents of America, Inc. v. Board of Governors*, No. 87-1686 (D.C. Cir., filed Nov. 19, 1987).
- Irving Bank Corporation v. Board of Governors*, No. 88-1176 (D.C. Cir., filed March 1, 1988).
- National Association of Casualty and Surety Agents, et al., v. Board of Governors*, Nos. 87-1644, 87-1801, 88-1001 88-1206, 88-1245, 88-1270 (D.C. Cir., filed Nov. 4, Dec. 21, 1987, Jan. 4, March 18, March 30, April 7, 1988).
- Teichgraeber v. Board of Governors*, No. 87-2505-0 (D. Kan., filed Oct. 16, 1987).
- Northeast Bancorp v. Board of Governors*, No. 87-1365 (D.C. Cir., filed July 31, 1987).
- National Association of Casualty & Insurance Agents v. Board of Governors*, Nos. 87-1354, 87-1355 (D.C. Cir., filed July 29, 1987).
- The Chase Manhattan Corporation v. Board of Governors*, No. 87-1333 (D.C. Cir., filed July 20, 1987).
- Lewis v. Board of Governors*, Nos. 87-3455, 87-3545 (11th Cir., filed June 25, Aug. 3, 1987).
- CBC, Inc. v. Board of Governors*, No. 86-1001 (10th Cir., filed Jan. 2, 1986).

# Financial and Business Statistics

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

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) <sup>1</sup>								
	1987	1988			1988				
	Q4	Q1	Q2	Q3	May	June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept.
<i>Reserves of depository institutions<sup>2</sup></i>									
1 Total	2.5	3.5	5.8	4.3	-2	5.4	11.9	-2.9	-1.7
2 Required	1.4	2.9	7.2	4.0	-3.8	8.6	9.7	-1.9	-2.3
3 Nonborrowed	2.4	1.5	-6.5	2.5	8.5	-4.8	5.1	1.1	6.5
4 Monetary base <sup>3</sup>	7.8	8.3	7.6	6.6	5.0	6.2	10.4	2.5	5.6
<i>Concepts of money, liquid assets, and debt<sup>4</sup></i>									
5 M1	3.9	3.8	6.3	5.3	.2	9.8	9.1	.2	.0
6 M2	3.9	6.8	7.7	3.7	4.5	5.7 <sup>r</sup>	3.7	2.3	1.3
7 M3	5.5	7.0 <sup>r</sup>	7.5	5.6	5.4 <sup>r</sup>	7.7	6.8	3.7	1.7
8 L	5.8	6.6 <sup>r</sup>	8.7	n.a.	8.1	3.7 <sup>r</sup>	11.3	5.2	n.a.
9 Debt	10.0 <sup>r</sup>	8.0 <sup>r</sup>	8.5	8.3	8.3	8.1 <sup>r</sup>	7.8	8.7	n.a.
<i>Nontransaction components</i>									
10 In M2 <sup>5</sup>	3.9	7.8	8.2 <sup>r</sup>	3.2	6.1	4.3 <sup>r</sup>	1.9	3.1	1.8
11 In M3 only <sup>6</sup>	11.9	8.0 <sup>r</sup>	6.9 <sup>r</sup>	12.9	8.6 <sup>r</sup>	15.0 <sup>r</sup>	18.4	8.9	3.4
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings	.7	6.3	11.0	8.6	11.7	12.9	9.6	7.0	-1.9
13 Small-denomination time <sup>8,10</sup>	14.8	13.7	11.8	10.1	6.6	6.2	8.8	12.6	19.4
14 Large-denomination time <sup>9,10</sup>	10.5	3.4	6.7	21.4	7.7	23.4	25.1	20.4	18.3
<i>Thrift institutions</i>									
15 Savings	-3.8	-2.4	6.6	5.2	3.0	9.0	6.5	4.5	-3.0
16 Small-denomination time	16.0	21.3	14.0	4.7	10.7	1.7	1.3	6.1	11.8
17 Large-denomination time <sup>9</sup>	22.2	13.7 <sup>r</sup>	9.3 <sup>r</sup>	4.1	8.7 <sup>r</sup>	.0	2.1	.0	22.2
<i>Debt components<sup>4</sup></i>									
18 Federal	7.6	8.0 <sup>r</sup>	8.3 <sup>r</sup>	7.0	3.0 <sup>r</sup>	5.9 <sup>r</sup>	5.4	9.9	n.a.
19 Nonfederal	10.7 <sup>r</sup>	8.0	8.6	8.7	10.0 <sup>r</sup>	8.8	8.5	8.3	n.a.
20 Total loans and securities at commercial banks <sup>11</sup>	5.3 <sup>r</sup>	5.4 <sup>r</sup>	11.0 <sup>r</sup>	7.3	12.4 <sup>r</sup>	10.3 <sup>r</sup>	6.3	7.2	-6

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

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

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

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

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

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

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

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

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

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

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

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

7. Excludes MMDAs.

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

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

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

11. Changes calculated from figures shown in table 1.23.

A4 Domestic Financial Statistics □ December 1988

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1988			1988						
	July	Aug.	Sept.	Aug. 17	Aug. 24	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
<b>SUPPLYING RESERVE FUNDS</b>										
1 Reserve Bank credit	253,673	251,530	256,979	252,047	250,017	251,874	253,011	254,921	258,506	259,277
2 U.S. government securities <sup>1</sup>	225,800	223,140	226,629	223,742	222,259	223,018	224,034	225,024	228,026	227,983
3 Bought outright	224,319	223,140	224,058	223,742	222,259	223,018	224,034	224,040	223,886	224,405
4 Held under repurchase agreements	1,481	0	2,571	0	0	0	0	984	4,140	3,578
5 Federal agency obligations	8,140	7,194	8,525	7,192	7,191	7,191	7,191	7,495	8,887	9,715
6 Bought outright	7,242	7,194	7,191	7,192	7,191	7,191	7,191	7,191	7,191	7,191
7 Held under repurchase agreements	898	0	1,334	0	0	0	0	304	1,696	2,524
8 Acceptances	0	0	0	0	0	0	0	0	0	0
9 Loans	3,508	3,267	2,722	3,267	3,222	3,342	2,844	3,031	2,911	2,257
10 Float	936	595	1,154	369	426	501	1,190	1,192	990	909
11 Other Federal Reserve assets	15,289	17,334	17,951	17,478	16,916	17,822	17,751	18,180	17,692	18,413
12 Gold stock <sup>2</sup>	11,063	11,062	11,062	11,062	11,062	11,062	11,061	11,062	11,062	11,063
13 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
14 Treasury currency outstanding	18,503	18,555	18,606	18,552	18,562	18,572	18,583	18,597	18,611	18,625
<b>ABSORBING RESERVE FUNDS</b>										
15 Currency in circulation	235,965	235,916	236,382	236,466	235,641	235,166	237,046	237,454	236,170	235,096
16 Treasury cash holdings <sup>2</sup>	414	396	392	398	394	397	397	389	389	389
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	3,695	3,153	7,684	2,676	3,116	3,725	3,178	3,986	8,971	12,209
18 Foreign	272	227	236	223	213	259	245	221	231	235
19 Service-related balances and adjustments	1,857	1,899	1,848	1,998	1,873	1,781	1,795	1,786	1,813	1,859
20 Other	329	377	404	357	315	540	389	332	467	440
21 Other Federal Reserve liabilities and capital	7,306	7,329	7,632	7,400	7,350	7,358	7,442	7,589	7,716	7,674
22 Reserve balances with Federal Reserve Banks <sup>3</sup>	38,418	36,868	37,087	37,161	35,756	37,301	37,182	37,841	37,441	36,079
<b>End-of-month figures</b>				<b>Wednesday figures</b>						
1988				1988						
	July	Aug.	Sept.	Aug. 17	Aug. 24	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
<b>SUPPLYING RESERVE FUNDS</b>										
23 Reserve Bank credit	252,440	251,520	261,855	250,637	249,301	251,520	251,460	256,053	274,670	261,227
24 U.S. government securities <sup>1</sup>	224,450	222,795	229,181	223,152	220,473	222,795	220,445	225,593	237,589	228,858
25 Bought outright	224,450	222,795	223,373	223,152	220,473	222,795	220,445	225,556	224,051	226,015
26 Held under repurchase agreements	0	0	5,608	0	0	0	0	2,037	13,538	2,843
27 Federal agency obligations	7,201	7,191	11,073	7,191	7,191	7,191	7,191	7,842	10,730	10,285
28 Bought outright	7,201	7,191	7,191	7,191	7,191	7,191	7,191	7,191	7,191	7,191
29 Held under repurchase agreements	0	0	3,882	0	0	0	0	651	3,539	3,094
30 Acceptances	0	0	0	0	0	0	0	0	0	0
31 Loans	3,650	3,237	2,154	3,356	3,318	3,237	2,995	2,907	7,373	2,664
32 Float	774	659	1,199	478	816	659	2,316	1,335	848	946
33 Other Federal Reserve assets	16,365	17,638	18,248	16,460	17,503	17,638	18,513	18,376	18,130	18,474
34 Gold stock <sup>2</sup>	11,063	11,061	11,062	11,062	11,062	11,061	11,062	11,062	11,063	11,063
35 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
36 Treasury currency outstanding	18,531	18,581	18,637	18,561	18,571	18,581	18,595	18,609	18,623	18,637
<b>ABSORBING RESERVE FUNDS</b>										
37 Currency in circulation	234,990	235,881	235,527	236,337	235,366	235,881	237,815	237,106	235,756	235,248
38 Treasury cash holdings <sup>2</sup>	397	398	389	394	397	398	389	389	389	389
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury	3,910	4,390	13,023	3,672	3,503	4,390	2,648	4,846	19,014	14,694
40 Foreign	269	231	338	234	215	231	205	198	212	331
41 Service-related balances and adjustments	1,642	1,634	1,605	1,637	1,637	1,637	1,637	1,640	1,640	1,603
42 Other	291	392	358	324	294	392	353	339	344	371
43 Other Federal Reserve liabilities and capital	7,200	7,020	7,899	7,120	7,170	7,020	7,410	7,447	7,888	7,509
44 Reserve balances with Federal Reserve Banks <sup>3</sup>	38,352	36,234	37,433	35,560	35,370	36,231	35,678	38,777	44,131	35,799

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

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

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

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

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

1.12 RESERVES AND BORROWINGS Depository Institutions<sup>1</sup>

Millions of dollars

Reserve classification	Monthly averages <sup>9</sup>									
	1985	1986	1987	1988						
	Dec.	Dec.	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.
1 Reserve balances with Reserve Banks <sup>2</sup>	27,620	37,360	37,673	34,211	36,027	38,429	36,509	37,907	37,992	36,911
2 Total vault cash <sup>3</sup>	22,953	24,079	26,155	28,119	25,926	25,200	25,873	25,717	26,479	26,895
3 Vault <sup>4</sup>	20,522	22,199	24,449	25,836	24,049	23,636	24,172	24,084	24,763	25,054
4 Surplus <sup>5</sup>	2,431	1,879	1,706	2,283	1,877	1,564	1,700	1,632	1,715	1,841
5 Total reserves <sup>6</sup>	48,142	59,560	62,123	60,047	60,076	62,064	60,681	61,991	62,756	61,965
6 Required reserves	47,085	58,191	61,094	58,914	59,147	61,205	59,641	61,103	61,749	61,012
7 Excess reserve balances at Reserve Banks <sup>7</sup>	1,058	1,369	1,029	1,133	929	859	1,040	888	1,007	953
8 Total borrowings at Reserve Banks	1,318	827	777	396	1,752	2,993	2,578	3,083	3,440	3,241
9 Seasonal borrowings at Reserve Banks	56	38	93	75	119	146	246	311	376	423
10 Extended credit at Reserve Banks <sup>8</sup>	499	303	483	205	1,478	2,624	2,107	2,554	2,538	2,653
Biweekly averages of daily figures for weeks ending										
1988										
	June 1	June 15	June 29	July 13	July 27	Aug. 10	Aug. 24	Sept. 7 <sup>7</sup>	Sept. 21	Oct. 5
11 Reserve balances with Reserve Banks <sup>2</sup>	35,707	38,644	37,260	38,831	37,399	37,343	36,442	37,273	37,625	36,532
12 Total vault cash <sup>3</sup>	26,265	25,118	26,237	26,270	26,647	26,571	27,400	26,351	26,787	26,924
13 Vault <sup>4</sup>	24,418	23,614	24,492	24,629	24,889	24,762	25,513	24,555	25,054	25,079
14 Surplus <sup>5</sup>	1,847	1,504	1,745	1,641	1,758	1,810	1,887	1,797	1,733	1,845
15 Total reserves <sup>6</sup>	60,125	62,258	61,752	63,460	62,288	62,104	61,935	61,827	62,679	61,611
16 Required reserves	58,943	61,563	60,692	62,599	61,085	61,309	60,954	60,705	61,896	60,430
17 Excess reserve balances at Reserve Banks <sup>7</sup>	1,182	696	1,060	861	1,203	796	981	1,123	783	1,181
18 Total borrowings at Reserve Banks	3,120	3,465	2,658	3,656	3,268	3,339	3,245	3,093	2,971	2,438
19 Seasonal borrowings at Reserve Banks	269	287	337	352	390	407	431	432	408	433
20 Extended credit at Reserve Banks <sup>8</sup>	2,538	2,986	2,138	2,340	2,663	2,748	2,671	2,482	2,075	1,704

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

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

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

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

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

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

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

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

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

9. Data are prorated monthly averages of biweekly averages.

A6 Domestic Financial Statistics □ December 1988

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Member Banks<sup>1</sup>

Averages of daily figures, in millions of dollars

Maturity and source	1988 week ending Monday								
	Jan. 25	Feb. 1	Feb. 8	Feb. 15	Feb. 22	Feb. 29	Mar. 7	Mar. 14	Mar. 21
<i>Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds</i>									
From commercial banks in the United States									
1 For one day or under continuing contract	69,234	68,643	73,658	71,220	70,499	68,564	74,546	74,875	70,844
2 For all other maturities	8,966	8,899	10,198	10,983	10,336	10,925	10,486	10,990	11,063
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	28,418	28,852	33,324	34,496	35,712	36,350	38,939	40,780	38,287
4 For all other maturities	6,140	6,356	6,762	7,250	6,146	5,926	7,002	7,567	5,974
<i>Repurchase agreements on U.S. government and federal agency securities in immediately available funds</i>									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	15,796	16,800	15,386	13,137	14,778	13,368	12,705	12,181	12,768
6 For all other maturities	13,614	14,309	15,290	16,451	13,610	14,974	13,797	14,617	14,374
All other customers									
7 For one day or under continuing contract	26,596	26,307	25,172	25,709	25,270	24,686	24,513	24,704	24,364
8 For all other maturities	10,378	10,268	9,986	10,605	10,130	10,652	10,778	11,583	12,275
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	35,063	36,523	35,727	34,848	36,414	32,112	35,273	35,864	35,301
10 To all other specified customers <sup>2</sup>	14,446	15,399	15,169	14,115	13,620	13,381	13,953	14,047	13,503

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Adjustment credit and Seasonal credit <sup>1</sup>			Extended credit <sup>2</sup>						
				First 30 days of borrowing			After 30 days of borrowing <sup>3</sup>			
	On 10/26/88	Effective date	Previous rate	On 10/26/88	Effective date	Previous rate	On 10/26/88	Effective date	Previous rate	Effective date
Boston.....	6½	8/9/88	6	6½	8/9/88	6	8.80	10/20/88	8.80	10/6/88
New York.....	↑	8/9/88	↑	↑	8/9/88	↑	↑	10/20/88	↑	10/6/88
Philadelphia.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Cleveland.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Richmond.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Atlanta.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Chicago.....	8/10/88	8/10/88	8/10/88	8/10/88	8/10/88	8/10/88	8/10/88	10/20/88	8/10/88	10/6/88
St. Louis.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Minneapolis.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Kansas City.....	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	8/9/88	10/20/88	8/9/88	10/6/88
Dallas.....	8/11/88	8/11/88	8/11/88	8/11/88	8/11/88	8/11/88	8/11/88	10/20/88	8/11/88	10/6/88
San Francisco.....	6½	8/9/88	6	6½	8/9/88	6	8.80	10/20/88	8.80	10/6/88

Range of rates for adjustment credit in recent years<sup>4</sup>

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

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

Seasonal credit is available to help smaller depository institutions meet regular, seasonal needs for funds that cannot be met through special industry lenders and that arise from a combination of expected patterns of movement in their deposits and loans. A temporary simplified seasonal program was established on Mar. 8, 1985, and the interest rate was a fixed rate ½ percent above the rate on adjustment credit. The program was reestablished on Feb. 18, 1986 and again on Jan. 28, 1987; the rate may be either the same as that for adjustment credit or a fixed rate ½ percent higher.

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

3. For extended-credit loans outstanding more than 30 days, a flexible rate

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

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

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS<sup>1</sup>

Percent of deposits

Type of deposit, and deposit interval <sup>2</sup>	Depository institution requirements after implementation of the Monetary Control Act	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> <sup>3,4</sup>		
\$0 million–\$40.5 million.....	3	12/15/87
More than \$40.5 million.....	12	12/15/87
<i>Nonpersonal time deposits</i> <sup>5</sup>		
By original maturity		
Less than 1½ years.....	3	10/6/83
1½ years or more.....	0	10/6/83
<i>Eurocurrency liabilities</i>		
All types.....	3	11/13/80

1. Reserve requirements in effect on Dec. 31, 1987. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* and of the FEDERAL RESERVE BULLETIN. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

2. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97–320) requires that \$2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 15, 1987, the exemption was raised from \$2.9 million to \$3.2 million. In determining the reserve requirements of depository institutions, the exemption shall apply in the following order: (1) net NOW accounts (NOW accounts less allowable deductions); (2) net other transaction accounts; and (3) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and

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

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

4. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 15, 1987 for institutions reporting quarterly and Dec. 29, 1987 for institutions reporting weekly, the amount was increased from \$36.7 million to \$40.5 million.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS<sup>1</sup>

Millions of dollars

Type of transaction	1985	1986	1987	1988						
				Feb.	Mar.	Apr.	May	June	July	Aug.
<b>U.S. TREASURY SECURITIES</b>										
<b>Outright transactions (excluding matched transactions)</b>										
<b>Treasury bills</b>										
1 Gross purchases .....	22,214	22,602	18,983	346	560	423	0	0	515	0
2 Gross sales .....	4,118	2,502	6,050	538	0	0	0	0	0	0
3 Exchange .....	0	0	0	0	0	0	0	0	0	0
4 Redemptions .....	3,500	1,000	9,029	1,600	0	0	0	0	0	0
<b>Others within 1 year</b>										
5 Gross purchases .....	1,349	190	3,658	0	0	1,092	0	0	0	0
6 Gross sales .....	0	0	300	0	0	0	0	0	0	0
7 Maturity shift .....	19,763	18,673	21,502	1,939	2,051	868	1,646	1,384	1,033	3,932
8 Exchange .....	-17,717	-20,179	-20,388	-2,868	-2,089	-1,688	-4,324	-1,826	-87	-4,296
9 Redemptions .....	0	0	70	0	0	0	0	0	0	0
<b>1 to 5 years</b>										
10 Gross purchases .....	2,185	893	10,231	0	0	3,661	0	0	0	0
11 Gross sales .....	0	0	452	800	0	0	0	0	0	0
12 Maturity shift .....	-17,459	-17,058	-17,974	-952	-2,051	-823	-1,102	-1,384	-997	-1,821
13 Exchange .....	13,853	16,984	18,938	2,643	2,089	1,434	3,724	1,826	0	3,971
<b>5 to 10 years</b>										
14 Gross purchases .....	458	236	2,441	0	0	1,017	0	0	0	0
15 Gross sales .....	100	0	0	175	0	0	0	0	0	0
16 Maturity shift .....	-1,857	-1,620	-3,529	-987	0	-45	-387	0	-36	-2,111
17 Exchange .....	2,184	2,050	950	150	0	254	400	0	87	325
<b>Over 10 years</b>										
18 Gross purchases .....	293	158	1,858	0	0	966	0	0	0	0
19 Gross sales .....	0	0	0	0	0	0	0	0	0	0
20 Maturity shift .....	-447	0	0	0	0	0	-157	0	0	0
21 Exchange .....	1,679	1,150	500	75	0	0	200	0	0	0
<b>All maturities</b>										
22 Gross purchases .....	26,499	24,078	37,171	346	560	7,160	0	0	515	0
23 Gross sales .....	4,218	2,502	6,802	1,513	0	0	0	0	0	0
24 Redemptions .....	3,500	1,000	9,099	1,600	0	0	0	0	0	0
<b>Matched transactions</b>										
25 Gross sales .....	866,175	927,997	950,923	97,892	104,527	86,900	115,287	73,708	81,979	124,875
26 Gross purchases .....	865,968	927,247	950,935	99,139	104,572	85,608	115,115	72,966	83,464	123,220
<b>Repurchase agreements<sup>2</sup></b>										
27 Gross purchases .....	134,253	170,431	314,620	0	0	18,696	15,871	10,520	22,978	0
28 Gross sales .....	132,351	160,268	324,666	0	0	11,088	23,478	5,334	28,164	0
29 Net change in U.S. government securities .....	20,477	29,989	11,235	-1,520	605	13,476	-7,779	4,444	-3,186	-1,655
<b>FEDERAL AGENCY OBLIGATIONS</b>										
<b>Outright transactions</b>										
30 Gross purchases .....	0	0	0	0	0	0	0	0	0	0
31 Gross sales .....	0	0	0	0	0	0	0	0	0	0
32 Redemptions .....	162	398	276	21	3	120	11	0	67	10
<b>Repurchase agreements<sup>2</sup></b>										
33 Gross purchases .....	22,183	31,142	80,353	0	0	4,243	4,771	5,083	12,355	0
34 Gross sales .....	20,877	30,522	81,351	0	0	1,447	7,566	2,843	14,594	0
35 Net change in federal agency obligations .....	1,144	222	-1,274	-21	-3	2,676	-2,807	2,239	-2,306	-10
36 Total net change in System Open Market Account .....	21,621	30,211	9,961	-1,541	602	16,151	-10,585	6,683	-5,492	-1,665

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

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

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1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements<sup>1</sup>

Millions of dollars

Account	Wednesday					End of month		
	1988					1988		
	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28	July	Aug.	Sept.
<b>Consolidated condition statement</b>								
<b>ASSETS</b>								
1 Gold certificate account	11,061	11,062	11,062	11,063	11,063	11,063	11,061	11,062
2 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
3 Coin	370	354	360	378	384	383	370	397
<b>Loans</b>								
4 To depository institutions	3,237	2,995	2,907	7,373	2,664	3,650	3,237	2,154
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<b>Federal agency obligations</b>								
7 Bought outright	7,191	7,191	7,191	7,191	7,191	7,201	7,191	7,191
8 Held under repurchase agreements	0	0	651	3,539	3,094	0	0	3,882
<b>U.S. Treasury securities</b>								
<b>Bought outright</b>								
9 Bills	105,818	103,468	106,579	107,074	109,038	107,473	105,818	106,596
10 Notes	87,484	87,484	87,484	87,484	87,484	87,484	87,484	87,484
11 Bonds	29,493	29,493	29,493	29,493	29,493	29,493	29,493	29,493
12 Total bought outright	222,795	220,445	223,556	224,051	226,015	224,450	222,795	223,573
13 Held under repurchase agreements	0	0	2,037	13,538	2,843	0	0	5,608
14 Total U.S. Treasury securities	222,795	220,445	225,593	237,589	228,858	224,450	222,795	229,181
15 Total loans and securities	233,223	230,631	236,342	255,692	241,807	235,301	233,223	242,408
16 Items in process of collection	6,283	10,631	7,600	7,664	6,788	7,278	6,283	8,052
17 Bank premises	732	735	734	735	733	729	732	736
<b>Other assets</b>								
18 Denominated in foreign currencies <sup>3</sup>	9,797	9,801	9,838	9,203	9,557	7,561	9,797	9,528
19 All other <sup>4</sup>	7,109	7,977	7,804	8,192	8,184	8,075	7,109	7,984
20 Total assets	273,593	276,209	278,758	297,945	283,534	275,408	273,593	285,185
<b>LIABILITIES</b>								
21 Federal Reserve notes	218,068	219,963	219,246	217,900	217,385	217,240	218,068	217,676
<b>Deposits</b>								
22 To depository institutions	37,868	37,315	40,417	45,771	37,402	39,994	37,868	39,038
23 U.S. Treasury—General account	4,390	2,648	4,846	19,014	14,694	3,910	4,390	13,023
24 Foreign—Official accounts	231	205	198	212	331	269	231	338
25 Other	392	353	339	344	371	291	392	358
26 Total deposits	42,881	40,521	45,800	65,341	52,798	44,464	42,881	52,757
27 Deferred credit items	5,624	8,315	6,265	6,816	5,842	6,504	5,624	6,853
28 Other liabilities and accrued dividends <sup>5</sup>	2,613	2,896	2,915	3,365	2,953	2,611	2,613	3,277
29 Total liabilities	269,186	271,695	274,226	293,422	278,978	270,819	269,186	280,563
<b>CAPITAL ACCOUNTS</b>								
30 Capital paid in	2,083	2,084	2,085	2,090	2,097	2,119	2,083	2,097
31 Surplus	2,041	2,047	2,047	2,047	2,047	2,046	2,041	2,047
32 Other capital accounts	283	383	400	386	412	424	283	478
33 Total liabilities and capital accounts	273,593	276,209	278,758	297,945	283,534	275,408	273,593	285,185
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	223,518	226,814	227,332	223,989	224,077	226,294	223,518	225,561
<b>Federal Reserve note statement</b>								
35 Federal Reserve notes outstanding issued to bank	263,958	264,135	264,866	265,669	265,693	262,021	263,958	265,671
36 LESS: Held by bank	45,890	44,172	45,620	47,769	48,308	44,781	45,890	47,995
37 Federal Reserve notes, net	218,068	219,963	219,246	217,900	217,385	217,240	218,068	217,676
<b>Collateral held against notes net:</b>								
38 Gold certificate account	11,061	11,062	11,062	11,063	11,063	11,063	11,061	11,062
39 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	201,989	203,883	203,166	201,819	201,304	201,159	201,989	201,596
42 Total collateral	218,068	219,963	219,246	217,900	217,385	217,240	218,068	217,676

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

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

3. Valued monthly at market exchange rates.

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

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

## 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1988					1988		
	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28	July 29	Aug. 31	Sept. 30
	1 Loans—Total	3,237	2,995	2,907	7,373	2,664	3,650	3,237
2 Within 15 days	3,063	2,759	2,665	7,242	2,575	3,510	3,063	1,996
3 16 days to 90 days	174	236	242	131	89	140	174	158
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances—Total	0	0	0	0	0	0	0	0
6 Within 15 days	0	0	0	0	0	0	0	0
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. Treasury securities—Total	222,795	220,445	225,593	237,589	228,858	224,450	222,795	223,573
10 Within 15 days	10,774	7,160	9,622	23,063	14,652	7,756	10,774	2,318
11 16 days to 90 days	50,393	49,152	51,659	50,087	52,197	56,583	50,393	55,265
12 91 days to 1 year	66,296	68,801	68,980	69,107	62,886	64,395	66,296	70,379
13 Over 1 year to 5 years	55,124	55,124	55,124	55,124	58,915	53,722	55,124	55,403
14 Over 5 years to 10 years	13,700	13,700	13,700	13,700	13,700	15,486	13,700	13,700
15 Over 10 years	26,508	26,508	26,508	26,508	26,508	26,508	26,508	26,508
16 Federal agency obligations—Total	7,191	7,191	7,842	10,730	10,285	7,201	7,191	7,191
17 Within 15 days	287	80	656	3,754	3,309	185	287	215
18 16 days to 90 days	660	850	929	719	742	765	660	793
19 91 days to 1 year	1,647	1,717	1,633	1,633	1,614	1,759	1,647	1,563
20 Over 1 year to 5 years	3,268	3,215	3,295	3,295	3,293	3,173	3,268	3,293
21 Over 5 years to 10 years	1,140	1,140	1,140	1,140	1,138	1,130	1,140	1,138
22 Over 10 years	189	189	189	189	189	189	189	189

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE<sup>1</sup>

Billions of dollars, averages of daily figures

Item	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988							
					Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>2</sup>												
1 Total reserves <sup>3</sup> .....	40.96	47.26	57.46	58.72	59.57	59.76	60.37	60.37	60.64	61.24	61.09	61.00
2 Nonborrowed reserves.....	37.77	45.94	56.63	57.94	59.18	58.01	57.38	57.79	57.55	57.80	57.85	58.16
3 Nonborrowed reserves plus extended credit <sup>4</sup> .....	40.38	46.44	56.93	58.43	59.38	59.49	60.00	59.89	60.11	60.34	60.50	60.22
4 Required reserves.....	40.11	46.20	56.09	57.69	58.44	58.83	59.51	59.32	59.75	60.23	60.14	60.02
5 Monetary base <sup>5</sup> .....	200.45	218.26	240.80	257.93	262.02	263.32	265.81	266.92	268.31	270.63	271.20	272.46
Not seasonally adjusted												
6 Total reserves <sup>3</sup> .....	41.84	48.27	58.70	60.02	58.66	58.85	60.95	59.45	60.68	61.47	60.59	60.66
7 Nonborrowed reserves.....	38.65	46.95	57.87	59.25	58.27	57.10	57.95	56.88	57.60	58.03	57.35	57.82
8 Nonborrowed reserves plus extended credit <sup>4</sup> .....	41.26	47.45	58.18	59.73	58.47	58.58	60.58	58.98	60.15	60.57	60.00	59.88
9 Required reserves.....	40.99	47.21	57.33	58.99	57.53	57.92	60.09	58.41	59.79	60.46	59.64	59.68
10 Monetary base <sup>5</sup> .....	203.39	221.49	244.55	262.05	259.01	260.77	265.01	265.73	269.44	272.41	271.73	271.58
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS <sup>6</sup>												
11 Total reserves <sup>3</sup> .....	40.70	48.14	59.56	62.12	60.05	60.08	62.06	60.68	61.99	62.76	61.97	62.16
12 Nonborrowed reserves.....	37.51	46.82	58.73	61.35	59.65	58.32	59.07	58.10	58.91	59.32	58.72	59.32
13 Nonborrowed reserves plus extended credit <sup>4</sup> .....	40.09	47.41	59.04	61.86	59.82	59.58	61.89	60.08	61.47	61.99	61.26	61.32
14 Required reserves.....	39.84	47.08	58.19	61.09	58.91	59.15	61.21	59.64	61.10	61.75	61.01	61.18
15 Monetary base <sup>5</sup> .....	204.18	223.53	247.71	266.16	262.60	263.98	268.13	268.90	272.65	275.59	275.03	274.89

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

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

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

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

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

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES<sup>1</sup>

Billions of dollars, averages of daily figures

Item <sup>2</sup>	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988			
					June	July <sup>r</sup>	Aug. <sup>r</sup>	Sept.
Seasonally adjusted								
1 M1 .....	551.9	620.1	725.4	750.8	776.5	782.3	782.5	782.4
2 M2 .....	2,363.6	2,562.6	2,807.7	2,901.0	3,016.5 <sup>r</sup>	3,025.9	3,031.8	3,034.8
3 M3 .....	2,978.3	3,196.4	3,490.8	3,664.2	3,812.5 <sup>r</sup>	3,834.9	3,847.1	3,852.1
4 L .....	3,519.4	3,825.9	4,134.3	4,327.0	4,509.1 <sup>r</sup>	4,552.2	4,572.4	n.a.
5 Debt .....	5,907.4 <sup>r</sup>	6,716.8 <sup>r</sup>	7,572.7 <sup>r</sup>	8,279.3 <sup>r</sup>	8,619.6 <sup>r</sup>	8,675.6	8,738.2	n.a.
M1 components								
6 Currency <sup>3</sup> .....	156.1	167.7	180.4	196.5	204.9	206.3	207.2	208.5
7 Travelers checks <sup>4</sup> .....	5.2	5.9	6.5	7.1	7.3	7.2	7.2	7.3
8 Demand deposits <sup>5</sup> .....	244.1	267.2	303.3	288.0	289.9	290.6	290.0	288.3
9 Other checkable deposits <sup>6</sup> .....	146.4	179.2	235.2	259.3	274.4	278.3	278.1	278.3
Nontransactions components								
10 In M2 <sup>7</sup> .....	1,811.7	1,942.5	2,082.3	2,150.2	2,240.0 <sup>r</sup>	2,243.5	2,249.3	2,252.4
11 In M3 only <sup>8</sup> .....	614.7	633.8	683.1	763.2	796.0 <sup>r</sup>	809.0	815.3	817.3
Savings deposits <sup>9</sup>								
12 Commercial Banks .....	122.6	124.8	155.5	178.2	188.0	189.5	190.6	190.3
13 Thrift institutions .....	162.9	176.6	215.2	236.0	241.0	242.3	243.2	242.6
Small-denomination time deposits <sup>10</sup>								
14 Commercial Banks .....	386.3	383.3	364.6	384.6	406.8	409.8	414.1	420.9
15 Thrift institutions .....	497.0	496.2	488.6	528.5	568.1	568.7	571.6	577.0
Money market mutual funds								
16 General purpose and broker-dealer .....	167.5	176.5	208.0	221.1	228.9	229.6	230.8	230.9
17 Institution-only .....	62.7	64.5	84.4	89.6	86.3	84.8	84.0	83.7
Large-denomination time deposits <sup>11</sup>								
18 Commercial Banks <sup>12</sup> .....	270.2	284.9	288.9	323.5	334.2	341.2	347.0	352.4
19 Thrift institutions .....	146.8	151.6	150.3	161.2	167.5 <sup>r</sup>	167.9	167.8	171.2
Debt components								
20 Federal debt .....	1,366.1 <sup>r</sup>	1,585.3 <sup>r</sup>	1,805.8 <sup>r</sup>	1,956.1 <sup>r</sup>	2,031.7 <sup>r</sup>	2,040.8	2,057.7	n.a.
21 Nonfederal debt .....	4,541.3 <sup>r</sup>	5,131.5 <sup>r</sup>	5,766.9 <sup>r</sup>	6,323.2 <sup>r</sup>	6,587.9 <sup>r</sup>	6,634.8	6,680.4	n.a.
Not seasonally adjusted								
22 M1 .....	564.5	633.5	740.6	765.9	778.8	785.5	781.2	779.9
23 M2 .....	2,373.2	2,573.9	2,821.4	2,914.7	3,014.3 <sup>r</sup>	3,030.4	3,030.9	3,030.0
24 M3 .....	2,991.4	3,211.0	3,507.6	3,680.8	3,807.9 <sup>r</sup>	3,832.2	3,844.7	3,850.8
25 L .....	3,532.7	3,841.4	4,152.3	4,345.1	4,505.6 <sup>r</sup>	4,541.5	4,564.5	n.a.
26 Debt .....	5,901.1 <sup>r</sup>	6,706.8 <sup>r</sup>	7,556.6 <sup>r</sup>	8,261.2 <sup>r</sup>	8,586.9 <sup>r</sup>	8,640.4	8,695.1	n.a.
M1 components								
27 Currency <sup>3</sup> .....	158.5	170.2	183.0	199.4	205.8	207.9	207.9	207.9
28 Travelers checks <sup>4</sup> .....	4.9	5.5	6.0	6.5	7.6	8.2	8.2	7.9
29 Demand deposits <sup>5</sup> .....	253.0	276.9	314.4	298.5	291.0	292.6	288.7	287.0
30 Other checkable deposits <sup>6</sup> .....	148.2	180.9	237.3	261.6	274.4	276.8	276.4	277.1
Nontransactions components								
31 M2 <sup>7</sup> .....	1,808.7	1,940.3	2,080.7	2,148.8	2,235.6	2,244.9	2,249.7	2,250.1
32 M3 only <sup>8</sup> .....	618.2	637.1	686.2	766.1	793.5 <sup>r</sup>	801.8	813.8	820.7
Money market deposit accounts								
33 Commercial Banks .....	267.4	332.8	379.6	358.2	359.9	359.4	356.9	353.6
34 Thrift institutions .....	149.4	180.8	192.9	167.0	162.4	161.8	160.2	157.3
Savings deposits <sup>9</sup>								
35 Commercial Banks .....	121.5	123.7	154.2	176.7	189.6	191.4	190.9	189.7
36 Thrift institutions .....	161.5	174.8	212.9	233.3	243.8	245.6	243.8	241.9
Small-denomination time deposits <sup>10</sup>								
37 Commercial Banks .....	386.9	384.0	365.3	385.2	405.4	410.3	415.2	422.7
38 Thrift institutions .....	498.2	497.5	489.7	529.3	564.6	568.9	571.4	576.1
Money market mutual funds								
39 General purpose and broker-dealer .....	167.5	176.5	208.0	221.1	228.9	229.6	230.8	230.9
40 Institution-only .....	62.7	64.5	84.4	89.6	86.3	84.8	84.0	83.7
Large-denomination time deposits <sup>11</sup>								
41 Commercial Banks <sup>12</sup> .....	270.9	285.4	289.1	323.6	333.5 <sup>r</sup>	338.4	346.3	352.4
42 Thrift institutions .....	146.8	151.9	150.7	161.8	166.4 <sup>r</sup>	166.5	167.6	171.6
Debt components								
43 Federal debt .....	1,364.7	1,583.7	1,803.9	1,954.1	2,014.9 <sup>r</sup>	2,022.3	2,035.8	n.a.
44 Nonfederal debt .....	4,536.4 <sup>r</sup>	5,123.1 <sup>r</sup>	5,752.8 <sup>r</sup>	6,307.1 <sup>r</sup>	6,572.0 <sup>r</sup>	6,618.2	6,659.3	n.a.

For notes see following page.

## NOTES TO TABLE I.21

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

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

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

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

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

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

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

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

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

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

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

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

9. Savings deposits exclude MMDAs.

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

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

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

1.22 BANK DEBITS AND DEPOSIT TURNOVER<sup>1</sup>

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

Bank group, or type of customer	1985 <sup>2</sup>	1986 <sup>2</sup>	1987 <sup>2</sup>	1988					
				Jan.	Feb.	Mar.	Apr.	May	June
<b>DEBITS TO</b>									
<b>Seasonally adjusted</b>									
Demand deposits <sup>3</sup>									
1 All insured banks	156,091.6	188,345.8	217,115.9	213,270.8	221,057.3	218,986.7	213,971.5	224,052.3	230,198.8
2 Major New York City banks	70,585.8	91,397.3	104,496.3	98,733.8	104,568.3	101,161.0	100,695.1	109,714.7	111,402.1
3 Other banks	85,505.9	96,948.8	112,619.6	114,537.0	116,489.0	117,825.7	113,276.4	114,337.6	118,796.6
4 ATS-NOW accounts	1,823.5	2,182.5	2,402.7	2,352.7	2,730.3	2,856.8	2,557.9	2,664.9	2,786.0
5 Savings deposits	384.9	403.5	526.5	534.9	596.0	640.7	543.7	574.7	597.1
<b>DEPOSIT TURNOVER</b>									
Demand deposits <sup>3</sup>									
6 All insured banks	500.3	556.5	612.1	602.5	628.2	628.8	600.2	630.9	649.8
7 Major New York City banks	2,196.9	2,498.2	2,670.6	2,600.3	2,844.8	2,811.0	2,700.6	2,881.3	2,911.0
8 Other banks	305.7	321.2	357.0	362.5	369.7	377.3	354.9	360.6	376.0
9 ATS-NOW accounts	15.8	15.6	13.8	13.0	14.9	15.5	13.8	14.2	14.8
10 Savings deposits	3.2	3.0	3.1	3.0	3.3	3.5	3.0	3.1	3.2
<b>DEBITS TO</b>									
<b>Not seasonally adjusted</b>									
Demand deposits <sup>3</sup>									
11 All insured banks	156,052.3	188,506.4	217,124.8	210,029.1	208,899.2	233,286.6	214,848.8	222,685.5	241,133.2
12 Major New York City banks	70,559.2	91,500.0	104,518.6	97,840.1	98,106.5	109,557.8	101,141.9	106,335.6	117,287.7
13 Other banks	85,493.1	97,006.6	112,606.1	112,189.0	110,792.7	123,728.8	113,706.9	116,349.9	123,845.5
14 ATS-NOW accounts <sup>4</sup>	1,826.4	2,184.6	2,404.8	2,565.2	2,468.6	2,825.0	2,745.3	2,601.3	2,851.4
15 MMDA <sup>5</sup>	1,223.9	1,609.4	1,954.2	2,305.6	2,102.8	2,337.5	2,372.8	2,341.0	2,557.1
16 Savings deposits	385.3	404.1	526.8	552.5	526.3	616.5	603.2	566.4	598.3
<b>DEPOSIT TURNOVER</b>									
Demand deposits <sup>3</sup>									
17 All insured banks	499.9	556.7	612.3	578.7	610.5	684.3	601.8	638.6	679.5
18 Major New York City banks	2,196.3	2,499.1	2,674.9	2,430.3	2,664.6	3,005.7	2,706.2	2,895.6	3,121.4
19 Other banks	305.6	321.2	356.9	347.7	362.8	406.4	355.7	372.9	390.3
20 ATS-NOW accounts <sup>4</sup>	15.8	15.6	13.8	13.9	13.5	15.3	14.4	14.1	15.2
21 MMDA <sup>5</sup>	4.0	4.5	5.3	6.5	5.9	6.5	6.6	6.6	7.2
22 Savings deposits	3.2	3.0	3.1	3.1	3.0	3.4	3.3	3.1	3.2

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

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

2. Annual averages of monthly figures.

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

of states and political subdivisions.

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

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

6. Money market deposit accounts.

A16 Domestic Financial Statistics □ December 1988

1.23 LOANS AND SECURITIES All Commercial Banks<sup>1</sup>

Billions of dollars; averages of Wednesday figures

Category	1987			1988 <sup>2</sup>								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Seasonally adjusted												
1 Total loans and securities <sup>2</sup> .....	2,230.5	2,235.3	2,233.0	2,244.8	2,264.1	2,281.3	2,304.7	2,328.5	2,348.4	2,360.8	2,374.9	2,373.7
2 U.S. government securities .....	332.6	332.6	335.0	336.4	336.4	340.2	343.8	346.5	350.5	348.0	350.5	352.4
3 Other securities .....	193.2	195.1	194.5	192.0	193.7	195.7	196.6	196.1	196.5	196.8	196.4	194.3
4 Total loans and leases <sup>2</sup> .....	1,704.7	1,707.5	1,703.5	1,716.5	1,734.0	1,745.4	1,764.3	1,786.0	1,801.5	1,815.9	1,827.9	1,827.0
5 Commercial and industrial .....	561.4	561.3	562.4	565.2	569.3	568.6	578.1	586.3	592.4	598.3	599.4	597.2
6 Bankers acceptances held <sup>3</sup> .....	5.1	4.4	4.1	4.3	4.3	4.7	4.6	4.4	4.4	4.4	4.6	4.5
7 Other commercial and industrial .....	556.4	556.9	558.3	560.9	564.9	564.0	573.5	582.0	588.1	593.9	594.7	592.7
8 U.S. addressees <sup>4</sup> .....	548.4	549.4	550.2	552.2	556.3	555.8	565.5	575.1	581.3	587.4	588.4	586.4
9 Non-U.S. addressees <sup>4</sup> .....	7.9	7.5	8.1	8.7	8.7	8.2	8.1	6.9	6.8	6.5	6.3	6.3
10 Real estate .....	573.7	581.2	588.4	593.7	599.2	604.9	611.3	618.6	625.0	631.4	638.7	644.7
11 Individual .....	324.6	326.3	327.8	329.8	333.0	337.0	340.4	342.8	344.4	345.3	347.0	349.1
12 Security .....	47.1	39.3	33.4	36.5	42.1	41.2	39.5	39.8	39.3	38.6	40.1	36.3
13 Nonbank financial institutions .....	31.6	31.8	31.8	32.0	32.4	31.8	30.9	31.4	31.1	31.6	31.4	30.5
14 Agricultural .....	29.6	29.5	29.5	29.6	29.5	29.3	29.4	29.6	29.6	29.6	29.4	29.3
15 State and political subdivisions .....	54.5	54.1	52.2	51.7	51.0	50.1	49.5	49.3	49.2	50.2	49.6	49.4
16 Foreign banks .....	9.1	8.2	7.5	7.6	7.4	7.8	8.3	8.0	7.9	8.2	8.1	7.4
17 Foreign official institutions .....	5.7	5.5	5.3	5.4	5.1	5.1	5.1	5.0	5.0	5.0	5.2	5.2
18 Lease financing receivables .....	24.0	24.6	24.6	25.1	25.3	25.4	25.7	26.0	26.5	27.2	27.3	27.8
19 All other loans .....	43.4	45.8	40.4	39.8	39.8	44.2	46.0	48.9	50.8	50.5	51.8	50.2
Not seasonally adjusted												
20 Total loans and securities <sup>2</sup> .....	2,225.3	2,234.4	2,249.2	2,257.5	2,268.8	2,281.6	2,305.9	2,325.2	2,344.6	2,350.7	2,363.5	2,370.5
21 U.S. government securities .....	330.2	332.5	334.9	337.9	341.5	342.0	343.4	344.9	347.0	347.1	350.5	352.7
22 Other securities .....	192.2	194.5	195.0	194.6	194.4	195.3	196.2	196.1	196.0	195.5	196.3	194.4
23 Total loans and leases <sup>2</sup> .....	1,702.9	1,707.4	1,719.3	1,724.9	1,732.9	1,744.2	1,766.3	1,784.2	1,801.6	1,808.1	1,816.7	1,823.4
24 Commercial and industrial .....	557.4	560.2	566.4	564.9	568.5	573.8	582.1	588.8	594.0	595.4	594.2	593.7
25 Bankers acceptances held <sup>3</sup> .....	5.0	4.4	4.2	4.1	4.3	4.7	4.5	4.4	4.5	4.4	4.6	4.5
26 Other commercial and industrial .....	552.4	555.8	562.2	560.7	564.2	569.1	577.6	584.4	589.5	591.0	589.6	589.2
27 U.S. addressees <sup>4</sup> .....	544.3	547.7	554.1	552.8	556.0	561.2	569.7	577.3	582.6	584.0	582.9	582.6
28 Non-U.S. addressees <sup>4</sup> .....	8.1	8.1	8.1	8.0	8.2	7.9	7.9	7.1	6.9	7.0	6.7	6.6
29 Real estate .....	574.3	581.7	589.3	594.1	598.5	604.1	610.3	618.1	624.8	631.5	638.7	645.5
30 Individual .....	326.1	328.0	332.1	333.3	332.4	333.9	337.4	339.9	342.3	343.8	347.1	350.8
31 Security .....	45.7	39.4	35.0	37.3	40.5	40.6	41.2	40.4	40.8	38.2	38.3	35.3
32 Nonbank financial institutions .....	31.6	32.2	33.1	32.2	31.4	30.8	30.8	31.2	31.2	31.4	31.3	30.8
33 Agricultural .....	30.5	29.8	29.3	28.9	28.5	28.3	28.6	29.3	29.9	30.3	30.3	30.3
34 State and political subdivisions .....	53.6	53.1	52.2	53.5	52.2	51.0	50.0	49.3	48.9	49.5	49.0	48.6
35 Foreign banks .....	9.3	8.2	7.9	7.8	7.6	7.7	7.9	7.7	7.8	8.2	7.9	7.6
36 Foreign official institutions .....	5.7	5.5	5.3	5.4	5.1	5.1	5.1	5.1	5.0	5.0	5.2	5.2
37 Lease financing receivables .....	23.7	24.3	24.6	25.2	25.4	25.6	25.9	26.1	26.7	27.2	27.2	27.6
38 All other loans .....	45.1	45.0	44.0	42.3	42.7	43.4	46.9	48.3	50.3	47.7	47.5	48.0

1. These data also appear in the Board's G.7 (407) release. For address, see inside front cover.

2. Excludes loans to commercial banks in the United States.

3. Includes nonfinancial commercial paper held.

4. United States includes the 50 states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS<sup>1</sup>

Monthly averages, billions of dollars

Source	1987			1988								
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Total nondeposit funds												
1 Seasonally adjusted <sup>2</sup>	176.8	174.6	178.4	180.2	178.1	175.8	183.1	194.3 <sup>f</sup>	194.8 <sup>f</sup>	192.5 <sup>f</sup>	196.6 <sup>f</sup>	182.8
2 Not seasonally adjusted	176.8	176.9	179.3	180.6	180.7	176.6	182.2	194.1	191.1 <sup>f</sup>	188.5 <sup>f</sup>	196.9 <sup>f</sup>	183.4
Federal funds, RPs, and other borrowings from nonbanks <sup>3</sup>												
3 Seasonally adjusted	165.2	166.7	163.2	171.1	175.0	178.9	181.1	184.5	186.1	181.7	177.9	173.7
4 Not seasonally adjusted	165.3	169.0	164.1	171.4	177.6	179.8	180.2	184.3	182.4	177.7	178.2	174.3
5 Net balances due to foreign-related institutions, not seasonally adjusted	11.6	7.9	15.2	9.1	3.1	-3.1	2.0	9.7 <sup>f</sup>	8.7 <sup>f</sup>	10.8 <sup>f</sup>	18.7 <sup>f</sup>	9.1
MEMO												
6 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted <sup>4</sup>	-14.7	-17.1	-14.0	-16.5	-20.2	-25.3	-22.2	-16.5 <sup>f</sup>	-16.3 <sup>f</sup>	-14.0 <sup>f</sup>	-7.2 <sup>f</sup>	-15.6
7 Gross due from balances	67.7	70.4	69.5	71.2	72.9	76.6	72.9	69.7 <sup>f</sup>	69.6 <sup>f</sup>	70.3 <sup>f</sup>	70.4 <sup>f</sup>	74.8
8 Gross due to balances	53.0	53.3	55.5	54.7	52.7	51.4 <sup>f</sup>	50.7	53.2 <sup>f</sup>	53.3 <sup>f</sup>	56.4 <sup>f</sup>	63.1 <sup>f</sup>	59.1
9 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted <sup>5</sup>	26.3	24.9	29.2	25.6	23.3	22.1	24.2	26.2	25.0	24.8	26.0	24.7
10 Gross due from balances	79.7	83.2	79.8	85.2	87.3	88.6	88.3	89.9	93.6	94.1	93.9	89.6
11 Gross due to balances	106.0	108.2	109.0	110.9	110.6	110.7	112.4	116.1	118.6	118.9	119.8 <sup>f</sup>	114.4
Security RP borrowings												
12 Seasonally adjusted <sup>6</sup>	108.0	107.6	107.3	110.1	109.0	109.7	113.5	117.7	122.0	119.8	117.7	114.4
13 Not seasonally adjusted	108.1	109.9	108.2	110.4	111.6	110.6	112.6	117.5	118.3	115.8	118.0	115.0
U.S. Treasury demand balances <sup>7</sup>												
14 Seasonally adjusted	34.2	35.7	26.1	18.6	22.6	24.9	21.8	24.7	22.0	20.2	15.8	24.5
15 Not seasonally adjusted	30.7	25.8	22.4	24.9	28.2	22.3	21.7	30.4	21.0	22.0	11.9	24.5
Time deposits, \$100,000 or more <sup>8</sup>												
16 Seasonally adjusted	380.5	387.0	389.2	389.1	394.4	396.1	394.0	396.4	400.5	406.7	413.4 <sup>f</sup>	419.5
17 Not seasonally adjusted	380.4	387.0	389.3	390.1	394.7	398.2	393.9	397.1	399.8	403.9	412.8	419.5

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

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

2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars.

3. Other borrowings are borrowings on 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, overdrawn due from bank balances, loan RPs, and participations in pooled loans.

4. Averages of daily figures for member and nonmember banks.

5. Averages of daily data.

6. Based on daily average data reported by 122 large banks.

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

8. Averages of Wednesday figures.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series<sup>1</sup>

Billions of dollars

Account	1987		1988									
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	
<b>ALL COMMERCIAL BANKING INSTITUTIONS<sup>2</sup></b>												
1 Loans and securities .....	2,390.8	2,429.0	2,417.6	2,427.7	2,450.0	2,466.8	2,473.2	2,511.7	2,509.0	2,523.3	2,523.2	
2 Investment securities .....	508.5	514.7	515.7	514.9	517.7	519.7	521.6	518.6	521.6	525.4	525.9	
3 U.S. government securities .....	318.8	323.6	325.5	325.0	325.7	328.8	330.7	328.0	331.6	334.6	336.3	
4 Other .....	189.7	191.2	190.3	190.0	192.0	190.9	191.0	190.6	190.0	190.8	189.6	
5 Trading account assets .....	20.3	16.9	18.2	21.9	20.3	19.6	20.3	22.1	23.9	22.8	21.3	
6 Total loans .....	1,861.9	1,897.4	1,883.6	1,890.9	1,912.0	1,927.5	1,931.3	1,971.0	1,963.5	1,975.1	1,976.0	
7 Interbank loans .....	159.2	168.1	159.0	161.4	159.5	158.0	152.3	163.7	158.7	154.7	151.2	
8 Loans excluding interbank .....	1,702.7	1,729.3	1,724.6	1,729.5	1,752.4	1,769.5	1,779.1	1,807.3	1,804.8	1,820.4	1,824.9	
9 Commercial and industrial .....	558.9	572.2	562.9	568.9	576.2	583.4	587.8	598.2	592.4	592.8	594.0	
10 Real estate .....	582.7	593.7	595.2	599.2	607.3	612.5	619.7	627.5	633.1	641.8	647.8	
11 Individual .....	328.5	334.1	332.9	332.7	334.8	339.1	340.0	343.2	344.1	349.2	351.6	
12 All other .....	232.6	229.3	233.6	228.7	234.1	234.6	231.7	238.4	235.2	236.6	231.5	
13 Total cash assets .....	217.2	236.2	213.4	207.4	211.2	214.3	200.3	221.4	217.0	221.8	215.9	
14 Reserves with Federal Reserve Banks .....	33.8	36.2	33.3	32.7	32.0	32.2	26.0	34.4	30.7	33.0	31.1	
15 Cash in vault .....	24.0	28.4	25.7	25.1	24.8	25.4	25.4	26.5	25.9	26.5	26.2	
16 Cash items in process of collection .....	76.2	80.1	70.8	66.9	74.1	76.4	71.5	77.2	75.7	79.9	76.4	
17 Demand balances at U.S. depository .....	32.6	36.2	31.7	30.4	32.0	30.3	29.2	31.6	31.3	31.5	29.4	
18 institutions .....	50.6	55.3	51.9	52.3	48.2	49.9	48.3	51.8	53.5	50.9	52.9	
19 Other cash assets .....	190.3	191.6	181.5	180.9	193.1	190.9	186.6	194.3	188.4	187.5	191.7	
20 Total assets/total liabilities and capital .....	2,798.3	2,856.8	2,812.5	2,816.0	2,854.3	2,871.9	2,860.2	2,927.5	2,914.4	2,932.6	2,930.9	
21 Deposits .....	1,976.7	2,011.8	1,971.6	1,978.4	2,008.5	2,011.6	2,008.6	2,042.5	2,050.2	2,072.9	2,058.8	
22 Transaction deposits .....	593.1	624.9	577.4	568.6	588.5	595.9	579.1	603.3	598.4	609.5	588.3	
23 Savings deposits .....	531.4	527.9	531.6	535.7	540.0	536.4	542.2	544.5	545.4	542.2	536.9	
24 Time deposits .....	852.2	859.0	862.6	874.1	879.9	879.3	887.3	894.7	906.4	921.2	933.6	
25 Borrowings .....	424.5	432.8	452.1	450.8	454.9	465.8	458.4	487.4	470.7	452.4	471.2	
26 Other liabilities .....	214.5	228.4	205.4	202.5	207.7	210.1	207.4	209.7	208.2	218.5	213.0	
27 Residual (assets less liabilities) .....	182.7	183.7	183.5	184.4	183.2	184.4	185.8	187.8	185.3	188.7	187.8	
<b>MEMO</b>												
28 U.S. government securities (including .....	333.3	334.6	339.5	342.1	341.2	343.4	346.3	344.7	349.2	351.4	352.5	
29 trading account) .....	195.6	197.0	194.5	194.7	196.8	195.9	195.6	196.0	196.4	196.7	194.6	
29 Other securities (including trading ac- .....												
count) .....												
<b>DOMESTICALLY CHARTERED COMMERCIAL BANKS<sup>3</sup></b>												
30 Loans and securities .....	2,221.1	2,245.1	2,240.5	2,246.3	2,266.0	2,282.3	2,286.4	2,314.6	2,319.3	2,330.5	2,329.6	
31 Investment securities .....	483.8	489.7	489.1	488.6	491.7	494.6	495.7	492.8	495.3	499.3	501.0	
32 U.S. Treasury securities .....	308.0	313.1	313.9	313.6	314.5	317.7	318.6	316.3	319.3	322.8	324.8	
33 Other .....	175.8	176.6	175.2	175.0	177.2	176.9	177.1	176.6	176.1	176.5	176.1	
34 Trading account assets .....	20.3	16.9	18.2	21.9	20.3	19.6	20.3	22.1	23.9	22.8	21.3	
35 Total loans .....	1,716.9	1,738.5	1,733.1	1,735.8	1,754.0	1,768.1	1,770.4	1,799.7	1,800.1	1,808.5	1,807.3	
36 Interbank loans .....	130.2	133.8	130.3	132.0	131.2	128.5	124.9	133.1	130.7	125.2	121.8	
37 Loans excluding interbank .....	1,586.7	1,604.7	1,602.8	1,603.8	1,622.9	1,639.6	1,645.6	1,666.6	1,669.4	1,683.3	1,685.6	
38 Commercial and industrial .....	472.1	479.2	472.7	475.8	481.0	487.4	488.8	492.6	490.8	489.7	489.3	
39 Real estate .....	571.0	579.8	581.7	584.5	592.1	597.0	603.6	611.4	617.5	625.4	631.5	
40 Individual .....	328.2	333.8	332.6	332.4	334.5	338.8	339.7	342.9	343.8	348.9	351.3	
41 All other .....	215.4	211.9	215.9	211.1	215.3	216.4	213.5	219.7	217.3	219.2	213.5	
42 Total cash assets .....	200.3	217.0	194.2	186.6	193.9	196.7	183.0	201.6	196.4	202.8	193.5	
43 Reserves with Federal Reserve Banks .....	31.5	35.0	31.7	30.5	30.1	30.7	23.6	32.9	29.5	31.4	29.0	
44 Cash in vault .....	24.0	28.4	25.7	25.1	24.7	25.4	25.4	26.4	25.9	26.4	26.2	
45 Cash items in process of collection .....	75.8	79.6	70.3	66.4	73.5	75.8	71.0	76.5	75.1	79.2	75.7	
46 Demand balances at U.S. depository .....	31.0	34.3	30.1	28.8	30.4	28.7	27.5	29.8	29.4	29.8	27.3	
47 institutions .....	38.0	39.7	36.5	35.8	35.2	36.0	35.6	35.8	36.5	36.0	35.3	
48 Other cash assets .....	120.2	126.4	116.0	118.5	123.1	121.3	118.3	125.6	121.6	123.8	127.8	
49 Total assets/liabilities and capital .....	2,541.6	2,588.5	2,550.6	2,551.4	2,583.0	2,600.3	2,587.7	2,641.8	2,637.4	2,657.2	2,650.9	
50 Deposits .....	1,915.6	1,948.3	1,910.2	1,916.1	1,944.5	1,948.1	1,944.7	1,976.9	1,984.4	2,006.4	1,991.1	
51 Transaction deposits .....	585.0	616.9	569.3	560.7	580.0	587.2	570.7	594.5	589.6	600.6	579.1	
52 Savings deposits .....	529.1	525.6	529.3	533.3	537.6	533.9	539.8	541.8	542.9	539.7	534.4	
53 Time deposits .....	801.5	805.8	811.6	822.0	826.9	827.0	834.2	840.6	851.9	866.1	877.6	
54 Borrowings .....	326.9	337.5	351.7	349.9	350.1	358.4	351.7	369.4	358.5	345.7	359.0	
55 Other liabilities .....	119.8	122.3	108.6	104.4	108.6	112.7	108.8	111.0	112.5	119.6	116.3	
56 Residual (assets less liabilities) .....	179.3	180.5	180.2	181.1	179.9	181.1	182.4	184.5	182.0	185.4	184.5	
<b>MEMO<sup>4</sup></b>												
57 Real estate loans, revolving .....	29.9	31.7	31.3	31.7	32.1	33.0	33.7	34.8	35.3	36.3	37.3	
58 Real estate loans, other .....	541.1	548.2	550.4	552.9	560.0	564.0	569.9	576.6	582.2	589.2	594.2	

1. Back data are available from the Banking and Monetary Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. These data also appear in the Board's weekly H.8 (510) release.

Data have been revised because of benchmarking to new Call reports beginning January 1987.

Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Loan and securities data for domestically chartered commercial banks are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition report data. Data for other banking institutions are estimates made for

the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition reports.

2. Commercial banking institutions include insured domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

3. Insured domestically chartered commercial banks include all member banks and insured nonmember banks.

4. Memorandum items for real estate loans; revolving and other, are shown as separate breakdowns for the first time.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS<sup>1</sup>

Millions of dollars, Wednesday figures

Account	1988									
	Aug. 3	Aug. 10	Aug. 17	Aug. 24 <sup>1</sup>	Aug. 31 <sup>1</sup>	Sept. 7	Sept. 14	Sept. 21	Sept. 28	
1 Cash and balances due from depository institutions	105,475	97,008	105,681	96,737	106,736	111,668	108,944	107,388	103,545	
2 Total loans, leases, and securities, net	1,130,152	1,134,849 <sup>2</sup>	1,133,784	1,129,071	1,132,279	1,135,262	1,126,796	1,132,517	1,127,632	
3 U.S. Treasury and government agency	129,989 <sup>3</sup>	129,386 <sup>3</sup>	131,488 <sup>3</sup>	130,418	130,817	132,204	132,381	131,825	131,645	
4 Trading account	16,331 <sup>4</sup>	16,032 <sup>4</sup>	17,928 <sup>4</sup>	16,465	16,820	17,303	17,787	18,081	16,535	
5 Investment account	113,659	113,355	113,560	113,954	113,997	114,901	114,594	113,744	115,110	
6 Mortgage-backed securities <sup>5</sup>	42,793 <sup>5</sup>	42,807 <sup>5</sup>	42,860 <sup>5</sup>	43,499	43,598	43,907	43,860	43,774	44,284	
All other maturing in										
7 One year or less	18,388	17,878	18,190	18,239	18,690	19,252	19,242	19,410	19,354	
8 Over one through five years	44,055	44,220	43,777	43,481	42,882	42,461	42,472	41,607	42,478	
9 Over five years	8,423 <sup>6</sup>	8,449 <sup>6</sup>	8,732 <sup>6</sup>	8,734	8,827	9,281	9,021	8,953	8,994	
10 Other securities	73,080 <sup>7</sup>	72,876 <sup>7</sup>	72,847 <sup>7</sup>	72,419	72,724	72,273	72,311	72,201	72,581	
11 Trading account	1,968 <sup>7</sup>	1,825 <sup>7</sup>	1,954 <sup>7</sup>	1,662	1,722	1,455	1,480	1,499	1,833	
12 Investment account	71,112	71,052	70,893	70,757	71,002	70,818	70,831	70,702	70,747	
13 States and political subdivisions, by maturity	47,236	47,245	47,163	47,165	46,890	46,732	46,704	46,581	46,363	
14 One year or less	5,331	5,326	5,324	5,345	5,430	5,468	5,475	5,463	5,454	
15 Over one year	41,904	41,919	41,840	41,820	41,460	41,263	41,229	41,117	41,109	
16 Other bonds, corporate stocks, and securities	23,876	23,806	23,730	23,591	24,112	24,087	24,127	24,121	24,184	
17 Other trading account assets	4,599	4,582	4,265	4,046	4,214	4,095	3,319	2,977	3,356	
18 Federal funds sold <sup>8</sup>	70,339	75,482	71,778	69,314	68,535	72,465	65,755	71,772	67,399	
19 To commercial banks	42,175	46,078	44,009	44,517	41,892	45,704	41,619	47,479	44,916	
20 To nonbank brokers and dealers in securities	19,698	19,468	18,037	16,329	18,063	16,899	15,230	15,132	13,792	
21 To others	8,966	9,935 <sup>8</sup>	9,732	8,467	8,580	9,862	8,906	9,161	8,692	
22 Other loans and leases, gross	892,122 <sup>9</sup>	893,113 <sup>9</sup>	894,011 <sup>9</sup>	893,400	896,587	894,896	893,656	894,349	893,220	
23 Other loans, gross	869,568 <sup>9</sup>	870,696 <sup>9</sup>	871,508 <sup>9</sup>	870,833	874,035	872,186	870,536	871,527	870,187	
24 Commercial and industrial	299,944 <sup>9</sup>	300,338 <sup>9</sup>	298,069 <sup>9</sup>	296,769	296,776	296,918	296,535	297,267	296,548	
25 Bankers acceptances and commercial paper	2,011	1,985	2,008 <sup>9</sup>	1,882	1,897	2,000	1,825	1,776	1,711	
26 All other	297,933 <sup>9</sup>	298,353 <sup>9</sup>	296,060 <sup>9</sup>	294,888	294,798	294,917	294,710	295,491	294,837	
27 U.S. addressees	295,435 <sup>9</sup>	295,858 <sup>9</sup>	293,615 <sup>9</sup>	292,436	292,378	292,382	292,236	293,048	292,485	
28 Non-U.S. addressees	2,498	2,495	2,445	2,452	2,500	2,535	2,474	2,444	2,352	
29 Real estate loans	284,354	285,503	286,925 <sup>9</sup>	287,644	288,289	288,450	289,542	290,584	290,916	
30 Revolving, home equity	19,494	19,614	19,754	19,856	20,001	20,080	20,225	20,468	20,511	
31 All other	264,860	265,889	267,170 <sup>9</sup>	267,788	268,288	268,370	269,316	270,116	270,405	
32 To individuals for personal expenditures	162,149 <sup>9</sup>	162,415 <sup>9</sup>	162,929 <sup>9</sup>	163,372	164,050	163,994	164,545	164,790	165,198	
33 To depository and financial institutions	52,128	51,769	52,219 <sup>9</sup>	52,469	51,941	51,689	49,843	48,462	46,889	
34 Commercial banks in the United States	25,424	24,290	24,832	25,561	25,236	24,330	23,286	21,884	21,166	
35 Banks in foreign countries	4,002	4,517	4,562 <sup>9</sup>	4,803	4,286	4,456	3,875	4,246	3,864	
36 Nonbank depository and other financial institutions	22,702	22,962	22,825	22,106	22,419	22,903	22,681	22,332	21,859	
37 For purchasing and carrying securities	12,065	12,173	12,604	12,404	13,667	12,254	12,605	12,410	12,745	
38 To finance agricultural production	5,599 <sup>9</sup>	5,574 <sup>9</sup>	5,598 <sup>9</sup>	5,611	5,636	5,534	5,562	5,593	5,555	
39 To states and political subdivisions	30,200 <sup>9</sup>	30,070 <sup>9</sup>	30,088 <sup>9</sup>	30,015	30,037	29,930	29,865	29,830	29,727	
40 To foreign governments and official institutions	2,068	1,867	1,863	2,132	2,081	2,027	1,931	2,023	2,216	
41 All other	21,060	20,986	21,24 <sup>9</sup>	20,415	21,557	21,389	20,427	20,567	20,393	
42 Lease financing receivables	22,554 <sup>9</sup>	22,417 <sup>9</sup>	22,503 <sup>9</sup>	22,567	22,552	22,710	22,801	22,822	23,033	
43 Less: Unearned income	4,814 <sup>9</sup>	4,849 <sup>9</sup>	4,871 <sup>9</sup>	4,878	4,871	4,894	4,924	4,942	4,947	
44 Loan and lease reserve <sup>9</sup>	35,664	35,742	35,735	35,649	35,727	35,777	35,701	35,664	35,622	
45 Other loans and leases, net	851,644	852,522 <sup>9</sup>	853,405	852,874	855,989	854,225	853,031	853,742	852,522	
46 All other assets	124,830	124,272 <sup>9</sup>	121,592	121,202	123,894	125,150	128,477	128,445	127,142	
47 Total assets	1,360,457	1,356,129	1,361,056	1,347,010	1,362,909	1,372,080	1,364,218	1,368,350	1,358,319	
48 Demand deposits	231,916	220,973	229,969	215,596	229,546	235,528	228,724	216,064	221,612	
49 Individuals, partnerships, and corporations	181,118 <sup>9</sup>	176,530 <sup>9</sup>	183,640 <sup>9</sup>	170,220	184,153	185,481	183,247	172,662	174,349	
50 States and political subdivisions	6,590	5,482	5,780	5,878	6,157	6,078	5,814	6,345	5,775	
51 U.S. government	5,141	2,687	1,549	3,091	1,656	1,501	3,514	1,603	2,070	
52 Depository institutions in the United States	23,121 <sup>9</sup>	20,920 <sup>9</sup>	22,312 <sup>9</sup>	20,984	21,771	25,346	21,396	19,831	20,730	
53 Banks in foreign countries	6,246	6,377	7,031	6,130	7,169	7,722	6,037	6,639	6,733	
54 Foreign governments and official institutions	801	700	786	791	695	651	690	702	717	
55 Certified and officers' checks	8,899	8,278	8,869	8,501	7,945	8,749	8,026	8,283	11,601	
56 Transaction balances other than demand deposits	74,354	73,376	72,949	71,959	73,553	75,362	73,873	71,506	70,224	
57 Nontransaction balances	605,876	607,036	607,137	608,571	609,987	611,997	613,259	612,108	612,124	
58 Individuals, partnerships, and corporations	566,518	567,482	567,237 <sup>9</sup>	568,224	569,728	571,826	572,999	572,247	572,271	
59 States and political subdivisions	29,039	29,102	29,510	29,876	29,739	29,899	29,959	29,607	29,855	
60 U.S. government	1,055	1,060	1,007	985	987	890	884	883	893	
61 Depository institutions in the United States	8,454	8,573	8,569 <sup>9</sup>	8,670	8,716	8,580	8,600	8,550	8,251	
62 Foreign governments, official institutions, and banks	810	818	813	816	818	802	817	821	854	
63 Liabilities for borrowed money	267,562	272,765	268,587	266,123	264,419	270,439	266,716	287,568	272,023	
64 Borrowings from Federal Reserve Banks	2,314	2,450	2,725	2,663	2,600	2,450	2,350	2,681	2,000	
65 Treasury tax-and-loan notes	4,344	2,580	5,048	5,855	6,750	5,938	9,084	25,603	25,215	
66 All other liabilities for borrowed money <sup>3</sup>	260,903	267,735	260,814	257,604	255,068	262,051	255,282	255,285	244,808	
67 Other liabilities and subordinated notes and debentures	90,033	91,038	91,385	93,411	93,682	86,986	89,362	88,719	90,211	
68 Total liabilities	1,269,741	1,265,188	1,270,028	1,255,659	1,271,187	1,280,312	1,271,934	1,275,966	1,266,195	
69 Residual (total assets minus total liabilities) <sup>6</sup>	90,716	90,941	91,028	91,351	91,722	91,768	92,284	92,384	92,125	
MEMO										
70 Total loans and leases (gross) and investments adjusted <sup>7</sup>	1,103,030 <sup>9</sup>	1,105,022 <sup>9</sup>	1,105,549 <sup>9</sup>	1,099,520	1,105,748	1,105,899	1,102,516	1,103,761	1,102,119	
71 Total loans and leases (gross) adjusted <sup>7</sup>	895,362 <sup>9</sup>	898,227 <sup>9</sup>	896,948 <sup>9</sup>	892,636	897,993	897,326	894,506	896,759	894,538	
72 Time deposits in amounts of \$100,000 or more	186,759 <sup>9</sup>	188,169 <sup>9</sup>	188,233 <sup>9</sup>	189,719	190,976	191,451	192,410	193,124	192,892	
73 U.S. Treasury securities maturing in one year or less	17,296	17,139	18,489	17,750	19,422	19,827	19,831	20,387	18,708	
74 Loans sold outright to affiliates—total <sup>8</sup>	1,373	1,387	1,413 <sup>9</sup>	1,245	1,289	1,442	1,339	1,307	1,386	
75 Commercial and industrial	918	933	965	798	843	996	893	866	946	
76 Other	454	454	448 <sup>9</sup>	448	446	446	446	441	441	
77 Nontransaction savings deposits (including MMDAs)	254,354 <sup>9</sup>	253,958 <sup>9</sup>	253,552 <sup>9</sup>	252,534	252,236	253,024	251,895	249,542	248,934	

1. Beginning Jan. 6, 1988, the "Large bank" reporting group was revised somewhat, eliminating some former reporters with less than \$2 billion of assets and adding some new reporters with assets greater than \$3 billion.  
 2. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.  
 3. Includes securities purchased under agreements to resell.  
 4. Includes allocated transfer risk reserve.  
 5. Includes federal funds purchased and securities sold under agreements to

repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.  
 6. This is not a measure of equity capital for use in capital-adequacy analysis or for other analytic uses.  
 7. Exclusive of loans and federal funds transactions with domestic commercial banks.  
 8. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

1.28 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS  
IN NEW YORK CITY<sup>1</sup>

Millions of dollars, Wednesday figures

Account	1988								
	Aug. 3	Aug. 10	Aug. 17	Aug. 24	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
1 Cash balances due from depository institutions .....	22,272	21,024	23,592	21,663	21,672	23,295	25,567	24,973	25,240
2 Total loans, leases and securities, net <sup>2</sup> .....	217,880	220,101 <sup>1</sup>	218,896	215,940	217,470	216,669	214,186	218,003	213,331
<i>Securities</i>									
3 U.S. Treasury and government agency <sup>3</sup> .....	0	0	0	0	0	0	0	0	0
4 Trading account <sup>4</sup> .....	0	0	0	0	0	0	0	0	0
5 Investment account .....	14,701	14,582	14,646	14,618	14,615	15,240	14,943	15,253	15,399
6 Mortgage-backed securities <sup>4</sup> .....	5,551	5,548	5,681	5,717	5,662	5,663	5,662	5,728	5,906
All other maturing in									
7 One year or less .....	2,366	2,236	2,290	2,289	2,274	2,527	2,446	2,605	2,656
8 Over one through five years .....	4,809	4,821	4,707	4,660	4,664	4,674	4,762	4,873	4,760
9 Over five years .....	1,974	1,976	1,969	1,951	2,015	2,376	2,073	2,046	2,076
10 Other securities <sup>5</sup> .....	0	0	0	0	0	0	0	0	0
11 Trading account <sup>4</sup> .....	0	0	0	0	0	0	0	0	0
12 Investment account .....	16,648	16,663	16,580	16,438	16,665	16,739	16,802	16,796	16,855
States and political subdivisions, by maturity									
13 One year or less .....	12,821	12,815	12,857	12,759	12,770	12,755	12,750	12,722	12,728
14 Over one year .....	1,121	1,124	1,118	1,125	1,127	1,210	1,218	1,223	1,230
15 Over one year .....	11,700	11,691	11,739	11,634	11,643	11,545	11,533	11,499	11,497
16 Other bonds, corporate stocks, and securities .....	3,827	3,849	3,722	3,679	3,895	3,984	4,052	4,073	4,127
17 Other trading account assets <sup>6</sup> .....	0	0	0	0	0	0	0	0	0
<i>Loans and leases</i>									
18 Federal funds sold <sup>5</sup> .....	29,998	31,606	31,265	28,995	28,923	28,430	26,723	30,548	26,444
19 To commercial banks .....	13,227	14,050	14,357	14,137	13,116	11,689	11,553	15,752	12,850
20 To nonbank brokers and dealers in securities .....	10,936	10,894	10,374	9,231	10,180	9,610	8,932	8,794	7,722
21 To others .....	5,834	6,662	6,534	5,627	5,626	7,131	6,239	6,001	5,871
22 Other loans and leases, gross .....	171,519	172,335 <sup>7</sup>	171,445	170,946	172,362	171,403	170,880	170,548	169,776
23 Other loans, gross .....	166,032	166,981 <sup>7</sup>	166,038	165,524	166,924	165,962	165,381	165,044	164,267
24 Commercial and industrial .....	57,672	58,474 <sup>7</sup>	56,899	55,748	56,268	56,624	56,923	56,756	56,648
25 Bankers acceptances and commercial paper .....	390	405	418	393	444	457	409	390	355
26 All other .....	57,283	58,070 <sup>7</sup>	56,480	55,354	55,825	56,167	56,514	56,366	56,293
27 U.S. addressees .....	56,850	57,641 <sup>7</sup>	56,071	54,908	55,360	55,698	56,113	55,964	55,884
28 Non-U.S. addressees .....	433	429	409	447	465	468	401	402	409
29 Real estate loans .....	47,797	47,947	48,380	48,805	48,874	48,757	48,728	48,911	48,842
30 Revolving, home equity .....	3,076	3,097	3,109	3,119	3,135	3,138	3,158	3,187	3,098
31 All other .....	44,721	44,849	45,271	45,686	45,739	45,619	45,571	45,724	45,743
32 To individuals for personal expenditures .....	20,945	20,980	21,067	20,898	20,986	21,038	21,143	21,233	21,334
33 To depository and financial institutions .....	21,622	21,324	21,710	22,269	21,338	21,438	20,783	20,342	19,430
34 Commercial banks in the United States .....	12,930	11,970	12,318	13,084	12,498	12,192	12,175	11,413	11,217
35 Banks in foreign countries .....	2,148	2,646	2,742	2,889	2,520	2,734	2,197	2,629	2,208
36 Nonbank depository and other financial institutions .....	6,544	6,708	6,650	6,295	6,320	6,512	6,411	6,300	6,005
37 For purchasing and carrying securities .....	4,860	4,786	5,036	4,777	5,782	4,488	4,872	4,578	4,866
38 To finance agricultural production .....	201	188	201	210	215	188	188	215	200
39 To states and political subdivisions .....	6,704	6,762	6,748	6,737	6,727	6,738	6,711	6,713	6,688
40 To foreign governments and official institutions .....	711	504	482	754	707	668	576	701	711
41 All other .....	5,519	6,015	5,514	5,327	6,026	6,022	5,455	5,624	5,546
42 Lease financing receivables .....	5,487	5,354	5,407	5,421	5,439	5,442	5,499	5,504	5,509
43 Less: Unearned income .....	1,528	1,550	1,567	1,579	1,572	1,582	1,597	1,610	1,630
44 Loan and lease reserve .....	13,457	13,536	13,473	13,477	13,524	13,562	13,565	13,531	13,513
45 Other loans and leases, net <sup>5</sup> .....	156,534	157,249 <sup>7</sup>	156,404	155,889	157,266	156,260	155,718	155,406	154,633
46 All other assets <sup>6</sup> .....	56,457	55,934 <sup>7</sup>	57,095	55,243	56,265	56,603	56,731	57,978	57,999
47 Total assets .....	296,610	297,059	299,583	292,846	295,407	296,567	296,485	300,954	296,570
<i>Deposits</i>									
48 Demand deposits .....	53,406	52,778	56,444	52,250	54,954	54,811	53,682	52,054	55,992
49 Individuals, partnerships, and corporations .....	36,819	37,176	39,266	35,875	39,495	37,993	38,866	36,707	37,151
50 States and political subdivisions .....	739	530	577	690	586	655	621	592	550
51 U.S. government .....	1,025	471	215	583	173	192	560	184	357
52 Depository institutions in the United States .....	5,795	5,319	6,175	5,862	5,612	5,571	5,306	5,028	5,668
53 Banks in foreign countries .....	4,928	5,248	5,874	5,019	6,052	6,491	4,962	5,478	5,196
54 Foreign governments and official institutions .....	659	563	648	638	527	518	556	563	534
55 Certified and officers' checks .....	3,442	3,470	3,688	3,582	2,508	3,389	2,809	3,502	6,553
56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers) .....	8,802	8,662	8,665	8,468	8,599	8,765	8,736	8,457	8,335
57 Nontransaction balances .....	107,056	105,989	105,741	106,185	106,131	106,374	105,746	106,079	106,425
58 Individuals, partnerships, and corporations .....	97,829	96,887	96,515	96,928	96,772	97,082	96,567	97,016	97,138
59 States and political subdivisions .....	7,007	6,880	7,003	6,976	6,942	6,964	6,969	6,886	7,125
60 U.S. government .....	30	35	41	39	29	30	30	30	30
61 Depository institutions in the United States .....	1,881	1,874	1,873	1,929	2,066	1,986	1,869	1,827	1,814
62 Foreign governments, official institutions, and banks .....	309	313	309	312	321	314	312	320	318
63 Liabilities for borrowed money .....	65,400	67,426	65,985	62,670	60,242	66,893	66,498	72,600	64,434
64 Borrowings from Federal Reserve Banks .....	0	0	0	0	0	0	0	0	0
65 Treasury tax-and-loan notes .....	1,139	547	1,520	1,858	2,034	1,648	2,799	7,212	7,213
66 All other liabilities for borrowed money <sup>8</sup> .....	64,261	66,879	64,465	60,811	58,208	65,246	63,699	62,288	57,222
67 Other liabilities and subordinated notes and debentures .....	35,934	36,219	36,684	37,148	39,327	33,408	35,294	35,184	35,083
68 Total liabilities .....	270,600	271,073	273,520	266,721	269,252	270,251	269,957	274,375	270,270
69 Residual (total assets minus total liabilities) <sup>9</sup> .....	26,010	25,986	26,063	26,125	26,154	26,316	26,528	26,579	26,300
<i>MEMO</i>									
70 Total loans and leases (gross) and investments adjusted <sup>2,10</sup> .....	206,708	209,167 <sup>7</sup>	207,262	203,775	206,951	207,931	205,620	205,979	204,406
71 Total loans and leases (gross) adjusted <sup>10</sup> .....	175,359	177,921 <sup>7</sup>	176,035	172,720	175,671	175,952	173,875	173,930	172,152
72 Time deposits in amounts of \$100,000 or more .....	38,882	38,394	38,260	38,491	38,341	38,527	38,268	38,901	38,889
73 U.S. Treasury securities maturing in one year or less .....	3,090	3,119	4,012	3,570	4,538	4,590	4,199	4,415	3,978

1. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

2. Excludes trading account securities.

3. Not available due to confidentiality.

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

5. Includes securities purchased under agreements to resell.

6. Includes allocated transfer risk reserve.

7. Includes trading account securities.

8. Includes federal funds purchased and securities sold under agreements to repurchase.

9. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

10. Excludes of loans and federal funds transactions with domestic commercial banks.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS<sup>1</sup> Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1988								
	Aug. 3 <sup>r</sup>	Aug. 10 <sup>r</sup>	Aug. 17 <sup>r</sup>	Aug. 24	Aug. 31	Sept. 7	Sept. 14	Sept. 21	Sept. 28
1 Cash and due from depository institutions ...	10,749	10,635	10,640	10,989	10,745	11,243	10,579	11,571	11,330
2 Total loans and securities .....	106,167	108,733	110,121	107,889 <sup>r</sup>	108,343 <sup>r</sup>	108,483	106,462	108,808	108,378
3 U.S. Treasury and government agency securities .....	8,373	8,469	8,731	8,197 <sup>r</sup>	8,075 <sup>r</sup>	8,050	8,130	8,246	7,892
4 Other securities .....	7,483	7,462	7,400	7,400 <sup>r</sup>	7,719 <sup>r</sup>	7,302	7,309	7,253	7,147
5 Federal funds sold <sup>2</sup> .....	7,420	8,956	9,643	9,295	8,785	9,309	7,131	8,712	7,463
6 To commercial banks in the United States ..	5,159	6,177	7,440	6,967	6,726	7,095	4,876	6,457	4,842
7 To others .....	2,261	2,778	2,204	2,328	2,058	2,214	2,255	2,255	2,621
8 Other loans, gross .....	82,890	83,847	84,346	82,998 <sup>r</sup>	83,765 <sup>r</sup>	83,822	83,892	84,596	85,876
9 Commercial and industrial .....	55,647	56,760	57,065	56,076 <sup>r</sup>	56,477 <sup>r</sup>	56,567	56,394	56,508	56,903
10 Bankers acceptances and commercial paper .....	1,840	1,807	1,844	1,996 <sup>r</sup>	2,036 <sup>r</sup>	1,932	1,890	1,915	1,898
11 All other .....	53,806	54,953	55,221	54,080 <sup>r</sup>	54,440 <sup>r</sup>	54,636	54,504	54,594	55,005
12 U.S. addressees .....	51,879	53,108	53,235	52,214 <sup>r</sup>	52,475 <sup>r</sup>	52,676	52,589	52,841	53,184
13 Non-U.S. addressees .....	1,927	1,844	1,986	1,866	1,965	1,960	1,915	1,752	1,822
14 To financial institutions .....	15,070	15,247	15,101	15,153	15,324	15,441	15,820	16,147	16,879
15 Commercial banks in the United States ..	11,040	11,321	10,800	11,073	11,149	11,266	11,995	12,288	12,905
16 Banks in foreign countries .....	843	816	891	900	824	1,021	866	877	923
17 Nonbank financial institutions .....	3,188	3,110	3,410	3,180	3,351	3,154	2,959	2,981	3,052
18 To foreign governments and official institutions .....	643	665	754	660	639	646	644	677	638
19 For purchasing and carrying securities .....	1,730	1,261	1,396	1,365	1,265	1,275	1,189	1,445	1,481
20 All other .....	9,800	9,913	10,030	9,743 <sup>r</sup>	10,060 <sup>r</sup>	9,892	9,844	9,819	9,974
21 Other assets (claims on nonrelated parties) ..	31,547	31,108	31,654	30,987 <sup>r</sup>	31,556 <sup>r</sup>	31,123	30,782	30,984	31,268
22 Net due from related institutions .....	16,974	15,325	15,661	16,671	13,836	16,084	15,076	18,884	15,910
23 Total assets .....	165,437	165,801	168,075	166,537 <sup>r</sup>	164,480 <sup>r</sup>	166,933	162,899	170,246	166,886
24 Deposits or credit balances due to other than directly related institutions .....	43,677	43,382	43,171	43,118	42,506	42,876	42,884	43,636	43,460
25 Transaction accounts and credit balances <sup>3</sup> ..	4,225	3,622	3,539	3,374	3,352	3,592	3,735	4,155	3,697
26 Individuals, partnerships, and corporations .....	2,538	2,289	2,300	2,205 <sup>r</sup>	2,169 <sup>r</sup>	2,182	2,509	2,464	2,540
27 Other .....	1,686	1,334	1,239	1,170 <sup>r</sup>	1,183 <sup>r</sup>	1,410	1,226	1,690	1,157
28 Nontransaction accounts .....	39,452	39,759	39,632	39,743	39,153	39,284	39,150	39,481	39,764
29 Individuals, partnerships, and corporations .....	32,087	32,526	32,268	32,346	32,037	32,240	32,138	32,387	32,830
30 Other .....	7,366	7,233	7,363	7,397	7,116	7,044	7,011	7,094	6,933
31 Borrowings from other than directly related institutions .....	66,570	66,390	66,030	66,821	63,316	68,134	64,854	71,333	66,805
32 Federal funds purchased <sup>4</sup> .....	28,503	28,523	29,585	29,957	24,961	31,781	29,253	35,008	31,728
33 From commercial banks in the United States .....	12,989	15,250	14,771	14,001 <sup>r</sup>	10,777 <sup>r</sup>	16,553	13,743	18,599	16,465
34 From others .....	15,515	13,274	14,814	15,956 <sup>r</sup>	14,184 <sup>r</sup>	15,228	15,509	16,409	15,262
35 Other liabilities for borrowed money .....	38,066	37,867	36,445	36,864	38,355	36,353	35,601	36,325	35,077
36 To commercial banks in the United States .....	27,508	27,163	26,046	26,684	27,533	25,757	25,390	25,343	24,228
37 To others .....	10,558	10,704	10,399	10,180	10,822	10,596	10,211	10,982	10,850
38 Other liabilities to nonrelated parties .....	33,159	32,980	33,458	32,484 <sup>r</sup>	32,905 <sup>r</sup>	32,663	32,415	32,138	32,488
39 Net due to related institutions .....	22,030	23,049	25,417	24,114	25,754 <sup>r</sup>	23,261	22,746	23,139	24,132
40 Total liabilities .....	165,437	165,801	168,075	166,537 <sup>r</sup>	164,480 <sup>r</sup>	166,933	162,899	170,246	166,886
MEMO									
41 Total loans (gross) and securities adjusted <sup>6</sup> ..	89,968	91,235	91,881	89,849 <sup>r</sup>	90,468 <sup>r</sup>	90,122	89,591	90,062	90,631
42 Total loans (gross) adjusted <sup>6</sup> .....	74,112	75,304	75,750	74,252 <sup>r</sup>	74,674 <sup>r</sup>	74,769	74,152	74,563	75,592

1. Effective Jan. 1, 1986, the reporting panel includes 65 U.S. branches and agencies of foreign banks that include those branches and agencies with assets of \$750 million or more on June 30, 1980, plus those branches and agencies that had reached the \$750 million asset level on Dec. 31, 1984. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

2. Includes securities purchased under agreements to resell.

3. Includes credit balances, demand deposits, and other checkable deposits.

4. Includes savings deposits, money market deposit accounts, and time deposits.

5. Includes securities sold under agreements to repurchase.

6. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations<sup>1</sup>

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

Type of holder	Commercial banks									
	1983 Dec.	1984 Dec.	1985 <sup>3,4</sup> Dec.	1986 Dec.	1987				1988	
					Mar.	June	Sept.	Dec.	Mar.	June
<b>1 All holders—Individuals, partnerships, and corporations</b> .....	<b>293.5</b>	<b>302.7</b>	<b>321.0</b>	<b>363.6</b>	<b>335.9</b>	<b>340.2</b>	<b>339.0</b>	<b>343.5</b>	<b>328.6</b>	<b>346.5</b>
2 Financial business .....	32.8	31.7	32.3	41.4	35.9	36.6	36.5	36.3	33.9	37.2
3 Nonfinancial business .....	161.1	166.3	178.5	202.0	183.0	187.2	188.2	191.9	184.1	194.3
4 Consumer .....	78.5	81.5	85.5	91.1	88.9	90.1	88.7	90.0	86.9	89.8
5 Foreign .....	3.3	3.6	3.5	3.3	2.9	3.2	3.2	3.4	3.5	3.4
6 Other .....	17.8	19.7	21.2	25.8	25.2	23.1	22.4	21.9	20.3	21.9
	Weekly reporting banks									
	1983 Dec.	1984, Dec. <sup>2</sup>	1985 <sup>3,4</sup> Dec.	1986 Dec.	1987				1988	
					Mar.	June	Sept.	Dec.	Mar. <sup>5</sup>	June
<b>7 All holders—Individuals, partnerships, and corporations</b> .....	<b>146.2</b>	<b>157.1</b>	<b>168.6</b>	<b>195.1</b>	<b>178.1</b>	<b>179.3</b>	<b>179.1</b>	<b>183.8</b>	<b>181.8</b>	<b>191.5</b>
8 Financial business .....	24.2	25.3	25.9	32.5	28.7	29.3	29.3	28.6	27.0	30.0
9 Nonfinancial business .....	79.8	87.1	94.5	106.4	94.4	94.8	96.0	100.0	98.2	103.1
10 Consumer .....	29.7	30.5	33.2	37.5	36.8	37.5	37.2	39.1	41.7	42.3
11 Foreign .....	3.1	3.4	3.1	3.3	2.8	3.1	3.1	3.3	3.4	3.3
12 Other .....	9.3	10.9	12.0	15.4	15.5	14.6	13.5	12.7	11.4	12.8

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

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

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

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

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1983 Dec.	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1988					
						Mar.	Apr.	May	June	July	Aug.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers .....	187,658	237,586	298,779	329,991	357,129	391,305	406,484	414,312	417,788	423,599	426,685
Financial companies <sup>1</sup>											
Dealer-placed paper <sup>2</sup>											
2 Total .....	44,455	56,485	78,443	101,072	101,958	128,680	133,946	137,838	142,322	148,125	148,224
3 Bank-related (not seasonally adjusted) .....	2,441	2,035	1,602	2,265	1,428	1,371	1,093	1,422	1,448	1,340	983
Directly placed paper											
4 Total .....	97,042	110,543	135,320	151,820	173,939	173,316	180,119	185,876	184,658	185,063	187,305
5 Bank-related (not seasonally adjusted) .....	35,566	42,105	44,778	40,860	43,173	43,681	45,703	47,719	45,294	44,975	47,818
6 Nonfinancial companies .....	46,161	70,558	85,016	77,099	81,232	89,309	92,419	90,598	90,808	90,411	91,156
Bankers dollar acceptances (not seasonally adjusted) <sup>5</sup>											
7 Total .....	78,309	78,364	68,413	64,974	70,565	63,454	64,111	63,381	64,359	63,240	64,036
Holder											
8 Accepting banks .....	9,355	9,811	11,197	13,423	10,943	10,243	10,295	9,412	9,734	9,655	9,661
Own bills .....	8,125	8,621	9,471	11,707	9,464	8,825	8,929	8,588	8,861	8,702	8,664
9 Bills bought .....	1,230	1,191	1,726	1,716	1,479	1,417	1,366	825	873	953	888
Federal Reserve Banks											
11 Own account .....	418	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents .....	729	671	937	1,317	965	795	803	1,050	1,273	1,114	9,915
13 Others .....	67,807	67,881	56,279	50,234	58,658	52,417	53,013	52,918	53,351	52,471	53,493
Basis											
14 Imports into United States .....	15,649	17,845	15,147	14,670	16,483	14,575	14,735	14,045	14,244	14,001	14,608
15 Exports from United States .....	16,880	16,305	13,204	12,960	15,227	13,899	14,724	14,534	14,606	14,676	14,345
16 All other .....	45,781	44,214	40,062	37,344	38,855	34,980	34,652	34,803	35,510	34,564	35,083

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

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

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

Percent per year

Effective date	Rate	Month	Average rate	Month	Average rate	Month	Average rate
1985—Jan. 15 .....	10.50	1985—Jan. ....	10.61	1986—July .....	8.16	1988—Jan. ....	8.75
May 20 .....	10.00	Feb. ....	10.50	Aug. ....	7.90	Feb. ....	8.51
June 18 .....	9.50	Mar. ....	10.50	Sept. ....	7.50	Mar. ....	8.50
1986—Mar. 7 .....	9.00	Apr. ....	10.50	Oct. ....	7.50	Apr. ....	8.50
Apr. 21 .....	8.50	May .....	10.31	Nov. ....	7.50	May .....	8.84
July 11 .....	8.00	June .....	9.78	Dec. ....	7.50	June .....	9.00
Aug. 26 .....	7.50	July .....	9.50	1987—Jan. ....	7.50	July .....	9.84
1987—Apr. 1 .....	7.75	Aug. ....	9.50	Feb. ....	7.50	Aug. ....	9.29
May 1 .....	8.00	Sept. ....	9.50	Mar. ....	7.50	Sept. ....	10.00
15 .....	8.25	Oct. ....	9.50	Apr. ....	7.75		
Sept. 4 .....	8.75	Nov. ....	9.50	May .....	8.14		
Oct. 7 .....	8.75	Dec. ....	9.50	June .....	8.25		
22 .....	9.00	1986—Jan. ....	9.50	July .....	8.25		
Nov. 5 .....	8.75	Feb. ....	9.50	Aug. ....	8.25		
1988—Feb. 2 .....	8.50	Mar. ....	9.50	Sept. ....	8.70		
May 11 .....	9.00	Apr. ....	8.83	Oct. ....	9.07		
July 14 .....	9.50	May .....	8.50	Nov. ....	8.78		
Aug. 11 .....	10.00	June .....	8.50	Dec. ....	8.75		

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1985	1986	1987	1988				1988, week ending				
				June	July	Aug.	Sept.	Sept. 2	Sept. 9	Sept. 16	Sept. 23	Sept. 30
<b>MONEY MARKET RATES</b>												
1 Federal funds <sup>1,2</sup>	8.10	6.80	6.66	7.51	7.75	8.01	8.19	8.15	8.15	8.13	8.17	8.24
2 Discount window borrowing <sup>1,2,3</sup>	7.69	6.32	5.66	6.00	6.00	6.37	6.50	6.50	6.50	6.50	6.50	6.50
Commercial paper <sup>4,5</sup>												
3 1-month	7.93	6.61	6.74	7.41	7.72	8.09	8.09	8.20	8.09	8.05	8.03	8.13
4 3-month	7.95	6.49	6.82	7.49	7.82	8.26	8.17	8.36	8.19	8.13	8.10	8.18
5 6-month	8.00	6.39	6.85	7.53	7.90	8.36	8.23	8.48	8.26	8.19	8.15	8.24
Finance paper, directly placed <sup>4,5</sup>												
6 1-month	7.90	6.57	6.61	7.23	7.62	7.96	7.96	7.94	7.91	7.89	7.92	8.09
7 3-month	7.77	6.38	6.54	7.25	7.55	7.95	7.95	8.07	7.90	7.91	7.90	8.04
8 6-month	7.74	6.31	6.37	7.01	7.19	7.57	7.71	7.69	7.69	7.69	7.71	7.76
Bankers acceptances <sup>3,6</sup>												
9 3-month	7.91	6.38	6.75	7.38	7.77	8.19	8.06	8.24	8.09	8.04	7.99	8.09
10 6-month	7.95	6.28	6.78	7.41	7.85	8.30	8.15	8.38	8.18	8.12	8.07	8.17
Certificates of deposit, secondary market <sup>7</sup>												
11 1-month	7.96	6.61	6.75	7.41	7.73	8.08	8.12	8.18	8.13	8.10	8.06	8.14
12 3-month	8.04	6.51	6.87	7.51	7.94	8.35	8.23	8.41	8.26	8.19	8.16	8.24
13 6-month	8.24	6.50	7.01	7.69	8.18	8.66	8.50	8.78	8.53	8.44	8.43	8.50
14 Eurodollar deposits, 3-month <sup>8</sup>	8.28	6.71	7.06	7.61	8.09	8.47	8.31	8.56	8.39	8.28	8.20	8.28
U.S. Treasury bills <sup>9</sup>												
Secondary market <sup>9</sup>												
15 3-month	7.47	5.97	5.78	6.46	6.73	7.06	7.24	7.28	7.30	7.18	7.19	7.30
16 6-month	7.65	6.02	6.03	6.71	6.99	7.39	7.43	7.47	7.42	7.38	7.39	7.51
17 1-year	7.81	6.07	6.33	6.99	7.22	7.59	7.53	7.65	7.52	7.45	7.51	7.60
Auction average <sup>10</sup>												
18 3-month	7.47	5.98	5.82	6.50	6.73	7.02	7.23	7.26	7.26	7.21	7.17	7.23
19 6-month	7.64	6.03	6.05	6.76	6.97	7.36	7.43	7.50	7.40	7.41	7.34	7.48
20 1-year	7.80	6.18	6.33	7.08	7.04	7.40	7.60	7.72	n.a.	n.a.	n.a.	7.48
<b>CAPITAL MARKET RATES</b>												
U.S. Treasury notes and bonds <sup>11</sup>												
Constant maturities <sup>12</sup>												
21 1-year	8.42	6.45	6.77	7.49	7.75	8.17	8.09	8.24	8.09	8.01	8.07	8.18
22 2-year	9.27	6.86	7.42	8.03	8.28	8.63	8.46	8.66	8.45	8.40	8.44	8.52
23 3-year	9.64	7.06	7.68	8.22	8.44	8.77	8.57	8.79	8.56	8.52	8.54	8.62
24 5-year	10.12	7.30	7.94	8.49	8.66	8.94	8.69	8.92	8.68	8.64	8.67	8.73
25 7-year	10.50	7.54	8.23	8.78	8.91	9.13	8.87	9.10	8.86	8.81	8.85	8.90
26 10-year	10.62	7.67	8.39	8.92	9.06	9.26	8.98	9.21	8.98	8.93	8.96	8.99
27 20-year	10.97	7.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 30-year <sup>13</sup>	10.79	7.78	8.59	9.00	9.14	9.32	9.06	9.27	9.03	9.00	9.05	9.08
Composite												
29 Over 10 years (long-term)	10.75	8.14	8.64	9.04	9.20	9.33	9.06	9.26	9.03	9.02	9.06	9.09
State and local notes and bonds												
Moody's series <sup>14</sup>												
30 Aaa	8.60	6.95	7.14	7.51	7.50	7.51	7.39	7.55	7.45	7.38	7.30	7.29
31 Baa	9.58	7.76	8.17	7.86	7.86	7.89	7.84	7.95	7.90	7.78	7.80	7.78
32 Bond Buyer series <sup>15</sup>	9.11	7.32	7.64	7.78	7.76	7.79	7.66	7.76	7.67	7.59	7.62	7.64
Corporate bonds												
Seasoned issues <sup>16</sup>												
33 All industries	12.05	9.71	9.91	10.36	10.47	10.58	10.28	10.58	10.45	10.34	10.18	10.08
34 Aaa	11.37	9.02	9.38	9.86	9.96	10.11	9.82	10.14	9.95	9.84	9.73	9.67
35 Aa	11.82	9.47	9.68	10.13	10.26	10.37	10.06	10.38	10.22	10.10	9.97	9.88
36 A	12.28	9.95	9.99	10.42	10.55	10.63	10.34	10.61	10.49	10.40	10.25	10.15
37 Baa	12.72	10.39	10.58	11.00	11.11	11.21	10.90	11.21	11.13	11.02	10.78	10.59
38 A-rated, recently offered utility bonds <sup>17</sup>	12.06	9.61	9.95	10.41	10.40	10.45	10.26	10.30	10.22	10.21	10.31	10.29
MEMO: Dividend/price ratio <sup>18</sup>												
39 Preferred stocks	10.44	8.76	8.37	9.32	9.34	9.39	9.25	9.46	9.38	9.34	9.25	9.15
40 Common stocks	4.25	3.48	3.08	3.58	3.65	3.75	3.69	3.78	3.72	3.67	3.66	3.69

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

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

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

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

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

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

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

8. Calendar week average. For indication purposes only.

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

10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal

places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.

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

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

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

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

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

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

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

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

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

## 1.36 STOCK MARKET Selected Statistics

Indicator	1985	1986	1987	1988								
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
<b>Prices and trading (averages of daily figures)</b>												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50) .....	108.09	136.00	161.70	140.55	145.13	149.88	148.46	144.99	152.72	152.12	149.25	151.47
2 Industrial .....	123.79	155.85	195.31	168.47	173.44	181.57	181.01	176.02	184.92	184.09	179.72	182.18
3 Transportation .....	104.11	119.87	140.39	121.20	126.09	135.15	133.40	127.63	136.02	136.49	132.52	136.27
4 Utility .....	56.75	71.36	74.29	70.01	72.89	71.16	69.35	68.66	72.25	71.49	70.67	71.83
5 Finance .....	114.21	147.19	146.48	119.40	124.36	125.27	121.66	120.35	129.04	129.99	130.77	133.15
6 Standard & Poor's Corporation (1941-43 = 10) <sup>1</sup> .....	186.84	236.34	286.83	250.48	258.13	265.74	262.61	256.12	270.68	269.05	263.73	267.97
7 American Stock Exchange (Aug. 31, 1973 = 50) <sup>2</sup> .....	229.10	264.38	316.61	267.29	276.54	295.78	300.43	296.30	306.13	307.48	297.76	297.86
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange .....	109,191	141,385	188,647	174,755	184,688	176,189	162,518	153,906	195,772	166,916	144,668	145,702
9 American Stock Exchange .....	8,355	11,846	13,832	9,853	9,961	12,442	10,706	8,931	11,348	9,938	9,307	8,198
<b>Customer financing (end-of-period balances, in millions of dollars)</b>												
10 Margin credit at broker-dealers <sup>3</sup> .....	28,390	36,840	31,990	31,320	31,990	32,660	33,270	33,070	32,300	31,770	31,930	32,770
<i>Free credit balances at brokers<sup>4</sup></i>												
11 Margin-account <sup>5</sup> .....	2,715	4,880	4,750	4,675	4,555	4,615	4,395	4,380	4,580	4,485	4,655	4,725
12 Cash-account .....	12,840	19,000	15,640	15,270	14,695	14,355	13,965	14,150	14,460	14,340	14,045	14,175
<b>Margin requirements (percent of market value and effective date)<sup>6</sup></b>												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks .....	70		80		65		55		65		50	
14 Convertible bonds .....	50		60		50		50		50		50	
15 Short sales .....	70		80		65		55		65		50	

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.

3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. New series beginning June 1984.

6. These regulations, adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry

"margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1985	1986	1987			1988						
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June <sup>c</sup>	July
<b>FSLIC-insured institutions</b>												
<b>1 Assets</b>	<b>1,070,012</b>	<b>1,163,851</b>	<b>1,239,883</b>	<b>1,246,983</b>	<b>1,250,855</b>	<b>1,254,772<sup>f</sup></b>	<b>1,257,354<sup>f</sup></b>	<b>1,261,391<sup>f</sup></b>	<b>1,274,346<sup>f</sup></b>	<b>1,285,146<sup>f</sup></b>	<b>1,290,020</b>	<b>1,300,038</b>
2 Mortgages	690,717	697,451	713,488	717,933	721,593	722,943 <sup>f</sup>	723,856	725,620 <sup>f</sup>	728,973 <sup>f</sup>	733,534 <sup>f</sup>	737,219	743,545
3 Mortgage-backed securities	115,525	158,193	197,131	200,039	201,828	201,604	197,676	197,693 <sup>f</sup>	202,466 <sup>f</sup>	204,712	207,381	207,902
4 Contra-assets to mortgage assets <sup>1</sup>	45,219	41,799	42,182	41,396	42,344	41,281 <sup>f</sup>	40,287 <sup>f</sup>	41,261 <sup>f</sup>	39,334 <sup>f</sup>	39,433 <sup>f</sup>	40,074	40,008
5 Commercial loans	17,424	23,683	23,256	23,294	23,163	23,538 <sup>f</sup>	23,340	24,005 <sup>f</sup>	24,245 <sup>f</sup>	24,190 <sup>f</sup>	24,597	24,861
6 Consumer loans	45,809	51,622	56,548	57,465	57,902	58,342 <sup>f</sup>	58,687 <sup>f</sup>	58,389 <sup>f</sup>	59,126 <sup>f</sup>	60,254 <sup>f</sup>	61,139	61,573
7 Contra-assets to non-mortgage loans <sup>2</sup>	2,521	3,041	3,373	3,430	3,467	3,580	3,524	3,628	3,514 <sup>f</sup>	3,396	3,506	3,339
8 Cash and investment securities	143,538	164,844	173,121	170,713	169,717	169,937	174,099	176,363 <sup>f</sup>	177,949 <sup>f</sup>	179,609 <sup>f</sup>	177,772	178,650
9 Other <sup>3</sup>	104,739	112,898	121,894	122,367	122,462	123,269 <sup>f</sup>	124,047 <sup>f</sup>	124,210 <sup>f</sup>	124,434 <sup>f</sup>	125,976 <sup>f</sup>	125,491	126,854
<b>10 Liabilities and net worth</b>	<b>1,070,012</b>	<b>1,163,851</b>	<b>1,239,883</b>	<b>1,246,983</b>	<b>1,250,855</b>	<b>1,254,772<sup>f</sup></b>	<b>1,257,354<sup>f</sup></b>	<b>1,261,391<sup>f</sup></b>	<b>1,274,346<sup>f</sup></b>	<b>1,285,146<sup>f</sup></b>	<b>1,290,020</b>	<b>1,300,038</b>
11 Savings capital	843,932	890,664	916,843	922,340	932,616	939,079	946,790	958,470	962,251 <sup>f</sup>	963,685	966,672	968,405
12 Borrowed money	157,666	196,929	246,370	247,461	249,917	245,961 <sup>f</sup>	239,325 <sup>f</sup>	237,461 <sup>f</sup>	244,810 <sup>f</sup>	250,479 <sup>f</sup>	257,126	262,523
13 FHLBB	84,390	100,025	109,736	111,283	116,363	114,053	112,725	113,389 <sup>f</sup>	113,029 <sup>f</sup>	114,994	117,276	117,981
14 Other	73,276	96,904	136,634	136,178	133,554	131,907 <sup>f</sup>	126,600 <sup>f</sup>	125,072 <sup>f</sup>	131,781 <sup>f</sup>	135,485 <sup>f</sup>	139,850	144,540
15 Other	21,756	23,975	27,098	27,404	21,941	23,872 <sup>f</sup>	25,816	22,547 <sup>f</sup>	24,681 <sup>f</sup>	27,222 <sup>f</sup>	24,579	27,254
16 Net worth	46,657	52,282	49,573	49,777	46,382	45,861 <sup>f</sup>	45,423 <sup>f</sup>	42,912 <sup>f</sup>	42,604 <sup>f</sup>	43,760 <sup>f</sup>	41,643	41,856
<b>FSLIC-insured federal savings banks</b>												
<b>17 Assets</b>	<b>131,868</b>	<b>210,562</b>	<b>276,560</b>	<b>279,221</b>	<b>284,272</b>	<b>284,303</b>	<b>295,952</b>	<b>307,758</b>	<b>311,424</b>	<b>323,015<sup>f</sup></b>	<b>329,732</b>	<b>333,605</b>
18 Mortgages	72,355	113,638	158,507	161,014	164,013	163,915	171,592	178,264 <sup>f</sup>	180,588 <sup>f</sup>	186,819 <sup>f</sup>	191,088	193,592
19 Mortgage-backed securities	15,676	29,766	45,117	45,237	45,826	46,171	46,687	47,979 <sup>f</sup>	79,031 <sup>f</sup>	51,247	52,221	52,558
20 Contra-assets to mortgage assets <sup>1</sup>	.....	.....	8,787	8,809	9,100	8,909	9,175	9,460 <sup>f</sup>	9,345 <sup>f</sup>	9,733 <sup>f</sup>	10,083	10,127
21 Commercial loans	.....	.....	6,275	6,540	6,504	6,496	6,971	7,378 <sup>f</sup>	7,531 <sup>f</sup>	7,639 <sup>f</sup>	7,907	7,921
22 Consumer loans	8,361	13,180	16,563	17,343	17,696	17,649	18,795	19,141 <sup>f</sup>	19,616 <sup>f</sup>	20,426 <sup>f</sup>	21,149	21,451
23 Contra-assets to non-mortgage loans <sup>2</sup>	.....	.....	690	712	678	698	737	800	724	708	743	704
24 Finance leases plus interest	.....	.....	550	566	591	604	584	611	615	652	708	734
25 Cash and investment securities	.....	.....	34,902	33,965	35,347	34,645	35,718	38,224 <sup>f</sup>	38,289 <sup>f</sup>	39,918 <sup>f</sup>	40,273	40,862
26 Other <sup>3</sup>	11,723	19,034	24,122	24,078	24,070	24,430 <sup>f</sup>	25,516	26,418	25,819 <sup>f</sup>	26,757	27,212	27,318
<b>27 Liabilities and net worth</b>	<b>131,868</b>	<b>210,562</b>	<b>276,560</b>	<b>279,221</b>	<b>284,272</b>	<b>284,303</b>	<b>295,952</b>	<b>307,758</b>	<b>311,424</b>	<b>323,015<sup>f</sup></b>	<b>329,732</b>	<b>333,605</b>
28 Savings capital	103,462	157,872	197,298	199,114	203,196	204,329	214,169	224,168	226,469	232,582	236,677	239,500
29 Borrowed money	19,323	37,329	57,551	58,277	60,716	59,206	59,704	61,553	62,555	66,805	69,347	70,004
30 FHLBB	10,510	19,897	27,350	27,947	29,617	28,280	29,169	30,456	30,075	31,682	32,177	31,941
31 Other	8,813	17,432	30,201	30,330	31,099	30,926	30,535	31,097	32,480	35,123	37,170	38,063
32 Other	2,732	4,263	6,293	6,350	5,324	5,838	6,602	6,084	6,459	7,192 <sup>f</sup>	6,717	7,140
33 Net worth	6,351	11,098	15,416	15,481	15,036	14,930	15,478	15,947 <sup>f</sup>	16,088 <sup>f</sup>	16,588 <sup>f</sup>	16,896	16,866
<b>Savings banks</b>												
<b>34 Assets</b>	<b>216,776</b>	<b>236,866</b>	<b>255,989</b>	<b>260,600</b>	<b>259,643</b>	<b>258,628</b>	<b>259,224</b>	<b>262,100</b>	<b>262,269</b>	<b>264,507</b>	<b>264,970</b>	<b>272,459</b>
Loans												
35 Mortgage	110,448	118,323	135,317	137,044	138,494	137,858	139,108	140,835	139,691	143,235	142,337	149,115
36 Other	30,876	35,167	36,471	37,189	33,871	35,095	35,752	36,476	37,471	35,927	35,283	36,538
Securities												
37 U.S. government securities	13,111	14,209	13,817	15,694	13,510	12,776	12,269	12,225	13,203	12,490	16,729	12,222
38 Mortgage-backed securities	19,481	25,836	30,202	31,144	32,772	32,241	32,423	32,272	31,072	31,861	30,455	33,017
39 State and local government	2,323	2,185	2,034	2,046	2,003	1,994	2,053	2,033	2,013	1,933	1,810	1,868
40 Corporate and other	21,199	20,459	18,062	17,583	18,772	18,780	18,271	18,336	18,549	18,298	18,022	18,376
41 Cash	6,225	6,894	5,529	5,063	5,864	4,841	5,002	4,881	5,237	5,383	4,709	5,449
42 Other assets	13,113	13,793	14,557	14,837	14,357	15,043	14,346	15,042	15,033	15,380	15,623	15,874
<b>43 Liabilities</b>	<b>216,776</b>	<b>236,866</b>	<b>255,989</b>	<b>260,600</b>	<b>259,643</b>	<b>258,628</b>	<b>259,224</b>	<b>262,100</b>	<b>262,269</b>	<b>264,507</b>	<b>264,970</b>	<b>272,459</b>
44 Deposits	185,972	192,194	199,336	202,030	201,497	199,545	200,391	203,407	203,273	205,692	204,187	210,751
45 Regular <sup>4</sup>	181,921	186,345	193,777	196,724	196,037	194,322	195,336	198,273	197,801	200,098	198,354	204,851
46 Ordinary savings	33,018	37,717	42,045	42,493	41,959	41,047	41,234	41,867	41,741	42,403	42,824	43,228
47 Time	103,311	100,809	109,486	112,231	112,429	112,781	113,751	115,529	115,887	117,297	116,683	121,356
48 Other	4,051	5,849	5,559	5,306	5,460	5,223	5,055	5,134	5,472	5,594	5,833	5,900
49 Other liabilities	17,414	25,274	34,226	36,167	35,720	36,836	35,787	35,737	35,827	35,836	38,850	37,584
50 General reserve accounts	12,823	18,105	20,365	21,133	20,633	20,514	20,894	21,024	21,109	21,179	20,553	21,559

1.37—Continued

Account	1985	1986	1987			1988						
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June <sup>c</sup>	July
<b>Credit unions<sup>5</sup></b>												
<b>51 Total assets/liabilities and capital</b>	<b>118,010</b>	<b>147,726</b>	↑	↑	↑	↑	↑	<b>169,111</b>	<b>169,175</b>	<b>172,456</b>	<b>172,345</b>	<b>173,276</b>
52 Federal	77,861	95,483	↑	↑	↑	↑	↑	109,797	109,913	112,595	112,573	113,068
53 State	40,149	52,243						59,314	59,262	59,855	59,772	60,208
54 Loans outstanding	73,513	86,137	n.a.	n.a.	n.a.	n.a.	n.a.	101,965	103,271	105,704	105,800	107,065
55 Federal	47,933	55,304						65,732	66,431	68,213	68,658	69,626
56 State	25,580	30,833						36,233	36,840	37,491	37,142	37,439
57 Savings	105,963	134,327	↓	↓	↓	↓	↓	156,045	155,105	157,764	158,186	159,314
58 Federal	70,926	87,954	↓	↓	↓	↓	↓	101,847	101,048	103,129	103,347	104,256
59 State	35,037	46,373	↓	↓	↓	↓	↓	54,198	54,057	54,635	54,839	55,058
<b>Life insurance companies</b>												
<b>60 Assets</b>	<b>825,901</b>	<b>937,551</b>	<b>1,021,148</b>	<b>1,024,460</b>	<b>1,033,170</b>	<b>1,042,350</b>	<b>1,052,645</b>	<b>1,065,549</b>	<b>1,075,541</b>	<b>1,094,827</b>	↑	↑
Securities											↑	↑
61 Government	75,230	84,640	90,782	91,227	91,302	91,682	92,497	92,408	93,946	86,711		
62 United States <sup>b</sup>	51,700	59,033	64,880	65,186	64,551	64,922	65,534	65,218	66,749	58,988		
63 State and local	9,708	11,659	11,363	11,539	11,758	11,749	11,859	12,033	11,976	11,016		
64 Foreign	13,822	13,948	14,539	14,502	14,993	15,011	15,104	15,157	15,221	16,707		
65 Business	423,712	492,807	549,426	548,767	553,486	563,019	571,070	580,392	587,846	606,445	n.a.	n.a.
66 Bonds	346,216	401,943	455,678	459,537	461,942	469,207	476,448	484,403	490,285	503,728		
67 Stocks	77,496	90,864	93,748	89,230	91,544	93,812	94,622	95,989	97,561	102,717	↓	↓
68 Mortgages	171,797	193,842	206,507	208,839	212,375	212,637	213,182	214,815	215,383	219,012		
69 Real estate	28,822	31,615	33,235	33,538	34,016	34,178	34,503	34,845	34,964	35,484		
70 Policy loans	54,369	54,055	53,413	53,334	53,313	53,265	52,720	52,604	52,568	53,013		
71 Other assets	71,971	80,592	87,785	88,755	88,678	87,569	88,673	90,499	90,834	94,162		

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

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

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

4. Excludes checking, club, and school accounts.

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

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

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

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

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

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

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

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

## 1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1986	Fiscal year 1987	Calendar year					
			1988					
			Apr.	May	June	July	Aug.	Sept.
<i>U.S. budget<sup>1</sup></i>								
1 Receipts, total.....	769,091	854,143	109,323	59,711	99,205	60,690	69,479	97,803
2 On-budget.....	568,862	640,741	81,993	39,764	77,643	40,980	51,015	75,586
3 Off-budget.....	200,228	213,402	27,330	19,947	21,562	19,710	18,464	22,217
4 Outlays, total.....	990,258	1,004,586	95,554	82,295	90,071	83,634	92,561	87,588
5 On-budget.....	806,760	810,754	79,629	64,688	72,888	66,818	74,756	70,071
6 Off-budget.....	183,498	193,832	15,925	17,607	17,184	16,816	17,805	17,518
7 Surplus, or deficit (-), total.....	-221,167	-150,444	13,769	-22,583	9,134	-22,944	-23,082	10,214
8 On-budget.....	-237,898	-170,014	2,364	-24,924	4,755	-25,838	-23,741	5,515
9 Off-budget.....	16,731	19,570	11,405	2,340	4,379	2,894	659	4,699
Source of financing (total)								
10 Borrowing from the public.....	236,187	150,070	-334	7,559	11,391	3,665	23,370	14,665
11 Operating cash (decrease, or increase (-)).....	-14,324	-5,052	-23,276	27,223	-20,638	15,696	10,954	-31,444
12 Other <sup>2</sup> .....	-696	5,426	9,841	-12,199	113	3,583	-11,242	6,564
MEMO								
13 Treasury operating balance (level, end of period).....	31,384	36,436	46,189	18,966	39,604	23,908	12,954	44,398
14 Federal Reserve Banks.....	7,514	9,120	16,186	2,871	9,762	3,910	4,390	13,024
15 Tax and loan accounts.....	23,870	27,316	30,003	16,095	29,842	19,998	8,564	31,375

1. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. The Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act has also moved two social security trust funds (Federal old-age survivors insurance and Federal disability insurance trust funds) off-budget.

2. Includes SDRs; reserve position on the U.S. quota in the IMF; loans to

international monetary fund; other cash and monetary assets; accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE: *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government and the Budget of the U.S. Government.*

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS<sup>1</sup>

Millions of dollars

Source or type	Fiscal year 1986	Fiscal year 1987	Calendar year						
			1986		1987		1988		1988
			H2	H1	H2	H1	July	Aug.	Sept.
<b>RECEIPTS</b>									
<b>1 All sources</b>	<b>769,091</b>	<b>854,143</b>	<b>387,524</b>	<b>447,282</b>	<b>421,712</b>	<b>476,115</b>	<b>60,690</b>	<b>69,479</b>	<b>97,803</b>
2 Individual income taxes, net	348,959	392,557	183,156	205,157	192,575	207,659	25,791	31,942	41,784
3 Withheld	314,803	322,463	164,071	156,760	170,203	169,300	25,567	30,330	27,209
4 Presidential Election Campaign Fund	36	33	4	30	4	28	2	1	1
5 Nonwithheld	105,994	142,957	27,733	112,421	31,223	101,614	2,300	2,956	16,793
6 Refunds	71,873	72,896	8,652	64,052	8,853	63,283	2,078	1,346	2,219
Corporation income taxes									
7 Gross receipts	80,442	102,859	42,108	52,396	52,821	58,002	3,101	2,377	21,380
8 Refunds	17,298	18,933	8,230	10,881	7,119	8,706	1,602	916	712
9 Social insurance taxes and contributions, net	283,901	303,318	134,006	163,519	143,755	181,058	26,915	28,373	28,694
10 Employment taxes and contributions <sup>2</sup>	255,062	273,028 <sup>2</sup>	122,246	146,696	130,388	164,412	24,964	23,477	27,991
11 Self-employment taxes and contributions <sup>3</sup>	11,840	13,987	1,338	12,020	1,889	14,839	0	380	2,326
12 Unemployment insurance	24,098	25,575 <sup>4</sup>	9,328	14,514	10,977	14,363	1,598	4,545	285
13 Other net receipts <sup>5</sup>	4,742	4,715	2,429	2,310	2,390	2,284	353	351	419
14 Excise taxes	32,919	32,457 <sup>6</sup>	15,947	15,845	17,680	16,440	3,250	3,490	3,158
15 Customs deposits	13,327	15,085 <sup>6</sup>	7,282	7,129	7,993	7,851	1,343	1,650	1,367
16 Estate and gift taxes	6,958	7,493	3,649	3,818	3,610	3,863	627	661	678
17 Miscellaneous receipts <sup>7</sup>	19,884	19,307	9,605	10,299	10,399	9,950	1,265	1,902	1,454
<b>OUTLAYS</b>									
<b>18 All types</b>	<b>990,231</b>	<b>1,004,586</b>	<b>506,556</b>	<b>503,267<sup>1</sup></b>	<b>532,839</b>	<b>513,210</b>	<b>83,634</b>	<b>92,561</b>	<b>87,588</b>
19 National defense	273,375	281,999	138,544	142,886	146,995	143,080	24,449	24,532	21,941
20 International affairs	14,152	11,649	8,938	4,374	4,487	7,150	1,568	833	-691
21 General science, space, and technology	8,976	9,216	4,594	4,324	5,469	5,361	961	930	702
22 Energy	4,735	4,115	2,446	2,335	1,468	555	257	282	116
23 Natural resources and environment	13,639	13,363	7,141	6,175	7,590	6,776	1,096	1,213	1,625
24 Agriculture	31,449	27,356	15,660	11,824	14,640	7,872	311	-152	-414
25 Commerce and housing credit	4,890	6,182	3,764	4,893	3,852	5,951	-337	4,077	6,076
26 Transportation	28,117	26,228	14,745	12,113	14,096	12,700	2,335	2,696	2,568
27 Community and regional development	7,233	5,051	3,651	3,108	2,075	2,765	-109	284	743
28 Education, training, employment, and social services	30,585	29,724	16,209	14,182	15,592	15,451	1,984	3,033	2,588
29 Health	35,935	39,968	18,795	20,318	20,750	22,643	3,502	3,977	3,823
30 Social security and medicare	268,921	282,473	138,299	142,864	158,469	135,322	23,475	25,692	25,215
31 Income security	119,796	123,250	59,979	62,248	61,201	65,555	10,907	10,581	11,226
32 Veterans benefits and services	26,356	26,782	14,190	12,264	14,956	13,241	2,354	2,249	3,085
33 Administration of justice	6,603	7,548	3,413	3,626	4,291	4,761	735	900	710
34 General government	6,104	5,948	1,860	3,344	3,560	4,337	174	814	796
35 General-purpose fiscal assistance	6,431	1,621	2,886	337	1,175	448	0	0	0
36 Net interest <sup>6</sup>	136,008	138,570	66,226	70,110	71,933	76,098	12,677	13,661	12,371
37 Undistributed offsetting receipts <sup>7</sup>	-33,007	-36,455	-16,475	-19,102	-17,684	-17,766	-2,706	-3,041	-4,892

1. Functional details do not add to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.

2. Old-age, disability, and hospital insurance, and railroad retirement accounts.

3. Old-age, disability, and hospital insurance.

4. Federal employee retirement contributions and civil service retirement and disability fund.

5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

6. Net interest function includes interest received by trust funds.

7. Consists of rents and royalties on the outer continental shelf and U.S. government contributions for employee retirement.

SOURCES: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1988*.

## 1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1986			1987			1988		
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding .....	2,063.6	2,129.5	2,218.9	2,250.7	2,313.1	2,354.3	2,435.2	2,493.2	2,555.1
2 Public debt securities .....	2,059.3	2,125.3	2,214.8	2,246.7	2,309.3	2,350.3	2,431.7	2,487.6	2,547.7
3 Held by public .....	1,684.9	1,742.4	1,811.7	1,839.3	1,871.1	1,893.1	1,954.1	1,996.7	2,013.4
4 Held by agencies .....	374.4	382.9	403.1	407.5	438.1	457.2	477.6	490.8	534.2
5 Agency securities .....	4.3	4.2	4.0	4.0	3.8	4.0	3.5	5.6	7.4
6 Held by public .....	3.2	3.2	3.0	2.9	2.8	3.0	2.7	5.1	7.0
7 Held by agencies .....	1.1	1.1	1.1	1.1	1.0	1.0	.8	.6	.5
8 Debt subject to statutory limit .....	2,060.0	2,111.0	2,200.5	2,232.4	2,295.0	2,336.0	2,417.4	2,472.6	2,532.2
9 Public debt securities .....	2,058.7	2,109.7	2,199.3	2,231.1	2,293.7	2,334.7	2,416.3	2,472.1	2,532.1
10 Other debt <sup>1</sup> .....	1.3	1.3	1.3	1.3	1.3	1.3	1.1	.5	.1
11 MEMO: Statutory debt limit .....	2,078.7	2,111.0	2,300.0	2,300.0	2,320.0	2,800.0	2,800.0	2,800.0	2,800.0

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

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

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

Billions of dollars, end of period

Type and holder	1984	1985	1986	1987	1987		1988	
					Q3	Q4	Q1	Q2
1 Total gross public debt .....	1,663.0	1,945.9	2,214.8	2,431.7	2,350.3	2,431.7	2,487.6	2,547.7
<i>By type</i>								
2 Interest-bearing debt .....	1,660.6	1,943.4	2,212.0	2,428.9	2,347.7	2,428.9	2,484.9	2,545.0
3 Marketable .....	1,247.4	1,437.7	1,619.0	1,724.7	1,676.0	1,724.7	1,758.7	1,769.9
4 Bills .....	374.4	399.9	426.7	389.5	378.3	389.5	392.6	382.3
5 Notes .....	705.1	812.5	927.5	1,037.9	1,005.1	1,037.9	1,059.9	1,072.7
6 Bonds .....	167.9	211.1	249.8	282.5	277.6	282.5	291.3	299.9
7 Nonmarketable <sup>1</sup> .....	413.2	505.7	593.1	704.2	671.8	704.2	726.2	775.1
8 State and local government series .....	44.4	87.5	110.5	139.3	129.0	139.3	142.9	146.9
9 Foreign issues <sup>2</sup> .....	9.1	7.5	4.7	4.0	4.3	4.0	6.1	5.7
10 Government .....	9.1	7.5	4.7	4.0	4.3	4.0	6.1	5.7
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes .....	73.1	78.1	90.6	99.2	97.0	99.2	102.3	104.5
13 Government account series <sup>3</sup> .....	286.2	332.2	386.9	461.3	440.7	461.3	474.4	517.5
14 Non-interest-bearing debt .....	2.3	2.5	2.8	2.8	2.5	2.8	2.6	2.7
<i>By holder<sup>4</sup></i>								
15 U.S. government agencies and trust funds .....	289.6	348.9	403.1	477.6	457.2	477.6	n.a.	n.a.
16 Federal Reserve Banks .....	160.9	181.3	211.3	222.6	211.9	222.6	n.a.	n.a.
17 Private investors .....	1,212.5	1,417.2	1,602.0	1,745.2	1,682.6	1,745.2	1,778.2	1,784.9
18 Commercial banks .....	183.4	192.2	238.2	253.3	251.3	253.3	260.7	263.0
19 Money market funds .....	25.9	25.1	28.0	14.3	15.2	14.3	15.2	13.4
20 Insurance companies .....	76.4	115.4	135.4	n.a.	143.0	n.a.	n.a.	n.a.
21 Other companies .....	50.1	59.0	68.8	84.6	81.8	84.6	n.a.	n.a.
22 State and local Treasuries .....	173.0	224.0	260.0	n.a.	n.a.	n.a.	n.a.	n.a.
Individuals								
23 Savings bonds .....	74.5	79.8	92.3	101.1	98.5	101.1	104.0	106.2
24 Other securities .....	69.3	75.0	70.5	n.a.	70.4	n.a.	n.a.	n.a.
25 Foreign and international .....	192.9	212.5	251.6	287.3	267.0	287.3	320.8	332.3
26 Other miscellaneous investors .....	354.7	434.2	467.1	n.a.	n.a.	n.a.	n.a.	n.a.

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

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

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

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

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

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

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions<sup>1</sup>

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

Item	1985	1986	1987	1988			1988					
				July <sup>r</sup>	Aug. <sup>r</sup>	Sept.	Aug. 24	Aug. 31 <sup>r</sup>	Sept. 7	Sept. 14	Sept. 21	Sept. 28
<b>Immediate delivery<sup>2</sup></b>												
<b>1 U.S. Treasury securities</b>	<b>75,331</b>	<b>95,445</b>	<b>110,052</b>	<b>92,162</b>	<b>100,203</b>	<b>99,308</b>	<b>82,200<sup>r</sup></b>	<b>93,783</b>	<b>104,585</b>	<b>96,637</b>	<b>84,746</b>	<b>104,620</b>
<i>By maturity</i>												
2 Bills	32,900	34,247	37,924	29,167	29,568	27,410	21,916 <sup>r</sup>	31,659	29,003	24,192	25,978	29,838
3 Other within 1 year	1,811	2,115	3,272	2,942	3,464	3,248	2,662	3,682	2,328	2,814	2,759	4,000
4 1-5 years	18,361	24,667	27,918	23,127	28,581	28,224	25,419	22,605	24,588	24,524	23,007	36,671
5 5-10 years	12,703	20,456	24,014	23,301	23,786	25,891	19,252 <sup>r</sup>	23,949	30,841	28,595	21,044	22,146
6 Over 10 years	9,556	13,961	16,923	13,625	14,804	14,536	12,950	11,888	17,824	16,511	11,959	11,965
<i>By type of customer</i>												
7 U.S. government securities dealers	3,336	3,670	2,936	2,255	2,328	2,671	1,739	2,132	1,895	2,217	2,280	3,101
8 U.S. government securities brokers	36,222	49,558	61,539	55,147	58,483	58,671	47,103 <sup>r</sup>	54,127	60,789	58,313	50,749	62,049
9 All others	35,773	42,218	45,576	34,758	39,390	37,965	33,356 <sup>r</sup>	37,524	41,900	36,107	31,716	39,468
10 Federal agency securities	11,640	16,748	18,087	14,285	13,969	15,460	10,577 <sup>r</sup>	13,118	13,549	14,218	16,172	14,875
11 Certificates of deposit	4,016	4,355	4,112	3,316	3,053	3,128	3,019	3,045	3,537	2,850	2,984	3,028
12 Bankers acceptances	3,242	3,272	2,965	2,401	1,834	1,994	1,669 <sup>r</sup>	2,038	2,296	1,923	1,795	1,938
13 Commercial paper	12,717	16,660	17,135	26,738	23,418	26,416	22,397	24,656	24,940	26,989	27,773	25,571
<i>Futures contracts<sup>4</sup></i>												
14 Treasury bills	5,561	3,311	3,233	1,886	2,593	2,555	1,384	2,479	3,533	2,914	1,879	2,179
15 Treasury coupons	6,085	7,175	8,964	8,524	9,485	9,393	7,765	7,675	10,690	9,868	8,292	8,020
16 Federal agency securities	252	16	5	0	0	0	0	0	0	0	0	0
<i>Forward transactions<sup>5</sup></i>												
17 U.S. Treasury securities	1,283	1,876	2,029	1,670	2,283	1,478	3,741 <sup>r</sup>	691	968	982	2,012	2,106
18 Federal agency securities	3,857	7,831	9,290	7,088	8,701	7,599	7,426	5,444	6,754	11,287	7,294	5,649

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

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

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

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

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing<sup>1</sup>

Averages of daily figures, in millions of dollars

Item	1985	1986	1987	1988			1988				
				July	Aug. <sup>2</sup>	Sept.	Aug. 31 <sup>2</sup>	Sept. 7	Sept. 14	Sept. 21	Sept. 28
Positions											
Net immediate <sup>2</sup>											
1 U.S. Treasury securities.....	7,391	12,912	-6,216	-31,320	-31,781	-26,763	-25,977	-24,643	-25,313	-27,689	-27,822
2 Bills.....	10,075	12,761	4,317	-90	1,658	6,815	6,254	7,493	6,803	6,882	8,317
3 Other within 1 year.....	1,050	3,706	1,557	-2,638	-2,389	-3,811	-3,202	-3,431	-3,251	-4,141	-3,943
4 1-5 years.....	5,154	9,146	649	-4,887	-6,234	-2,896	-5,271	-2,733	-2,588	-3,193	-4,865
5 5-10 years.....	-6,202	-9,505	-6,564	-14,049	-13,383	-13,753	-12,008	-13,414	-13,436	-13,831	-14,139
6 Over 10 years.....	-2,686	-3,197	-6,174	-9,655	-11,432	-13,117	-11,750	-12,558	-12,842	-13,406	-13,191
7 Federal agency securities.....	22,860	32,984	31,910	30,070 <sup>2</sup>	27,844	29,027	27,007	27,674	28,996	29,979	28,894
8 Certificates of deposit.....	9,192	10,485	8,188	8,832 <sup>2</sup>	8,476	8,200	8,346	8,680	8,199	7,916	8,191
9 Bankers acceptances.....	4,586	5,526	3,661	2,734	1,963	1,786	2,048	2,135	1,829	1,438	1,798
10 Commercial paper.....	5,570	8,089	7,496	5,847	5,829	6,830	6,082	6,285	6,348	7,195	7,001
Futures positions											
11 Treasury bills.....	-7,322	-18,059	-3,373	904	1,157	-4,049	1,079	-1,927	-3,582	-5,976	-4,710
12 Treasury coupons.....	4,465	3,473	5,988	7,454	8,476	7,719	7,938	8,100	7,400	7,785	7,600
13 Federal agency securities.....	-722	-153	-95	0	0	0	0	0	0	0	0
Forward positions											
14 U.S. Treasury securities.....	-911	-2,144	-1,211	1,353	641	-347	1,161	994	149	-558	-1,501
15 Federal agency securities.....	-9,420	-11,840	-18,817	-18,780	-17,258	-16,981	-15,737	-15,675	-17,357	-18,030	-16,553
Financing <sup>3</sup>											
Reverse repurchase agreements <sup>4</sup>											
16 Overnight and continuing.....	68,035	98,954	124,791	132,912	142,120	139,167	152,267	140,679	140,935	139,350	132,608
17 Term.....	80,509	108,693	148,033	173,938	180,855	185,275	174,288	177,115	184,836	189,385	190,187
Repurchase agreements <sup>5</sup>											
18 Overnight and continuing.....	101,410	141,735	170,840	170,062	174,006	178,459	187,072	180,419	179,452	178,128	172,412
19 Term.....	70,076	102,640	120,980	130,220	134,608	134,107	125,603	123,826	131,477	138,002	142,523

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

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

3. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Immediate positions include

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

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

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

6. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

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

## 1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1984	1985	1986	1987	1988				
					Apr.	May	June	July	Aug.
<b>1 Federal and federally sponsored agencies</b> .....	<b>271,220</b>	<b>293,905</b>	<b>307,361</b>	<b>341,386</b>	<b>348,273</b>	<b>352,216</b>	<b>354,446</b>	n.a.	n.a.
2 Federal agencies .....	35,145	36,390	36,958	37,981	36,672	36,430	36,361	36,465	n.a.
3 Defense Department <sup>1</sup> .....	142	71	33	13	11	11	11	11	11
4 Export-Import Bank <sup>2,3</sup> .....	15,882	15,678	14,211	11,978	11,494	11,494	11,232	11,232	11,232
5 Federal Housing Administration .....	133	115	138	183	103	105	116	116	115
6 Government National Mortgage Association participation certificates <sup>4</sup> .....	2,165	2,165	2,165	1,615	830	830	830	830	n.a.
7 Postal Service <sup>5</sup> .....	1,337	1,940	3,104	6,103	6,103	5,842	5,842	5,842	5,842
8 Tennessee Valley Authority .....	15,435	16,347	17,222	18,089	18,131	18,148	18,330	18,434	18,494
9 United States Railway Association <sup>6</sup> .....	51	74	85	0	0	0	0	0	0
10 Federally sponsored agencies <sup>7</sup> .....	237,012	257,515	270,553	303,405	311,601	315,786	318,085	n.a.	n.a.
11 Federal Home Loan Banks .....	65,085	74,447	88,752	115,725	118,153	117,864	117,773	119,409	121,266
12 Federal Home Loan Mortgage Corporation .....	10,270	11,926	13,589	17,645	17,199	19,495	17,619	n.a.	n.a.
13 Federal National Mortgage Association .....	83,720	93,896	93,563	97,057	100,911	102,515	104,757	104,751	105,730
14 Farm Credit Banks <sup>8</sup> .....	72,192	68,851	62,478	55,275	54,311	54,578	55,779	54,538	53,538
15 Student Loan Marketing Association <sup>9</sup> .....	5,745	8,395	12,171	16,503	18,877	18,434	19,257	19,453	19,680
16 Financing Corporation <sup>10</sup> .....	n.a.	n.a.	n.a.	1,200	2,150	2,900	2,900	2,900	3,750
17 Farm Credit Financial Assistance Corporation <sup>11</sup> .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	450	450
<b>MEMO</b>									
<b>18 Federal Financing Bank debt<sup>12</sup></b> .....	<b>145,217</b>	<b>153,373</b>	<b>157,510</b>	<b>152,417</b>	<b>150,044</b>	<b>149,986</b>	<b>149,833</b>	<b>149,937</b>	<b>149,809</b>
<i>Lending to federal and federally sponsored agencies</i>									
19 Export-Import Bank <sup>3</sup> .....	15,852	15,670	14,205	11,972	11,488	11,488	11,226	11,226	11,226
20 Postal Service <sup>5</sup> .....	1,087	1,690	2,854	5,853	5,853	5,592	5,592	5,592	5,592
21 Student Loan Marketing Association .....	5,000	5,000	4,970	4,940	4,940	4,940	4,940	4,940	4,940
22 Tennessee Valley Authority .....	13,710	14,622	15,797	16,709	16,751	16,768	16,950	17,054	17,114
23 United States Railway Association <sup>6</sup> .....	51	74	85	0	0	0	0	0	0
<i>Other Lending<sup>13</sup></i>									
24 Farmers Home Administration .....	58,971	64,234	65,374	59,674	59,674	59,674	59,674	59,674	59,464
25 Rural Electrification Administration .....	20,693	20,654	21,680	21,191	19,203	19,218	19,204	19,206	19,225
26 Other .....	29,853	31,429	32,545	32,078	32,135	32,306	32,247	32,245	32,248

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

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

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

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

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

6. Off-budget.

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

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

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

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

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

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

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

A34 Domestic Financial Statistics □ December 1988

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1985	1986	1987	1988							
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>1</sup>	Sept.
<b>1 All issues, new and refunding<sup>1</sup></b>	<b>214,189</b>	<b>147,011</b>	<b>102,407</b>	<b>8,585</b>	<b>9,821</b>	<b>5,847</b>	<b>7,846</b>	<b>13,912</b>	<b>9,746</b>	<b>6,966</b>	<b>9,243</b>
<i>Type of issue</i>											
2 General obligation	52,622	46,346	30,589	2,880	2,776	1,707	3,085	4,237	1,959	2,472	2,286
3 Revenue	161,567	100,664	71,818	5,705	7,045	4,140	4,761	9,675	7,788	4,494	6,957
<i>Type of issuer</i>											
4 State	13,004	14,474	10,102	1,197	739	441	913	1,349	140	576	1,206
5 Special district and statutory authority <sup>2</sup>	134,363	89,997	65,460	5,154	6,310	4,078	4,625	8,629	6,752	3,749	6,110
6 Municipalities, counties, and townships	78,754	42,541	26,845	2,234	2,772	1,328	2,308	3,934	2,854	2,641	1,927
<b>7 Issues for new capital, total</b>	<b>156,050</b>	<b>83,490</b>	<b>56,789</b>	<b>2,738</b>	<b>2,401</b>	<b>1,476</b>	<b>2,334</b>	<b>2,352</b>	<b>2,079</b>	<b>2,318</b>	<b>2,783</b>
<i>Use of proceeds</i>											
8 Education	16,658	12,307	9,524	754	933	911	1,316	1,320	1,699	694	1,174
9 Transportation	12,070	7,246	3,677	826	559	215	452	858	1,446	265	683
10 Utilities and conservation	26,852	14,594	7,912	655	1,016	429	580	635	225	613	514
11 Social welfare	63,181	11,353	11,106	650	1,218	1,099	694	2,060	1,222	1,242	2,358
12 Industrial aid	12,892	6,190	7,474	2,473	105	298	248	434	128	460	351
13 Other purposes	24,398	31,802	18,020	415	2,213	996	1,900	3,628	3,666	2,043	1,891

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue or issuer, or use	1985	1986	1987	1988							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
<b>1 All issues<sup>1</sup></b>	<b>239,015</b>	<b>423,726</b>	<b>392,156</b>	<b>22,175</b>	<b>22,439</b>	<b>25,902</b>	<b>21,227</b>	<b>23,413</b>	<b>30,043<sup>2</sup></b>	<b>17,982<sup>2</sup></b>	<b>18,661</b>
<b>2 Bonds<sup>2</sup></b>	<b>203,500</b>	<b>355,293</b>	<b>325,648</b>	<b>19,485</b>	<b>18,549</b>	<b>20,815</b>	<b>18,515</b>	<b>19,382</b>	<b>25,748<sup>2</sup></b>	<b>12,844<sup>2</sup></b>	<b>15,339</b>
<i>Type of offering</i>											
3 Public, domestic	119,559	231,936	209,279	18,246	16,758	19,827	16,202	17,496	22,753 <sup>2</sup>	10,850 <sup>2</sup>	14,000
4 Private placement, domestic <sup>3</sup>	46,200	80,760	92,070	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	37,781	42,596	24,299	1,239	1,791	988	2,313	1,886	2,995	1,994	1,339
<i>Industry group</i>											
6 Manufacturing	63,973	91,548	61,666	3,053	3,151	3,482	4,513	4,206	5,305 <sup>2</sup>	2,204 <sup>2</sup>	3,500
7 Commercial and miscellaneous	17,066	40,124	49,327	2,084	1,416	1,007	771	1,446	2,281 <sup>2</sup>	1,531 <sup>2</sup>	2,202
8 Transportation	6,020	9,971	11,974	0	200	1,017	890	184	580	100	0
9 Public utility	13,649	31,426	23,004	1,142	1,718	2,259	1,170	1,929	1,707	540 <sup>2</sup>	298
10 Communication	10,832	16,659	7,340	206	101	115	411	69	925 <sup>2</sup>	577 <sup>2</sup>	29
11 Real estate and financial	91,958	165,564	172,343	13,000	11,962	12,935	10,760	11,546	14,949 <sup>2</sup>	7,893 <sup>2</sup>	9,310
<b>12 Stocks<sup>3</sup></b>	<b>35,515</b>	<b>68,433</b>	<b>66,508</b>	<b>2,690</b>	<b>3,890</b>	<b>5,087</b>	<b>2,712</b>	<b>4,031</b>	<b>4,295</b>	<b>5,138</b>	<b>3,322</b>
<i>Type</i>											
13 Preferred	6,505	11,514	10,123	1,388	376	625	241	285	501	407	495
14 Common	29,010	50,316	43,228	1,302	3,513	4,462	2,471	3,746	3,794	4,731	2,827
15 Private placement <sup>3</sup>		6,603	13,157	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
16 Manufacturing	5,700	15,027	13,880	268	296	256	318	1,080	1,676	296	538
17 Commercial and miscellaneous	9,149	10,617	12,888	360	44	99	276	157	522	2,073	336
18 Transportation	1,544	2,427	2,439	1	474	32	150	15	51	0	72
19 Public utility	1,966	4,020	4,322	100	142	93	238	59	207	20	135
20 Communication	978	1,825	1,458	60	0	63	109	78	13	20	3
21 Real estate and financial	16,178	34,517	31,521	1,901	2,933	4,544	1,621	2,642	1,826	2,729	2,238

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

2. Monthly data include only public offerings.
  3. Data are not available on a monthly basis. Before 1987, annual totals include underwritten issues only.
- SOURCES: IDD Information Services, Inc., U.S. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1986	1987	1988							
			Jan.	Feb.	Mar.	Apr.	May	June	July <sup>1</sup>	Aug.
<b>INVESTMENT COMPANIES<sup>1</sup></b>										
1 Sales of own shares <sup>2</sup>	411,751	381,260	30,343	23,265	24,589	23,162	19,579	22,503	20,728	20,595
2 Redemptions of own shares <sup>3</sup>	239,394	314,252	22,324	20,914	23,968	25,000	21,412	23,168	20,561	22,836
3 Net sales	172,357	67,008	8,019	2,351	620	-1,828	-1,833	-665	167	-2,241
4 Assets <sup>4</sup>	424,156	453,842	468,998	481,232	473,206	473,321	468,735	481,120	477,076	465,826
5 Cash position <sup>5</sup>	30,716	38,006	40,157	41,232	43,561	45,307	45,003	43,229	44,015	45,230
6 Other	393,440	415,836	428,841	439,995	426,645	428,014	423,732	437,891	433,061	420,596

1. Excluding money market funds.

2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.

5. Also includes all U.S. government securities and other short-term debt securities.

NOTE: Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1985	1986	1987	1986		1987				1988	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Corporate profits with inventory valuation and capital consumption adjustment	282.3	298.8	310.4	301.2	293.9	298.3	305.2	322.0	316.1	316.2	326.5
2 Profits before tax	224.2	236.3	276.7	240.5	252.1	261.8	273.7	289.4	281.9	286.2	305.9
3 Profits tax liability	96.4	106.6	133.8	107.9	114.3	126.3	132.6	140.0	136.2	136.9	143.2
4 Profits after tax	127.8	129.8	142.9	132.6	137.9	135.5	141.1	149.5	145.7	149.4	162.7
5 Dividends	83.2	88.2	95.5	88.9	89.8	91.7	94.0	97.0	99.3	101.3	103.1
6 Undistributed profits	44.5	41.5	47.4	43.7	48.1	43.8	47.0	52.4	46.4	48.1	59.6
7 Inventory valuation	-1.7	8.3	-18.0	8.7	-8.1	-14.4	-20.0	-19.5	-18.2	-19.4	-27.4
8 Capital consumption adjustment	59.8	54.1	51.7	52.0	49.8	50.8	51.5	52.1	52.4	49.4	48.0

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry	1986	1987	1988 <sup>1</sup>	1987				1988			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>1</sup>	Q4 <sup>1</sup>
<b>1 Total nonfarm business</b> .....	<b>379.47</b>	<b>389.67</b>	<b>430.95</b>	<b>376.73</b>	<b>380.66</b>	<b>394.54</b>	<b>406.82</b>	<b>412.02</b>	<b>426.94</b>	<b>440.42</b>	<b>444.40</b>
<i>Manufacturing</i>											
2 Durable goods industries .....	69.14	71.01	78.06	70.79	69.05	71.96	72.28	75.70	76.87	80.59	79.09
3 Nondurable goods industries .....	73.56	74.88	85.50	70.70	72.66	76.24	79.92	82.90	84.82	85.78	88.48
<i>Nonmanufacturing</i>											
4 Mining .....	11.22	11.39	12.62	10.38	11.02	11.81	12.32	12.59	13.26	12.74	11.89
<i>Transportation</i>											
5 Railroad .....	6.66	5.92	7.05	5.68	5.84	6.07	6.12	6.92	7.01	7.07	7.19
6 Air .....	6.26	6.53	7.61	7.01	6.02	6.15	6.94	6.43	6.66	9.31	8.02
7 Other .....	5.89	6.40	6.91	6.08	6.26	6.97	6.28	7.08	7.05	7.06	6.44
<i>Public utilities</i>											
8 Electric .....	33.91	31.63	32.20	31.23	31.47	31.57	32.28	30.31	30.95	33.79	33.76
9 Gas and other .....	12.47	13.25	14.27	12.72	12.47	13.73	14.11	14.30	14.48	14.26	14.04
10 Commercial and other <sup>2</sup> .....	160.38	168.65	186.74	162.13	165.86	170.05	176.56	175.79	185.83	189.82	195.50

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

2. "Other" consists of construction; wholesale and retail trade; finance and insurance; personal and business services; and communication.  
SOURCE: *Survey of Current Business* (Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities<sup>1</sup>

Billions of dollars, end of period

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

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

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change<sup>1</sup>

Millions of dollars, seasonally adjusted

Type	1985	1986	1987	1988						
				Mar.	Apr.	May	June	July	Aug.	
1 Total	156,297	171,966	205,869	216,007	218,914	220,304	222,133	223,706	223,975	
Retail financing of installment sales										
2 Automotive (commercial vehicles)	20,660	25,952	35,674	36,914	37,619	37,219	37,519	37,682	37,519	
3 Business, industrial, and farm equipment	22,483	22,950	24,987	27,081	27,263	27,081	27,548	27,428	27,603	
Wholesale financing										
4 Automotive	23,988	23,419	31,059	27,329	27,361	28,260	28,731	28,449	27,721	
5 Equipment	4,568	5,423	5,693	5,251	5,429	5,237	5,557	5,654	5,803	
6 All other	6,809	7,079	8,408	8,347	8,311	8,414	8,481	8,458	8,531	
Leasing										
7 Automotive	16,275	19,783	21,943	23,493	23,458	23,690	24,076	24,400	24,370	
8 Equipment	34,768	37,833	43,002	50,411	51,092	52,126	52,365	52,803	53,671	
9 Loans on commercial accounts receivable and factored commercial accounts receivable	15,765	15,959	18,024	17,895	18,789	18,700	18,595	19,095	19,132	
10 All other business credit	10,981	13,568	17,079	19,287	19,592	19,578	19,260	19,736	19,609	
Net change (during period)										
11 Total	19,607	15,669	3,040	2,670	2,907	1,390	1,829	1,573	269	
Retail financing of installment sales										
12 Automotive (commercial vehicles)	5,067	5,292	1,220	596	705	-400	300	163	-163	
13 Business, industrial, and farm equipment	-363	467	223	105	182	-181	467	-120	175	
Wholesale financing										
14 Automotive	5,423	-569	158	-1,325	32	899	471	-282	-728	
15 Equipment	-867	855	-101	-72	178	-192	320	97	149	
16 All other	1,069	270	257	16	-36	103	67	-23	73	
Leasing										
17 Automotive	3,896	3,508	-70	393	-34	231	386	324	-30	
18 Equipment	2,685	3,065	1,038	2,236	681	1,034	239	438	867	
19 Loans on commercial accounts receivable and factored commercial accounts receivable	2,161	194	-477	-643	894	-88	-105	500	37	
20 All other business credit	536	2,587	792	689	305	-14	-318	476	-127	

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

## 1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1985	1986	1987	1988						
				Mar.	Apr.	May	June	July	Aug.	Sept.
<b>Terms and yields in primary and secondary markets</b>										
<b>PRIMARY MARKETS</b>										
<b>Conventional mortgages on new homes</b>										
<i>Terms<sup>1</sup></i>										
1 Purchase price (thousands of dollars).....	104.1	118.1	137.0	147.2	151.4	145.3	152.0	152.9	154.2 <sup>r</sup>	145.3
2 Amount of loan (thousands of dollars).....	77.4	86.2	100.5	106.3	112.1	108.0	110.2	111.9	114.9 <sup>r</sup>	108.6
3 Loan/price ratio (percent).....	77.1	75.2	75.2	75.0	76.2	76.4	73.8	75.2	76.7 <sup>r</sup>	75.9
4 Maturity (years).....	26.9	26.6	27.8	27.3	27.7	28.1	27.5	28.4	28.5 <sup>r</sup>	27.8
5 Fees and charges (percent of loan amount) <sup>2</sup> .....	2.53	2.48	2.26	2.28	2.20	2.15	2.16	2.24	2.35 <sup>r</sup>	2.16
6 Contract rate (percent per year).....	11.12	9.82	8.94	8.77	8.76	8.59	8.90	8.80	8.68	8.90
<i>Yield (percent per year)</i>										
7 FHLBB series <sup>3</sup> .....	11.58	10.25	9.31	9.15	9.13	8.95	9.26	9.17	9.06 <sup>r</sup>	9.25
8 HUD series <sup>4</sup> .....	12.28	10.07	10.13	9.99	10.19	10.48	10.35	n.a.	n.a.	n.a.
<b>SECONDARY MARKETS</b>										
<i>Yield (percent per year)</i>										
9 FHA mortgages (HUD series) <sup>5</sup> .....	12.24	9.91	10.12	10.28	10.46	10.84	10.65	n.a.	n.a.	n.a.
10 GNMA securities <sup>6</sup> .....	11.61	9.30	9.42	9.53	9.67	9.93	9.88	9.91	10.09	9.93
<b>Activity in secondary markets</b>										
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>										
<i>Mortgage holdings (end of period)</i>										
11 Total.....	94,574	98,048	95,030	99,787	100,796	101,747	102,368	102,540	102,540	n.a.
12 FHA/VA-insured.....	34,244	29,683	21,660	20,094	19,932	19,805	19,765	19,677	19,586	n.a.
13 Conventional.....	60,331	68,365	73,370	79,693	80,864	81,941	82,603	82,864	82,954	n.a.
<i>Mortgage transactions (during period)</i>										
14 Purchases.....	21,510	30,826	20,531	2,776	2,409	2,138	2,372	1,960	1,638	n.a.
<i>Mortgage commitments<sup>7</sup></i>										
15 Contracted (during period).....	20,155	32,987	25,415	3,823	2,555	2,142	2,179	1,108	1,041	n.a.
16 Outstanding (end of period).....	3,402	3,386	4,886	6,149	6,033	5,777	5,365	4,277	3,135	n.a.
<b>FEDERAL HOME LOAN MORTGAGE CORPORATION</b>										
<i>Mortgage holdings (end of period)<sup>8</sup></i>										
17 Total.....	12,399	13,517	12,802	14,386	14,822	15,228	15,576	15,133	n.a.	n.a.
18 FHA/VA.....	841	746	686	641	635	633	627	619	n.a.	n.a.
19 Conventional.....	11,559	12,771	12,116	13,745	14,187	14,595	14,949	14,514	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases.....	44,012	103,474	76,845	2,932	2,772	2,877	4,117	3,879	n.a.	n.a.
21 Sales.....	38,905	100,236	75,082	2,312	2,271	2,325	3,649	4,115	n.a.	n.a.
<i>Mortgage commitments<sup>9</sup></i>										
22 Contracted (during period).....	48,989	110,855	71,467	4,262	6,437	5,159	6,447	5,328	n.a.	n.a.

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

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

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

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

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

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

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

8. Includes participation as well as whole loans.

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

1.54 MORTGAGE DEBT OUTSTANDING<sup>1</sup>

Millions of dollars, end of period

Type of holder, and type of property	1985	1986	1987	1987			1988	
				Q2	Q3	Q4	Q1	Q2
<b>1 All holders</b> .....	<b>2,289,843</b>	<b>2,597,175</b>	<b>2,943,176</b>	<b>2,792,723</b>	<b>2,864,736</b>	<b>2,943,176</b>	<b>2,987,155</b>	<b>3,056,615</b>
2 1- to 4-family .....	1,488,009	1,698,524	1,925,203	1,817,482	1,870,635	1,925,203	1,955,325	2,006,675
3 Multifamily .....	214,470	247,831	273,836	263,874	268,911	273,836	277,571	282,920
4 Commercial .....	481,514	555,039	655,269	620,087	635,230	655,269	666,096	679,305
5 Farm .....	105,850	95,781	88,868	91,280	89,960	88,868	88,163	87,715
<b>6 Selected financial institutions</b> .....	<b>1,390,394</b>	<b>1,507,289</b>	<b>1,700,820</b>	<b>1,607,000</b>	<b>1,648,328</b>	<b>1,700,820</b>	<b>1,722,742</b>	<b>1,760,744</b>
7 Commercial banks <sup>2</sup> .....	429,196	502,534	591,151	544,759	567,000	591,151	603,408	622,237
8 1- to 4-family .....	213,434	235,814	275,761	252,813	263,762	275,761	279,977	289,029
9 Multifamily .....	23,373	31,173	33,296	30,543	32,114	33,296	33,585	34,347
10 Commercial .....	181,032	222,799	267,663	247,576	256,981	267,663	275,081	283,678
11 Farm .....	11,357	12,748	14,431	13,827	14,143	14,431	14,765	15,183
12 Savings institutions <sup>3</sup> .....	760,499	777,312	856,945	824,961	838,737	856,945	863,110	876,974
13 1- to 4-family .....	554,301	558,412	598,886	572,075	583,432	598,886	603,532	615,771
14 Multifamily .....	89,739	97,059	106,359	102,933	104,609	106,359	107,687	109,588
15 Commercial .....	115,771	121,236	150,943	149,183	149,938	150,943	151,136	150,863
16 Farm .....	688	605	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Life insurance companies .....	171,797	193,842	212,375	200,382	204,263	212,375	214,815	219,015
18 1- to 4-family .....	12,381	12,827	13,226	12,742	12,742	13,226	13,653	14,053
19 Multifamily .....	19,894	20,952	22,524	21,663	21,968	22,524	22,723	22,823
20 Commercial .....	127,670	149,111	166,722	155,611	159,464	166,722	168,774	172,224
21 Farm .....	11,852	10,952	9,903	10,363	10,089	9,903	9,665	9,515
22 Finance companies <sup>4</sup> .....	28,902	33,601	40,349	36,898	38,328	40,349	41,409	42,518
<b>23 Federal and related agencies</b> .....	<b>166,928</b>	<b>203,800</b>	<b>192,721</b>	<b>196,514</b>	<b>191,520</b>	<b>192,721</b>	<b>196,909</b>	<b>199,728</b>
24 Government National Mortgage Association .....	1,473	889	444	667	458	444	434	425
25 1- to 4-family .....	539	47	25	25	25	25	24	24
26 Multifamily .....	934	842	419	622	433	419	409	401
27 Farmers Home Administration <sup>5</sup> .....	733	48,421	43,051	48,085	42,978	43,051	43,076	42,767
28 1- to 4-family .....	183	21,625	18,169	21,157	18,111	18,169	18,185	18,248
29 Multifamily .....	113	7,608	8,044	7,808	7,903	8,044	8,115	8,213
30 Commercial .....	159	8,446	6,603	8,533	6,592	6,603	6,640	6,288
31 Farm .....	278	10,742	10,235	10,567	10,372	10,235	10,136	10,018
32 Federal Housing and Veterans Administration .....	4,920	5,047	5,574	5,268	5,330	5,574	5,660	5,544
33 1- to 4-family .....	2,254	2,386	2,531	2,531	2,452	2,557	2,608	2,452
34 Multifamily .....	2,666	2,661	3,017	2,737	2,878	3,017	3,052	3,092
35 Federal National Mortgage Association .....	98,282	97,895	96,649	94,064	94,884	96,649	99,787	102,368
36 1- to 4-family .....	91,966	90,718	89,666	87,013	87,901	89,666	92,828	95,404
37 Multifamily .....	6,316	7,177	6,983	7,051	6,983	6,983	6,959	6,964
38 Federal Land Banks .....	47,498	39,984	34,131	35,833	34,930	34,131	33,566	33,048
39 1- to 4-family .....	2,798	2,353	2,008	2,108	2,055	2,008	1,975	1,945
40 Farm .....	44,700	37,631	32,123	33,725	32,875	32,123	31,591	31,103
41 Federal Home Loan Mortgage Corporation .....	14,022	11,564	12,872	12,597	12,940	12,872	14,386	15,576
42 1- to 4-family .....	11,881	10,010	11,430	11,172	11,570	11,430	12,749	13,631
43 Multifamily .....	2,141	1,554	1,442	1,425	1,370	1,442	1,637	1,945
<b>44 Mortgage pools or trusts<sup>6</sup></b> .....	<b>439,058</b>	<b>565,428</b>	<b>718,297</b>	<b>656,361</b>	<b>692,944</b>	<b>718,297</b>	<b>736,344</b>	<b>761,405</b>
45 Government National Mortgage Association .....	212,145	262,697	317,555	293,246	308,339	317,555	322,976	329,976
46 1- to 4-family .....	207,198	256,920	309,806	286,091	300,815	309,806	315,095	321,924
47 Multifamily .....	4,947	5,777	7,749	7,155	7,524	7,749	7,881	8,052
48 Federal Home Loan Mortgage Corporation .....	100,387	171,372	212,634	200,284	208,872	212,634	214,724	216,155
49 1- to 4-family .....	99,515	166,667	205,977	194,238	202,308	205,977	208,138	209,702
50 Multifamily .....	872	4,705	6,657	6,046	6,564	6,657	6,586	6,453
51 Federal National Mortgage Association .....	54,987	97,174	139,960	121,270	130,540	139,960	145,242	157,438
52 1- to 4-family .....	54,036	95,791	137,988	119,617	128,770	137,988	142,330	153,253
53 Multifamily .....	951	1,383	1,972	1,653	1,770	1,972	2,912	4,185
54 Farmers Home Administration <sup>5</sup> .....	47,523	348	245	342	333	245	172	106
55 1- to 4-family .....	22,186	142	121	149	144	121	65	23
56 Multifamily .....	6,675	.....	.....	.....	.....	.....	.....	.....
57 Commercial .....	8,190	132	63	126	124	63	58	41
58 Farm .....	10,472	74	61	67	65	61	49	42
<b>59 Individuals and others<sup>7</sup></b> .....	<b>293,463</b>	<b>320,658</b>	<b>331,338</b>	<b>332,848</b>	<b>331,944</b>	<b>331,338</b>	<b>331,160</b>	<b>334,738</b>
60 1- to 4-family .....	162,419	177,374	171,331	177,611	173,360	171,331	169,526	170,968
61 Multifamily .....	55,849	66,940	75,374	74,238	74,795	75,374	76,025	76,857
62 Commercial .....	48,692	53,315	63,275	59,038	62,131	63,275	64,407	65,811
63 Farm .....	26,503	23,029	21,358	21,961	21,658	21,358	21,202	21,102

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

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

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

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

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

6. Outstanding principal balances of mortgage pools backing securities insured or guaranteed by the agency indicated.

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<sup>1</sup> Total Outstanding, and Net Change, seasonally adjusted

Millions of dollars

Holder, and type of credit	1986	1987	1988								
			Dec.								
			Jan.	Feb.	Mar.	Apr.	May	June	July <sup>2</sup>	Aug.	
Amounts outstanding (end of period)											
<b>1 Total</b> .....	<b>571,833</b>	<b>613,022</b>	<b>613,022</b>	<b>619,258</b>	<b>624,294</b>	<b>629,485</b>	<b>633,336</b>	<b>636,318</b>	<b>644,372</b>	<b>647,993</b>	<b>653,431</b>
<i>By major holder</i>											
2 Commercial banks .....	262,139	281,564	281,564	284,753	287,344	290,831	293,166	295,546	300,275	303,189	307,232
3 Finance companies <sup>3</sup> .....	133,698	140,072	140,072	141,695	142,946	144,053	144,516	144,454	144,748	143,812	143,962
4 Credit unions .....	76,191	81,065	81,065	81,662	81,897	82,595	83,204	83,881	84,912	85,468	85,881
5 Retailers <sup>3</sup> .....	39,660	42,782	42,782	42,926	43,080	43,271	43,295	43,162	43,450	43,634	43,712
6 Savings institutions .....	56,881	63,949	63,949	64,633	65,396	65,078	65,387	65,509	67,274	68,182	68,909
7 Gasoline companies .....	3,264	3,590	3,590	3,590	3,631	3,657	3,769	3,765	3,713	3,707	3,735
<i>By major type of credit</i>											
8 Automobile .....	246,109	267,180	267,180	269,883	273,133	276,762	278,567	279,418	282,254	283,359	285,645
9 Commercial banks .....	100,907	108,438	108,438	109,298	111,021	113,593	114,868	115,951	117,322	118,650	120,465
10 Credit unions .....	38,413	43,474	43,474	43,959	44,251	44,795	45,293	45,831	46,565	47,043	47,444
11 Finance companies .....	92,350	98,026	98,026	99,147	100,123	100,669	100,564	99,708	99,900	98,896	98,711
12 Savings institutions .....	14,439	17,242	17,242	17,479	17,738	17,705	17,841	17,928	18,465	18,770	19,026
13 Revolving .....	136,381	159,307	159,307	162,065	163,462	165,643	167,356	169,154	172,809	174,927	177,552
14 Commercial banks .....	86,757	98,808	98,808	100,879	101,537	103,152	104,250	105,742	108,309	109,645	111,607
15 Retailers .....	34,320	36,959	36,959	37,087	37,231	37,408	37,414	37,259	37,526	37,671	37,708
16 Gasoline companies .....	3,264	3,590	3,590	3,590	3,631	3,657	3,769	3,765	3,713	3,707	3,735
17 Savings institutions .....	8,366	13,279	13,279	13,601	13,945	14,059	14,309	14,518	15,098	15,492	15,850
18 Credit unions .....	3,674	6,671	6,671	6,908	7,117	7,368	7,614	7,870	8,162	8,413	8,652
19 Mobile home .....	26,883	25,957	25,957	25,926	25,857	25,732	25,764	25,703	25,852	25,882	25,912
20 Commercial banks .....	8,926	9,101	9,101	9,064	9,035	8,993	9,047	8,966	8,933	8,913	8,890
21 Finance companies .....	8,822	7,771	7,771	7,753	7,679	7,640	7,574	7,578	7,513	7,436	7,387
22 Savings institutions .....	9,135	9,085	9,085	9,109	9,143	9,099	9,142	9,159	9,406	9,533	9,634
23 Other .....	162,460	160,578	160,578	161,384	161,842	161,348	161,649	162,043	163,456	163,825	164,322
24 Commercial banks .....	65,549	65,217	65,217	65,512	65,750	65,094	65,001	64,887	65,710	65,981	66,270
25 Finance companies .....	32,526	34,275	34,275	34,795	35,144	35,744	36,376	37,168	37,335	37,480	37,863
26 Credit unions .....	34,104	30,920	30,920	30,795	30,529	30,432	30,297	30,180	30,184	30,012	29,785
27 Retailers .....	5,340	5,823	5,823	5,839	5,849	5,863	5,880	5,903	5,923	5,964	6,004
28 Savings institutions .....	24,941	24,343	24,343	24,444	24,570	24,216	24,095	23,904	24,305	24,388	24,399
Net change (during period)											
<b>29 Total</b> .....	<b>54,078</b>	<b>41,189</b>	<b>4,294</b>	<b>6,236</b>	<b>5,036</b>	<b>5,191</b>	<b>3,851</b>	<b>2,982</b>	<b>8,054</b>	<b>3,621</b>	<b>5,438</b>
<i>By major holder</i>											
30 Commercial banks .....	20,495	19,425	2,014	3,189	2,591	3,487	2,335	2,380	4,729	2,914	4,043
31 Finance companies <sup>3</sup> .....	22,670	6,374	1,144	1,623	1,251	1,107	463	-62	294	-936	150
32 Credit unions .....	4,268	4,874	142	597	235	698	609	677	1,031	556	413
33 Retailers <sup>3</sup> .....	466	3,122	491	144	154	191	24	-133	288	184	78
34 Savings institutions .....	7,223	7,068	537	684	763	-318	309	122	1,765	908	727
35 Gasoline companies .....	-1,044	326	-34	0	41	26	112	-4	-52	-6	28
<i>By major type of credit</i>											
36 Automobile .....	36,473	21,071	2,706	2,703	3,250	3,629	1,805	851	2,836	1,105	2,286
37 Commercial banks .....	8,178	7,531	711	860	1,723	2,572	1,275	1,083	1,371	1,328	1,815
38 Credit unions .....	2,388	5,061	403	485	292	544	498	538	734	478	401
39 Finance companies .....	22,823	5,676	1,293	1,121	976	546	-105	-856	192	-1,004	-185
40 Savings institutions .....	3,084	2,803	299	237	259	-33	136	87	537	305	256
41 Revolving .....	14,368	22,926	2,882	2,758	1,397	2,181	1,713	1,798	3,655	2,118	2,625
42 Commercial banks .....	11,150	12,051	1,430	2,071	658	1,615	1,098	1,492	2,567	1,336	1,962
43 Retailers .....	47	2,639	458	128	144	177	6	-155	267	145	37
44 Gasoline companies .....	-1,044	326	-34	0	41	26	112	-4	-52	-6	28
45 Savings institutions .....	2,078	4,913	643	322	344	114	250	209	580	394	358
46 Credit unions .....	2,137	2,997	385	237	209	251	246	256	292	251	239
47 Mobile home .....	49	-926	-647	-31	-69	-125	32	-61	149	30	30
48 Commercial banks .....	-627	175	-68	-37	-29	-42	54	-81	-33	-20	-23
49 Finance companies .....	-472	-1,051	-440	-18	-74	-39	-65	3	-65	-77	-49
50 Savings institutions .....	1,148	-50	-139	24	34	-44	43	17	247	127	101
51 Other .....	3,188	-1,882	-647	806	458	-494	301	394	1,413	369	497
52 Commercial banks .....	1,794	-332	-59	295	238	-656	-93	-114	823	271	289
53 Finance companies .....	319	1,749	291	520	349	600	632	792	167	145	383
54 Credit unions .....	-257	-3,184	-646	-125	-266	-97	-135	-117	4	-172	-227
55 Retailers .....	419	483	33	16	10	14	17	23	20	41	40
56 Savings institutions .....	913	-598	-266	101	126	-354	-121	-191	401	83	11

1. The Board's series cover most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.  
 These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

2. More detail for finance companies is available in the G. 20 statistical release.  
 3. Excludes 30-day charge credit held by travel and entertainment companies.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT<sup>1</sup>

Percent unless noted otherwise

Item	1985	1986	1987	1988 <sup>7</sup>							
				Feb.	Mar.	Apr.	May	June	July	Aug.	
<b>INTEREST RATES</b>											
Commercial banks <sup>2</sup>											
1 48-month new car <sup>3</sup>	12.91	11.33	10.45	10.72	n.a.	n.a.	10.55	n.a.	n.a.	10.93	
2 24-month personal	15.94	14.82	14.22	14.46	n.a.	n.a.	14.40	n.a.	n.a.	14.81	
3 120-month mobile home <sup>3</sup>	14.96	13.99	13.38	13.45	n.a.	n.a.	13.49	n.a.	n.a.	13.62	
4 Credit card	18.69	18.26	17.92	17.80	n.a.	n.a.	17.78	n.a.	n.a.	17.79	
Auto finance companies											
5 New car	11.98	9.44	10.73	12.26	12.24	12.29	12.29	12.32	12.44	12.64	
6 Used car	17.59	15.95	14.60	14.75	14.77	14.82	14.81	14.83	14.99	15.16	
<b>OTHER TERMS<sup>4</sup></b>											
Maturity (months)											
7 New car	51.5	50.0	53.5	55.9	56.0	56.2	56.2	56.3	56.4	56.5	
8 Used car	41.4	42.6	45.2	46.8	46.9	46.9	46.9	46.9	46.8	46.8	
Loan-to-value ratio											
9 New car	91	91	93	94	94	94	94	94	94	94	
10 Used car	94	97	98	99	98	98	99	99	99	98	
Amount financed (dollars)											
11 New car	9,915	10,665	11,203	11,447	11,493	11,553	11,624	11,626	11,663	11,593	
12 Used car	6,089	6,555	7,420	7,619	7,587	7,662	7,778	7,899	7,947	7,918	

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

2. Data for midmonth of quarter only.

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

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1983	1984	1985	1986	1987	1985		1986		1987		1988
						H1	H2	H1	H2	H1	H2	H1
<b>Nonfinancial sectors</b>												
<b>1 Total net borrowing by domestic nonfinancial sectors.....</b>	<b>546.8</b>	<b>750.8</b>	<b>846.3</b>	<b>830.6</b>	<b>680.6</b>	<b>724.8</b>	<b>967.7</b>	<b>686.7</b>	<b>974.4</b>	<b>651.8</b>	<b>709.3</b>	<b>695.3</b>
<i>By sector and instrument</i>												
2 U.S. government.....	186.6	198.8	223.6	215.0	143.8	205.6	241.7	207.7	222.3	153.4	134.3	156.9
3 Treasury securities.....	186.7	199.0	223.7	214.7	142.3	205.7	241.7	207.8	221.5	152.4	132.2	153.3
4 Agency issues and mortgages.....	-1	-2	-1	.4	1.5	-1	-1	-1	.9	1.0	2.0	3.6
5 Private domestic nonfinancial sectors.....	360.2	552.0	622.7	615.6	536.7	519.3	726.1	479.0	752.1	498.4	575.0	538.4
6 Debt capital instruments.....	257.6	319.3	452.3	460.7	446.0	362.9	541.8	381.9	539.4	470.0	422.0	391.0
7 Tax-exempt obligations.....	53.7	50.4	136.4	30.8	34.5	67.8	204.9	-14.5	76.1	35.9	33.1	32.7
8 Corporate bonds.....	16.0	46.1	73.8	121.3	99.9	70.5	77.0	144.8	97.7	108.7	91.2	109.4
9 Mortgages.....	187.9	222.8	242.2	308.6	311.5	224.5	259.9	251.6	365.6	325.4	297.7	248.9
10 Home mortgages.....	120.4	136.7	156.8	210.9	221.6	143.6	169.9	171.6	250.3	233.8	209.4	184.7
11 Multifamily residential.....	14.1	25.2	29.8	33.5	24.3	25.5	34.1	31.8	35.2	29.2	19.5	20.0
12 Commercial.....	51.0	62.2	62.2	73.6	72.0	58.5	65.9	58.1	89.2	71.9	72.2	48.2
13 Farm.....	2.4	-1.2	-6.6	-9.5	-6.4	-3.0	-10.1	-10.0	-9.0	-9.5	-3.3	-3.9
14 Other debt instruments.....	102.6	232.7	170.3	154.9	90.7	156.4	184.3	97.1	212.7	28.4	153.1	147.3
15 Consumer credit.....	49.0	81.6	82.5	54.4	40.7	85.2	79.8	57.7	51.1	26.1	55.4	41.9
16 Bank loans n.e.c.....	23.2	67.1	38.6	69.3	8.8	19.0	58.3	15.6	123.1	-35.6	53.2	58.8
17 Open market paper.....	-8	21.7	14.6	-9.3	2.3	12.9	16.3	-15.1	-3.6	2.1	2.4	.1
18 Other.....	31.3	62.2	34.6	40.5	38.9	39.3	29.9	39.0	42.0	35.8	42.1	46.6
19 By borrowing sector.....	360.2	552.0	622.7	615.6	536.7	519.3	726.1	479.0	752.1	498.4	575.0	538.4
20 State and local governments.....	34.0	27.4	91.8	44.3	34.4	57.2	126.4	5.5	83.2	34.2	34.7	29.5
21 Households.....	186.1	231.5	283.6	286.1	261.4	251.6	315.6	238.0	334.2	250.0	272.9	237.5
22 Farm.....	3.9	-4	-14.5	-16.3	-11.2	-7.6	-21.4	-17.9	-14.6	-18.1	-4.3	-11.1
23 Nonfarm noncorporate.....	81.9	123.2	129.3	112.6	103.2	129.5	129.1	109.0	116.1	95.9	110.6	112.1
24 Corporate.....	54.4	170.3	132.4	188.8	148.8	88.6	176.3	144.4	233.2	136.5	161.2	170.4
25 Foreign net borrowing in United States.....	17.3	8.4	1.2	9.6	4.3	-5.8	8.2	22.3	-3.1	-4.4	13.1	0.5
26 Bonds.....	3.1	3.8	3.8	3.0	6.8	5.4	2.2	6.6	-6	-5	14.2	7.0
27 Bank loans n.e.c.....	3.6	-6.6	-2.8	-1.0	-3.6	-5.7	*	1.7	-3.8	-2.3	-4.9	-2.7
28 Open market paper.....	6.5	6.2	6.2	11.5	2.1	2.7	9.7	19.0	3.9	-5.3	9.5	3.9
29 U.S. government loans.....	4.1	5.0	-5.9	-3.9	-1.0	-1.3	-3.6	-5.1	-2.7	3.8	-5.7	-7.6
<b>30 Total domestic plus foreign.....</b>	<b>564.1</b>	<b>759.2</b>	<b>847.5</b>	<b>840.2</b>	<b>684.9</b>	<b>719.0</b>	<b>975.9</b>	<b>709.0</b>	<b>971.3</b>	<b>647.4</b>	<b>722.4</b>	<b>695.8</b>
<b>Financial sectors</b>												
<b>31 Total net borrowing by financial sectors.....</b>	<b>99.2</b>	<b>148.7</b>	<b>198.3</b>	<b>297.2</b>	<b>285.2</b>	<b>168.9</b>	<b>227.7</b>	<b>237.1</b>	<b>357.3</b>	<b>313.6</b>	<b>256.8</b>	<b>218.8</b>
<i>By instrument</i>												
32 U.S. government related.....	67.8	74.9	101.5	178.1	168.3	97.2	105.9	136.9	219.3	180.4	156.1	106.1
33 Sponsored credit agency securities.....	1.4	30.4	20.6	15.2	30.2	27.2	14.0	9.6	20.8	8.6	51.8	33.1
34 Mortgage pool securities.....	66.4	44.4	79.9	163.3	138.8	70.0	89.8	126.5	200.1	173.3	104.3	73.0
35 Loans from U.S. government.....	.....	.....	1.1	-4	-8	.....	2.2	.8	-1.5	-1.5	.....	.....
36 Private financial sectors.....	31.4	73.8	96.7	119.1	116.9	71.7	121.8	100.2	138.0	133.2	100.7	112.7
37 Corporate bonds.....	17.3	33.0	47.9	70.9	66.8	42.3	53.5	65.8	76.1	74.4	59.2	75.5
38 Mortgages.....	* .4	* .1	* .1	* .3	* .3	* .1	* .6	* .5	-5	.3	.3	.1
39 Bank loans n.e.c.....	-1	7	2.6	4.0	-3.3	2.8	2.3	4.7	3.3	-4.4	-2.2	3.9
40 Open market paper.....	21.3	24.1	32.0	24.2	28.8	13.2	50.8	13.4	35.1	47.7	9.8	25.4
41 Loans from Federal Home Loan Banks.....	-7.0	15.7	14.2	19.8	24.4	13.3	15.1	15.7	24.0	15.3	33.6	7.8
<i>By sector</i>												
42 Sponsored credit agencies.....	1.4	30.4	21.7	14.9	29.5	27.2	16.1	10.4	19.3	7.1	51.8	33.1
43 Mortgage pools.....	66.4	44.4	79.9	163.3	138.8	70.0	89.8	126.5	200.1	173.3	104.3	73.0
44 Private financial sectors.....	31.4	73.8	96.7	119.1	116.9	71.7	121.8	100.2	138.0	133.2	100.7	112.7
45 Commercial banks.....	5.0	7.3	-4.9	-3.6	7.1	-5.7	-4.1	-3.5	-3.8	13.2	1.0	-9.6
46 Bank affiliates.....	12.1	15.6	14.5	4.6	2.9	10.1	19.0	-1.8	11.1	11.5	-5.7	2.9
47 Savings and loan associations.....	-2.1	22.7	22.3	29.8	36.0	12.0	32.7	23.1	36.4	25.1	46.9	14.2
48 Finance companies.....	13.0	18.2	52.7	48.4	30.3	46.3	59.2	50.7	46.1	29.0	31.7	65.9
49 REITs.....	-2	.8	.5	1.0	1.5	.5	.5	.3	1.6	.6	2.5	1.2
50 CMO Issuers.....	3.6	9.3	11.5	39.0	39.1	8.5	14.4	31.4	46.6	53.9	24.3	38.0
<b>All sectors</b>												
<b>51 Total net borrowing.....</b>	<b>663.4</b>	<b>907.9</b>	<b>1,045.7</b>	<b>1,137.4</b>	<b>970.1</b>	<b>887.9</b>	<b>1,203.6</b>	<b>946.1</b>	<b>1,328.7</b>	<b>961.0</b>	<b>979.2</b>	<b>914.5</b>
52 U.S. government securities.....	254.4	273.8	324.2	393.5	312.9	302.9	345.4	343.8	443.3	335.3	290.4	263.0
53 State and local obligations.....	53.7	50.4	136.4	30.8	34.5	67.8	204.9	-14.5	76.1	35.9	33.1	32.7
54 Corporate and foreign bonds.....	36.4	83.0	125.4	195.2	173.5	118.2	132.6	217.2	173.2	182.6	164.5	191.9
55 Mortgages.....	187.8	223.1	242.2	308.6	311.8	224.5	259.9	252.1	365.1	325.6	298.0	248.9
56 Consumer credit.....	49.0	81.6	82.5	54.4	40.7	85.2	79.8	57.7	51.1	26.1	55.4	41.9
57 Bank loans n.e.c.....	26.7	61.1	38.3	72.3	1.9	16.1	60.6	22.0	122.7	-42.4	46.1	60.0
58 Open market paper.....	26.9	52.0	52.8	26.4	33.2	28.9	76.7	17.3	35.5	44.6	21.8	29.4
59 Other loans.....	28.4	82.9	44.0	56.1	61.6	44.3	43.6	50.4	61.7	53.3	69.9	46.7
<b>External corporate equity funds raised in United States</b>												
<b>60 Total new share issues.....</b>	<b>58.1</b>	<b>-36.0</b>	<b>20.1</b>	<b>93.9</b>	<b>13.3</b>	<b>1.0</b>	<b>39.1</b>	<b>96.7</b>	<b>91.0</b>	<b>92.0</b>	<b>-65.4</b>	<b>-101.0</b>
61 Mutual funds.....	27.2	29.3	84.4	161.8	72.3	61.6	107.1	151.9	171.8	142.2	2.4	3.7
62 All other.....	30.8	-65.3	-64.3	-68.0	-59.0	-60.6	-80.7	-55.2	-80.7	-50.2	-67.8	-104.7
63 Nonfinancial corporations.....	23.5	-74.5	-81.5	-80.8	-76.5	-75.5	-87.5	-68.7	-92.7	-70.0	-83.0	-117.5
64 Financial corporations.....	3.6	8.2	13.5	11.5	19.9	12.3	14.8	7.9	15.2	17.8	21.9	16.5
65 Foreign shares purchased in United States.....	3.7	.9	3.7	1.3	-2.4	2.6	4.7	5.7	-3.1	2.0	-6.7	-3.7

## 1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-yearly data are at seasonally adjusted annual rates.

Transaction category, or sector	1983	1984	1985	1986	1987	1985		1986		1987		1988
						H1	H2	H1	H2	H1	H2	
<b>1 Total funds advanced in credit markets to domestic nonfinancial sectors</b>	<b>546.8</b>	<b>750.8</b>	<b>846.3</b>	<b>830.6</b>	<b>680.6</b>	<b>724.8</b>	<b>967.7</b>	<b>686.7</b>	<b>974.4</b>	<b>651.8</b>	<b>709.3</b>	<b>695.3</b>
<i>By public agencies and foreign</i>												
2 Total net advances	117.8	157.6	193.1	304.2	240.6	197.3	188.8	271.3	337.1	260.3	220.8	219.5
3 U.S. government securities	29.0	38.9	37.9	69.4	68.2	48.8	27.0	76.8	62.0	57.1	79.2	93.4
4 Residential mortgages	76.1	56.5	94.6	160.3	135.6	88.8	100.5	124.2	196.4	167.3	103.9	90.7
5 FHLB advances to savings and loans	-7.0	15.7	14.2	19.8	24.4	13.3	15.1	15.7	24.0	15.3	33.6	7.8
6 Other loans and securities	19.7	46.6	46.3	54.6	12.3	46.4	46.2	54.6	54.7	20.6	4.1	27.6
Total advanced, by sector												
7 U.S. government	9.7	17.1	16.8	9.7	-9.7	25.1	8.4	10.8	8.5	-10.4	-8.9	-9.0
8 Sponsored credit agencies	69.8	74.3	95.5	177.3	163.1	102.2	88.9	135.5	219.2	176.2	149.9	99.8
9 Monetary authorities	14.7	8.4	18.4	19.4	24.7	21.3	15.5	12.9	26.0	19.6	29.7	-7
10 Foreign	23.7	57.9	62.3	97.8	62.5	48.8	75.9	112.1	83.4	75.0	50.1	129.4
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	67.8	74.9	101.5	178.1	168.3	97.2	105.9	136.9	219.3	180.4	156.1	106.1
12 Foreign	17.3	8.4	1.2	9.6	4.3	-5.8	8.2	22.3	-3.1	-4.4	13.1	.5
<i>Private domestic funds advanced</i>												
13 Total net advances	514.2	676.4	756.0	714.1	612.6	618.9	893.0	574.6	853.6	567.5	657.7	582.3
14 U.S. government securities	225.4	234.9	286.2	324.1	244.7	254.0	318.5	267.0	381.2	278.2	211.2	169.6
15 State and local obligations	53.7	50.4	136.4	30.8	34.5	67.8	204.9	-14.5	76.1	35.9	33.1	32.7
16 Corporate and foreign bonds	14.5	35.1	40.8	84.1	86.5	46.0	35.7	108.3	59.8	79.6	93.3	99.6
17 Residential mortgages	58.3	105.3	91.8	84.1	110.3	80.2	103.5	79.2	89.0	95.6	124.9	113.9
18 Other mortgages and loans	155.1	266.3	214.9	210.8	161.1	184.2	245.6	150.3	271.4	93.4	228.8	174.2
19 Less: Federal Home Loan Bank advances	-7.0	15.7	14.2	19.8	24.4	13.3	15.1	15.7	24.0	15.3	33.6	7.8
<i>Private financial intermediation</i>												
20 Credit market funds advanced by private financial institutions	394.7	581.0	569.8	746.3	552.7	436.6	703.0	672.2	820.3	525.1	580.2	590.5
21 Commercial banking	144.3	168.9	186.3	194.8	136.3	118.8	253.9	88.1	301.4	70.9	201.8	153.8
22 Savings institutions	135.6	150.2	83.0	105.5	134.2	55.9	110.1	95.5	115.6	105.3	163.2	100.8
23 Insurance and pension funds	100.1	121.8	148.9	181.7	204.1	131.4	166.4	170.3	193.1	215.9	192.4	242.4
24 Other finance	14.7	140.1	151.6	264.3	78.0	130.5	172.7	318.3	210.3	133.0	23.0	93.5
25 Sources of funds	394.7	581.0	569.8	746.3	552.7	436.6	703.0	672.2	820.3	525.1	580.2	590.5
26 Private domestic deposits and RPs	210.4	321.9	210.6	264.7	145.9	184.7	236.4	261.8	267.6	62.1	229.6	203.5
27 Credit market borrowing	31.4	73.8	96.7	119.1	116.9	71.7	121.8	100.2	138.0	133.2	100.7	112.7
28 Other sources	152.9	185.3	262.5	362.5	289.9	180.2	344.9	310.2	414.8	329.8	250.0	274.3
29 Foreign funds	14.6	8.8	19.7	12.9	44.0	8.0	31.5	12.1	13.7	25.0	63.0	15.9
30 Treasury balances	-5.3	4.0	10.3	1.7	-5.8	13.8	6.7	-4.9	8.3	3.3	-15.0	19.4
31 Insurance and pension reserves	115.0	124.0	131.9	144.3	168.5	118.9	144.9	131.3	157.2	187.1	149.8	221.6
32 Other, net	28.7	48.5	100.7	203.6	83.2	39.6	161.8	171.7	235.5	114.3	52.1	17.4
<i>Private domestic nonfinancial investors</i>												
33 Direct lending in credit markets	150.9	169.2	282.9	86.9	176.8	254.0	311.8	2.5	171.3	175.6	178.1	104.5
34 U.S. government securities	91.0	115.4	175.7	36.9	69.6	168.6	182.8	-36.2	110.1	76.9	62.4	84.4
35 State and local obligations	38.8	26.5	39.6	-2.6	67.1	45.0	34.3	-21.8	16.7	63.4	70.9	35.6
36 Corporate and foreign bonds	-8.3	-8	2.4	34.9	9.8	8.0	-3.2	62.2	7.5	-19.4	38.9	-19.2
37 Open market paper	12.4	4.0	45.6	-3.0	7.8	15.3	75.9	-17.1	11.2	31.1	-15.5	-8.7
38 Other	17.0	24.2	19.6	20.7	22.5	17.1	22.1	15.5	25.9	23.5	21.4	12.3
39 Deposits and currency	227.8	325.4	220.9	285.0	162.0	194.5	247.2	275.4	294.7	51.4	272.7	206.3
40 Currency	14.3	8.6	12.4	14.4	19.0	16.5	8.2	11.5	17.3	11.0	27.1	11.5
41 Checkable deposits	28.8	27.9	40.9	93.2	-2.7	6.8	74.9	74.7	111.8	-29.2	23.9	14.5
42 Small time and savings accounts	215.4	150.7	138.6	120.8	75.9	162.4	114.8	113.6	128.1	50.5	101.2	149.6
43 Money market fund shares	-39.0	49.0	8.9	41.5	28.2	15.5	2.2	48.6	34.4	8.4	48.0	6.1
44 Large time deposits	-8.3	84.3	7.6	-11.7	27.6	-3.9	19.1	4.2	-27.5	9.2	46.0	15.3
45 Security RPs	13.5	10.0	14.6	20.8	16.9	3.9	25.4	20.7	20.8	23.2	10.5	18.0
46 Deposits in foreign countries	3.1	-5.1	-2.1	5.9	-2.8	-6.8	2.6	2.1	9.8	-21.7	16.0	-8.8
<b>47 Total of credit market instruments, deposits, and currency</b>	<b>378.7</b>	<b>494.6</b>	<b>503.7</b>	<b>372.0</b>	<b>338.9</b>	<b>448.5</b>	<b>559.0</b>	<b>277.9</b>	<b>466.0</b>	<b>227.0</b>	<b>450.8</b>	<b>310.8</b>
48 Public holdings as percent of total	20.9	20.8	22.8	36.2	35.1	27.4	19.3	38.3	34.7	40.2	30.6	31.6
49 Private financial intermediation (in percent)	76.8	85.9	75.4	104.5	90.2	70.5	78.7	117.0	96.1	92.5	88.2	101.4
50 Total foreign funds	38.2	66.7	82.0	110.7	106.5	56.7	107.4	124.2	97.2	100.0	113.1	145.3
MEMO: Corporate equities not included above												
51 Total net issues	58.1	-36.0	20.1	93.9	13.3	1.0	39.1	96.7	91.0	92.0	-65.4	-101.0
52 Mutual fund shares	27.2	29.3	84.4	161.8	72.3	61.6	107.1	151.9	142.2	2.4	3.7	
53 Other equities	30.8	-65.3	-64.3	-68.0	-59.0	-60.6	-68.0	-55.2	-80.7	-50.2	-67.8	-104.7
54 Acquisitions by financial institutions	50.4	15.8	45.6	48.5	22.6	60.4	30.7	34.9	62.1	50.9	-5.6	-21.2
55 Other net purchases	7.7	-51.8	-25.5	45.4	-9.3	-59.4	8.5	61.8	29.0	41.1	-59.8	-79.9

## NOTES BY LINE NUMBER.

1. Line 1 of table 1.57.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
30. Demand deposits and note balances at commercial banks.

31. Excludes net investment of these reserves in corporate equities.

32. Mainly retained earnings and net miscellaneous liabilities.

33. Line 13 less line 20 plus line 27.

34-38. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 38 includes mortgages.

40. Mainly an offset to line 9.

47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.

48. Line 2/line 1.

49. Line 20/line 13.

50. Sum of lines 10 and 29.

51, 53. Includes issues by financial institutions.

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

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures<sup>1</sup>

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

Measure	1985	1986	1987	1988								
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>f</sup>	Sept.
1 Industrial production .....	123.7	125.1	129.8	134.4	134.4	134.7	135.4	136.1	136.5	138.1 <sup>f</sup>	138.3	138.3
<i>Market groupings</i>												
2 Products, total .....	130.6	133.3	138.3	142.7	143.4	143.6	144.1	145.0	145.3	146.5 <sup>f</sup>	147.0	146.9
3 Final, total .....	131.0	132.5	136.8	141.1	141.6	141.8	142.5	143.5	144.0 <sup>f</sup>	145.0 <sup>f</sup>	145.6	145.5
4 Consumer goods .....	119.8	124.0	127.7	131.2	131.3	131.2	131.9	132.7	133.0	134.1 <sup>f</sup>	134.6	134.2
5 Equipment .....	145.8	143.6	148.8	154.3	155.3	155.9	156.5	157.7	158.5 <sup>f</sup>	159.5 <sup>f</sup>	160.0	160.4
6 Intermediate .....	129.3	136.2	143.5	148.1	149.4	149.9	149.6	150.4	150.0	151.5 <sup>f</sup>	151.8	151.8
7 Materials .....	114.3	113.8	118.2	123.0	122.1	122.5	123.6	123.9	124.5	126.7 <sup>f</sup>	126.6	126.6
<i>Industry groupings</i>												
8 Manufacturing .....	126.4	129.1	134.6	139.4	139.5	140.0	140.8	141.8	142.1	143.5 <sup>f</sup>	143.7	144.0
<i>Capacity utilization (percent)<sup>2</sup></i>												
9 Manufacturing .....	80.1	79.7	81.1	82.7	82.6	82.7	82.9	83.3	83.3	83.9	83.8	83.8
10 Industrial materials industries .....	80.3	78.6	80.5	83.0	82.3	82.4	82.9	83.0	83.2	84.4 <sup>f</sup>	84.3	84.2
11 Construction contracts (1982 = 100) <sup>3</sup> .....	150.0	158.0	161.0	145.0	159.0	154.0	144.0	157.0	165.0	156.0	155.0	151.0
12 Nonagricultural employment, total <sup>4</sup> .....	118.3	120.7	124.1	126.4	127.0	127.3	127.7	127.9	128.6	128.9	129.1	129.4
13 Goods-producing, total .....	102.1	100.9	101.8	103.4	103.8	104.1	104.5	104.6	105.1	105.4	105.4	105.3
14 Manufacturing, total .....	97.8	96.3	96.8	98.4	98.5	98.6	98.8	99.0	99.3	99.5	99.4	99.3
15 Manufacturing, production-worker .....	92.6	91.2	92.1	93.5	93.7	93.7	93.9	94.1	94.4	94.6	94.5	94.3
16 Service-producing .....	125.0	129.0	133.4	136.1	136.7	137.1	137.4	137.7	138.4	138.7	139.0	139.5
17 Personal income, total .....	206.9	219.7	235.1	244.0	245.5	248.0	248.8	250.2	251.6	253.3	254.0	255.3
18 Wages and salary disbursements .....	198.8	210.7	226.2	235.7	237.3	238.9	240.9	242.3	244.2	246.7	247.2	248.6
19 Manufacturing .....	172.8	177.4	183.8	189.4	190.2	193.6	192.8	193.8	195.4	196.6 <sup>f</sup>	196.7	198.4
20 Disposable personal income <sup>5</sup> .....	205.8	218.9	232.7	242.4	244.8	247.0	243.3	249.5	251.2	252.8	253.5	254.7
21 Retail sales <sup>6</sup> .....	189.6	199.5	209.3	214.5	216.7	220.3	219.4	221.2	222.5	223.7 <sup>f</sup>	223.5	222.6
<i>Prices<sup>7</sup></i>												
22 Consumer (1982-84 = 100) .....	107.6	109.6	113.6	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8
23 Producer finished goods (1982 = 100) .....	104.7	103.2	103.4	106.3	106.1	106.3	107.0	107.5	107.9	108.5	108.8	108.6

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

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

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

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

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

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

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

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

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

## 2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1985	1986	1987	1988							
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>f</sup>	Sept.
<b>HOUSEHOLD SURVEY DATA</b>											
1 Noninstitutional population <sup>1</sup> .....	180,440	182,822	185,010	186,219	186,361	186,478	186,600	186,755	186,911	187,033	187,178
2 Labor force (including Armed Forces) <sup>1</sup> .....	117,695	120,078	122,122	123,598	123,153	123,569	123,204	123,665	123,866	124,234	124,140
3 Civilian labor force .....	115,461	117,834	119,865	121,348	120,903	121,323	120,978	121,472	121,684	122,031	121,924
<i>Employment</i>											
4 Nonagricultural industries <sup>2</sup> .....	103,971	106,434	109,232	111,182	110,899	111,485	111,160	111,933	112,014	112,029	112,158
5 Agriculture .....	3,179	3,163	3,208	3,228	3,204	3,228	3,035	3,085	3,046	3,151	3,169
<i>Unemployment</i>											
6 Number .....	8,312	8,237	7,425	6,938	6,801	6,610	6,783	6,455	6,625	6,851	6,596
7 Rate (percent of civilian labor force) .....	7.2	7.0	6.2	5.7	5.6	5.4	5.6	5.3	5.4	5.6	5.4
8 Not in labor force .....	62,745	62,744	62,888	62,621	63,208	62,909	63,396	63,090	63,045	62,799	63,038
<b>ESTABLISHMENT SURVEY DATA</b>											
9 Nonagricultural payroll employment <sup>3</sup> .....	97,519	99,525	102,310	104,729	105,020	105,281	105,489	106,057	106,271 <sup>r</sup>	106,440	106,695
10 Manufacturing .....	19,260	18,965	19,065	19,390	19,405	19,460	19,490	19,544	19,593 <sup>r</sup>	19,574	19,556
11 Mining .....	927	777	721	731	733	737	739	740	740 <sup>r</sup>	737	730
12 Contract construction .....	4,673	4,816	4,998	5,150	5,192	5,238	5,237	5,308	5,330 <sup>r</sup>	5,335	5,351
13 Transportation and public utilities .....	5,238	5,255	5,385	5,513	5,530	5,543	5,556	5,582	5,598 <sup>r</sup>	5,602	5,625
14 Trade .....	23,073	23,683	24,381	25,080	25,111	25,182	25,245	25,353	25,435 <sup>r</sup>	25,467	25,526
15 Finance .....	5,955	6,283	6,549	6,636	6,651	6,650	6,656	6,679	6,684 <sup>r</sup>	6,688	6,693
16 Service .....	22,000	23,053	24,196	24,975	25,078	25,163	25,216	25,472	25,561 <sup>r</sup>	25,632	25,696
17 Government .....	16,394	16,693	17,015	17,254	17,320	17,308	17,350	17,379	17,330	17,405	17,518

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1984 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION<sup>1</sup>

Seasonally adjusted

Series	1987		1988				1987		1988				1987		1988			
	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
	Output (1977 = 100)				Capacity (percent of 1977 output)				Utilization rate (percent)									
1 Total industry .....	133.2	134.5	136.0	138.2	162.2	163.1	164.2	165.2	82.1	82.4	82.8	83.7						
2 Mining.....	104.3	102.5	103.3	104.8	128.4	127.7	127.0	126.2	81.2	80.3	81.5 <sup>f</sup>	83.1						
3 Utilities.....	112.3	114.7	111.7	114.9	139.4	139.8	140.1	140.4	80.6	82.0	79.9 <sup>f</sup>	81.8						
4 Manufacturing.....	138.1	139.6	141.6	143.7	167.7	168.9	170.2	171.5	82.3	82.7	83.2	83.8						
5 Primary processing.....	122.2	123.0	123.9	125.7	140.6	141.6	142.7	143.9	86.9	86.9	86.8	87.4						
6 Advanced processing.....	147.6	149.7	152.3	154.5	184.1	185.6	186.7	188.1	80.1	80.7	81.5	82.2						
7 Materials.....	122.5	122.5	124.0	126.6	147.8	148.5	149.3	150.1	82.9	82.5	83.0	84.3						
8 Durable goods.....	130.3	131.5	134.2	136.9	164.7	165.7	166.8	167.9	79.1	79.4	80.4	81.5						
9 Metal materials.....	91.4	86.2	88.1	92.4	108.9	108.8	109.1	109.4	84.0	79.2	80.8	84.5						
10 Nondurable goods.....	130.1	129.4	130.5	132.4	145.6	146.8	148.3	149.8	89.3	88.1	87.9 <sup>f</sup>	88.4						
11 Textile, paper, and chemical.....	133.0	131.6	132.6	135.1	145.4	146.7	148.5	150.2	91.5	89.7	89.2 <sup>f</sup>	90.0						
12 Paper.....	145.1	145.7	145.9	.....	146.2	147.6	149.2	.....	99.2	98.7	97.8	.....						
13 Chemical.....	135.5	133.5	135.7	.....	152.0	153.5	155.4	.....	89.1	87.0	87.3	.....						
14 Energy materials.....	102.1	100.9	100.4	103.5	119.9	119.7	119.4	119.1	85.2	84.3	84.2 <sup>f</sup>	86.9						
	Previous cycle <sup>2</sup>		Latest cycle <sup>3</sup>		1987	1988												
	High	Low	High	Low	Sept.	Jan.	Feb.	Mar.	Apr.	May	June	July <sup>f</sup>	Aug. <sup>f</sup>	Sept.				
	Capacity utilization rate (percent)																	
15 Total industry .....	88.6	72.1	86.9	69.5	81.1	82.5	82.4	82.4	82.7	82.9	83.0	83.8	83.8	83.6				
16 Mining.....	92.8	87.8	95.2	76.9	79.1	80.7	79.5	80.6	82.3	80.8	81.0	83.2	82.8	83.1				
17 Utilities.....	95.6	82.9	88.5	78.0	80.0	82.4	82.6	81.0	79.3	79.7	80.2	81.9	83.6	79.9				
18 Manufacturing.....	87.7	69.9	86.5	68.0	81.3	82.7	82.6	82.7	82.9	83.3	83.3	83.9	83.8	83.8				
19 Primary processing.....	91.9	68.3	89.1	65.0	85.1	87.1	86.6	86.9	86.9	87.0	86.6	87.8	87.2	87.2				
20 Advanced processing.....	86.0	71.1	85.1	69.5	79.5	80.7	80.7	80.7	81.2	81.7	81.7	82.2	82.2	82.2				
21 Materials.....	92.0	70.5	89.1	68.5	81.2	83.0	82.3	82.4	82.9	83.0	83.2	84.5	84.3	84.2				
22 Durable goods.....	91.8	64.4	89.8	60.9	77.0	79.7	79.3	79.1	79.7	80.8	80.7	81.7	81.4	81.6				
23 Metal materials.....	99.2	67.1	93.6	45.7	78.3	80.1	79.3	78.3	79.3	82.1	80.8	84.9	84.3	84.2				
24 Nondurable goods.....	91.1	66.7	88.1	70.7	88.7	88.8	87.3	88.3	88.7	87.7	87.6	88.9	88.1	88.1				
25 Textile, paper, and chemical.....	92.8	64.8	89.4	68.8	90.7	90.8	88.5	89.9	90.1	88.8	88.9	90.3	89.8	89.8				
26 Paper.....	98.4	70.6	97.3	79.9	98.5	100.6	97.8	97.8	98.1	98.1	97.2	98.7	97.5	.....				
27 Chemical.....	92.5	64.4	87.9	63.5	87.4	87.8	85.7	87.5	88.0	86.9	87.0	88.6	88.6	.....				
28 Energy materials.....	94.6	86.9	94.0	82.3	83.5	84.7	84.1	84.1	84.5	83.3	84.4	86.2	87.3	86.3				

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

2. Monthly high 1973; monthly low 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value<sup>1</sup>

Monthly data are seasonally adjusted

Groups	1977 pro- portion	1987 avg.	1987				1988								
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June <sup>r</sup>	July	Aug. <sup>p</sup>	Sept. <sup>e</sup>
Index (1977 = 100)															
<b>MAJOR MARKET</b>															
1 Total index.....	100.00	129.8	131.0	132.5	133.2	133.9	134.4	134.4	134.7	135.4	136.1	136.5	138.1	138.3	138.3
2 Products.....	57.72	138.3	139.4	140.9	141.0	141.3	142.7	143.4	143.6	144.1	145.0	145.3	146.5	147.0	146.9
3 Final products.....	44.77	136.8	137.8	139.3	139.2	139.8	141.1	141.6	141.8	142.5	143.5	144.0	145.0	145.6	145.5
4 Consumer goods.....	25.52	127.7	127.7	129.0	129.4	129.8	131.2	131.3	131.2	131.9	132.7	133.0	134.1	134.6	134.2
5 Equipment.....	19.25	148.8	151.2	153.0	152.2	153.1	154.3	155.3	155.9	156.5	157.7	158.5	159.5	160.0	160.4
6 Intermediate products.....	12.94	143.4	144.9	146.1	147.3	146.5	148.1	149.4	149.9	149.6	150.4	150.0	151.5	151.8	151.8
7 Materials.....	42.28	118.2	119.7	121.2	122.5	123.7	123.0	122.1	122.5	123.6	123.9	124.5	126.7	126.6	126.6
<i>Consumer goods</i>															
8 Durable consumer goods.....	6.89	120.2	118.6	124.3	123.9	120.3	121.7	120.6	120.4	123.3	125.6	125.3	125.3	126.3	126.3
9 Automotive products.....	2.98	118.5	114.2	124.3	121.3	115.4	118.7	117.6	120.6	121.9	127.1	127.1	124.4	125.4	126.7
10 Autos and trucks.....	1.79	115.1	107.2	122.2	118.7	110.2	112.8	111.8	116.4	118.0	126.9	125.3	120.8	122.8	124.7
11 Autos, consumer.....	1.16	90.7	79.1	94.7	91.9	83.7	77.5	79.5	86.3	91.0	98.9	99.0	93.8	92.6	97.4
12 Trucks, consumer.....	.63	160.5	159.4	173.2	168.5	159.5	178.3	171.6	172.2	168.2	178.9	174.1	170.7	178.9	179.9
13 Auto parts and allied goods.....	1.19	123.5	124.8	127.5	125.2	123.3	127.7	126.4	126.9	127.8	127.4	129.7	129.9	129.9	129.7
14 Home goods.....	3.91	121.6	121.9	124.3	125.8	123.9	124.0	122.8	120.2	124.3	124.4	123.9	123.9	126.9	126.1
15 Appliances, A/C and TV.....	1.24	141.5	141.8	145.7	150.1	142.7	142.2	140.6	132.8	143.2	142.2	138.0	143.3	146.5	143.7
16 Appliances and TV.....	1.19	142.1	140.6	146.1	150.5	142.6	140.9	141.4	132.7	142.2	143.0	137.1	143.8	146.1	146.1
17 Carpeting and furniture.....	.96	130.7	131.6	132.9	133.5	133.9	134.2	132.3	133.1	133.1	135.8	135.9	136.5	136.6	136.6
18 Miscellaneous home goods.....	1.71	102.0	102.2	104.1	103.9	104.8	105.2	104.7	103.9	105.7	105.2	107.0	107.4	107.4	107.4
19 Nondurable consumer goods.....	18.63	130.5	131.0	130.8	131.5	133.3	134.7	135.3	135.1	135.1	135.4	135.8	137.4	137.7	137.2
20 Consumer staples.....	15.29	137.3	137.8	137.4	138.3	140.7	142.3	142.9	142.5	142.5	143.1	143.5	143.5	145.7	145.0
21 Consumer foods and tobacco.....	7.80	136.2	137.0	137.5	137.3	139.2	140.3	140.8	139.4	138.3	139.2	139.3	140.9	140.5	140.5
22 Nonfood staples.....	7.49	138.5	138.6	137.2	139.4	142.2	144.3	145.0	145.7	146.8	147.0	147.9	149.8	151.1	149.8
23 Consumer chemical products.....	2.75	162.9	163.6	160.0	163.5	167.7	170.7	171.7	172.7	175.6	177.9	179.5	181.8	183.8	183.8
24 Consumer paper products.....	1.88	151.8	153.2	151.8	152.8	157.0	157.1	157.5	159.1	161.4	162.4	162.8	164.0	163.5	163.5
25 Consumer energy.....	2.86	106.3	105.0	105.8	107.4	108.0	110.6	111.3	111.0	109.6	107.3	107.7	109.8	111.6	111.6
26 Consumer fuel.....	1.44	93.1	91.6	92.4	93.2	95.4	95.4	97.0	97.9	98.9	94.3	93.0	94.6	95.3	95.3
27 Residential utilities.....	1.42	119.8	118.7	119.4	121.8	120.7	126.0	125.8	124.5	125.6	120.6	122.6	125.4	125.4	125.4
<i>Equipment</i>															
28 Business and defense equipment.....	18.01	153.6	155.2	157.2	156.6	157.8	159.2	160.3	160.8	161.4	162.7	163.5	164.6	165.2	165.7
29 Business equipment.....	14.34	144.5	146.3	148.7	148.3	149.8	151.2	152.4	153.3	154.6	156.9	158.1	159.4	160.3	161.0
30 Construction, mining, and farm.....	2.08	62.2	66.1	66.3	66.3	67.4	67.1	67.6	68.3	70.8	71.8	72.4	73.5	73.7	74.1
31 Manufacturing.....	3.27	117.9	122.0	120.5	120.6	122.2	125.4	124.9	127.0	127.7	128.3	130.3	133.5	135.6	137.4
32 Power.....	1.27	82.6	81.1	83.0	83.1	84.2	86.2	88.3	87.8	87.0	87.4	88.3	89.8	90.7	91.3
33 Commercial.....	5.22	226.5	229.1	232.4	232.1	235.5	238.0	240.3	239.9	241.5	245.7	247.1	247.8	248.6	249.0
34 Transit.....	2.49	108.4	105.1	112.5	111.2	109.1	106.5	108.2	111.1	112.3	115.3	115.7	115.9	115.5	115.9
35 Defense and space equipment.....	3.67	188.9	189.8	190.3	188.7	188.9	190.6	191.0	189.9	187.9	185.5	184.6	184.9	184.4	183.9
<i>Intermediate products</i>															
36 Construction supplies.....	5.95	131.5	132.3	133.3	134.2	133.8	136.8	137.7	137.3	137.6	138.8	137.6	138.3	137.7	137.8
37 Business supplies.....	6.99	153.5	155.6	157.1	158.4	157.4	157.8	159.4	160.7	159.9	160.3	160.6	162.7	163.8	163.8
38 General business supplies.....	5.67	158.6	160.9	162.3	164.3	163.3	163.1	165.0	166.6	165.7	165.5	165.9	168.5	169.4	169.4
39 Commercial energy products.....	1.31	131.1	132.7	134.6	134.3	131.8	135.0	135.3	135.3	134.6	137.8	137.5	137.9	139.6	139.6
<i>Materials</i>															
40 Durable goods materials.....	20.50	125.0	126.4	128.7	130.2	132.0	131.8	131.4	131.3	132.7	134.8	134.9	136.8	136.7	137.2
41 Durable consumer parts.....	4.92	100.9	99.0	102.3	103.1	104.6	104.7	104.4	103.5	106.2	110.0	110.3	110.3	110.0	111.3
42 Equipment parts.....	5.94	159.0	161.1	162.2	163.2	165.3	167.4	167.6	167.3	168.9	170.8	171.6	173.7	173.6	174.3
43 Durable materials n.e.c.....	9.64	116.4	118.9	121.6	123.6	125.5	123.7	123.0	123.4	124.0	125.3	124.8	127.6	127.7	127.7
44 Basic metal materials.....	4.64	86.7	91.3	95.3	96.5	100.0	92.9	91.4	90.5	91.6	94.8	93.7	98.4	98.5	98.0
45 Nondurable goods materials.....	10.09	125.8	128.6	128.2	129.6	132.5	129.9	128.1	130.1	131.1	130.1	130.1	132.7	132.0	132.4
46 Textile, paper, and chemical.....	7.53	127.6	131.2	131.0	132.3	135.6	132.7	129.9	132.4	133.3	131.9	132.1	135.1	134.9	135.4
47 Textile materials.....	1.52	111.7	116.0	113.0	112.7	113.6	112.6	110.2	112.7	111.9	107.5	107.5	108.2	109.3	109.3
48 Pulp and paper materials.....	1.55	141.0	143.3	142.0	144.4	149.0	148.0	144.4	144.8	145.8	146.4	145.4	150.2	146.9	146.9
49 Chemical materials.....	4.46	128.4	132.2	133.4	134.7	138.4	134.2	131.5	134.8	136.2	135.1	135.8	139.1	139.4	139.4
50 Miscellaneous nondurable materials.....	2.57	120.4	120.9	119.7	121.7	123.3	121.8	123.0	123.2	124.6	125.1	124.2	125.7	125.7	125.7
<i>Energy materials</i>															
51 Energy materials.....	11.69	99.8	100.2	101.8	102.8	101.7	101.4	100.6	100.6	101.0	99.5	101.3	103.7	104.0	102.8
52 Primary energy.....	7.57	105.0	104.6	106.8	108.4	107.7	107.3	104.8	105.0	106.7	104.0	105.6	108.1	107.9	107.9
53 Converted fuel materials.....	4.12	90.3	92.2	92.7	92.6	90.7	90.6	93.0	92.6	90.5	91.2	93.5	95.6	96.9	96.9

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value<sup>1</sup>—Continued

Groups	SIC code	1977 proportion	1987 avg.	1987				1988								
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June <sup>r</sup>	July	Aug. <sup>p</sup>	Sept. <sup>e</sup>
Index (1977 = 100)																
<b>MAJOR INDUSTRY</b>																
1 Mining and utilities.....		15.79	104.3	105.4	106.8	107.9	107.3	107.8	106.8	106.7	107.1	106.0	106.8	108.9	109.4	107.6
2 Mining.....		9.83	100.7	101.9	103.6	104.6	104.6	103.3	101.5	102.7	104.7	102.6	103.0	105.3	104.5	104.7
3 Utilities.....		5.96	110.3	111.2	112.1	113.2	111.7	115.2	115.6	113.3	111.0	111.6	113.2	115.0	117.4	112.3
4 Manufacturing.....		84.21	134.6	135.7	137.3	137.9	138.9	139.4	139.5	140.0	140.8	141.8	142.1	143.5	143.7	144.0
5 Nondurable.....		35.11	136.7	138.6	138.1	139.6	141.3	141.4	141.1	141.7	142.3	142.1	142.6	144.4	144.3	144.6
6 Durable.....		49.10	133.1	133.7	136.8	136.7	137.3	137.9	138.4	138.8	139.7	141.5	141.7	142.9	143.2	143.6
<i>Mining</i>																
7 Metal.....	10	.50	77.5	86.5	85.6	90.4	96.5	91.5	83.9	84.9	86.9	86.0	82.2	93.5	.....	.....
8 Coal.....	11.12	1.60	131.8	133.3	140.3	142.9	140.6	140.2	133.7	129.1	136.0	127.8	126.9	141.5	137.2	141.9
9 Oil and gas extraction.....	13	7.07	92.7	93.3	94.1	94.2	94.1	93.1	92.4	94.8	95.5	94.6	95.8	94.7	94.6	.....
10 Stone and earth minerals.....	14	.66	128.2	130.0	131.0	134.1	135.6	132.1	134.3	136.9	141.2	140.1	137.4	140.3	138.6	.....
<i>Nondurable manufactures</i>																
11 Foods.....	20	7.96	137.7	139.5	138.0	138.9	140.1	141.2	141.9	141.1	140.3	141.0	141.3	142.9	142.7	.....
12 Tobacco products.....	21	.62	103.4	101.7	103.7	106.5	110.5	105.8	107.0	107.2	107.2	107.2	104.5	100.3	.....	.....
13 Textile mill products.....	22	2.29	115.8	118.2	116.8	117.3	118.2	116.2	115.3	117.0	117.3	114.6	114.3	116.0	116.1	.....
14 Apparel products.....	23	2.79	107.4	107.6	108.0	109.4	107.8	108.7	108.5	108.7	109.2	108.6	109.3	109.4	.....	.....
15 Paper and products.....	26	3.15	144.4	147.4	146.0	148.3	150.6	149.9	148.0	149.1	149.2	149.3	148.6	152.3	149.3	.....
16 Printing and publishing.....	27	4.54	172.0	174.9	175.2	175.7	176.9	177.5	178.7	180.4	181.8	180.7	182.3	184.2	184.8	185.5
17 Chemicals and products.....	28	8.05	140.1	142.4	141.5	144.4	147.9	147.9	145.4	146.4	148.9	149.1	150.5	153.3	154.1	.....
18 Petroleum products.....	29	2.40	93.5	93.5	94.6	93.3	96.1	96.3	95.9	98.4	98.5	95.2	94.1	95.0	94.9	94.8
19 Rubber and plastic products.....	30	2.80	163.6	165.2	166.7	169.9	170.6	170.5	172.3	172.2	172.3	173.4	174.4	175.6	175.8	.....
20 Leather and products.....	31	.53	60.0	60.7	59.6	60.7	57.5	58.3	59.7	59.5	58.0	57.1	58.9	59.1	59.3	.....
<i>Durable manufactures</i>																
21 Lumber and products.....	24	2.30	130.3	126.9	129.8	134.0	133.6	136.3	139.0	137.8	138.0	139.8	136.4	136.9	134.0	.....
22 Furniture and fixtures.....	25	1.27	152.8	155.9	156.0	158.5	159.4	158.0	158.3	159.4	159.2	160.5	161.2	163.4	162.2	.....
23 Clay, glass, and stone products.....	32	2.72	119.1	118.6	118.9	120.5	120.1	120.4	121.6	122.5	121.4	121.5	123.4	122.0	121.8	.....
24 Primary metals.....	33	5.33	81.5	84.5	90.6	90.2	90.6	86.5	86.4	85.1	85.3	89.2	87.5	91.7	91.9	91.6
25 Iron and steel.....	331.2	3.49	70.8	74.6	82.0	79.7	81.9	77.8	77.4	74.2	74.5	78.6	74.2	80.2	79.7	.....
26 Fabricated metal products.....	34	6.46	111.0	111.1	113.5	113.6	115.8	117.1	117.6	118.8	118.8	119.8	120.4	121.9	122.2	122.7
27 Nonelectrical machinery.....	35	9.54	152.7	156.6	158.0	157.2	161.0	162.9	163.6	164.6	167.2	170.3	171.2	173.1	174.1	175.4
28 Electrical machinery.....	36	7.15	172.3	173.4	175.5	175.6	175.9	177.4	177.8	176.6	178.7	179.1	179.5	181.3	182.6	182.5
29 Transportation equipment.....	37	9.13	129.2	125.5	132.0	130.4	128.1	128.6	128.4	130.0	130.4	133.1	132.8	131.9	131.8	132.3
30 Motor vehicles and parts.....	371	5.25	111.8	105.6	116.0	114.0	110.2	109.7	109.3	113.0	114.8	119.6	119.1	116.6	117.3	118.7
31 Aerospace and miscellaneous transportation equipment.....	372-6.9	3.87	152.8	152.5	153.7	152.7	152.4	154.2	154.5	153.0	151.5	151.5	151.4	152.7	151.5	150.8
32 Instruments.....	38	2.66	143.9	145.6	146.7	147.8	145.5	148.2	149.2	149.7	150.5	151.3	153.0	156.0	156.2	156.2
33 Miscellaneous manufactures.....	39	1.46	102.6	102.1	104.6	104.5	105.6	105.0	104.4	105.1	105.9	106.0	107.6	107.5	107.8	.....
<i>Utilities</i>																
34 Electric.....		4.17	126.6	127.5	126.8	127.5	125.6	130.3	130.7	129.0	127.6	129.7	132.1	134.6	137.5	.....
Gross value (billions of 1982 dollars, annual rates)																
<b>MAJOR MARKET</b>																
35 Products, total.....		517.5	1,735.8	1,735.9	1,774.1	1,772.4	1,778.8	1,790.6	1,797.5	1,807.5	1,812.2	1,820.1	1,813.9	1,822.6	1,826.3	1,826.6
36 Final.....		405.7	1,333.8	1,330.3	1,360.9	1,359.9	1,359.4	1,375.5	1,381.1	1,385.9	1,393.9	1,397.1	1,394.3	1,399.2	1,402.5	1,403.0
37 Consumer goods.....		272.7	866.0	856.9	876.6	879.8	881.2	893.6	893.7	893.2	899.1	898.9	893.6	895.7	898.6	896.1
38 Equipment.....		133.0	467.8	473.4	484.4	480.1	478.2	481.9	487.3	492.7	494.7	498.3	500.7	503.5	503.9	506.9
39 Intermediate.....		111.9	402.0	405.6	413.2	412.5	419.4	415.1	416.5	421.6	418.4	423.0	419.6	423.4	423.8	423.6

1. These data also appear in the Board's G.12.3 (414) release. For address, see inside front cover.  
A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of

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

## 2.14 HOUSING AND CONSTRUCTION

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

Item	1985	1986	1987	1987		1988							
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June'	July'	Aug.
Private residential real estate activity (thousands of units)													
NEW UNITS													
1 Permits authorized .....	1,733	1,750	1,535	1,459	1,372	1,248	1,429	1,476	1,449	1,436	1,493	1,420	1,464
2 1-family .....	957	1,071	1,024	971	957	918	1,003	1,030	960	982	1,002	984	1,022
3 2-or-more-family .....	777	679	511	488	415	330	426	446	489	454	491	436	442
4 Started .....	1,742	1,805	1,621	1,661	1,399	1,382	1,519	1,529	1,584	1,393	1,465	1,477	1,431
5 1-family .....	1,072	1,179	1,146	1,129	1,035	1,016	1,102	1,172	1,093	1,004	1,092	1,068	1,075
6 2-or-more-family .....	669	626	474	532	364	366	417	357	491	389	373	409	356
7 Under construction, end of period <sup>1</sup> .....	1,063	1,074	987	1,042	1,016	1,008	983	999	999	984	982	977	968
8 1-family .....	539	583	591	625	618	614	596	617	622	610	609	608	609
9 2-or-more-family .....	524	490	397	417	398	394	387	382	377	374	373	369	359
10 Completed .....	1,703	1,756	1,669	1,571	1,624	1,550	1,452	1,598	1,665	1,450	1,518	1,529	1,510
11 1-family .....	1,072	1,120	1,123	1,088	1,104	1,098	1,043	1,094	1,059	1,090	1,106	1,076	1,048
12 2-or-more-family .....	631	637	546	483	520	452	409	504	606	360	412	453	462
13 Mobile homes shipped .....	284	244	233	222	227	200	208	212	213	216	230	206	223
Merchant builder activity in 1-family units													
14 Number sold .....	688	748	672	625	586	579	648	664	681	681'	713	712	713
15 Number for sale, end of period <sup>1</sup> .....	350	361	370	362	365	368	359	372	367	370	367	365	365
Price (thousands of dollars) <sup>2</sup>													
Median													
16 Units sold .....	84.3	92.2	104.7	117.0	111.8	119.0	110.9	108.9	111.0	110.0'	112.5	120.0	112.0
Average													
17 Units sold .....	101.0	112.2	127.9	139.2	136.2	144.4	137.6	133.2	135.6	133.5'	136.6	142.3	145.2
EXISTING UNITS (1-family)													
18 Number sold .....	3,217	3,566	3,530	3,370	3,330	3,170	3,250	3,330	3,520	3,590	3,820	3,630	3,710
Price of units sold (thousands of dollars) <sup>2</sup>													
19 Median .....	75.4	80.3	85.6	85.0	85.4	87.4	88.1	87.9	87.3	88.8	90.2	90.7	91.4
20 Average .....	90.6	98.3	106.2	106.6	107.1	108.7	110.4	110.7	108.7	111.9	115.4	114.8	115.1
Value of new construction <sup>3</sup> (millions of dollars)													
CONSTRUCTION													
21 Total put in place .....	355,735	386,093	398,848	407,066	410,870	395,264	392,456	403,555	396,238'	398,473'	395,714	398,339	396,111
22 Private .....	291,665	314,651	323,819	331,497	331,641	321,550	317,754	324,257	318,515'	320,194'	317,708	319,099	318,620
23 Residential .....	158,475	187,147	194,772	195,599	195,822	195,168	192,097	195,554	192,026'	190,374'	188,071	189,441	190,804
24 Nonresidential, total .....	133,190	127,504	129,047	135,898	135,819	126,382	125,657	128,703	126,489'	129,820'	129,637	129,658	127,816
Buildings													
25 Industrial .....	15,769	13,747	13,707	14,512	14,130	13,480	13,489	14,546	13,849'	13,907'	13,676	13,118	12,720
26 Commercial .....	59,629	56,762	55,448	59,374	55,831	53,555	53,571	54,843	56,169'	57,447'	56,585	56,547	54,858
27 Other .....	12,619	13,216	15,464	16,692	17,708	16,954	17,101	17,301	16,382'	16,847'	16,757	16,193	16,370
28 Public utilities and other .....	45,173	43,779	44,428	45,320	48,150	42,393	41,496	42,013	40,089'	41,619'	42,619	43,800	43,868
29 Public .....	64,070	71,437	75,028	75,569	79,228	73,715	74,702	79,298	77,723'	78,278'	78,007	79,240	77,491
30 Military .....	3,235	3,868	4,327	5,080	4,879	4,172	3,280	4,216	3,872'	3,547'	4,844	4,182	4,085
31 Highway .....	21,540	22,681	22,758	23,439	25,274	24,808	25,348	26,963	26,912'	25,254'	24,822	27,568	24,126
32 Conservation and development .....	4,777	4,646	5,162	4,871	5,759	4,038	4,535	4,899	4,226'	4,460'	4,596	4,873	4,900
33 Other .....	34,518	40,242	42,781	42,179	43,316	40,697	41,539	43,220	42,713'	45,017'	43,745	42,617	44,380

1. Not at annual rates.

2. Not seasonally adjusted.

3. Value of new construction data in recent periods may not be strictly comparable with data in previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-3)*, issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

A50 Domestic Nonfinancial Statistics □ December 1988

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Sept. 1988 <sup>1</sup>
	1987 Sept.	1988 Sept.	1987 Dec.	1988			1988					
				Mar.	June	Sept.	May	June	July	Aug.	Sept.	
<b>CONSUMER PRICES<sup>2</sup> (1982-84=100)</b>												
1 All items .....	4.4	4.2	3.2	4.2	4.5	4.8	.3	.3	.4	.4	.3	119.8
2 Food .....	3.6	5.3	2.8	1.4	7.1	9.9	.4	.6	1.0	.6	.8	120.2
3 Energy items .....	7.5	-.4	-3.9	-4.9	4.2	2.7	.5	-.2	.3	.9	-.6	91.9
4 All items less food and energy .....	4.3	4.4	4.4	5.4	4.3	4.0	.2	.4	.3	.2	.4	124.7
5 Commodities .....	3.5	3.5	2.5	4.7	3.9	3.1	.2	.2	.3	-.3	.8	116.9
6 Services .....	4.7	5.0	5.0	5.9	4.5	4.1	.4	.5	.4	.5	.1	129.3
<b>PRODUCER PRICES (1982=100)</b>												
7 Finished goods .....	3.2	2.7	-1.9	2.7	4.6	5.7	.4	.4	.5	.6	.4	108.6
8 Consumer foods .....	1.3	4.3	-5.7	6.0	9.4	8.8	.7 <sup>r</sup>	1.2 <sup>r</sup>	.4	.4	1.2	115.2
9 Consumer energy .....	10.6	-7.3	-9.6	-18.5	4.8	-4.6	.3 <sup>r</sup>	-1.8 <sup>r</sup>	.0	2.2	-3.3	58.8
10 Other consumer goods .....	3.4	4.2	1.7	5.7	2.4	6.6	.3	.3	.9	.3	.4	118.9
11 Capital equipment .....	2.3	2.8	-.7	3.2	3.6	5.4	.3 <sup>r</sup>	.4	.1	.4	.8	114.3
12 Intermediate materials <sup>3</sup> .....	4.2	5.4	4.3	4.3	7.4	5.3	.7 <sup>r</sup>	.5 <sup>r</sup>	.6	.4	.4	108.4
13 Excluding energy .....	3.5	7.4	7.2	8.2	6.9	7.2	.5 <sup>r</sup>	.4 <sup>r</sup>	.7	.4	.6	116.7
<b>Crude materials</b>												
14 Foods .....	2.5	15.4	-4.8	17.7	30.5	23.5	2.7 <sup>r</sup>	3.9 <sup>r</sup>	1.5	2.2	1.6	111.5
15 Energy .....	15.2	-15.4	-15.2	-24.1	12.2	-29.0	1.1	-1.0	-5.4	.1	-3.1	64.9
16 Other .....	22.4	8.5	18.0	15.9	-7.0	9.2	-1.1 <sup>r</sup>	.0 <sup>r</sup>	1.9	.9	-.6	133.4

1. Not seasonally adjusted.  
 2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.  
 3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.  
 SOURCE: Bureau of Labor Statistics.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1985	1986	1987	1987		1988		
				Q3	Q4	Q1	Q2	Q3
<b>GROSS NATIONAL PRODUCT</b>								
<b>1 Total</b> .....	<b>4,014.9</b>	<b>4,240.3</b>	<b>4,526.7</b>	<b>4,568.0</b>	<b>4,662.8</b>	<b>4,724.5</b>	<b>4,823.8</b>	<b>4,899.5</b>
<i>By source</i>								
2 Personal consumption expenditures .....	2,629.0	2,807.5	3,012.1	3,058.2	3,076.3	3,128.1	3,194.6	3,257.6
3 Durable goods .....	372.2	406.5	421.9	441.4	422.0	437.8	449.8	453.6
4 Nondurable goods .....	911.2	943.6	997.9	1,006.6	1,012.4	1,016.2	1,036.6	1,057.6
5 Services .....	1,345.6	1,457.3	1,592.3	1,610.2	1,641.9	1,674.1	1,708.2	1,746.4
6 Gross private domestic investment .....	643.1	665.9	712.9	702.8	764.9	763.4	758.1	764.4
7 Fixed investment .....	631.8	650.4	673.7	688.3	692.9	698.1	714.4	721.4
8 Nonresidential .....	442.9	433.9	446.8	462.1	464.1	471.5	487.8	493.9
9 Structures .....	153.2	138.5	139.5	143.0	147.7	140.1	142.3	143.3
10 Producers' durable equipment .....	289.7	295.4	307.3	319.1	316.3	331.3	345.5	350.5
11 Residential structures .....	188.8	216.6	226.9	226.2	228.8	226.6	226.5	227.6
12 Change in business inventories .....	11.3	15.5	39.2	14.5	72.0	65.3	43.7	42.9
13 Nonfarm .....	14.6	17.4	40.7	17.8	72.8	49.4	33.1	35.7
14 Net exports of goods and services .....	-78.0	-104.4	-123.0	-125.2	-125.7	-112.1	-90.4	-84.9
15 Exports .....	370.9	378.4	428.0	440.4	459.7	487.8	507.1	526.3
16 Imports .....	448.9	482.8	551.1	565.6	585.4	599.9	597.5	611.2
17 Government purchases of goods and services .....	820.8	871.2	924.7	932.2	947.3	945.2	961.6	962.4
18 Federal .....	355.2	366.2	382.0	386.3	391.4	377.7	382.2	373.4
19 State and local .....	465.6	505.0	542.8	546.0	555.9	567.5	579.4	589.0
<i>By major type of product</i>								
20 Final sales, total .....	4,003.6	4,224.7	4,487.5	4,553.5	4,590.7	4,659.2	4,780.1	4,856.6
21 Goods .....	1,641.2	1,697.9	1,792.5	1,812.9	1,849.4	1,879.4	1,928.0	1,957.1
22 Durable .....	706.5	725.3	776.3	792.2	808.7	819.3	849.5	867.9
23 Nondurable .....	934.6	972.6	1,016.3	1,020.7	1,040.7	1,060.1	1,078.5	1,089.2
24 Services .....	1,968.3	2,118.3	2,295.7	2,314.4	2,363.9	2,405.2	2,451.5	2,496.2
25 Structures .....	405.4	424.0	438.4	440.6	449.5	439.9	444.3	446.2
26 Change in business inventories .....	11.3	15.5	39.2	14.5	72.0	65.3	43.7	42.9
27 Durable goods .....	6.4	4.2	26.6	2.9	50.5	26.6	17.8	27.4
28 Nondurable goods .....	4.9	11.3	12.6	11.6	21.6	38.6	25.9	15.5
<b>MEMO</b>								
<b>29 Total GNP in 1982 dollars</b> .....	<b>3,618.7</b>	<b>3,721.7</b>	<b>3,847.0</b>	<b>3,865.3</b>	<b>3,923.0</b>	<b>3,956.1</b>	<b>3,985.2</b>	<b>4,007.3</b>
<b>NATIONAL INCOME</b>								
<b>30 Total</b> .....	<b>3,234.0</b>	<b>3,437.1</b>	<b>3,678.7</b>	<b>3,708.0</b>	<b>3,802.0</b>	<b>3,850.8</b>	<b>3,928.8</b>	<b>n.a.</b>
31 Compensation of employees .....	2,367.5	2,507.1	2,683.4	2,702.8	2,769.9	2,816.4	2,874.0	2,931.1
32 Wages and salaries .....	1,975.2	2,094.0	2,248.4	2,265.3	2,324.8	2,358.7	2,410.0	2,460.0
33 Government and government enterprises .....	372.0	393.7	420.1	423.2	429.2	437.1	442.9	449.0
34 Other .....	1,605.4	1,700.3	1,828.3	1,842.1	1,895.6	1,921.6	1,967.1	2,011.0
35 Supplement to wages and salaries .....	392.4	413.1	435.0	437.5	445.1	457.7	464.0	471.1
36 Employer contributions for social insurance .....	204.8	217.0	227.1	228.2	232.7	243.1	247.5	251.6
37 Other labor income .....	187.6	196.1	207.9	209.3	212.4	214.6	216.5	219.5
38 Proprietors' income <sup>1</sup> .....	255.9	286.7	312.9	306.8	326.0	323.9	328.8	319.3
39 Business and professional <sup>1</sup> .....	225.6	250.3	270.0	271.5	279.0	279.2	285.3	290.2
40 Farm <sup>1</sup> .....	30.2	36.4	43.0	35.2	47.0	44.7	43.4	29.0
41 Rental income of persons <sup>2</sup> .....	9.2	12.4	18.4	18.1	20.5	20.5	19.1	20.0
42 Corporate profits <sup>1</sup> .....	282.3	298.9	310.4	322.0	316.1	316.2	326.5	n.a.
43 Profits before tax <sup>3</sup> .....	224.3	236.4	276.7	289.4	281.9	286.2	305.9	n.a.
44 Inventory valuation adjustment .....	-1.7	8.3	-18.0	-19.5	-18.2	-19.4	-27.4	-27.4
45 Capital consumption adjustment .....	59.7	54.2	51.7	52.1	52.4	49.4	48.0	45.3
46 Net interest .....	319.0	331.9	353.6	358.3	369.5	373.9	380.6	396.5

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* (Department of Commerce).

## 2.17 PERSONAL INCOME AND SAVING

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

Account	1985	1986	1987	1987		1988		
				Q3	Q4	Q1	Q2	Q3
<b>PERSONAL INCOME AND SAVING</b>								
1 Total personal income .....	3,325.3	3,531.1	3,780.0	3,801.0	3,906.8	3,951.4	4,022.4	4,086.0
2 Wage and salary disbursements .....	1,975.4	2,094.0	2,248.4	2,265.1	2,325.1	2,358.7	2,410.0	2,460.0
3 Commodity-producing industries .....	608.9	625.5	649.8	652.8	665.5	676.0	689.1	701.4
4 Manufacturing .....	460.9	473.1	490.3	492.6	501.3	509.6	517.4	526.1
5 Distributive industries .....	473.2	498.9	531.7	536.8	547.3	558.2	572.1	585.7
6 Service industries .....	521.3	575.9	646.8	652.4	682.8	687.4	705.9	723.9
7 Government and government enterprises .....	372.0	393.7	420.1	423.0	429.5	437.1	442.9	449.0
8 Other labor income .....	187.6	196.1	207.9	209.3	212.4	214.6	216.5	219.5
9 Proprietors' income <sup>1</sup> .....	255.9	286.7	312.9	306.8	326.0	323.9	328.8	319.3
10 Business and professional .....	225.6	250.3	270.0	271.5	279.0	279.2	285.3	290.2
11 Farm .....	30.2	36.4	43.0	35.2	47.0	44.7	43.4	29.0
12 Rental income of persons <sup>2</sup> .....	9.2	12.4	18.4	18.1	20.5	20.5	19.1	20.0
13 Dividends .....	78.7	82.8	88.6	89.9	91.9	93.5	95.0	97.3
14 Personal interest income .....	478.0	499.1	527.0	533.0	550.0	554.2	563.7	579.3
15 Transfer payments .....	489.8	521.1	548.8	551.7	556.8	576.3	582.8	587.4
16 Old-age survivors, disability, and health insurance benefits .....	253.4	269.3	282.9	284.5	286.5	298.1	300.4	303.2
17 LESS: Personal contributions for social insurance .....	149.3	161.1	172.0	172.7	175.9	190.2	193.5	196.7
18 EQUALS: Personal income .....	3,325.3	3,531.1	3,780.0	3,801.0	3,906.8	3,951.4	4,022.4	4,086.0
19 LESS: Personal tax and nontax payments .....	486.6	511.4	570.3	576.2	591.0	575.8	601.0	587.1
20 EQUALS: Disposable personal income .....	2,838.7	3,019.6	3,209.7	3,224.9	3,315.8	3,375.6	3,421.5	3,498.9
21 LESS: Personal outlays .....	2,713.3	2,898.0	3,105.5	3,152.3	3,171.8	3,225.7	3,293.6	3,358.6
22 EQUALS: Personal saving .....	125.4	121.7	104.2	72.6	144.0	149.9	127.8	140.3
<b>MEMO</b>								
Per capita (1982 dollars)								
23 Gross national product .....	15,120.6	15,401.2	15,770.0	15,834.9	16,031.8	16,127.6	16,213.1	16,256.8
24 Personal consumption expenditures .....	9,839.4	10,160.1	10,334.3	10,426.8	10,346.1	10,435.4	10,492.2	10,552.9
25 Disposable personal income .....	10,625.0	10,929.0	11,012.0	10,989.0	11,145.0	11,260.0	11,237.0	11,335.0
26 Saving rate (percent) .....	4.4	4.0	3.2	2.3	4.3	4.4	3.7	4.0
<b>GROSS SAVING</b>								
27 Gross saving .....	533.5	537.2	560.4	556.8	603.4	627.0	634.1	n.a.
28 Gross private saving .....	665.3	681.6	665.3	642.2	714.1	726.3	711.2	n.a.
29 Personal saving .....	125.4	121.7	104.2	72.6	144.0	149.9	127.8	140.3
30 Undistributed corporate profits <sup>1</sup> .....	102.6	104.1	81.1	85.0	80.5	78.1	80.1	n.a.
31 Corporate inventory valuation adjustment .....	-1.7	8.3	-18.0	-19.5	-18.2	-19.4	-27.4	-27.4
<i>Capital consumption allowances</i>								
32 Corporate .....	268.6	282.4	297.5	299.7	303.7	309.8	313.3	317.0
33 Noncorporate .....	168.7	173.5	182.5	184.9	185.8	188.5	189.9	191.0
34 Government surplus, or deficit (-), national income and product accounts .....	-131.8	-144.4	-104.9	-85.5	-110.7	-99.2	-77.1	n.a.
35 Federal .....	-196.9	-205.6	-157.8	-138.3	-160.4	-155.1	-133.3	n.a.
36 State and local .....	65.1	61.2	52.9	52.9	49.7	55.8	56.2	n.a.
37 Gross investment .....	528.7	523.6	552.3	541.7	597.0	612.0	629.0	638.1
38 Gross private domestic .....	643.1	665.9	712.9	702.8	764.9	763.4	758.1	764.4
39 Net foreign .....	-114.4	-142.4	-160.6	-161.1	-167.8	-151.3	-129.1	-126.3
40 Statistical discrepancy .....	-4.8	-13.6	-8.1	-15.1	-6.4	-15.0	-5.1	-5.1

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

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

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.<sup>1</sup>

Item credits or debits	1985	1986	1987	1987			1988	
				Q2	Q3	Q4	Q1	Q2 <sup>p</sup>
1 Balance on current account	-115,102	-138,827	-153,964	-40,852	-41,967	-33,523	-36,938	-33,336
2 Not seasonally adjusted				-41,799	-47,330	-31,803	-32,179	-34,228
3 Merchandise trade balance	-122,148	-144,547	-160,280	-39,552	-39,665	-41,192	-35,184	-29,937
4 Merchandise exports	215,935	223,969	249,570	59,864	64,902	68,013	75,300	79,665
5 Merchandise imports	-338,083	-368,516	-409,850	-99,416	-104,567	-109,205	-110,484	-109,602
6 Military transactions, net	-3,431	-4,372	-2,369	-179	-851	-1,261	-1,033	-865
7 Investment income, net	25,936	23,143	20,374	1,692	1,067	12,539	1,159	-1,747
8 Other service transactions, net	-449	2,257	1,755	13	87	479	1,241	2,120
9 Remittances, pensions, and other transfers	-3,786	-3,571	-3,434	-884	-855	-828	-882	-787
10 U.S. government grants (excluding military)	-11,223	-11,738	-10,011	-2,241	-2,125	-3,545	-2,239	-2,120
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-2,829	-2,000	1,162	-170	252	1,012	-814	-828
12 Change in U.S. official reserve assets (increase, -)	-3,858	312	9,149	3,419	32	3,741	1,503	39
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-897	-246	-509	-171	-210	-205	155	180
15 Reserve position in International Monetary Fund	908	1,500	2,070	335	407	722	446	69
16 Foreign currencies	-3,869	-942	7,588	3,255	-165	3,225	901	-210
17 Change in U.S. private assets abroad (increase, -)	-25,949	-96,303	-86,298	-26,127	-25,576	-43,645	5,903	-12,497
18 Bank-reported claims <sup>2</sup>	-1,323	-59,975	-40,531	-22,422	-16,519	-23,460	17,108	-13,999
19 Nonbank-reported claims	923	-4,220	3,145	2,603	-215	1,248	-315	
20 U.S. purchase of foreign securities, net	-7,481	-4,297	-4,456	-88	-972	-1,757	-4,467	1,610
21 U.S. direct investments abroad, net	-18,068	-27,811	-44,456	-6,220	-7,870	-19,676	-6,423	-108
22 Change in foreign official assets in the United States (increase, +)	-1,196	35,507	44,968	10,332	611	20,047	24,670	5,832
23 U.S. Treasury securities	-838	34,364	43,361	11,083	842	19,243	27,701	5,793
24 Other U.S. government obligations	-301	-1,214	1,570	256	714	662	-121	192
25 Other U.S. government liabilities <sup>3</sup>	767	2,054	-2,824	-1,309	-287	108	-123	-570
26 Other U.S. liabilities reported by U.S. banks <sup>4</sup>	645	1,187	3,901	615	-34	-223	-1,954	834
27 Other foreign official assets <sup>5</sup>	-1,469	-884	-1,040	-313	-624	257	-833	-417
28 Change in foreign private assets in the United States (increase, +)	131,096	185,746	166,521	40,327	71,047	36,025	-1,395	56,507
29 U.S. bank-reported liabilities <sup>3</sup>	41,045	79,783	87,778	17,961	46,153	29,764	-17,233	28,839
30 U.S. nonbank-reported liabilities	-366	-2,906	2,150	1,570	-116	-1,000	2,015	
31 Foreign private purchases of U.S. Treasury securities, net	20,433	3,809	-7,596	-2,431	-2,835	496	6,887	4,473
32 Foreign purchases of other U.S. securities, net	50,962	70,969	42,213	15,998	12,819	-4,977	2,379	9,823
33 Foreign direct investments in the United States, net	19,022	34,091	41,976	7,229	15,026	11,742	7,347	13,372
34 Allocation of SDRs	0	0	0	0	0	0	0	0
35 Discrepancy	17,839	15,566	18,461	13,071	-4,399	16,342	4,282	-15,717
36 Owing to seasonal adjustments				-2,615	-4,658	3,138	3,747	-3,456
37 Statistical discrepancy in recorded data before seasonal adjustment	17,839	15,566	18,461	15,686	259	13,204	535	-12,261
MEMO								
38 Changes in official assets								
38 U.S. official reserve assets (increase, -)	-3,858	312	9,149	3,419	32	3,741	1,503	39
39 Foreign official assets in the United States (increase, +) excluding line 25	-1,963	33,453	47,792	11,641	898	19,939	24,793	6,402
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	-6,709	-9,327	-9,956	-2,681	-1,723	-2,750	-1,375	-1,782
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	46	101	58	26	13	12	45	10

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

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

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

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

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

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

3.11 U.S. FOREIGN TRADE<sup>1</sup>

Millions of dollars; monthly data are not seasonally adjusted.

Item	1985	1986	1987	1988						
				Feb.	Mar.	Apr.	May	June	July <sup>r</sup>	Aug.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value.....	218,815	227,159	254,122	24,139	29,106	26,335	28,143	26,839	25,098	26,588
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 C.I.F. value.....	352,463	382,295	424,442	37,133	38,633	36,528	37,657	40,158	37,084	39,329
3 Customs value.....	345,276	365,438	406,241	35,569	37,030	35,027	36,147	38,590	35,583	37,708
Trade balance										
4 C.I.F. value.....	-133,648	-155,137	-170,320	-12,994	-9,528	-10,193	-9,514	-13,319	-11,986	-12,741
5 Customs value.....	-132,129	-138,279	-152,119	-11,430	-7,924	-8,692	-8,004	-11,751	-10,485	-11,121

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

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

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

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1985	1986	1987	1988						
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>p</sup>
1 Total.....	43,186	48,511	45,798	43,186	42,730	41,949	41,028	43,876	47,778	47,788
2 Gold stock, including Exchange Stabilization Fund <sup>1</sup> .....	11,090	11,064	11,078	11,063	11,063	11,063	11,063	11,063	11,061	11,062
3 Special drawing rights <sup>2,3</sup> .....	7,293	8,395	10,283	9,899	9,589	9,543	9,180	8,984	9,058	9,074
4 Reserve position in International Monetary Fund <sup>4</sup> .....	11,947	11,730	11,349	10,645	10,803	10,431	9,992	9,773	9,642	9,637
5 Foreign currencies <sup>4</sup> .....	12,856	17,322	13,088	11,579	11,275	10,912	10,793	14,056	18,017	18,015

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at \$42.22 per fine troy ounce.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS<sup>1</sup>

Millions of dollars, end of period

Assets	1985	1986	1987	1988						
				Mar.	Apr.	May	June	July	Aug.	Sept. <sup>p</sup>
1 Deposits.....	480	287	244	534	215	297	381	269	230	338
Assets held in custody										
2 U.S. Treasury securities <sup>2</sup> .....	121,004	155,835	195,126	222,407	224,725	226,341	223,127	223,296	221,715	221,119
3 Earmarked gold <sup>3</sup> .....	14,245	14,048	13,919	13,773	13,719	13,654	13,662	13,666	13,658	13,653

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

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

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

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data<sup>1</sup>

Millions of dollars, end of period

Asset account	1985	1986	1987	1988						
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>P</sup>
All foreign countries										
1 Total, all currencies .....	458,012	456,628	518,618 <sup>a</sup>	495,003	502,398	488,939	492,844	487,677	488,283	487,895
2 Claims on United States .....	119,706	114,563	138,034	131,032	135,504	139,176	141,789	140,932	147,662	157,021
3 Parent bank .....	87,201	83,492	105,845	94,348	99,109	102,957	104,299	104,405	109,929	117,525
4 Other banks in United States .....	13,057	13,685	16,416	15,028	14,663	13,332	14,624	14,424	15,954	16,176
5 Nonbanks .....	19,448	17,386	15,773	21,656	21,732	22,887	22,866	22,103	21,779	23,320
6 Claims on foreigners .....	315,676	312,955	342,520 <sup>a</sup>	326,633	328,163	314,348	315,303	311,321	305,556	295,254
7 Other branches of parent bank .....	91,399	96,281	122,155	111,671	108,972	103,090	102,931	106,722	103,638	98,299
8 Banks .....	102,960	105,237	108,859 <sup>a</sup>	105,584	106,771	101,236	103,429	100,686	99,663	98,996
9 Public borrowers .....	23,478	23,706	21,832 <sup>a</sup>	21,331	21,748	20,827	20,991	20,438	19,276	18,709
10 Nonbank foreigners .....	97,839	87,731	89,674 <sup>a</sup>	88,047	90,672	89,195	87,952	83,475	82,979	79,250
11 Other assets .....	22,630	29,110	38,064	37,338	38,731	35,415	35,752	35,424	35,065	35,620
12 Total payable in U.S. dollars .....	336,520	317,487	350,107 <sup>a</sup>	330,726	333,874	327,736	334,112	334,990 <sup>a</sup>	336,233	342,906
13 Claims on United States .....	116,638	110,620	132,023	124,806	128,935	133,289	136,077	135,348	141,415	151,581
14 Parent bank .....	85,971	82,082	103,251	91,271	95,844	100,320	101,578	101,422	106,792	114,943
15 Other banks in United States .....	12,454	12,830	14,657	13,906	13,346	12,318	13,599	13,661	14,434	14,901
16 Nonbanks .....	18,213	15,708	14,115	19,629	19,745	20,651	20,900	20,265	20,189	21,737
17 Claims on foreigners .....	210,129	195,063	202,428 <sup>a</sup>	190,902	190,593	179,722	182,981	183,568 <sup>a</sup>	179,076	174,433
18 Other branches of parent bank .....	72,727	72,197	88,284	83,063	81,692	75,654	76,136	79,774	78,063	73,792
19 Banks .....	71,868	66,421	63,707 <sup>a</sup>	58,161	58,109	54,588	57,102	55,234	54,189	54,847
20 Public borrowers .....	17,260	16,708	14,730	14,645	14,853	14,407	14,342	13,851 <sup>a</sup>	13,247	12,933
21 Nonbank foreigners .....	48,274	39,737	35,707	35,033	35,939	35,073	35,401	34,709	33,577	32,861
22 Other assets .....	9,753	11,804	15,656	15,018	14,346	14,725	15,054	16,074	15,742	16,892
United Kingdom										
23 Total, all currencies .....	148,599	140,917	158,695	157,634	155,657	152,592	156,184	151,835	151,017	149,646
24 Claims on United States .....	33,157	24,599	32,518	32,869	29,581	31,618	32,832	33,852	35,708	36,307
25 Parent bank .....	26,970	19,085	27,350	27,484	24,580	26,155	27,506	28,535	30,615	30,767
26 Other banks in United States .....	1,106	1,612	1,259	1,527	1,191	1,013	1,360	1,322	1,064	1,197
27 Nonbanks .....	5,081	3,902	3,909	3,858	3,810	4,450	3,966	3,995	4,029	4,343
28 Claims on foreigners .....	110,217	109,508	115,700	115,489	116,975	112,261	114,452	107,856	105,594	103,527
29 Other branches of parent bank .....	31,576	33,422	39,903	38,077	34,278	33,019	33,849	32,446	30,228	29,656
30 Banks .....	39,250	39,468	36,735	38,654	40,247	38,790	39,883	37,108	37,805	38,259
31 Public borrowers .....	5,644	4,990	4,752	4,613	5,312	4,914	4,987	4,742	4,665	4,543
32 Nonbank foreigners .....	33,747	31,628	34,310	34,145	37,138	35,538	35,733	33,560	32,896	31,069
33 Other assets .....	5,225	6,810	10,477	9,276	9,101	8,713	8,900	10,127	9,715	9,812
34 Total payable in U.S. dollars .....	108,626	95,028	100,574	101,642	95,972	93,214	97,188	95,326	94,492	96,767
35 Claims on United States .....	32,092	23,193	30,439	30,971	27,388	29,555	30,736	31,855	33,795	34,535
36 Parent bank .....	26,568	18,526	26,304	26,565	23,285	25,137	26,608	27,672	29,706	29,837
37 Other banks in United States .....	1,005	1,475	1,044	1,273	1,025	781	1,068	1,069	870	1,039
38 Nonbanks .....	4,519	3,192	3,091	3,133	3,078	3,637	3,060	3,114	3,219	3,659
39 Claims on foreigners .....	73,475	68,138	64,560	66,313	64,247	59,434	62,018	57,969	55,832	57,037
40 Other branches of parent bank .....	26,011	26,361	28,635	29,813	26,812	24,867	25,448	23,843	22,549	22,465
41 Banks .....	26,139	23,251	19,188	19,516	19,656	18,065	19,555	17,477	18,025	19,165
42 Public borrowers .....	3,999	3,677	3,313	3,347	3,864	3,412	3,252	3,188	3,133	3,105
43 Nonbank foreigners .....	17,326	14,849	13,424	13,637	13,915	13,090	13,763	13,461	12,125	12,302
44 Other assets .....	3,059	3,697	5,575	4,358	4,337	4,225	4,434	5,502	4,865	5,195
Bahamas and Caymans										
45 Total, all currencies .....	142,055	142,592	160,321	143,630	153,254	152,930	156,353	159,718	160,516	165,771
46 Claims on United States .....	74,864	78,048	85,318	78,035	85,837	88,283	90,896	88,116	92,308	99,090
47 Parent bank .....	50,553	54,575	60,048	48,402	56,330	59,240	60,419	58,579	61,397	67,034
48 Other banks in United States .....	11,204	11,156	14,277	12,682	12,476	11,470	12,489	12,236	13,863	13,907
49 Nonbanks .....	13,107	12,317	10,993	16,951	17,031	17,573	17,988	17,301	17,048	18,149
50 Claims on foreigners .....	63,882	60,005	70,162	60,091	61,962	58,818	59,374	65,855	62,508	68,822
51 Other branches of parent bank .....	19,042	17,296	21,277	18,486	19,368	17,790	18,463	24,745	22,797	20,789
52 Banks .....	28,192	27,476	33,751	27,667	28,647	26,700	27,019	27,650	26,120	26,866
53 Public borrowers .....	6,458	7,051	7,428	7,063	6,891	6,849	6,955	6,835	6,457	6,185
54 Nonbank foreigners .....	10,190	8,182	7,706	6,875	7,056	7,479	6,937	6,625	7,134	6,982
55 Other assets .....	3,309	4,539	4,841	5,504	5,455	5,829	6,083	5,747	5,700	5,859
56 Total payable in U.S. dollars .....	136,794	136,813	151,434	135,916	145,050	145,398	148,545	152,219	152,685	157,975

1. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches

from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

## 3.14—Continued

Liability account	1985	1986	1987	1988						
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>P</sup>
All foreign countries										
<b>57 Total, all currencies</b>	<b>458,012</b>	<b>456,628</b>	<b>518,618<sup>r</sup></b>	<b>495,003</b>	<b>502,398</b>	<b>488,939</b>	<b>492,844</b>	<b>487,677</b>	<b>488,283</b>	<b>487,895</b>
58 Negotiable CDs	34,607	31,629	30,929	31,158	31,854	31,585	32,175	29,485	30,159	31,203
59 To United States	156,281	152,465	161,390	149,402	157,023 <sup>r</sup>	155,341 <sup>r</sup>	161,964 <sup>r</sup>	156,235	159,024	164,416
60 Parent bank	84,657	83,394	87,606	85,092 <sup>r</sup>	91,578 <sup>r</sup>	85,539 <sup>r</sup>	86,897 <sup>r</sup>	87,256 <sup>r</sup>	84,196	88,819
61 Other banks in United States	16,894	15,646	20,559	14,237	14,806	16,246	15,364 <sup>r</sup>	14,625	15,310	16,667
62 Nonbanks	54,730	53,425	53,225	50,073 <sup>r</sup>	50,639 <sup>r</sup>	53,556 <sup>r</sup>	59,703 <sup>r</sup>	54,354 <sup>r</sup>	59,518	58,930
63 To foreigners	245,939	253,775	304,803 <sup>r</sup>	293,360	290,104 <sup>r</sup>	281,202 <sup>r</sup>	277,144 <sup>r</sup>	280,998	277,761	270,663
64 Other branches of parent bank	89,529	95,146	124,601	111,949	109,071	105,148	104,667	110,418	107,084	100,520
65 Banks	76,814	77,809	87,274 <sup>r</sup>	88,400	88,257	85,097	82,499	82,470	83,098	80,608
66 Official institutions	19,520	17,835	19,564	20,373	18,608	18,006	17,700	17,159	16,528	17,232
67 Nonbank foreigners	60,076	62,985	73,364	72,638	74,168 <sup>r</sup>	72,951 <sup>r</sup>	72,278 <sup>r</sup>	70,951	71,051	72,303
68 Other liabilities	21,185	18,759	21,496 <sup>r</sup>	21,083	23,417	20,811	21,561	20,959	21,339	21,613
<b>69 Total payable in U.S. dollars</b>	<b>353,712</b>	<b>336,406</b>	<b>361,438</b>	<b>341,536</b>	<b>344,395</b>	<b>337,122</b>	<b>341,729</b>	<b>341,411</b>	<b>341,539</b>	<b>346,197</b>
70 Negotiable CDs	31,063	28,466	26,768	26,386	26,869	26,596	27,233	25,015	24,870	26,128
71 To United States	150,905	144,483	148,442	138,737	144,983	144,983	149,571 <sup>r</sup>	144,394 <sup>r</sup>	147,551	152,782
72 Parent bank	81,631	79,305	81,783	79,313 <sup>r</sup>	84,751 <sup>r</sup>	79,857 <sup>r</sup>	80,331 <sup>r</sup>	80,752 <sup>r</sup>	77,503	81,710
73 Other banks in United States	16,264	14,609	19,155	12,918	13,501	15,035	13,999	13,186	14,011	15,464
74 Nonbanks	53,010	50,569	47,504	46,506 <sup>r</sup>	46,731 <sup>r</sup>	49,891 <sup>r</sup>	55,241 <sup>r</sup>	50,456 <sup>r</sup>	56,037	55,608
75 To foreigners	163,583	156,806	177,711	167,623	163,275	156,848	155,524 <sup>r</sup>	162,126 <sup>r</sup>	158,901	156,333
76 Other branches of parent bank	71,078	71,181	90,469	82,996	81,073	76,708	76,920	83,482	81,144	74,996
77 Banks	37,365	33,850	35,065	32,278	30,688	29,924	28,712	28,990	28,495	30,941
78 Official institutions	14,359	12,371	12,409	12,071	10,489	10,539	10,028	9,571	9,254	9,938
79 Nonbank foreigners	40,781	39,404	39,768	40,278	41,025	39,677	39,864 <sup>r</sup>	40,083 <sup>r</sup>	40,008	41,358
80 Other liabilities	8,161	6,651	8,517	8,790	9,268	8,895	9,401	9,876	10,217	10,954
United Kingdom										
<b>81 Total, all currencies</b>	<b>148,599</b>	<b>140,917</b>	<b>158,695</b>	<b>157,634</b>	<b>155,657</b>	<b>152,592</b>	<b>156,184</b>	<b>151,835</b>	<b>151,017</b>	<b>149,646</b>
82 Negotiable CDs	31,260	27,781	26,988	26,786	27,279	27,090	27,659	25,390	25,750	26,998
83 To United States	29,422	24,657	23,470	26,382	22,725	23,868	27,145	25,120	26,859	25,013
84 Parent bank	19,330	14,469	13,223	15,527	14,506	14,904	15,518	15,996	16,844	15,100
85 Other banks in United States	2,974	2,649	1,740	1,615	1,768	1,508	2,408	1,791	2,051	1,878
86 Nonbanks	7,118	7,539	8,507	9,240	6,451	7,456	9,219	7,333	7,964	8,035
87 To foreigners	78,525	79,498	98,689	94,235	95,049	92,219	91,995	91,691	88,489	87,504
88 Other branches of parent bank	23,389	25,036	33,078	30,350	30,211	27,383	28,743	28,967	26,948	25,570
89 Banks	28,581	30,877	34,290	33,520	33,316	32,970	31,995	33,125	32,763	31,829
90 Official institutions	9,676	6,836	11,015	11,048	9,624	10,181	9,672	8,893	9,034	9,982
91 Nonbank foreigners	16,879	16,749	20,306	19,317	21,898	21,685	21,585	20,706	19,744	20,123
92 Other liabilities	9,392	8,981	9,548	10,231	10,604	9,415	9,385	9,634	9,919	10,131
<b>93 Total payable in U.S. dollars</b>	<b>112,697</b>	<b>99,707</b>	<b>102,550</b>	<b>105,162</b>	<b>98,982</b>	<b>96,532</b>	<b>99,378</b>	<b>97,555</b>	<b>96,908</b>	<b>97,938</b>
94 Negotiable CDs	29,337	26,169	24,926	24,281	24,716	24,392	24,994	22,960	22,846	24,229
95 To United States	27,756	22,075	17,752	23,019	19,116	20,310	22,405	20,889	23,105	21,005
96 Parent bank	18,956	14,021	12,026	14,626	13,622	13,947	14,134	14,712	15,729	13,745
97 Other banks in United States	2,826	2,325	1,512	1,401	1,556	1,306	2,184	1,512	1,817	1,655
98 Nonbanks	5,974	5,729	4,214	6,992	3,938	5,057	6,087	4,665	5,559	5,605
99 To foreigners	51,980	48,138	55,919	53,444	50,590	47,589	47,969	48,777	46,083	47,227
100 Other branches of parent bank	18,493	17,951	22,334	21,753	21,292	18,060	18,902	20,303	18,539	17,550
101 Banks	14,344	15,203	15,580	14,401	13,106	12,889	12,860	12,957	12,240	13,501
102 Official institutions	7,661	4,934	7,530	7,045	5,181	5,918	5,470	4,700	5,036	5,781
103 Nonbank foreigners	11,482	10,050	10,475	10,245	11,011	10,722	10,737	10,817	10,268	10,395
104 Other liabilities	3,624	3,325	3,953	4,418	4,560	4,241	4,010	4,929	4,874	5,477
Bahamas and Caymans										
<b>105 Total, all currencies</b>	<b>142,055</b>	<b>142,592</b>	<b>160,321</b>	<b>143,630</b>	<b>153,254</b>	<b>152,930</b>	<b>156,353</b>	<b>159,718</b>	<b>160,516</b>	<b>165,771</b>
106 Negotiable CDs	610	847	885	940	1,069	1,038	1,096	941	940	731
107 To United States	104,556	106,081	113,950	99,821	110,451	109,199	112,605	109,424	112,540	117,765
108 Parent bank	45,554	49,481	53,239	48,926 <sup>r</sup>	55,931 <sup>r</sup>	50,576 <sup>r</sup>	51,745 <sup>r</sup>	52,221 <sup>r</sup>	49,896	54,174
109 Other banks in United States	12,778	11,715	17,224	11,455	11,829	13,621	11,659 <sup>r</sup>	11,451	12,069	13,723
110 Nonbanks	46,224	44,885	43,487	39,440 <sup>r</sup>	42,691 <sup>r</sup>	45,002 <sup>r</sup>	49,201 <sup>r</sup>	45,752 <sup>r</sup>	50,575	49,868
111 To foreigners	35,053	34,400	43,815	41,234	40,038	40,953	40,369	47,361	44,993	45,062
112 Other branches of parent bank	14,075	12,631	19,185	18,604	17,260	19,420	18,909	24,755	22,288	21,221
113 Banks	10,669	8,617	10,769	9,825	9,404	9,162	9,080	9,779	10,155	9,607
114 Official institutions	1,776	2,719	1,504	1,179	1,873	1,164	1,053	1,850	1,015	1,099
115 Nonbank foreigners	8,533	10,433	12,357	11,626	11,501	11,207	11,327	10,977	11,535	13,135
116 Other liabilities	1,836	1,264	1,671	1,635	1,696	1,740	2,283	1,992	2,043	2,213
<b>117 Total payable in U.S. dollars</b>	<b>138,322</b>	<b>138,774</b>	<b>152,927</b>	<b>136,636</b>	<b>145,366</b>	<b>146,134</b>	<b>148,923</b>	<b>151,684</b>	<b>152,235</b>	<b>157,512</b>

## 3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1986	1987	1988						
			Feb.	Mar. <sup>f</sup>	Apr.	May	June <sup>f</sup>	July	Aug. <sup>p</sup>
1 Total <sup>1</sup> .....	211,834	259,517	276,293 <sup>f</sup>	284,324	286,529 <sup>f</sup>	294,729 <sup>f</sup>	290,842	291,135	289,933
<i>By type</i>									
2 Liabilities reported by banks in the United States <sup>2</sup> .....	27,920	31,838	32,148 <sup>f</sup>	29,892	29,683	31,460	30,761	31,961	32,483
3 U.S. Treasury bills and certificates <sup>3</sup> .....	75,650	88,829	93,407	95,624	94,974	96,604	95,299	97,015	96,698
U.S. Treasury bonds and notes									
4 Marketable .....	91,368	122,432	134,719	142,854	145,929 <sup>f</sup>	150,991 <sup>f</sup>	149,333	146,971	145,521
5 Nonmarketable <sup>4</sup> .....	1,300	300	792	795	499	499	502	506	509
6 U.S. securities other than U.S. Treasury securities <sup>5</sup> .....	15,596	16,123	15,719 <sup>f</sup>	15,162 <sup>f</sup>	15,148 <sup>f</sup>	15,175 <sup>f</sup>	14,947	14,682	14,722
<i>By area</i>									
7 Western Europe <sup>1</sup> .....	88,629	124,620	127,641 <sup>f</sup>	129,411	129,739 <sup>f</sup>	131,406 <sup>f</sup>	126,772	125,085	122,962
8 Canada .....	2,004	4,961	6,839	7,954	8,314	9,372	10,773	10,725	9,981
9 Latin America and Caribbean .....	8,417	8,328	8,296	8,660	8,520	9,145	9,407	9,818	11,336
10 Asia .....	105,868	116,098	127,338 <sup>f</sup>	131,458	132,050 <sup>f</sup>	135,120 <sup>f</sup>	134,285	135,657	136,165
11 Africa .....	1,503	1,402	1,495	1,512	1,417	1,418	1,266	1,179	1,196
12 Other countries <sup>6</sup> .....	5,412	4,147	4,682	4,839	5,993	7,773	7,837	8,162	7,782

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes

bonds and notes payable in foreign currencies.

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

6. Includes countries in Oceania and Eastern Europe.

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

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies<sup>1</sup>

Millions of dollars, end of period

Item	1984	1985	1986	1987 <sup>f</sup>		1988 <sup>f</sup>	
				Sept.	Dec.	Mar.	June
1 Banks' own liabilities .....	8,586	15,368	29,702	46,147	55,075	55,457	55,399
2 Banks' own claims .....	11,984	16,294	26,180	41,394	50,663	51,428	50,098
3 Deposits .....	4,998	8,437	14,129	14,647	18,253	17,614	16,723
4 Other claims .....	6,986	7,857	12,052	26,746	32,410	33,814	33,375
5 Claims of banks' domestic customers <sup>2</sup> .....	569	580	2,507	1,067	551	810	1,004

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<sup>1</sup>

Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1985	1986	1987 <sup>r</sup>	1988						
				Feb.	Mar. <sup>r</sup>	Apr.	May	June <sup>r</sup>	July	Aug. <sup>p</sup>
<b>1 All foreigners</b> .....	<b>435,726</b>	<b>540,996</b>	<b>618,978</b>	<b>605,329<sup>r</sup></b>	<b>605,615</b>	<b>611,031<sup>r</sup></b>	<b>629,139<sup>r</sup></b>	<b>637,396</b>	<b>647,033</b>	<b>658,200</b>
2 Banks' own liabilities.....	341,070	406,485	470,056	446,466 <sup>r</sup>	443,680	449,324 <sup>r</sup>	465,665 <sup>r</sup>	476,117	482,536	494,049
3 Demand deposits.....	21,107	23,789	22,383	21,129	21,901	20,330 <sup>r</sup>	22,184 <sup>r</sup>	22,990	21,983	20,331
4 Time deposits <sup>2</sup> .....	117,278	130,891	148,444	140,119 <sup>r</sup>	137,729	134,320 <sup>r</sup>	138,255 <sup>r</sup>	141,553	142,780	147,846
5 Other <sup>3</sup> .....	29,305	42,705	51,607	52,941 <sup>r</sup>	47,040	46,018 <sup>r</sup>	48,489 <sup>r</sup>	47,658	51,116	50,384
6 Own foreign offices <sup>4</sup> .....	173,381	209,100	247,621	232,277 <sup>r</sup>	237,011	248,655 <sup>r</sup>	256,741 <sup>r</sup>	263,916	266,657	275,488
7 Banks' custody liabilities <sup>5</sup> .....	94,656	134,511	148,923	158,864 <sup>r</sup>	161,935	161,707 <sup>r</sup>	163,474	161,279	164,497	164,151
8 U.S. Treasury bills and certificates <sup>6</sup> .....	69,133	90,398	101,743	107,087	109,233	107,881	108,803	108,614	109,952	108,858
9 Other negotiable and readily transferable instruments <sup>7</sup> .....	17,964	15,417	16,791	15,677 <sup>r</sup>	16,121	16,017	16,595	16,626	16,165	16,140
10 Other.....	7,558	28,696	30,388	36,099 <sup>r</sup>	36,581	37,810 <sup>r</sup>	38,075	36,039	38,381	39,153
<b>11 Nonmonetary international and regional organizations<sup>8</sup></b> .....	<b>5,821</b>	<b>5,807</b>	<b>4,464</b>	<b>8,782<sup>r</sup></b>	<b>6,033</b>	<b>4,575</b>	<b>6,889</b>	<b>7,879</b>	<b>7,009</b>	<b>4,693</b>
12 Banks' own liabilities.....	2,621	3,958	2,702	6,771 <sup>r</sup>	4,031	2,412	4,898	5,142	4,831	2,869
13 Demand deposits.....	85	199	124	74	134	67	84	84	92	85
14 Time deposits <sup>2</sup> .....	2,067	2,065	1,538	2,481	2,061	335	1,981	1,873	1,874	1,499
15 Other <sup>3</sup> .....	469	1,693	1,040	4,216 <sup>r</sup>	1,836	2,010	2,833	3,185	2,865	1,285
16 Banks' custody liabilities <sup>5</sup> .....	3,200	1,849	1,761	2,011	2,002	2,163	1,991	2,737	2,179	1,824
17 U.S. Treasury bills and certificates <sup>6</sup> .....	1,736	259	265	415	635	587	132	745	286	43
18 Other negotiable and readily transferable instruments <sup>7</sup> .....	1,464	1,590	1,497	1,521	1,351	1,564	1,852	1,989	1,861	1,769
19 Other.....	0	0	0	75	16	11	7	3	32	12
<b>20 Official institutions<sup>9</sup></b> .....	<b>79,985</b>	<b>103,569</b>	<b>120,667</b>	<b>125,554<sup>r</sup></b>	<b>125,516</b>	<b>124,657</b>	<b>128,065</b>	<b>126,060</b>	<b>128,975</b>	<b>129,181</b>
21 Banks' own liabilities.....	20,835	25,427	28,703	29,234	26,915	26,623	28,451	27,882	28,376	28,959
22 Demand deposits.....	2,077	2,267	1,757	1,861	2,021	1,882 <sup>r</sup>	1,882 <sup>r</sup>	1,834	1,696	1,405
23 Time deposits <sup>2</sup> .....	10,949	10,497	12,843	11,654	11,789	11,753	12,860	11,864	11,536	12,545
24 Other <sup>3</sup> .....	7,809	12,663	14,103	15,719	13,105	13,372 <sup>r</sup>	13,709 <sup>r</sup>	14,184	15,144	15,009
25 Banks' custody liabilities <sup>5</sup> .....	59,150	78,142	91,965	96,321 <sup>r</sup>	98,602	98,033	99,613	98,178	100,599	100,222
26 U.S. Treasury bills and certificates <sup>6</sup> .....	53,252	75,650	88,829	93,407	95,624	94,974	96,604	95,299	97,015	96,698
27 Other negotiable and readily transferable instruments <sup>7</sup> .....	5,824	2,347	2,990	2,619 <sup>r</sup>	2,750	2,939	2,775	2,672	3,368	3,240
28 Other.....	75	145	146	295	228	120	234	207	217	284
<b>29 Banks<sup>10</sup></b> .....	<b>275,589</b>	<b>351,745</b>	<b>414,181</b>	<b>390,708<sup>r</sup></b>	<b>394,040</b>	<b>401,743<sup>r</sup></b>	<b>413,460<sup>r</sup></b>	<b>423,396</b>	<b>428,175</b>	<b>439,906</b>
30 Banks' own liabilities.....	252,723	310,166	371,651	344,129 <sup>r</sup>	346,742	353,971	365,512 <sup>r</sup>	375,093	379,369	390,666
31 Unaffiliated foreign banks.....	79,341	101,066	124,030	111,852 <sup>r</sup>	109,732	105,315 <sup>r</sup>	108,771 <sup>r</sup>	111,177	112,711	115,177
32 Demand deposits.....	10,271	10,303	10,898	9,759	10,012	9,153 <sup>r</sup>	10,260	10,898	10,217	9,274
33 Time deposits <sup>2</sup> .....	49,510	64,232	79,787	71,650 <sup>r</sup>	69,964	68,098 <sup>r</sup>	69,616	72,612	73,206	75,789
34 Other <sup>3</sup> .....	19,561	26,531	33,345	30,443 <sup>r</sup>	29,755	28,065 <sup>r</sup>	28,895 <sup>r</sup>	27,668	29,289	30,114
35 Own foreign offices <sup>4</sup> .....	173,381	209,100	247,621	232,277 <sup>r</sup>	237,011	248,655 <sup>r</sup>	256,741 <sup>r</sup>	263,916	266,657	275,488
36 Banks' custody liabilities <sup>5</sup> .....	22,866	41,579	42,530	46,579 <sup>r</sup>	47,298	47,772 <sup>r</sup>	47,948	48,303	48,806	49,240
37 U.S. Treasury bills and certificates <sup>6</sup> .....	9,832	9,984	9,134	9,526	9,597	8,889	8,872	9,212	9,346	9,051
38 Other negotiable and readily transferable instruments <sup>7</sup> .....	6,040	5,165	5,392	4,436	4,627	4,637	4,341	4,725	4,625	4,547
39 Other.....	6,994	26,431	28,004	32,617 <sup>r</sup>	33,074	34,245 <sup>r</sup>	34,735	34,365	34,835	35,642
<b>40 Other foreigners</b> .....	<b>74,331</b>	<b>79,875</b>	<b>79,666</b>	<b>80,285</b>	<b>80,026</b>	<b>80,056<sup>r</sup></b>	<b>80,726<sup>r</sup></b>	<b>80,061</b>	<b>82,874</b>	<b>84,421</b>
41 Banks' own liabilities.....	64,892	66,934	67,000	66,332	65,993	66,318 <sup>r</sup>	66,804 <sup>r</sup>	67,999	69,961	71,556
42 Demand deposits.....	8,673	11,019	9,604	9,435	9,734	9,612	9,955	10,173	9,979	9,566
43 Time deposits <sup>2</sup> .....	54,752	54,097	54,277	54,334	53,915	54,134 <sup>r</sup>	53,798 <sup>r</sup>	55,204	56,163	58,013
44 Other <sup>3</sup> .....	1,467	1,818	3,119	2,563	2,344	2,571 <sup>r</sup>	3,051 <sup>r</sup>	2,622	3,819	3,976
45 Banks' custody liabilities <sup>5</sup> .....	9,439	12,941	12,666	13,953	14,034	13,739	13,922	12,062	12,913	12,865
46 U.S. Treasury bills and certificates <sup>6</sup> .....	4,314	4,506	3,515	3,740	3,378	3,430	3,196	3,358	3,305	3,066
47 Other negotiable and readily transferable instruments <sup>7</sup> .....	4,636	6,315	6,914	7,102	7,393	6,876	7,628	7,241	6,311	6,583
48 Other.....	489	2,120	2,238	3,112	3,263	3,433	3,099	1,464	3,297	3,215
<b>49 MEMO: Negotiable time certificates of deposit in custody for foreigners</b> .....	<b>9,845</b>	<b>7,496</b>	<b>7,314</b>	<b>7,370</b>	<b>7,325</b>	<b>7,480</b>	<b>8,261</b>	<b>7,711</b>	<b>6,975</b>	<b>7,064</b>

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

2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

8. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks. Data exclude "holdings of dollars" of the International Monetary Fund.

9. Foreign central banks, foreign central governments, and the Bank for International Settlements.

10. Excludes central banks, which are included in "Official institutions."

## 3.17—Continued

Area and country	1985	1986	1987	1988						
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>P</sup>
1 Total	435,726	540,996	618,978 <sup>r</sup>	605,329 <sup>r</sup>	605,615 <sup>r</sup>	611,031 <sup>r</sup>	629,139 <sup>r</sup>	637,396 <sup>r</sup>	647,033	658,200
2 Foreign countries	429,905	535,189	614,514 <sup>r</sup>	596,547 <sup>r</sup>	599,582 <sup>r</sup>	606,456 <sup>r</sup>	622,250 <sup>r</sup>	629,517 <sup>r</sup>	640,024	653,507
3 Europe	164,114	180,556	234,641 <sup>r</sup>	226,632 <sup>r</sup>	213,051 <sup>r</sup>	218,515 <sup>r</sup>	227,867	227,626 <sup>r</sup>	224,175	232,630
4 Austria	693	1,181	920	964	958	1,162 <sup>r</sup>	1,090	941	1,407	1,246
5 Belgium-Luxembourg	5,243	6,729	9,347	9,832	8,804	9,629	9,893	10,363	9,494	10,050
6 Denmark	513	482	760	659	930	1,034	1,164	1,364	1,474	2,078
7 Finland	496	580	377	369	405	504	478	426	550	417
8 France	15,541	22,862	29,835 <sup>r</sup>	28,848 <sup>r</sup>	28,424 <sup>r</sup>	27,015 <sup>r</sup>	28,193 <sup>r</sup>	26,975 <sup>r</sup>	26,002	24,208
9 Germany	4,835	5,762	7,022 <sup>r</sup>	8,870 <sup>r</sup>	6,609 <sup>r</sup>	6,878 <sup>r</sup>	6,487 <sup>r</sup>	5,105 <sup>r</sup>	5,203	6,190
10 Greece	666	700	689	639	656	656	675	653	620	694
11 Italy	9,667	10,875	12,073	11,001	10,075 <sup>r</sup>	10,040	9,285	10,695	9,361	9,766
12 Netherlands	4,212	5,600	5,014	5,302	5,399	5,154	5,757	5,351	5,560	5,648
13 Norway	948	735	1,362	828	917	1,101	1,240	1,078	1,330	900
14 Portugal	652	699	801	780	874 <sup>r</sup>	917	910	897	859	848
15 Spain	2,114	2,407	2,621	2,433	2,608 <sup>r</sup>	2,415	2,839	4,168	5,011	5,566
16 Sweden	1,422	884	1,379	1,719	1,836	1,692	2,280	1,522	1,936	2,011
17 Switzerland	29,020	30,534	33,766 <sup>r</sup>	31,991 <sup>r</sup>	31,739 <sup>r</sup>	30,523	31,293	31,226 <sup>r</sup>	30,451	29,513
18 Turkey	429	454	703	541	616	518	628	570 <sup>r</sup>	537	709
19 United Kingdom	76,728	85,334	116,852 <sup>r</sup>	112,332 <sup>r</sup>	101,621 <sup>r</sup>	109,547	115,439	115,521 <sup>r</sup>	114,905	122,608
20 Yugoslavia	673	630	710	557	550	566	586	690	614	629
21 Other Western Europe <sup>1</sup>	9,635	3,326	9,798	8,367 <sup>r</sup>	9,341 <sup>r</sup>	8,473	9,038	9,230 <sup>r</sup>	8,125	8,771
22 U.S.S.R.	105	80	32	49	66	44	136	239 <sup>r</sup>	81	100
23 Other Eastern Europe <sup>1</sup>	523	702	582	549	623	648 <sup>r</sup>	456 <sup>r</sup>	611 <sup>r</sup>	657	679
24 Canada	17,427	26,345	30,095 <sup>r</sup>	25,967	27,350 <sup>r</sup>	27,011 <sup>r</sup>	27,890 <sup>r</sup>	30,051	29,969	28,138
25 Latin America and Caribbean	167,856	210,318	220,399 <sup>r</sup>	212,530 <sup>r</sup>	220,707 <sup>r</sup>	225,708 <sup>r</sup>	229,829 <sup>r</sup>	232,760 <sup>r</sup>	242,266	246,526
26 Argentina	6,032	4,757	5,006	5,092	5,101	5,219	5,876	6,054	6,775	6,775
27 Bahamas	57,657	73,619	74,676 <sup>r</sup>	64,979 <sup>r</sup>	68,966 <sup>r</sup>	69,975 <sup>r</sup>	73,990	74,034	75,843	78,783
28 Bermuda	2,765	2,922	2,344 <sup>r</sup>	2,021	2,214	2,402	2,927	2,077	2,413	2,463
29 Brazil	5,373	4,325	4,005 <sup>r</sup>	3,747	4,074	3,992	4,122 <sup>r</sup>	4,205 <sup>r</sup>	4,489	4,694
30 British West Indies	42,674	72,263	81,612 <sup>r</sup>	82,409 <sup>r</sup>	88,214 <sup>r</sup>	92,534 <sup>r</sup>	91,601	94,311 <sup>r</sup>	100,956	99,560
31 Chile	2,049	2,054	2,210	2,361	2,314	2,251	2,184	2,378	2,323	2,478
32 Colombia	3,104	4,285	4,204 <sup>r</sup>	3,897	3,833	3,843	4,395	4,502	4,404	4,403
33 Cuba	11	7	12	9	8	13	9	10	9	8
34 Ecuador	1,239	1,236	1,082	1,133	1,169	1,174	1,206	1,212	1,216	1,224
35 Guatemala	1,071	1,123	1,082	1,098	1,182	1,209	1,191	1,209	1,183	1,182
36 Jamaica	122	136	160	148	208	209	152	156	154	149
37 Mexico	14,060	13,745	14,480	15,186	15,784 <sup>r</sup>	15,347	15,866	15,801	16,336	17,260
38 Netherlands Antilles	4,875	4,970	4,975 <sup>r</sup>	5,231	5,207	5,345	5,348	5,338	4,798	5,011
39 Panama	7,514	6,886	7,414	6,983	4,306	4,059	4,005	4,171 <sup>r</sup>	4,251	4,262
40 Peru	1,167	1,163	1,275	1,328	1,364	1,424	1,438	1,513	1,513	1,540
41 Uruguay	1,552	1,537	1,582 <sup>r</sup>	1,753	1,763	1,745 <sup>r</sup>	1,717 <sup>r</sup>	1,882 <sup>r</sup>	1,828	1,889
42 Venezuela	11,922	10,171	9,048	9,729	9,411	9,564	9,255	8,950	9,116	9,330
43 Other	4,668	5,119	5,234	5,426	5,591	5,313 <sup>r</sup>	5,219 <sup>r</sup>	5,209 <sup>r</sup>	5,344	5,514
44 Asia	72,280	108,831	121,364 <sup>r</sup>	122,945 <sup>r</sup>	129,237 <sup>r</sup>	125,653 <sup>r</sup>	125,750 <sup>r</sup>	128,100 <sup>r</sup>	133,310	136,299
45 China										
46 Mainland	1,607	1,476	1,162	1,352	1,562	1,814	1,921	1,725	1,564	1,757
47 Taiwan	7,786	18,902	21,503	23,884	24,005	23,982	23,874	23,072	24,023	23,422
48 Hong Kong	8,067	9,393	10,180 <sup>r</sup>	10,010	10,015 <sup>r</sup>	9,635 <sup>r</sup>	10,214	9,255	9,958	10,417
49 India	712	674	582	879	659	675	619	942	858	850
50 Indonesia	1,466	1,547	1,404 <sup>r</sup>	1,583	1,547	1,063	1,036	1,075	1,036	1,255
51 Israel	1,601	1,892	1,292	1,333	1,400	1,292	1,190	1,334	1,244	1,194
52 Japan	23,077	47,410	54,398 <sup>r</sup>	56,326 <sup>r</sup>	60,349 <sup>r</sup>	58,576 <sup>r</sup>	58,151 <sup>r</sup>	60,916 <sup>r</sup>	62,830	65,001
53 Korea	1,665	1,141	1,637	1,502	1,546 <sup>r</sup>	1,574	1,476	1,572 <sup>r</sup>	1,459	1,720
54 Philippines	1,140	1,866	1,085	1,009	1,095	1,015	975	954	1,085	1,001
55 Thailand	1,358	1,119	1,345	1,354	1,189	1,181	1,448	1,099	1,650	1,422
56 Middle-East oil-exporting countries <sup>3</sup>	14,523	12,352	13,988 <sup>r</sup>	12,400 <sup>r</sup>	12,727 <sup>r</sup>	12,639 <sup>r</sup>	12,413	12,089 <sup>r</sup>	14,298	12,788
Other	9,276	11,058	12,788	11,311	13,142 <sup>r</sup>	12,207 <sup>r</sup>	12,434	14,066 <sup>r</sup>	13,305	15,472
57 Africa	4,883	4,021	3,945	3,756	4,034	3,878	4,055	4,023 <sup>r</sup>	3,837	3,846
58 Egypt	1,363	706	1,151	1,119	1,099	1,218	1,196	1,187 <sup>r</sup>	1,039	969
59 Morocco	163	92	194	69	75	68	65	73	80	70
60 South Africa	388	270	202	194	387	195	267	245	200	204
61 Zaire	163	74	67	86	81	82	63	60	63	67
62 Oil-exporting countries <sup>4</sup>	1,494	1,519	1,014	1,047	1,062	1,008	1,090	1,111	1,052	1,039
63 Other	1,312	1,360	1,316	1,241	1,330	1,307	1,373	1,348 <sup>r</sup>	1,403	1,498
64 Other countries	3,347	5,118	4,070	4,717	5,202 <sup>r</sup>	5,689	6,859	6,957	6,467	6,068
65 Australia	2,779	4,196	3,327	3,814	4,154	4,885	5,943	6,017	5,639	5,170
66 All other	568	922	744	903	1,048	804	916	939 <sup>r</sup>	828	898
67 Nonmonetary international and regional organizations	5,821	5,807	4,464 <sup>r</sup>	8,782 <sup>r</sup>	6,033	4,575	6,889	7,879	7,009	4,693
68 International <sup>5</sup>	4,806	4,620	2,830 <sup>r</sup>	6,742 <sup>r</sup>	4,330	2,691	4,955	5,925	5,078	2,923
69 Latin American regional	894	1,033	1,272	1,505	1,305	1,528	1,727	1,769	1,651	1,614
70 Other regional <sup>6</sup>	121	154	362	536	397	356	207	185	280	156

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

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

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

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

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

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

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States<sup>1</sup>  
Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1985	1986	1987 <sup>2</sup>	1988						
				Feb.	Mar.	Apr.	May	June	July	Aug. <sup>3</sup>
1 Total .....	401,608	444,745	459,706	441,530 <sup>4</sup>	443,416 <sup>4</sup>	432,679 <sup>4</sup>	450,678 <sup>4</sup>	459,411 <sup>4</sup>	471,461	471,081
2 Foreign countries .....	400,577	441,724	456,302	439,306 <sup>4</sup>	441,211 <sup>4</sup>	431,317 <sup>4</sup>	449,532 <sup>4</sup>	456,866 <sup>4</sup>	468,396	468,062
3 Europe .....	106,413	107,823	102,375	100,406 <sup>4</sup>	94,565 <sup>4</sup>	93,507 <sup>4</sup>	100,484	100,925 <sup>4</sup>	99,705	98,545
4 Austria .....	598	728	793	800	846	893	865	806	888	944
5 Belgium-Luxembourg .....	5,772	7,498	9,397	9,791 <sup>4</sup>	8,252 <sup>4</sup>	8,792	8,724	7,863 <sup>4</sup>	8,530	8,156
6 Denmark .....	706	688	717	746	874	612	630	640	743	609
7 Finland .....	823	1,010	835	835	729	993	1,103 <sup>4</sup>	954	1,325	1,231
8 France .....	9,124	11,356	13,553	12,264 <sup>4</sup>	12,227 <sup>4</sup>	10,885 <sup>4</sup>	12,147 <sup>4</sup>	12,184 <sup>4</sup>	11,861	11,672
9 Germany .....	1,267	1,816	2,039	1,920 <sup>4</sup>	1,852 <sup>4</sup>	1,610	1,719	2,840 <sup>4</sup>	2,153	1,942
10 Greece .....	991	648	463	711	701 <sup>4</sup>	513	558	590	563	515
11 Italy .....	8,848	9,043	7,460	6,154 <sup>4</sup>	6,444 <sup>4</sup>	6,201 <sup>4</sup>	6,606	7,072 <sup>4</sup>	6,607	6,476
12 Netherlands .....	1,258	3,296	2,624	2,854 <sup>4</sup>	2,755 <sup>4</sup>	2,865	2,766	2,656	3,017	2,938
13 Norway .....	706	672	934	746	627	650	886	589	484	534
14 Portugal .....	1,058	739	477	499	423 <sup>4</sup>	439	400	358	333	321
15 Spain .....	1,908	1,492	1,858	1,965	1,761	1,766	1,911	1,867	1,978	2,015
16 Sweden .....	2,219	1,964	2,269	2,272 <sup>4</sup>	2,227 <sup>4</sup>	2,347	2,480	2,087	1,958	2,256
17 Switzerland .....	3,171	3,352	2,719	3,086	2,243 <sup>4</sup>	2,452	3,093	3,274	2,486	2,461
18 Turkey .....	1,200	1,543	1,680	1,660	1,594	1,733	1,543	1,495	1,432	1,397
19 United Kingdom .....	62,566	58,335	50,819	50,508 <sup>4</sup>	47,477 <sup>4</sup>	47,319 <sup>4</sup>	51,679	52,084 <sup>4</sup>	51,885	51,658
20 Yugoslavia .....	1,964	1,835	1,700	1,702	1,658	1,618	1,586	1,624	1,559	1,537
21 Other Western Europe <sup>2</sup> .....	998	539	617	725	747	573	598	647	671	520
22 U.S.S.R. .....	130	345	389	380	328	377	339	506	431	466
23 Other Eastern Europe <sup>3</sup> .....	1,107	948	852	790	802	866	851	787 <sup>4</sup>	800	899
24 Canada .....	16,482	21,006	25,288	21,894 <sup>4</sup>	21,121 <sup>4</sup>	22,101 <sup>4</sup>	23,799 <sup>4</sup>	24,639 <sup>4</sup>	23,939	24,046
25 Latin America and Caribbean .....	202,674	208,825	214,641	203,393 <sup>4</sup>	210,445 <sup>4</sup>	200,220 <sup>4</sup>	203,941 <sup>4</sup>	203,208 <sup>4</sup>	206,532	208,732
26 Argentina .....	11,462	12,091	11,996	11,977	12,230 <sup>4</sup>	12,288	12,297	12,365 <sup>4</sup>	12,358	12,241
27 Bahamas .....	58,258	59,342	64,586	57,415	60,636 <sup>4</sup>	54,625	59,251	56,722	62,291	65,574
28 Bermuda .....	499	418	471	311	449 <sup>4</sup>	669	369	818 <sup>4</sup>	501	418
29 Brazil .....	25,283	25,716	25,897	25,905	25,996 <sup>4</sup>	26,042 <sup>4</sup>	26,119	26,230 <sup>4</sup>	26,036	25,917
30 British West Indies .....	38,881	46,284	49,896	47,233 <sup>4</sup>	52,531 <sup>4</sup>	48,212 <sup>4</sup>	48,873 <sup>4</sup>	51,140 <sup>4</sup>	49,745	49,408
31 Chile .....	6,603	6,558	6,308	6,260	6,099	6,132	6,018	5,881	5,778	5,661
32 Colombia .....	3,249	2,821	2,740	2,668	2,652	2,721	3,082	3,095	3,126	3,029
33 Cuba .....	0	0	1	0	0	1	0	0	0	0
34 Ecuador .....	2,390	2,439	2,286	2,238	2,239	2,883	2,197	2,142	2,146	2,158
35 Guatemala <sup>4</sup> .....	194	140	144	140	149	141	149	144	157	148
36 Jamaica <sup>4</sup> .....	224	198	188	191	201	212	177	187	214	184
37 Mexico .....	31,799	30,698	29,532	29,190 <sup>4</sup>	27,967 <sup>4</sup>	27,296 <sup>4</sup>	26,679 <sup>4</sup>	26,177 <sup>4</sup>	26,018	25,822
38 Netherlands Antilles .....	1,340	1,041	980	1,146	1,159	1,304	1,434	1,238	1,055	1,269
39 Panama .....	6,645	5,436	4,744	3,818	3,096 <sup>4</sup>	2,749	2,566	2,492	2,400	2,363
40 Peru .....	1,947	1,661	1,329	1,336	1,277	1,283	1,297	1,149	1,136	1,184
41 Uruguay .....	960	940	968	955	929	913	880	885	878	920
42 Venezuela .....	10,871	11,108	10,838	10,872	11,040 <sup>4</sup>	10,944	10,833	10,912	11,009	10,785
43 Other Latin America and Caribbean .....	2,067	1,936	1,738	1,737 <sup>4</sup>	1,796 <sup>4</sup>	1,805	1,719	1,631 <sup>4</sup>	1,685	1,650
44 Asia .....	66,212	96,126	106,025	106,373 <sup>4</sup>	107,699 <sup>4</sup>	108,395 <sup>4</sup>	113,797 <sup>4</sup>	120,120 <sup>4</sup>	130,313	129,002
45 China .....	639	787	968	887	1,096	1,135 <sup>4</sup>	841	1,065	903	1,017
46 Taiwan .....	1,535	2,681	4,577	3,813	3,554	3,812 <sup>4</sup>	3,805	3,957	3,562	3,231
47 Hong Kong .....	6,797	8,307	8,216	7,940 <sup>4</sup>	8,502 <sup>4</sup>	6,343 <sup>4</sup>	8,356	9,632	7,679	7,439
48 India .....	450	321	510	548	565	542	507	499	1,171	543
49 Indonesia .....	698	723	580	632	645	643	631	695	688	703
50 Israel .....	1,991	1,634	1,363	1,211	1,238	1,284	1,259	1,213	1,206	1,174
51 Japan .....	31,249	59,674	68,628	72,727 <sup>4</sup>	72,256 <sup>4</sup>	75,166 <sup>4</sup>	78,638 <sup>4</sup>	82,361 <sup>4</sup>	93,083	92,428
52 Korea .....	9,226	7,182	5,127	4,777	5,084 <sup>4</sup>	4,781 <sup>4</sup>	4,886 <sup>4</sup>	4,987 <sup>4</sup>	4,892	4,854
53 Philippines .....	2,224	2,217	2,071	1,966	2,074	1,959	2,012	2,055	2,029	2,030
54 Thailand .....	845	578	496	521	541	516	596	641 <sup>4</sup>	668	683
55 Middle East oil-exporting countries <sup>5</sup> .....	4,298	4,122	4,858	3,454	3,538	4,077 <sup>4</sup>	3,541	4,573	6,534	6,185
56 Other Asia .....	6,260	7,901	8,633	7,897	8,606 <sup>4</sup>	8,136	8,725	8,441 <sup>4</sup>	7,897	8,714
57 Africa .....	5,407	4,650	4,742	4,865	4,881	4,879	5,092	5,423	5,493	5,447
58 Egypt .....	721	567	521	469	483	483 <sup>4</sup>	503	605	539	530
59 Morocco .....	575	598	542	490	487	495	483	484	481	490
60 South Africa .....	1,942	1,550	1,507	1,461	1,458	1,439	1,496	1,693	1,726	1,719
61 Zaire .....	20	28	15	82	46	47	42	41	38	36
62 Oil-exporting countries <sup>6</sup> .....	630	694	1,003	1,086	1,141 <sup>4</sup>	1,138 <sup>4</sup>	1,244	1,275	1,340	1,339
63 Other .....	1,520	1,213	1,153	1,276	1,267 <sup>4</sup>	1,276	1,324	1,325	1,369	1,333
64 Other countries .....	3,390	3,294	3,230	2,375	2,499	2,216	2,419	2,551 <sup>4</sup>	2,414	2,290
65 Australia .....	2,413	1,949	2,191	1,430	1,481	1,360	1,413	1,678 <sup>4</sup>	1,554	1,449
66 All other .....	978	1,345	1,039	945	1,019	856	1,006	873 <sup>4</sup>	860	842
67 Nonmonetary international and regional organizations .....	1,030	3,021	3,404	2,224	2,206 <sup>4</sup>	1,362 <sup>4</sup>	1,147	2,545	3,065	3,020

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

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

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

4. Included in "Other Latin America and Caribbean" through March 1978.

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

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

7. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States<sup>1</sup>  
Payable in U.S. Dollars  
Millions of dollars, end of period

Type of claim	1985	1986	1987 <sup>r</sup>	1988						
				Feb. <sup>r</sup>	Mar. <sup>r</sup>	Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July	Aug. <sup>p</sup>
<b>1 Total</b> .....	<b>430,489</b>	<b>478,650</b>	<b>497,464</b>	.....	<b>480,426</b>	.....	.....	<b>495,538</b>	.....	.....
2 Banks' own claims on foreigners .....	401,608	444,745	459,706	441,530	443,416	432,679	450,678	459,411	471,461	471,081
3 Foreign public borrowers .....	60,507	64,095	64,703	62,696	61,906	61,173	61,276	62,711	63,008	62,605
4 Own foreign offices <sup>2</sup> .....	174,261	211,533	224,567	218,666	222,269	211,576	225,498	230,527	240,342	239,733
5 Unaffiliated foreign banks .....	116,654	122,946	127,573	118,461	117,900	117,539	122,447	123,418	127,238	126,881
6 Deposits .....	48,372	57,484	60,490	55,397	55,364	55,984	57,502	58,806	59,790	59,632
7 Other .....	68,282	65,462	67,083	63,064	62,536	61,555	64,945	64,612	67,448	67,249
8 All other foreigners .....	50,185	46,171	42,863	41,707	41,342	42,391	41,458	42,755	40,874	41,862
9 Claims of banks' domestic customers <sup>3</sup> .....	28,881	33,905	37,758	.....	37,009	.....	.....	36,127	.....	.....
10 Deposits .....	3,335	4,413	3,692	.....	5,011	.....	.....	5,538	.....	.....
11 Negotiable and readily transferable instruments <sup>4</sup> .....	19,332	24,044	26,696	.....	23,339	.....	.....	24,120	.....	.....
12 Outstanding collections and other claims .....	6,214	5,448	7,370	.....	8,659	.....	.....	6,468	.....	.....
13 MEMO: Customer liability on acceptances .....	28,487	25,706	23,329	.....	18,684	.....	.....	19,503	.....	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States <sup>3</sup> .....	38,102	43,974 <sup>r</sup>	40,059	43,556	37,807	43,147	44,425	42,221	46,604	n.a.

1. Data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

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

2. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank,

and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

3. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States<sup>1</sup>  
Payable in U.S. Dollars  
Millions of dollars, end of period

Maturity: by borrower and area	1984	1985	1986	1987 <sup>r</sup>		1988	
				Sept.	Dec.	Mar. <sup>r</sup>	June
<b>1 Total</b> .....	<b>243,952</b>	<b>227,903</b>	<b>232,295</b>	<b>237,320</b>	<b>235,037</b>	<b>218,843</b>	<b>226,776</b>
<i>By borrower</i>							
2 Maturity of 1 year or less <sup>2</sup> .....	167,858	160,824	160,555	166,930	163,895	151,998	162,104
3 Foreign public borrowers .....	23,912	26,302	24,842	27,359	26,001	24,253	25,558
4 All other foreigners .....	143,947	134,522	135,714	139,571	137,894	127,745	136,546
5 Maturity over 1 year <sup>2</sup> .....	76,094	67,078	71,740	70,390	71,142	66,845	64,672
6 Foreign public borrowers .....	38,695	34,512	39,103	39,411	38,652	35,836	35,597
7 All other foreigners .....	37,399	32,567	32,637	30,980	32,491	31,009	29,076
<i>By area</i>							
8 Maturity of 1 year or less <sup>2</sup>							
8 Europe .....	58,498	56,585	61,784	62,878	59,068	51,464	54,798
9 Canada .....	6,028	6,401	5,895	5,893	5,684	4,937	6,355
10 Latin America and Caribbean .....	62,791	63,328	56,271	58,390	56,494	55,433	56,049
11 Asia .....	33,504	27,966	29,457	31,535	35,938	35,505	38,935
12 Africa .....	4,442	3,753	2,882	2,871	2,824	2,596	2,914
13 All other <sup>2</sup> .....	2,593	2,791	4,267	5,362	3,887	2,062	3,053
9 Maturity of over 1 year <sup>2</sup>							
14 Europe .....	9,605	7,634	6,737	6,726	6,867	6,040	5,401
15 Canada .....	1,882	1,805	1,925	1,579	2,661	2,239	2,337
16 Latin America and Caribbean .....	56,144	50,674	56,719	55,144	53,817	51,583	49,801
17 Asia .....	5,323	4,502	4,043	3,518	3,668	3,669	3,699
18 Africa .....	2,033	1,538	1,539	1,623	1,747	2,201	2,429
19 All other <sup>2</sup> .....	1,107	926	777	1,801	2,381	1,114	1,006

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<sup>1,2</sup>

Billions of dollars, end of period

Area or country	1984	1985	1986			1987			1988		
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
1 Total	246.4	228.6	381.5 <sup>r</sup>	381.6	385.1 <sup>r</sup>	394.8 <sup>r</sup>	384.6 <sup>r</sup>	387.7 <sup>r</sup>	381.3 <sup>r</sup>	372.3 <sup>r</sup>	353.1 <sup>r</sup>
2 G-10 countries and Switzerland	59.2	57.9	156.4 <sup>r</sup>	154.8	156.6 <sup>r</sup>	162.7	158.1	155.2 <sup>r</sup>	159.9 <sup>r</sup>	156.5 <sup>r</sup>	150.5 <sup>r</sup>
3 Belgium-Luxembourg	2.3	2.1	8.9 <sup>r</sup>	8.3	8.3 <sup>r</sup>	9.1	8.3	8.2	10.1	9.3	9.2
4 France	4.7	4.6	15.0 <sup>r</sup>	14.5	13.7 <sup>r</sup>	13.3	12.5	13.7	13.8	11.5	10.8
5 Germany	.9	.9	11.5	12.4	11.6 <sup>r</sup>	12.7	11.2	10.5	12.6	11.8	10.6 <sup>r</sup>
6 Italy	4.6	4.1	9.0 <sup>r</sup>	7.8	9.0	8.6	7.5	6.6	7.3	7.4	6.1
7 Netherlands	.7	.4	3.4	3.9	4.6	4.4	7.3	4.8	4.1	3.3	3.3
8 Sweden	1.9	1.7	2.9	2.7	2.4	3.0	2.4	2.6	2.1	2.1	1.9
9 Switzerland	.6	.9	5.6	4.7	5.8	5.8	5.7	5.4	5.6	5.1	5.6
10 United Kingdom	28.6	30.3	67.9 <sup>r</sup>	68.8	71.0 <sup>r</sup>	73.7	72.1 <sup>r</sup>	72.1	69.1	71.3 <sup>r</sup>	69.8 <sup>r</sup>
11 Canada	4.4	4.0	6.6 <sup>r</sup>	5.9	5.3 <sup>r</sup>	5.3	4.7	4.7	5.5 <sup>r</sup>	5.0	5.4
12 Japan	10.6	9.0	25.8 <sup>r</sup>	25.8	24.9 <sup>r</sup>	26.9	26.4 <sup>r</sup>	26.6 <sup>r</sup>	29.8 <sup>r</sup>	29.7 <sup>r</sup>	28.0
13 Other developed countries	12.1	9.6	30.2 <sup>r</sup>	28.9	25.7 <sup>r</sup>	25.7	25.2	25.9	26.3 <sup>r</sup>	26.2	23.7 <sup>r</sup>
14 Austria	.3	.4	1.7	1.7	1.7	1.9	1.8	1.9	1.9	1.6	1.6
15 Denmark	.4	.4	2.3 <sup>r</sup>	2.2	1.7	1.7	1.5	1.6	1.7	1.4	1.0
16 Finland	.8	.7	1.6	1.6	1.4	1.4	1.4	1.4	1.3	1.0	1.2
17 Greece	.8	.7	2.6	2.3	2.3	2.1	2.0	1.9	2.0	2.3	2.2
18 Norway	.6	.6	3.0	2.7	2.4	2.2	2.1	2.0	2.3	2.0	2.0
19 Portugal	.9	.7	1.0 <sup>r</sup>	1.0	.8	.8	.8	.8	.5	.4	.4
20 Spain	2.5	1.5	6.4	6.7	5.8	6.3	6.1	7.4	8.0	9.0	7.2
21 Turkey	1.0	.7	2.2 <sup>r</sup>	1.9	1.8 <sup>r</sup>	1.7	1.7	1.5	1.6	1.6	1.5
22 Other Western Europe	.5	.8	2.0 <sup>r</sup>	1.6	1.4	1.4	1.5	1.6	1.6	1.9	1.6
23 South Africa	2.2	1.4	3.0 <sup>r</sup>	3.0	3.0 <sup>r</sup>	3.0	3.0	2.9	2.9	2.8	2.8
24 Australia	2.1	1.7	4.1 <sup>r</sup>	4.2	3.5	3.2	3.1	2.9	2.5	2.1	2.2 <sup>r</sup>
25 OPEC countries <sup>3</sup>	14.0	12.4	20.3 <sup>r</sup>	19.7	19.3 <sup>r</sup>	20.0	18.8	19.0 <sup>r</sup>	17.1	17.1	16.4
26 Ecuador	1.7	1.7	2.1	2.2	2.2	2.1	2.1	2.1 <sup>r</sup>	1.9	1.9	1.8
27 Venezuela	6.5	6.3	8.8	8.7	8.6	8.5	8.4	8.3 <sup>r</sup>	8.1 <sup>r</sup>	8.1 <sup>r</sup>	8.0
28 Indonesia	.6	.6	3.0	2.8	2.5	2.4	2.2	2.0	1.9	1.9	1.8
29 Middle East countries	4.4	3.3	4.7 <sup>r</sup>	4.4	4.3 <sup>r</sup>	5.4	4.4	5.0 <sup>r</sup>	3.6	3.6	3.1
30 African countries	.8	.5	1.7	1.7	1.7	1.6	1.7	1.7	1.7	1.7	1.7
31 Non-OPEC developing countries	72.4	65.6	100.9 <sup>r</sup>	99.1	99.1 <sup>r</sup>	100.3 <sup>r</sup>	100.5 <sup>r</sup>	97.7 <sup>r</sup>	97.7 <sup>r</sup>	94.0	91.2 <sup>r</sup>
<i>Latin America</i>											
32 Argentina	6.3	6.6	9.1 <sup>r</sup>	9.2	9.5	9.5	9.5	9.3	9.4	9.5	9.4
33 Brazil	18.6	17.4	25.3 <sup>r</sup>	25.2	25.2 <sup>r</sup>	26.1 <sup>r</sup>	25.1 <sup>r</sup>	25.1	24.7	23.9	23.7
34 Chile	5.1	4.9	7.1	7.1	7.1	7.2	7.2	7.0	6.9	6.6	6.4
35 Colombia	2.5	2.3	2.1 <sup>r</sup>	1.9	2.1	2.0	1.9	1.9	2.0	1.9	2.1
36 Mexico	18.2	15.5	23.8 <sup>r</sup>	23.9	23.8 <sup>r</sup>	23.9	25.3	24.8 <sup>r</sup>	23.7 <sup>r</sup>	22.5	21.1
37 Peru	1.9	1.5	1.6	1.5	1.4 <sup>r</sup>	1.4	1.3	1.2	1.1	1.1	.9
38 Other Latin America	2.9	2.7	3.3	3.3	3.1	3.0	2.9	2.8	2.7	2.8	2.6
<i>Asia</i>											
39 China											
40 Mainland	.6	.3	.6	.6	.4	.9	.6	.3	.3	.4	.3
41 Taiwan	1.6	1.3	3.7	4.3	4.9	5.5	6.6	6.0 <sup>r</sup>	8.2	6.1	4.7
42 India	.3	.4	1.3	1.3	1.2	1.7	1.7	1.9	1.9	2.1	2.3
43 Israel	1.4	1.3	1.6	1.4	1.5	1.4	1.3	1.3	1.0	1.0	1.0
44 Korea (South)	6.9	6.3	8.4 <sup>r</sup>	7.1	6.6 <sup>r</sup>	6.2	5.6	5.0 <sup>r</sup>	4.9	5.6	5.9
45 Malaysia	.6	.3	1.9 <sup>r</sup>	2.1	2.1	1.9	1.7	1.6	1.5	1.5	1.5
46 Philippines	2.2	1.9	5.7	5.4	5.4	5.4	5.4	5.4	5.1	5.1	4.9
47 Thailand	.6	.5	1.1	1.0	.9	.9	.8	.7	.7	1.0	1.1 <sup>r</sup>
48 Other Asia	.5	.5	.8	.6	.7	.6	.7	.7	.7	.7	.8 <sup>r</sup>
<i>Africa</i>											
49 Egypt	.7	.6	.9	.7	.7	.6	.6	.6	.5	.5	.6
50 Morocco	.5	.5	.9	.9	.9	.9	.9	.8	.9	.9	.9
51 Zaire	.0	.0	.1	.1	.1	.1	.1	.1	.0 <sup>r</sup>	.1	.1
52 Other Africa	.9	.9	1.7	1.6	1.6	1.4	1.3 <sup>r</sup>	1.3	1.3	1.0	1.2
53 Eastern Europe	2.2	2.0	4.0	3.3	3.2	3.0	3.3	3.3	3.0	2.9	3.1
54 U.S.S.R.	.0	.0	.3	.1	.1	.1	.3	.5	.4	.3	.4
55 Yugoslavia	1.3	1.2	2.0	1.9	1.7	1.6	1.7	1.7	1.6	1.7	1.7
56 Other	.9	.7	1.7	1.4	1.4	1.3	1.3	1.2	1.0	.9	1.0
57 Offshore banking centers	84.7	79.3	53.0 <sup>r</sup>	58.3	61.3 <sup>r</sup>	62.8 <sup>r</sup>	60.5 <sup>r</sup>	64.3 <sup>r</sup>	54.1 <sup>r</sup>	54.1 <sup>r</sup>	45.9 <sup>r</sup>
58 Bahamas	48.0	48.6	16.9 <sup>r</sup>	19.6	22.0 <sup>r</sup>	23.8 <sup>r</sup>	19.9 <sup>r</sup>	25.5 <sup>r</sup>	17.1 <sup>r</sup>	18.3 <sup>r</sup>	12.1 <sup>r</sup>
59 Bermuda	.3	.3	.4	.4	.7	.8	.6	.6	.6	.8 <sup>r</sup>	1.0
60 Cayman Islands and other British West Indies	25.9	21.9	10.5 <sup>r</sup>	11.3	12.4 <sup>r</sup>	12.1 <sup>r</sup>	13.9 <sup>r</sup>	12.8 <sup>r</sup>	13.1 <sup>r</sup>	11.7	10.0
61 Netherlands Antilles	1.0	.8	2.2 <sup>r</sup>	1.8	1.8	1.7	1.3	1.2	1.2	1.3	1.2
62 Panama	3.1	2.6	4.2	5.1	4.0 <sup>r</sup>	4.2	3.9	3.7	3.7	3.2	3.0
63 Lebanon	.1	.0	.1	.1	.1	.1	.1	.1	.1	.1	.1
64 Hong Kong	4.3	3.4	9.4 <sup>r</sup>	10.3	11.1 <sup>r</sup>	11.4	12.5	12.3	11.2	11.3	11.7
65 Singapore	2.1	1.8	9.3	9.7	9.2 <sup>r</sup>	8.6	8.3	8.1	7.0	7.4	6.8
66 Others	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.1
67 Miscellaneous and unallocated <sup>7</sup>	1.7	1.8	16.8	17.3	19.8	20.1	18.1	22.3 <sup>r</sup>	23.2	21.5 <sup>r</sup>	22.4

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

2. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches

from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

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

4. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

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

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1984	1985	1986	1987			1988	
				June	Sept.	Dec.	Mar.	June <sup>p</sup>
1 Total .....	29,357	27,825	25,779	29,019	28,669	27,590 <sup>f</sup>	28,840 <sup>f</sup>	29,169
2 Payable in dollars .....	26,389	24,296	21,980	24,565	24,141	22,253 <sup>f</sup>	23,246 <sup>f</sup>	23,763
3 Payable in foreign currencies .....	2,968	3,529	3,800	4,454	4,528	5,337	5,594 <sup>f</sup>	5,406
<i>By type</i>								
4 Financial liabilities .....	14,509	13,600	12,312	14,096	13,034	11,574 <sup>f</sup>	13,066 <sup>f</sup>	12,894
5 Payable in dollars .....	12,553	11,257	9,827	11,197	10,080	8,097 <sup>f</sup>	9,384 <sup>f</sup>	9,397
6 Payable in foreign currencies .....	1,955	2,343	2,485	2,899	2,954	3,477	3,681 <sup>f</sup>	3,497
7 Commercial liabilities .....	14,849	14,225	13,467	14,923	15,635	16,016	15,774 <sup>f</sup>	16,275
8 Trade payables .....	7,005	6,685	6,462	7,286	7,548	7,425	6,601 <sup>f</sup>	6,859
9 Advance receipts and other liabilities .....	7,843	7,540	7,004	7,637	8,086	8,591	9,173 <sup>f</sup>	9,417
10 Payable in dollars .....	13,836	13,039	12,153	13,368	14,061	14,156 <sup>f</sup>	13,862 <sup>f</sup>	14,366
11 Payable in foreign currencies .....	1,013	1,186	1,314	1,555	1,574	1,859	1,912	1,910
<i>By area or country</i>								
<i>Financial liabilities</i>								
12 Europe .....	6,728	7,700	8,079	9,713	9,298	7,794 <sup>f</sup>	8,939 <sup>f</sup>	8,577
13 Belgium-Luxembourg .....	471	349	270	257	230	202	241	267
14 France .....	995	857	661	822	615	364 <sup>f</sup>	365	330
15 Germany .....	489	376	368	402	505	583	586	622
16 Netherlands .....	590	861	704	669	641	1,014	1,013	1,008
17 Switzerland .....	569	610	646	655	685	493	652 <sup>f</sup>	705
18 United Kingdom .....	3,297	4,305	5,140	6,646	6,357	4,946	5,900 <sup>f</sup>	5,471
19 Canada .....	863	839	399	441	397	400	467	458
20 Latin America and Caribbean .....	5,086	3,184	1,961	1,744	961	847	1,195	1,192
21 Bahamas .....	1,926	1,123	614	398	280	278	249	211
22 Bermuda .....	13	4	4	0	0	0	0	0
23 Brazil .....	35	29	32	22	22	25	23	19
24 British West Indies .....	2,103	1,843	1,163	1,223	580	476	824	896
25 Mexico .....	367	15	22	29	17	13	15	26
26 Venezuela .....	137	3	0	2	3	0	2	0
27 Asia .....	1,777	1,815	1,805	2,131	2,300	2,429	2,379	2,591
28 Japan .....	1,209	1,198	1,398	1,751	1,830	2,042	1,987	2,063
29 Middle East oil-exporting countries <sup>2</sup> .....	155	82	8	7	7	8	12	11
30 Africa .....	14	12	1	1	2	4	5	2
31 Oil-exporting countries <sup>3</sup> .....	0	0	1	0	0	1	3	1
32 All other <sup>4</sup> .....	41	50	67	66	76	100	80	73
<i>Commercial liabilities</i>								
33 Europe .....	4,001	4,074	4,447	4,966	4,951	5,626	5,757 <sup>f</sup>	5,810
34 Belgium-Luxembourg .....	48	62	101	111	59	125	148 <sup>f</sup>	150
35 France .....	438	453	352	423	437	451	441	433
36 Germany .....	622	607	714	585	674	916	817	798
37 Netherlands .....	245	364	424	324	336	421	484 <sup>f</sup>	535
38 Switzerland .....	257	379	387	557	556	559	529	455
39 United Kingdom .....	1,095	976	1,341	1,380	1,473	1,668	1,798	1,850
40 Canada .....	1,975	1,449	1,405	1,371	1,399	1,301	1,393	1,169
41 Latin America and Caribbean .....	1,871	1,088	924	1,069	1,082	865	937 <sup>f</sup>	1,008
42 Bahamas .....	7	12	32	13	22	19	17	64
43 Bermuda .....	114	77	156	266	252	168	325	274
44 Brazil .....	124	58	61	88	40	46	59	54
45 British West Indies .....	32	44	49	67	47	19	14	28
46 Mexico .....	586	430	217	214	231	189	164 <sup>f</sup>	238
47 Venezuela .....	636	212	216	203	176	162	85 <sup>f</sup>	111
48 Asia .....	5,285	6,046	5,091	5,919	6,511	6,573	5,899 <sup>f</sup>	6,272
49 Japan .....	1,256	1,799	2,052	2,481	2,422	2,580	2,509 <sup>f</sup>	2,660
50 Middle East oil-exporting countries <sup>2,5</sup> .....	2,372	2,829	1,679	1,867	2,104	1,964	1,069 <sup>f</sup>	1,321
51 Africa .....	588	587	619	524	572	574	576 <sup>f</sup>	623
52 Oil-exporting countries <sup>3</sup> .....	233	238	197	166	151	135	159 <sup>f</sup>	115
53 All other <sup>4</sup> .....	1,128	982	980	1,074	1,119	1,078	1,212 <sup>f</sup>	1,394

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<sup>1</sup>

Millions of dollars, end of period

Type, and area or country	1984	1985	1986	1987			1988	
				June	Sept. <sup>f</sup>	Dec. <sup>f</sup>	Mar.	June <sup>g</sup>
1 Total	29,901	28,876	36,248 <sup>f</sup>	33,578 <sup>f</sup>	33,209	32,285	31,389	38,452
2 Payable in dollars	27,304	26,574	33,850 <sup>f</sup>	30,597 <sup>f</sup>	30,648	29,192	29,410	36,524
3 Payable in foreign currencies	2,597	2,302	2,399 <sup>f</sup>	2,981 <sup>f</sup>	2,561	3,093	1,979	1,928
<i>By type</i>								
4 Financial claims	19,254	18,891	26,273 <sup>f</sup>	23,686 <sup>f</sup>	22,857	21,747	20,606	26,902
5 Deposits	14,621	15,526	19,916 <sup>f</sup>	16,014 <sup>f</sup>	17,286	15,535	13,205	19,974
6 Payable in dollars	14,202	14,911	19,331 <sup>f</sup>	14,775 <sup>f</sup>	16,377	14,089	12,650	19,283
7 Payable in foreign currencies	420	615	585 <sup>f</sup>	1,238 <sup>f</sup>	908	1,447	555	691
8 Other financial claims	4,633	3,364	6,357 <sup>f</sup>	7,673 <sup>f</sup>	5,572	6,212	7,400	6,928
9 Payable in dollars	3,190	2,330	5,005 <sup>f</sup>	6,391 <sup>f</sup>	4,447	5,099	6,349	6,126
10 Payable in foreign currencies	1,442	1,035	1,352 <sup>f</sup>	1,282 <sup>f</sup>	1,124	1,113	1,051	803
11 Commercial claims	10,646	9,986	9,975	9,892	10,352	10,537	10,784	11,550
12 Trade receivables	9,177	8,696	8,783	8,848 <sup>f</sup>	9,399	9,530	9,726	10,592
13 Advance payments and other claims	1,470	1,290	1,192	1,043	953	1,007	1,057	958
14 Payable in dollars	9,912	9,333	9,513	9,431	9,824	10,005	10,410	11,116
15 Payable in foreign currencies	735	652	462	461	528	533	373	434
<i>By area or country</i>								
<i>Financial claims</i>								
16 Europe	5,762	6,929	10,744 <sup>f</sup>	11,468 <sup>f</sup>	10,785	10,666	10,340	12,532
17 Belgium-Luxembourg	15	10	41	6	26	6	15	15
18 France	126	184	138	169	171	359	328	174
19 Germany	224	223	116 <sup>f</sup>	96 <sup>f</sup>	103	72	85	145
20 Netherlands	66	161	151	140	157	348	334	333
21 Switzerland	66	74	185	98	44	76	56	81
22 United Kingdom	4,864	6,007	9,855 <sup>f</sup>	10,745 <sup>f</sup>	10,074	9,561	9,276	11,410
23 Canada	3,988	3,260	4,808 <sup>f</sup>	3,712	3,294	3,294	2,840	3,009
24 Latin America and Caribbean	8,216	7,846	9,291 <sup>f</sup>	7,638 <sup>f</sup>	7,579	6,831	6,511	10,865
25 Bahamas	3,306	2,698	2,628	2,589	3,299	1,804	2,268	4,121
26 Bermuda	6	6	6	6	2	7	43	126
27 Brazil	100	78	86 <sup>f</sup>	115 <sup>f</sup>	113	64	86	46
28 British West Indies	4,043	4,571	6,078	4,429 <sup>f</sup>	3,716	4,439	3,580	6,062
29 Mexico	215	180	174	168 <sup>f</sup>	174	172	154	147
30 Venezuela	125	48	21	20	18	19	35	23
31 Asia	961	731	1,317 <sup>f</sup>	789	1,105	830	841	415
32 Japan	353	475	999	452	737	550	673	184
33 Middle East oil-exporting countries <sup>3</sup>	13	4	7	6	10	10	8	6
34 Africa	210	103	85	59 <sup>f</sup>	71	65	53	61
35 Oil-exporting countries <sup>3</sup>	85	29	28	9	14	7	7	10
36 All other <sup>4</sup>	117	21	28 <sup>f</sup>	20 <sup>f</sup>	24	61	21	20
<i>Commercial claims</i>								
37 Europe	3,801	3,533	3,708	3,845	4,120	4,132	4,135	4,821
38 Belgium-Luxembourg	165	175	133	137	169	179	192	159
39 France	440	426	414	439	416	595	485	605
40 Germany	374	346	444	526	550	560	629	767
41 Netherlands	335	284	164	172	190	133	151	173
42 Switzerland	271	284	217	187	206	185	173	263
43 United Kingdom	1,063	898	999	1,074	1,228	1,086	1,084	1,299
44 Canada	1,021	1,023	934	1,046	1,051	931	1,167	947
45 Latin America and Caribbean	2,052	1,753	1,857	1,727 <sup>f</sup>	1,711	1,912	1,963	2,095
46 Bahamas	8	13	28	14	12	19	14	13
47 Bermuda	115	93	193	169	143	159	171	174
48 Brazil	214	206	234	204 <sup>f</sup>	231	226	215	234
49 British West Indies	7	6	39	19	20	26	24	25
50 Mexico	583	510	412	347 <sup>f</sup>	369	366	371	399
51 Venezuela	206	157	237	204 <sup>f</sup>	192	298	322	345
52 Asia	3,073	2,982	2,755	2,642	2,800	2,919	2,867	3,010
53 Japan	1,191	1,016	881	952	1,027	1,160	1,109	1,168
54 Middle East oil-exporting countries <sup>3</sup>	668	638	563	452	434	450	412	450
55 Africa	470	437	500	378	407	401	420	421
56 Oil-exporting countries <sup>3</sup>	134	130	139	123	124	144	157	137
57 All other <sup>4</sup>	229	257	222	255	262	241	231	257

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1986	1987	1988							
			Jan.-Aug.	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>p</sup>
U.S. corporate securities										
STOCKS										
1 Foreign purchases	148,114	249,113	132,500	16,344	18,068	15,022	13,654	20,007	19,207	17,275
2 Foreign sales	129,395	232,849	131,285	16,720	18,482	13,705	14,723	19,678	18,383	16,704
3 Net purchases, or sales (-)	18,719	16,264	1,215	-376	-414	1,317	-1,069	329	824	572
4 Foreign countries	18,927	16,313	1,228	-344	-444	1,300	-976	287	793	548
5 Europe	9,559	1,928	-1,028	-323	-360	481	-1,151	33	227	287
6 France	459	905	-220	-29	-7	-1	-153	121	-34	-21
7 Germany	341	-74	209	-37	171	104	-66	-36	-3	-9
8 Netherlands	936	892	-465	59	-223	-145	-43	-56	20	-5
9 Switzerland	1,560	-1,123	-989	-252	-32	-17	-247	-204	-90	-37
10 United Kingdom	4,826	630	-246	-130	-331	429	-711	146	253	234
11 Canada	816	1,048	310	-167	-61	241	102	-172	58	162
12 Latin America and Caribbean	3,031	1,314	464	261	98	230	-82	-116	58	159
13 Middle East <sup>1</sup>	976	-1,360	-1,467	-251	-788	24	62	-549	-159	91
14 Other Asia	3,876	12,896	2,612	70	577	372	106	1,039	518	-228
15 Africa	297	123	158	-18	5	19	23	3	78	41
16 Other countries	373	365	179	85	84	-67	-35	51	13	36
17 Nonmonetary international and regional organizations	-208	-48	-13	-33	31	17	-92	42	31	23
BONDS <sup>2</sup>										
18 Foreign purchases	123,169	105,836	55,289	6,453	7,799	5,618	7,810	8,341	8,277	5,966
19 Foreign sales	72,520	78,312	38,374	6,039	5,594	4,433	3,518	4,590 <sup>r</sup>	5,064	3,942
20 Net purchases, or sales (-)	50,648	27,544	16,915	414	2,206	1,185	4,292	3,751 <sup>r</sup>	3,213	2,024
21 Foreign countries	49,801	26,804	17,436	532	2,201	1,186	4,262	3,569 <sup>r</sup>	3,190	2,039
22 Europe	39,313	21,989	10,543	263	1,462	658	2,256	2,203 <sup>r</sup>	1,744	1,684
23 France	389	194	124	13	57	7	-18	15	-7	5
24 Germany	-251	33	1,197	118	260	347	11	226	8	166
25 Netherlands	387	269	366	-1	30	58	180	55	17	41
26 Switzerland	4,529	1,587	0	60	-14	-15	152	-71	-139	84
27 United Kingdom	33,900	19,770	8,286	49	976	228	1,886	1,738	1,685	1,390
28 Canada	548	1,296	662	-29	87	104	98	216	130	27
29 Latin America and Caribbean	1,476	2,473	1,378	316	245	100	134	158 <sup>r</sup>	255	194
30 Middle East <sup>1</sup>	-2,961	-548	-428	-76	144	-61	10	-92	-102	-88
31 Other Asia	11,270	1,638	5,312	88	270	377	1,749	1,075	1,153	254
32 Africa	16	16	-13	-22	3	4	-2	4	0	-1
33 Other countries	139	-61	19	-8	-11	5	17	5	10	-33
34 Nonmonetary international and regional organizations	847	740	-521	-119	5	-1	31	182	23	-14
Foreign securities										
35 Stocks, net purchases, or sales (-)	-1,853	1,149	-604	-678	-724	372	905 <sup>r</sup>	-154 <sup>r</sup>	-86	-749
36 Foreign purchases	49,149	95,263	48,506	5,717	6,693	5,797	5,964	6,404	7,050	5,893
37 Foreign sales	51,002	94,114	49,111	6,396	7,417	5,425	5,059 <sup>r</sup>	6,558 <sup>r</sup>	7,136	6,642
38 Bonds, net purchases, or sales (-)	-3,685	-7,830	-4,888	-1,433	-1,179	-137	873	-708 <sup>r</sup>	-657	-321
39 Foreign purchases	166,992	199,010 <sup>r</sup>	129,207	15,858	16,561	15,593	15,119	17,013 <sup>r</sup>	19,219	17,033
40 Foreign sales	170,677	206,845 <sup>r</sup>	134,095	17,291	17,740	15,730	14,246	17,721	19,876	17,354
41 Net purchases, or sales (-), of stocks and bonds	-5,538	-6,687 <sup>r</sup>	-5,493	-2,111	-1,903	235	1,778 <sup>r</sup>	-863	-743	-1,071
42 Foreign countries	-6,493	-6,718 <sup>r</sup>	-5,806	-2,131	-1,944	179	1,562 <sup>r</sup>	-774	-718	-1,100
43 Europe	-18,026	-12,088 <sup>r</sup>	-5,339	-1,627	-1,541	483	681 <sup>r</sup>	-1,185 <sup>r</sup>	-474	-1,351
44 Canada	-876	-4,065	-2,528	-648	-366	-406	-162	-186	-319	213
45 Latin America and Caribbean	3,476	828	1,279	-64	138	538	322	301	-48	-34
46 Asia	10,858	9,338	688	37	-154	-407	696 <sup>r</sup>	557 <sup>r</sup>	263	-108
47 Africa	52	89	122	3	48	14	-1	1	11	37
48 Other countries	-1,977	-820	-28	169	-70	-43	24	-262	-151	143
49 Nonmonetary international and regional organizations	955	31	313	20	41	56	216	-89	-26	30

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).  
 2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

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

Millions of dollars

Country or area	1986	1987	1988							
			Jan.- Aug. <sup>p</sup>	Feb.	Mar.	Apr.	May	June	July	Aug. <sup>p</sup>
Transactions, net purchases or sales (-) during period <sup>1</sup>										
1 Estimated total <sup>2</sup> .....	19,388	25,587	39,673	12,083	9,980	3,433	11,062	-2,162	905	-274
2 Foreign countries <sup>2</sup> .....	20,491	30,889	40,068	12,832	9,017	3,728	9,972	-3,337	2,156	-40
3 Europe <sup>2</sup> .....	16,326	23,716	13,589	5,878	3,471	2,332	3,108	-3,226	-1,460	-836
4 Belgium-Luxembourg .....	-245	653	1,216	242	454	47	159	-68	122	-209
5 Germany <sup>2</sup> .....	7,670	13,330	-3,484	1,397	919	1,576	79	-4,241	-4,240	-2,020
6 Netherlands .....	1,283	-913	-420	334	378	117	-22	-796	312	-406
7 Sweden .....	132	210	-513	26	-245	-93	104	-232	-187	175
8 Switzerland <sup>2</sup> .....	329	1,917	554	-1,188	643	344	-309	654	-51	344
9 United Kingdom .....	4,546	3,975	6,949	4,373	-244	97	1,523	47	837	416
10 Other Western Europe .....	2,613	4,563	9,263	678	1,570	238	1,560	1,420	1,755	863
11 Eastern Europe .....	0	-19	23	16	-3	5	14	-10	-9	0
12 Canada .....	881	4,526	2,875	559	372	133	1,415	669	-314	-315
13 Latin America and Caribbean .....	926	-2,192	591	630	198	75	360	-580	0	-312
14 Venezuela .....	-96	150	-93	-1	20	15	1	2	-2	-128
15 Other Latin America and Caribbean .....	1,130	-1,142	581	320	169	97	-17	63	57	-292
16 Netherlands Antilles .....	-108	-1,200	103	311	10	-36	376	-645	-55	108
17 Asia .....	1,345	4,488	21,236	5,921	5,463	713	4,476	-382	3,246	1,027
18 Japan .....	-22	868	20,305	4,996	4330	687	2,820	-52	3,006	1,539
19 Africa .....	-54	-56	-27	25	5	0	-13	-1	-10	5
20 All other .....	1,067	407	1,805	-182	-492	475	626	183	694	391
21 Nonmonetary international and regional organizations .....	-1,104	-5,300	-397	-748	963	-295	1,090	1,174	-1,252	-235
22 International .....	-1,430	-4,387	13	-879	968	-334	1,155	1,546	-1,137	-282
23 Latin American regional .....	157	3	-51	-2	-5	0	7	-38	-14	-8
Memo										
24 Foreign countries <sup>2</sup> .....	20,491	30,889	40,068	12,832	9,017	3,728	9,972	-3,337	2,156	-40
25 Official institutions .....	14,214	31,064	23,089	7,169	8,135 <sup>4</sup>	3,075	5,062	-1,658	-2,362	-1,450
26 Other foreign <sup>2</sup> .....	6,283	-181	16,981	5,663	882 <sup>4</sup>	653	4,910	-1,678	4,518	1,411
Oil-exporting countries										
27 Middle East <sup>3</sup> .....	-1,529	-3,142	-83	-296	578	514	-612	-201	295	449
28 Africa <sup>3</sup> .....	5	16	1	0	0	0	0	0	0	0

1. Estimated official and private transactions in marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

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

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

## 3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Oct. 31, 1988		Country	Rate on Oct. 31, 1988		Country	Rate on Oct. 31, 1988	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria .....	4.0	Aug. 1988	France <sup>1</sup> .....	7.25	Oct. 1988	Norway .....	8.0	June 1983
Belgium .....	7.5	Aug. 1988	Germany, Fed. Rep. of ...	3.5	Aug. 1988	Switzerland .....	3.0	Aug. 1988
Brazil .....	49.0	Mar. 1981	Italy .....	12.5	Aug. 1988	United Kingdom <sup>2</sup> .....	8.0	Oct. 1985
Canada .....	10.51	Oct. 1988	Japan .....	2.5	Feb. 1987	Venezuela .....		
Denmark .....	7.0	Oct. 1983	Netherlands .....	4.0	Aug. 1988			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts

or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

## 3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

Country, or type	1985	1986	1987	1988						
				Apr.	May	June	July	Aug.	Sept.	Oct.
1 Eurodollars .....	8.27	6.70	7.07	7.05	7.40	7.61	8.09	8.47	8.31	8.51
2 United Kingdom .....	12.16	10.87	9.65	8.25	8.00	8.91	10.45	11.29	12.09	11.94
3 Canada .....	9.64	9.18	8.38	8.90	9.07	9.44	9.42	9.92	10.48	10.48
4 Germany .....	5.40	4.58	3.97	3.37	3.51	3.88	4.88	5.28	4.93	5.03
5 Switzerland .....	4.92	4.19	3.67	1.83	2.23	2.82	3.67	3.57	3.34	3.62
6 Netherlands .....	6.29	5.56	5.24	3.98	4.07	4.10	4.85	4.50	5.51	5.35
7 France .....	9.91	7.68	8.14	7.99	7.81	7.27	7.32	7.58	7.86	7.87
8 Italy .....	14.86	12.60	11.15	10.54	10.57	10.90	11.02	11.02	11.27	11.30
9 Belgium .....	9.60	8.04	7.01	6.08	6.05	6.04	6.84	7.25	7.39	7.24
10 Japan .....	6.47	4.96	3.87	3.80	3.80	3.82	3.84	3.98	4.15	4.26

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES<sup>1</sup>

Currency units per dollar

Country/currency	1985	1986	1987	1988					
				May	June	July	Aug.	Sept.	Oct.
1 Australia/dollar <sup>2</sup>	70.026	67.093	70.136	77.74	80.76	80.00	80.57	79.15	80.96
2 Austria/schilling	20.676	15.260	12.649	11.912	12.380	12.991	13.281	13.135	12.777
3 Belgium/franc	59.336	44.662	37.357	35.381	36.786	38.649	39.562	39.149	38.077
4 Canada/dollar	1.3658	1.3896	1.3259	1.2373	1.2176	1.2075	1.2237	1.2267	1.2055
5 China, P.R./yuan	2.9434	3.4615	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314
6 Denmark/krone	10.598	8.0954	6.8477	6.4938	6.6893	7.0266	7.2280	7.1764	7.0055
7 Finland/markka	6.1971	5.0721	4.4036	4.0297	4.1761	4.3896	4.4720	4.4282	4.3041
8 France/franc	8.9799	6.9256	6.0121	5.7348	5.9310	6.2241	6.3919	6.3515	6.1975
9 Germany/deutsche mark	2.9419	2.1704	1.7981	1.6935	1.7579	1.8466	1.8880	1.8668	1.8165
10 Greece/drachma	138.40	139.93	135.47	135.75	140.69	147.85	151.62	151.47	148.71
11 Hong Kong/dollar	7.7911	7.8037	7.7985	7.8156	7.8073	7.8135	7.8050	7.8106	7.8133
12 India/rupee	12.332	12.597	12.943	13.315	13.785	14.079	14.217	14.490	14.720
13 Ireland/punt <sup>2</sup>	106.62	134.14	148.79	157.78	152.65	145.49	142.17	143.60	147.30
14 Italy/lira	1908.90	1491.16	1297.03	1258.81	1305.56	1367.26	1397.93	1393.15	1353.36
15 Japan/yen	238.47	168.35	144.60	124.79	127.47	133.02	133.77	134.32	128.68
16 Malaysia/ringgit	2.4806	2.5830	2.5185	2.5847	2.5860	2.6267	2.6520	2.6643	2.6785
17 Netherlands/guilder	3.3184	2.4484	2.0263	1.8987	1.9767	2.0827	2.1319	2.1063	2.0486
18 New Zealand/dollar <sup>2</sup>	49.752	52.456	59.327	68.889	69.996	66.832	64.815	61.480	62.113
19 Norway/krone	8.5933	7.3984	6.7408	6.1875	6.3951	6.7207	6.9016	6.9150	6.7400
20 Portugal/escudo	172.07	149.80	141.20	138.44	143.54	150.42	153.72	154.18	150.13
21 Singapore/dollar	2.2008	2.1782	2.1059	2.0109	2.0285	2.0459	2.0417	2.0409	2.0202
22 South Africa/rand	2.2343	2.2918	2.0385	2.2114	2.2716	2.3985	2.4531	2.4575	2.4662
23 South Korea/won	861.89	884.61	825.93	739.44	732.88	728.67	725.74	723.00	712.72
24 Spain/peseta	169.98	140.04	123.54	112.04	116.25	122.27	124.122	124.36	120.02
25 Sri Lanka/rupee	27.187	27.933	29.471	30.993	31.133	31.782	32.807	32.953	32.989
26 Sweden/krona	8.6031	7.1272	6.3468	5.9091	6.1074	6.3542	6.4878	6.4448	6.2694
27 Switzerland/franc	2.4551	1.7979	1.4918	1.4111	1.4629	1.5343	1.5837	1.5763	1.5372
28 Taiwan/dollar	39.889	37.837	31.756	28.666	28.723	28.726	28.693	28.914	28.880
29 Thailand/baht	27.193	26.314	25.774	25.170	25.280	25.523	25.560	25.548	25.365
30 United Kingdom/pound <sup>2</sup>	129.74	146.77	163.98	186.95	177.68	170.51	169.65	168.40	173.87
MEMO									
31 United States/dollar <sup>3</sup>	143.01	112.22	96.94	89.74	92.58	96.53	98.29	97.91	95.10

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of 10 industrial countries. The weight for each of the 10 countries is the 1972-76 average world trade of that country divided by the average world trade of all 10 countries combined. Series revised as of August 1978 (see FEDERAL RESERVE BULLETIN, vol. 64, August 1978, p. 700).

# Guide to Tabular Presentation, Statistical Releases, and Special Tables

## GUIDE TO TABULAR PRESENTATION

### Symbols and Abbreviations

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

### General Information

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

## STATISTICAL RELEASES

### List Published Semiannually, with Latest Bulletin Reference

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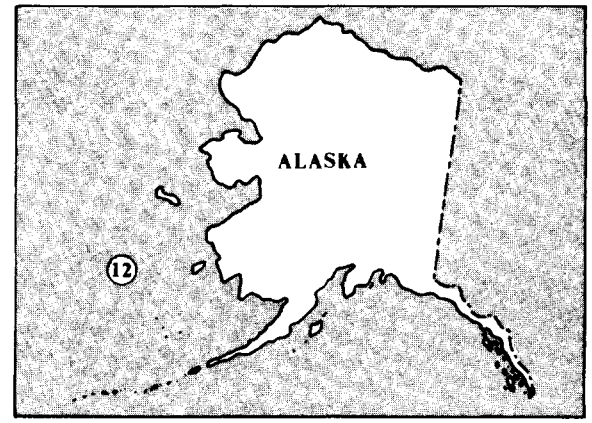
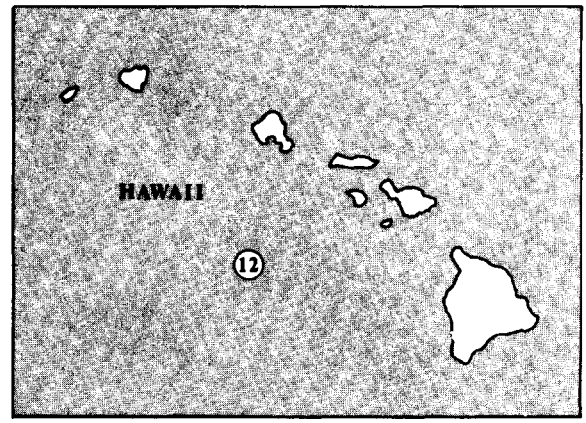
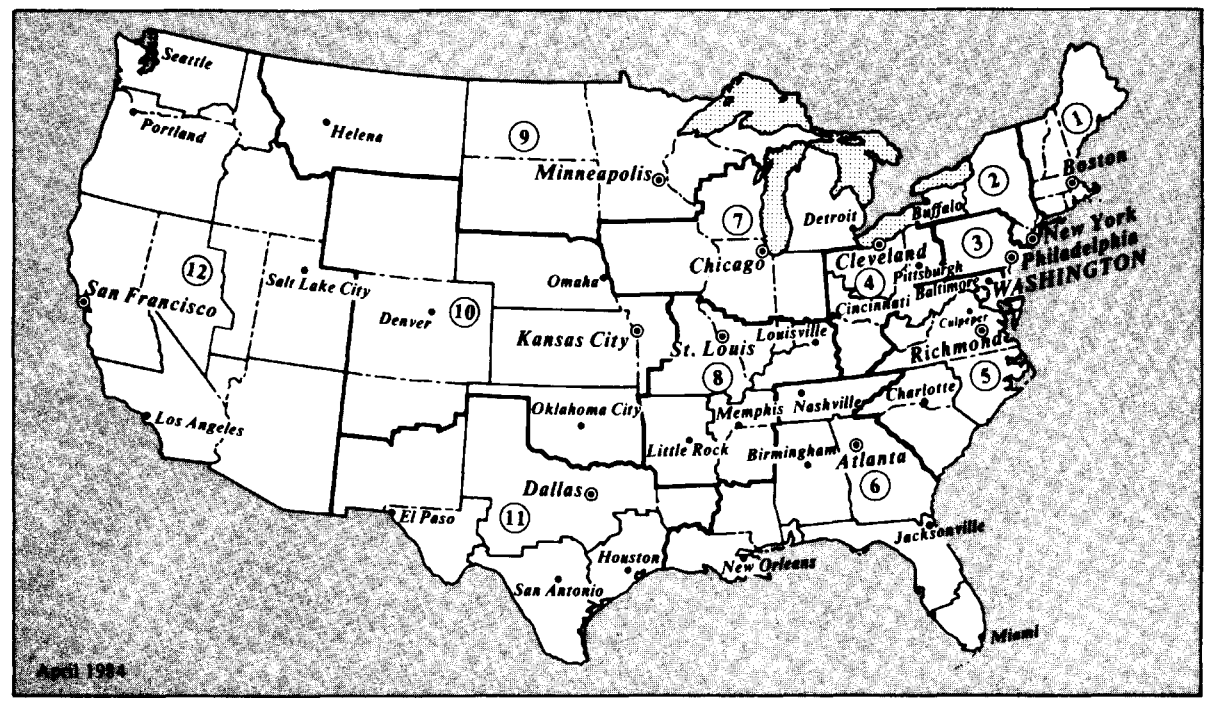
FEDERAL RESERVE BANK branch, or <i>facility</i>	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
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NEW YORK*..... 10045	John R. Opel Ellen V. Futter	E. Gerald Corrigan James H. Oltman	John T. Keane
Buffalo..... 14240	Mary Ann Lambertsen		
PHILADELPHIA..... 19105	Nevius M. Curtis Peter A. Benoliel	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*..... 44101	Charles W. Parry John R. Miller	W. Lee Hoskins William H. Hendricks	
Cincinnati..... 45201	Owen B. Butler		Charles A. Cerino <sup>1</sup>
Pittsburgh..... 15230	James E. Haas		Harold J. Swart <sup>1</sup>
RICHMOND*..... 23219	Robert A. Georgine Hanne M. Merriman	Robert P. Black Jimmie R. Monhollon	
Baltimore..... 21203	Thomas R. Shelton		Robert D. McTeer, Jr. <sup>1</sup>
Charlotte..... 28230	G. Alex Bernhardt		Albert D. Tinkelenberg <sup>1</sup> John G. Stoides <sup>1</sup>
ATLANTA..... 30303	Bradley Currey, Jr. Larry L. Prince	Robert P. Forrestal Jack Guynn	Delmar Harrison <sup>1</sup> Fred R. Herr <sup>1</sup>
Birmingham..... 35283	Roy D. Terry		James D. Hawkins <sup>1</sup>
Jacksonville..... 32231	E. William Nash, Jr.		James Curry III
Miami..... 33152	Sue McCourt Cobb		Donald E. Nelson
Nashville..... 37203	Condon S. Bush		Robert J. Musso
New Orleans..... 70161	Sharon A. Perlis		
CHICAGO*..... 60690	Robert J. Day Marcus Alexis	Silas Keehn Daniel M. Doyle	
Detroit..... 48231	Richard T. Lindgren		Roby L. Sloan <sup>1</sup>
ST. LOUIS..... 63166	Robert L. Virgil, Jr. H. Edwin Trusheim	Thomas C. Melzer James R. Bowen	
Little Rock..... 72203	James R. Rodgers		John F. Breen
Louisville..... 40232	Lois H. Gray		Howard Wells
Memphis..... 38101	Sandra B. Sanderson		Paul I. Black, Jr.
MINNEAPOLIS..... 55480	Michael W. Wright John A. Rollwagen	Gary H. Stern Thomas E. Gainor	
Helena..... 59601	Marcia S. Anderson		Robert F. McNellis
KANSAS CITY..... 64198	Irvine O. Hockaday, Jr. Fred W. Lyons, Jr.	Roger Guffey Henry R. Czerwinski	
Denver..... 80217	James C. Wilson		Kent M. Scott
Oklahoma City..... 73125	Patience S. Latting		David J. France
Omaha..... 68102	Kenneth L. Morrison		Harold L. Shewmaker
DALLAS..... 75222	Bobby R. Inman Hugh G. Robinson	Robert H. Boykin William H. Wallace	
El Paso..... 79999	Peyton Yates		Tony J. Salvaggio <sup>1</sup>
Houston..... 77252	Walter M. Mischer, Jr.		Sammie C. Clay
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Salt Lake City..... 84125	Don M. Wheeler		Angelo S. Carella <sup>1</sup>
Seattle..... 98124	Carol A. Nygren		E. Ronald Liggett <sup>1</sup> Gerald R. Kelly <sup>1</sup>

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

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

# The Federal Reserve System

## Boundaries of Federal Reserve Districts and Their Branch Territories



### LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility

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# Publications of Interest

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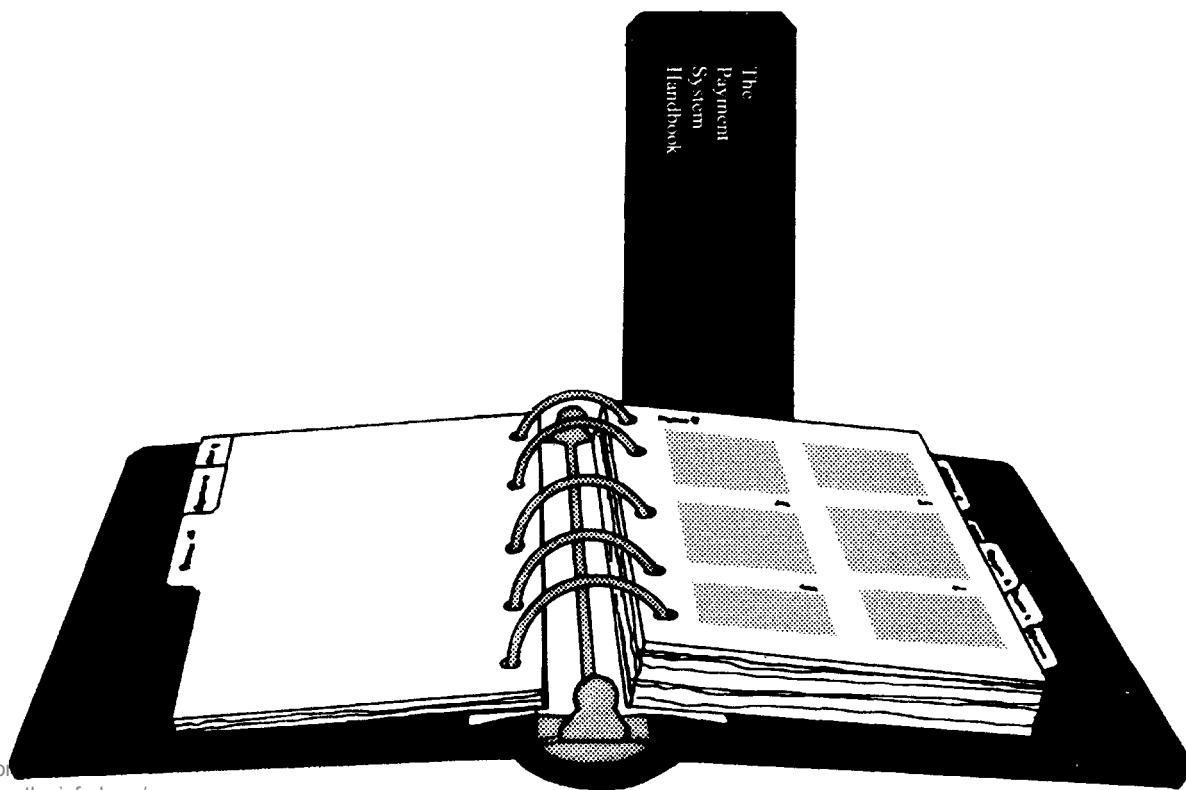
## *NEW HANDBOOK AVAILABLE FROM THE REGULATORY SERVICE*

The Federal Reserve Board has announced publication of *The Payment System Handbook*. The new handbook, which is part of the *Federal Reserve Regulatory Service*, deals with expedited funds availability, check collection, wire transfers, and risk-reduction policy. It includes Regulation CC (Availability of Funds and Collection of Checks), Regulation J (Collection of Checks and Other Items and Wire Transfers of Funds by Federal Reserve Banks), the Expedited Funds Availability Act and related statutes, official Board commentary on Regulation CC, and policy statements on risk reduction in the payment system. In addition, it contains detailed subject and citation indexes. It is published in loose-leaf binder form and is updated monthly.

To promote public understanding of its regulatory functions, the Board publishes the *Federal Reserve Regulatory Service*, a three-volume loose-leaf service

containing all Board regulations and related statutes, interpretations, policy statements, rulings, and staff opinions. For those with a more specialized interest in the Board's regulations, parts of this service are published separately as handbooks pertaining to monetary policy, securities credit, consumer affairs, and, available for the first time in September 1988, *The Payment System Handbook*.

For domestic subscribers, the annual rate for *The Payment System Handbook* is \$75. For subscribers outside the United States, the price, including additional air mail costs, is \$90. For the *Federal Reserve Regulatory Service*, not including handbooks, the annual rate is \$200 for domestic subscribers and \$250 for subscribers outside the United States. All subscription requests must be accompanied by a check payable to "Board of Governors of the Federal Reserve System." Orders should be addressed to Board of Governors of the Federal Reserve System, P.O. Box 27531, Richmond, Virginia, 23261-7531.



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# Publications of Interest

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## FEDERAL RESERVE CONSUMER CREDIT PUBLICATIONS

The Federal Reserve Board publishes a series of pamphlets covering individual credit laws and topics, as pictured below. The series includes such subjects as how the Equal Credit Opportunity Act protects women against discrimination in their credit dealings, how to use a credit card, and how to resolve a billing error.

The Board also publishes the *Consumer Handbook to Credit Protection Laws*, a complete guide to consumer credit protections. This 44-page booklet explains how to use the credit laws to shop for credit, apply for it, keep up credit ratings, and complain about an unfair deal.

Protections offered by the Electronic Fund Transfer Act are explained in *Alice in Debitland*. This booklet offers tips for those using the new "paperless" systems for transferring money.

Three booklets on the mortgage process are also available: *A Consumer's Guide to Mortgage Refinancing*, *A Consumer's Guide to Mortgage Lock-Ins*, and *A Consumer's Guide to Mortgage Closings*. These booklets were prepared in conjunction with the Federal Home Loan Bank Board and in consultation with other federal agencies and trade and consumer groups.

Copies of consumer publications are available free of charge from Publications Services, Mail Stop 138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Multiple copies for classroom use are also available free of charge.

