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Firms moved quickly to reduce payrolls and cut production after mid-September; manufacturing and industries related to travel, hospitality, and entertainment bore the brunt of the downturn. Consumer spending, however, remained surprisingly solid over the final three months of the year in the face of enormous economic uncertainty, widespread job losses, and further deterioration of household balance sheets from the sharp drop in equity prices immediately following September 11. With businesses having positioned themselves to absorb a falloff of demand, the surprising strength in household spending late in the year resulted in a dramatic liquidation of inventories. In the end, real GDP posted a much better performance than had been anticipated in the immediate aftermath of the attacks.

More recently, there have been encouraging signs that economic activity is beginning to firm. The FOMC left its target for the federal funds rate unchanged in its meeting in January 2002, but reflecting a concern that growth could be

weaker than the economy's potential for a time, the Committee retained its assessment that the balance of risks were tilted unacceptably toward economic weakness. The extent and persistence of any recovery in production will, of course, depend critically on the trajectory of final demand in the period ahead, a period in which the economy faces considerable risk of subpar economic performance.

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Measured fourth quarter to fourth quarter, increases in rates of industrial output and capacity have been revised downward from rates previously reported for 1999 and 2000. The revision places the decline in industrial output in 2001 at an annual rate of 6.0 percent. The estimated rate of increase in capacity in 2001 was lowered by 0.7 percentage point, to 1.7 percent. The rate of industrial capacity utilization as of the third quarter of 2001 was little changed by the revision; at 74.6 percent in the fourth quarter of 2001, the rate is 4 percentage points below the nadir of the 1990–91 recession but 3 percentage points above that of the 1982 recession.

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Monetary Policy Report to the Congress

Report submitted to the Congress on February 27, 2002, pursuant to section 2B of the Federal Reserve Act

MONETARY POLICY AND THE ECONOMIC OUTLOOK

Last year was a difficult one for the economy of the United States. The slowdown in the growth of economic activity that had become apparent in late 2000 intensified in the first half of the year. Businesses slashed investment spending—making especially deep cuts in outlays for high-technology equipment—in response to weakening final demand, an oversupply of some types of capital, and declining profits. As actual and prospective sales deteriorated, many firms in the factory sector struggled with uncomfortably high levels of inventories, and the accompanying declines in manufacturing output steepened. At the same time, foreign economies also slowed, further reducing the demand for U.S. production. The aggressive actions by the Federal Reserve to ease the stance of monetary policy in the first half of the year provided support to consumer spending and the housing sector. Nevertheless, the weakening in activity became more widespread through the summer, job losses mounted further, and the unemployment rate moved higher. With few indications that economic conditions were about to improve, with underlying inflation moderate and edging lower, and with inflation expectations well contained, the Federal Reserve continued its efforts to counter the ongoing weakness by cutting the federal funds rate, bringing the cumulative reduction in that rate to 3 percentage points by August.

The devastating events of September 11 further set back an already fragile economy. Heightened uncertainty and badly shaken confidence caused a widespread pullback from economic activity and from risk-taking in financial markets, where equity prices fell sharply for several weeks and credit risk spreads widened appreciably. The most pressing concern of the Federal Reserve in the first few days following the attacks was to help shore up the infrastructure of financial markets and to provide massive quantities of liquidity to limit potential disruptions to the func-

tioning of those markets. The economic fallout of the events of September 11 led the Federal Open Market Committee (FOMC) to cut the target federal funds rate after a conference call early the following week and again at each meeting through the end of the year (see box “Monetary Policy after the Terrorist Attacks”).

Displaying the same swift response to economic developments that appears to have characterized much business behavior in the current cyclical episode, firms moved quickly to reduce payrolls and cut production after mid-September. Although these adjustments occurred across a broad swath of the economy, manufacturing and industries related to travel, hospitality, and entertainment bore the brunt of the downturn. Measures of consumer confidence fell sharply in the first few weeks after the attacks, but the deterioration was not especially large by cyclical standards, and improvement in some of these indexes was evident in October. Similarly, equity prices started to rebound in late September, and risk spreads began to narrow somewhat by early November, when it became apparent that the economic effects of the attacks were proving less severe than many had feared.

Consumer spending remained surprisingly solid over the final three months of the year in the face of enormous economic uncertainty, widespread job losses, and further deterioration of household balance sheets from the sharp drop in equity prices immediately following September 11. Several factors were at work in support of household spending during this period. Low and declining interest rates provided a lift to outlays for durable goods and to activity in housing markets. Nowhere was the boost from low interest rates more apparent than in the sales of new motor vehicles, which soared in response to the financing incentives offered by manufacturers. Low mortgage interest rates not only sustained high levels of new home construction but also allowed households to refinance mortgages and extract equity from homes to pay down other debts or to increase spending. Fiscal policy provided additional support to consumer spending. The cuts in taxes enacted last year, including the rebates paid out over the summer, cushioned the loss of income from the deterioration in labor markets. And the purchasing power of house-

hold income was further enhanced by the sharp drop in energy prices during the autumn. With businesses having positioned themselves to absorb a falloff of demand, the surprising strength in household spending late in the year resulted in a dramatic liquidation of inventories. In the end, real gross domestic product

posted a much better performance than had been anticipated in the immediate aftermath of the attacks.

More recently, there have been encouraging signs that economic activity is beginning to firm. Job losses diminished considerably in December and January, and initial claims for unemployment insurance and

Monetary Policy after the Terrorist Attacks

The terrorist attacks on September 11 destroyed a portion of the infrastructure of U.S. financial markets, disrupted communication networks, and forced some market participants to retreat to contingency sites in varying states of readiness. These developments, along with the tragic loss of life among the employees of a few major financial firms, greatly complicated trading, clearing, and settlement of many different classes of financial instruments. Direct dislocations elevated uncertainties about payment flows, making it difficult for the reserve market to channel funds where they were needed most. Depositories that held more reserve balances than they preferred had considerable difficulty unloading the excess in the market; by contrast, depositories awaiting funds had to scramble to cover overdraft positions. As a result, the effective demand for reserves ballooned.

The Federal Reserve accommodated the increase in the demand for reserves through a variety of means, the relative importance of which shifted through the week. On Tuesday morning, shortly after the attacks, the Federal Reserve issued a press release reassuring financial markets that the Federal Reserve System was functioning normally and stating that "the discount window is available to meet liquidity needs." Depository institutions took up the offer, and borrowing surged to a record \$45½ billion by Wednesday. Discount loans outstanding dropped off sharply on Thursday and returned to very low levels by Friday. Separately, overnight overdrafts on Tuesday and Wednesday rose to several billion dollars, as a handful of depository and other institutions with accounts at the Federal Reserve were forced into overdraft on their reserve accounts. Overnight overdrafts returned to negligible levels by the end of the week.

Like their U.S. counterparts, foreign financial institutions operating in the United States faced elevated dollar liquidity needs. In some cases, however, these institutions encountered difficulties positioning the collateral at their U.S. branches to secure Federal Reserve discount window credit. To be in a position to help meet those needs, three foreign central banks established new or expanded arrangements with the Federal Reserve to receive dollars in exchange for their respective currencies. These swap lines, which lasted for thirty days, consisted of \$50 billion for the European Central Bank, \$30 billion for the Bank of England, and an increase of \$8 billion (from \$2 billion to \$10 billion) for the Bank of Canada. The European Central Bank drew on its

line that week to channel the funds to institutions with a need for dollars.

By Thursday and Friday, the disruption in air traffic caused the Federal Reserve to extend record levels of credit to depository institutions in the form of check float. Float increased dramatically because the Federal Reserve continued to credit the accounts of banks for deposited checks even though the grounding of airplanes meant that checks normally shipped by air could not be presented to the checkwriters' banks on the usual schedule. Float declined to normal levels the following week once air traffic was permitted to recommence. Lastly, over the course of the week that included September 11, as the market for reserves began to function more normally, the Federal Reserve resumed the use of open market operations to provide the bulk of reserves. The open market Desk accommodated all propositions down to the target federal funds rate, operating exclusively through overnight transactions for several days. The injection of reserves through open market operations peaked at \$81 billion on Friday. The combined infusion of liquidity from the various sources pushed the level of reserve balances at Federal Reserve Banks to more than \$100 billion on Wednesday, September 12, about ten times the normal level. As anticipated by the FOMC, federal funds traded somewhat below their new target level for the rest of the week. By the end of the month, bid-asked spreads and trading volumes in the interbank and other markets receded to more normal levels, and federal funds consistently began to trade around the intended rate.

The Federal Reserve took several steps to facilitate market functioning in September in addition to accommodating the heightened demand for reserves. The hours of funds and securities transfer systems operated by the Federal Reserve were extended significantly for a week after the attacks. The Federal Reserve Bank of New York liberalized the terms under which it would lend the securities in the System portfolio, and the amount of securities lent rose to record levels in the second half of September. For the ten days following the attacks, the Federal Reserve reduced or eliminated the penalty charged on overnight overdrafts, largely because those overdrafts were almost entirely the result of extraordinary developments beyond the control of the account holders. In addition, the Federal Reserve helped restore communication between market participants and in some cases processed bilateral loans of reserves between account holders in lieu of market intermediation.

the level of insured unemployment have reversed their earlier sharp increases. Although motor vehicle purchases have declined appreciably from their blistering fourth-quarter pace, early readings suggest that consumer spending overall has remained very strong early this year. In the business sector, new orders for capital equipment have provided some tentative indications that the deep retrenchment in investment spending could be abating. Meanwhile, purchasing managers in the manufacturing sector report that orders have strengthened and that they view the level of their customers' inventories as being in better balance. Indeed, the increasingly rapid pace of inventory runoff over the course of the last year has left the level of production well below that of sales, suggesting scope for a recovery in output given the current sales pace. Against this backdrop, the FOMC left its target for the federal funds rate unchanged in January. However, reflecting a concern that growth could be weaker than the economy's potential for a time, the FOMC retained its assessment that the risks were tilted unacceptably toward economic weakness.

The extent and persistence of any recovery in production will, of course, depend critically on the trajectory of final demand in the period ahead. Several factors are providing impetus to such a recovery in the coming year. With the real federal funds rate hovering around zero, monetary policy should be positioned to support growth in spending. Money and credit expanded fairly rapidly through the end of the year, and many households and businesses have strengthened their finances by locking in relatively low-cost long-term credit. The second installment of personal income tax cuts and scheduled increases in government spending on homeland security and national defense also will provide some stimulus to activity this year. Perhaps the most significant potential support to the economy could come from further gains in private-sector productivity. Despite the pronounced slowdown in real GDP growth last year, output per hour in the nonfarm business sector increased impressively. Continued robust gains in productivity, stemming from likely advances in technology, should provide a considerable boost to household and business incomes and spending and contribute to a sustained, noninflationary recovery.

Still, the economy faces considerable risk of subpar economic performance in the period ahead. Because outlays for durable goods and for new homes have been relatively well maintained in this cycle, the scope for strong upward impetus from household spending seems more limited than has often been the case in past recoveries. Moreover, the net decline in household net worth relative to income over the past

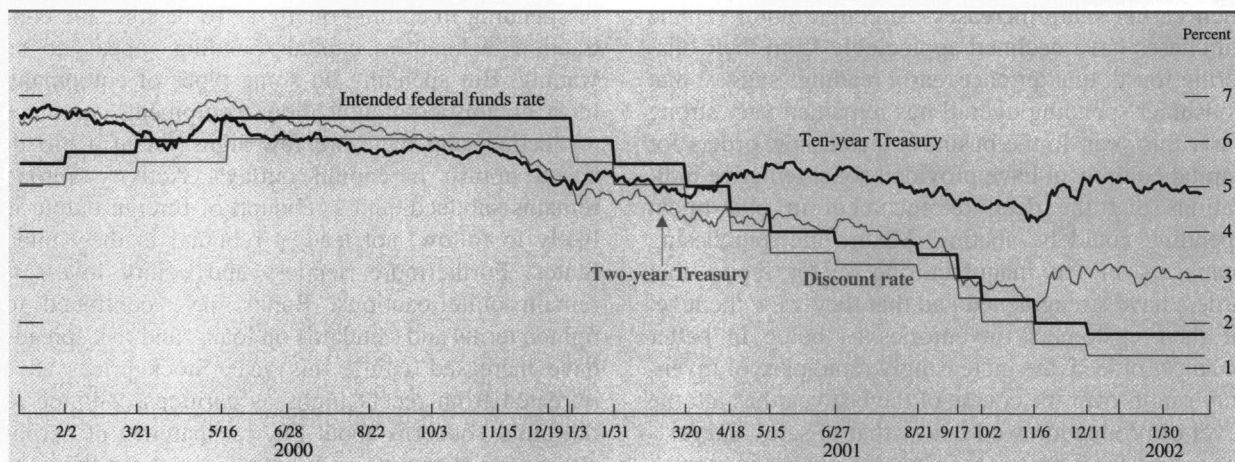
two years is likely to continue to restrain the growth of spending in coming quarters. To be sure, the contraction in business capital spending appears to be waning. But spending on some types of equipment, most notably communications equipment, continues to decline, and there are few signs yet of a broad-based upturn in capital outlays. Activity abroad remains subdued, and a rebound of foreign output is likely to follow, not lead, a rebound in the United States. Furthermore, lenders and equity investors remain quite cautious. Banks have continued to tighten terms and standards on loans, and risk spreads have increased a little this year. Stock prices have retreated from recent highs as earnings continue to fall amid concerns about the transparency of corporate financial reports and uncertainty about the pace at which profitability will improve.

Monetary Policy, Financial Markets, and the Economy over 2001 and Early 2002

As economic weakness spread and intensified over the first half of 2001, the FOMC aggressively lowered its target for the federal funds rate. Because firms reacted unusually swiftly to indicators that inventories were uncomfortably high and capital was becoming underutilized, the drop in production and business capital spending was especially steep. Moreover, sharp downward revisions in corporate profit expectations caused equity prices to plunge, which, along with a decline in consumer confidence, pointed to vulnerability in household spending. Meanwhile, a significant deceleration in energy prices, after a surge early in the year, began to hold down overall inflation; the restraining effect of energy prices, combined with the moderation of resource utilization, also promised to reduce core inflation. Responding to the rapid deterioration in economic conditions, the FOMC cut its target for the federal funds rate 2½ percentage points—in 5 half-point steps—by the middle of May. Moreover, the FOMC indicated throughout this period that it judged the balance of risks to the outlook as weighted toward economic weakness. The Board of Governors of the Federal Reserve System approved reductions in the discount rate that matched the Committee's cuts in the target federal funds rate. As a result, the discount rate declined from 6 percent to 3½ percent over the period.

At its June and August meetings, the FOMC noted information suggesting continued softening in the economy and a lack of convincing evidence that the end of the slide in activity was in sight. Although consumer spending on both housing and nonhousing

Selected interest rates



NOTE. The data are daily and extend through February 21, 2002. The dates on the horizontal axis are those of scheduled FOMC meetings and of any intermeeting policy actions.

items—buoyed by the tax cuts and rebates, low mortgage interest rates, declining energy prices, and realized capital gains from home sales—remained fairly resilient, economic conditions in manufacturing deteriorated further. Firms continued to reduce payrolls, work off excess inventories, and cut back capital equipment expenditures amid sluggish growth in business sales, significantly lower corporate profits, and greater uncertainty about future sales and earnings. With energy prices in retreat, price inflation remained subdued. In reaching its policy decisions at its June and August meetings, the FOMC took into account the substantial monetary policy stimulus already implemented since the start of the year—but not yet fully absorbed by the economy—and the oncoming effects of stimulative fiscal policy measures recently enacted by the Congress. Consequently, the Committee opted for smaller interest rate cuts of $\frac{1}{4}$ percentage point at both the June and August meetings, which brought the target federal funds rate down to $3\frac{1}{2}$ percent; as earlier in the year, the FOMC continued to indicate that it judged the balance of risks to the outlook as weighted toward economic weakness. After both meetings, the Board of Governors of the Federal Reserve System also approved similar reductions in the discount rate, which moved down to 3 percent.

After the terrorist attacks on September 11, the available Committee members held a telephone conference on September 13, during which they agreed that the financial markets were too disrupted to allow for an immediate alteration in the stance of monetary policy. However, the members were in agreement that the attacks' potential effects on asset prices and on the performance of the economy, and the resulting uncertainty, would likely warrant some policy easing

in the very near future. Accordingly, the FOMC, at a telephone conference on September 17, voted to reduce its target for the federal funds rate $\frac{1}{2}$ percentage point, to 3 percent, and stated that it continued to judge the risks to the outlook to be weighted toward economic weakness.

Over subsequent weeks, heightened aversion to risk, which caused investors to flock from private to Treasury and federal agency debt, boosted risk spreads sharply, especially on lower-rated corporate debt. Increased demand for safe and liquid assets contributed to selling pressure in the stock market. At its October 2 meeting, the FOMC had little hard information available on economic developments since the attacks. However, evidence gleaned from surveys, anecdotes, and market contacts indicated that the events of September 11 had considerable adverse repercussions on an already weak economy: Survey indicators of consumer confidence had fallen, and consumer spending had apparently declined. At the same time, anecdotal information pointed to additional deep cutbacks in capital spending by many firms after an already-significant contraction in business fixed investment over the summer months.

When the FOMC met on November 6, scattered early data tended to confirm the information that the decline in production, employment, and final demand had steepened after the terrorist attacks. Although an economic turnaround beginning in the first half of 2002 was a reasonable expectation according to the Committee, concrete evidence that the economy was stabilizing had yet to emerge. Meanwhile, the marked decrease in energy prices since the spring had induced a decline in overall price inflation, and inflation expectations had fallen. Accordingly, the FOMC voted to lower its target for the federal funds rate

½ percentage point at both its October and November meetings and reiterated its view that the risks to the outlook were weighted toward economic weakness. The sizable adjustments in the stance of monetary policy in part reflected concerns that insufficient policy stimulus posed an unacceptably high risk of a more extended cyclical retrenchment that could prove progressively more difficult to counter, given that the federal funds rate—at 2 percent—was already at such a low level.

By the time of the December FOMC meeting, the most recent data were suggesting that the rate of economic decline might be moderating. After plunging earlier in the year, orders and shipments of nondefense capital goods had turned up early in the fourth quarter, and the most recent survey evidence for manufacturing also suggested that some expansion in that sector's activity might be in the offing. In the household sector, personal consumption expenditures appeared to have been quite well maintained, an outcome that reflected the continuation of zero-rate financing packages offered by the automakers, widespread price discounting, and low interest rates. In an environment of very low mortgage interest rates, household demand for housing remained at a relatively high level, and financial resources freed up by a rapid pace of mortgage refinancing activity also supported consumer spending.

Nonetheless, the evidence of emerging stabilization in the economy was quite tentative and limited, and the Committee saw subpar economic performance as likely to persist over the near term. Moreover, in the probable absence of significant inflationary pressures for some time, a modest easing action could be reversed in a timely manner if it turned out not to be needed. In view of these considerations, the FOMC lowered its target for the federal funds rate ¼ percentage point, to 1¾ percent, on December 11, 2001, and stated that it continued to judge the risks to the outlook to be weighted mainly toward economic weakness. As had been the case throughout the year, the Board of Governors approved reductions in the discount rate that matched the FOMC's cuts in the target federal funds rate, bringing the discount rate to 1¼ percent, its lowest level since 1948.

Subsequent news on economic activity bolstered the view that the economy was beginning to stabilize. The information reviewed at the January 29–30, 2002, FOMC meeting indicated that consumer spending had held up remarkably well, investment orders had firmed further, and the rate of decline in manufacturing production had lessened toward the end of 2001. With weakness in business activity abating, and monetary policy already having been eased sub-

stantially, the FOMC left the federal funds rate unchanged at the close of its meeting, but it continued to see the risks to the outlook as weighted mainly toward economic weakness.

Economic Projections for 2002

Federal Reserve policymakers are expecting the economy to begin to recover this year from the mild downturn experienced in 2001, but the pace of expansion is not projected to be sufficient to cut into the margin of underutilized resources. The central tendency of the real GDP growth forecasts made by the members of the Board of Governors and the Federal Reserve Bank presidents is 2½ percent to 3 percent, measured as the change between the final quarter of 2001 and the final quarter of this year. The pace of expansion is likely to increase only gradually over the course of the year, and the unemployment rate is expected to move higher for a time. The FOMC members project the civilian unemployment rate to stand at about 6 percent to 6¼ percent at the end of 2002.

A diminution of the rate of inventory liquidation is likely to be an important factor helping to buoy production this year. In 2001, businesses cut inventories sharply so as to avoid carrying excessive stocks relative to the weaker pace of sales, and although this process of liquidation probably is not yet complete in many industries, the overall pace of reduction is likely to slow. Then, as final demand strengthens, liquidation should give way to some restocking later in the year.

As noted above, the forces affecting demand this year are mixed. On the positive side are the stimulative effects of both fiscal policy and the earlier monetary policy actions. A gradual turnaround in employ-

Economic projections for 2002

Percent

Indicator	Memo: 2001 actual	Federal Reserve Governors and Reserve Bank presidents	
		Range	Central tendency
<i>Change, fourth quarter to fourth quarter¹</i>			
Nominal GDP	1.9	3½–5½	4–4½
Real GDP .....	.1	2–3½	2½–3
PCE chain-type price index	1.3	1–2	About 1½
<i>Average level, fourth quarter</i>			
Civilian unemployment rate	5.6	5¾–6½	6–6¼

1. Change from average for fourth quarter of previous year to average for fourth quarter of year indicated.

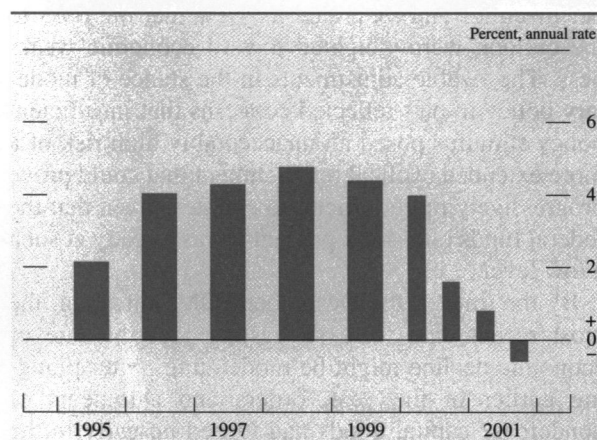
ment and a strengthening of the economies of our major trading partners should provide some lift to final demand, and spending by both households and businesses ought to be supported by robust productivity growth. On the other hand, the problems facing the high-tech sector have not yet completely receded, and indications are that spending on other types of capital equipment remains lackluster. The surprising strength of household spending through this period of economic weakness suggests a lack of pent-up consumer demand going forward. In addition, consumers likely will not benefit from declining energy prices to the extent they did last year, and the net decline in equity values since mid-2000 will probably continue to weigh on consumption spending in the period ahead.

Federal Reserve policymakers believe that consumer prices will increase slightly more rapidly in 2002 than in 2001, as last year's sharp decline in energy prices is unlikely to be repeated. The central tendency of the FOMC members' projections for increases in the chain-type price index for personal consumption expenditures (PCE) is about 1½ percent; last year's actual increase was about 1¼ percent. Nevertheless, diminished levels of resource utilization, the indirect effects of previous declines in energy prices on firms' costs, and continued competitive pressures all ought to restrain the pace of price increases outside of the energy sector this year.

ECONOMIC AND FINANCIAL DEVELOPMENTS IN 2001 AND EARLY 2002

In 2001, the economy turned in its weakest performance in a decade. Real GDP increased at an annual rate of ¾ percent in the first half of the year and, according to the advance estimate from the Commerce Department, declined at a ½ percent annual rate in the second half. Although the effects of the weakening economy were broadly felt, the factory sector was especially hard hit. Faced with slumping demand both here and abroad, manufacturers cut production aggressively to limit excessive buildups of inventories. Moreover, businesses sharply reduced their investment spending, with particularly dramatic cuts in outlays for high-technology equipment. By contrast, household spending was reasonably well maintained, buoyed by lower interest rates and cuts in federal taxes. Firms trimmed payrolls through most of the year, and the unemployment rate moved up nearly 2 percentage points to around 5¾ percent by year-end. Job losses were especially large following

Change in real GDP

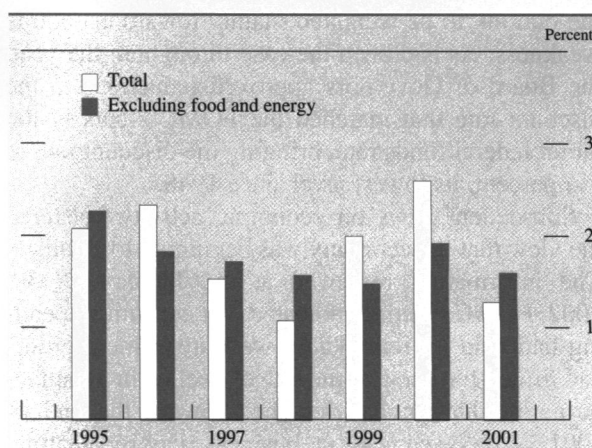


NOTE. Here and in subsequent charts, except as noted, annual changes are measured from Q4 to Q4, and change for a half-year is measured between its final quarter and the final quarter of the preceding period.

the terrorist attacks of September 11, which had extremely adverse effects on certain sectors of the economy—most notably, airline transportation and hospitality industries. Nevertheless, by early this year some signs appeared that the economy was beginning to mend.

Inflation declined last year, pulled down by a sharp drop in energy prices. Excluding food and energy items, consumer price inflation leveled off and, by some measures, moved lower last year. Weakening economic activity, the indirect effects of declining energy prices on firms' costs, and continued strong competitive pressures helped keep a lid on core consumer price inflation.

Change in PCE chain-type price index



NOTE. The data are for personal consumption expenditures (PCE).

The Household Sector

Consumer Spending

Growth in consumer spending slowed last year but remained sufficiently solid to provide an important source of support to overall final demand. Personal consumption expenditures (PCE) increased 3 percent in real terms in 2001 after having advanced $4\frac{1}{4}$ percent in 2000 and around 5 percent in both 1998 and 1999. The deceleration in consumer spending was widespread among durable goods, nondurable goods, and services. However, motor vehicle expenditures remained strong through most of the year and surged in the fall as consumers responded enthusiastically to automakers' aggressive expansion of financing incentives. After September 11, spending declined in certain travel- and tourism-related categories, including air transportation, hotels and motels, and recreation services such as amusement parks; spending in these categories has recovered only partially since then.

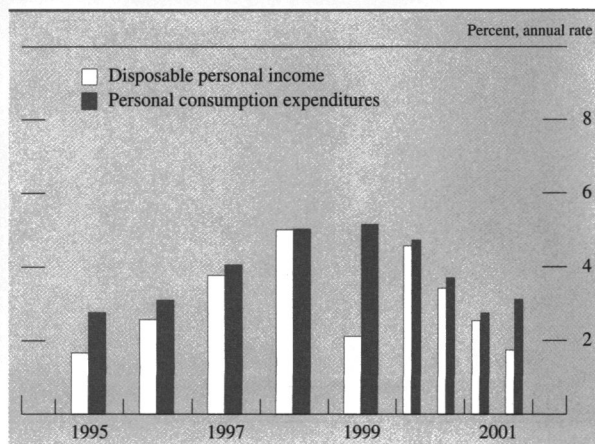
Last year's downshift in consumption growth reflected the weakening labor market and associated deceleration of income as well as the erosion in household wealth since the middle of 2000. With employment declining over much of last year, real personal income rose only about $1\frac{3}{4}$ percent after a gain of $4\frac{1}{2}$ percent in 2000. The slowing of income growth was even sharper in nominal terms, but price declines for gasoline and other energy items in the latter half of the year substantially cushioned the blow to real incomes. A continued rise in house prices supported the wealth position of many households; in the aggregate, however, household wealth deteriorated further as equity prices moved lower, on net. The decline in wealth since mid-2000 likely

exerted a notable restraining influence on household spending last year.

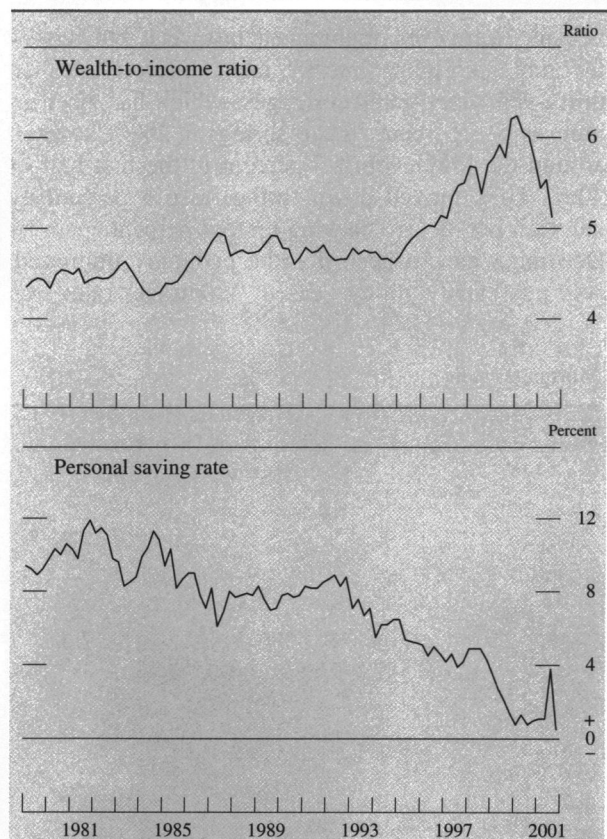
Both monetary and fiscal policy supported consumer spending over the past year. Low interest rates helped enable motor vehicle finance companies to offer favorable financing on new vehicles. In addition, low mortgage rates led to a spate of mortgage refinancing that lasted most of the year, lowering payments and freeing cash to be used by households for other spending needs. Indeed, many households apparently used these refinancings as an opportunity to extract equity from their homes, a move that further accommodated consumer spending. Furthermore, the first wave of tax reductions from the Economic Growth and Tax Relief Reconciliation Act of 2001—including the \$300 and \$600 rebate checks mailed last summer—likely helped to boost spending in the latter part of the year. The continued phase-in of the tax reductions enacted last year should provide further stimulus to income and consumption this year.

The personal saving rate, which had declined through 1999, leveled off in 2000 and in the first half

Change in real income and consumption



Wealth and saving



NOTE. The data are quarterly. The wealth-to-income ratio is the ratio of household net worth to disposable personal income and extends through 2001:Q3; the personal saving rate extends through 2001:Q4.

of 2001. The saving rate moved erratically in the second half of the year but rose on average. It shot up in the summer as households received their tax rebates; it then declined later in the year as households spent some of the rebates and as purchases of new motor vehicles soared in response to the incentives.

Consumer sentiment, as measured by both the University of Michigan Survey Research Center (SRC) and the Conference Board, had been running at extremely high levels through most of 2000 but fell considerably near the beginning of last year as concerns about the economy intensified. By the spring, measures of sentiment leveled off near their historical averages and well above levels normally associated with recessions. Sentiment dropped in September. The SRC measure recovered gradually thereafter, while the Conference Board index fell further before turning up later in the year; by early 2002, both sentiment measures again stood near their historical averages.

Residential Investment

As with consumer spending, real expenditures on housing were well maintained last year, buoyed by favorable mortgage interest rates. Interest rates on thirty-year fixed-rate mortgages, which had been as high as 8½ percent in the spring of 2000, hovered around the low level of 7 percent in the first half of 2001. They moved down further to 6½ percent by late October, before backing up to 7 percent again by December as prospects for the economy improved. As monetary policy eased, contract rates on

adjustable-rate mortgages moved down sharply to very low levels in the fourth quarter and into early 2002. According to the Michigan SRC survey, declining mortgage rates have helped elevate consumers' assessments of homebuying conditions substantially since mid-2000.

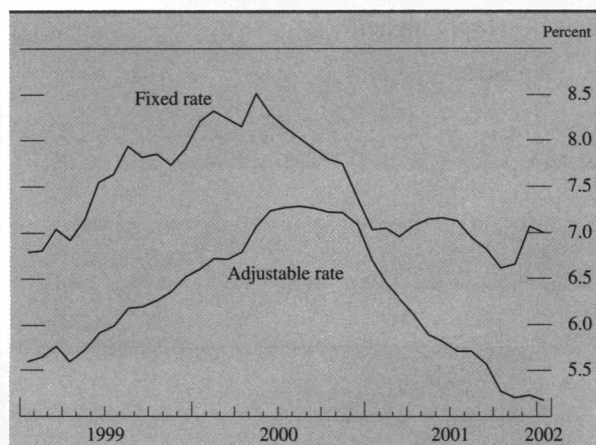
In the single-family sector, 1.27 million new homes were started last year, 3½ percent more than in 2000, when activity had been held down by higher mortgage rates. The pace of starts moved up further in January 2002, in part because of unusually favorable weather. Furthermore, sizable backlogs of building permits early this year suggest that construction activity will remain solid. Sales of new homes were elevated throughout 2001—indeed, for the year, they were the highest on record—and sales of existing homes remained strong as well. Meanwhile, the increase in home prices moderated last year. The constant-quality price index of new homes, which attempts to control for the mix of homes sold, rose only 1½ percent last year, down from a 6 percent gain in 2000.

In the multifamily sector, starts averaged 328,000 units last year, a rate close to the solid pace of the past several years. Conditions are still relatively favorable for the construction of multifamily units. In particular, vacancy rates have remained low, although rents and property values increased at a slower rate last year than in 2000.

Household Finance

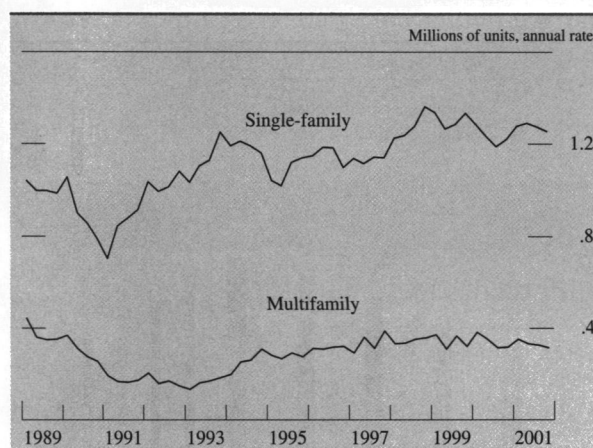
Households continued to borrow at a brisk pace last year, increasing their debt outstanding an estimated 8¾ percent, a rate about 1 percentage point faster

Mortgage rates



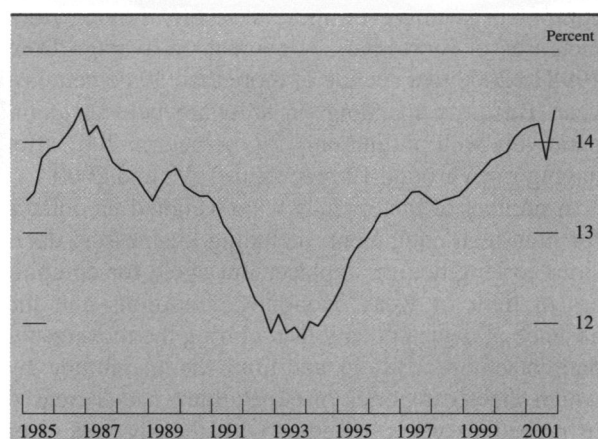
NOTE. The data, which are monthly and extend through January 2002, are contract rates on thirty-year mortgages from the Federal Home Loan Mortgage Corporation.

Private housing starts



NOTE. The data are quarterly.

Household debt service burden

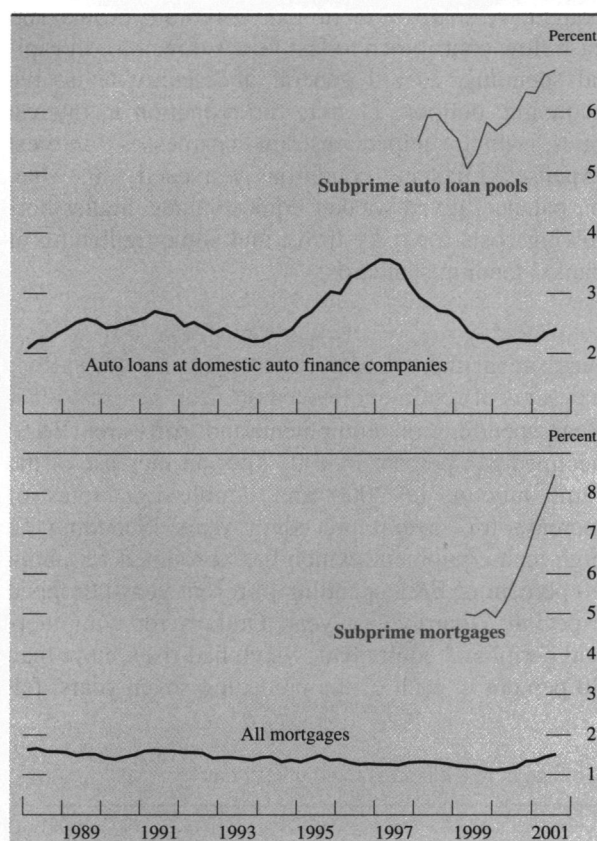


NOTE. The data are quarterly; 2001:Q4 is a preliminary estimate. Debt burden is an estimate of the ratio of debt payments to disposable income; debt payments consist of the estimated required payments on outstanding mortgage and consumer debt.

than the average growth over the previous two years. The cumulative declines in mortgage interest rates encouraged households to take on large amounts of mortgage debt, both by fostering homebuying and by making it attractive to refinance existing mortgages and extract some of the accumulated equity; indeed, the Mortgage Bankers Association (MBA) refinancing index in October reached the highest level since its inception in January 1980. The frenzied pace of refinancing activity tailed off some later in the fourth quarter, when fixed mortgage interest rates backed up. All told, mortgage debt grew an estimated 9 percent last year. Strength in durable goods outlays supported growth in consumer credit (debt not secured by real estate) in the first quarter of 2001, but as consumption spending decelerated over the next two quarters, the expansion of consumer credit slowed sharply. However, consumer credit growth surged in the fourth quarter, in large part because of the jump in motor vehicle sales. For the year as a whole, the rate of expansion of consumer credit, at 6¼ percent, was well below the 10¼ percent rate posted in 2000.

Hefty household borrowing outstripped the growth of disposable personal income in 2001. As a result, despite lower interest rates, the household debt-service burden—an estimate of minimum scheduled payments on mortgage and consumer debt as a share of disposable income—finished the year near the peak recorded at the end of 1986. Measures of household credit quality deteriorated noticeably last year. According to the MBA, delinquency rates on home mortgages continued to trend higher from their historic lows of the late 1990s, and auto loan delinquen-

Delinquency rates on selected types of household loans



NOTE. The data are quarterly and extend through 2001:Q3.

SOURCE. For auto loans, the Big Three automakers and staff estimates based on data from Moody's Investors Service; for mortgages, the Mortgage Bankers Association and the Mortgage Information Corporation.

cies at finance companies edged up, although they too remained at a relatively subdued level. The economic slowdown and the rise in unemployment significantly eroded the quality of loans to subprime borrowers, and delinquency rates for both mortgages and consumer credit in that segment of the market moved sharply higher.

The Business Sector

Much of the weakness in activity last year was concentrated in the business sector. In late 2000, manufacturers had begun to cut back production in an effort to reduce an undesired build-up of inventories, and sharp inventory liquidation continued throughout last year. Moreover, the boom in capital outlays that had helped drive the expansion through the late 1990s gave way to a softening of spending in late 2000 and to sharp declines last year. Spending dropped for most types of capital equipment and structures; cut-backs were especially severe for high-tech equip-

ment, some types of which may have been overbought. A sharp reduction in corporate profits and cash flow contributed to last year's downturn in capital spending, as did general uncertainty about the economic outlook. Despite the reduction in interest rates, which helped restrain businesses' interest expenses, financing conditions worsened somewhat, on balance, given weaker equity values, higher borrowing costs for risky firms, and some tightening of banks' lending standards.

Fixed Investment

Real spending on equipment and software (E&S) declined 8½ percent in 2001 after an increase of the same amount in 2000 and double-digit rates of increase for several preceding years. Spending on high-tech equipment, which has accounted for about 40 percent of E&S spending in recent years, dropped especially sharply last year. Outlays for computers and peripheral equipment, which had risen more than 30 percent in each of the preceding seven years, fell

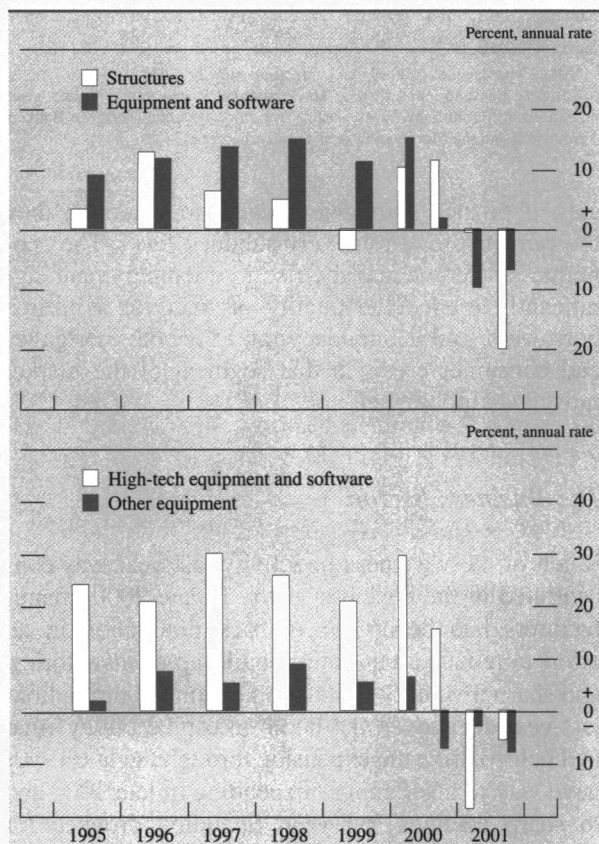
9 percent in 2001. Spending on communications equipment swung even more severely, moving from increases of more than 20 percent on average from 1998 to 2000 to a decline of more than 30 percent last year. Business spending on software held up comparatively well, falling only 2½ percent in 2001 after having risen around 12 percent in 1999 and 2000.

A number of factors may have weighed on outlays for high-tech equipment, including businesses' decisions to lengthen the replacement cycle for computers in light of weak economic conditions and the absence of new applications requiring the most up-to-date machines. But in addition, the magnitude by which these categories of expenditure had increased in preceding years, together with the abruptness of their downturn, suggests that firms may have been too optimistic about the immediate profitability of some types of high-tech capital; as these expectations were revised, businesses viewed their previous investment as more than sufficient to meet anticipated demand. This possibility is especially likely in the case of communications equipment, for which expectations about prospects for growth in demand appear to have been disappointed. Some of the cutbacks may have reflected a general pulling back in an environment of greater uncertainty. The sharp rise and subsequent decline of equity values in the high-tech sector mirrors the pattern of rising and slowing investment and provides some support for the notion that earnings expectations may have been overly upbeat in the past.

Under the influence of ongoing weakness in the market for heavy trucks, business spending on motor vehicles declined through most of the year. But spending stabilized in the fourth quarter, as the generous incentives on motor vehicles may have helped boost spending by small businesses as well as consumers. Domestic orders for new aircraft declined last year, especially after the terrorist attacks last fall, but these lower orders had not yet affected spending by year-end because of the very long lags involved in producing planes. Apart from spending on transportation and high-tech equipment, real outlays declined 7½ percent last year after having increased 6 percent in 2000, with the turnaround driven by a sharp swing in spending on many types of industrial machinery and on office furniture.

Late last year, conditions in some segments of the high-tech sector showed signs of bottoming. Developments in the semiconductor industry have improved, with production increasing during the fall. Some of the improvement is apparently coming from increased demand for computers. In the advance estimate from the Commerce Department for the fourth

Change in real business fixed investment



NOTE: High-tech equipment includes computers and peripheral equipment and communications equipment.

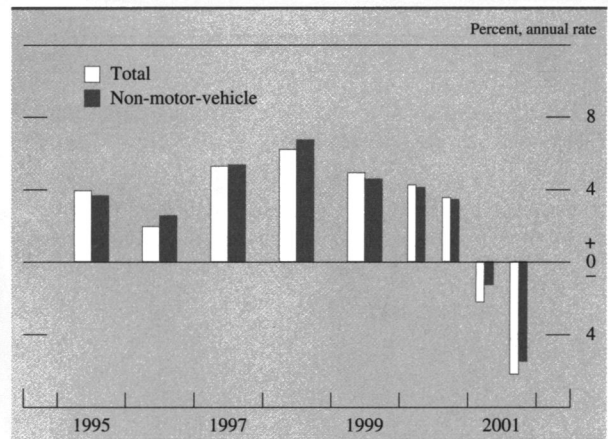
quarter, real spending on computers and peripheral equipment was reported to have surged at an annual rate of 40 percent. However, spending on communications equipment, for which evidence of a capital overhang has been most pronounced, continued to decline sharply in the fourth quarter, and orders for communications equipment have yet to display any convincing signs of turning around. As for other types of capital equipment, spending continued to decline in the fourth quarter, but a moderate rebound in new orders for many types of capital goods from their autumn lows hinted that a broader firming of demand may be under way.

Real business spending for nonresidential structures also declined sharply in 2001. Construction of office buildings dropped last year after having increased notably for several years; industrial building remained fairly steady through the first half of last year but plummeted in the second half. Vacancy rates for these two types of properties rose considerably, and by year-end the industrial vacancy rate had reached its highest level since mid-1993. Meanwhile, spending on non-office commercial buildings (a category that includes retail, wholesale, and some warehouse space) decreased moderately last year. Investment in public utilities moved down as well, a decline reflecting, in part, a cutback in spending for communications projects such as the installation of fiber-optic networks. Investment in the energy sector was a pocket of strength last year. Construction of drilling structures surged in 2000 and much of 2001, as the industry responded to elevated prices of oil and natural gas. However, with oil and natural gas prices reversing their earlier increases, drilling activity turned down in the latter part of the year.

Inventory Investment

By late 2000, manufacturers were already cutting production to slow the pace of inventory accumulation as inventories moved up relative to sales. Production cuts intensified in early 2001, and producers and distributors liquidated inventories at increasing rates throughout the year. The runoff of inventories was a major factor holding down GDP growth last year. Indeed, the arithmetic subtraction from real GDP growth attributable to the decline in nonfarm inventory investment was 1½ percentage points over the four quarters of 2001. However, because sales also were weakening, inventory-sales ratios remained high in much of the manufacturing sector, and in some portions of the wholesale sector as well, throughout the year.

Change in real nonfarm business inventories



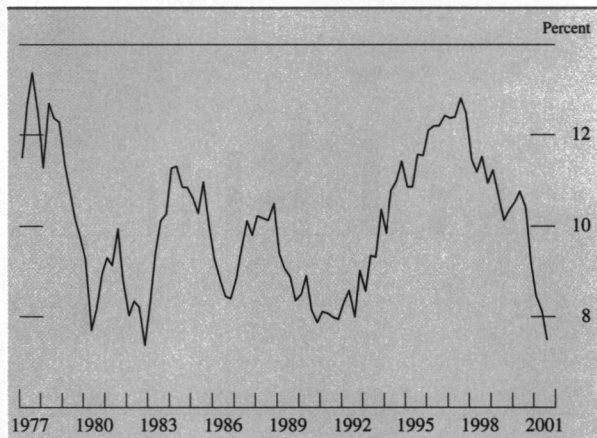
The motor vehicle sector accounted for about one-quarter of last year's overall inventory drawdown. Late in 2000 and early last year, automakers cut production in an attempt to clear out excess stocks held by dealers. By the spring, vehicle assemblies had stabilized, and the automakers instead dealt with heavy stocks by further sweetening incentives to boost sales. By the end of the year, inventories of cars and light trucks stood at a relatively lean 2¼ million units, nearly 1 million units fewer than were held a year earlier.

Corporate Profits and Business Finance

The profitability of the U.S. nonfinancial corporate sector suffered a severe blow in 2001. The profit slump had begun in the fourth quarter of the previous year, when the economic profits of nonfinancial corporations—that is, book profits from current production with inventory and capital consumption adjustments compiled by the Commerce Department—plummeted almost 45 percent at an annual rate. The first three quarters of 2001 brought little respite, and economic profits spiraled downward at an average annual rate of 25 percent. The ratio of the profits of nonfinancial corporations to the sector's gross nominal output fell to 7½ percent last year, a level not seen since the early 1980s. Earnings reports for the fourth quarter indicate that nonfinancial corporate profits continued to fall late in the year.

Business borrowing slowed markedly last year because firms slashed investment in fixed capital and inventories even more than the drop in profits and other internally generated funds. Business debt expanded at a 6¼ percent annual rate in 2001, well below the double-digit rates of the two previous

Before-tax profits of nonfinancial corporations as a percent of sector GDP

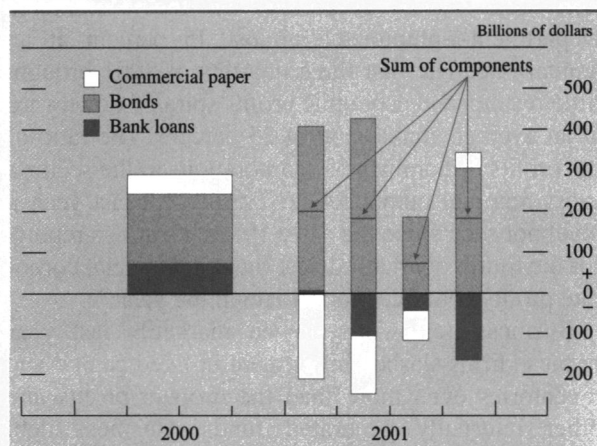


NOTE. The data are quarterly and extend through 2001:Q3. Profits are from domestic operations of nonfinancial corporations, with inventory valuation and capital consumption adjustments.

years, and its composition shifted decidedly toward longer-term sources of funds. Early in the year, favorable conditions in the corporate bond market, combined with firms' desire to lock in low interest rates, prompted investment-grade firms to issue a high volume of bonds. They used the proceeds to strengthen their balance sheets by repaying short-term debt obligations, refinancing other longer-term debt, and building up liquid assets. Junk bond issuance was also strong early in 2001, as speculative-grade yields fell in response to monetary policy easings, although investors shunned the riskiest issues amid increasing economic uncertainty and rising defaults among below-investment-grade borrowers.

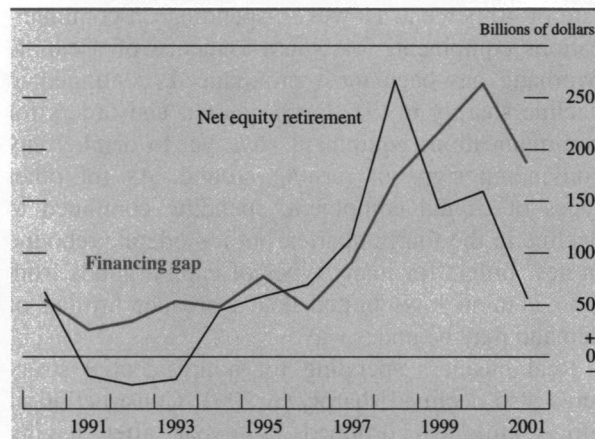
The heavy pace of bond issuance, along with a reduced need to finance capital investments, enabled firms to decrease their business loans at banks and

Major components of net business financing



NOTE. Seasonally adjusted annual rate for nonfarm nonfinancial corporate business. The data for 2001:Q4 are estimated.

Financing gap and net equity retirement at nonfarm nonfinancial corporations

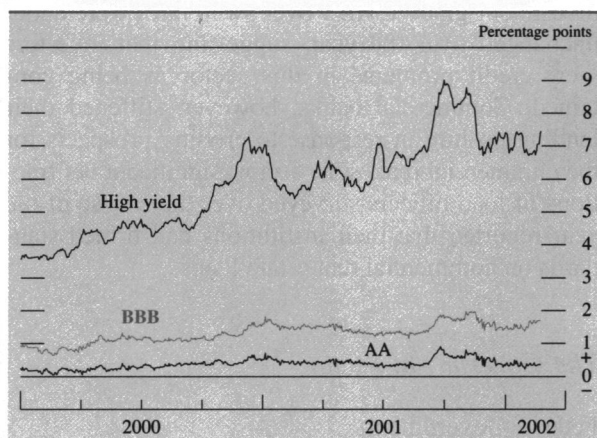


NOTE. The data are annual; 2001 is based on partially estimated data. The financing gap is the difference between capital expenditures and internally generated funds. Net equity retirement is the difference between equity retired through share repurchases, domestic cash-financed mergers, or foreign takeovers of U.S. firms and equity issued in public or private markets, including funds invested by venture capital partnerships.

their commercial paper outstanding. The move out of commercial paper also reflected elevated credit spreads between high- and low-tier issuers resulting from the defaults of California utilities and several debt downgrades among prominent firms early in the year. Announcements of new equity share repurchase programs thinned considerably in the first half of the year, as firms sought to conserve their cash buffers in response to plummeting profits. A significant slowdown in cash-financed merger activity further damped equity retirements, although these retirements still outpaced gross equity issuance, which was restrained by falling share prices. Over the summer, issuance of investment-grade bonds dropped off appreciably. Moreover, market sentiment toward speculative-grade issues cooled, as further erosion in that sector's credit quality took its toll. Business loans and outstanding commercial paper continued to contract, and with share prices in the doldrums, nonfinancial firms raised only a small amount of funds in public equity markets in the third quarter.

The terrorist attacks on September 11 constricted corporate financing flows for a time. The stock market closed for that week, and trading in corporate bonds came to a virtual halt. After the shutdown of the stock market, the Securities and Exchange Commission, in an effort to ensure adequate liquidity, temporarily lifted some restrictions on firms' repurchases of their own shares. According to reports from dealers, this change triggered a spate of repurchases in the first few days after the stock markets reopened on September 17. When full-scale trading in corpo-

Spreads of corporate bond yields over the ten-year swap rate



NOTE. The data are daily and extend through February 21, 2002. The spreads compare the yields on the Merrill Lynch AA, BBB, and 175 indexes with the ten-year swap rate.

rate bonds resumed on September 17, credit spreads on corporate bonds widened sharply: Risk spreads on speculative-grade private debt soared to levels not seen since late 1991, and spreads on investment-grade corporate bonds also moved higher, although by a considerably smaller amount. Against this backdrop, junk bond issuance nearly dried up for the rest of the month. Commercial paper rates—even for top-tier issuers—jumped immediately after the attacks, as risk of payment delays increased. In response to elevated rates, some issuers tapped their backup lines at commercial banks, and business loans spiked in the weeks after the attacks. Risk spreads for low-tier borrowers in the commercial paper market remained elevated, even after market operations had largely recovered, because of ongoing concerns about

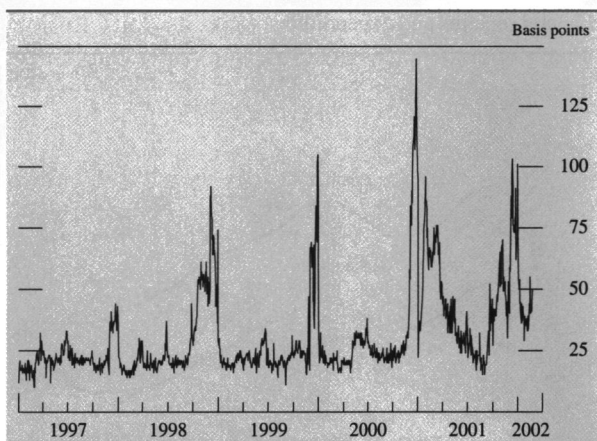
credit quality and ratings downgrades among some high-profile issuers in the fall.

By early October, the investment-grade corporate bond market had largely recovered from the disruptions associated with the terrorist attacks, and bond issuance in that segment of the market picked up considerably. Firms capitalized on relatively low longer-term interest rates to pay down short-term obligations, to refinance existing higher-coupon debt, and to boost their holdings of liquid assets. With high-yield bond risk spreads receding moderately, issuance in the speculative-grade segment of the corporate bond market stirred somewhat from its moribund state, although investors remained highly selective. Public equity issuance, after stalling in September, also regained some ground in the fourth quarter, spurred by a rebound in stock prices. As was the case for most of the year, initial public offerings and venture capital financing remained at depressed levels.

Commercial paper issuance recovered somewhat early in the fourth quarter as firms repaid bank loans made in the immediate aftermath of the terrorist attacks and as credit spreads for lower-rated issuers started to narrow. However, the collapse of the Enron Corporation combined with typical year-end pressures to widen quality spreads in early December. All told, the volume of domestic nonfinancial commercial paper outstanding shrank by one-third over the year as a whole. Business loans at banks fell further in the fourth quarter; for the year, business loans contracted 4¼ percent, their first annual decline since 1993.

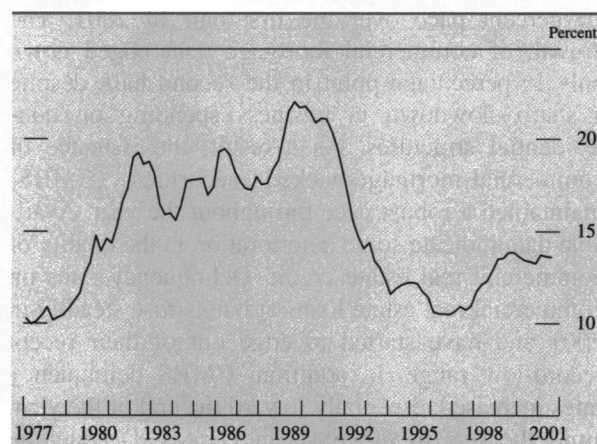
The slowing of sales and the drop in profits caused corporate credit quality to deteriorate noticeably last

Spread of low-tier CP rates over high-tier CP rates



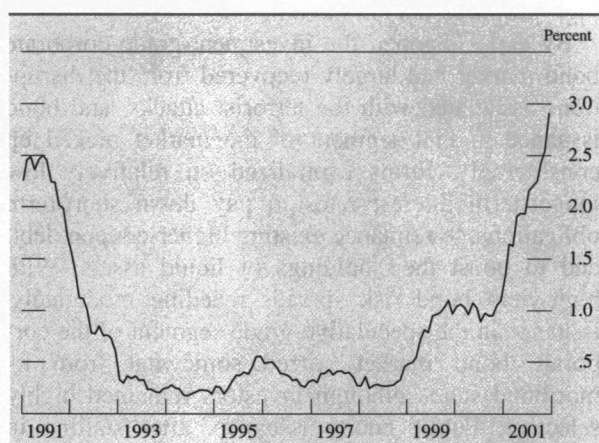
NOTE. The data are daily and extend through February 21, 2002. The series shown is the difference between the rate on A2/P2 nonfinancial commercial paper and the AA rate.

Net interest payments of nonfinancial corporations relative to cash flow



NOTE. The data are quarterly and extend through 2001:Q3.

Default rate on outstanding bonds



NOTE. The data are monthly; the series shown is a twelve-month moving average.

year. In part because of the decline in market interest rates, the ratio of net interest payments to cash flow in the nonfinancial corporate sector moved only modestly above the relatively low levels of recent years, and most firms did not experience significant difficulties servicing their debt. However, many firms were downgraded, and evidence of financial distress mounted over the course of the year. The twelve-month trailing average of the default rate on corporate bonds nearly tripled last year and by December ran almost $\frac{1}{2}$ percentage point higher than its peak in 1991. Delinquency rates on business loans at banks also rose, although not nearly as dramatically. The amount of nonfinancial debt downgraded by Moody's Investors Service last year was more than five times the amount upgraded; downgrades were especially pronounced in the fourth quarter, when ratings agencies lowered debt ratings of firms in the telecommunication, energy, and auto sectors.

Commercial mortgage debt, supported by still-strong construction spending, expanded at a brisk 10 percent pace over the first half of 2001. The growth of commercial mortgage debt edged down only $\frac{1}{2}$ percentage point in the second half, despite a sharp slowdown in business spending on non-residential structures. As a result, the issuance of commercial-mortgage-backed securities (CMBS) maintained a robust pace throughout the year. Available data indicate some deterioration in the quality of commercial real estate credit. Delinquency rates on commercial real estate loans at banks rose steadily in 2001 and have started to edge out of their recent record-low range. In addition, CMBS delinquency rates increased, especially toward the end of the year, amid the rise in office vacancy rates. Despite the erosion in credit quality in commercial real estate and

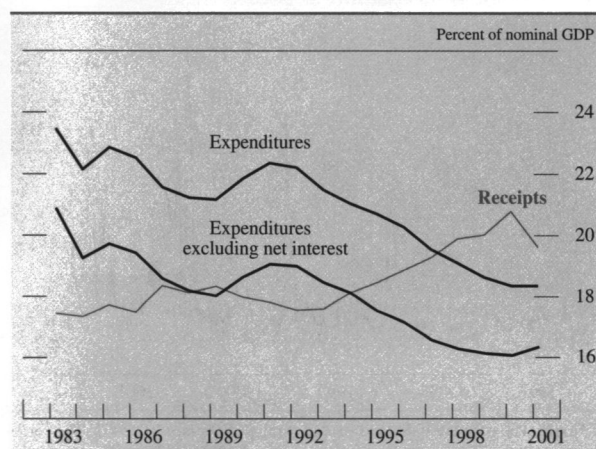
heavy issuance of CMBS, yield spreads on investment-grade CMBS over swap rates were about unchanged over the year, suggesting that investors view credit problems in this sector as being contained. Commercial banks, however, stiffened their lending posture in response to eroding prospects for the commercial real estate sector; significant net fractions of loan officers surveyed over the course of the year reported that their institutions had firmed standards on commercial real estate loans.

The Government Sector

Federal Government

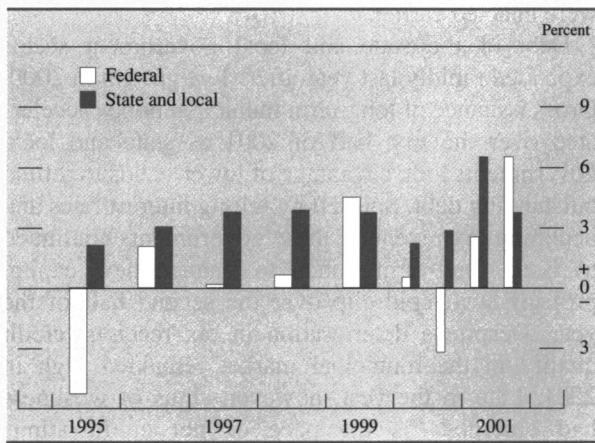
Deteriorating economic conditions and new fiscal initiatives have led to smaller federal budget surpluses than had been anticipated earlier. The fiscal 2001 surplus on a unified basis was \$127 billion, or about $\frac{1}{4}$ percent of GDP—well below both the record \$236 billion surplus recorded in fiscal 2000 and the \$281 billion surplus that the Congressional Budget Office had anticipated for fiscal 2001 at this time last year. Receipts, which had increased at least 6 percent in each of the preceding seven fiscal years, declined around 2 percent in fiscal 2001; the rise in individual tax receipts slowed dramatically and corporate receipts plunged 27 percent. The lower receipts reflected both the weakening economy—specifically, slow growth of personal income, the drop in corporate profits, and a pattern of declines in equity values that led to lower net capital gains realizations—and changes associated with the Economic Growth and Tax Relief Reconciliation Act of 2001. Some provisions of the act went into effect

Federal receipts and expenditures



NOTE. The data are from the unified budget and are for fiscal years.

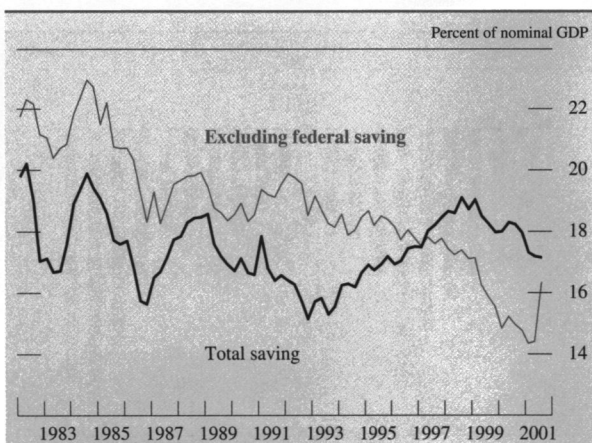
Change in real government expenditures on consumption and investment



immediately, including the rebate checks that were mailed last summer. In addition, the act shifted some corporate tax payments into fiscal 2002.

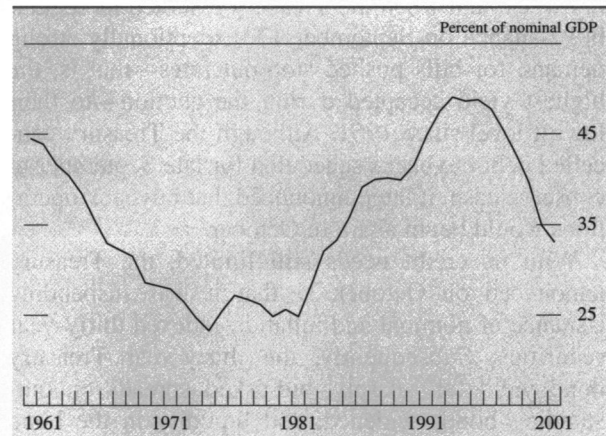
Meanwhile, outlays were up 4 percent in fiscal 2001; abstracting from a decline in net interest payments, outlays increased nearly 6 percent, a second year of increases larger than had prevailed for some time. Outlays have increased across all major categories of expenditure, including defense, Medicare and Medicaid, and social security. As for the part of federal spending that is counted in GDP, real federal outlays for consumption and gross investment increased somewhat more rapidly than in recent years through the first three quarters of 2001 as defense expenditures picked up. Spending rose faster still in the fourth quarter because of increases for homeland security and the additional costs associated with the war in Afghanistan.

National saving



NOTE. The data are quarterly and extend through 2001:Q3. National saving comprises the gross saving of households, businesses, and governments.

Federal government debt held by the public



NOTE. The data are as of the end of the fiscal year. Excludes debt held in federal government accounts and by the Federal Reserve System.

The existence of surpluses through fiscal 2001 meant that the federal government continued to contribute to the pool of national saving. Nevertheless, gross saving by households, businesses, and governments has been trending down over the past few years from the recent high of around 19 percent of GDP in 1998.

The Treasury used federal budget surpluses over the first half of the year to pay down its outstanding marketable debt. In the third quarter, however, the cut in personal income taxes and a weakening in receipts as the economy contracted led the Treasury to reenter the credit markets as a significant borrower of new funds. The Treasury's budget position swung back into surplus late in the year owing to somewhat stronger-than-expected tax receipts, which helped push fourth-quarter net borrowing below its third-quarter level. Despite the increase in the Treasury's net borrowing over the second half of the year, publicly held debt remained at only about one-third of nominal GDP last year, its lowest level since the mid-1980s and well below the 1993 peak of almost 50 percent.

The terrorist attacks on September 11 and the associated disruptions to financial markets had some spillover effects on Treasury financing. On the day of the attacks, the Treasury cancelled its scheduled bill auction; over the next several days, it drew down nearly all of its compensating balances with commercial banks—about \$12½ billion in total—to meet its obligations. On Thursday of that week, the settlement of securities sold the day before the attacks eased the Treasury's immediate cash squeeze, and the incoming stream of estimated quarterly personal income tax payments provided additional funds. Infrastructure problems involving the trading and clearing of Treas-

sury securities were largely resolved over the following week, and when the Treasury resumed its regular bill issuance on September 17, exceptionally strong demand for bills pushed stop-out rates—that is, the highest yield accepted during the auction—to their lowest level since 1961. Although the Treasury cancelled debt buybacks scheduled for late September to conserve cash, it later announced that buyback operations would begin again in October.

With its credit needs still limited, the Treasury announced on October 31 that it was suspending issuance of nominal and inflation-indexed thirty-year securities. Subsequently, the thirty-year Treasury bond yield fell sharply, bid-asked spreads on outstanding bonds widened, and liquidity in the bond sector deteriorated. Although bid-asked spreads narrowed over the balance of the year, market participants reported that liquidity in the bond sector remained below its level before the Treasury's announcement. The announcement on October 31 also indicated that after the January 2002 buyback operations, the Treasury would determine the amount and timing of buybacks on a quarter-by-quarter basis, thereby fueling speculation that future buybacks might be scaled back in light of the changed budget outlook.

State and Local Governments

Real expenditures for consumption and gross investment by states and localities rose 5 percent last year after an increase of 2½ percent in 2000. Much of the acceleration reflected a burst of spending on construction of schools and other infrastructure needs. In addition, outlays at the end of last year were boosted by the cleanup from the September 11 attacks in New York. As for employment, state and local governments added jobs in 2001 at a more rapid pace than they did over the previous year and thereby helped to offset job losses in the private sector.

The fiscal condition of state and local governments has been strained by the deterioration in economic performance. State governments are considering a variety of actions to achieve budget balance in the current fiscal year. Most states are intending to cut planned expenditures, and many are considering drawing down rainy-day funds, which governments had built up in earlier years. According to the National Conference of State Legislators, these rainy-day funds stood at the relatively high level of \$23 billion at the end of fiscal 2001 (June 30). Moreover, some states that had planned to fund capital expenditures with current receipts appear to be

shifting to debt financing. Finally, a few states are considering actions such as postponing tax cuts that were enacted earlier.

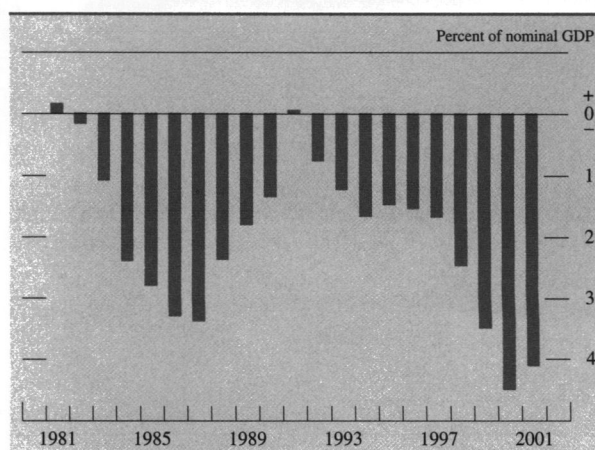
Debt of the state and local government sector expanded rapidly last year after slow growth in 2000. Gross issuance of long-term municipal bonds accelerated over the first half of 2001 as state and local governments took advantage of lower yields to refund outstanding debt. Spurred by falling interest rates and declining tax revenues, these governments continued to issue long-term bonds to finance new capital projects at a rapid clip over the second half of the year. Despite a deterioration in tax receipts, credit quality in the municipal market remained high in 2001. Late in the year, however, signs of weakness had emerged, as the pace of net credit-ratings upgrades slowed noticeably. Especially significant problems continue to plague California and New York, both of which saw their debt ratings lowered in November. In California, the problems were attributed to declining tax revenues and difficulties related to the state's electricity crisis earlier in the year, while New York's slip in credit quality resulted not only from deteriorating tax receipts but also from fears of higher-than-expected costs related to clean up and rebuilding after the terrorist attacks.

The External Sector

Trade and the Current Account

The U.S. current account deficit narrowed significantly during 2001, with both imports and exports of goods and services falling sharply in response to a global weakening of economic activity. The deficit in

U.S. current account



NOTE. The observation for 2001 is the average of the first three quarters.

goods and services narrowed to \$333 billion at an annual rate in the fourth quarter of 2001 from \$401 billion at the end of the previous year. In addition, the deficit was temporarily reduced further in the third quarter because service import payments were lowered by a large one-time estimated insurance payment from foreign insurers (reported on an accrual basis) related to the events of September 11.¹ Excluding the estimated insurance figure, the current account deficit was \$434 billion at an annual rate over the first three quarters of the year, or 4¼ percent of GDP, compared with \$445 billion and 4½ percent for the year 2000. Net investment income payments were about the same during the first three quarters of 2001 as in the corresponding period a year earlier; higher net payments on our growing net portfolio liability position were offset by higher net direct investment receipts.

U.S. real exports were hit by slower growth abroad, continued appreciation of the dollar, and plunging global demand for high-tech products. Real exports of goods and services fell 11 percent over the four quarters of 2001, with double-digit declines beginning in the second quarter. Service receipts decreased 7 percent; all of the decline came after the events of September 11. Receipts from travel and passenger fares, which plunged following the terrorist attacks, were about one-fourth lower in the fourth quarter than in the second quarter. Receipts from foreigners for other services changed little over the year. Exports

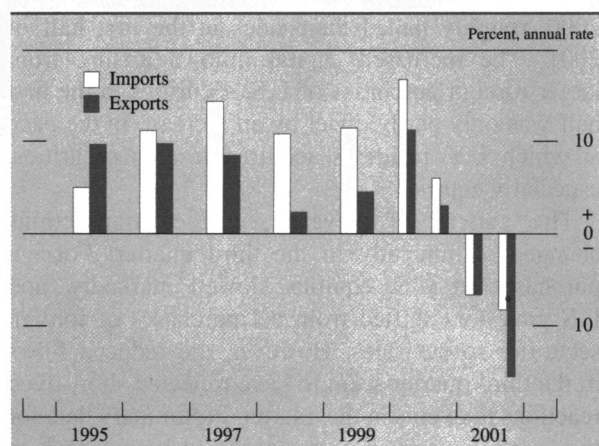
declined in almost all major goods categories, with the largest drops by far in high-tech capital goods and other machinery. Two exceptions were exports of automotive products, which rose during the second and third quarters (largely parts to Canada and Mexico destined ultimately for use in U.S. markets, and vehicles to Canada), and agricultural goods. About 45 percent of U.S. exports of goods were capital equipment; 20 percent were industrial supplies; and 5 percent to 10 percent each were agricultural, automotive, consumer, and other goods. The value of exported goods declined at double-digit rates for almost all major market destinations. Even exports to Canada and Mexico declined sharply, despite support from two-way trade with the United States in such sectors as automotive products.

As growth of the U.S. economy slowed noticeably, real imports of goods and services turned down and declined 8 percent for 2001 as a whole. Service payments dropped 15 percent last year. The plunge in outlays for travel and passenger fares after September 11 held down total real service payments, bringing their level in the fourth quarter 15 percent below that in the second quarter. Spending on services other than travel and passenger fares changed little during the year.² Imported goods fell 6 percent last year, with much of the decrease in capital goods (computers, semiconductors, and other machinery). In contrast, real imports of automotive products, consumer goods, oil, and other industrial supplies were little changed, and imports of foods rose. The pattern of import growth appears to have shifted toward the end of the year. Imports of real non-oil goods declined at about a 10 percent annual rate during the first three quarters of the year but fell less rapidly in the fourth quarter. The price of imported non-oil goods, after rising in the first quarter, declined at an annual rate of about 6 percent from the second quarter through the fourth quarter, led by decreases in the price of imported industrial supplies.

The value of imported oil fell more than one-third over the four quarters of 2001, a drop resulting almost entirely from a sharp decline in oil prices. The spot price of West Texas intermediate (WTI) crude decreased about \$10 per barrel during the year, with much of the decline occurring after September 11. During the first eight months of 2001, the spot price of WTI averaged \$28 per barrel as weakened demand for oil and increased non-OPEC supply were largely

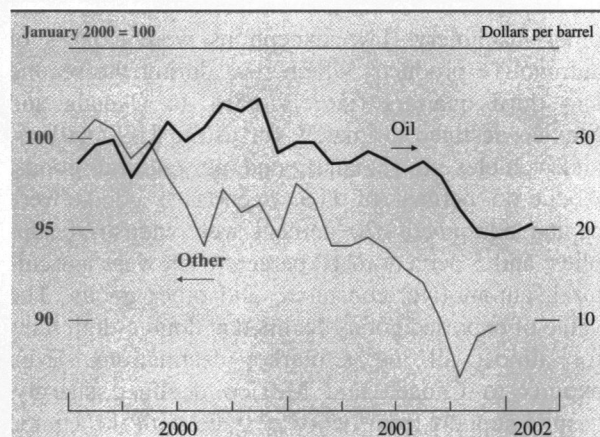
1. The "insurance payment" component of imported services is calculated as the value of premiums paid to foreign companies less the amount of losses recovered from foreign companies. In the third quarter, the estimated size of losses recovered far exceeded the amount paid for insurance premiums, resulting in a negative recorded insurance payment. According to NIPA accounting, the entire amount of a recovery is recorded in the quarter in which the incident occurred.

Change in real imports and exports of goods and services



2. According to NIPA accounting, the value of the one-time insurance payments by foreign insurers is not reflected in NIPA real imports of services. The deflator for service imports was adjusted down for the third quarter to offset the lower value of service imports; the deflator returned to its usual value in the fourth quarter.

Prices of oil and of other commodities



NOTE. The data are monthly; the last observation for oil is the average of trading days through February 21, 2002; the last observation for other commodities is December 2001. The oil price is the spot price of West Texas intermediate crude oil. The price of other commodities is a weighted average of thirty-nine nonfuel primary-commodity prices from the International Monetary Fund.

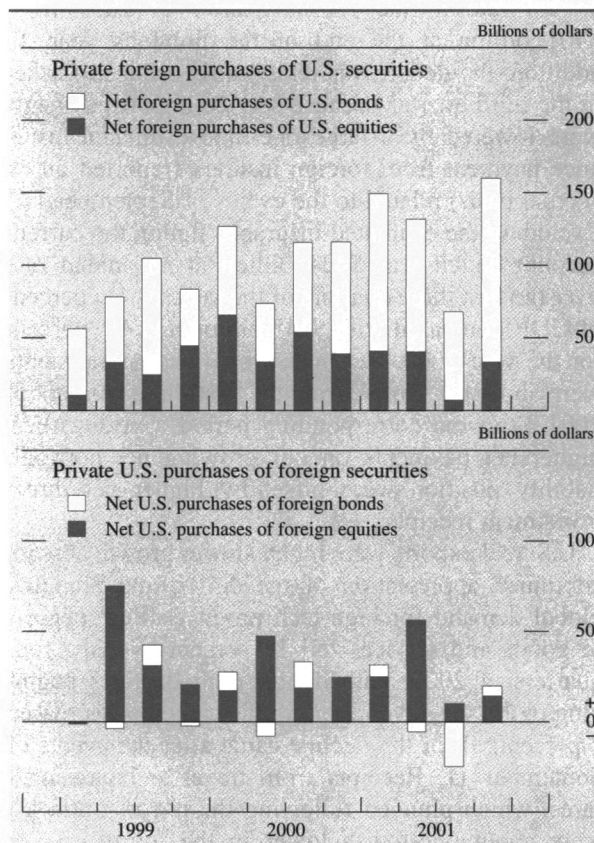
offset by OPEC production restraint. In the wake of the terrorist attacks, oil prices dropped sharply in response to a decline in jet fuel consumption, weaker economic activity, and reassurance from Saudi Arabia that supply would be forthcoming. Oil prices continued to drift lower during the fourth quarter, reflecting OPEC's apparent unwillingness to continue to sacrifice market share in order to defend higher oil prices. In late December, however, OPEC worked out an arrangement in which it agreed to reduce its production targets an additional 1.5 million barrels per day, contingent on the pledges from several non-OPEC producers (Angola, Mexico, Norway, Oman, and Russia) to reduce oil exports a total of 462,500 barrels per day. Given the uncertainty over the extent to which these reductions will actually be implemented and the comfortable level of oil inventories, the spot price of WTI remained near \$20 per barrel in early 2002.

Financial Account

The slowing of U.S. and foreign economic growth over the course of last year had noticeable effects on the composition of U.S. capital flows, especially when the slowing became more pronounced in the second half. On balance, net private capital flowed in at a pace only slightly below the record set in 2000, including unprecedented net inflows through private securities transactions.

During the first half of 2001, sagging stock prices and signs of slower growth brought a shift in the

U.S. international securities transactions



SOURCE. Department of Commerce and the Federal Reserve Board.

types of U.S. securities demanded by private foreigners but did not reduce the overall demand for them. Indeed, during the first half, foreign private purchases of U.S. securities averaged \$137 billion per quarter, a rate well above the record \$109 billion pace set in 2000. A slowing of foreign purchases of U.S. equities, relative to 2000, was more than offset by a pickup in foreign purchases of corporate and agency bonds. In addition, private foreigners, who had sold a significant quantity of Treasury securities during 2000, roughly halted their sales in the first half of 2001. The increased capital inflows arising from larger foreign purchases of U.S. securities in the first half was only partly offset by an increase in the pace at which U.S. residents acquired foreign securities, especially equities.

The pattern of private securities transactions changed significantly in the third quarter: Foreign purchases of U.S. equities slowed markedly, and U.S. investors shifted from net purchases of foreign securities to net sales. However, the reduced flows in the third quarter seem to have reflected short-lived reactions to events in the quarter. Preliminary data for the fourth quarter show a significant bounceback in

foreign purchases of U.S. securities and a return to purchases of foreign securities by U.S. residents.

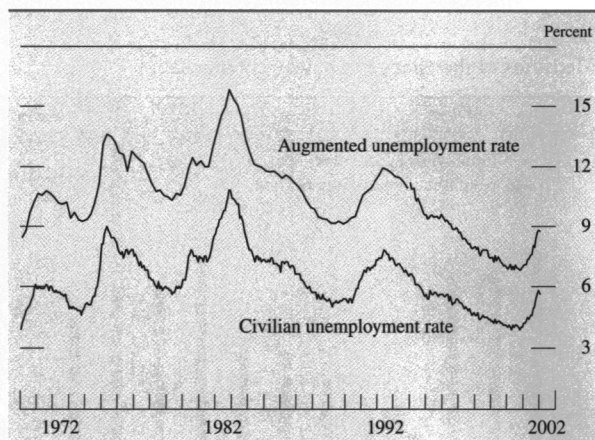
The changing economic climate also affected direct investment capital flows. During 2000, foreign direct investment in the United States averaged more than \$70 billion per quarter. These flows slowed to less than \$60 billion per quarter in the first half and then dropped to only \$26 billion in the third quarter (the last available data). The drop resulted in part from a decline in the outlook for corporate profits and a significant reduction in general merger and acquisition activity. By contrast, U.S. direct investment abroad picked up over the course of 2001. The third quarter outflow of \$52 billion—a record—reflected both a large merger and robust retained earnings by the foreign affiliates of U.S. firms. Capital inflows from official sources were relatively modest in 2001, totaling only \$15 billion, compared with \$36 billion in 2000.

The Labor Market

Employment and Unemployment

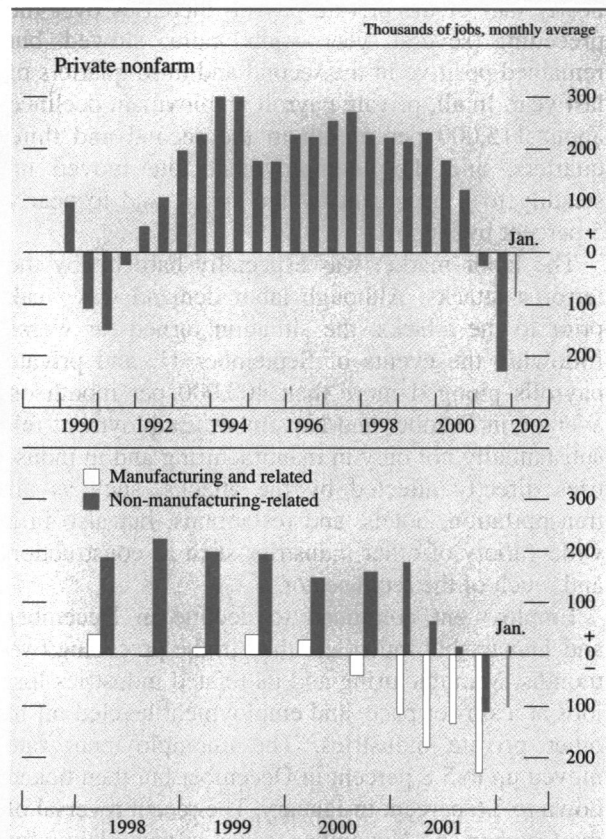
Last year's weakening in economic activity took its toll on the labor market. Payroll employment edged up early last year and then dropped nearly 1½ million by January 2002. Declines were particularly large in manufacturing, which has shed one in twelve jobs since mid-2000. Job cuts accelerated in the months following the terrorist attacks of September 11, with

Measures of labor utilization



NOTE. The data extend through January 2002. The augmented unemployment rate is the number of unemployed plus those who are not in the labor force and want a job, divided by the civilian labor force plus those who are not in the labor force and want a job. In January 1994, a redesigned survey was introduced; data for the augmented rate from that point on are not directly comparable with those of earlier periods. For the augmented rate, the data are quarterly through December 1993 and monthly thereafter; for the civilian labor force rate, the data are monthly.

Net change in payroll employment



NOTE. Manufacturing and related industries includes establishments in manufacturing, wholesale trade, and help supply services. Non-manufacturing-related industries includes the remainder of private nonfarm establishments.

declines occurring in a wide variety of industries. The unemployment rate moved up from 4 percent in late 2000 to 5.8 percent by December 2001. In January 2002, the unemployment rate edged down to 5.6 percent.

Early last year, employment in manufacturing, which had been trending down for several years, began to decline more rapidly. Job losses were widespread within the manufacturing sector but were most pronounced in durable-goods industries, such as those producing electrical and industrial machinery and metals. Employment at help supply firms and in wholesale trade—industries that are directly related to manufacturing—also began to decline. Outside of manufacturing and its related industries, private payrolls continued to increase robustly in the first quarter of last year, but hiring then slowed, although it remained positive, on net, in the second and third quarters. Construction payrolls increased into the spring but flattened out thereafter. Employment at retail trade establishments also continued to increase moderately through the spring but began to decline in the late summer. In services industries other than help

supply firms—a broad group that accounted for nearly half of the private payroll increases over the preceding several years—job gains slowed but remained positive in the second and third quarters of last year. In all, private payroll employment declined about 115,000 per month in the second and third quarters, and the unemployment rate moved up steadily to 4½ percent by the spring and to nearly 5 percent by August.

The labor market was especially hard hit by the terrorist attacks. Although labor demand was weak prior to the attacks, the situation turned far worse following the events of September 11, and private payrolls plunged more than 400,000 per month on average in October and November. Employment fell substantially not only in manufacturing and in industries directly affected by the attacks, such as air transportation, hotels, and restaurants, but also in a wide variety of other industries such as construction and much of the retail sector.

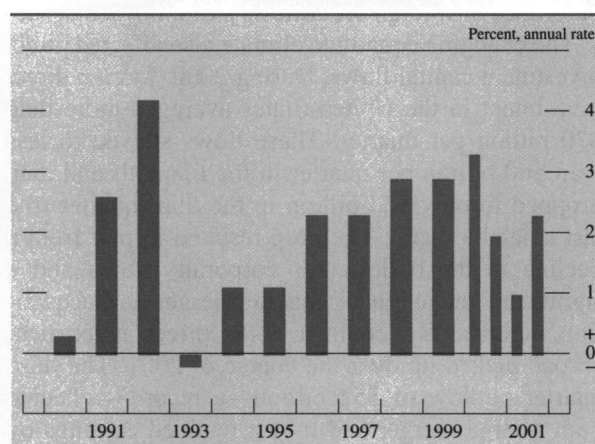
Employment continued to decline in December and January but much less than in the preceding two months. Manufacturing and its related industries lost jobs at a slower pace, and employment leveled off in other private industries. The unemployment rate moved up to 5.8 percent in December but then ticked down to 5.6 percent in January. The recent reversal of the October and November spikes in new claims for unemployment insurance and in the level of insured unemployment also point to some improvement in labor market conditions early this year.

Productivity and Labor Costs

Given economic conditions, growth of labor productivity was impressive in 2001. Productivity growth typically drops when the economy softens, partly because businesses tend not to shed workers in proportion to reduced demand. Last year, however, output per hour in the nonfarm business sector increased a relatively solid 1½ percent, according to the advance estimate, after having risen 2½ percent in 2000—a mild deceleration by past cyclical standards. Indeed, productivity is estimated to have increased at an annual rate of more than 2 percent in the second half of the year, an impressive performance during a period when real GDP was, on net, contracting. The buoyancy of productivity during 2001 provides further support to the view that the underlying trend of productivity growth has stepped up notably in recent years.

Hourly labor compensation costs increased more slowly last year than in 2000, although different

Change in output per hour

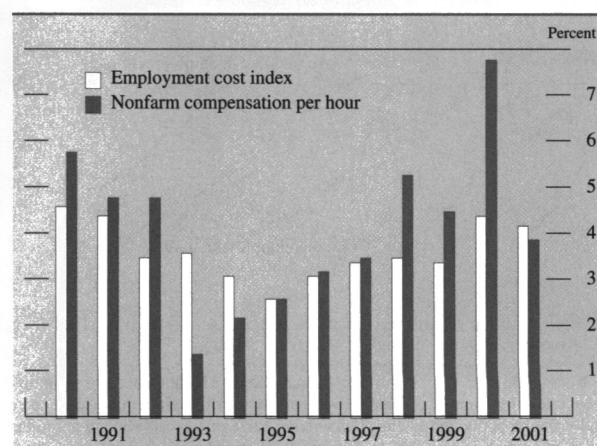


NOTE. Nonfarm business sector.

compensation measures paint different pictures of the magnitude of that deceleration. The slowing likely reflected the influence of the soft labor market, energy-driven declines in price inflation toward the latter part of the year, and subdued inflation expectations. Compensation probably was also held down by a reduction in variable pay, such as bonuses that are tied to company performance and stock-option activity.

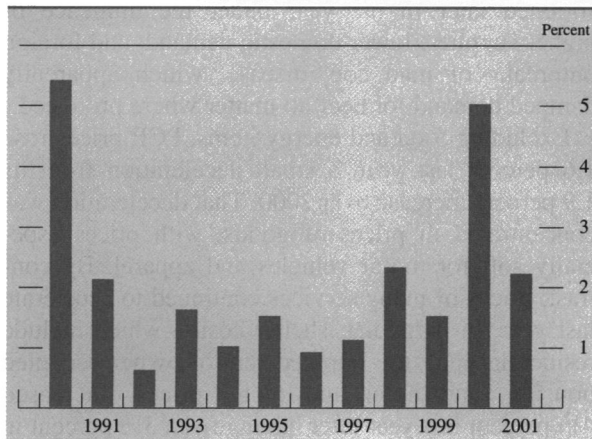
According to the employment cost index, hourly compensation costs increased 4¼ percent during 2001, down from a 4½ percent increase in 2000; both the wages and salaries and benefits components recorded slightly smaller increases. The deceleration in the index for wages and salaries was concentrated among sales workers, whose wages often include a substantial commission component and so are especially sensitive to cyclical developments. Although

Measures of the change in hourly compensation



NOTE. For the employment cost index (ECI), change is from December to December; for nonfarm compensation, Q4 to Q4. The ECI is for private industry excluding farm and household workers. Nonfarm compensation per hour is for the nonfarm business sector.

Change in unit labor costs



NOTE. Nonfarm business sector.

the increase in employers' cost of benefits slowed overall, the cost of providing health insurance increased more than 9 percent last year; the rise continued this component's accelerating contribution to labor costs over the past few years after a period of restrained cost increases in the mid-1990s.

An alternative measure of hourly compensation is the BLS's measure of compensation per hour in the nonfarm business sector, which is derived from compensation information in the national accounts; this measure increased 4 percent last year, a very large drop from the 7 $\frac{3}{4}$ percent increase registered in 2000. One reason that these two compensation measures may diverge is that only nonfarm compensation per hour captures the cost of stock options. Although the two compensation measures differ in numerous other respects as well, the much sharper deceleration in nonfarm compensation per hour may indicate that stock option exercises leveled off or declined in 2001 in response to the fall in equity values. However, because nonfarm compensation per hour can be revised substantially, one must be cautious in interpreting the most recent quarterly figures from this series.

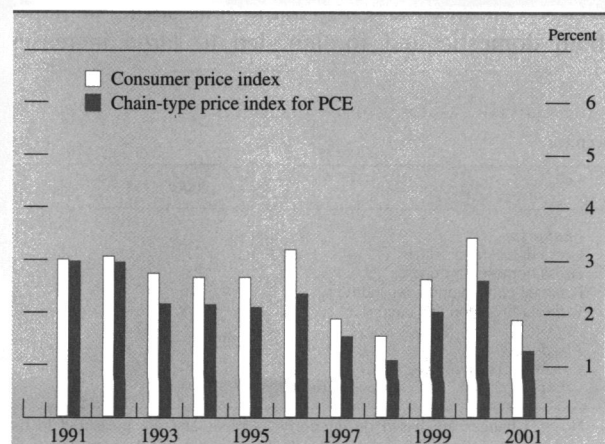
Unit labor costs, the ratio of hourly compensation to output per hour in the nonfarm business sector, increased about 2 percent last year. Although down from a huge 5 percent increase in 2000 that reflected that year's surge in nonfarm compensation per hour, the figure for 2001 is still a little higher than the moderate increases seen over the preceding several years. Last year's increase in unit labor costs was held up by the smaller productivity increases that accompanied weak economic activity; accordingly, subsequent increases in unit labor costs would be held down if output per hour begins to increase more rapidly as the economy strengthens.

Prices

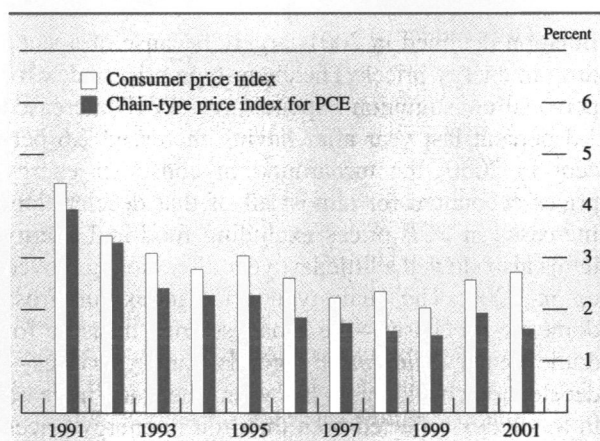
Inflation declined in 2001 largely because of a steep drop in energy prices. The chain-type price index for personal consumption expenditures (PCE) increased 1.3 percent last year after having increased 2.6 percent in 2000; the turnaround in consumer energy prices accounted for almost all of that deceleration. Increases in PCE prices excluding food and energy items also slowed a little last year after having moved up in 2000. The chain-type price index for gross domestic purchases—the broadest price measure for domestically *purchased* goods and services—decelerated considerably last year. The small increase in this index reflected both the drop in energy prices and a resumption of rapid declines for prices of investment goods, especially computers, following a period of unusual firmness in 2000. The price index for GDP—the broadest price measure for domestically *produced* goods and services—posted a smaller deceleration of about $\frac{1}{2}$ percentage point between 2000 and 2001 because lower oil prices have a smaller weight in U.S. production than in U.S. purchases.

Consumer energy prices continued to move higher through the early months of 2001 before turning down sharply in the second half of the year. Despite the fact that crude oil prices were declining over the first half of the year, retail gasoline prices increased at an annual rate of 8 percent during that period. The sizable increase in margins on gasoline reflected both refinery disruptions and low inventory levels going into the summer driving season. But gasoline prices fell sharply thereafter as refineries came back on line, imports of gasoline picked up, and crude oil prices moved considerably lower over the latter half of the year. In all, gasoline prices were down 19 percent over the year as a whole. Heating oil prices reflected

Change in consumer prices



Change in consumer prices excluding food and energy



crude oil developments more directly and declined sharply through most of the year. Meanwhile, spot prices of natural gas peaked in January 2001 at the extraordinarily high level of nearly \$10 per million BTUs, and prices at the consumer level continued to surge in the first few months of the year. These increases reflected the pressure from ongoing strength in demand coupled with unusually cold weather early last winter that left stocks at very low levels. But the situation improved as expanded supply allowed stocks to be replenished: Spot prices reversed those earlier increases, and prices of consumer natural gas declined substantially through the rest of the year.

In contrast, electricity prices rose through most of last year. The increases reflected the effects of the earlier rises in the prices of natural gas and coal on fuel costs of utilities as well as problems with electricity generation in California. California was able to avoid serious power disruptions last summer because high electricity prices, weak economic activity, and moderate weather all helped keep demand in check.

Consumer food prices increased more rapidly last year, rising about 3 percent after having risen only 2½ percent in 2000. Early in the year, strong demand, both domestic and foreign, led to large increases

in livestock prices—especially beef. But these prices softened later in the year under the influence of higher supplies, lower domestic demand, and foreign outbreaks of mad cow disease, which apparently damped demand for beef no matter where produced.

Excluding food and energy items, PCE prices rose 1.6 percent last year, a small deceleration from its 1.9 percent increase over 2000. That deceleration was concentrated in prices of goods, with prices especially soft for motor vehicles and apparel. By contrast, prices of many services continued to accelerate last year. In particular, shelter costs—which include residential rent, the imputed rent of owner-occupied housing, and hotel and motel prices—increased 4¼ percent last year after having risen 3½ percent in 2000.

Standing somewhat in contrast to the small deceleration in core PCE prices, the core consumer price index (CPI) increased 2¾ percent last year, about the same rate as in 2000. Although components of the CPI are key inputs of the PCE price index, the two price measures differ in a variety of ways. One important difference is that the PCE measure is broader in scope; it includes expenditures made by nonprofit institutions and consumption of items such as checking services that banks provide without explicit charge. Prices for the PCE categories that are outside the scope of the CPI decelerated notably in 2001 and accounted for much of the differential movements of inflation measured by the two price indexes. Another difference is that the CPI places a larger weight on housing than does the PCE price index, and last year's acceleration of housing prices therefore boosted the CPI relative to the PCE measure.

The leveling off or decline in core consumer price inflation reflects a variety of factors, including the weakening of economic activity and the accompanying slackening of resource utilization; the decline in energy prices that reduced firms' costs; and continuing intense competitive pressures in product markets. These factors also likely helped to reduce inflation expectations late last year, and this reduction itself may be contributing to lower inflation. According to the Michigan SRC, median one-year inflation expectations, which had held near 3 percent through 2000 and into last summer, moved down to 2¾ percent in the third quarter and plummeted to 1 percent or lower in October and November. Falling energy prices and widespread reports of discounting following the September 11 attacks likely played a role in causing this sharp break in expectations. Part of this drop was reversed in December, and since then, inflation expectations have remained around 2 percent—a rate still well below the levels that had prevailed earlier.

Alternative measures of price change

Percent

Price measure	2000	2001
<i>Chain-type</i>		
Gross domestic product	2.4	1.8
Gross domestic purchases	2.5	1.1
Personal consumption expenditures	2.6	1.3
Excluding food and energy	1.9	1.6
<i>Fixed-weight</i>		
Consumer price index	3.4	1.9
Excluding food and energy	2.5	2.7

NOTE. Changes are based on quarterly averages and are measured to the fourth quarter of the year indicated from the fourth quarter of the preceding year.

Meanwhile, the Michigan SRC's measure of longer-term inflation expectations, which had also remained close to 3 percent through 2000 and the first half of 2001, ticked down to $2\frac{3}{4}$ percent in October and stood at that level early this year.

U.S. Financial Markets

As a consequence of the Federal Reserve's aggressive easing of the stance of monetary policy in 2001, interest rates on short- and intermediate-term Treasury securities fell substantially over the course of the year. Longer-term Treasury bond yields, however, ended the year about unchanged, on balance. These rates had already fallen appreciably in late 2000 in anticipation of monetary policy easing. They may also have been held up last year by an increased likelihood of federal budget deficits and, except in the immediate aftermath of the terrorist attacks, by investors' optimism about future economic prospects. Despite this optimism, the slowdown in final demand, a slump in corporate earnings, and a marked deterioration in credit quality of businesses in a number of sectors made investors more wary about risk. Although interest rates on higher-rated investment-grade corporate bonds generally moved in line with those on comparably dated government securities, lower-rated firms found credit to be considerably more expensive, as risk spreads on speculative-grade debt soared for most of the year before narrowing somewhat over the last few months. Interest rates on commercial paper and business loans fell last year by about as much as the federal funds rate, but risk spreads generally remained in the elevated range. In addition, commercial banks tightened standards and terms for business borrowers throughout the year. Equity prices were exceptionally volatile and fell further, on balance, in 2001.

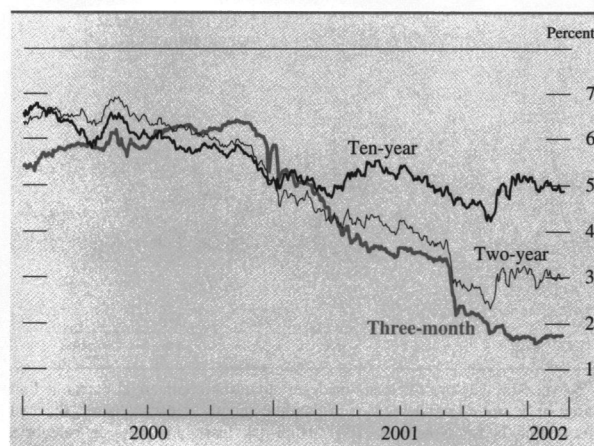
Increased caution on the part of lenders did not appear to materially damp aggregate credit flows. Private borrowing was robust last year, especially when compared with the marked slowing in nominal spending. Relatively low long-term interest rates encouraged both businesses and households to concentrate borrowing in longer-term instruments, thereby locking in lower debt-service obligations. The proceeds of long-term borrowing were also used to strengthen balance sheets by building stocks of liquid assets. A shift toward safer and more liquid asset holdings showed through in rapid growth of M2, which was spurred further by reduced short-term market interest rates and elevated stock market volatility.

Interest Rates

Short-term market interest rates moved down with the FOMC's cumulative cut in the target federal funds rate of $4\frac{3}{4}$ percentage points, and yields on intermediate-term Treasury securities declined almost 2 percentage points. Longer-term interest rates had already fallen in the latter part of 2000, when investors began to anticipate significant policy easing in response to weakening economic growth. As the FOMC aggressively eased the stance of monetary policy during the winter and spring, investors' expectations of a prompt revival in economic activity took hold and were manifested in a sharp upward tilt of money market futures rates and an appreciable rise in longer-term interest rates over the second quarter. However, signs of the anticipated economic turnaround failed to materialize as the summer progressed. Indeed, the weakening in economic activity was becoming more widespread, which prompted expectations of further monetary policy easing over the near term, and longer-term interest rates turned down again.

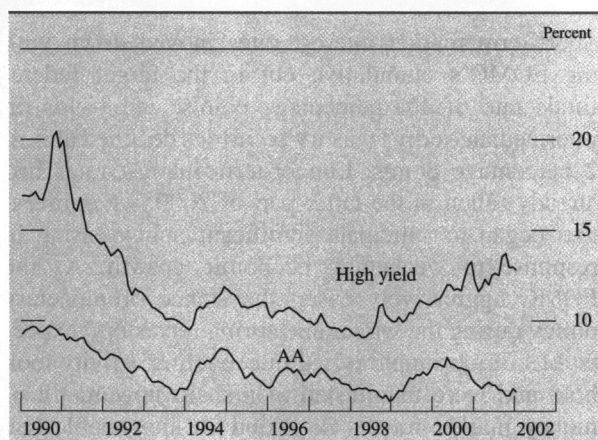
The terrorist attacks of September 11 dramatically redrew the picture of the nation's near-term economic prospects. Market participants lowered markedly their expected trajectory for the path of the federal funds rate in the immediate aftermath of the attacks, and revisions to policy expectations, combined with considerable flight-to-safety demands, cut short- and intermediate-term Treasury yields substantially over subsequent days. The FOMC, confronted with evidence of additional weakness in final demand and prices, eased policy further over the balance of the year, and short-term market interest rates continued to decline. In early November, however, intermediate- and long-term interest rates turned up,

Rates on selected Treasury securities



NOTE. The data are daily and extend through February 21, 2002.

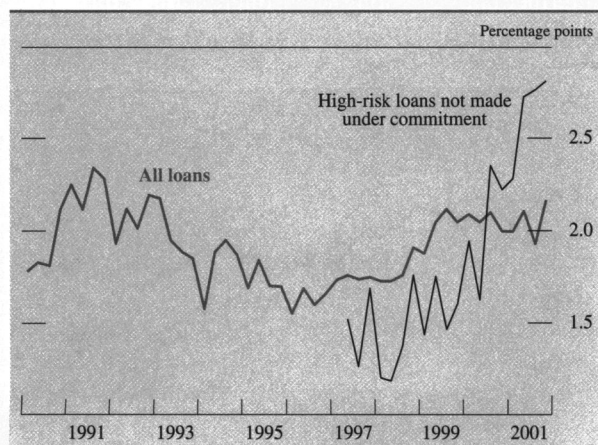
Corporate bond yields



NOTE. The data are monthly averages and extend through January 2002. The AA rate is calculated from bonds in the Merrill Lynch AA index with seven to ten years remaining maturity. The high-yield rate is the yield on the Merrill Lynch 175 high-yield index.

as it became apparent that the economic fallout from the attacks would be more limited than some had originally feared, and as military success in Afghanistan bolstered investors' confidence and moderated safe-haven demands. By the end of the year, yields on intermediate-term Treasury securities had reversed about half of their post-September 11 decline, while yields on longer-term Treasury securities had risen enough to top their pre-attack levels. In early 2002, however, yields on intermediate- and longer-term Treasuries edged down again, as market participants trimmed their expectations for the strength of the economic rebound, and the Congress failed to move forward with additional fiscal stimulus.

Spread of average business loan rate over the intended federal funds rate



NOTE. The data are for loans made by domestic commercial banks and are based on a survey conducted in the middle month of each quarter; the final observation is for November 2001. High-risk loans are those in categories "moderate" and "acceptable."

SOURCE. Federal Reserve Survey of Terms of Business Lending.

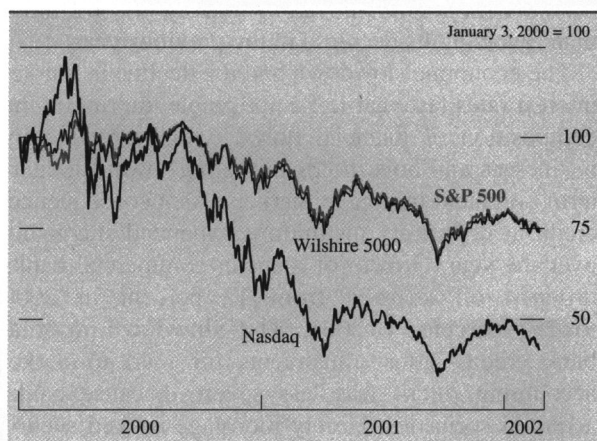
Yields on higher quality investment-grade corporate bonds generally followed those on comparably-dated Treasury securities last year, although risk spreads widened moderately before narrowing over the last few months. In contrast, interest rates on speculative-grade corporate debt increased steadily in 2001, as risk spreads ballooned in response to mounting signs of financial distress among weaker firms. Even with a considerable narrowing over the final two months of the year, risk spreads on below-investment-grade bonds remained quite wide. Spreads for high-yield bonds edged down further in 2002 after rising sharply in early January, when several important technology and telecommunications companies revised down their earnings forecasts or released corrections to past earnings statements. Interest rates on commercial and industrial (C&I) loans at banks fell last year by about as much as the federal funds rate. According to the Federal Reserve's quarterly Survey of Terms of Business Lending, the spread over the target federal funds rate of the average interest rate on C&I loans varied somewhat over the year, falling for a while then rising sharply between August and November; nonetheless, it has generally remained in the elevated range that has persisted since late 1998. The same survey also indicated that over the course of last year commercial banks, like other lenders, have become especially cautious about lending to marginal credits, as indicated by the average spread on riskier C&I loans not made under a previous commitment, which soared in 2001.

Equity Markets

The exceptional volatility of equity prices in 2001 likely reflected the dramatic fluctuations in investors' assessment of the outlook for the economy and corporate earnings. Share prices tumbled early last year, as pessimism and uncertainty about the direction of the economy were intensified by a spate of negative earnings announcements and profit warnings in February and March. The pronounced sell-off of equities came to a halt at the end of the first quarter, with the Wilshire 5000—a very broad index of stock prices—down about 13 percent, while the tech-heavy Nasdaq ended the first quarter at its lowest level since 1998 and more than 60 percent below its record high reached in March of 2000.

Companies, especially in the technology sector, reported weak profits for the first quarter, but their announcements generally surpassed analysts' sharply lowered expectations. With the 1 percentage point

Major stock price indexes



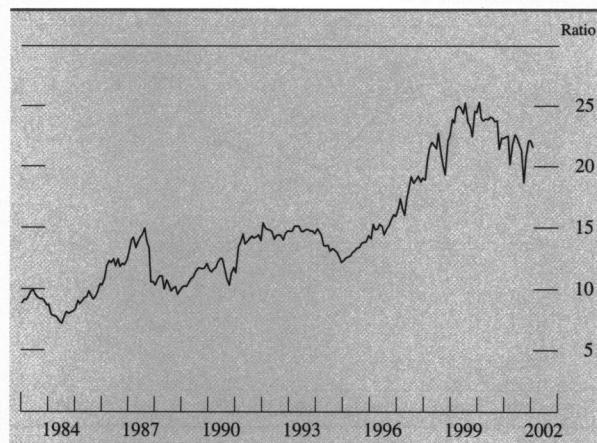
NOTE. The data are daily and extend through February 21, 2002.

reduction in the federal funds rate over March and April, investors became more confident that an improvement in economic conditions was in train, and equity prices rallied; the rebound was particularly strong for technology companies—the Nasdaq rose almost 40 percent between April and the end of May. The forward momentum in equity markets was checked in June, however, in part because analysts slashed their estimates for near-term corporate earnings growth. Although the stock market initially proved resilient in the face of the bleak profit news, suggesting that weak earnings had been largely anticipated by investors, the steady barrage of dismal economic news—particularly in the technology and telecommunications sectors—started to exert downward pressure on share prices by early August. The slide in stock prices intensified in early September, with technology stocks taking an exceptional drubbing. By September 10, the Wilshire 5000 was down almost 10 percent from the end of July, while the Nasdaq had lost more than 16 percent.

The attacks on September 11, a Tuesday, caused stock markets to shut down and to remain closed for the rest of that week. Trading resumed in an orderly fashion on Monday, September 17, but the day ended with the market as a whole down about 5 percent—with airline and hotel stocks pounded most—and trading volume on the New York Stock Exchange hitting a record high. Major stock price indexes, which sagged further in subsequent days and weeks, were weighed down by investors' more pessimistic evaluation of the near-term economic outlook and by sizable downward revisions to analysts' earnings projections for the rest of 2001. By the third week of the month, broad stock price indexes had fallen a total of 12 percent from their levels on September 10.

In late September, stock prices staged a comeback that lasted through the fourth quarter, as incoming information suggested that the economy had proven remarkably resilient and economic prospects were improving. On the perception that the worst for the technology sector would soon pass, share prices of firms in technology industries jumped sharply, lifting the Nasdaq more than 35 percent from its September nadir. On balance, last year's gyrations in stock prices left the Wilshire 5000 down about 10 percent, while the Nasdaq fell 20 percent. The widespread decline in equity prices through the first three quarters of 2001 is estimated to have wiped out nearly \$3½ trillion in household wealth, translating into 8¼ percent of total household net worth. Of this total, however, about \$1¼ trillion was restored by the stock market rally in the fourth quarter. Moreover, the level of household net worth at the end of last year was still almost 50 percent higher than it was at the end of 1995, when stepped-up productivity gains had begun to induce investors to boost significantly their expectations of long-term earnings growth. In January and early February of 2002, investors reacted to generally disappointing news about expected earnings, especially in the telecommunications sector, and to concerns about corporate accounting practices by erasing some of the fourth-quarter gain in equity prices. Despite this decline, the price-earnings ratio for the S&P 500 index (calculated using operating earnings expected over the next year) remained close to its level at the beginning of 2001. The relatively elevated ratio reflected lower market interest rates as well as investor anticipation of a return to robust earnings growth.

Price-earnings ratios for the S&P 500

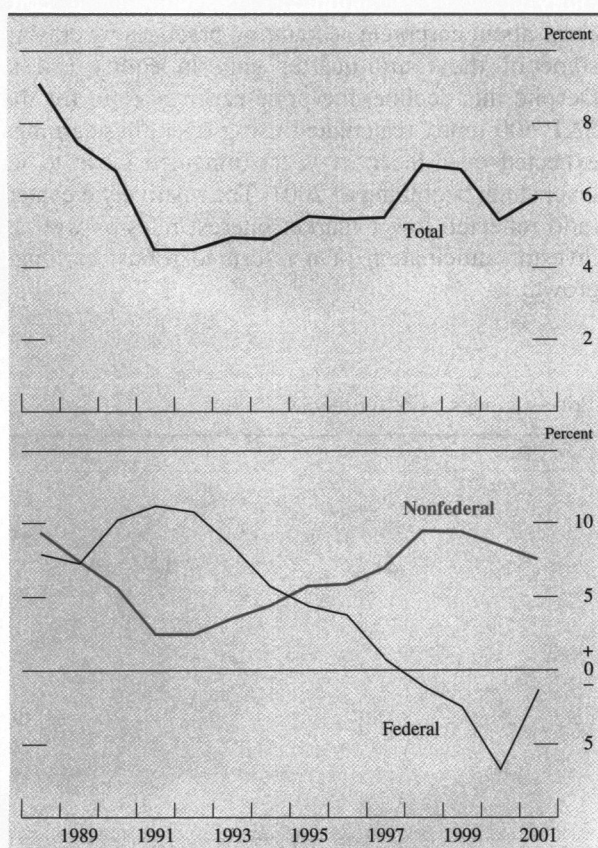


NOTE. The data are monthly and extend through January 2002. The ratios are based on I/B/E/S consensus estimates of earnings over the coming twelve months.

Debt and Depository Intermediation

The growth of the debt of nonfederal sectors was strong over the first half of the year, as the decline in longer-term interest rates during the final months of 2000 prompted some opportunistic tapping of bond markets by businesses and helped keep the expansion of household credit brisk. However, the combination of a stepdown in the growth of consumer durables purchases, a further drop in capital expenditures, and a substantial inventory liquidation over the second half of the year resulted in a significantly slower pace of private borrowing. On balance, growth of nonfederal debt retreated about 1 percentage point in 2001, to 7½ percent. Federal debt continued to contract early last year; it then turned up as the budget fell into a deficit reflecting the implementation of the tax cut, the effect of the weaker economy on tax receipts, and emergency spending in the wake of the terrorist attacks. As a result, the federal government paid down only 1¼ percent of its debt, on net, over 2001, compared with 6¾ percent in the previous year. With

Growth of nonfinancial debt



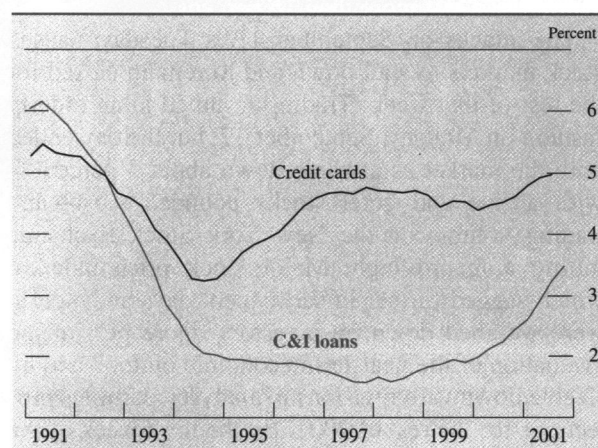
NOTE. The data are monthly. Annual growth rates are computed from fourth-quarter averages. Domestic nonfinancial debt consists of the outstanding credit market debt of governments, households, nonprofit organizations, nonfinancial businesses, and farms.

nominal GDP decelerating sharply, the ratio of nonfinancial debt to GDP moved up notably in 2001, more than reversing its decrease in the previous year.

The economic slowdown and the decline in market interest rates last year left a noticeable imprint on the composition of financial flows, with borrowing by businesses and households migrating toward longer-term bond and mortgage markets. As a consequence, credit at depository institutions expanded sluggishly over the year. Growth of loans at commercial banks dropped off sharply, from 12 percent in 2000 to 2¼ percent in 2001. The slowdown in total bank credit—after adjustments for mark-to-market accounting rules—was less severe, because banks acquired securities, largely mortgage-backed securities, at a brisk pace throughout the year. A healthy banking sector served as an important safety valve for several weeks after September 11, as businesses tapped backup lines of credit to overcome problems associated with the repayment of maturing commercial paper and issuance of new paper. Moreover, with payment flows temporarily interrupted by the terrorist attacks, a substantial volume of overdrafts was created, causing a spike in the “other” loan category that includes loans to depository institutions. By the end of October, however, the disruptions to business financing patterns and payment systems that bloated bank balance sheets had largely dissipated, and loans contracted sharply.

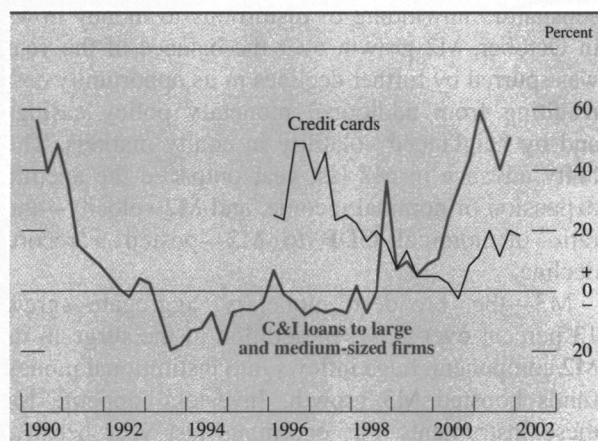
Commercial banks reported a marked deterioration in loan performance last year. Delinquency and charge-off rates on C&I loans trended up appreciably, although they remained well below rates recorded during the 1990-91 recession. Delinquency rates on credit card accounts increased for the second year in

Delinquency rates on commercial and industrial and credit card loans at banks



NOTE. The data, from bank Call Reports, are quarterly, seasonally adjusted, and extend through 2001:Q3.

Net percentage of domestic banks tightening standards on credit card and selected commercial and industrial loans



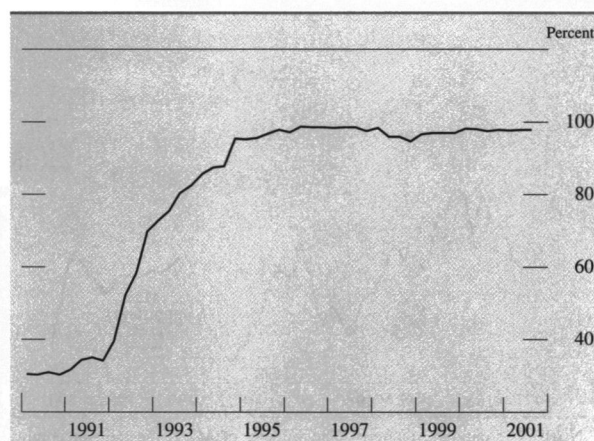
NOTE. The data extend through January 2002 and are based on a survey generally conducted four times per year. Large and medium-sized firms are those with annual sales of \$50 million or more. Net percentage is percentage reporting a tightening less percentage reporting an easing.

SOURCE. Federal Reserve Senior Loan Officer Opinion Survey on Bank Lending Practices.

a row, reaching 5 percent for the first time since early 1992. Banks responded to the deteriorating business and household balance sheets by tightening credit standards and terms for both types of loan, according to the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices. Banks indicated that they had tightened business lending policies in response to greater uncertainty about the economic outlook and their reduced tolerance for risk. Similarly, the net fractions of banks reporting that they had tightened standards for both credit card and other consumer loans rose markedly over the first half of last year. As household financial conditions continued to slip, the net proportion of banks that tightened standards on consumer loans remained at an elevated level in the second half of the year.

In response to rising levels of delinquent and charged-off loans, commercial banks significantly boosted the rate of provisioning for loan losses last year, which, along with reduced income from capital market activities, cut into the banking sector's profits. Nonetheless, through the third quarter of 2001—the latest period for which Call Report data are available—measures of industry profitability remained near the elevated range recorded for the past several years, and banks continued to hold substantial capital to absorb losses. Indeed, virtually all assets were at well-capitalized banks at the end of the third quarter, and the substitution of securities for loans on banks' balance sheets also helped edge up risk-based capital ratios. In the fourth quarter, a number of large banks saw their profits decline further because of their

Percent of all U.S. commercial bank assets at well-capitalized banks



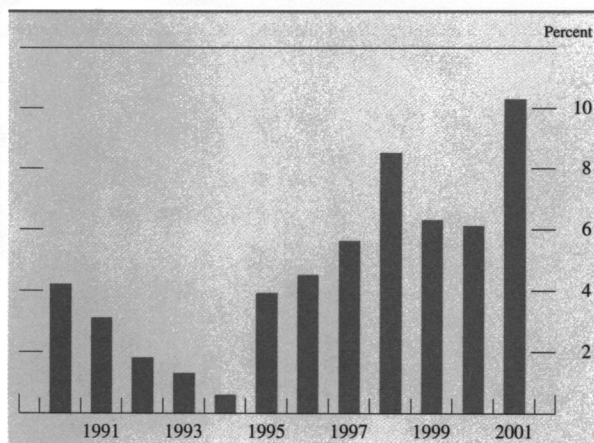
NOTE. The data are quarterly and extend through 2001:Q3. Capital status is determined using the regulatory standards for the leverage, tier 1, and total capital ratios.

exposure to Enron and, to a lesser extent, Argentina. On the positive side, wider net interest margins helped support profits throughout 2001.

The Monetary Aggregates

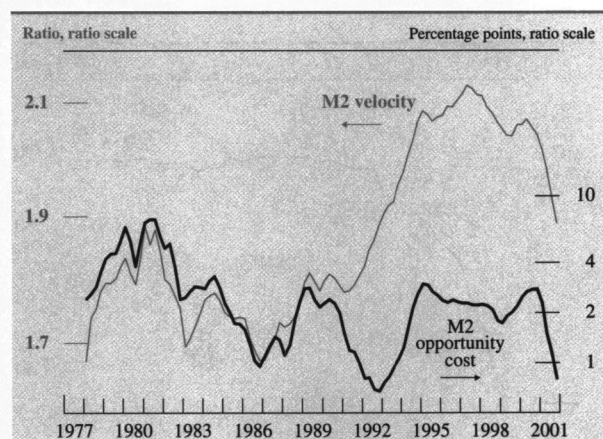
The broad monetary aggregates grew very rapidly in 2001. Over the four quarters of the year, M2 increased 10¼ percent, a rate significantly above the pace of the past several years. Because the rates of return provided by many components of M2 move sluggishly, the swift decline in short-term market interest rates last year significantly lowered the opportunity cost of holding M2 assets, especially for

M2 growth rate



NOTE. M2 consists of currency, travelers checks, demand deposits, other checkable deposits, savings deposits (including money market deposit accounts), small-denomination time deposits, and balances in retail money market funds. Annual growth rates are computed from fourth-quarter averages.

M2 velocity and opportunity cost

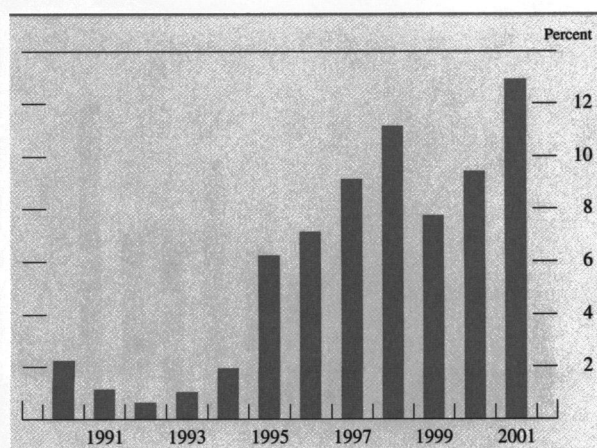


NOTE. The data are quarterly. The velocity of M2 is the ratio of nominal gross domestic product to the stock of M2. The opportunity cost of holding M2 is a two-quarter moving average of the difference between the three-month Treasury bill rate and the weighted average return on assets included in M2.

its liquid deposits (the sum of checking and savings accounts) and retail money funds components. Moreover, negative returns and elevated volatility in equity markets likely raised household demand for M2 assets through the fall. An unprecedented level of mortgage refinancing activity (which results in prepayments that temporarily accumulate in deposit accounts before being distributed to investors in mortgage-backed securities), as well as increased foreign demand for U.S. currency, also bolstered the growth of M2 over the course of the year.

Involuntary accumulation of liquid deposits resulting from payment system disruptions after the terrorist attacks, combined with elevated safe-haven demands, caused M2 to surge temporarily in the weeks following September 11. At the same time,

M3 growth rate



NOTE. M3 consists of M2 plus large-denomination time deposits, balances in institutional money market funds, repurchase-agreement liabilities (overnight and term), and eurodollars (overnight and term). Annual growth rates are computed from fourth-quarter averages.

plunging equity prices led to a sharp step-up in the growth of retail money market mutual funds. After a substantial unwinding of distortions to money flows in October, M2 growth over the balance of the year was spurred by further declines in its opportunity cost resulting from additional monetary policy easings and by heightened volatility in equity markets. The hefty advance in M2 last year outpaced the anemic expansion of nominal income, and M2 velocity—the ratio of nominal GDP to M2—posted a record decline.

M3—the broadest monetary aggregate—grew 13 percent over 2001. In addition to the surge in its M2 component, huge inflows into institutional money funds boosted M3 growth. Investors' appetite for these instruments was enormous last year because their returns were unusually attractive as they lagged the steep decline in market interest rates. The slowdown in the growth of bank credit over the summer, which resulted in a contraction in managed liabilities, damped the rise in M3 somewhat. The velocity of M3 dropped for the seventh year in the row, to a record low.

International Developments

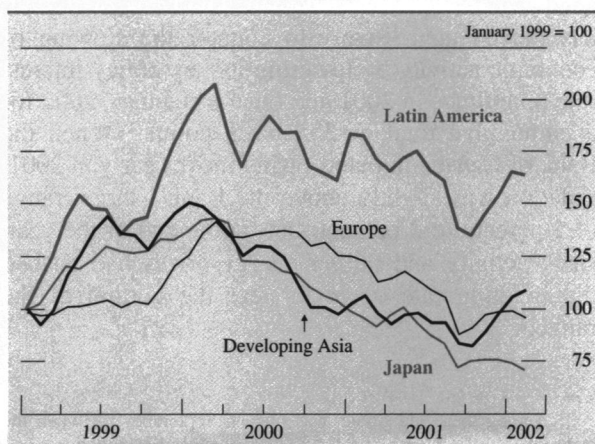
Economic activity in foreign economies weakened substantially in 2001. Early in the year, activity abroad was depressed by high oil prices, the global slump in the high-tech sector, and spillover from the U.S. economic slowdown. The September terrorist attacks further heightened economic uncertainty. On average, foreign economic activity was about flat over the year. The weakest performer among industrial economies was Japan, where output declined. The euro area eked out a slight increase in its real GDP. Activity in most emerging market economies in both Asia and Latin America declined. Asian developing economies were particularly hard hit by the falloff in demand for their high-tech exports. In Latin America, the output decline in Mexico largely reflected sharply reduced export demand from the United States; Argentina's financial crisis precipitated a further sharp drop in output in that country. An easing of average foreign inflation reflected the weakness of activity as well as a net decline in global oil prices over the course of the year.

In response to the pronounced weakness in economic activity, monetary authorities in the major industrial countries eased policy throughout the year. Nevertheless, interest rates on long-term government securities showed little net change from the beginning to the end of the year in most major industrial

countries. Weak economic conditions tended to put downward pressure on long-term rates, but moves toward more stimulative macroeconomic policies appeared to encourage market participants to expect economic recovery, thereby supporting long-term interest rates. Following the terrorist attacks in September, interest rates declined around the globe as expected economic activity weakened and demand shifted away from equities and toward the relative safety of bonds. However, toward year-end, as the period of crisis passed, long-term interest rates rebounded strongly.

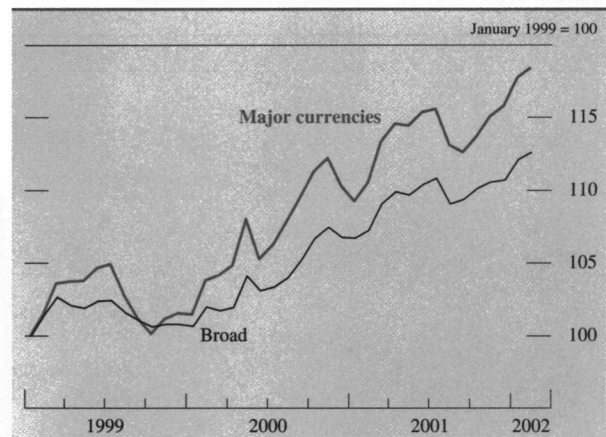
Overall stock indexes in foreign industrial economies declined for the second consecutive year as activity faltered and actual and projected corporate earnings fell sharply. Technology-oriented stock indexes again fell more than the overall indexes. Among emerging market economies, the performance of stocks was mixed; stock indexes in several Asian emerging market economies rebounded strongly late in the year, a move possibly reflecting market participants' hopes for a revival in global demand for the high technology products that feature prominently in these countries' exports. Argentine financial markets came under increasing pressure throughout the year because of growing fears of a debt default and the end of the peso's peg to the dollar. Near year-end, Argentine authorities in fact suspended debt payments to the private sector and, early in 2002, ended the one-to-one peg to the dollar. There was limited negative spillover to other emerging financial markets from the sharp deterioration in Argentina's economic and financial condition, in contrast to the situation that prevailed during other emerging market financial crises of recent years.

Foreign equity indexes



NOTE. The data are monthly. The last observations are the average of trading days through February 21, 2002.

Nominal U.S. dollar exchange rate indexes



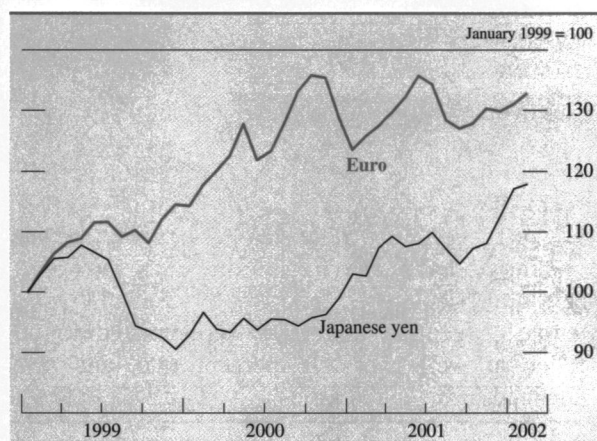
NOTE. The data are monthly. Indexes are trade-weighted averages of the exchange value of the dollar against major currencies and against the currencies of a broader group of important U.S. trading partners. Last observations are the average of trading days through February 21, 2002.

The dollar's average foreign exchange value remained strong through most of 2001. The dollar continued to rise despite mounting evidence of weakening U.S. economic activity and the significant easing of monetary policy by the FOMC. Market participants may have felt that the falloff in economic growth in foreign economies and expectations that the United States offered stronger prospects for economic growth in the future outweighed disappointing U.S. economic performance in the near term. The dollar's average foreign exchange value against the currencies of other major industrial countries recorded a net increase of 8 percent over 2001 as a whole. The dollar also strengthened, but by a lesser amount, against the currencies of our most important developing country trading partners. So far this year, the dollar's average value has risen further on balance.

Industrial Economies

The dollar showed particular strength against the Japanese yen last year, appreciating nearly 15 percent. The weakness of the yen reflected serious ongoing structural problems and the relapse of the Japanese economy back into recession. Early in the year, in response to signs of renewed weakening of the economy, the Bank of Japan announced that it was easing policy by shifting its operating target from the overnight rate—already not far above zero—to balances held by financial institutions at the Bank of Japan. Policy was eased further and more liquidity was injected into the banking system when the balances target was raised three times later in the year.

U.S. dollar exchange rate against the euro and the Japanese yen



NOTE. The data are monthly. Exchange rates are in foreign currency units per dollar. Last observations are the average of trading days through February 21, 2002.

The yen received a temporary boost when Junichiro Koizumi, widely seen as more likely to introduce economic reforms, became prime minister in April. The yen again strengthened in the immediate wake of the September terrorist attacks, prompting the Bank of Japan to make substantial intervention sales of yen. However, later in the year, amid signs of a renewed deterioration of economic conditions, the yen again started to weaken significantly.

For the year as a whole, Japanese real GDP is estimated to have declined more than 1 percent, a reversal of the rebound recorded the previous year. Private investment declined and private consumption moved lower, as households curtailed spending in the face of rising unemployment and falling real income. The winding-down of the large-scale public works programs of recent years more than offset the effect on growth from the additional spending contained in several supplemental budgets. Last year marked the third consecutive year of deflation, with the prices of both consumer goods and real estate continuing to move lower.

The dollar's movements against the euro in 2001 appear to have been mainly influenced by market perceptions of the strength of economic activity in the United States relative to that in the euro area. In the early part of the year, the euro weakened as evidence mounted that the economic slowdown that was already apparent in the United States as the year began was also taking hold in Europe. During the summer, the euro rose against the dollar as market participants appeared to revise downward their expectation of an early U.S. recovery. Then, later in the year, with more signs of a further weakening of

activity in Europe, the euro again declined. On balance, the dollar appreciated more than 5 percent relative to the euro over the course of the year. Real GDP in the euro area is estimated to have increased at less than a 1 percent rate in 2001, a sharp slowing from the nearly 3 percent growth rate of the previous year. Fixed investment and inventory investment both are estimated to have made negative contributions to the growth of real GDP, whereas consumption growth remained near the rate of the previous year. The slowing of growth in the euro area was not uniform across countries, with weakness being more pronounced in Germany and less so in France.

The European Central Bank (ECB) held off easing monetary policy in the early months of the year, restrained by the euro's weakness, growth of M3 that remained in excess of the ECB's reference value, and a euro-area inflation rate above its 2 percent target ceiling. In May, evidence of slowing activity prompted the ECB to reduce its key policy rate 25 basis points. Three additional reductions followed later in the year, as activity weakened further and the inflation rate receded toward its target ceiling. The total reduction in the ECB's key policy rate over the course of the year was 150 basis points. The beginning of 2002 saw the introduction of euro notes and coins, a process that proceeded smoothly.

The dollar appreciated 6 percent against the Canadian dollar in 2001 as the Canadian economy slowed abruptly. Real GDP in Canada is estimated to have been about flat last year after growing more than 3 percent in 2000. A key factor in this slowing was the sharp drop-off in Canadian exports to the United States. An inventory correction also depressed output. Earlier in the year, consumption was buoyed by continued employment growth, tax cuts, and a housing boom. However, later in the year, growth of consumption faltered as employment prospects worsened and asset prices weakened. The Bank of Canada has moved aggressively to counter the slowing of economic activity by lowering its key policy interest rate nine times in 2001 and once in January 2002 for a cumulative total of 375 basis points.³ When the Bank of Canada initiated easing moves early in 2001, inflation was slightly above the Bank's target range of 1 percent to 3 percent; but by the end of the year, slack activity and falling energy prices had pushed the inflation rate down to near the bottom of the range.

3. Among these reductions was one on September 17, when the Bank of Canada (along with the ECB) announced a reduction of its policy rate by 50 basis points, following the 50 basis point reduction in the federal funds rate announced by the FOMC earlier in the day.

Emerging Market Economies

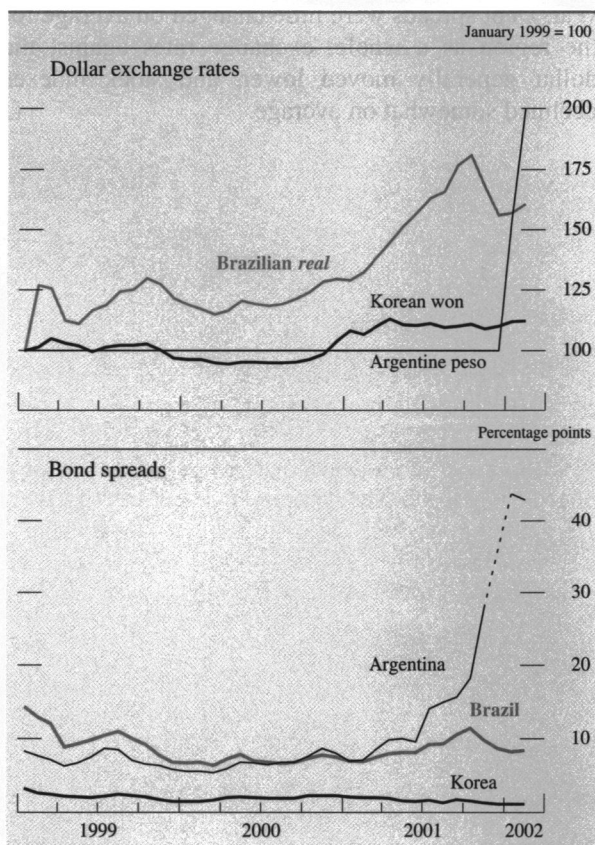
Argentina was a main focus of attention among emerging market economies in 2001. In the first part of the year, worse-than-expected data on the fiscal situation and concerns that the government would be unable to implement announced fiscal measures heightened doubts about whether Argentina would be able to avoid a default on its debt. Argentine financial markets received only temporary support from a large-scale debt exchange completed in June and an enhancement of IMF support approved in September. With financial market confidence eroding, conditions took a dramatic turn for the worse late in the year; financial asset prices fell sharply, and funds moved out of the banking system as the government moved to restructure its debt and the one-to-one peg to the dollar looked increasingly precarious. In early December, the government imposed capital controls, including limits on bank account withdrawals. These

restrictions led to widespread protests, which triggered the resignation of President de la Rúa and an interval of political turmoil. After the resignation of President de la Rúa, the government announced it would suspend debt payments to the private sector. The government of the new president, Eduardo Duhalde, suspended Argentina's currency board arrangement and established a temporary dual exchange rate system. In early February, the dual exchange rate system was abandoned, and the peso's floating rate moved to about 2 pesos per dollar amid continuing economic uncertainty. For 2001 as a whole, Argentine real GDP is estimated to have fallen at well over a 5 percent rate, and prices declined further.

To date, the negative spillover from events in Argentina to other emerging financial markets has been limited, possibly because market participants had been well aware of Argentina's problems for some time and viewed them as largely confined to that country. Brazil was probably most heavily affected by events in Argentina, and the bond spread on Brazilian debt showed a net increase of about 110 basis points over the course of last year while the spread on Argentina debt exploded upward. Other important factors weighing on Brazilian economic activity last year likely were weak growth in the United States—Brazil's most important export market—and the emergence of an energy shortage as drought limited hydroelectric output. For the year as a whole, Brazilian real GDP is estimated to have risen at less than a 1 percent rate after growing at a 4 percent rate the previous two years. The Brazilian currency registered a net depreciation against the dollar of about 16 percent over the course of last year, while stock prices declined more than 10 percent. The Brazilian central bank tightened policy last year in an effort to hold down the inflationary impact of currency depreciation.

Real GDP in Mexico declined about 1 percent in 2001, a sharp reversal from the 5 percent growth rates recorded in the previous two years. The falloff in activity was mainly a reflection of the negative effects on direct trade and confidence in Mexico arising from the slowdown of the U.S. economy. In light of the marked weakening of activity, declining inflation, and a strong peso, the Bank of Mexico started to loosen the stance of monetary policy in May, and short-term interest rates continued to decline over the rest of the year. In February 2002, the Bank of Mexico moved to tighten monetary conditions, citing concerns that an increase in administered prices would raise inflation. Mexican financial markets fared quite well last year, with the peso

Selected emerging markets



NOTE. The data are monthly. Exchange rates are in foreign currency units per dollar. As of January 2002, the Argentine peso rate is the floating rate. Bond spreads are the J.P. Morgan Emerging Market Bond Index (stripped Brady-bond) spreads over U.S. Treasuries; the dotted line is a break in the series for Argentina in December 2001. Last observations are the average of trading days through February 21, 2002.

appreciating 5 percent against the dollar and stock prices rising nearly 15 percent. The effect on Mexican financial markets from Argentina's difficulties appeared to have been quite limited, as indicated by the net decline of the Mexican debt spread by 80 basis points over the course of the year.

Economic growth in the Asian emerging market economies turned negative last year. On average, real GDP in developing Asia is estimated to have declined about 1 percent in 2001, compared with average growth of 6 percent in the previous year. A key factor in this slowing was the sharp falloff in global demand for the high-tech products that had fueled rapid export growth in the region in recent years.

The economies of Taiwan, Singapore, and Malaysia are highly dependent on exports of semiconductors and other high-tech products, and as global demand for these goods was cut back sharply, real GDP in these countries declined by an estimated 5 percent on average last year. Indonesia and Thailand, both relatively less dependent on high-tech exports and experiencing some reduction in political tension over the course of the year, managed to record small positive real GDP growth rates last year, albeit well below rates of the previous year.

Korean real GDP is estimated to have increased about 2 percent in 2001. While in an absolute sense

Korea is an important exporter of high-tech products such as semiconductors, it has a relatively more diversified economy than most of its Asian neighbors, and thus the magnitude of its slowdown last year was somewhat muted. Government moves toward monetary and fiscal policy stimulus over the course of the year helped support domestic demand in Korea.

In China, recorded growth of real GDP remained robust last year. China's lesser dependency on exports in general, and high-tech exports in particular, cushioned it from last year's global slowdown, and the government stepped up the pace of fiscal stimulus to offset weakening private demand. Hong Kong, with exports not heavily concentrated in high-tech goods and an economy closely integrated with a rapidly growing Chinese economy, is nevertheless estimated to have experienced a decline in real GDP last year. The peg of Hong Kong's currency to a strengthening U.S. dollar put pressure on its competitive position, and domestic price deflation continued.

Conditions in financial markets in emerging Asia were, for the most part, not particularly volatile last year. Debt spreads were little changed on average for the region as a whole, exchange rates against the dollar generally moved lower, and stock indexes declined somewhat on average. □

Industrial Production and Capacity Utilization: The 2001 Annual Revision

Carol Corrado, Charles Gilbert, and Norman Morin, of the Board's Division of Research and Statistics, prepared this article. Kristen Hamden provided research assistance.

In late 2001, the Board of Governors of the Federal Reserve System published the annual revision of its index of industrial production (IP) and the related measures of capacity and capacity utilization for the period January 1992 through October 2001 (chart 1). Measured from fourth quarter to fourth quarter, industrial output and capacity are reported to have increased at a slower rate in 1999 and 2000 than previously reported, and the revision places the decline in IP in 2001 at an annual rate of 6.0 percent.¹ The estimated rate of increase in capacity in 2001 was lowered 0.7 percentage point, to 1.7 percent.

Despite the downward revision to IP in 1999 and 2000, the general contour is the same as that in the

earlier estimates. After having picked up in the second half of 1999 and having posted rapid gains in the first half of 2000, industrial output slowed noticeably at midyear. According to the revised data, however, industrial output in the second half of 2000 was weaker than previously estimated, and the peak in IP occurred in June 2000 instead of August 2000. The cumulative decline in IP since the June peak is 7.0 percent (table 1).²

The rate of industrial capacity utilization (the ratio of production to capacity) as of the third quarter of 2001 was little changed by the revision; at 74.6 percent in the fourth quarter of 2001, the rate is 4 percentage points below the nadir of the 1990–91 recession but 3 percentage points above that of the 1982 recession.³ For the fourth quarter of 2000, capacity utilization was revised down 0.6 percentage point, to 80.7 percent; a downward revision to the operating rate in manufacturing of 1.2 percentage points was partly offset by an upward revisions to the operating rates in mining and utilities.

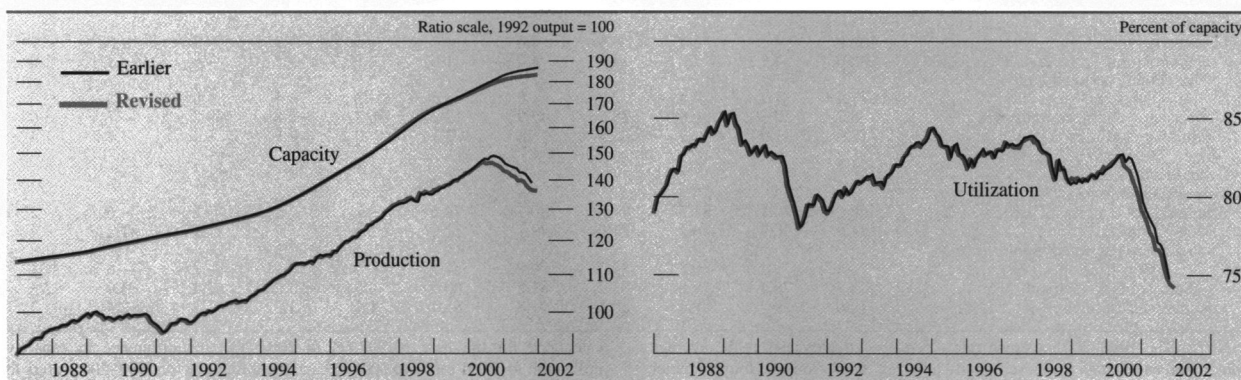
NOTE. Charles Gilbert directed the 2001 annual revision and prepared the revised estimates of industrial production; Norman Morin prepared the revised measures of capacity and capacity utilization. Other contributors to the revision and this article were William Cleveland, Mark Doms, Marie DeGregorio, Gloria Fennell, Kristen Hamden, Susan Polatz, and Dixon Tranum.

1. Data referred to in the text and shown in table 1 are based on IP and utilization rates as published on January 16, 2002. Statements referring to previously reported estimates refer to data published on November 16, 2001.

2. The revised data show consecutive declines in monthly IP for the nine months ending June 2001, a 0.1 percent increase in July 2001, and decreases for the five months ending December 2001; the earlier data showed declines in monthly IP in every month from October 2000 to October 2001.

3. These comparisons use quarterly average data.

1. Industrial production, capacity, and utilization



NOTE. The production indexes and utilization rates are seasonally adjusted. All the revised measures extend through December 2001; the earlier measures extend through October 2001.

The updated measures reflect the incorporation of newly available, more-comprehensive source data and the introduction of improved methods for compiling a few series. The new source data are for recent years, primarily 1999 forward, and the modified methods affect the indexes from 1992 forward.

The statistical revisions to the IP index were derived principally from the inclusion of information contained in annual reports issued by the U.S. Census Bureau—the 1999 Annual Survey of Manufactures and selected 2000 Current Industrial Reports. Annual data from the U.S. Geological Survey (USGS) on minerals (except fuels) were also introduced; revised data for 1999 and some new data for 2000 were available. In addition, the new monthly production estimates for 2000 and 2001 reflect updated seasonal factors and the inclusion of monthly source data that became available (or were revised) after the closing of the regular four-month reporting window.

The capacity indexes and capacity utilization rates incorporate the revised production indexes, results from the Census Bureau's 2000 Survey of Plant Capacity for the fourth quarter of the year, and newly available 2000 data on industrial capacity from the USGS, the Energy Information Administration (EIA) of the U.S. Department of Energy, and other organizations. In addition, the relationships used to estimate the current change in manufacturing capacity reflect

the inclusion of the Census data on capital spending by industry for 1999 and indicators of the rate of change in manufacturing capital spending in 2000 and 2001.

The revised indexes of industrial production and capacity also reflect the updating of the value-added weights used in aggregating the individual indexes to the major industry and market group subtotals and to total industry. The industry groups in IP and capacity continue to be based on the 1987 Standard Industrial Classification (SIC); in the 2002 revision, the industrial production and capacity utilization data will be constructed and grouped according to the North American Industry Classification System (NAICS).

Beginning with this revision, the capacity index for the extraction of natural gas is based on newly available estimates from the EIA; the new data substantially lower the estimate of the industry's capacity for the 1995–99 period. The new EIA figures are designed to better reflect the ability of producing wells to deliver gas into the gathering and pipeline system; the previous EIA figures measured capacity at the wellhead only. The revision also incorporates new source data for another capacity series (silver); refinements to the methods used to compile two monthly production series (construction machinery and original equipment motor vehicle parts); and new methods and new source data to derive the value-

1. Revised rates of change in industrial production and capacity and the revised rate of capacity utilization, 1998–2001

Item	2000 proportion	Revised rate of change (percent)					Difference between revised and previous (percentage points)				
		1998–2001 avg.	1998	1999	2000	2001	1998–2001 avg.	1998	1999	2000	2001
Production											
Total industry	100.0	1.7	3.5	4.3	2.6	–6.0	–.5	.3	–.7	–1.6	–.1
Manufacturing	86.5	1.8	4.3	4.8	2.3	–6.3	–.6	.3	–.8	–1.9	.1
Excluding selected high-tech industries	78.3	–.5	1.4	1.9	–1.3	–5.3	–.2	.2	–.4	–.7	.7
Selected high-tech industries	8.2	22.5	35.8	34.0	39.5	–15.9	–7.3	–1.4	–6.6	–15.8	–5.1
Mining and utilities	13.5	.5	–2.7	1.3	4.2	–3.8	.3	.5	.2	.4	–1.8
Capacity											
Total industry	100.0	4.0	6.4	3.9	4.0	1.7	–.5	–.1	–.7	–.5	–.7
Manufacturing	88.0	4.5	7.2	4.5	4.7	1.6	–.5	–.1	–.6	–.3	–1.0
Excluding selected high-tech industries	79.4	1.9	4.4	2.0	1.0	.3	–.2	–.1	.0	–.3	–.3
Selected high-tech industries	8.7	30.3	36.6	28.6	42.9	12.9	–6.3	–2.8	–9.2	–4.7	–8.6
Mining and utilities	12.0	1.0	–.2	.5	.8	3.1	.0	–.8	–.3	–.4	1.3
Capacity utilization (percent, end of period)											
Total industry	100.0	80.1	81.5	81.8	80.7	74.6	–.1	.2	.2	–.6	–.2
Manufacturing	88.0	78.9	80.7	81.0	79.1	72.9	–.3	.2	.1	–1.2	–.4
Excluding selected high-tech industries	79.4	79.1	80.8	80.7	78.9	74.5	–.2	.1	–.2	–.6	.1
Selected high-tech industries	8.7	78.1	79.8	83.2	81.2	60.5	–.5	.7	2.4	–3.9	–2.3
Mining and utilities	12.0	89.2	88.1	88.8	91.8	85.7	1.4	1.3	1.7	2.4	.3

NOTE. The 1998–2001 average rate of change is calculated as the average annual percent change in the seasonally adjusted index from the fourth quarter of 1997 to the fourth quarter of 2001. Rates for years are calculated from the fourth quarter of the previous year to the fourth quarter of the year specified. The capacity utilization rates for years are for the last quarter of the year.

The difference between revised and previous rates of change for IP for 2001 is calculated for the period 2000:Q4 to 2001:Q3; the difference for 1998–2001 is

calculated for the period 1997:Q4 to 2001:Q3. The difference in capacity utilization for 2001 refers to 2001:Q3 and the difference for 1998–2001 refers to the period ending 2001:Q3.

High-tech industries include the manufacturers of semiconductors and related devices, computers and computer peripherals, and communications equipment.

added weights for the IP and capacity series for electric utilities. The rates of change in the new weights were applied to the old 1992 weight to derive a new series of annual weights ("best-change" method) and result in slightly larger value-added proportions for the electric utility industry.

SUMMARY OF THE REVISION

For the third quarter of 2001, the revision places the production index at 139.6 percent of output in 1992 and the capacity index at 183.2 percent of output in 1992 (appendix table 1); both indexes are lower than reported previously (chart 1). As noted earlier, the capacity utilization rate was little changed for the third quarter of 2001.

Appendix tables 2, 3, and 4 show new data for monthly manufacturing IP and capacity utilization as well as the results for total and manufacturing industries, excluding selected high-technology industries. Tables 5 and 6 show the revised rates of change of industrial production for market groups, industry groups, special aggregates, and selected detail for the years 1997 through 2001 (fourth quarter to fourth quarter); tables 7 and 8 show the revised figures for capacity utilization and capacity. For production and capacity, the tables also show the difference between the revised and earlier rates of change (third quarter used for 2001). For capacity utilization, the tables show the difference between the revised and previous rates for the final quarter of the year.

Industrial production

The revision lowered the rate of increase in industrial output 0.7 percentage point for 1999 and 1.6 percentage points for 2000 (measured from the fourth quarter of the preceding year to the fourth quarter of the year indicated); the increase in industrial production was raised slightly for 1997 and 1998.

The somewhat faster increase in IP now shown for 1997 and 1998 reflects both the incorporation of recently issued revisions to the annual Census data and the introduction of refinements and revisions to the price deflators used to construct the annual indexes that determine the trend in each industrial production series from one year to the next.⁴

For most two-digit manufacturing industries, the new annual reports issued by the Census Bureau implied only small changes to previously published IP figures for 1999. The output indexes for the transportation equipment industry, the apparel and products industry, and the rubber and plastics industry were revised up. However, new data for the computer industry, mainly for printers and other peripheral equipment, implied a weaker gain in output for the industrial machinery and equipment group. The output of that industry was also lowered in 2000 because of the inclusion of available data from the Current Industrial Reports. Nonetheless, on balance, the revised data still indicate that the production of industrial machinery and equipment increased at a robust rate in both years.

The revision now places the rise in the production index for the output of high-technology industries—computers and office equipment (SIC 357), semiconductors and related devices (SIC 3672-9), and communications equipment (SIC 366)—at about 40 percent in 2000. The previously published estimate was appreciably stronger; the new estimates show less-rapid gains in the output of semiconductors, computers, and peripherals. The downward revisions to the indexes for semiconductor output reflect the incorporation of data from the 2000 Current Industrial Report and more-comprehensive information on prices.

Excluding high-technology industries, the revised IP series show more-pronounced weakness, mainly in manufacturing, in the second half of 2000. The change reflects the updating of seasonal factors and the inclusion of revisions to monthly source data. The more-pronounced weakness appears in the durable goods manufacturing industries, especially the industrial machinery, motor vehicle parts, instruments, furniture, and stone, clay, and glass products industries.

Among major market groups, the revised production indexes for consumer goods and for construction supplies showed, on balance, little change for 2000 and 2001. The revised indexes for business equipment and for industrial materials showed slower gains in 2000 and little change in the decline for 2001.

The revised position of the peak in 2000 in overall industrial production reflects reductions in the rates of change between June 2000 and August 2000 for several industries. The selected high-technology aggregate is a major contributor to the change in the peak; new data suggest that output in 2000 was lower than previously estimated, and based on revised high-frequency source data, production was revised down more sharply in the second half of 2000 than in the first half. In addition, both new data on cigarette production and updated methods for estimating the

4. The general methods used to measure individual IP series were reviewed in an article published in the March 2001 issue of the *Federal Reserve Bulletin* (www.federalreserve.gov/pubs/bulletin/2001/0301scnd.pdf)

output of motor vehicle parts contributed to the dip into negative territory of the rate of change in IP between June 2000 and August 2000.

Over history, the initial estimates of industrial production have tended to reliably indicate the turning points in IP (with all of its source data incorporated). For the four previous recessions, the initial estimates identified the first month of decline in IP correctly or one month early. For three of the four previous recessions, they identified the first month of recovery correctly or one month early. For the fourth recession, despite showing a significant slowing of declines around the currently estimated turning point, the initial estimates of IP pegged the beginning of the recovery two months later than is now shown.

Capacity

Manufacturing capacity in 2001 is estimated to have risen 1.6 percent, more than 1 percentage point lower than previously published. On average, manufacturing capacity increased 4.6 percent per year in 1999 and 2000 (previously estimated at about 5 percent) and, on average, expanded 6 percent per year from 1994 through 1998 (a number virtually unchanged from the previous estimates). The rapid gains in capacity during the second half of the 1990s were concentrated in industries that produce high-technology goods and devices. Given the downward revision to output in these industries, the pace of capacity expansion was also revised down; nonetheless, from 1994 through 2000 it still averaged nearly 40 percent per year. The relatively slow expansion of capacity in these industries in 2001, now estimated at 12.9 percent, was in large part the result of a downshift in capital spending by semiconductor manufacturers. Outside the selected high-technology industries, investment spending for 2001 is estimated to have fallen 6 percent, and plant capacity is estimated to have edged up 0.3 percent, down from the 2 percent pace in 1999 and the 3.2 percent annual average for 1994 through 1998.

Capacity in mining was revised down noticeably for the 1995–2000 period but was revised up substantially for 2001. The changes were primarily the result of incorporating new EIA measures for the capability to extract natural gas; in value-added terms, natural gas extraction is about 30 percent of mining output. According to the revised data, from 1995 through 1998, capacity at mines increased a scant 0.1 percent per year, and in 1999 and 2000, it declined about 2 percent per year. For 2001, however, mining capacity is estimated to have increased 0.4 percent.

Capacity at electric and gas utilities increased a bit more slowly from 1997 through 2000 than previously reported. The North American Electric Reliability Council reduced its estimate of generating capacity for 2000 but sharply increased the estimate for 2001; as a result, the rise in capacity at utilities for 2001 was revised up more than 1 percentage point, to 5.2 percent. In both the previous and the revised data, the rate of expansion of utility capacity for 2001 is the largest since 1974, a surge reflecting the response of producers to the significant shortfall in generating capacity last winter.

Capacity Utilization

The Survey of Plant Capacity indicated that the factory operating rate was lower in the fourth quarter of 2000 than previously estimated. The revised utilization rate for manufacturing was 79.1 percent in the final quarter of 2000, 1 percentage point lower than reported earlier.

Capacity utilization in manufacturing reached 81.7 percent in the middle of 2000, 0.6 percentage point above its long-term (1967–2000) average. The factory operating rate had climbed to 83 percent in 1997, before the onset of economic turmoil in Asia, but dropped back more than 2 percentage points by the end of 1998. From the middle of 2000 through the fourth quarter of 2001, the utilization of manufacturing capacity plummeted almost 9 percentage points.

Among manufacturing industries in the fourth quarter of 2001, the utilization rates for primary processors were nearly the same as those for advanced processors. Since the middle of 2000, the decline in the rate for primary-processing industries—about 12 percentage points—has been especially sharp. Primary processors were operating at relatively elevated rates in the second quarter of 2000. The rates for primary metals; semiconductors; stone, clay, and glass products; petroleum products; and motor vehicle parts were above their long-term averages. By the fourth quarter of 2001, the only primary-processing industry that was operating at rates above its long-term average was petroleum and products. Among advanced processors, only the producers of light trucks, ships and boats, and chemical products were operating at above-average rates.

Capacity utilization in mining was revised up to 90.7 percent in the third quarter of 2001 and then declined to 88.4 percent in the fourth quarter, still somewhat higher than its long-term average of 87.6 percent. The utilization rate for electric and gas utilities in the third quarter of 2001 was little changed

by the revision, but the rates in 1998, 1999, and 2000 increased.

TECHNICAL ASPECTS OF THE REVISION

As noted earlier, the annual revision incorporated more-comprehensive annual data on industry output, utilization, value added, and capital spending for 1999 and 2000, along with an update of all seasonal factors and monthly data on production, production-worker hours, and electric power use. In addition, the capital input measures used in the construction of capacity indexes incorporate more-recent data for overall business investment and prices from the Bureau of Economic Analysis.⁵

Previously issued annual data on output and prices for 1997 and 1998 that were slightly revised by the original source were also included.

The Census Bureau reported its new 1999 and 2000 data on industry output and capacity utilization, as well as its revisions to 1997 and 1998 data, on the new North American Industrial Classification System (NAICS). Before being included in the IP and capacity indexes, which continue to be based on the 1987 Standard Industrial Classification (SIC), the data were recategorized by the Federal Reserve according to the SIC system.

In the 2002 revision, the industrial production and capacity utilization data will be derived according to NAICS; data from at least 1977 forward will be subject to revision; and the indexes will be rebased, with 1997 equal to 100. The new NAICS production data will be derived from annual output measures constructed by reclassifying the establishments in historical Censuses of Manufactures and Mineral Industries according to NAICS categories; annual output indexes constructed in this way maximize the reliability and historical consistency of the IP industry detail.

Revised Monthly Data

The product data that are used to measure the monthly movements of many IP indexes were

updated to capture data that became available after the closing of the regular four-month reporting window. For example, monthly data from the U.S. Department of the Treasury on the production of alcoholic beverages and cigarettes may be unavailable initially but available for inclusion in the annual revision.

The input measures were also updated to incorporate revised data on monthly production-worker hours (based on the Bureau of Labor Statistics [BLS] benchmark of employment to March 2000 comprehensive measures) and on monthly electric power use since 1997. Besides benchmarking data on production-worker hours to March 2000 comprehensive measures, the BLS also incorporated data derived from new sampling procedures from 1999 forward. The new estimates reduced the change in production-worker hours at manufacturers in the second half of 2000, with the bulk of the reduction in industries in which the data on production-worker hours are used as the monthly production indicator in IP.

Seasonal factors for all series were re-estimated using data that extend into 2001. Factors for production-worker hours, which adjust for timing, holiday, and monthly seasonal patterns, were updated with data through October 2001. Factors for the electric power series, which are developed using multivariate methods, were re-estimated using data through May 2001. The updated factors for the physical product series, which include adjustments for holiday and workday patterns, used data through at least June 2001. Seasonal factors for unit motor vehicle assemblies were updated with data through September 2001; they are on the Board's web site at www.federalreserve.gov/releases/g17/mvsf.htm.

Weights for Aggregation

The weights for the aggregation of IP indexes and capacity utilization rates are derived from annual estimates of industry value added. For manufacturing, the Census Bureau provides such data annually; for mining, quinquennial figures are provided. For the electric and gas utility industries, the Federal Reserve derives estimates of value added from annual revenue and expense data issued by other organizations. Estimates of industry value added were updated with annual data through 1999, and the weights for aggregation (unit value added) were estimated using the most recent data on producer prices. Appendix table 9 reports the annual value-added

5. The general methods used to measure individual capacity series were summarized in the March 2001 issue of the *Federal Reserve Bulletin*. A fuller description of the models used to develop the Federal Reserve's capacity estimates were reported in the March 2000 issue of the *Bulletin* (www.federalreserve.gov/pubs/bulletin/2000/0300secnd.pdf).

proportions incorporated in the IP index from 1994 forward.

Beginning with this revision, the methods and data used to obtain estimates of value added in the electric utility industry have been improved. A change was necessary for several reasons. First, many of the data that had been used to compute value added were contained in an EIA publication that has been discontinued. Second, the EIA data on “utilities” include regulated entities only, and data covering all producers of electric power (that is, including the unregulated power generators) are required to avoid a severe understatement of the value added by the entire industry in 2000. Finally, a review of the earlier methods suggested value added was understated for the period preceding the deregulation of the industry.

The Federal Reserve’s new estimates of value added for the electric utility industry were constructed according to the Census definition of value added, that is, industry revenue minus the cost of purchased material inputs. Data on industry revenue (including all establishments that distribute power to final users) were obtained from Statistical Yearbooks issued by the Edison Electric Institute; these data were combined with EIA measures of fuel costs to obtain an estimate of Census value added. The new figures were applied on a best-change basis for the period from 1992 forward; the 2002 revision will introduce refined results as well as revised figures for earlier years.

Changes to Individual Series

With this revision, the capacity series for natural gas extraction (part of SIC 13) incorporates new estimates developed by the EIA; the new estimates are substantially lower than the agency’s previous figures that were used to derive the capacity for natural gas extraction. The new figures are designed to better reflect the ability of producing wells to deliver gas into the gathering and pipeline system, whereas previous EIA figures measured capacity at the wellhead only.

The source data for one other capacity series has changed. The index for silver capacity is now based on data from the USGS; previously it was derived using a trend-through-peak method.

The monthly production indicators for construction machinery and original equipment motor vehicle parts were refined. The weights used to combine the available product data for construction machinery were updated. The indicator for motor vehicle parts is

2. U.S. LAN equipment, 1992–2001

Period	Production index	Price index	Value of production (millions of dollars)
<i>Annual estimates (1992 = 100)</i>			
1992	100.000	100.000	1,684.8
1993	190.691	83.556	2,684.4
1994	298.728	74.243	3,736.6
1995	604.349	62.153	6,328.3
1996	953.621	57.123	9,177.7
1997	1,610.035	47.548	12,897.7
1998	2,480.329	34.327	14,344.5
1999	3,191.443	28.130	15,124.9
2000	4,163.164	24.406	17,118.2
<i>Quarterly estimates (1996:Q1 = 100)</i>			
1996:Q1	100.000	100.000	7,923.2
Q2	113.744	98.967	8,919.0
Q3	128.626	93.735	9,552.8
Q4	150.302	86.623	10,315.7
1997:Q1	161.797	84.029	10,772.1
Q2	183.502	79.683	11,585.3
Q3	224.022	77.535	13,762.2
Q4	262.123	74.493	15,471.1
1998:Q1	290.487	62.795	14,452.9
Q2	326.083	59.075	15,262.7
Q3	328.499	53.487	13,921.3
Q4	329.790	52.587	13,741.0
1999:Q1	417.721	48.619	16,091.2
Q2	419.060	47.117	15,644.2
Q3	394.817	46.808	14,642.6
Q4	402.795	44.249	14,121.6
2000:Q1	449.375	43.459	15,473.4
Q2	493.979	41.718	16,327.9
Q3	599.868	39.456	18,752.6
Q4	604.171	37.433	17,919.0
2001:Q1	538.767	34.889	14,893.0
Q2	465.929	34.232	12,651.6
Q3	471.295	31.602	11,814.1

now developed from monthly product data (engines, brakes, axles, and transmissions), production-worker hours, and motor vehicle assemblies; previously, the series was derived from the product data only.

The annual estimates of motor vehicle repair parts were also improved; their derivation now includes information on the average age of the motor vehicle fleet.

LAN Equipment

The 2000 revision introduced a new IP series for the production of local area network (LAN) equipment (routers, switches, and hubs). The new series is not published in the monthly statistical release, but it is included in the broader IP aggregate for communications equipment and updated on an ongoing basis (see the March 2001 *Bulletin* article). Table 2 shows updates of the results for LAN equipment originally issued a year ago. □

APPENDIX A: SUMMARY TABLES BASED ON THE G.17 RELEASE, JANUARY 16, 2002

A.1. Revised data for industrial production, capacity, and utilization for total industry

Seasonally adjusted data except as noted

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter				Annual avg. ¹
	1	2	3	4													
1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	Industrial production (percent change)																
	-5 .5 -9 -1.6 2.1 2.1 .4 .6 -6 .1 .6 -5 -5 -5 -5 -5 -5 -3 4 .6 .7 .2	.8 .1 .5 2.2 -2 -2 .9 -7 .3 -8 -5 -5 -8 -5 -5 -5 1.2 1.1 1.2 1.1 1.2 1.1 -3	.3 .0 .5 -7 1.0 1.1 .3 -1.0 .0 6 9 5 5 5 5 5 -1 1.1 1 1 1 1 -4	-9 -1.9 -7 -9 1.3 5 2 8 4 6 2 -6 -9 -3 -4 -2 1.0 7 6 5 4 1 5 -1	1.2 -2.5 .8 -8 1.2 .6 5 -2 4 6 4 8 3 4 3												

NOTE. Monthly percent change figures show change from the previous month; quarterly figures show the change from the previous quarter at a compound annual rate of growth. Production and capacity indexes are expressed as percentages of output in 1992.

Estimates from October 2001 through December 2001 are subject to further revision in the upcoming monthly releases.

1. Annual averages of industrial production are calculated from indexes that are not seasonally adjusted.

A.2. Revised data for industrial production, capacity, and utilization for manufacturing industries

Seasonally adjusted data except as noted

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter				Annual avg. ¹		
													1	2	3	4			
Industrial production (percent change)	1979	-3	.7	.4	-1.5	1.5	.1	-5	-9	.0	.5	-7	-1	3.4	.3	-2.4	-1.5	3.6	
	1980	.2	.3	-4	-2.1	-3.1	-1.5	-7	1.7	1.5	1.1	1.7	.3	-4	-17.7	-4.7	16.8	-3.9	
	1981	-6	.6	.3	.2	.7	-1	.6	-8	-8	-1.1	-1.6	-1.6	2.5	4.2	-1	-13.1	1.6	
	1982	-2.0	2.9	-7	-9	-4	.0	-8	-5	-5	-1.2	-3	-7	-7.6	-2.7	-5.6	-8.0	-5.9	
	1983	2.5	.4	1.4	1.1	1.4	.8	1.5	1.1	2.2	.6	.3	-1	11.5	14.7	17.1	11.2	5.7	
	1984	2.5	.6	.7	.5	.4	.7	.3	.1	-2	.0	.1	-3	13.2	6.6	3.4	-4	9.9	
	1985	.1	.6	.7	.2	.5	-3	-4	.9	.4	-8	1.1	-1	2.1	4.2	1.1	1.6	2.3	
	1986	1.5	-5	-9	1.4	-1	-3	.3	.6	.0	.8	.4	1.2	4.5	1.7	1.7	6.7	2.8	
	1987	-8	1.6	.2	.5	.3	1.0	.7	-2	.1	1.3	.5	.6	5.0	7.0	5.5	7.6	5.3	
	1988	-2	.4	-1	1.0	-1	.0	.7	.3	.2	.2	.9	.6	2.3	4.1	3.7	5.2	4.7	
	1989	.9	-1.2	.8	.1	-7	.0	-1.1	.3	-3	-6	.4	.1	4.3	-7	-4.5	-1.4	1.9	
	1990	-2	.9	.3	-8	.4	-1	.0	.3	-1	-6	-1.3	-6	2.9	-1	.8	-6.3	-5	
	1991	-9	-7	-1.1	.3	.7	1.4	.2	.2	1.1	-1	-2	-5	-9.7	1.2	7.8	1.7	-2.4	
	1992	.1	.7	1.0	.6	.4	.0	.9	.3	.3	.5	.6	-1	2.0	7.4	4.1	3.7	4.0	
	1993	.7	.2	.2	.5	-3	.0	.2	-3	1.1	.4	.5	.9	4.2	2.1	1.3	6.9	3.7	
	1994	.1	.4	1.1	.8	.8	.3	.5	.6	.3	.9	.8	1.1	5.9	9.4	6.0	9.0	6.1	
	1995	.6	-1	.2	-3	.1	.5	-7	1.2	.7	.0	.1	.1	6.4	.4	3.0	4.2	5.3	
	1996	-3	1.2	-2	1.2	.8	.9	.6	.6	.6	.0	1.0	.7	2.4	9.2	8.4	6.2	4.9	
	1997	.4	1.2	.3	.5	.4	.7	.4	1.3	.6	.6	.7	.3	8.8	6.8	8.9	8.7	7.9	
	1998	.9	.0	.2	.7	.2	-7	-2	2.3	-2	.8	-2	.2	6.0	3.0	3.2	5.2	5.9	
	1999	.6	.4	.2	.2	.6	.1	.4	.8	.0	.8	.6	.6	3.9	3.6	4.8	6.9	4.2	
	2000	.3	.5	.9	.3	.7	.5	-4	-1	.1	-5	-5	-7	6.3	7.1	.4	-4.0	4.8	
	2001	-8	-3	-4	-8	-2	-1.0	.2	-5	-1.1	-7	-2	-1	-7.1	-6.2	-4.9	-7.1	-4.5	
	Industrial production (index)																		
	1999	141.8	142.4	142.7	143.0	143.8	143.9	144.4	145.6	145.7	146.8	147.7	148.6	142.3	143.6	145.2	147.7	144.7	
2000	149.0	149.8	151.1	151.6	152.6	153.3	152.7	152.6	152.8	152.0	151.2	150.1	149.9	152.5	152.7	151.1	151.6		
2001	148.9	148.4	147.9	146.7	146.4	145.0	145.2	144.5	142.9	141.8	141.5	141.3	148.4	146.0	144.2	141.6	144.8		
Capacity (index)																			
1999	176.1	176.8	177.4	178.0	178.6	179.2	179.8	180.4	181.1	181.7	182.4	183.1	176.8	178.6	180.4	182.4	179.5		
2000	183.8	184.6	185.4	186.1	186.9	187.7	188.4	189.1	189.8	190.4	191.0	191.5	184.6	186.9	189.1	191.0	187.9		
2001	192.0	192.4	192.7	193.0	193.2	193.4	193.5	193.6	193.8	193.9	194.1	194.2	192.3	193.2	193.6	194.1	193.3		
Utilization (level, percent)																			
1979	86.4	86.7	86.9	85.3	86.4	86.3	85.6	84.5	84.3	84.5	83.6	83.3	86.7	86.0	84.8	83.8	85.3		
1980	83.3	83.3	82.7	80.8	78.1	76.7	75.9	77.0	77.9	78.6	79.7	79.7	83.1	78.5	76.9	79.3	79.5		
1981	79.0	79.2	79.3	79.3	79.6	79.3	79.6	78.8	78.0	77.0	75.6	74.2	79.2	79.4	78.8	75.6	78.3		
1982	72.6	74.6	73.9	73.1	72.7	72.6	71.8	71.4	70.9	69.9	69.6	69.0	73.7	72.8	71.4	69.5	71.8		
1983	70.6	70.8	71.8	72.5	73.4	73.9	74.8	75.6	77.2	77.6	77.7	77.5	71.1	73.2	75.9	77.6	74.4		
1984	79.3	79.5	79.8	80.0	80.1	80.3	80.4	80.2	79.8	79.6	79.5	79.0	79.5	80.1	80.1	79.4	79.8		
1985	78.9	79.1	79.3	79.2	79.4	78.9	78.3	78.8	78.8	77.9	78.5	78.2	79.1	79.2	78.6	78.2	78.8		
1986	79.1	78.6	77.8	78.7	78.5	78.1	78.2	78.6	78.4	78.9	79.1	79.9	78.5	78.5	78.4	79.3	78.7		
1987	79.1	80.2	80.3	80.6	80.7	81.4	81.8	81.5	81.5	82.5	82.8	83.1	79.9	80.9	81.6	82.8	81.3		
1988	82.9	83.1	82.9	83.7	83.5	83.4	83.8	84.0	84.0	84.1	84.8	85.1	83.0	83.5	83.9	84.7	83.8		
1989	85.7	84.5	85.0	85.0	84.2	84.1	83.0	83.1	82.7	82.1	82.2	82.1	85.1	84.4	82.9	82.1	83.6		
1990	81.8	82.5	82.6	81.8	82.0	81.8	81.6	81.7	81.5	80.9	79.7	79.0	82.3	81.9	81.6	79.9	81.4		
1991	78.2	77.5	76.6	76.8	77.1	78.1	78.2	78.2	79.0	78.9	78.6	78.1	77.5	77.3	78.5	78.5	77.9		
1992	78.0	78.4	79.0	79.4	79.5	79.4	80.0	79.6	79.7	79.9	80.2	80.0	78.5	79.4	79.8	80.0	79.4		
1993	80.4	80.4	80.4	80.6	80.2	80.0	80.1	79.7	80.4	80.5	80.7	81.2	80.4	80.3	80.0	80.8	80.4		
1994	81.1	81.1	81.8	82.2	82.5	82.5	82.6	82.8	82.7	83.1	83.4	84.0	81.3	82.4	82.7	83.5	82.5		
1995	84.1	83.7	83.5	82.9	82.6	82.6	81.7	82.3	82.5	82.1	81.8	81.5	83.8	82.7	82.1	81.8	82.6		
1996	80.9	81.4	80.8	81.3	81.5	81.8	81.9	82.0	82.1	81.7	82.1	82.2	81.0	81.6	82.0	82.0	81.6		
1997	82.1	82.7	82.5	82.5	82.4	82.5	82.4	83.0	83.0	83.0	83.0	82.7	82.5	82.5	82.8	82.9	82.7		
1998	83.0	82.4	82.1	82.2	81.8	80.8	80.1	81.5	80.9	81.2	80.6	80.4	82.5	81.6	80.9	80.7	81.4		
1999	80.5	80.6	80.4	80.3	80.5	80.3	80.3	80.7	80.5	80.8	81.0	81.1	80.5	80.4	80.5	81.0	80.6		
2000	81.0	81.1	81.5	81.4	81.6	81.7	81.0	80.7	80.5	79.8	79.2	78.4	81.2	81.6	80.7	79.1	80.7		
2001	77.6	77.2	76.7	76.0	75.8	75.0	75.1	74.6	73.7	73.1	72.9	72.8	77.2	75.6	74.5	72.9	75.0		

NOTE. See also general note to table A.1.

1. Annual averages of industrial production are calculated from indexes that are not seasonally adjusted.

A.3. Revised data for industrial production, capacity, and utilization for total industry excluding selected high-technology industries

Seasonally adjusted data except as noted

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter				Annual avg. ¹
	1	2	3	4													
Industrial production (percent change)																	
1979	-7	.8	.2	-1.1	1.1	-1	-8	-5	.0	.3	-6	-3	.9	-1	-3.5	-1.4	2.2
1980 .....	.3	.0	-1	-2.2	-2.7	-1.3	-8	1.2	1.6	.6	1.6	.5	-7	-16.6	-4.9	13.8	-4.0
1981	-9	.4	.4	-8	.8	.5	.9	-5	-1.0	-8	-1.6	-1.4	1.3	1.1	3.2	-11.8	.8
1982	-1.6	2.0	-8	-9	-9	-4	-1.0	-4	-1.0	-1.0	-3	-1.2	-7.7	-5.8	-8.2	-9.1	-6.5
1983	2.5	-4	.8	1.2	1.2	.4	1.8	1.4	1.6	.6	-2	.5	6.9	10.6	16.8	8.7	2.8
1984	1.9	-3	1.0	.4	.4	.3	.1	-1	-2	.5	.0	-5	9.7	5.3	1.0	-3.5	7.5
1985 .....	.3	.9	.2	.1	.2	-1	-5	.6	.7	-8	.3	.7	2.3	2.5	.5	1.0	.9
1986 .....	.7	-8	-1.1	.8	-3	-2	.0	.2	-2	1.0	.4	1.0	1.7	-1.8	-6	6.3	.8
1987	-8	1.2	.3	.4	.5	.8	.5	.1	-2	1.3	.3	.5	3.5	6.8	5.0	6.5	4.2
1988 .....	.1	.2	.1	.4	-2	.1	.6	.5	-3	.4	.6	.5	2.8	1.8	3.3	3.5	3.9
1989 .....	.5	-7	.9	.1	-7	-3	-9	.4	-3	-3	.2	.3	3.5	-3	-4.8	-4	1.4
1990	-4	.5	.5	-5	.3	-1	.0	.1	.2	-6	-1.4	-7	1.7	.6	.7	-6.4	-5
1991	-5	-9	-1.0	.4	.8	1.2	.1	.0	1.0	-2	-2	-7	-8.8	1.4	6.1	.4	-2.4
1992	-3	.5	.8	.7	.2	-3	.8	-4	.3	.4	.5	.1	-9	5.8	2.2	3.3	2.2
1993 .....	.4	.4	.1	.3	-5	.2	.2	-3	.9	.3	.4	.7	3.5	.8	1.0	5.3	2.7
1994 .....	.2	.3	.6	.3	.5	.4	.2	.3	.1	.6	.5	.8	4.8	5.5	3.3	5.3	4.1
1995 .....	.2	-2	-1	-4	.1	.3	-6	1.1	.1	-4	.1	.0	2.8	-1.4	1.4	.3	2.4
1996	-5	1.1	-3	.8	.5	.5	-1	.3	.3	-3	.8	.4	.6	6.1	3.2	2.8	2.0
1997 .....	.2	.9	-2	.4	.1	.3	.2	.8	.6	.6	.3	-2	4.9	2.8	5.0	6.1	4.1
1998 .....	.2	-2	.3	.5	.2	-9	-6	1.8	-5	.5	-5	-2	.7	1.9	-4	1.3	2.5
1999 .....	.4	.0	.2	-1	.3	-1	.2	.4	-1	.6	.1	.3	.7	.8	2.1	3.7	1.1
2000	-2	.3	.2	.2	.3	.3	-7	.0	-1	-5	-4	-5	1.2	2.8	-2.0	-3.9	1.3
2001	-7	-2	-3	-4	-1	-8	.3	-3	-1.1	-8	-4	-1	-5.4	-3.9	-3.3	-7.7	-3.9
Industrial production (index)																	
1999	119.6	119.6	119.9	119.7	120.1	120.0	120.3	120.7	120.6	121.4	121.6	122.0	119.7	119.9	120.6	121.7	120.5
2000	121.7	122.0	122.3	122.5	122.9	123.2	122.3	122.3	122.2	121.6	121.1	120.5	122.0	122.8	122.2	121.0	122.0
2001	119.6	119.4	119.1	118.6	118.5	117.6	117.9	117.6	116.3	115.3	114.8	114.6	119.4	118.2	117.2	114.9	117.2
Capacity (index)																	
1999	147.1	147.3	147.6	147.8	148.0	148.2	148.4	148.6	148.7	148.8	149.0	149.1	147.3	148.0	148.6	148.9	148.2
2000	149.2	149.3	149.4	149.5	149.6	149.7	149.7	149.8	149.9	150.0	150.1	150.2	149.3	149.6	149.8	150.1	149.7
2001	150.2	150.3	150.4	150.5	150.5	150.6	150.7	150.7	150.8	150.8	150.9	150.9	150.3	150.5	150.7	150.9	150.6
Utilization (level, percent)																	
1979	86.6	87.1	87.1	86.1	86.8	86.6	85.8	85.2	85.1	85.3	84.7	84.3	86.9	86.5	85.4	84.7	85.9
1980	84.4	84.3	84.1	82.1	79.8	78.7	78.0	78.8	80.0	80.4	81.6	81.8	84.3	80.2	78.9	81.3	81.2
1981	81.0	81.2	81.5	80.7	81.3	81.6	82.2	81.6	80.7	79.9	78.5	77.3	81.2	81.2	81.5	78.6	80.6
1982	76.0	77.4	76.7	75.9	75.1	74.7	73.9	73.5	72.6	71.8	71.5	70.5	76.7	75.2	73.3	71.3	74.1
1983	72.3	72.0	72.6	73.4	74.2	74.5	75.8	76.8	78.0	78.4	78.2	78.6	72.3	74.0	76.9	78.4	75.4
1984	80.0	79.7	80.4	80.6	80.8	81.0	80.9	80.7	80.5	80.0	79.9	79.3	80.1	80.8	80.7	79.7	80.3
1985	79.5	80.0	80.1	80.0	80.0	79.8	79.3	79.6	80.0	79.1	79.2	79.6	79.9	79.9	79.6	79.3	79.7
1986	80.1	79.4	78.5	79.0	78.7	78.5	78.4	78.5	78.3	79.0	79.3	80.0	79.3	78.7	78.4	79.4	79.0
1987	79.4	80.2	80.5	80.8	81.1	81.7	82.1	82.2	81.9	83.0	83.2	83.5	80.0	81.2	82.1	83.2	81.6
1988	83.6	83.7	83.7	84.0	83.8	83.9	84.3	84.6	84.3	84.6	85.0	85.3	83.7	83.9	84.4	85.0	84.2
1989	85.7	85.0	85.6	85.6	84.9	84.6	83.6	83.9	83.5	83.2	83.3	83.4	85.4	85.0	83.7	83.3	84.4
1990	83.0	83.3	83.7	83.1	83.3	83.1	83.0	83.0	83.0	82.4	81.1	80.5	83.3	83.2	83.0	81.4	82.7
1991	80.0	79.2	78.4	78.6	79.1	80.0	80.0	79.9	80.6	80.4	80.2	79.5	79.2	79.2	80.2	80.0	79.7
1992	79.2	79.5	80.1	80.5	80.6	80.3	80.9	80.4	80.5	80.8	81.0	81.0	79.6	80.5	80.6	80.9	80.4
1993	81.2	81.4	81.4	81.5	81.0	81.0	81.1	80.8	81.4	81.5	81.8	82.2	81.3	81.2	81.1	81.8	81.3
1994	82.2	82.3	82.7	82.8	83.1	83.3	83.3	83.3	83.2	83.5	83.7	84.2	82.4	83.1	83.3	83.8	83.1
1995	84.2	83.9	83.6	83.1	83.1	83.1	82.4	83.2	83.1	82.6	82.5	82.3	83.9	83.1	82.9	82.5	83.1
1996	81.7	82.4	82.0	82.5	82.8	83.0	82.8	82.9	83.0	82.6	83.1	83.2	82.1	82.8	82.9	83.0	82.7
1997	83.2	83.7	83.3	83.5	83.3	83.3	83.3	83.7	84.0	84.2	84.2	83.8	83.4	83.4	83.7	84.1	83.6
1998	83.7	83.2	83.2	83.3	83.2	82.2	81.4	82.6	82.0	82.2	81.5	81.1	83.4	82.9	82.0	81.6	82.5
1999	81.3	81.2	81.2	81.0	81.1	80.9	81.1	81.3	81.1	81.6	81.6	81.8	81.2	81.0	81.2	81.7	81.3
2000	81.6	81.8	81.8	81.9	82.2	82.3	81.7	81.6	81.5	81.1	80.7	80.2	81.7	82.1	81.6	80.7	81.5
2001	79.6	79.5	79.2	78.8	78.7	78.1	78.3	78.0	77.1	76.4	76.1	76.0	79.4	78.5	77.8	76.2	78.0

NOTE. See also general note to table A.1.

Excludes computers, communications equipment, and semiconductors and related electronic components.

1. Annual averages of industrial production are calculated from indexes that are not seasonally adjusted.

A.4. Revised data for industrial production, capacity, and utilization for manufacturing industries excluding selected high-technology industries

Seasonally adjusted data except as noted

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter				Annual avg. ¹
	1	2	3	4													
1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001	Industrial production (percent change)																
	-7.0	.7	.3	-1.7	1.4	.0	-6	-1.1	-1	.4	-9	-2	1.9	-1.2	-3.8	-2.9	2.2
	.0	.1	-6	-2.4	-3.4	-1.5	-9	1.7	1.6	1.0	1.7	.2	-2.3	-19.9	-5.6	16.5	-5.4
	-6	.4	.2	.1	.7	-3	.5	-9	-1.1	-1.2	-1.8	-2.0	1.8	2.8	-1.7	-15.0	.5
	-2.1	2.7	-8	-9	-5	-1	-1.0	-3	-9	-1.4	-4	-1.1	-9.4	-3.4	-6.7	-10.2	-7.4
	3.1	.3	1.3	1.0	1.4	.6	1.5	1.1	2.1	.4	.1	-1	12.1	13.2	16.3	9.1	4.7
	2.3	.4	.6	.3	.1	.5	.2	-1	-3	.0	.0	-4	11.6	4.0	1.4	-1.3	8.1
	.0	.6	.6	.1	.5	-1	-5	.9	.4	-8	.8	-1	1.2	4.0	1.4	1.1	1.5
	1.6	-6	-1.0	1.5	-2	-1	-1	.6	-1	.9	.3	1.3	4.4	1.9	.3	6.6	2.5
	-1.0	1.6	.1	.6	.4	.9	.6	-2	.0	1.3	.5	.5	4.1	7.1	4.8	6.9	4.8
	-2	.2	.1	.8	-4	.0	.6	.1	.3	.4	.8	.5	1.8	2.6	2.9	5.3	4.0
	.9	-1.1	.8	.0	-7	-1	-1.0	.3	-3	.4	.2	-1	4.1	-1.7	-5.0	-1.8	1.4
	-1	.9	.4	-7	.4	-2	.1	.2	.0	-7	-1.4	-7	2.7	-1	.4	-7.1	-9
	-8	-8	-1.2	.4	.7	1.5	.2	.1	1.2	-2	-3	-6	-10.3	1.0	7.8	1.0	-2.8
	-2	.6	.9	.6	.3	-1	.8	-4	.2	.3	.5	-1	.1	6.4	2.8	2.3	2.9
	.8	.1	.1	.5	-4	-1	.2	-4	1.0	.3	.5	.7	4.0	1.3	.3	5.6	2.8
	.0	.4	.8	.6	.6	.1	.4	.4	.1	.7	.6	.8	4.8	7.0	3.8	6.5	4.6
	.3	-4	-1	-5	-1	.4	-9	1.0	.4	-4	-1	-1	2.8	-2.1	.5	.4	2.5
	-5	1.0	-5	1.0	.5	.7	.3	.3	.3	-4	.8	.5	-4	6.7	4.9	2.6	1.9
	.2	.9	-1	.3	.1	.5	.1	1.1	.5	.6	.4	-1	5.7	3.1	5.7	6.3	4.6
	.5	-3	.2	.6	.1	-1.0	-7	2.1	-5	.7	-4	-1	1.7	1.4	-4	2.8	2.9
	.3	.2	.0	-1	.5	-2	.0	.7	-1	.6	.4	.2	.6	.8	1.8	4.5	1.4
	-2	.1	.4	-1	.2	.3	-7	-3	.0	-6	-7	-8	1.0	2.2	-2.5	-5.6	1.1
-7	-2	-3	-5	.0	-8	.5	-5	-1.1	-9	-2	-1	-6.3	-3.9	-3.2	-7.7	-4.6	
1999 2000 2001	Industrial production (index)																
	121.5	121.8	121.8	121.7	122.2	122.0	122.0	122.8	122.7	123.5	123.9	124.2	121.7	121.9	122.5	123.9	122.5
	123.9	124.1	124.6	124.5	124.8	125.2	124.3	124.0	123.9	123.2	122.4	121.3	124.2	124.9	124.1	122.3	123.9
	120.5	120.4	120.0	119.4	119.4	118.5	119.0	118.4	117.0	116.0	115.8	115.6	120.3	119.1	118.1	115.8	118.2
	Capacity (index)																
	151.1	151.4	151.7	152.0	152.2	152.5	152.7	152.9	153.1	153.3	153.4	153.6	151.4	152.2	152.9	153.4	152.5
	153.8	153.9	154.1	154.2	154.3	154.5	154.6	154.7	154.8	154.9	155.0	155.0	153.9	154.3	154.7	155.0	154.5
	155.1	155.2	155.2	155.2	155.3	155.3	155.3	155.3	155.3	155.4	155.4	155.4	155.1	155.3	155.3	155.4	155.3
	Utilization (level, percent)																
	86.3	86.7	86.8	85.2	86.2	86.0	85.4	84.2	84.0	84.2	83.3	83.0	86.6	85.8	84.5	83.5	85.1
	82.8	82.8	82.2	80.1	77.2	75.9	75.1	76.3	77.4	78.0	79.2	79.2	82.6	77.8	76.3	78.8	78.8
	78.6	78.8	78.9	78.8	79.3	78.9	79.2	78.4	77.5	76.5	75.0	73.4	78.8	79.0	78.4	75.0	77.8
	71.9	73.8	73.2	72.5	72.0	71.9	71.1	70.9	70.2	69.2	68.8	68.0	72.9	72.1	70.7	68.7	71.1
	70.1	70.3	71.2	71.9	72.9	73.3	74.4	75.2	76.8	77.0	77.1	77.0	70.5	72.7	75.5	77.1	73.9
	78.7	79.0	79.3	79.4	79.3	79.6	79.6	79.4	79.0	78.9	78.8	78.4	79.0	79.4	79.3	78.7	79.1
	78.2	78.5	78.8	78.7	78.9	78.7	78.1	78.7	78.8	78.0	78.5	78.2	78.5	78.8	78.5	78.2	78.5
	79.4	78.8	78.0	79.0	78.8	78.6	78.4	78.8	78.6	79.2	79.3	80.2	78.7	78.8	78.6	79.6	78.9
	79.3	80.5	80.5	80.9	81.1	81.8	82.2	82.0	81.9	82.9	83.2	83.6	80.1	81.3	82.0	83.2	81.7
	83.3	83.5	83.4	84.0	83.6	83.6	84.1	84.1	84.3	84.5	85.1	85.4	83.4	83.8	84.2	85.0	84.1
	86.1	85.0	85.5	85.3	84.5	84.3	83.2	83.4	82.9	82.5	82.5	82.3	85.5	84.7	83.2	82.4	83.9
	82.1	82.8	83.0	82.3	82.4	82.1	82.1	82.1	81.9	81.3	80.0	79.3	82.6	82.3	82.0	80.2	81.8
	78.5	77.8	76.8	77.0	77.5	78.5	78.6	78.6	79.5	79.3	78.9	78.4	77.7	77.7	78.9	78.9	78.3
	78.2	78.6	79.2	79.6	79.7	79.6	80.1	79.7	79.8	79.9	80.1	80.0	78.7	79.6	79.9	80.0	79.5
80.5	80.4	80.4	80.7	80.3	80.1	80.2	79.7	80.5	80.5	80.8	81.3	80.5	80.4	80.1	80.9	80.5	
81.1	81.3	81.8	82.1	82.5	82.4	82.5	82.7	82.6	83.0	83.3	83.8	81.4	82.3	82.6	83.3	82.4	
83.8	83.3	83.0	82.5	82.3	82.4	81.5	82.1	82.2	81.7	81.4	81.2	83.4	82.4	81.9	81.4	82.3	
80.6	81.2	80.6	81.3	81.5	81.8	81.9	82.0	82.0	81.5	82.0	82.2	80.8	81.5	82.0	81.9	81.6	
82.2	82.8	82.5	82.5	82.3	82.5	82.4	83.0	83.1	83.3	83.4	82.9	82.5	82.5	82.8	83.2	82.7	
83.0	82.5	82.3	82.5	82.2	81.1	80.3	81.7	81.0	81.3	80.7	80.4	82.6	81.9	81.0	80.8	81.6	
80.4	80.4	80.2	80.0	80.3	80.0	79.9	80.3	80.2	80.6	80.8	80.8	80.4	80.1	80.1	80.7	80.3	
80.6	80.6	80.9	80.8	80.9	81.1	80.4	80.1	80.1	79.5	79.0	78.3	80.7	80.9	80.2	78.9	80.2	
77.7	77.6	77.4	76.9	76.9	76.3	76.6	76.2	75.3	74.7	74.5	74.4	77.5	76.7	76.1	74.5	76.2	

NOTE. See also general note to table A.1.

Excludes computers, communications equipment, and semiconductors and related electronic components.

1. Annual averages of industrial production are calculated from indexes that are not seasonally adjusted.

A.5. Rates of change in industrial production, by market and industry group, 1997–2001

Item	SIC code ¹	Revised rate of change (percent)					Difference between rates of change: revised minus earlier (percentage points)				
		1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Total index .....	...	7.4	3.5	4.3	2.6	-6.0	.2	.3	-.7	-1.6	-.1
MARKET GROUP											
Products .....	...	6.0	2.9	2.6	1.8	-5.3	.0	-.3	-.8	-1.2	.3
Consumer goods .....	...	3.7	.2	2.5	.7	-2.0	-.3	.0	-.6	.1	.6
Durable .....	...	7.6	5.6	6.7	-4.2	-2.7	-.8	1.3	-1.5	.2	-.1
Automotive products .....	...	8.8	7.4	5.8	-7.3	3.7	-1.8	2.1	2.5	-.4	.4
Home electronics .....	...	19.5	12.4	30.8	7.4	-24.3	-.3	.7	-22.6	4.5	-3.5
Appliances, furniture, and carpeting .....	...	4.4	6.0	2.6	-2.0	-1.9	.2	-.9	-3.4	-.7	-.5
Miscellaneous .....	...	4.4	-.4	3.8	-2.0	-11.8	-.1	2.1	-.8	2.2	-2.8
Nondurable .....	...	2.6	-1.3	1.3	2.2	-1.8	-.1	-.4	-.4	.2	.8
Non-energy .....	...	2.8	-1.0	1.2	1.1	-.8	-.1	-.5	-.4	-.1	1.1
Foods and tobacco .....	...	1.9	-.1	.7	.4	-1.4	-.3	-.7	.4	-.5	.5
Clothing .....	...	-3.3	-6.4	-2.8	-8.5	-11.3	-.2	1.8	2.1	-4.1	2.0
Chemical products .....	...	4.9	2.5	4.4	5.4	6.3	-.5	-.8	-1.4	2.9	2.8
Paper products .....	...	6.5	-6.1	.1	2.4	-5.1	1.3	-.8	-2.5	-.8	.9
Energy .....	...	1.6	-3.4	2.3	8.6	-7.0	-.2	.6	-.3	1.9	-1.0
Business equipment .....	...	14.0	8.4	4.4	5.8	-12.9	.8	-.6	-1.2	-5.2	-1.2
Transit .....	...	25.5	15.4	-3.9	-7.5	-13.1	2.1	2.5	5.0	1.3	-.2
Information processing .....	...	17.9	14.4	15.6	16.4	-12.4	1.4	-2.4	-5.4	-6.7	-3.3
Industrial and other .....	...	5.8	-.5	-1.8	3.0	-13.4	-.3	-.4	-.2	-5.6	-.1
Defense and space equipment .....	...	-2.5	5.5	-7.6	-2.2	-.4	2.5	-2.7	-4.6	1.1	-1.3
Construction supplies .....	...	4.0	6.6	3.9	.5	-4.6	.1	-.9	-.6	.2	.9
Business supplies .....	...	4.2	1.3	1.4	.9	-6.3	-.6	-.5	-.8	-.3	.9
Materials .....	...	9.5	4.5	7.2	3.9	-6.9	.1	.8	-.8	-2.4	-.5
Durable .....	...	14.3	8.8	10.4	7.5	-8.6	.2	1.6	-.5	-4.6	-.7
Consumer parts .....	...	8.5	3.6	5.9	-2.1	-4.8	-1.8	3.5	-1.2	-2.3	2.9
Equipment parts .....	...	28.6	22.0	19.7	25.1	-11.0	2.5	1.4	-2.3	-11.0	-3.7
Other .....	...	4.7	.2	4.4	-3.1	-8.1	-.7	.7	.9	-1.3	.8
Nondurable .....	...	5.7	-3.3	3.9	-4.7	-5.9	.5	-.5	-1.7	.5	1.3
Textile .....	...	4.9	-6.2	4.6	-12.8	-12.0	1.5	2.2	5.9	-3.2	3.3
Paper .....	...	4.3	-2.7	4.5	-4.5	-1.9	-.3	.2	.3	.0	.9
Chemical .....	...	6.5	-5.6	5.3	-4.2	-7.8	.2	-1.6	-4.2	2.0	1.0
Energy .....	...	.1	-.4	.6	1.6	-3.4	.0	.3	.1	.2	-2.4
INDUSTRY GROUP											
Manufacturing .....	...	8.3	4.3	4.8	2.3	-6.3	.3	.3	-.8	-1.9	.1
Durable .....	...	11.9	8.4	6.9	4.8	-8.5	.4	.4	-1.3	-3.6	-.5
Lumber and products	24	2.8	5.6	1.8	-6.8	-.3	-.9	.1	1.3	.6	-.3
Furniture and fixtures	25	8.1	6.1	5.0	.8	-7.4	.2	-.2	1.9	-4.8	.0
Stone, clay, and glass products	32	2.5	5.8	3.2	-.9	-3.7	-.9	.2	1.0	-1.8	.5
Primary metals	33	5.8	-3.5	6.7	-5.2	-13.2	-.2	.0	-1.3	.5	-2.1
Fabricated metals	34	6.5	1.7	1.2	2.2	-7.3	.3	.2	-.5	1.3	1.5
Industrial machinery and equipment	35	7.8	9.1	7.1	7.5	-12.0	.5	-2.5	-6.5	-6.9	1.4
Electrical machinery	36	31.3	22.2	23.7	27.3	-14.7	2.9	1.8	-1.5	-11.7	-4.6
Motor vehicles and parts	371	14.3	6.7	7.5	-8.0	-.3	-1.7	3.5	1.6	-1.6	.8
Aerospace and miscellaneous transportation equipment	372-6.9	13.7	11.3	-8.9	.2	-9.3	.8	.9	2.7	.5	.0
Instruments	38	2.9	4.2	.6	1.3	-5.0	.0	.3	-3.9	-.6	-2.1
Miscellaneous	39	2.0	-.5	4.8	-1.0	-9.1	-1.1	-1.2	-1.9	-1.0	-1.8
Nondurable .....	...	3.9	-.7	2.1	-.7	-3.6	-.3	-.3	-.5	.0	1.0
Food and tobacco products	20,21	2.6	.1	.7	.4	-1.5	-.1	-.7	.4	-.4	.5
Textile mill products	22	.7	-6.1	.4	-10.6	-10.6	-.8	.4	.6	-2.7	3.3
Apparel products	23	1.8	-3.1	.3	-6.7	-11.1	2.0	3.3	4.3	-1.4	-.4
Paper and products	26	4.5	-.5	2.3	-3.0	-4.3	-.4	-.4	-.6	.1	1.2
Printing and publishing	27	5.1	-2.4	.7	.5	-7.7	.0	-.6	-1.1	-1.0	1.3
Chemicals and products	28	4.8	-.6	4.1	.8	-.6	-.5	-.7	-2.6	2.2	1.9
Petroleum products	29	3.0	1.3	-.6	2.0	-1.9	-.1	-.8	-.7	.8	-.4
Rubber and plastics products	30	6.1	3.0	5.9	-2.8	-4.9	-.9	1.4	2.3	-.9	.1
Mining	10-14	1.4	-5.3	-.2	1.7	-1.7	-.1	.1	.3	.3	-2.2
Utilities	491,2,3pt	2.0	-.6	2.2	6.8	-5.9	-.3	.7	-.1	.2	-.7
Electric .....	...	2.8	1.8	1.8	5.2	-3.9	-.4	.3	.1	-1.1	-.1
Gas .....	...	-1.4	-11.5	4.7	12.9	-12.5	.1	.4	.1	5.4	-3.1

NOTE. Rates of change are calculated as the percent change in the seasonally adjusted index from the fourth quarter of the previous year to the fourth quarter of the year specified. For 2001, the differences between rates of change are calculated from annualized rates between the fourth quarter of 2000 and the third quarter of 2001.

1. Standard Industrial Classification; see Executive Office of the President, Office of Management and Budget, *Standard Industrial Classification Manual*, 1987 (U.S. Government Printing Office, 1987).

pt. Part of classification.

A.6. Rates of change in industrial production, special aggregates and selected detail, 1997–2001

Market group	SIC code ¹	Revised rate of change (percent)					Difference between rates of change: revised minus earlier (percentage points)				
		1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Total index .....	...	7.4	3.5	4.3	2.6	-6.0	.2	.3	-.7	-1.6	-.1
Energy .....	...	1.4	-2.5	1.2	4.5	-4.0	-2	.6	.1	.4	-1.5
Consumer products .....	...	1.6	-3.4	2.3	8.6	-7.0	-2	.6	-.3	1.9	-1.0
Commercial products .....	...	5.0	-.1	.7	7.3	.9	.1	.4	-.3	.1	.9
Oil and gas drilling .....	...	8.7	-26.3	5.7	19.1	-6.8	.0	.1	.1	.2	-.2
Converted fuel .....	...	1.2	-.2	2.7	5.6	-8.0	.8	.0	-.1	.4	.3
Primary materials .....	...	-.5	-.5	-.6	-.2	-1.4	-.4	.5	.1	.0	-3.0
Non-energy .....	...	8.4	4.3	4.8	2.3	-6.3	.3	.3	-.8	-1.9	.2
Selected high-technology industries .....	...	40.2	35.8	34.0	39.5	-15.9	4.5	-1.4	-6.6	-15.8	-5.1
Computers and office equipment	357	24.5	40.5	33.0	33.4	-10.4	3.0	-13.5	-21.3	-8.7	-1.5
Communications equipment	366	27.6	6.5	21.1	25.4	-24.3	3.0	-2.5	7.7	-10.2	-9.0
Semiconductors and related electronic components	3672-9	55.0	50.5	41.1	48.6	-14.4	6.1	4.9	-6.7	-24.8	-4.3
Excluding selected high-technology industries .....	...	5.3	1.4	2.0	-1.4	-5.3	-.3	.1	-.3	-.7	.8
Motor vehicles and parts	371	14.3	6.7	7.5	-8.0	-.3	-1.7	3.5	1.6	-1.6	.8
Motor vehicles	3711,3	14.2	9.0	6.3	-11.4	2.1	.0	2.1	4.2	.9	-1.0
Motor vehicle parts	3714	14.1	3.7	9.2	-1.2	-2.1	-4.0	5.4	-1.6	-4.5	2.1
Excluding motor vehicles and parts .....	...	4.6	1.0	1.5	-.8	-5.7	-.2	-.1	-.5	-.6	.7
Consumer goods .....	...	3.2	-.5	1.9	.5	-2.0	-.1	-.2	-.6	.1	.6
Business equipment .....	...	9.0	4.1	-3.1	1.9	-11.9	-.3	.9	-.8	-3.4	.4
Business supplies .....	...	4.0	1.7	1.6	-.5	-8.1	-.8	-.7	-1.0	-.4	1.1
Materials .....	...	5.2	-.8	3.3	-2.7	-6.9	-.2	.2	.0	-.4	.7
<i>Special aggregates</i>											
Measures excluding selected high-technology industries											
Total industry .....	...	4.7	.9	1.8	-.5	-5.1	-.3	.2	-.3	-.5	.4
Manufacturing .....	...	5.2	1.4	1.9	-1.3	-5.3	-.2	.2	-.4	-.7	.7
Durable .....	...	6.5	3.3	1.8	-1.8	-7.0	-.3	.7	-.4	-1.4	.5
Industrial machinery	351-6,8,9	3.4	.5	-.4	.1	-12.5	-.2	-.1	-1.6	-4.8	2.5
Electrical machinery	361-5,9,71	5.2	.9	3.9	-1.2	-8.4	-.2	1.2	-2.6	-1.2	-1.2
Measures excluding motor vehicles and parts											
Total industry .....	...	7.0	3.3	4.1	3.4	-6.3	.2	.1	-.9	-1.5	-.2
Manufacturing .....	...	7.9	4.2	4.5	3.2	-6.8	.4	.1	-1.0	-1.8	.0
Durable .....	...	11.6	8.6	6.8	6.8	-9.7	.7	.0	-1.8	-3.7	-.8
Primary processing ² .....	...	11.0	5.7	8.0	3.7	-7.1	.5	1.3	-.9	-1.9	.0
Advanced processing ³ .....	...	6.6	3.5	2.8	1.4	-5.8	.2	-.4	-.9	-1.9	.3

NOTE. See also general note to table A.5.

1. Standard Industrial Classification; see table A.5, note 1.

2. Primary-processing manufacturing includes textile mill products; paper and products; industrial chemicals, synthetic materials, and fertilizers; petroleum products; rubber and plastics products; lumber and products; primary metals; fabricated metals; stone, clay, and glass products; semiconductors and related electronic components; and motor vehicle parts.

3. Advanced-processing manufacturing includes foods, tobacco products, apparel products, printing and publishing, chemical products and other agricultural chemicals, leather and products, furniture and fixtures, industrial and commercial machinery and computer equipment, electrical machinery except semiconductors and related electronic components, transportation equipment except motor vehicle parts, instruments, and miscellaneous manufactures.

A.7. Capacity utilization rates, by industry group, 1967–2001

Item	SIC code ¹	Revised rate (percent of capacity, seasonally adjusted)						Difference between rates: revised minus earlier (percentage points)		
		1967–2000 avg.	1988–89 high	1990–91 low	1999:Q4	2000:Q4	2001:Q4	1999:Q4	2000:Q4	2001:Q3
Total index .....	...	82.1	85.4	78.1	81.8	80.7	74.6	.2	–.6	–.2
Manufacturing .....	...	81.1	85.7	76.6	81.0	79.1	72.9	.1	–1.2	–.4
Durable manufacturing .....	...	79.6	84.6	73.1	81.2	78.6	69.8	.2	–2.0	–1.1
Lumber and products	24	82.6	93.6	75.5	84.7	77.3	76.3	1.4	1.1	.6
Furniture and fixtures	25	81.4	86.6	72.5	80.5	78.7	72.5	1.7	–1.4	–.4
Stone, clay, and glass products	32	78.9	83.5	69.7	85.2	82.3	77.8	–.1	–1.7	–1.2
Primary metals	33	81.7	92.7	73.7	88.5	83.6	73.0	–.1	.6	–.6
Fabricated metal products	34	78.0	82.0	71.9	76.7	76.3	70.3	–.2	.6	1.9
Industrial machinery and equipment	35	81.3	85.4	72.3	79.1	78.4	67.2	–.7	–4.1	–1.6
Electrical machinery	36	81.4	84.0	75.0	85.0	82.8	64.1	1.6	–4.3	–2.9
Motor vehicles and parts	371	77.1	89.1	55.9	84.8	76.3	74.1	1.9	.3	.1
Aerospace and miscellaneous transportation equipment	372–6,9	75.2	87.3	79.2	74.7	74.0	67.3	1.9	1.2	1.3
Instruments	38	81.3	81.4	77.2	76.4	76.6	72.7	–4.0	–3.9	–4.6
Miscellaneous manufactures	39	76.0	79.0	71.7	79.7	78.4	71.1	–1.9	–2.2	–2.3
Nondurable manufacturing .....	...	83.2	87.3	80.7	80.7	79.8	77.1	–.3	.0	.7
Foods and textiles	20,21	83.2	85.9	81.6	80.2	80.4	79.3	–.3	–.9	–.5
Textile mill products	22	85.6	90.4	77.7	84.6	77.4	71.6	2.2	.3	2.2
Apparel products	23	80.9	85.1	75.5	77.3	72.2	65.6	5.6	2.8	2.8
Paper and products	26	88.6	93.5	85.0	84.9	81.5	77.5	–1.8	–1.8	–.8
Printing and publishing	27	85.2	91.7	79.6	77.8	78.5	72.9	–2.9	–3.5	–2.0
Chemicals and products	28	79.3	86.2	79.3	77.6	77.7	76.9	–.8	2.1	3.0
Petroleum products	29	87.3	88.5	85.1	93.0	94.5	92.1	–.1	.2	–.2
Rubber and plastics products	30	84.7	89.6	77.4	87.1	82.0	76.5	1.8	1.1	1.1
Mining .....	...	87.6	88.0	87.0	87.1	90.3	88.4	2.5	3.8	1.2
Utilities .....	...	87.7	92.6	83.4	90.1	93.6	83.7	.9	1.6	.4
Special aggregates										
Selected high-technology industries .....	...	80.5	81.9	72.4	83.2	81.2	60.5	2.4	–3.9	–2.3
Computers and office equipment	357	81.1	86.9	66.9	77.4	75.0	61.3	.9	–3.2	–.8
Communications equipment	366	80.5	84.8	73.4	81.6	81.6	57.9	6.4	–5.6	–3.9
Semiconductors and related electronic components	3672–9	80.0	81.1	75.6	86.7	83.6	61.1	.7	–4.3	–1.4
Measures excluding selected high- technology industries										
Total industry .....	...	82.2	85.7	78.4	81.7	80.7	76.2	.0	.0	.3
Manufacturing .....	...	81.1	86.1	76.8	80.7	78.9	74.5	–.2	–.6	.1
Industrial machinery	351–6,8,9	81.2	85.5	74.0	79.5	79.6	69.7	–1.3	–4.6	–1.5
Electrical machinery	361–5,9,71	83.4	87.5	74.3	85.1	81.8	74.3	–.3	–1.0	–2.3
Primary processing ² .....	...	82.2	88.3	76.7	84.2	81.1	73.3	–.4	–1.7	–.6
Advanced processing ³ .....	...	80.5	84.2	76.6	79.0	77.9	72.7	–.3	–1.7	–1.0

NOTE. The “high” column refers to periods in which utilization generally peaked; the “low” column refers to recession years in which utilization generally bottomed out. The monthly highs and lows are specific to each series, and all did not occur in the same month.

1. Standard Industrial Classification; see table A.5, note 1.

2. Primary-processing manufacturing includes textile mill products; paper and products; industrial chemicals, synthetic materials, and fertilizers; petroleum products; rubber and plastics products; lumber and products; primary metals;

fabricated metals; stone, clay, and glass products; semiconductors and related electronic components; and motor vehicle parts.

3. Advanced-processing manufacturing includes foods, tobacco products, apparel products, printing and publishing, chemical products and other agricultural chemicals, leather and products, furniture and fixtures, industrial and commercial machinery and computer equipment, electrical machinery except semiconductors and related electronic components, transportation equipment except motor vehicle parts, instruments, and miscellaneous manufactures.

A.8. Rates of change in capacity, by industry group, 1997–2001

Industry group	Revised rate of change (percent)					Difference between rates of change: revised minus earlier (percentage points)				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Total index	6.4	6.4	3.9	4.0	1.7	.4	−.1	−.7	−.5	−.7
Manufacturing	7.1	7.2	4.5	4.7	1.6	.5	−.1	−.6	−.3	−1.0
Durable manufacturing	10.2	10.4	6.6	8.1	3.0	.9	.2	−1.7	−.7	−1.9
Nondurable manufacturing	3.3	3.2	1.7	.4	−.2	−.1	−.9	.4	−.5	−.1
Mining	1.3	−.6	−2.4	−1.9	.4	−.6	−.5	−.9	−1.1	1.8
Utilities .....	.6	.1	2.4	2.9	5.2	−.4	−1.0	.1	−.5	1.1
<i>Special aggregates</i>										
Selected high-technology industries	44.4	36.6	28.6	42.9	12.9	4.1	−2.8	−9.2	−4.7	−8.6
Manufacturing excluding selected high-technology industries	3.6	4.4	2.0	1.0	.3	.0	−.1	.0	−.3	−.3
Primary processing ¹	9.4	9.8	5.0	7.8	2.7	1.0	.4	.1	−.3	−1.4
Advanced processing ²	5.6	5.5	4.2	2.9	.9	.7	−.2	−1.0	−.1	−.9

NOTE. See also general note to table A.5.

1. Primary-processing manufacturing includes textile mill products; paper and products; industrial chemicals, synthetic materials, and fertilizers; petroleum products; rubber and plastics products; lumber and products; primary metals; fabricated metals; stone, clay, and glass products; semiconductors and related electronic components; and motor vehicle parts.

2. Advanced-processing manufacturing includes foods, tobacco products, apparel products, printing and publishing, chemical products and other agricultural chemicals, leather and products, furniture and fixtures, industrial and commercial machinery and computer equipment, electrical machinery except semiconductors and related electronic components, transportation equipment except motor vehicle parts, instruments, and miscellaneous manufactures.

A.9. Annual proportions in industrial production, by market and industry group, 1994–01

Item	SIC code ¹	1994	1995	1996	1997	1998	1999	2000	2001
Total index		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
MARKET GROUP									
Products		60.2	59.5	59.9	60.6	61.5	60.8	59.9	61.9
Consumer goods		28.6	28.3	28.4	28.3	28.7	28.6	28.4	30.4
Durable		6.2	6.1	6.3	6.3	6.3	6.7	6.5	6.5
Automotive products		2.7	2.7	2.8	2.9	2.9	3.3	3.4	3.5
Home electronics		.5	.5	.5	.5	.5	.5	.4	.3
Appliances, furniture, and carpeting		1.4	1.3	1.3	1.3	1.4	1.3	1.3	1.3
Miscellaneous		1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4
Nondurable		22.4	22.2	22.1	22.0	22.3	21.9	21.8	23.9
Non-energy		19.3	19.1	19.0	19.2	19.5	18.8	18.6	20.6
Foods and tobacco		9.7	9.7	9.6	9.7	10.1	10.0	10.1	11.2
Clothing		2.3	2.1	2.0	1.9	1.7	1.5	1.4	1.3
Chemical products		4.5	4.5	4.5	4.6	4.7	4.5	4.3	5.1
Paper products		2.8	2.8	2.8	3.0	3.0	2.8	2.8	3.0
Energy		3.1	3.1	3.1	2.9	2.8	3.1	3.2	3.4
Business equipment		13.3	13.4	13.7	14.3	14.7	14.2	13.7	13.1
Transit		2.4	2.3	2.3	2.6	3.1	3.2	3.1	2.9
Information processing		5.2	5.2	5.4	5.6	5.6	5.5	5.5	5.0
Industrial and other		5.6	5.9	6.0	6.0	6.0	5.4	5.2	5.1
Defense and space equipment		2.7	2.5	2.3	2.1	2.2	2.1	1.9	2.0
Construction supplies		5.7	5.6	5.7	5.9	6.2	6.3	6.4	6.6
Business supplies		9.0	8.9	8.9	8.9	8.9	8.8	8.7	8.9
Materials		39.8	40.5	40.1	39.4	38.5	39.2	40.1	38.1
Durable		22.2	22.8	23.0	23.2	23.1	23.2	23.5	22.4
Consumer parts		4.6	4.5	4.5	4.5	4.6	4.8	4.7	4.6
Equipment parts		7.6	8.2	8.4	8.4	8.5	8.5	9.0	8.1
Other		9.9	10.1	10.2	10.2	10.1	9.9	9.7	9.6
Nondurable		9.4	9.3	8.5	8.6	8.3	8.0	7.9	7.6
Textile		1.1	1.0	1.0	1.0	.9	.9	.8	.8
Paper		2.0	2.1	1.7	1.7	1.7	1.7	1.6	1.6
Chemical		4.2	4.1	3.9	4.0	3.8	3.6	3.7	3.5
Energy		8.3	8.4	8.6	7.7	7.1	8.0	8.8	8.1
INDUSTRY GROUP									
Manufacturing		86.5	86.6	86.5	87.6	88.5	87.7	86.5	86.7
Durable		46.2	46.6	47.3	48.1	48.9	48.8	48.3	46.8
Lumber and products	24	2.2	2.1	2.1	2.1	2.1	2.3	2.2	2.2
Furniture and fixtures	25	1.3	1.4	1.4	1.5	1.6	1.6	1.5	1.6
Stone, clay, and glass products	32	2.2	2.2	2.3	2.3	2.4	2.5	2.5	2.7
Primary metals	33	3.5	3.5	3.5	3.6	3.4	3.3	3.2	2.9
Fabricated metals	34	5.2	5.3	5.4	5.6	5.8	5.7	5.8	5.8
Industrial machinery and equipment	35	8.4	8.8	9.0	9.1	9.0	8.4	8.2	7.7
Electrical machinery	36	7.8	8.3	8.5	8.7	8.7	8.7	9.1	7.8
Motor vehicles and parts	371	5.5	5.4	5.4	5.6	5.6	6.4	6.5	6.4
Aerospace and miscellaneous transportation equipment	372–6,9	3.8	3.5	3.4	3.6	4.3	4.1	3.9	4.1
Instruments	38	4.9	4.8	4.8	4.7	4.7	4.6	4.4	4.5
Miscellaneous	39	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2
Nondurable		40.3	40.0	39.2	39.6	39.6	38.9	38.2	39.9
Food and tobacco products	20,21	10.5	10.5	10.3	10.3	10.8	10.6	10.7	11.8
Textile mill products	22	1.8	1.7	1.6	1.5	1.5	1.4	1.3	1.2
Apparel products	23	2.1	2.0	1.9	1.9	1.7	1.7	1.5	1.5
Paper and products	26	3.8	3.9	3.5	3.5	3.5	3.4	3.3	3.3
Printing and publishing	27	6.6	6.6	6.6	6.9	6.8	6.5	6.4	6.6
Chemicals and products	28	10.0	9.9	9.7	9.9	9.7	9.3	9.2	9.7
Petroleum products	29	1.5	1.5	1.7	1.6	1.6	1.9	1.9	1.9
Rubber and plastics products	30	3.8	3.7	3.7	3.8	3.9	3.9	3.8	3.8
Mining	10,14	5.9	5.9	6.2	5.6	5.0	5.8	6.8	6.2
Utilities	491,2,3,pt	7.6	7.5	7.3	6.8	6.5	6.4	6.7	7.1
Electric		6.0	5.9	5.8	5.5	5.3	5.2	5.2	5.6
Gas		1.6	1.6	1.5	1.3	1.1	1.3	1.5	1.5

NOTE. The IP proportion data are estimates of the industries' relative contribution to overall IP growth between the reference year and the following year. For example, a 1 percent increase in durable goods manufacturing between 2000 and 2001 would account for a 0.483 percent increase in total IP.

1. Standard Industrial Classification; see table A.5, note 1.
pt. Part of classification.

Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee decided on January 30, 2002, to keep its target for the federal funds rate unchanged at 1¾ percent.

Signs that weakness in demand is abating and economic activity is beginning to firm have become more prevalent. With the forces restraining the economy starting to diminish, and with the long-term prospects for productivity growth remaining favorable and monetary policy accommodative, the outlook for economic recovery has become more promising.

The degree of any strength in business capital and household spending, however, is still uncertain. Hence, the Committee continues to believe that, against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

PUBLICATION OF REVISIONS TO REGULATION C (HMDA)

The Federal Reserve Board on February 7, 2002, published revisions to its Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). The Board approved the revisions at its meeting on January 23, 2002. The amendments take effect for data collection beginning January 1, 2003.

In a related action, also approved on January 23, were Board requests for public comment on the appropriate threshold for collecting price data on higher-cost loans; a proposal to require lenders to ask telephone applicants their race, ethnicity, and sex; and a proposal to require lenders to report lien status for applications and originated loans. Comment is requested by April 12, 2002.

AMENDMENTS TO DISCLOSURE REQUIREMENTS OF REGULATION C (HMDA)

The Federal Reserve Board approved on January 23, 2002, regulatory changes intended to improve the

quality and consistency of data collected on home mortgage loans.

The amendments to Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), require lenders to disclose pricing data on higher-cost loans, expand the number of nondepository institutions subject to HMDA's reporting requirements, and revise certain regulatory definitions. The amendments take effect for data collection beginning January 1, 2003. The Board also requested public comment with respect to certain items by April 1, 2002.

Regulation C requires depository and for-profit, nondepository institutions to collect, report, and disclose data about applications for, and originations and purchases of, home mortgage loans and home-improvement loans. Data reported include the type, purpose, and amount of the loan; the race, ethnicity, sex, and income of the loan applicant; and the location of the property.

Data collected under Regulation C help the public and regulatory agencies enforce fair lending laws and are used to determine whether financial institutions are serving the housing needs of their communities.

The changes to Regulation C will facilitate fair lending analysis and enhance understanding of the home mortgage market generally and the subprime market in particular. The Board took into account changes in the home mortgage market, including growth in areas such as subprime lending and loan preapproval programs. At the same time, the Board has attempted to minimize the increase in the data collection and reporting burden by limiting proposed changes to those most likely to have significant benefit.

The final rule has the following stipulations:

- Requires lenders to report the spread between the annual percentage rate (APR) and the yield on the comparable Treasury security for originated loans with APRs that exceed the yield on the security by a certain threshold. (The Board tentatively set the thresholds at 3 percentage points for first-lien loans and 5 percentage points for subordinate-lien loans and seeks comment on the appropriateness of these particular thresholds.)
- Requires lenders to identify loans subject to the Home Ownership and Equity Protection Act.

- Conforms the categories for reporting race and ethnicity to government-wide standards established by the Office of Management and Budget and, consistent with those standards, allows applicants to record more than one race.

- Requires lenders to report denials of applications for credit received through certain preapproval programs and identify originated loans initiated through preapproval programs.

- Permits, but does not require, lenders to report requests for preapproval that the lender approves but that applicants do not pursue.

- Expands the coverage of nondepository lenders by adding a dollar-volume threshold of \$25 million to the current loan-percentage test.

- Modifies the definitions of “refinancing” and “home-improvement loan” to generate more consistent, accurate, and useful data.

- Requires lenders to report whether the loan involves a manufactured home.

The Board also seeks comment on requiring lenders to ask telephone applicants their race, ethnicity, and sex (lenders already ask these questions in in-person, mail, and Internet applications) and on requiring lenders to report lien status for applications and originated loans.

The Board also adopted a number of clarifying and technical changes, in addition to reorganizing Regulation C to make it easier to use.

INTERAGENCY RELEASE OF CONSUMER GUIDE ON PRIVACY NOTICES

In conjunction with National Consumer Protection Week, several federal agencies released on February 6, 2002, a guide to help consumers make informed choices about whether to allow their personal financial information to be shared. *Privacy Choices for Your Personal Financial Information* guides consumers through the choices they face as a result of the privacy provisions of the Gramm–Leach–Bliley Act of 1999. The theme for National Consumer Protection Week this year is “Consumer Confidential: The Privacy Story.”

Federal privacy laws give consumers the right to prevent, or “opt out” of, some sharing of their personal financial information. These laws balance consumers’ right to privacy with financial companies’ need to provide information for normal business purposes.

The consumer information explains the privacy notices that consumers receive from their banks and

other financial companies, what choices consumers face, and consumers’ right to opt out of information sharing.

The materials encourage consumers to (1) read all privacy notices, (2) get answers to questions from the financial companies that provided the notices, (3) if applicable, decide whether to opt out, and (4) if they want to opt out, follow the instructions in the notice—and if necessary—shop around for a financial institution with the privacy policy they want.

The agencies are the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Securities and Exchange Commission.

Single printed copies of the brochure are free and available upon request from the member agencies. The brochure can also be printed from www.consumer.gov or from the agencies’ web sites.

- Board of Governors of the Federal Reserve System’s web site (www.federalreserve.gov/pubs/privacy) and from Publications Services, Stop 127, Federal Reserve Board, 20th and C Streets, NW, Washington, DC 20551 (202-452-3245).

- Commodity Futures Trading Commission’s web site (www.cftc.gov/cftc/cftcfinancialprivacy.htm) and from the Office of Public Affairs, Three Lafayette Center, 1155 21st Street, NW, Washington, DC 20581 (202-418-5080).

- Federal Deposit Insurance Corporation’s web site (<http://www.fdic.gov/consumers/privacy/privacychoices/index.html>) and from the Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or 202-416-6940).

- Federal Trade Commission’s web site (<http://www.ftc.gov>) and from the Consumer Response Center, Room 130, 600 Pennsylvania Avenue, NW, Washington, DC 20580 (877-FTC-HELP/877-382-4357, toll-free; TDD for the hearing impaired: 202-326-2502).

- National Credit Union Administration’s web site (<http://www.ncua.gov>) and from the Publications Center, 1775 Duke Street, Alexandria, VA 22314 (703-518-6340).

- Office of the Comptroller of the Currency’s web site (<http://www.occ.treas.gov>) and from Communications, Mail Stop 3-2, Office of the Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219 (202-874-4700).

- Office of Thrift Supervision's web site (<http://www.ots.treas.gov>) and from Publications, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552 (202-906-6410, OTS Publications Hotline).

- Securities and Exchange Commission's web site (<http://www.sec.gov>) and from the Office of Investor Education and Assistance, 450 5th Street, NW, Washington, DC 20549-0213 (fax: 202-942-9634).

BOARD DISCOUNT RATE MEETING MINUTES

The Federal Reserve Board released on February 8, 2002, the minutes of its discount rate meetings from November 19, 2001, to December 11, 2001. □

Legal Developments

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Wesbanco, Inc.
Wheeling, West Virginia

Order Approving the Merger of Bank Holding Companies, Merger of Banks, and Establishment of Branches

Wesbanco, Inc. ("Wesbanco"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire American Bancorporation, Wheeling, West Virginia ("Bancorp"),¹ and its subsidiary bank, Wheeling National Bank, St. Clairsville, Ohio ("Wheeling Bank").² Wesbanco's subsidiary state member bank, Wesbanco Bank, Wheeling, West Virginia, has requested the Board's approval under section 18(c) of the Federal Deposit Insurance Act (the Bank Merger Act ("BMA")) (12 U.S.C. § 1828(c)) to merge with Wheeling Bank, with Wesbanco Bank as the survivor. In addition, Wesbanco Bank has requested the Board's approval under section 9 of the Federal Reserve Act ("FRA") (12 U.S.C. § 321) to establish branches at the locations of Wheeling Bank's branches in West Virginia, Ohio, and Pennsylvania.³

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (66 *Federal Register* 57,967 (2001)). In addition, as required by the BMA, reports on the competitive effects of the merger were requested from the United States Attorney General and relevant banking agencies. The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act, the BMA, and the FRA.

1. AB Corporation, a wholly owned subsidiary of Wesbanco, has requested the Board's approval under section 3 of the BHC Act to become a bank holding company by merging with Bancorp. AB Corporation would be merged with and into Wesbanco following its merger with Bancorp.

2. Wesbanco also has requested the Board's approval to acquire an option to purchase up to 19.9 percent of Bancorp's voting common stock. The option would expire on consummation of the proposed merger.

3. The branches to be established by the proposal are listed in Appendix A.

Wesbanco, with total consolidated assets of \$2.4 billion,⁴ controls Wesbanco Bank, which operates in West Virginia and Ohio. Wesbanco Bank is the fifth largest depository institution in West Virginia, controlling deposits of \$1.7 billion, representing approximately 8.1 percent of total deposits of insured depository institutions in the state ("state deposits").⁵ Wesbanco Bank is the seventy-third largest depository institution in Ohio, controlling deposits of \$191 million, representing less than 1 percent of state deposits.

Bancorp's only subsidiary bank, Wheeling Bank, is the sixteenth largest depository institution in West Virginia, controlling total deposits of \$193.8 million, representing less than 1 percent of state deposits. Wheeling Bank is the fifty-first largest insured depository institution in Ohio, controlling deposits of \$274.5 million, representing less than 1 percent of state deposits.

On consummation of the proposal, and accounting for the divestiture proposed by Wesbanco, Wesbanco Bank would become the fourth largest depository institution in West Virginia, controlling deposits of approximately \$1.8 billion, representing approximately 9 percent of state deposits, and would become the thirty-third largest depository institution in Ohio, controlling deposits of approximately \$465.4 million, representing less than 1 percent of state deposits.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of such bank holding company if certain conditions are met. For purposes of the BHC Act, the home state of Wesbanco is West Virginia,⁶ and Bancorp's subsidiary bank is located in West Virginia, Ohio, and Pennsylvania.⁷ The Board has reviewed the interstate banking laws of

4. Consolidated asset data are as of June 30, 2001.

5. Deposit and ranking data are as of June 30, 2000. In this context, the term "depository institution" includes commercial banks, savings banks, and savings associations.

6. See 12 U.S.C. § 1842(d). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. 12 U.S.C. § 1841(o)(4)(C).

7. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered, headquartered, or operates a branch. See 12 U.S.C. §§ 1841(o)(4)-(6) and 1842(d)(1) and (2); *NationsBank Corporation*, 84 *Federal Reserve Bulletin* 858 (1998).

each state in which Wesbanco would acquire banking operations and consulted with the appropriate banking supervisor in each of those states about the permissibility of the proposed transaction under applicable state law. All the conditions for an interstate acquisition enumerated in section 3(d) of the BHC Act are met in this case.⁸ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

Section 3 of the BHC Act and the BMA prohibit the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking. The BHC Act and the BMA also prohibit the Board from approving a proposal that would substantially lessen competition in any relevant banking market unless the anticompetitive effects of the proposal in that banking market are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.⁹

Wesbanco Bank and Wheeling compete directly in the Wheeling, Steubenville-Weirton, and Tyler-Wetzel banking markets in West Virginia and Ohio.¹⁰ The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of all the facts of record, including the number of competitors that would remain in the market, the share of total deposits in depository institutions in the market ("market deposits") controlled by the companies involved in the proposal,¹¹ the concentration level of deposits in the market and the increase in this level as measured by the Herfindahl-Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Guidelines"), and other characteristics of the markets.¹²

8. See 12 U.S.C. §§ 1842(d)(1)(A) and (B) and 1842(d)(2)(A) and (B). Wesbanco is well capitalized and well managed. On consummation of the proposal, Wesbanco would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States and less than 30 percent of the total amount of deposits held by insured depository institutions in each of West Virginia, Ohio, and Pennsylvania. All of Bancorp's banks have been in existence and continuously operated for at least the minimum period required under West Virginia, Ohio, and Pennsylvania law. See W.Va. Code §§ 1A-2-12a(c) and 31A-8A-5d (Michie 1996); Ohio Rev. Code Ann. § 1115.05 (2001); 7 Pa. Cons. Stat. § 904 (2001).

9. 12 U.S.C. § 1842(c)(1)(A) and (B); 12 U.S.C. § 1828(c)(5)(A) and (B).

10. These banking markets are defined in Appendix B.

11. Market share data for all banking markets are as of June 30, 2000. These data are based on calculations that include the deposits of thrift institutions at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50-percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

12. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market is considered moderately concentrated when the post-merger HHI is between 1000 and 1800 and highly concen-

Consummation of the proposal without divestitures would be consistent with Board precedent and the DOJ Guidelines in the Wheeling and Steubenville-Weirton banking markets.¹³ These banking markets would remain moderately concentrated after consummation of the proposal, and numerous competitors would remain in the markets.

In the Tyler-Wetzel banking market, consummation of the proposal, without divestitures, would exceed the DOJ Guidelines. Wesbanco Bank is the largest depository institution in the market, controlling deposits of \$106.5 million, representing approximately 37 percent of market deposits. Wheeling Bank is the fifth largest depository institution in the market, controlling deposits of \$20.4 million, representing approximately 7 percent of market deposits. The HHI would increase 517 points to 2528.

To mitigate the potential anticompetitive effects of the proposal in the Tyler-Wetzel banking market, Wesbanco has committed to divest one branch that controls approximately \$17 million in deposits to a competitively suitable purchaser in the market.¹⁴ On consummation of the proposal, taking into account the proposed divestiture, Wesbanco Bank would remain the largest depository institution in the banking market, controlling deposits of \$110 million, representing approximately 38 percent of market deposits, and the HHI in the Tyler-Wetzel banking market would increase 120 points to 2131. Eight other depository institutions would remain in the market. Four of these depository institutions, including the acquirer of the divested branch, would each control more than 8 percent of market deposits.

trated when the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

13. In the Wheeling banking market, Wesbanco Bank would remain the largest depository institution and would control \$757.9 million in deposits, representing approximately 34 percent of market deposits. Sixteen other depository institutions would remain in the Wheeling banking market on consummation of this proposal. The HHI would increase 498 points to 1676.

In the Steubenville-Weirton banking market, Wesbanco Bank would become the largest competitor on consummation of the proposal, and would control \$338.7 million in deposits, representing approximately 23 percent of market deposits. Sixteen other depository institutions would remain in the market on consummation of this proposal. The HHI would increase 199 points to 1487.

14. Wheeling Bank has executed a sale agreement for the proposed divestiture discussed in this order with a purchaser that is competitively suitable and has committed to complete the divestiture within 180 days of consummation of the proposal. Wesbanco has committed that, if it is unsuccessful in completing the divestiture within the 180-day period, it will transfer the unsold branch to an independent trustee that is acceptable to the Board and will instruct the trustee to sell the branch promptly to an alternative purchaser acceptable to the Board. See *BankAmerica Corporation*, 78 *Federal Reserve Bulletin* 338 (1992); *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484 (1991).

The Board has considered the views of the Department of Justice and the other banking agencies on the competitive effects of the proposal in each relevant banking market. The Department of Justice has advised the Board that, in light of the proposed divestiture, consummation of the proposal is not likely to have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation have been afforded an opportunity to comment and have not objected to consummation of the proposal.

Based on all the facts of record, including the proposed divestiture in the Tyler-Wetzel banking market and the number and size of the competitors remaining in the markets, the Board concludes that consummation of the proposal is not likely to have a significantly adverse effect on competition or on the concentration of banking resources in the banking markets in which Wesbanco Bank and Wheeling Bank directly compete or in any other relevant banking market, and that competitive considerations are consistent with approval.

Financial, Managerial, and Other Factors

Section 3 of the BHC Act and the BMA also require the Board to consider the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the communities to be served, and certain supervisory factors.¹⁵ The Board has reviewed these factors in light of the record, including supervisory reports of examination assessing the financial and managerial resources of the organizations and financial information provided by Wesbanco.¹⁶ Based on all the facts of record, the Board concludes that the financial and managerial resources and the future prospects of Wesbanco, Bancorp, and their respective subsidiary banks are consistent with approval, as are the other supervisory factors the Board must consider under the BHC Act and the BMA. In addition, considerations related to the convenience and needs of the communities to be served, including the records of performance of the institutions involved under the Community Reinvestment Act ("CRA") (12 U.S.C. § 2901 *et seq.*), are consistent with approval of the proposal.¹⁷

15. 12 U.S.C. § 1842(c)(2); 12 U.S.C. § 1828(c)(5).

16. The Board received a comment on the proposal alleging that a director of an insured depository institution that was acquired by and merged into Wesbanco Bank in 1995 engaged in illegal acts. The commentor provided no evidence to support these allegations. The Board notes that the individual cited in the comment currently does not serve as an officer or director of Wesbanco or any of its subsidiaries, including Wesbanco Bank. The Board has also reviewed this comment in light of supervisory information assessing the current managerial resources of Wesbanco and its subsidiaries.

17. Wesbanco Bank received a "satisfactory" rating at its most recent examination for CRA performance by the Federal Reserve Bank of Cleveland, as of May 7, 2001. Wheeling Bank also received a "satisfactory" CRA rating from its primary federal supervisor, the Office of the Comptroller of the Currency, at its most recent evaluation, as of December 29, 1999.

As noted above, Wesbanco Bank also has applied under section 9 of the FRA to establish branches at the former sites of Wheeling Bank's branches in West Virginia, Ohio, and Pennsylvania. The Board has considered the factors it is required to consider when reviewing an application under section 9 of the FRA¹⁸ and, for the reasons discussed in this order, finds those factors to be consistent with approval.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications should be, and hereby are, approved. The Board's approval is specifically conditioned on compliance by Wesbanco with all the commitments made in connection with the proposal and with the conditions discussed in this order, including the divestiture commitments discussed above. For the purpose of this action, the commitments and conditions referred to above are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The proposed transactions shall not be consummated before the fifteenth calendar day after 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 Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 7, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Meyer, Gramlich, Bies, and Olson.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

Appendix A

Branches to be Established by Wesbanco Bank

West Virginia

1145 Market Street, Wheeling
12th & Main Streets, Wheeling
Elm Grove Crossing, Wheeling
Zane & Huron Streets, Wheeling
3265 Main Street, Weirton
Three Springs Drive, Weirton
State Route 2, New Martinsville
Route 20, Pine Grove

18. 12 U.S.C. § 322.

Ohio

135 W. Main Street, St. Clairsville
 One Mall Drive, St. Clairsville
 102 E. Main Street, Freeport
 875 E. Main Street, Barnesville
 219 High Street, Flushing
 3868 Central Avenue, Shadyside
 850 Wheeling Avenue, Cambridge
 100 Mall Road, Steubenville
 109 N. Hamilton Road, Gahanna
 6121 E. Livingston Avenue, Columbus
 148/150 E. Broad Street, Columbus
 369 Stoneridge Lane, Gahanna
 5670 North Hamilton Road, New Albany

Pennsylvania

6 S. Main Street, Washington

Appendix B

*Banking Markets in Which Wesbanco and Bancorp
 Directly Compete*

Wheeling Banking Market

The Wheeling market is defined as Marshall and Ohio counties in West Virginia; Belmont County in Ohio, and Mt. Pleasant and Warren townships in Jefferson County, Ohio.

Steubenville-Weirton Banking Market

The Steubenville-Weirton market is defined as Jefferson County, Ohio, except Mt. Pleasant and Warren townships; the German, Rumley, Archer, Green, Cadiz, Athens, and Short Creek townships in Harrison County, Ohio; Brooke County, West Virginia; and Butler and Clay districts in Hancock County, West Virginia.

Tyler-Wetzel Banking Market

The Tyler-Wetzel market is defined as Tyler and Wetzel counties in West Virginia and the Adams, Jackson, Lee, Ohio, and Salem townships in Monroe County, Ohio.

ORDERS ISSUED UNDER BANK MERGER ACT

*Banco Popular de Puerto Rico
 Hato Rey, Puerto Rico*

Order Approving the Acquisition of Branches

Banco Popular de Puerto Rico ("Banco Popular"), a state member bank, has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act") to acquire certain assets and assume certain

liabilities of three branches of Banco Bilbao Vizcaya Argentaria Puerto Rico, San Juan, Puerto Rico ("Banco Bilbao").¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General and the other federal banking agencies. The time for filing comments has expired, and the Board has considered the application and all the facts of record in light of the factors set forth in the Bank Merger Act.

Banco Popular is a subsidiary of Popular, Inc., also in San Juan, and is the largest depository institution in Puerto Rico, controlling deposits of \$9.6 billion, representing 31.8 percent of the total deposits in depository institutions in Puerto Rico ("Commonwealth deposits").² The Banco Bilbao branches that Banco Popular proposes to acquire control deposits of approximately \$49.8 million, representing less than 1 percent of Commonwealth deposits. On consummation, Banco Popular would remain the largest depository institution in Puerto Rico, controlling deposits of \$9.7 billion, representing 31.9 percent of Commonwealth deposits.

Competitive Considerations

The Bank Merger Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking.³ The Bank Merger Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any relevant market, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effects of the transaction in meeting the convenience and needs of the community to be served.⁴

Banco Popular and the Banco Bilbao branches to be acquired compete directly in the San Juan and Ponce, Puerto Rico, banking markets ("San Juan banking market" and "Ponce banking market").⁵ The Board has reviewed carefully the competitive effects of the proposal in each

1. The Banco Bilbao branches are located at 24 Munoz Rivera Street, Adjuntas; 8 Palmer Street, Ciales; and 17-4 de Julio Street, Orocovis, all in Puerto Rico. Immediately following consummation of the proposed transaction, Banco Popular would consolidate each Banco Bilbao branch with an existing Banco Popular branch that is within 600 feet of the acquired branch.

2. Deposit and ranking data are as of June 30, 2000. In this context, depository institutions include commercial banks, savings banks, and savings associations.

3. 12 U.S.C. § 1828(c)(5)(A).

4. 12 U.S.C. § 1828(c)(5)(B).

5. The San Juan banking market is defined as the San Juan-Caguas-Arcebo Consolidated Metropolitan Statistical Area and the municipalities of Aibonito, Barranquitas, Ciales, Jayuya, Lares, Maunabo, Orocovis, Quebradillas, Utuado, and Vieques, all in Puerto Rico. The Ponce banking market is defined as the Ponce Metropolitan Statistical

market in light of the facts of record, including the number of competitors that would remain in the market, the relative share of the total deposits in depository institutions in the market ("market deposits") that Banco Popular would control,⁶ the concentration level of market deposits and the increase in this level as measured by the Herfindahl-Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Guidelines"),⁷ and other characteristics of the markets. The transaction is consistent with the DOJ Guidelines and Board precedent in the San Juan and Ponce banking markets.

Banco Popular is the largest depository institution in the San Juan banking market, controlling deposits of approximately \$8.2 billion, representing 32.1 percent of market deposits. The Banco Bilbao branches to be acquired control deposits of approximately \$36.9 million, representing less than 1 percent of market deposits. On consummation of the proposal, Banco Popular would remain the largest depository institution in the San Juan banking market, controlling deposits of approximately \$8.2 billion, representing 32.2 percent of market deposits. Banco Bilbao would remain the fifth largest depository institution in the market, controlling deposits of \$2.2 billion, representing 8.5 percent of market deposits. The HHI would increase 7 points to 1695. Thirteen depository institutions, including Banco Bilbao, would compete in the market after consummation.

Banco Popular is the largest depository institution in the Ponce banking market, controlling deposits of approximately \$735.6 million, representing 43.1 percent of market deposits. The Banco Bilbao branch that Banco Popular proposes to acquire controls deposits of approximately \$12.9 million, representing less than 1 percent of market deposits. On consummation of the proposal, Banco Popular would remain the largest depository institution in the Ponce banking market, controlling deposits of approximately

\$748.5 million, representing 43.9 percent of market deposits. Banco Bilbao would remain the second largest depository institution in the market, controlling deposits of \$241.7 million, representing 14.2 percent of market deposits. The HHI would increase 43 points to 2411. Twelve commercial banks, including Banco Bilbao, would compete in the market after consummation of the proposal. In addition, fourteen savings and credit union cooperative societies ("cooperatives") compete in the Ponce banking market,⁸ controlling \$290.4 million in deposits.⁹

The Department of Justice has reviewed the proposal and advised the Board that consummation of the proposal is not likely to have a significantly adverse effect on competition in the San Juan or Ponce banking markets or in any other relevant banking market. The Puerto Rico Commissioner of Financial Institutions and the other federal banking agencies also have been afforded an opportunity to comment on the proposal and have not objected.

After carefully reviewing all the facts of record, and for the reasons discussed above, the Board concludes that consummation of the proposal is not likely to result in a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market and that competitive factors are consistent with approval of the proposal.

Other Factors

In reviewing this proposal under the Bank Merger Act, the Board also has considered the financial resources and future prospects of the institutions involved. The Board has reviewed these factors in light of all the facts of record, including supervisory reports of examination assessing the financial resources of and information provided by Banco Popular. The Board notes that Banco Popular would remain well capitalized on consummation of the proposal. The Board also has carefully reviewed reports of examination and other material related to the management record and resources of Banco Popular. In light of all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Banco Popular and Banco Bilbao are consistent with approval of this proposal. In addition, considerations related to the convenience and needs of the communities to be served, including the records of performance of the institutions involved under

Area and the municipalities of Adjuntas, Arroyo, Coamo, Guanica, Guayama, Pantillas, Salinas, and Santa Isabel, all in Puerto Rico.

6. Unless otherwise noted, market share data are as of June 30, 2000, and are based on calculations in which the deposits of thrift institutions, which include savings banks and savings associations, are weighted at 50 percent. The Board has previously indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50-percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

7. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (1984), a market is considered moderately concentrated if the post-merger HHI is between 1000 and 1800 and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

8. Cooperatives are Commonwealth-insured depository institutions unique to Puerto Rico. Although cooperatives are membership organizations, few impose membership restrictions, and they are authorized to provide a full range of products and services to nonmembers, including transactions accounts for personal and business purposes. For a detailed discussion of the activities of cooperatives, see *Ban-Ponce Corporation*, 77 *Federal Reserve Bulletin* 43, 45 (1991); *Statement by the Board of Governors of the Federal Reserve System Regarding the Application by Banco Santander, S.A.*, 82 *Federal Reserve Bulletin* 833, 834-835 (1996) ("Statement").

9. The Board previously has recognized and continues to believe that cooperatives are at least as significant as thrift institutions as competitors of commercial banks and should be weighted at 50 percent in the Ponce banking market. See *Statement* at 835 n.13. Deposit data for cooperatives are as of June 30, 2000.

the Community Reinvestment Act ("CRA"), are consistent with approval.¹⁰

Conclusion

Based on the foregoing and the facts of record, the Board has determined that the application should be, and hereby is, approved. The Board's approval is specifically conditioned on compliance by Banco Popular with all commitments made in connection with the proposal. For purposes of this action, the commitments and conditions referred to in this order are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of the branches may not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may 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 the Reserve Bank, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 15, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Meyer, Gramlich, Bies, and Olson.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Allgemeine HypothekenBank Rheinboden AG Frankfurt, Germany

Order Approving Establishment of a Representative Office

Allgemeine HypothekenBank Rheinboden AG ("Bank"), Frankfurt, Germany, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

10. 12 U.S.C. § 2901 *et seq.* Banco Popular received an "outstanding" rating at its most recent examination for CRA performance by the Federal Reserve Bank of New York ("Reserve Bank"), as of June 5, 2000. The Reserve Bank reviewed the general policy employed by Banco Popular in closing and consolidating branches in connection with its CRA performance examination of the bank and determined that the policy conformed to the Joint Interagency Policy Statement Regarding Branch Closings. See 64 *Federal Register* 34,844 (1999).

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York, New York (The New York Post, June 20, 2001). The time for filing comments has expired, and all comments have been considered.

Bank, with total consolidated assets of approximately \$81.1 billion,¹ is Germany's largest mortgage bank and is primarily engaged in construction and long-term finance for institutional investors and developers. Bank operates eleven offices in Germany and four representative offices in other countries in Europe.

Bank's largest shareholders are BGAG Beteiligungsgesellschaft der Gewerkschaften AG ("BGAG"), Frankfurt, Germany, and BHW Holding AG ("BHW"), Hameln, Germany.² BGAG and BHW are holding companies with investments primarily in the financial services and real estate sectors.³

The proposed representative office would assist Bank in its property financing business. The office would solicit loans and other banking business, conduct research, and act as a liaison with customers of Bank.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3107(a)(2); 12 C.F.R. 211.24(d)(2)).⁴ In addition, the Board may take into account additional standards set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)).

1. Unless otherwise indicated, data are as of June 30, 2001.

2. BGAG owns 50 percent of Bank; BHW owns 40 percent of Bank. The remainder is held by DBV Winterthur Holding AG, Wiesbaden, Germany.

3. BGAG and BHW are considered financial holding companies under German law and, accordingly, are subject to supervision by the German Federal Banking Supervisory Office.

4. In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

- (i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) Receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;
- (v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.

These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination.

As noted above, Bank engages directly in the business of banking outside the United States. Bank also has provided the Board with information necessary to assess the application through submissions that address the relevant issues. With respect to supervision by home country authorities, the Board previously has determined, in connection with applications involving other German banks, that those banks were subject to home country supervision on a consolidated basis.⁵ Bank is supervised by the German Federal Banking Supervisory Office on substantially the same terms and conditions as the other banks. Based on all the facts of record, it has been determined that Bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The additional standards set forth in section 7 of the IBA and Regulation K (*see* 12 U.S.C. § 3105(d)(3)-(4); 12 C.F.R. 211.24(c)(2)) have also been taken into account. The German Federal Banking Supervisory Office has no objection to the establishment of the proposed representative office.

With respect to the financial and managerial resources of Bank, taking into consideration Bank's record of operations in its home country, its overall financial resources, and its standing with its home country supervisor, financial and managerial factors are consistent with approval of the proposed representative office. Bank appears to have the experience and capacity to support the proposed representative office and has established controls and procedures for the proposed representative office to ensure compliance with U.S. law.

With respect to access to information on Bank's operations, the restrictions on disclosure in relevant jurisdictions in which Bank operates have been reviewed and relevant government authorities have been communicated with regarding access to information. Bank and its parents have committed to make available to the Board such information on the operations of Bank and any of their affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To

the extent that the provision of such information to the Board may be prohibited by law or otherwise, Bank and its parent companies have committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information. In addition, subject to certain conditions, the German Federal Banking Supervisory Office may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, it has been determined that Bank has provided adequate assurances of access to any necessary information that the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank and its parent companies, and the terms and conditions set forth in this order, Bank's application to establish the representative office is hereby approved.⁶ Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct and indirect activities in the United States. Approval of this application also is specifically conditioned on compliance by Bank and its parent companies with the commitments made in connection with this application and with the conditions in this order.⁷ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings against Bank and its affiliates under 12 U.S.C. § 1818.

By order, approved pursuant to authority delegated by the Board, effective January 8, 2002.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

5. *See DePfa Bank AG*, 87 *Federal Reserve Bulletin* 710 (2001); *RHEINHYP Rheinische Hypothekenbank AG*, 87 *Federal Reserve Bulletin* 558 (2001); *Deutsche Hyp Deutsche Hypothekenbank*, 86 *Federal Reserve Bulletin* 658 (2000); *Deutsche Bank AG*, 85 *Federal Reserve Bulletin* 509 (1999); *Westdeutsche Immobilien-Bank*, 85 *Federal Reserve Bulletin* 346 (1999); *Commerzbank AG*, 85 *Federal Reserve Bulletin* 336 (1999).

6. Approved by the Director of the Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board. *See* 12 C.F.R. 265.7(d)(12).

7. The Board's authority to approve the establishment of the proposed representative office parallels the continuing authority of the State of New York to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York or its agent, the New York State Banking Department ("Department"), to license the proposed office of Bank in accordance with any terms or conditions that the Department may impose.

*APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT**By Federal Reserve Banks*

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Andrews Holding Company, Andrews, Texas	Commercial State Bank, Andrews, Texas	Dallas	January 16, 2002
BancorpSouth, Inc., Tupelo, Mississippi	Pinnacle Bancshares, Inc., Little Rock, Arkansas Pinnacle Bank, Little Rock, Arkansas	St. Louis	December 31, 2001
Baylor Bancshares, Inc., Seymour, Texas	Citizens State Bank, Princeton, Texas	Dallas	January 17, 2002
Baylor/Delaware Corporation, Wilmington, Delaware			
Bryan-Heritage Limited Partnership, Bryan, Texas	The First National Bank of Bryan, Bryan, Texas	Dallas	January 9, 2002
Bryan Family Management Trust, Bryan, Texas			
Buerge Bancshares, Inc., Joplin, Missouri	Grand Lake Bancorp, Inc., Tulsa, Oklahoma Sarcoxi Bancorp, Inc., Sarcoxi, Missouri	Kansas City	January 25, 2002
CBA Bancshares, Inc., Minneapolis, Minnesota	Community Bank of Arizona, Wickenburg, Arizona	San Francisco	January 10, 2002
C&S Bancorporation, Inc., Savannah, Georgia	Citizens & Southern Bank, Savannah, Georgia	Atlanta	January 8, 2002
First Charter Corporation, Charlotte, North Carolina	United Community Bancorp, Hickory, North Carolina	Richmond	January 18, 2002
First National of Illinois, Inc., Omaha, Nebraska	Castle Bank, N.A., DeKalb, Illinois	Kansas City	January 16, 2002
First National of Nebraska, Inc., Omaha, Nebraska	First National of Illinois, Inc., Omaha, Nebraska	Kansas City	January 16, 2002
F.N.B. Corporation, Naples, Florida	Sun Bancorp, Inc., Selinsgrove, Pennsylvania Sun Bank, Selinsgrove, Pennsylvania	Atlanta	January 4, 2002
Hardin County Bancorp, Inc., Rosiclare, Illinois	State Bank of Rosiclare, Rosiclare, Illinois	St. Louis	January 24, 2002
Jane Austin Chapman Limited Partnership, L.P., Jacksonville, Texas	Austin Bancorp, Inc., Jacksonville, Texas Capital Bancorp, Inc., Jacinto City, Texas Frankston Bancorp, Inc., Frankston, Texas First State Bank, Athens, Athens, Texas	Dallas	January 3, 2002
Lauritzen Enterprises, Omaha, Nebraska	Farmers & Merchants State Bank, Bloomfield, Nebraska	Kansas City	January 4, 2002
Macatawa Bank Corporation, Holland, Michigan	Grand Bank Financial Corporation, Grand Rapids, Michigan Grand Bank, Grand Rapids, Michigan	Chicago	January 25, 2002

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Mercantile Bancorp, Inc., Quincy, Illinois	NorthStar Bancshares, Inc., Kansas City, Missouri NorthStar Bank, N.A., Kansas City, Missouri	St. Louis	January 15, 2002
Northern Plains Investment, Inc., Jamestown, North Dakota	North Star Holding Company, Inc., Jamestown, North Dakota Stutsman County State Bank, Jamestown, North Dakota	Minneapolis	February 1, 2002
Texas Regional Bancshares, Inc., McAllen, Texas	Riverway Holdings, Inc., Houston, Texas	Dallas	January 4, 2002
Texas Regional Delaware, Inc., Wilmington, Delaware	Riverway Bank, Houston, Texas		
Williamstown Mutual Holding Company, Williamstown, Massachusetts	Williamstown Savings Bank, Williamstown, Massachusetts	Boston	January 9, 2002

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
FBOP Corporation, Oak Park, Illinois	Gateway Investment Services, Inc., Los Angeles, California	Chicago	January 2, 2002
Mahaska Investment Company, Oskaloosa, Iowa	To engage in the permissible nonbanking activity of data processing	Chicago	December 26, 2001
Meador Insurance Agency, Inc., Waverly, Kansas	Waverly Insurance Agency, Inc., Waverly, Kansas	Kansas City	December 20, 2001
Union Planters Corporation, Memphis, Tennessee	Union Planters Investment Advisors, Inc., Memphis, Tennessee	St. Louis	January 10, 2002

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BB&T Corporation, Winston-Salem, North Carolina	Area Bancshares Corporation, Owensboro, Kentucky	Richmond	January 11, 2002
BB&T Corporation, Winston-Salem, North Carolina	Mid-America Bancorp, Louisville, Kentucky	Richmond	January 11, 2002

APPLICATIONS APPROVED UNDER BANK MERGER ACT

By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Arvest Bank, Fayetteville, Arkansas	Arvest Bank, Fort Smith, Arkansas Arvest Bank, Joplin, Missouri Bank of Bentonville, Bentonville, Arkansas First Arvest Bank, Siloam Springs, Arkansas Arvest State Bank, Tulsa, Oklahoma	St. Louis	January 3, 2002
Bank of Mulberry, Mulberry, Arkansas	Bank of Mansfield, Mansfield, Arkansas	St. Louis	January 28, 2002
Potomac Valley Bank, Petersburg, West Virginia	South Branch Valley National Bank, Moorefield, West Virginia	Richmond	December 12, 2001
Texas State Bank, McAllen, Texas	Riverway Bank, Houston, Texas	Dallas	January 4, 2002
United States Trust Company of New York, New York, New York	U.S. Trust Company of New Jersey, Princeton, New Jersey	New York	January 28, 2002

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.

Community Bank & Trust v. United States, No. 01-571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging on constitutional grounds the failure to pay interest on reserve accounts held at Federal Reserve Bank.

Emran v. Greenspan, No. 1:01CV1992 (PLF) (D.D.C., filed September 20, 2001). Employment discrimination claim. On December 21, 2001, the case was dismissed by stipulation of the parties.

Laredo National Bancshares, Inc. v. Whalen v. Board of Governors, No. 01-CV-134 (S.D. Tex., removed on September 5, 2001, from No. 99CVQ00940-D3 (District Court, 341st Judicial District, Webb County, Texas, originally filed July 26, 2001). Third-party petition seeking indemnification or contribution from the Board in connection with a claim asserted against defendant Whalen alleging tortious interference with a contract.

Radfar v. United States, No. 1:01CV1292 (PLF) (D.D.C., complaint filed June 11, 2001). Action under the Federal Tort Claims Act for injury on Board premises.

Artis v. Greenspan, No. 01-CV-0400(ESG) (D.D.C., complaint filed February 22, 2001). Employment discrimination ac-

tion. On August 15, 2001, the district court consolidated the action with *Artis v. Greenspan*, No. 99-CV-2073 (EGS) (D.D.C., filed August 3, 1999), also an employment discrimination action.

Howe v. Bank for International Settlements, No. 00CV12485 RCL (D. Mass., filed December 7, 2000). Action seeking damages in connection with gold market activities and the repurchase by the Bank for International Settlements of its privately-owned shares.

Trans Union LLC v. Federal Trade Commission, et al., No. 01-5202 (D.C. Cir., filed June 4, 2001). Appeal of district court order entered April 30, 2001, upholding challenged provisions of an interagency rule regarding Privacy of Consumer Finance Information.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the method of funding of the retirement plan for certain Board employees. On March 30, 2001, the district court granted in part and denied in part the Board's motion to dismiss.

Fraternal Order of Police v. Board of Governors, No. 1:98CV03116 (WBB)(D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board labor practices. On February 26, 1999, the Board filed a motion to dismiss the action.

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SYMBOLS AND ABBREVIATIONS

c	Corrected	G-10	Group of Ten
e	Estimated	GDP	Gross domestic product
n.a.	Not available	GNMA	Government National Mortgage Association
n.e.c.	Not elsewhere classified	GSE	Government-sponsored enterprise
p	Preliminary	HUD	Department of Housing and Urban Development
r	Revised (Notation appears in column heading when about half the figures in the column have been revised from the most recently published table.)	IMF	International Monetary Fund
*	Amount insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is in millions)	IOs	Interest only, stripped, mortgage-backed securities
0	Calculated to be zero	IPCs	Individuals, partnerships, and corporations
...	Cell not applicable	IRA	Individual retirement account
ABS	Asset-backed security	MMDA	Money market deposit account
ATS	Automatic transfer service	MSA	Metropolitan statistical area
BIF	Bank insurance fund	NAICS	North American Industry Classification System
CD	Certificate of deposit	NOW	Negotiable order of withdrawal
CMO	Collateralized mortgage obligation	OCDs	Other checkable deposits
CRA	Community Reinvestment Act of 1977	OPEC	Organization of Petroleum Exporting Countries
FAMC	Federal Agriculture Mortgage Corporation	OTS	Office of Thrift Supervision
FFB	Federal Financing Bank	PMI	Private mortgage insurance
FHA	Federal Housing Administration	POs	Principal only, stripped, mortgage-backed securities
FHLBB	Federal Home Loan Bank Board	REIT	Real estate investment trust
FHLMC	Federal Home Loan Mortgage Corporation	REMICs	Real estate mortgage investment conduits
FmHA	Farmers Home Administration	RHS	Rural Housing Service
FNMA	Federal National Mortgage Association	RP	Repurchase agreement
FSA	Farm Service Agency	RTC	Resolution Trust Corporation
FSLIC	Federal Savings and Loan Insurance Corporation	SCO	Securitized credit obligation
G-7	Group of Seven	SDR	Special drawing right
		SIC	Standard Industrial Classification
		TIIS	Treasury inflation-indexed securities
		VA	Department of Veterans Affairs

GENERAL INFORMATION

In many of the tables, components do not sum to totals because of rounding.

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

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also

include not fully guaranteed issues) as well as direct obligations of the U.S. Treasury.

"State and local government" also includes municipalities, special districts, and other political subdivisions.

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2001				2001				
	Q1	Q2	Q3	Q4	Aug.	Sept. ¹	Oct. ²	Nov. ²	Dec.
<i>Reserves of depository institutions²</i>									
1 Total	-2.1	1.9	72.3 ³	-30.4	9.0 ⁴	539.2	-257.6	-130.1	14.7
2 Required	-3.6	4.3	10.9 ³	23.3	15.6 ⁴	4.2	162.8	-138.5	10.5
3 Nonborrowed	.4	.9	61.0 ³	-20.6	12.1 ⁴	445.1	-201.8	-129.3	15.2
4 Monetary base ⁵	6.4	5.4	14.7	6.5	15.4	47.3	-18.3	-1.8	10.2
<i>Concepts of money and debt⁴</i>									
5 M1	5.0	5.5	14.8 ³	1.5	8.4 ⁴	59.0	-42.0	-.8	20.5
6 M2	9.8	9.7	10.8 ³	9.3	8.2	26.9	-1.7	9.4	7.9
7 M3	13.1	14.7	9.6 ³	11.9	.8	24.0	7.4	13.7	8.7
8 Debt	4.8	5.9	5.8	n.a.	6.8 ⁴	8.0	5.6	6.7	n.a.
<i>Nontransaction components</i>									
9 In M2 ⁵	11.2	10.9	9.6	11.5	8.1	18.0	9.8	12.2	4.4
10 In M3 only ⁶	20.7	25.8 ³	7.0 ³	17.8	-15.2 ⁴	17.6	27.3	22.9	10.3
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
11 Savings, including MMDAs	17.4	20.4	19.8	23.3	24.5	32.6	12.0	29.8	20.4
12 Small time ⁷	2.5	-7.8	-10.3	-12.3	-7.7 ⁴	-8.6	-10.8	-17.5	-19.6
13 Large time ^{8,9}	-1.3	-3 ³	-5.2 ³	-8.4	-19.2 ⁴	-5.0	-9.5	-8.2	-1.9
<i>Thrift institutions</i>									
14 Savings, including MMDAs	6.5	22.4 ³	25.4 ³	26.6	24.3	22.9	33.4	26.7	10.8
15 Small time ⁷	6.5	4.0	-4.8	-12.5	-9.9	-4.5	-14.9	-17.6	-15.3
16 Large time ⁸	11.1	12.8	16.0	.5	31.1	13.6	2.1	-22.7	-13.7
<i>Money market mutual funds</i>									
17 Retail	12.2	7.0	4.9	8.7	-9.6	17.1	16.2	4.3	-4.0
18 Institution-only	50.8	55.1	21.9	45.5	-20.1	53.0	76.4	30.0	23.0
<i>Repurchase agreements and eurodollars</i>									
19 Repurchase agreements ¹⁰	-7.1	21.0	-9.6	.6	-11.5	-40.8	-11.1	62.6	10.9
20 Eurodollars ¹⁰	38.6	7.4 ³	3.6 ³	7.4	-8.2 ⁴	24.3	-17.3	42.8	-6.4
<i>Debt components⁴</i>									
21 Federal	-5.2	-7.0	3.1	n.a.	7.6	12.3	.0	-.1	n.a.
22 Nonfederal	7.1	8.8 ³	6.3	n.a.	6.6 ⁴	7.0	6.8	8.1	n.a.

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

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

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

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

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

M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more), (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all

depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

5. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances, each seasonally adjusted separately.

6. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees, each seasonally adjusted separately.

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

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

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

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2001			2001						
	Oct.	Nov.	Dec.	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	613,459 ²	616,947	628,846	616,000	619,203	621,108	622,733	619,744	627,354	633,773
U.S. government securities ²										
2 Bought outright—System account ³	541,533	547,415	553,365	546,037	549,068	549,494	550,440	551,513	554,231	555,865
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	33,035	32,049	38,552	31,004	34,257	35,243	34,571	31,500	36,593	41,743
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	9	50	23	90	33	9	8	43	12	36
9 Seasonal credit	68	33	35	31	30	33	34	34	35	36
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	501 ⁵	479	701	71	578	679	1,663	383	730	169
13 Other Federal Reserve assets	38,302	36,911	36,160	38,757	35,227	35,639	36,006	36,261	35,742	35,915
14 Gold stock	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
15 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
16 Treasury currency outstanding	33,045	33,104	33,167	33,097	33,111	33,113	33,139	33,153	33,167	33,181
ABSORBING RESERVE FUNDS										
17 Currency in circulation	615,444	622,206	632,828	621,370	622,985	626,232	625,473	627,038	630,596	638,670
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	438	435	434	438	436	429	435	441	440	425
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,234	5,131	5,274	4,690	5,603	5,074	5,500	5,008	5,864	4,645
21 Foreign	505	213	253	149	172	327	394	154	290	344
22 Service-related balances and adjustments	8,160	8,012	8,901	7,788	8,237	8,151	8,525	8,750	9,134	8,972
23 Other	262	267	247	256	274	263	245	240	221	207
24 Other Federal Reserve liabilities and capital	17,892	17,910	17,841	17,967	17,766	17,815	18,048	17,885	17,966	17,756
25 Reserve balances with Federal Reserve Banks ⁵	11,814 ⁵	9,123	9,480	9,684	10,087	9,175	10,497	6,627	9,254	9,180
End-of-month figures										
Wednesday figures										
	Oct.	Nov.	Dec.	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	625,350	624,228	638,778	627,260	623,368	627,136	617,919	633,971	629,355	643,505
U.S. government securities ²										
2 Bought outright—System account ³	544,287	550,314	551,675	547,300	549,166	550,765	552,758	553,524	555,584	555,997
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	45,050	36,500	50,250	37,755	36,250	39,350	28,000	42,500	37,700	50,250
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	15	3	4	1	4	3	2	83	10	13
9 Seasonal credit	40	35	30	28	31	33	36	35	34	32
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	244	1,523	-23	3,283	2,369	1,001	985	1,355	24	1,166
13 Other Federal Reserve assets	35,703	35,842	36,832	38,882	35,539	35,974	36,127	36,465	35,993	36,038
14 Gold stock	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
15 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
16 Treasury currency outstanding	33,069	33,139	33,195	33,097	33,111	33,111	33,139	33,153	33,167	33,181
ABSORBING RESERVE FUNDS										
17 Currency in circulation	616,853	624,672	643,479	623,072	626,282	626,851	626,844	629,822	634,598	642,191
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	435	434	425	437	428	434	441	443	425	425
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,112	6,219	6,645	5,347	4,627	4,313	4,788	4,592	7,174	4,856
21 Foreign	75	528	61	471	163	351	86	294	622	233
22 Service-related balances and adjustments	8,223	8,525	9,061	7,788	8,237	8,151	8,525	8,750	9,134	8,972
23 Other	271	236	820	262	257	272	243	216	208	223
24 Other Federal Reserve liabilities and capital	17,773	18,101	17,083	17,604	17,606	17,858	17,716	17,764	17,698	17,429
25 Reserve balances with Federal Reserve Banks ⁵	22,922	11,896	7,643	18,622	12,125	15,261	5,660	18,489	5,907	15,602

1. Amounts of cash held as reserves are shown in table 1.12, line 2.

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

3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.

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

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1999	2000	2001	2001						
	Dec.	Dec.	Dec.	June	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec.
1 Reserve balances with Reserve Banks ²	5,262	7,022	9,060	7,043 ⁱ	7,693	7,578	25,633	12,552	8,944	9,060
2 Total vault cash ³	60,619	45,245	43,918	43,139	43,910	44,007	43,436	45,021	43,065	43,918
3 Applied vault cash ⁴	36,392	31,451	31,896	31,174	31,644	32,090	31,934	32,509	31,214	31,896
4 Surplus vault cash ⁵	24,227	13,794	12,022	11,966	12,266	11,917	11,502	12,512	11,851	12,022
5 Total reserves ⁶	41,654	38,473	40,956	38,217 ^f	39,337	39,668	57,567	45,061	40,158	40,956
6 Required reserves	40,357	37,046	39,316	36,855	37,929	38,459	38,549	43,739	38,672	39,316
7 Excess reserve balances at Reserve Banks ⁷	1,297	1,427	1,641	1,362 ^f	1,408	1,209	19,019	1,321	1,487	1,641
8 Total borrowing at Reserve Banks	320	210	67	229	283	183	3,385	127	84	67
9 Adjustment	179	99	34	110	109	19	3,292	60	51	34
10 Seasonal	67	111	33	120	174	164	93	67	33	33
11 Special Liquidity Facility ⁸	74	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0
Biweekly averages of daily figures for two-week periods ending on dates indicated										
	2001									2002
	Sept. 5 ^f	Sept. 19 ^f	Oct. 3 ^f	Oct. 17 ^f	Oct. 31 ^f	Nov. 14 ^f	Nov. 28 ^f	Dec. 12 ^f	Dec. 26	Jan. 9
1 Reserve balances with Reserve Banks ²	8,311	44,485	9,514	13,892	11,863	8,314	9,626	8,587	9,219	9,751
2 Total vault cash ³	42,883	42,992	44,254	45,739	44,469	43,504	42,766	42,081	45,197	44,748
3 Applied vault cash ⁴	31,735	30,969	33,254	32,469	32,390	30,969	31,528	30,727	32,660	32,567
4 Surplus vault cash ⁵	11,149	12,023	11,000	13,270	12,079	12,535	11,238	11,355	12,537	12,180
5 Total reserves ⁶	40,046	75,454	42,768	46,361	44,253	39,283	41,154	39,314	41,879	42,318
6 Required reserves	38,555	37,389	40,022	45,363	42,913	37,741	39,707	37,938	40,018	40,655
7 Excess reserve balances at Reserve Banks ⁷	1,490	38,064	2,745	997	1,340	1,542	1,447	1,375	1,860	1,662
8 Total borrowing at Reserve Banks	156	6,717	613	82	69	119	53	60	60	105
9 Adjustment	29	6,622	538	8	10	84	22	26	24	83
10 Seasonal	127	95	75	74	59	35	32	34	36	22
11 Special Liquidity Facility ⁸	0	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.

2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).

6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).

7. Total reserves (line 5) less required reserves (line 6).

8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.

9. 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 with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels								
	Adjustment credit ¹			Seasonal credit ²			Extended credit ³		
	On 2/8/02	Effective date	Previous rate	On 2/8/02	Effective date	Previous rate	On 2/8/02	Effective date	Previous rate
Boston	1.25	12/11/01	1.50	1.80	2/7/02	1.70	2.30	2/7/02	2.20
New York	↑	12/11/01	↑	↑	↑	↑	↑	↑	↑
Philadelphia		12/11/01							
Cleveland		12/13/01							
Richmond		12/13/01							
Atlanta		12/13/01							
Chicago		12/11/01							
St. Louis		12/12/01							
Minneapolis		12/13/01							
Kansas City		12/13/01							
Dallas		12/13/01							
San Francisco	1.25	12/11/01	1.50	1.80	2/7/02	1.70	2.30	2/7/02	2.20
	↓		↓	↓	↓	↓	↓	↓	↓

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1981	12	12	1991—Sept. 13	5–5.5	5	2001—May 15	3.50–4.00	3.50
1982—July 20	11.5–12	11.5	17	5	5	17	3.50	3.50
23	11.5	11.5	Nov. 6	4.5–5	4.5	June 27	3.25–3.50	3.25
Aug. 2	11–11.5	11	7	4.5	4.5	29	3.25	3.25
3	10.5	10.5	Dec. 20	3.5–4.5	3.5	Aug. 21	3.00–3.25	3.00
16	10	10	24	3.5	3.5	23	3.00	3.00
27	10–10.5	10				Sept. 17	2.50–3.00	2.50
30	10	10	1992—July 2	3–3.5	3	18	2.50	2.50
Oct. 12	9.5–10	9.5	7	3	3	Oct. 2	2.00–2.50	2.00
13	9.5	9.5				4	2.00	2.00
Nov. 22	9–9.5	9	1994—May 17	3–3.5	3.5	Nov. 6	1.50–2.00	1.50
26	9	9	18	3.5	3.5	8	1.50	1.50
Dec. 14	8.5–9	8.5	Aug. 16	3.5–4	4	Dec. 11	1.25–1.50	1.25
15	8.5–9	8.5	18	4	4	13	1.25	1.25
17	8.5	8.5	Nov. 15	4–4.75	4.75	In effect Feb. 8, 2002	1.25	1.25
			17	4.75	4.75			
1984—Apr. 9	8.5–9	9	1995—Feb. 1	4.75–5.25	5.25			
13	9	9	9	5.25	5.25			
Nov. 21	8.5–9	8.5	1996—Jan. 31	5.00–5.25	5.00			
26	8.5	8.5	Feb. 3	5.00	5.00			
Dec. 24	8	8						
1985—May 20	7.5–8	7.5	1998—Oct. 15	4.75–5.00	4.75			
24	7.5	7.5	16	4.75	4.75			
1986—Mar. 7	7–7.5	7	Nov. 17	4.50–4.75	4.50			
10	7	7	19	4.50	4.50			
Apr. 21	6.5–7	6.5	1999—Aug. 24	4.50–4.75	4.75			
23	6.5	6.5	26	4.75	4.75			
July 11	6	6	Nov. 16	4.75–5.00	4.75			
Aug. 21	5.5–6	5.5	18	5.00	5.00			
22	5.5	5.5						
1987—Sept. 4	5.5–6	6	2000—Feb. 2	5.00–5.25	5.25			
11	6	6	4	5.25	5.25			
1988—Aug. 9	6–6.5	6.5	Mar. 21	5.25–5.50	5.50			
11	6.5	6.5	23	5.50	5.50			
1989—Feb. 24	6.5–7	7	May 16	5.50–6.00	5.50			
27	7	7	19	6.00	6.00			
1990—Dec. 19	6.5	6.5	2001—Jan. 3	5.75–6.00	5.75			
1991—Feb. 1	6–6.5	6	4	5.50–5.75	5.50			
4	6	6	5	5.50	5.50			
Apr. 30	5.5–6	5.5	31	5.00–5.50	5.00			
May 2	5.5	5.5	Feb. 1	5.00	5.00			
			Mar. 20	4.50–5.00	4.50			
			21	4.50	4.50			
			Apr. 18	4.00–4.50	4.00			
			20	4.00	4.00			

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

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

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or

practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Annual Statistical Digest, 1970–1979*, and *1980–1989*. See also the Board's Statistics: Releases and Historical Data web pages (<http://www.federalreserve.gov/releases/H15/data.htm>).

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million–\$41.3 million ³	3	12/27/01
2 More than \$41.3 million ⁴	10	12/27/01
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly, on a pass-through basis, with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. Under the Monetary Control Act of 1980, depository institutions include commercial banks, savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorized transfers for the purpose of making payments to third persons or others. However, accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month (of which no more than three may be by check, draft, debit card, or similar order payable directly to third parties) are savings deposits, not transaction accounts.

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 27, 2001, for depository institutions that report weekly, and with the period beginning January 17, 2002, for institutions that report quarterly, the amount was decreased from \$42.8 million to \$41.3 million.

Under the Garn–St. Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a 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 made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 27, 2001, for depository institutions that report weekly, and with the period beginning January 17, 2002, for institutions that report quarterly, the exemption was raised from \$5.5 million to \$5.7 million.

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

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to 1.5 percent for the maintenance period that began December 13, 1990, and to zero for the maintenance period that began December 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to zero on January 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1.5 years or more has been zero since October 6, 1983.

6. The reserve requirement on eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity		1998	1999	2000	2001						
					May	June	July	Aug.	Sept.	Oct.	Nov.
U.S. TREASURY SECURITIES ²											
Outright transactions (excluding matched transactions)											
Treasury bills											
1	Gross purchases	3,550	0	8,676	624	2,165	718	2,899	348	772	3,075
2	Gross sales	0	0	0	0	0	0	0	0	0	0
3	Exchanges	450,835	464,218	477,904	47,112	40,363	42,001	55,231	42,268	44,132 ²	59,292
4	For new bills	450,835	464,218	477,904	47,112	40,363	42,001	55,231	42,268	44,132 ²	59,292
5	Redemptions	2,000	0	24,522	3,939	0	0	0	1,543	0 ²	0
Others within one year											
6	Gross purchases	6,297	11,895	8,809	2,174	1,410	235	1,385	0	1,411	1,408
7	Gross sales	0	0	0	0	0	0	0	0	0	0
8	Maturity shifts	46,062	50,590	62,025	8,117	0	7,088	9,379	0	6,535	5,873
9	Exchanges	-49,434	-53,315	-54,656	-8,965	0	-7,667	-6,873	0	-11,809	-9,559
10	Redemptions	2,676	1,429	3,779	2,287	0	4,668	1,055	0	473 ³	0
One to five years											
11	Gross purchases	12,901	19,731	14,482	2,685	1,428	4,193	810	851	22	1,920
12	Gross sales	0	0	0	0	0	0	0	0	0	0
13	Maturity shifts	-37,777	-44,032	-52,068	-1,913	0	1,838	-9,379	0	-2,164	-3,073
14	Exchanges	37,154	42,604	46,177	6,508	0	7,667	5,290	0	11,809	7,967
Five to ten years											
15	Gross purchases	2,294	4,303	5,871	657	0	756	935	0	422	459
16	Gross sales	0	0	0	0	0	0	0	0	0	0
17	Maturity shifts	-5,908	-5,841	-6,801	-5,130	0	-8,926	1,043	0	-4,372	-1,824
18	Exchanges	7,439	7,583	6,585	2,457	0	0	1,043	0	0	1,592
More than ten years											
19	Gross purchases	4,884	9,428	5,833	1,241	1,419	815	720	0	1,184	0
20	Gross sales	0	0	0	0	0	0	0	0	0	0
21	Maturity shifts	-2,377	-717	-3,155	-1,074	0	0	-1,043	0	0	-975
22	Exchanges	4,842	3,139	1,894	0	0	0	540	0	0	0
All maturities											
23	Gross purchases	29,926	45,357	43,670	7,380	6,422	6,716	6,749	1,199	3,811	6,862
24	Gross sales	0	0	0	0	0	0	0	0	0	0
25	Redemptions	4,676	1,429	28,301	6,226	0	4,668	1,055	1,543	473	0
Matched transactions											
26	Gross purchases	4,430,457	4,413,430	4,399,257	398,039	367,462	392,721	406,143	508,129	431,887	377,247
27	Gross sales	4,434,358	4,431,685	4,381,188	397,600	366,411	394,381	405,627	515,429	425,110	378,129
Repurchase agreements											
28	Gross purchases	512,671	281,599	0	0	0	0	0	0	0	0
29	Gross sales	514,186	301,273	0	0	0	0	0	0	0	0
30	Net change in U.S. Treasury securities	19,835	5,999	33,439	1,592	7,472	388	6,211	-7,645	10,114	5,980
FEDERAL AGENCY OBLIGATIONS											
Outright transactions											
31	Gross purchases	0	0	0	0	0	0	0	0	0	0
32	Gross sales	25	0	0	0	0	0	0	0	0	0
33	Redemptions	322	157	51	0	0	0	0	0	0	0
Repurchase agreements											
34	Gross purchases	284,316	360,069	0	0	0	0	0	0	0	0
35	Gross sales	276,266	370,772	0	0	0	0	0	0	0	0
36	Net change in federal agency obligations	7,703	-10,859	-51	0	0	0	0	0	0	0
Reverse repurchase agreements											
37	Gross purchases	0	0	0	0	0	0	0	0	0	0
38	Gross sales	0	0	0	0	0	0	0	0	0	0
Repurchase agreements											
39	Gross purchases	0	304,989	890,236	120,135	65,005	106,355	103,255	406,930	110,885	121,530
40	Gross sales	0	164,349	987,501	114,832	72,065	103,255	99,850	388,805	113,715	130,080
41	Net change in triparty obligations	0	140,640	-97,265	5,303	-7,060	3,100	3,405	18,125	-2,830	-8,550
42	Total net change in System Open Market Account	27,538	135,780	-63,877	6,895	412	3,488	9,616	10,480	7,284	-2,570

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings.

2. Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2001					2001		
	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26	Oct.	Nov.	Dec.
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,046	1,049	1,070	1,079	1,066	1,123	1,064	1,047
Loans								
4 To depository institutions	35	39	118	44	45	55	38	34
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Triparty obligations								
7 Repurchase agreements—triparty ²	39,350	28,000	42,500	37,700	50,250	45,050	36,500	50,250
Federal agency obligations ³								
8 Bought outright	10	10	10	10	10	10	10	10
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities ³	550,765	552,758	553,524	555,584	555,997	544,287	550,314	551,675
11 Bought outright ⁴	550,765	552,758	553,524	555,584	555,997	544,287	550,314	551,675
12 Bills	185,299	185,817	186,591	186,484	186,389	182,652	184,845	182,074
13 Notes	262,376	263,851	263,846	265,920	265,944	258,389	262,378	265,941
14 Bonds	103,090	103,090	103,087	103,179	103,663	103,246	103,091	103,660
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	590,161	580,807	596,152	593,338	606,301	589,403	586,862	601,969
17 Items in process of collection	8,037	10,777	10,069	9,101	5,222	7,676	7,168	3,188
18 Bank premises	1,519	1,520	1,518	1,518	1,519	1,513	1,517	1,512
Other assets								
19 Denominated in foreign currencies ⁵	14,958	14,889	14,840	14,790	14,468	15,090	15,042	14,559
20 All other ⁶	19,821	19,819	20,096	20,737	21,125	21,633	19,267	20,814
21 Total assets	648,787	642,105	656,989	653,807	662,945	649,682	644,165	656,334
LIABILITIES								
22 Federal Reserve notes	595,220	595,194	598,181	602,936	610,501	585,342	593,031	611,757
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	28,219	19,970	32,834	24,775	31,084	38,735	27,342	25,004
25 Depository institutions	23,283	14,853	27,731	16,772	25,771	33,278	20,359	17,478
26 U.S. Treasury—General account	4,313	4,788	4,592	7,174	4,856	5,112	6,219	6,645
27 Foreign—Official accounts	351	86	294	622	233	75	528	61
28 Other	272	243	216	208	223	271	236	820
29 Deferred credit items	7,490	9,225	8,210	8,398	3,932	7,833	5,690	2,490
30 Other liabilities and accrued dividends ⁷	2,687	2,681	2,664	2,605	2,594	2,773	2,745	2,399
31 Total liabilities	633,616	627,070	641,889	638,714	648,111	634,683	628,809	641,650
CAPITAL ACCOUNTS								
32 Capital paid in	7,370	7,357	7,365	7,355	7,357	7,269	7,354	7,373
33 Surplus	6,733	6,730	6,728	6,725	6,712	6,738	6,732	7,311
34 Other capital accounts	1,069	949	1,007	1,012	765	993	1,270	0
35 Total liabilities and capital accounts	648,787	642,105	656,989	653,807	662,945	649,682	644,165	656,334
MEMO								
36 Marketable U.S. Treasury securities held in custody for foreign and international accounts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Federal Reserve note statement							
37 Federal Reserve notes outstanding (issued to Banks)	746,906	748,513	751,210	753,040	752,553	741,957	746,821	751,540
38 Less: Held by Federal Reserve Banks	151,686	153,318	153,029	150,104	142,053	156,615	153,790	139,783
39 Federal Reserve notes, net	595,220	595,194	598,181	602,936	610,501	585,342	593,031	611,757
Collateral held against notes, net								
40 Gold certificate account	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045
41 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
42 Other eligible assets	0	1,181	0	0	0	0	0	0
43 U.S. Treasury and agency securities	581,975	580,768	584,936	589,691	597,256	572,097	579,786	598,512
44 Total collateral	595,220	595,194	598,181	602,936	610,501	585,342	593,031	611,757

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

2. Cash value of agreements arranged through third-party custodial banks.

3. Face value of the securities.

4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

5. Valued monthly at market exchange rates.

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2001					2001		
	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26	Oct.	Nov.	Dec.
1 Total loans	35	39	118	44	45	55	38	34
2 Within fifteen days ¹	31	17	94	40	41	44	32	33
3 Sixteen days to ninety days	5	22	24	3	3	11	7	1
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities ²	550,765	552,758	553,524	555,584	555,997	544,287	550,314	551,675
6 Within fifteen days ¹	23,947	15,078	15,940	21,405	22,044	19,638	4,477	10,685
7 Sixteen days to ninety days	113,309	125,205	124,812	118,662	117,382	113,438	135,090	124,547
8 Ninety-one days to one year	130,323	129,286	129,591	131,635	132,180	134,127	127,556	130,627
9 One year to five years	151,091	151,093	151,093	151,727	151,727	147,078	151,093	153,158
10 Five years to ten years	53,251	53,251	53,247	53,317	53,341	50,204	53,252	53,338
11 More than ten years	78,845	78,845	78,842	78,838	79,322	79,802	78,846	79,320
12 Total federal agency obligations	10	10	10	10	10	10	10	10
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	0	0	0	0	0	0
15 Ninety-one days to one year	0	0	0	0	0	0	0	0
16 One year to five years	10	10	10	10	10	10	10	10
17 Five years to ten years	0	0	0	0	0	0	0	0
18 More than ten years	0	0	0	0	0	0	0	0

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

2. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.	2001								
					May	June	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.	Dec.	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ³	45.18	41.78	38.44	41.03	38.88	38.76	39.64	39.94	57.89	45.46	40.53 ^f	41.03
	2 Nonborrowed reserves ⁴	45.07	41.46	38.23	40.96	38.67	38.53	39.36	39.76	54.50	45.34	40.45	40.96
	3 Nonborrowed reserves plus extended credit ⁵	45.07	41.46	38.23	40.96	38.67	38.53	39.36	39.76	54.50	45.34	40.45	40.96
	4 Required reserves	43.67	40.48	37.01	39.39	37.86	37.40	38.23	38.73	38.87	44.14	39.05 ^f	39.39
	5 Monetary base ⁶	513.49	593.09	583.82	634.38	599.08	601.87	607.70	615.52	639.78	630.00	629.06	634.38
	Not seasonally adjusted												
	6 Total reserves ⁷	45.31	41.89	38.53	41.12	39.46	38.32 ^f	39.45	39.80	57.73	45.24	40.34	41.12
	7 Nonborrowed reserves	45.19	41.57	38.32	41.05	39.24	38.09 ^f	39.17	39.62	54.34	45.12	40.26	41.05
8 Nonborrowed reserves plus extended credit ⁵	45.19	41.57	38.32	41.05	39.24	38.09 ^f	39.17	39.62	54.34	45.12	40.26	41.05	
9 Required reserves ⁸	43.80	40.59	37.10	39.48	38.44	36.95	38.05	38.59	38.71	43.92	38.85 ^f	39.48	
10 Monetary base ⁹	518.27	600.72	590.06	640.06	598.57	601.68 ^f	608.24	614.56	638.01	628.35	629.90	640.06	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰													
	11 Total reserves ¹¹	45.21	41.65	38.47	40.96	39.37	38.22	39.34	39.67	57.57	45.06	40.16	40.96
	12 Nonborrowed reserves	45.09	41.33	38.26	40.89	39.16	37.99	39.05	39.48	54.18	44.93	40.07 ^f	40.89
	13 Nonborrowed reserves plus extended credit ⁵	45.09	41.33	38.26	40.89	39.16	37.99	39.05	39.48	54.18	44.93	40.07 ^f	40.89
	14 Required reserves	43.70	40.36	37.05	39.32	38.36	36.86	37.93	38.46	38.55	43.74	38.67 ^f	39.32
	15 Monetary base ¹²	525.06	608.02	596.98	648.89	605.48	608.81	615.58	622.04	645.75	636.45	637.87	648.89
	16 Excess reserves ¹³	1.51	1.30	1.43	1.64	1.02	1.36	1.41	1.21	19.02	1.32	1.49	1.64
	17 Borrowings from the Federal Reserve	.12	.32	.21	.07	.21	.23	.28	.18	3.39	.13	.08	.07

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data starting in 1959 and estimates of the effect on required reserves of changes in reserve requirements are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10.)

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

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

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

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

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

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

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

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

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

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since February 1984, currency and vault cash figures have been measured over the computation periods ending on Mondays.

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

1.21 MONEY STOCK AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.	2001			
					Sept. [†]	Oct. [†]	Nov. [†]	Dec.
	Seasonally adjusted							
<i>Measures</i> ²								
1 M1	1,097.0	1,124.8	1,088.1	1,177.9	1,200.9	1,158.9	1,158.1	1,177.9
2 M2	4,384.1	4,651.8	4,937.4	5,449.3	5,379.7	5,371.9	5,413.8	5,449.3
3 M3	6,029.7	6,531.0	7,114.3	8,027.0	7,831.8	7,879.8	7,969.5	8,027.0
4 Debt	16,280.0 [†]	17,363.5	18,282.4 [†]	n.a.	19,074.1	19,163.5	19,269.9	n.a.
<i>M1 components</i>								
5 Currency ³	459.2	516.7	529.9	580.6	568.0	571.5	575.0	580.6
6 Travelers checks ⁴	8.2	8.2	8.0	7.7	8.4	8.1	7.8	7.7
7 Demand deposits ⁵	379.4	356.2	311.2	331.3	367.2	328.1	323.9	331.3
8 Other checkable deposits ⁶	250.1	243.6	239.0	258.2	257.3	251.1	251.4	258.2
<i>Nontransaction components</i>								
9 In M2 ⁷	3,287.1	3,527.0	3,849.3	4,271.4	4,178.8	4,213.0	4,255.8	4,271.4
10 In M3 only ⁸	1,645.6	1,879.2	2,176.9	2,577.7	2,452.1	2,507.9	2,555.7	2,577.7
<i>Commercial banks</i>								
11 Savings deposits, including MMDAs	1,185.8	1,287.2	1,422.2	1,744.7	1,657.4	1,674.0	1,715.6	1,744.7
12 Small time deposits ⁹	626.4	635.5	699.8	637.7	663.9	657.9	648.3	637.7
13 Large time deposits ^{10,11}	575.1	648.4	726.3	680.5	691.8	686.3	681.6	680.5
<i>Thrift institutions</i>								
14 Savings deposits, including MMDAs	414.1	449.0	451.6	560.1	528.3	543.0	555.1	560.1
15 Small time deposits ⁹	325.8	320.6	344.8	332.5	346.1	341.8	336.8	332.5
16 Large time deposits ¹⁰	88.7	91.3	103.1	112.7	116.0	116.2	114.0	112.7
<i>Money market mutual funds</i>								
17 Retail	735.1	834.7	930.9	996.6	983.0	996.3	999.9	996.6
18 Institution-only	535.5	628.1	783.1	1,182.7	1,064.4	1,132.2	1,160.5	1,182.7
<i>Repurchase agreements and eurodollars</i>								
19 Repurchase agreements ¹²	294.5	338.2	367.3	376.6	358.0	354.7	373.2	376.6
20 Eurodollars ¹²	151.8	173.3	197.1	225.2	221.8	218.6	226.4	225.2
<i>Debt components</i>								
21 Federal debt	3,751.1	3,660.1	3,400.4	n.a.	3,373.2	3,373.2	3,372.8	n.a.
22 Nonfederal debt	12,528.9	13,703.4	14,882.1	n.a.	15,700.9	15,790.3	15,897.1	n.a.
	Not seasonally adjusted							
<i>Measures</i> ²								
23 M1	1,120.4	1,148.3	1,112.3	1,202.8	1,195.8	1,156.1	1,164.9	1,202.8
24 M2	4,406.4	4,675.9	4,966.0	5,479.7	5,364.4	5,343.8	5,402.9	5,479.7
25 M3	6,061.9	6,568.6	7,159.7	8,080.9	7,783.9	7,826.9	7,961.4	8,080.9
26 Debt	16,267.5	17,355.0	18,273.5	n.a.	18,990.4	19,078.2	19,190.0	n.a.
<i>M1 components</i>								
27 Currency ³	463.3	521.5	535.2	585.6	566.3	569.9	575.8	585.6
28 Travelers checks ⁴	8.4	8.4	8.1	7.9	8.3	8.1	7.9	7.9
29 Demand deposits ⁵	395.9	371.8	326.5	347.3	366.2	328.2	329.4	347.3
30 Other checkable deposits ⁶	252.8	246.6	242.5	262.1	255.1	249.9	251.8	262.1
<i>Nontransaction components</i>								
31 In M2 ⁷	3,286.0	3,527.6	3,853.7	4,277.0	4,168.6	4,187.7	4,238.1	4,277.0
32 In M3 only ⁸	1,655.5	1,892.8	2,193.7	2,601.2	2,419.5	2,483.1	2,558.5	2,601.2
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	1,186.0	1,288.8	1,426.9	1,750.2	1,655.4	1,661.6	1,710.2	1,750.2
34 Small time deposits ⁹	626.5	635.7	700.0	637.8	664.2	658.9	649.6	637.8
35 Large time deposits ^{10,11}	574.5	647.7	725.6	680.0	687.1	682.6	681.8	680.0
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	414.2	449.6	453.1	561.8	527.6	538.9	553.3	561.8
37 Small time deposits ⁹	325.8	320.7	345.0	332.5	346.2	342.3	337.5	332.5
38 Large time deposits ¹⁰	88.6	91.2	103.0	112.6	115.2	115.5	114.1	112.6
<i>Money market mutual funds</i>								
39 Retail	733.5	832.8	928.7	994.5	975.2	986.0	987.5	994.5
40 Institution-only	547.5	643.2	801.4	1,208.3	1,042.4	1,117.8	1,165.2	1,208.3
<i>Repurchase agreements and eurodollars</i>								
41 Repurchase agreements ¹²	290.4	334.7	364.2	373.2	355.3	349.9	371.6	373.2
42 Eurodollars ¹²	154.5	176.0	199.5	227.1	219.4	217.3	225.7	227.1
<i>Debt components</i>								
43 Federal debt	3,754.9	3,663.2	3,403.5	n.a.	3,319.1	3,318.2	3,352.4	n.a.
44 Nonfederal debt	12,512.5	13,691.8	14,870.0	n.a.	15,671.3	15,760.0	15,837.6	n.a.

Footnotes appear on following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data starting in 1959 are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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

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

M2: M1 plus (1) savings deposits (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enter-

prises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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 owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float.

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

7. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances.

8. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees.

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec.	June ^a	July ^a	Aug. ^a	Sept. ^a	Oct. ^a	Nov. ^a	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
Seasonally adjusted												
Assets												
1 Bank credit	5,217.1 ^a	5,327.0	5,330.4	5,346.2	5,422.0	5,397.7	5,424.6	5,405.2	5,425.0	5,420.2	5,402.3	5,399.2
2 Securities in bank credit	1,334.3 ^a	1,379.2	1,387.9	1,417.8	1,437.5	1,462.3	1,476.0	1,471.8	1,471.6	1,463.5	1,469.6	1,478.2
3 U.S. government securities	788.8	755.4	755.6	768.9	779.8	798.1	807.6	824.2	831.0	821.8	818.9	820.9
4 Other securities	545.5 ^a	623.9	632.4	649.0	657.7	664.3	668.4	647.7	640.5	641.6	650.7	657.3
5 Loans and leases in bank credit ^b	3,882.8	3,947.8	3,942.4	3,928.4	3,984.6	3,935.3	3,948.6	3,933.3	3,953.4	3,956.7	3,932.7	3,921.1
6 Commercial and industrial	1,088.4	1,080.8	1,070.5	1,063.8	1,067.0	1,047.7	1,036.5	1,021.9	1,030.7	1,030.4	1,022.0	1,016.2
7 Real estate	1,658.1	1,708.4	1,717.6	1,716.0	1,723.9	1,736.0	1,751.4	1,761.9	1,765.5	1,777.2	1,762.7	1,749.3
8 Revolving home equity	130.0	136.3	137.5	139.4	142.1	147.4	149.9	153.1	151.8	152.8	153.4	153.4
9 Other	1,528.0 ^a	1,572.2	1,580.0	1,576.6	1,581.8	1,588.6	1,601.4	1,608.8	1,613.7	1,624.5	1,609.9	1,595.8
10 Consumer	541.2	551.8	549.9	548.1	548.7	551.3	559.7	560.0	561.0	560.3	560.3	559.7
11 Security ^c	171.8	172.1	170.2	171.1	181.7	150.1	150.8	141.4	144.0	136.5	142.0	148.4
12 Other loans and leases	423.3	434.7	434.3	429.3	463.2	450.2	450.2	448.2	452.1	452.3	445.8	447.5
13 Interbank loans	250.2	267.7	273.0	287.8	353.8	302.9	282.2	290.0	285.8	288.8	278.5	306.1
14 Cash assets ^d	285.5	275.5	288.8	284.1	329.5	303.6	295.1	292.2	291.7	305.0	285.5	291.5
15 Other assets ^e	381.4 ^a	408.5	420.2	433.8	469.9	487.9	486.6	478.1	480.2	481.6	469.1	479.9
16 Total assets^b	6,070.3^a	6,212.7	6,245.8	6,284.5	6,507.3	6,422.2	6,417.9	6,393.4	6,412.2	6,424.5	6,362.3	6,403.8
Liabilities												
17 Deposits	3,848.2	4,045.5	4,071.4	4,083.7	4,209.1	4,161.3	4,177.8	4,213.2	4,202.5	4,213.8	4,204.8	4,212.6
18 Transaction	601.5	601.0	606.1	611.0	689.5	638.1	631.0	632.3	621.2	626.8	638.5	656.6
19 Nontransaction	3,246.7	3,444.4	3,465.3	3,472.7	3,519.6	3,523.3	3,546.8	3,580.9	3,581.3	3,587.0	3,566.3	3,556.0
20 Large time	932.9	980.0	975.2	965.1	964.4	976.4	976.3	973.0	971.4	977.8	974.3	969.8
21 Other	2,313.8	2,464.4	2,490.1	2,507.6	2,555.1	2,546.9	2,570.5	2,607.9	2,609.2	2,609.2	2,591.9	2,586.2
22 Borrowings	1,233.6 ^a	1,209.6	1,221.6	1,232.5	1,286.4	1,264.8	1,237.6	1,239.0	1,227.1	1,246.8	1,224.9	1,257.8
23 From banks in the U.S.	392.8	382.0	390.0	398.0	443.7	423.2	402.4	406.1	401.7	412.7	398.4	406.2
24 From others	840.8 ^a	827.6	831.6	834.5	842.7	841.6	835.2	833.0	825.4	834.1	826.4	851.5
25 Net due to related foreign offices	225.7	184.5	190.7	192.9	169.5	176.9	161.2	147.5	166.6	160.0	144.2	137.9
26 Other liabilities	350.6 ^a	354.8	334.8	346.4	397.9	369.0	404.8	357.6	362.3	356.3	358.2	362.4
27 Total liabilities	5,658.1^a	5,794.3	5,818.6	5,855.5	6,062.9	5,972.0	5,981.4	5,957.4	5,958.5	5,976.9	5,932.0	5,970.7
28 Residual (assets less liabilities)⁷	412.2^a	418.4	427.3	428.9	444.4	450.2	436.4	436.1	453.7	447.6	430.3	433.1
Not seasonally adjusted												
Assets												
29 Bank credit	5,253.7 ^a	5,319.8	5,309.7	5,328.8	5,416.4	5,405.6	5,445.3	5,441.9	5,451.9	5,448.1	5,440.7	5,442.4
30 Securities in bank credit	1,339.8 ^a	1,378.6	1,378.9	1,411.0	1,433.7	1,460.1	1,479.9	1,477.8	1,481.4	1,469.3	1,474.6	1,480.5
31 U.S. government securities	788.6	755.7	751.5	764.2	776.8	793.2	808.0	823.5	834.3	821.7	818.1	817.1
32 Other securities	551.2 ^a	622.8	627.4	646.8	656.9	667.0	671.9	654.3	647.1	647.6	656.5	663.4
33 Loans and leases in bank credit ^b	3,913.8 ^a	3,941.2	3,930.8	3,917.8	3,982.7	3,945.5	3,965.4	3,964.0	3,970.4	3,978.8	3,966.2	3,961.9
34 Commercial and industrial	1,090.6	1,083.1	1,069.6	1,057.7	1,063.8	1,047.2	1,037.6	1,024.4	1,030.1	1,026.9	1,024.9	1,022.5
35 Real estate	1,662.7	1,707.8	1,716.6	1,719.1	1,727.5	1,739.7	1,757.3	1,767.0	1,770.7	1,784.6	1,766.3	1,755.4
36 Revolving home equity	130.1	136.4	137.9	140.2	143.4	148.6	150.7	153.2	152.1	153.0	153.0	153.4
37 Other	1,532.6 ^a	1,571.3	1,578.7	1,578.9	1,584.1	1,591.1	1,606.6	1,613.8	1,618.6	1,631.6	1,613.4	1,602.1
38 Consumer	547.0	549.1	547.4	549.2	551.0	551.1	560.2	565.7	562.2	563.1	567.2	570.0
39 Credit cards and related plans	217.6	217.2	216.8	218.0	217.1	216.5	225.8	232.4	227.8	229.9	234.4	237.7
40 Other	329.5	331.8	330.6	331.3	333.9	334.5	334.3	333.3	334.5	333.2	332.8	332.3
41 Security ^c	184.2	167.6	162.5	162.6	175.5	156.4	157.5	152.2	150.6	149.9	155.1	158.8
42 Other loans and leases	429.3	433.8	434.7	429.2	465.0	451.1	452.8	454.7	456.7	454.4	452.6	455.2
43 Interbank loans	258.9	265.5	265.3	276.4	341.9	296.9	290.5	300.1	302.7	300.8	290.9	304.5
44 Cash assets ^d	305.9	271.6	279.7	272.3	324.8	303.9	303.9	312.8	298.5	309.3	305.9	313.5
45 Other assets ^e	387.7 ^a	409.4	418.7	430.8	469.9	483.5	486.1	485.3	485.8	485.5	476.4	486.6
46 Total assets^b	6,142.1^a	6,200.2	6,207.1	6,240.8	6,484.9	6,420.3	6,455.0	6,467.8	6,467.8	6,472.4	6,440.7	6,474.3
Liabilities												
47 Deposits	3,894.8	4,026.5	4,039.7	4,043.1	4,183.5	4,148.7	4,201.1	4,264.9	4,245.7	4,253.7	4,253.9	4,259.1
48 Transaction	630.7	600.7	599.8	597.2	683.4	632.2	637.2	662.7	630.8	635.2	667.4	695.6
49 Nontransaction	3,264.1	3,425.8	3,439.9	3,445.9	3,500.1	3,516.5	3,563.9	3,602.2	3,614.9	3,618.5	3,586.5	3,563.5
50 Large time	946.8	970.4	961.3	951.6	953.1	970.3	984.2	989.3	984.4	995.1	990.9	988.9
51 Other	2,317.3	2,455.4	2,478.6	2,494.3	2,547.1	2,546.3	2,579.7	2,612.9	2,630.6	2,623.4	2,595.6	2,574.6
52 Borrowings	1,236.4 ^a	1,210.4	1,212.4	1,210.8	1,281.1	1,262.5	1,245.9	1,241.2	1,232.0	1,237.9	1,234.6	1,256.0
53 From banks in the U.S.	394.7	382.8	386.7	389.8	433.9	418.0	403.2	407.5	403.5	410.8	402.0	406.5
54 From others	841.8 ^a	827.6	825.6	821.0	847.2	844.5	842.7	833.7	828.5	827.1	832.6	849.6
55 Net due to related foreign offices	230.6	180.7	184.4	192.0	171.4	177.4	163.1	152.9	171.4	165.1	149.5	143.4
56 Other liabilities	353.0 ^a	352.7	330.4	346.3	398.3	369.2	407.2	360.2	364.5	359.1	360.3	366.1
57 Total liabilities	5,714.8^a	5,770.3	5,766.8	5,792.2	6,034.4	5,957.8	6,017.4	6,019.2	6,013.5	6,015.8	5,998.4	6,024.5
58 Residual (assets less liabilities)⁷	427.3^a	429.9	440.3	448.6	450.5	462.5	437.7	448.6	454.3	456.6	442.4	449.7

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account		Monthly averages								Wednesday figures			
		2000	2001							2001			
		Dec.	June	July	Aug. [†]	Sept. [†]	Oct. [†]	Nov. [†]	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
Seasonally adjusted													
Assets													
1 Bank credit	4,615.7 [†]	4,723.2 [†]	4,730.9 [†]	4,749.4	4,829.0	4,811.7	4,831.8	4,819.0	4,834.4	4,833.9	4,812.5	4,815.8	
2 Securities in bank credit	1,127.4 [†]	1,162.7 [†]	1,165.1 [†]	1,196.2	1,214.4	1,235.9	1,246.9	1,242.5	1,244.8	1,237.4	1,239.2	1,250.3	
3 U.S. government securities	720.0	698.6	706.2	720.2	728.4	741.9	748.3	766.8	773.3	765.0	763.1	765.2	
4 Other securities	407.4 [†]	464.0	458.9 [†]	476.0	486.1	494.1	498.6	475.7	471.4	472.4	476.1	485.0	
5 Loans and leases in bank credit ²	3,488.3 [†]	3,560.5	3,565.8 [†]	3,553.2	3,614.5	3,575.8	3,584.9	3,576.5	3,589.6	3,596.4	3,573.2	3,565.5	
6 Commercial and industrial	879.4	869.7 [†]	864.6 [†]	859.1	862.1	847.7	836.4	826.4	831.9	833.0	825.1	821.9	
7 Real estate	1,639.8 [†]	1,690.3 [†]	1,699.3 [†]	1,697.6	1,705.2	1,717.3	1,732.4	1,742.8	1,746.5	1,758.3	1,743.5	1,730.0	
8 Revolving home equity	130.0	136.3	137.5	139.4	142.1	147.4	149.9	153.1	151.8	152.8	152.8	153.4	
9 Other	1,509.8	1,554.0 [†]	1,561.8	1,558.2	1,563.1	1,569.9	1,582.5	1,589.7	1,594.7	1,605.6	1,590.7	1,576.6	
10 Consumer	541.2	551.8	549.9	548.1	548.7	551.3	559.7	560.0	561.0	560.3	560.3	559.7	
11 Security ³	71.3	80.8	83.5	86.5	102.7	77.6	74.1	67.6	66.7	61.8	65.6	74.8	
12 Other loans and leases	356.6	368.0	368.5 [†]	362.0	395.9	381.9	382.2	379.8	383.5	383.1	378.7	379.1	
13 Interbank loans	223.8	246.4	251.8	267.6	327.8	279.0	256.7	268.9	256.5	269.1	259.3	284.8	
14 Cash assets ⁴	245.5	239.1	252.0	246.6	284.0	264.4	257.7	255.8	254.8	268.1	248.8	256.2	
15 Other assets ⁵	346.9 [†]	371.4 [†]	389.8 [†]	403.6	436.4	455.6	452.3	447.2	448.9	450.9	438.5	448.6	
16 Total assets ⁶	5,368.3 [†]	5,514.5 [†]	5,558.2 [†]	5,600.2	5,809.7	5,741.1	5,728.3	5,719.1	5,724.3	5,751.2	5,686.4	5,732.8	
Liabilities													
17 Deposits	3,466.1	3,626.7	3,657.7	3,676.8	3,799.7	3,739.6	3,749.4	3,777.7	3,772.0	3,774.9	3,764.9	3,779.4	
18 Transaction	590.8	591.6	596.9	601.5	677.2	627.3	620.3	621.2	610.3	615.2	627.4	645.8	
19 Nontransaction	2,875.3	3,035.1	3,060.7	3,075.3	3,122.5	3,112.3	3,129.1	3,156.5	3,161.7	3,159.7	3,137.5	3,133.6	
20 Large time	563.6	573.1	573.0	570.1	569.8	568.1	561.0	550.9	554.2	552.9	547.9	549.7	
21 Other	2,311.7	2,462.1	2,487.8	2,505.2	2,552.7	2,544.2	2,568.1	2,605.6	2,607.5	2,606.8	2,589.6	2,583.9	
22 Borrowings	993.1 [†]	993.4 [†]	1,010.5 [†]	1,021.9	1,064.6	1,056.4	1,024.6	1,035.6	1,018.3	1,040.1	1,028.2	1,055.8	
23 From banks in the U.S.	370.7	359.5	367.7	377.4	413.1	399.3	378.1	381.5	380.1	390.5	378.9	377.6	
24 From others	622.4 [†]	633.9 [†]	642.7 [†]	644.4	651.5	657.1	646.5	654.1	638.2	649.6	649.3	678.2	
25 Net due to related foreign offices	227.5	204.1	207.1	205.7	188.6	194.1	191.9	197.2	200.6	213.6	191.5	191.1	
26 Other liabilities	277.4 [†]	270.6 [†]	256.4 [†]	270.4	319.5	294.7	327.9	282.5	289.6	283.0	282.5	284.3	
27 Total liabilities	4,964.1 [†]	5,094.8 [†]	5,131.7 [†]	5,174.8	5,372.3	5,284.8	5,293.8	5,293.1	5,280.4	5,311.5	5,267.1	5,310.6	
28 Residual (assets less liabilities) ⁷	404.2 [†]	419.7 [†]	426.5 [†]	425.5	437.3	456.4	434.5	426.0	443.9	439.7	419.3	422.3	
Not seasonally adjusted													
Assets													
29 Bank credit	4,641.6 [†]	4,719.7	4,714.7 [†]	4,738.5	4,825.1	4,816.7	4,849.7	4,846.0	4,857.9	4,852.7	4,841.6	4,846.8	
30 Securities in bank credit	1,132.9 [†]	1,162.0 [†]	1,156.1 [†]	1,189.4	1,210.6	1,233.7	1,250.8	1,248.5	1,254.6	1,243.3	1,244.2	1,252.6	
31 U.S. government securities	719.8	699.0	702.2	715.6	725.3	736.9	748.7	766.1	776.6	764.9	762.3	761.4	
32 Other securities	413.2 [†]	463.0 [†]	453.9 [†]	473.8	485.3	496.8	502.1	482.3	478.0	478.4	482.0	491.1	
33 Loans and leases in bank credit ²	3,508.6 [†]	3,557.7	3,558.7	3,549.1	3,614.5	3,583.0	3,598.9	3,597.6	3,603.2	3,609.4	3,597.4	3,594.2	
34 Commercial and industrial	879.2	873.1 [†]	864.5 [†]	854.2	859.2	846.9	836.8	826.5	830.9	829.2	825.6	824.2	
35 Real estate	1,644.4 [†]	1,689.7 [†]	1,698.4 [†]	1,700.7	1,708.8	1,721.0	1,738.4	1,747.9	1,751.7	1,765.7	1,747.2	1,736.2	
36 Revolving home equity	130.1	136.4	137.9	140.2	143.4	148.6	150.7	153.2	152.1	153.0	153.0	153.4	
37 Other	1,514.3 [†]	1,553.2 [†]	1,560.4	1,560.5	1,565.4	1,572.4	1,587.7	1,594.7	1,599.6	1,612.7	1,594.2	1,582.8	
38 Consumer	547.0	549.1	547.4	549.2	551.0	551.1	560.2	565.7	562.2	563.1	567.2	570.0	
39 Credit cards and related plans	217.6	217.2	216.8	218.0	217.1	216.5	225.8	232.4	227.8	229.9	234.4	237.7	
40 Other	329.5	331.8 [†]	330.6	331.3	333.9	334.5	334.3	333.3	334.5	333.2	332.8	332.3	
41 Security ³	77.6	78.2	78.6	81.8	97.6	80.8	79.3	73.7	71.9	68.0	74.3	80.6	
42 Other loans and leases	360.3	367.7	369.9 [†]	363.1	397.9	383.3	384.2	383.8	386.6	383.4	383.1	383.2	
43 Interbank loans	232.5	244.2	244.0	256.2	315.9	273.0	265.0	279.0	273.4	281.2	271.7	283.2	
44 Cash assets ⁴	263.1	236.4	244.2	236.0	280.3	264.0	264.4	273.8	259.3	270.6	266.5	275.3	
45 Other assets ⁵	351.4 [†]	373.6 [†]	389.1 [†]	400.9	436.6	451.6	451.8	452.8	453.0	452.8	444.3	454.0	
46 Total assets ⁶	5,424.9 [†]	5,508.2 [†]	5,526.0 [†]	5,564.5	5,790.3	5,736.0	5,760.5	5,779.7	5,773.0	5,786.2	5,751.3	5,786.9	
Liabilities													
47 Deposits	3,501.9	3,614.8	3,636.2	3,647.9	3,782.2	3,734.4	3,769.4	3,816.3	3,808.3	3,803.2	3,801.1	3,807.5	
48 Transaction	619.3	591.3	590.5	587.6	670.7	621.3	626.3	650.9	619.5	623.2	655.3	683.9	
49 Nontransaction	2,882.6	3,023.5	3,045.7	3,060.3	3,111.4	3,113.1	3,143.1	3,165.4	3,188.8	3,179.9	3,145.8	3,123.6	
50 Large time	567.5	570.4	569.3	568.3	566.7	569.5	565.8	555.0	560.6	558.9	552.5	551.4	
51 Other	2,315.1	2,453.1	2,476.3	2,492.0	2,544.7	2,543.7	2,577.3	2,610.5	2,628.2	2,621.0	2,593.2	2,572.2	
52 Borrowings	996.0 [†]	994.3 [†]	1,001.2 [†]	1,000.2	1,059.3	1,054.1	1,033.0	1,037.8	1,023.2	1,031.2	1,038.0	1,054.0	
53 From banks in the U.S.	372.6	360.3	364.5	369.2	403.3	394.0	379.0	383.0	381.9	388.6	382.5	377.8	
54 From others	623.4 [†]	634.0 [†]	636.7 [†]	631.0	655.9	660.0	654.0	654.8	641.3	642.6	655.5	676.2	
55 Net due to related foreign offices	227.6	203.4	204.0	206.1	188.0	194.2	193.7	197.6	200.8	214.7	191.1	192.8	
56 Other liabilities	277.7 [†]	270.0 [†]	253.4 [†]	270.8	318.8	294.7	330.2	283.1	289.9	284.2	282.3	286.4	
57 Total liabilities	5,003.2 [†]	5,082.6 [†]	5,094.8 [†]	5,125.0	5,348.2	5,277.4	5,326.3	5,334.8	5,322.2	5,333.3	5,312.5	5,340.7	
58 Residual (assets less liabilities) ⁷	421.7 [†]	425.6 [†]	431.2 [†]	439.5	442.0	458.6	434.2	445.0	450.8	452.9	438.9	446.2	

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec. ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	2,576.0	2,633.6	2,624.7	2,624.8	2,691.7	2,632.9	2,634.2	2,600.0	2,622.5	2,617.5	2,594.4	2,596.2
2 Securities in bank credit	583.7	613.3	608.7	629.9	641.2	648.7	653.4	636.3	643.3	631.8	633.7	644.0
3 U.S. government securities	357.9	352.5	352.1	359.5	362.5	363.2	366.0	377.1	385.4	375.5	374.4	377.1
4 Trading account	28.8	35.1	38.3	36.3	37.9	35.8	40.4	34.1	43.5	36.9	31.2	30.2
5 Investment account	329.0	317.4	313.8	323.2	324.6	327.4	325.6	343.0	341.9	338.6	343.2	346.9
6 Other securities	225.8	260.8	256.6	270.4	278.6	285.5	287.4	259.1	257.8	256.3	259.3	266.9
7 Trading account	119.0	143.5	140.8	153.1	161.0	165.8	165.1	128.0	137.0	134.0	130.0	124.4
8 Investment account	106.8	117.3	115.9	117.3	117.7	119.7	122.3	131.2	120.8	122.4	129.2	142.5
9 State and local government	26.3	27.9	27.8	27.6	27.5	26.8	27.1	26.9	26.8	26.8	27.0	27.1
10 Other	80.6	89.4	88.1	89.7	90.2	92.9	95.2	104.3	94.1	95.5	102.2	115.4
11 Loans and leases in bank credit ²	1,992.3	2,020.3	2,015.9	1,994.9	2,050.6	1,984.2	1,980.9	1,963.7	1,979.2	1,985.7	1,960.7	1,952.2
12 Commercial and industrial	593.6	571.4	562.3	557.2	561.2	545.7	535.4	524.1	529.1	530.9	523.2	520.5
13 Bankers acceptances	1.0	.7	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	592.5	570.7	562.3	557.2	561.2	545.7	535.4	524.1	529.1	530.9	523.2	520.5
15 Real estate	827.8	855.1	855.7	846.0	845.9	842.4	851.7	855.1	859.8	871.0	855.8	844.1
16 Revolving home equity	84.2	87.1	87.1	87.6	89.4	92.5	94.4	96.2	95.5	95.9	95.8	96.4
17 Other	743.7	768.0	768.7	758.4	756.5	749.9	757.3	759.0	764.2	775.1	760.0	747.6
18 Consumer	243.4	254.4	254.2	251.4	253.2	242.8	245.3	245.7	247.9	247.1	245.9	243.8
19 Security	64.6	72.6	75.2	78.1	94.0	69.8	66.3	59.6	58.8	53.8	57.7	66.5
20 Federal funds sold to and repurchase agreements with broker-dealers	49.2	54.8	59.6	63.5	66.2	56.4	52.3	45.6	45.5	40.2	43.6	52.1
21 Other	15.3	17.8	15.5	14.5	27.8	13.4	14.0	14.0	13.3	13.6	14.1	14.4
22 State and local government	12.6	13.4	14.2	14.2	14.4	15.3	15.6	14.9	15.7	15.1	14.7	14.6
23 Agricultural	10.1	10.4	10.1	9.5	9.2	9.2	9.4	9.3	9.3	9.3	9.3	9.2
24 Federal funds sold to and repurchase agreements with others	21.2	25.6	31.0	31.9	32.6	28.8	30.6	29.3	30.7	30.3	29.2	27.7
25 All other loans	87.9	84.8	81.6	75.6	109.1	104.5	100.8	94.4	101.7	102.3	89.8	91.3
26 Lease-financing receivables	131.1	132.6	131.7	131.0	131.0	125.7	125.7	131.3	126.1	125.9	135.2	134.5
27 Interbank loans	140.2	131.8	136.5	150.9	207.3	175.8	152.8	165.8	154.9	165.1	156.7	176.9
28 Federal funds sold to and repurchase agreements with commercial banks	66.3	73.1	71.6	80.5	131.5	94.3	90.1	96.3	85.9	96.2	88.9	105.5
29 Other	73.9	58.7	64.9	70.4	75.8	81.5	62.7	69.5	69.0	68.9	67.8	71.5
30 Cash assets ⁴	145.7	136.3	146.8	140.7	174.8	155.3	151.2	146.8	146.9	155.1	142.7	146.5
31 Other assets ⁵	255.4	261.7	270.8	282.7	308.2	323.6	321.5	313.4	313.1	316.7	307.5	317.6
32 Total assets⁶	3,080.4	3,125.6	3,140.7	3,160.9	3,343.9	3,248.2	3,220.1	3,184.6	3,197.5	3,214.2	3,159.2	3,195.2
<i>Liabilities</i>												
33 Deposits	1,691.9	1,740.3	1,752.4	1,754.8	1,860.1	1,792.3	1,792.5	1,798.3	1,798.6	1,799.0	1,791.0	1,800.3
34 Transaction	300.0	300.5	306.8	304.4	376.1	323.5	320.8	321.5	317.5	318.4	325.5	333.0
35 Nontransaction	1,391.9	1,439.8	1,445.6	1,450.3	1,483.9	1,468.8	1,471.7	1,476.9	1,481.2	1,480.5	1,465.5	1,467.3
36 Large time	269.3	274.6	271.6	264.9	264.7	260.3	251.4	246.6	249.1	247.6	243.7	246.0
37 Other	1,122.6	1,165.2	1,174.0	1,185.5	1,219.2	1,208.6	1,220.3	1,230.3	1,232.1	1,233.0	1,221.8	1,221.4
38 Borrowings	666.1	659.4	672.9	678.3	709.6	692.1	658.2	662.4	652.7	670.0	654.8	675.8
39 From banks in the U.S.	214.9	211.1	218.9	226.5	257.6	233.6	212.6	215.0	215.9	224.4	214.1	207.7
40 From others	451.2	448.3	454.0	451.7	452.0	458.5	445.7	436.8	445.7	440.8	440.8	468.1
41 Net due to related foreign offices	206.7	190.9	192.4	190.3	178.0	184.6	181.7	187.3	189.9	200.8	182.0	182.7
42 Other liabilities	226.2	214.4	197.6	210.2	257.5	230.8	263.0	217.0	224.3	217.4	217.7	218.1
43 Total liabilities	2,790.8	2,805.0	2,815.4	2,833.5	3,005.1	2,899.8	2,895.4	2,865.0	2,865.5	2,887.2	2,845.5	2,876.9
44 Residual (assets less liabilities) ⁷	289.5	320.7	325.3	327.4	338.8	348.4	324.7	319.6	332.0	327.0	313.7	318.3

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec. ²	June ²	July ²	Aug. ²	Sept. ²	Oct. ²	Nov. ²	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
Not seasonally adjusted												
<i>Assets</i>												
45 Bank credit	2,597.4	2,628.2	2,608.4	2,610.6	2,682.3	2,636.1	2,650.9	2,622.4	2,646.4	2,634.3	2,618.8	2,615.0
46 Securities in bank credit	590.0	611.0	599.9	623.8	637.6	648.9	659.1	643.2	655.4	639.2	639.8	645.4
47 U.S. government securities	358.5	351.2	348.2	355.5	359.7	360.7	368.2	377.5	391.1	376.9	374.7	372.5
48 Trading account	28.9	35.0	37.9	35.9	37.7	35.5	40.6	34.1	44.2	37.1	31.2	29.9
49 Investment account	329.6	316.2	310.3	319.7	322.0	325.1	327.6	343.3	346.9	339.8	343.4	342.6
50 Mortgage-backed securities	219.0	229.7	229.1	241.8	247.3	257.9	256.1	269.3	270.8	265.2	270.5	269.5
51 Other	110.6	86.5	81.3	77.9	74.8	67.3	71.5	74.0	76.1	74.6	72.9	73.2
52 One year or less	30.6	25.5	21.1	20.1	20.1	18.2	27.0	26.4	29.4	28.1	25.2	25.0
53 One to five years	45.5	34.4	34.3	33.8	34.6	31.9	30.3	35.2	34.0	34.5	35.7	35.9
54 More than five years	34.5	26.6	25.9	24.0	20.1	17.1	14.2	12.3	12.7	12.0	12.1	12.3
55 Other securities	231.5	259.8	251.7	268.3	277.9	288.2	290.9	265.8	264.4	262.3	265.1	272.9
56 Trading account	122.0	142.9	138.1	151.9	160.5	167.4	167.1	131.2	140.5	137.1	133.0	127.2
57 Investment account	109.5	116.9	113.6	116.4	117.4	120.8	123.8	134.5	123.9	125.2	132.1	145.7
58 State and local government	26.9	27.8	27.3	27.3	27.4	27.1	27.4	27.6	27.4	27.5	27.6	27.7
59 Other	82.6	89.1	86.4	89.0	89.9	93.8	96.4	107.0	96.5	97.8	104.5	118.0
60 Loans and leases in bank credit ²	2,007.4	2,017.2	2,008.5	1,986.8	2,044.7	1,987.2	1,991.8	1,979.2	1,991.0	1,995.1	1,979.1	1,969.6
61 Commercial and industrial	592.7	573.0	562.3	554.0	559.7	545.3	536.5	523.3	528.4	527.2	522.6	520.6
62 Bankers acceptances	1.0	.7	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	591.6	572.3	562.3	554.0	559.7	545.3	536.5	523.3	528.4	527.2	522.6	520.6
64 Real estate	832.4	853.8	854.3	847.4	847.8	845.0	857.2	860.1	866.5	878.5	860.0	847.5
65 Revolving home equity	84.1	87.4	87.7	88.7	90.5	93.4	94.9	96.0	95.8	96.0	95.8	95.9
66 Other	450.4	464.8	465.0	457.7	454.8	440.1	449.5	452.4	458.5	469.5	452.3	440.5
67 Commercial	298.0	301.6	301.5	301.0	302.4	311.5	312.8	311.7	312.2	313.0	312.0	311.0
68 Consumer	245.5	253.8	252.4	250.2	251.9	240.4	243.6	247.8	247.2	247.3	248.0	247.6
69 Credit cards and related plans	82.5	88.0	87.3	85.1	84.6	74.3	76.5	80.1	78.8	80.0	80.6	80.7
70 Other	163.0	165.9	165.1	165.1	167.3	166.1	167.2	167.6	168.4	167.4	167.4	167.0
71 Security ³	70.6	70.2	70.5	73.6	89.1	72.9	71.0	65.5	63.4	59.6	66.2	72.5
72 Federal funds sold to and repurchase agreements with broker-dealers	53.8	53.0	55.9	59.9	62.8	58.9	56.0	50.0	49.0	44.6	50.0	56.8
73 Other	16.8	17.3	14.6	13.7	26.3	14.0	15.1	15.4	14.3	15.0	16.2	15.7
74 State and local government	12.6	13.4	14.2	14.2	14.4	15.3	15.6	14.9	15.7	15.1	14.7	14.6
75 Agricultural	10.1	10.4	10.2	9.6	9.3	9.3	9.4	9.3	9.3	9.2	9.2	9.2
76 Federal funds sold to and repurchase agreements with others	21.2	25.6	31.0	31.9	32.6	28.8	30.6	29.3	30.7	30.3	29.2	27.7
77 All other loans	90.9	84.8	82.4	75.7	110.3	104.8	102.2	97.4	103.9	102.1	94.0	94.7
78 Lease-financing receivables	131.4	132.2	131.2	130.2	129.6	125.5	125.6	131.6	125.9	125.7	135.1	135.0
79 Interbank loans	144.0	136.2	136.4	145.4	199.5	168.7	153.8	170.2	158.3	167.9	164.1	177.0
80 Federal funds sold to and repurchase agreements with commercial banks	68.1	75.5	71.5	77.6	126.5	90.5	90.7	98.8	87.8	97.8	93.0	105.5
81 Other	76.0	60.7	64.8	67.8	73.0	78.2	63.1	71.4	70.6	70.1	71.0	71.5
82 Cash assets ⁴	157.1	134.7	140.4	132.9	170.5	154.2	152.6	158.3	147.7	156.5	155.2	159.3
83 Other assets ⁵	259.9	264.0	270.0	280.1	308.4	319.6	321.0	319.0	317.3	318.6	313.3	323.0
84 Total assets⁶	3,121.5	3,125.2	3,117.3	3,130.6	3,322.3	3,239.4	3,238.6	3,228.5	3,229.5	3,236.7	3,209.2	3,232.5
<i>Liabilities</i>												
85 Deposits	1,709.7	1,739.8	1,744.2	1,738.8	1,848.8	1,785.7	1,799.8	1,817.5	1,813.1	1,808.7	1,809.4	1,813.1
86 Transaction	317.9	300.6	302.0	293.4	369.7	317.8	323.3	340.5	320.9	322.3	344.6	358.5
87 Nontransaction	1,391.9	1,439.2	1,442.2	1,445.4	1,479.1	1,467.9	1,476.5	1,477.0	1,492.2	1,486.4	1,464.7	1,454.7
88 Large time	273.1	272.0	267.9	263.1	261.7	261.7	256.2	250.7	255.5	253.6	248.4	247.6
89 Other	1,118.7	1,167.3	1,174.3	1,182.3	1,217.5	1,206.3	1,220.2	1,226.3	1,236.7	1,232.8	1,216.3	1,207.1
90 Borrowings	668.9	660.2	663.6	656.6	704.3	689.8	666.6	664.5	657.6	661.2	664.6	674.1
91 From banks in the U.S.	216.8	211.9	215.6	218.3	247.8	228.4	213.4	216.5	217.7	222.5	217.7	208.0
92 From nonbanks in the U.S.	452.1	448.3	448.0	438.3	456.5	461.4	453.2	448.0	439.9	438.7	446.9	466.1
93 Net due to related foreign offices	206.7	190.3	189.2	190.6	177.5	184.8	183.5	187.6	190.1	201.9	181.7	184.4
94 Other liabilities	226.6	213.8	194.7	210.6	256.7	230.8	265.3	217.6	224.7	218.6	217.5	220.2
95 Total liabilities	2,811.9	2,804.1	2,791.7	2,796.6	2,987.3	2,891.1	2,915.1	2,887.2	2,885.4	2,890.5	2,873.1	2,891.8
96 Residual (assets less liabilities) ⁷	309.5	321.1	325.6	334.0	334.9	348.3	323.4	341.3	344.1	346.2	336.1	340.6

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec. ¹	June ¹	July ¹	Aug. ¹	Sept. ¹	Oct. ¹	Nov. ¹	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
	Seasonally adjusted											
Assets												
1 Bank credit	2,039.8	2,089.6	2,106.2	2,124.6	2,137.2	2,178.8	2,197.6	2,219.0	2,211.9	2,216.3	2,218.1	2,219.6
2 Securities in bank credit	543.8	549.4	556.3	566.3	573.2	587.2	593.5	606.2	601.5	605.6	605.6	606.3
3 U.S. government securities	362.1	346.1	354.1	360.7	365.8	378.7	382.3	389.6	387.9	389.5	388.7	388.1
4 Other securities	181.7	203.2	202.2	205.5	207.4	208.6	211.2	216.6	213.6	216.1	216.9	218.2
5 Loans and leases in bank credit ²	1,496.0	1,540.2	1,549.9	1,558.4	1,564.0	1,591.6	1,604.0	1,612.8	1,610.4	1,610.7	1,612.5	1,613.3
6 Commercial and industrial	285.8	298.2	302.3	301.9	300.9	302.0	301.0	302.3	302.8	302.1	302.0	301.4
7 Real estate	812.0	835.2	843.6	851.6	859.3	874.9	880.7	887.7	886.7	887.3	887.8	885.9
8 Revolving home equity	45.9	49.1	50.5	51.8	52.7	54.9	55.5	57.0	56.2	56.8	57.0	57.0
9 Other	766.1	786.1	793.1	799.8	806.6	820.0	825.2	830.7	830.5	830.5	830.7	829.0
10 Consumer	297.8	297.4	295.8	296.7	295.5	308.5	314.4	314.2	313.2	313.1	314.4	315.9
11 Security ³	6.8	8.2	8.3	8.4	8.7	7.8	7.8	8.0	7.8	8.0	7.9	8.2
12 Other loans and leases	93.7	101.2	99.9	99.8	99.6	98.4	100.1	100.6	99.9	100.3	100.5	101.8
13 Interbank loans	83.6	114.6	115.2	116.7	120.5	103.1	103.9	103.1	101.6	104.0	102.6	107.8
14 Cash assets ⁴	99.7	102.8	105.1	105.9	109.2	109.1	106.5	108.9	107.9	113.0	106.1	109.8
15 Other assets ⁵	91.5	109.7	119.0	120.9	128.2	132.0	130.8	133.8	135.8	134.2	131.0	131.0
16 Total assets ⁶	2,288.0	2,388.9	2,417.5	2,439.3	2,465.7	2,492.9	2,508.2	2,534.5	2,526.8	2,537.1	2,527.2	2,537.7
Liabilities												
17 Deposits	1,774.2	1,886.4	1,905.2	1,922.0	1,939.6	1,947.3	1,956.8	1,979.4	1,973.4	1,975.9	1,973.9	1,979.1
18 Transaction	290.8	291.1	290.1	297.0	301.1	303.8	299.5	299.7	292.8	296.7	301.9	312.8
19 Nontransaction	1,483.4	1,595.3	1,615.1	1,625.0	1,638.5	1,643.5	1,657.4	1,679.6	1,680.5	1,679.2	1,672.0	1,666.3
20 Large time	294.3	298.5	301.4	305.2	305.1	307.8	309.5	304.3	305.1	305.3	304.2	303.8
21 Other	1,189.1	1,296.9	1,313.7	1,319.7	1,333.5	1,335.7	1,347.9	1,375.3	1,375.4	1,373.9	1,367.8	1,362.6
22 Borrowings	327.0	334.1	337.6	343.6	355.0	364.3	366.4	373.2	365.6	370.0	373.4	379.9
23 From banks in the U.S.	155.8	148.4	148.8	150.9	155.6	165.7	165.6	166.5	164.2	166.1	164.8	169.9
24 From others	171.2	185.7	188.7	192.7	199.4	198.6	200.8	206.7	201.4	203.9	208.6	210.1
25 Net due to related foreign offices	20.9	13.1	14.7	15.5	10.5	9.5	10.2	10.0	10.7	12.8	9.4	8.4
26 Other liabilities	51.2	56.2	58.8	60.2	62.0	63.9	64.9	65.5	65.3	65.6	64.9	66.2
27 Total liabilities	2,173.3	2,289.8	2,316.3	2,341.3	2,367.2	2,384.9	2,398.4	2,428.1	2,415.0	2,424.3	2,421.6	2,433.7
28 Residual (assets less liabilities) ⁷	114.7	99.0	101.2	98.1	98.5	108.0	109.8	106.4	111.9	112.8	105.6	104.0
	Not seasonally adjusted											
Assets												
29 Bank credit	2,044.2	2,091.5	2,106.3	2,127.9	2,142.8	2,180.6	2,198.7	2,223.6	2,211.4	2,218.4	2,222.8	2,231.8
30 Securities in bank credit	542.9	551.0	556.2	565.6	573.1	584.8	591.7	605.2	599.2	604.1	604.5	607.1
31 U.S. government securities	361.3	347.8	354.0	360.1	365.7	376.3	380.5	388.7	385.6	388.0	387.6	388.9
32 Other securities	181.7	203.2	202.2	205.5	207.4	208.6	211.2	216.6	213.6	216.1	216.9	218.2
33 Loans and leases in bank credit ²	1,501.3	1,540.5	1,550.1	1,562.3	1,569.7	1,595.8	1,607.0	1,618.4	1,612.2	1,614.3	1,618.3	1,624.7
34 Commercial and industrial	286.6	300.0	302.1	300.2	299.4	301.6	300.3	303.2	302.5	302.0	302.9	303.6
35 Real estate	812.0	835.9	844.1	853.4	861.0	876.0	881.1	887.8	885.2	887.2	887.2	888.7
36 Revolving home equity	46.0	49.1	50.2	51.5	52.9	55.2	55.8	57.2	56.3	57.0	57.2	57.4
37 Other	766.0	786.8	793.9	801.9	808.2	820.8	825.3	830.6	828.9	830.2	830.0	831.3
38 Consumer	301.5	295.2	295.0	299.0	299.1	310.7	316.5	318.0	315.1	315.7	319.2	322.4
39 Credit cards and related plans	135.1	129.3	129.5	132.9	132.5	142.3	149.3	152.3	149.0	150.0	153.8	157.0
40 Other	166.5	166.0	165.5	166.1	166.6	168.4	167.2	165.7	166.1	165.8	165.4	165.4
41 Security ³	7.0	8.0	8.1	8.2	8.5	7.9	8.2	8.2	8.5	8.4	8.1	8.1
42 Other loans and leases	94.1	101.3	100.8	101.5	101.7	99.6	100.8	101.3	101.0	101.0	100.9	101.9
43 Interbank loans	88.5	108.0	107.7	110.8	116.5	104.3	111.2	108.8	115.1	113.3	107.7	106.2
44 Cash assets ⁴	106.0	101.7	103.8	103.1	109.9	109.8	111.8	115.5	111.6	114.1	111.3	116.0
45 Other assets ⁵	91.5	109.7	119.0	120.9	128.2	132.0	130.8	133.8	135.8	134.2	131.0	131.0
46 Total assets ⁶	2,303.4	2,383.0	2,408.7	2,433.9	2,468.0	2,496.6	2,522.0	2,551.3	2,543.5	2,549.5	2,542.2	2,554.4
Liabilities												
47 Deposits	1,792.2	1,875.0	1,892.0	1,909.1	1,933.3	1,948.7	1,969.7	1,998.9	1,995.2	1,994.4	1,991.7	1,994.3
48 Transaction	301.5	290.7	288.6	294.3	301.0	303.5	303.0	310.4	298.6	300.9	310.7	325.5
49 Nontransaction	1,490.7	1,584.3	1,603.4	1,614.9	1,632.3	1,645.2	1,666.6	1,688.5	1,696.6	1,693.5	1,681.0	1,668.9
50 Large time	294.3	298.5	301.4	305.2	305.1	307.8	309.5	304.3	305.1	305.3	304.2	303.8
51 Other	1,196.4	1,285.8	1,302.0	1,309.6	1,327.2	1,337.4	1,357.1	1,384.2	1,391.5	1,388.2	1,376.9	1,365.1
52 Borrowings	327.0	334.1	337.6	343.6	355.0	364.3	366.4	373.2	365.6	370.0	373.4	379.9
53 From banks in the U.S.	155.8	148.4	148.8	150.9	155.6	165.7	165.6	166.5	164.2	166.1	164.8	169.9
54 From others	171.2	185.7	188.7	192.7	199.4	198.6	200.8	206.7	201.4	203.9	208.6	210.1
55 Net due to related foreign offices	20.9	13.1	14.7	15.5	10.5	9.5	10.2	10.0	10.7	12.8	9.4	8.4
56 Other liabilities	51.2	56.2	58.8	60.2	62.0	63.9	64.9	65.5	65.3	65.6	64.9	66.2
57 Total liabilities	2,191.3	2,278.4	2,303.1	2,328.4	2,360.9	2,386.3	2,411.2	2,447.6	2,436.8	2,442.8	2,439.4	2,448.9
58 Residual (assets less liabilities) ⁷	112.1	104.6	105.7	105.5	107.1	110.2	110.8	103.7	106.7	106.7	102.8	105.5

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec.	June	July	Aug.	Sept. ¹	Oct. ¹	Nov. ¹	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	601.3 ²	603.8 ²	599.5 ²	596.8 ²	593.1	586.0	592.8	586.2	590.6	586.3	589.8	583.4
2 Securities in bank credit	206.9 ²	216.6 ²	222.9 ²	221.6 ²	223.1	226.4	229.1	229.4	226.8	226.1	230.3	227.9
3 U.S. government securities	68.9	56.7 ²	49.3 ²	48.6 ²	51.4	56.2	59.3	57.4	57.7	56.8	55.8	55.7
4 Other securities	138.1 ¹	159.8 ²	173.5 ²	173.0 ²	171.6	170.2	169.8	172.0	169.1	169.2	174.5	172.2
5 Loans and leases in bank credit ²	394.4	387.3	376.6	375.2	370.0	359.5	363.7	356.8	363.8	360.3	359.5	355.5
6 Commercial and industrial	209.0	211.1	205.9	204.8	205.0	200.0	200.1	195.6	198.9	197.4	196.8	194.2
7 Real estate	18.3	18.1	18.2	18.4	18.7	18.7	18.9	19.1	19.0	18.9	19.2	19.2
8 Security ³	100.4	91.3	86.7	84.7	79.0	72.5	76.7	73.8	77.4	74.7	76.4	73.6
9 Other loans and leases	66.7	66.7	65.8	67.3	67.3	68.3	68.0	68.4	68.6	69.2	67.0	68.4
10 Interbank loans	26.4	21.3	21.2	20.2	26.0	24.0	25.5	21.1	29.3	19.6	19.2	21.4
11 Cash assets ⁴	40.0	36.3	36.8	37.5	45.5	39.2	37.4	36.5	37.0	36.9	36.6	35.3
12 Other assets ⁵	34.6	37.1	30.4	30.1	33.5	32.4	34.3	31.0	31.3	30.7	30.6	31.3
13 Total assets ⁶	701.9 ²	698.2 ²	687.6 ²	684.2 ²	697.6	681.1	689.6	674.3	687.9	673.2	675.9	671.0
<i>Liabilities</i>												
14 Deposits	382.1	418.8	413.7	407.0	409.4	421.7	428.4	435.5	430.5	438.9	439.9	433.2
15 Transaction	10.7	9.5	9.2	9.5	12.3	10.8	10.7	11.1	10.9	11.6	11.2	10.8
16 Nontransaction	371.5	409.3	404.6	397.4	397.1	411.0	417.7	424.4	419.5	427.3	428.8	422.4
17 Borrowings	240.5	216.1	211.2	210.6	221.8	208.4	213.0	203.4	208.8	206.7	196.6	202.0
18 From banks in the U.S.	22.1	22.5	22.3	20.6 ²	30.5	23.9	24.2	24.5	21.6	22.2	19.5	28.6
19 From others	218.4	193.7	188.9	190.0	191.2	184.5	188.8	178.9	187.2	184.5	177.1	173.4
20 Net due to related foreign offices	-1.8	-19.6	-16.4 ²	-12.8 ²	-19.1	-17.2	-30.8	-49.7	-34.0	-53.6	-47.3	-53.1
21 Other liabilities	73.2 ²	84.2 ²	78.4 ²	76.0 ²	78.4	74.3	77.0	75.1	72.7	73.3	75.6	78.1
22 Total liabilities	694.0 ²	699.5 ²	686.9 ²	680.8 ²	690.5	687.3	687.6	664.3	678.0	665.4	664.9	660.1
23 Residual (assets less liabilities) ⁷	8.0 ²	-1.3 ²	.8 ²	3.4 ²	7.1	-6.2	1.9	10.1	9.9	7.9	10.9	10.8
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	612.1 ¹	600.1 ¹	595.0 ²	590.3 ²	591.3	588.9	595.6	595.8	594.0	595.5	599.1	595.6
25 Securities in bank credit	206.9 ²	216.6 ²	222.9 ²	221.6 ²	223.1	226.4	229.1	229.4	226.8	226.1	230.3	227.9
26 U.S. government securities	68.9	56.7 ²	49.3 ²	48.6 ²	51.4	56.2	59.3	57.4	57.7	56.8	55.8	55.7
27 Trading account	11.8	13.3 ²	12.4 ²	11.7 ²	13.1	14.3	13.4	12.7	12.9	12.8	12.5	11.5
28 Investment account	57.0	43.4 ²	36.9 ²	36.9 ²	38.3	41.9	45.9	44.7	44.8	44.0	43.3	44.2
29 Other securities	138.1 ¹	159.8 ²	173.5 ²	173.0 ²	171.6	170.2	169.8	172.0	169.1	169.2	174.5	172.2
30 Trading account	92.3 ²	106.4	107.9 ²	109.4 ²	108.5	107.7	108.3	108.8	107.5	107.4	110.4	110.6
31 Investment account	45.8 ²	53.5 ²	65.7 ²	63.6 ²	63.1	62.6	61.5	63.1	61.6	61.8	64.1	61.6
32 Loans and leases in bank credit ²	405.2	383.5	372.1	368.7	368.3	362.5	366.6	366.5	367.2	369.4	368.8	367.7
33 Commercial and industrial	211.4	210.0	205.2	203.5	204.6	200.2	200.8	197.9	199.2	197.7	199.3	198.3
34 Real estate	18.3	18.1	18.2	18.4	18.7	18.7	18.9	19.1	19.0	18.9	19.2	19.2
35 Security ³	106.6	89.4	83.9	80.8	77.9	75.6	78.2	78.6	78.8	81.8	80.8	78.2
36 Other loans and leases	69.0	66.1	64.8	66.0	67.1	67.9	68.6	71.0	70.2	71.0	69.5	71.9
37 Interbank loans	26.4	21.3	21.2	20.2	26.0	24.0	25.5	21.1	29.3	19.6	19.2	21.4
38 Cash assets ⁴	42.8	35.2	35.5	36.3	44.5	39.9	39.5	39.0	39.1	38.8	39.4	38.2
39 Other assets ⁵	36.3	35.8	29.6	29.8	33.2	31.9	34.3	32.5	32.8	32.7	32.1	32.6
40 Total assets ⁶	717.2 ²	692.0 ²	681.1 ²	676.3 ²	694.6	684.3	694.5	688.0	694.8	686.2	689.4	687.4
<i>Liabilities</i>												
41 Deposits	392.9	411.6	403.5	395.1	401.4	414.3	431.7	448.5	437.4	450.6	452.9	451.6
42 Transaction	11.3	9.4	9.3	9.5	12.6	10.9	10.9	11.8	11.2	12.0	12.1	11.7
43 Nontransaction	381.5	402.3	394.3	385.6	388.7	403.4	420.8	436.7	426.2	438.6	440.8	439.9
44 Borrowings	240.5	216.1	211.2	210.6	221.8	208.4	213.0	203.4	208.8	206.7	196.6	202.0
45 From banks in the U.S.	22.1	22.5	22.3	20.6 ²	30.5	23.9	24.2	24.5	21.6	22.2	19.5	28.6
46 From others	218.4	193.7	188.9	190.0	191.2	184.5	188.8	178.9	187.2	184.5	177.1	173.4
47 Net due to related foreign offices	3.0	-22.8 ²	-19.6 ²	-14.1 ²	-16.6	-16.9	-30.7	-44.7	-29.4	-49.7	-41.6	-49.4
48 Other liabilities	75.3 ²	82.7 ²	76.9 ²	75.5 ²	79.5	74.5	77.0	77.2	74.5	74.9	78.0	79.6
49 Total liabilities	711.6 ²	687.7 ²	672.0 ²	667.2 ²	686.1	680.4	691.0	684.4	691.3	682.5	685.9	683.8
50 Residual (assets less liabilities) ⁷	5.6 ²	4.3 ²	9.0 ²	9.1 ²	8.5	3.9	3.5	3.6	3.5	3.7	3.5	3.6

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2000	2001							2001			
	Dec. ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec.	Dec. 5	Dec. 12	Dec. 19	Dec. 26
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items ⁸	77.9	87.5	79.8	89.8	98.0	100.8	104.3	80.6	82.9	84.1	83.6	79.3
2 Revaluation losses on off-balance- sheet items ⁸	83.1	81.9	71.8	78.4	84.8	86.0	86.5	68.4	72.3	72.3	69.7	65.9
3 Mortgage-backed securities ⁹	248.5	262.2	262.1	274.6	280.5	290.3	290.7	311.8	304.9	299.8	312.2	320.4
4 Pass-through	181.4	200.6	199.8	211.3	217.1	221.4	205.4	209.3	200.1	196.8	210.7	219.1
5 CMO, REMIC, and other	67.1	61.6	62.3	63.4	63.4	68.9	85.3	102.6	104.9	103.1	101.5	101.3
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	4.1	4.2	2.6	5.1	7.1	9.2	10.0	5.2	5.4	6.1	5.4	5.2
7 Off-shore credit to U.S. residents ¹¹	23.4	20.6	20.2	19.6	20.2	20.0	19.2	19.1	18.9	18.8	19.1	19.3
8 Securitized consumer loans ¹²	79.8	82.3	96.8	96.7	97.5	98.1	99.6	99.8	98.6	98.6	99.7	101.0
9 Credit cards and related plans	69.9	73.3	86.7	86.2	87.2	87.8	88.3	88.7	87.5	87.5	88.7	90.0
10 Other	9.9	9.0	10.1	10.5	10.3	10.3	11.3	11.0	11.1	11.1	11.0	11.0
11 Securitized business loans ¹²	13.7	20.4	20.6	20.8	20.9	21.1	20.6	19.7	19.9	19.8	19.7	19.7
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities ⁹	207.5	232.7	239.9	245.0	250.8	256.0	261.4	266.2	265.8	267.0	264.9	266.3
13 Securitized consumer loans ¹²	229.6	236.9	225.6	228.5	231.6	235.1	238.0	243.5	240.8	241.9	243.2	244.6
14 Credit cards and related plans	220.5	228.6	216.9	219.9	223.0	226.9	229.5	235.2	232.3	233.5	234.9	236.3
15 Other	9.1	8.3	8.7	8.6	8.5	8.2	8.6	8.4	8.5	8.4	8.4	8.3
Foreign-related institutions												
16 Revaluation gains on off-balance- sheet items ⁸	47.2	57.0	53.8	55.1	54.9	56.5	55.7	56.3	54.9	55.0	57.0	57.6
17 Revaluation losses on off-balance- sheet items ⁸	43.0	51.7	49.0	51.1	50.5	48.8	48.7	49.9	47.7	48.4	50.4	51.3
18 Securitized business loans ¹²	34.8	29.6	27.4	26.6	26.5	26.6	25.2	24.0	24.5	24.4	23.9	23.5

NOTE. Tables 1.26, 1.27, and 1.28 have been revised to reflect changes in the Board's H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States." Table 1.27, "Assets and Liabilities of Large Weekly Reporting Commercial Banks," and table 1.28, "Large Weekly Reporting U.S. Branches and Agencies of Foreign Banks," are no longer being published in the *Bulletin*. Instead, abbreviated balance sheets for both large and small domestically chartered banks have been included in table 1.26, parts C and D. Data are both merger-adjusted and break-adjusted. In addition, data from large weekly reporting U.S. branches and agencies of foreign banks have been replaced by balance sheet estimates of all foreign-related institutions and are included in table 1.26, part E. These data are break-adjusted.

The not-seasonally-adjusted data for all tables now contain additional balance sheet items, which were available as of October 2, 1996.

1. Covers the following types of institutions in the fifty states and the District of Columbia: domestically chartered commercial banks that submit a weekly report of condition (large domestic); other domestically chartered commercial banks (small domestic); branches and agencies of foreign banks, and Edge Act and agreement corporations (foreign-related institutions). Excludes International Banking Facilities. Data are Wednesday values or pro rata averages of Wednesday values. Large domestic banks constitute a universe; data for small domestic banks and foreign-related institutions are estimates based on weekly samples and on quarter-end condition reports. Data are adjusted for breaks caused by reclassifications of assets and liabilities.

The data for large and small domestic banks presented on pp. A17–19 are adjusted to remove the estimated effects of mergers between these two groups. The adjustment for mergers changes past levels to make them comparable with current levels. Estimated quantities of balance sheet items acquired in mergers are removed from past data for the bank group that contained the acquired bank and put into past data for the group containing the

acquiring bank. Balance sheet data for acquired banks are obtained from Call Reports, and a ratio procedure is used to adjust past levels.

2. Excludes federal funds sold to, reverse RPs with, and loans made to commercial banks in the United States, all of which are included in "Interbank loans."

3. Consists of reverse RPs with brokers and dealers and loans to purchase and carry securities.

4. Includes vault cash, cash items in process of collection, balances due from depository institutions, and balances due from Federal Reserve Banks.

5. Excludes the due-from position with related foreign offices, which is included in "Net due to related foreign offices."

6. Excludes unearned income, reserves for losses on loans and leases, and reserves for transfer risk. Loans are reported gross of these items.

7. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis. On a seasonally adjusted basis, this item reflects any differences in the seasonal patterns estimated for total assets and total liabilities.

8. Fair value of derivative contracts (interest rate, foreign exchange rate, other commodity and equity contracts) in a gain/loss position, as determined under FASB Interpretation No. 39.

9. Includes mortgage-backed securities issued by U.S. government agencies, U.S. government-sponsored enterprises, and private entities.

10. Difference between fair value and historical cost for securities classified as available-for-sale under FASB Statement No. 115. Data are reported net of tax effects. Data shown are restated to include an estimate of these tax effects.

11. Mainly commercial and industrial loans but also includes an unknown amount of credit extended to other than nonfinancial businesses.

12. Total amount outstanding.

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2001					
	1996	1997	1998	1999	2000	June	July	Aug.	Sept.	Oct.	Nov.
1 All issuers	775,371	966,699	1,163,303	1,403,023	1,615,341	1,468,919	1,453,770	1,434,238	1,423,004	1,436,254	1,435,808
Financial companies ¹											
2 Dealer-placed paper, total ²	361,147	513,307	614,142	786,643	973,060	982,216	958,911	957,792	950,346	984,996	993,491
3 Directly placed paper, total ³	229,662	252,536	322,030	337,240	298,848	244,520	265,824	248,974	255,122	232,407	227,422
4 Nonfinancial companies ⁴	184,563	200,857	227,132	279,140	343,433	242,183	229,035	227,473	217,537	218,851	214,894

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

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.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1999—Jan. 1	7.75	1999	8.00	2000—Jan.	8.50	2001—Jan.	9.05
July 1	8.00	2000	9.23	Feb.	8.73	Feb.	8.50
Aug. 25	8.25	2001	6.91	Mar.	8.83	Mar.	8.32
Nov. 17	8.50			Apr.	9.00	Apr.	7.80
		1999—Jan.	7.75	May	9.24	May	7.24
2000—Feb. 3	8.75	Feb.	7.75	June	9.50	June	6.98
Mar. 22	9.00	Mar.	7.75	July	9.50	July	6.75
May 17	9.50	Apr.	7.75	Aug.	9.50	Aug.	6.67
		May	7.75	Sept.	9.50	Sept.	6.28
2001—Jan. 4	9.00	June	7.75	Oct.	9.50	Oct.	5.53
Feb. 1	8.50	July	8.00	Nov.	9.50	Nov.	5.10
Mar. 21	8.00	Aug.	8.06	Dec.	9.50	Dec.	4.84
Apr. 19	7.50	Sept.	8.25				
May 16	7.00	Oct.	8.25			2002—Jan.	4.75
June 28	6.75	Nov.	8.37				
Aug. 22	6.50	Dec.	8.50				
Sept. 18	6.00						
Oct. 3	5.50						
Nov. 7	5.00						
Dec. 12	4.75						

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call

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

1.35 INTEREST RATES Money and Capital Markets

Percent per year; figures are averages of business day data unless otherwise noted

Item	1999	2000	2001	2001				2001, week ending				
				Sept.	Oct.	Nov.	Dec.	Nov. 30	Dec. 7	Dec. 14	Dec. 21	Dec. 28
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	4.97	6.24	3.88	3.07	2.49	2.09	1.82	1.95	2.02	1.88	1.84	1.77
2 Discount window borrowing ^{2,4}	4.62	5.73	3.40	2.77	2.02	1.58	1.33	1.50	1.50	1.43	1.25	1.25
Commercial paper ^{3,5,6}												
Nonfinancial												
3 1-month	5.09	6.27	3.78	2.96	2.40	2.03	1.84	1.99	1.91	1.76	1.82	1.89
4 2-month	5.14	6.29	3.68	2.87	2.30	2.00	1.79	1.99	1.84	1.74	1.78	1.79
5 3-month	5.18	6.31	3.65	2.81	2.28	1.97	1.78	1.98	1.85	1.73	1.78	1.80
Financial												
6 1-month	5.11	6.28	3.80	2.97	2.42	2.04	1.83	1.99	1.89	1.77	1.84	1.85
7 2-month	5.16	6.30	3.71	2.87	2.31	2.02	1.81	2.03	1.87	1.76	1.80	1.82
8 3-month	5.22	6.33	3.65	2.84	2.29	2.00	1.81	2.00	1.87	1.76	1.80	1.81
Certificates of deposit, secondary market ^{3,7}												
9 1-month	5.19	6.35	3.84	2.99	2.43	2.08	1.90	2.06	1.98	1.84	1.89	1.90
10 3-month	5.33	6.46	3.71	2.87	2.31	2.03	1.83	2.07	1.88	1.79	1.82	1.84
11 6-month	5.46	6.59	3.66	2.84	2.26	2.03	1.90	2.08	1.93	1.84	1.91	1.93
12 Eurodollar deposits, 3-month ^{3,8}	5.31	6.45	3.70	2.85	2.31	2.03	1.84	2.03	1.89	1.80	1.83	1.82
U.S. Treasury bills												
Secondary market ^{3,5}												
13 3-month	4.64	5.82	3.40	2.64	2.16	1.87	1.69	1.84	1.72	1.66	1.68	1.70
14 6-month	4.75	5.90	3.34	2.63	2.12	1.88	1.78	1.87	1.80	1.73	1.77	1.80
15 1-year	4.81	5.78	3.84	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities ⁹												
16 1-year	5.08	6.11	3.49	2.82	2.33	2.18	2.22	2.23	2.21	2.17	2.23	2.28
17 2-year	5.43	6.26	3.83	3.12	2.73	2.78	3.11	3.03	3.02	3.08	3.15	3.21
18 3-year	5.49	6.22	4.09	3.45	3.14	3.22	3.62	3.50	3.51	3.60	3.68	3.74
19 5-year	5.55	6.16	4.56	4.12	3.91	3.97	4.39	4.25	4.23	4.41	4.45	4.49
20 7-year	5.79	6.20	4.88	4.51	4.31	4.42	4.86	4.70	4.70	4.91	4.91	4.95
21 10-year	5.65	6.03	5.02	4.73	4.57	4.65	5.09	4.92	4.92	5.14	5.14	5.17
22 20-year	6.20	6.23	5.63	5.53	5.34	5.33	5.76	5.60	5.63	5.83	5.79	5.81
23 30-year	5.87	5.94	5.49	5.48	5.32	5.12	5.48	5.33	5.38	5.54	5.49	5.51
STATE AND LOCAL NOTES AND BONDS												
Moody's series ¹⁰												
24 Aaa	5.28	5.58	4.99	4.93	4.89	4.85	5.18	4.97	5.06	5.26	5.19	5.19
25 Baa	5.70	6.19	5.75	5.62	5.55	5.53	5.81	5.65	5.74	5.90	5.81	5.80
26 Bond Buyer series ¹¹	5.43	5.71	5.15	5.09	5.05	5.04	5.25	5.15	5.21	5.26	5.26	5.26
CORPORATE BONDS												
27 Seasoned issues, all industries ¹²	7.45	7.98	7.49	7.54	7.41	7.32	7.43	7.46	7.47	7.46	7.40	7.39
Rating group												
28 Aaa ¹³	7.05	7.62	7.08	7.17	7.03	6.97	6.77	7.10	7.04	6.73	6.65	6.66
29 Aa	7.36	7.83	7.26	7.28	7.13	7.01	7.19	7.15	7.17	7.25	7.19	7.19
30 A	7.53	8.11	7.67	7.67	7.59	7.49	7.70	7.64	7.67	7.75	7.69	7.69
31 Baa	7.88	8.37	7.95	8.03	7.91	7.81	8.05	7.95	7.99	8.13	8.07	8.02
MEMO												
Dividend-price ratio ¹⁴												
32 Common stocks	1.25	1.15	1.32	1.48	1.45	1.38	1.36	1.38	1.33	1.37	1.37	1.36

NOTE: Some of the data in this table also appear in the Board's H.15 (519) weekly statistical release. For ordering address, see inside front cover.

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.

2. Weekly figures are averages of seven calendar days, ending on Wednesday of the current week; monthly figures include each calendar day in the month.

3. Annualized using a 360-day year or bank interest.

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

5. Quoted on a discount basis.

6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See the Board's Commercial Paper web pages (<http://www.federalreserve.gov/releases/cp>) for more information.

7. An average of dealer offering rates on nationally traded certificates of deposit.

8. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.

9. Yields on actively traded issues adjusted to constant maturities. SOURCE: U.S. Department of the Treasury.

10. General obligation bonds based on Thursday figures; Moody's Investors Service.

11. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's A1 rating. Based on Thursday figures.

12. Daily figures are averages of Aaa, Aa, A, and Baa yields from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

13. Effective December 7, 2001, the Moody's Aaa yield includes yields only for industrial firms. Prior to December 7, 2001, the Aaa yield represented both utilities and industrial.

14. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

Indicator	1999	2000	2001	2001								
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Common stock prices (indexes) 1 New York Stock Exchange (Dec. 31, 1965 = 50) 2 Industrial 3 Transportation 4 Utility 5 Finance 6 Standard & Poor's Corporation (1941-43 = 10) ¹ 7 American Stock Exchange (Aug. 31, 1973 = 50) ² Volume of trading (thousands of shares) 8 New York Stock Exchange 9 American Stock Exchange 10 Margin credit at broker-dealers ³ Free credit balances at brokers ⁴ 11 Margin accounts ⁵ 12 Cash accounts Margin requirements (percent of market value and effective date) ⁶ Mar. 11, 1968 June 8, 1968 May 6, 1970 Dec. 6, 1971 Nov. 24, 1972 Jan. 3, 1974 13 Margin stocks 14 Convertible bonds 15 Short sales	Prices and trading volume (averages of daily figures)											
	619.52	643.71	606.03	607.06	644.44	630.86	613.36	604.52	544.39	556.04	575.31	582.82
	775.29	809.40	749.46	747.48	798.94	782.73	756.04	748.65	672.89	688.35	715.98	727.67
	491.62	414.73	444.45	455.22	477.21	458.60	469.80	458.35	382.68	371.56	410.05	433.70
	284.82	478.99	377.72	400.49	414.69	382.98	374.11	357.76	339.72	341.51	330.78	325.33
	530.97	552.48	596.61	587.88	618.74	622.17	614.54	605.59	538.01	553.16	577.85	585.47
	1,327.33	1,427.22	1,194.18	1,189.84	1,270.37	1,238.71	1,204.45	1,178.51	1,044.64	1,076.59	1,129.68	1,144.93
	770.90	922.22	879.08	891.18	940.73	923.06	892.74	883.01	823.78	825.91	814.78	828.19
	799,554	1,026,867	1,216,529	1,247,382	1,091,366	1,152,193	1,120,074	1,012,907	1,666,980	1,293,019	1,242,965	1,240,245
	32,629	51,437	68,074	77,612	66,103	62,395	56,735	48,304	72,319	66,765	88,694	53,337
	Customer financing (millions of dollars, end-of-period balances)											
	228,530	198,790	1,974,550	166,940	174,180	170,000	165,250	161,130	144,670	144,010	148,650	150,450
	55,130	100,680	1,203,170	97,470	91,990	98,430	97,950	103,990	115,450	101,850	98,330	101,640
	79,070	84,400	907,650	77,460	76,260	75,270	73,490	73,710	74,220	69,550	72,090	78,040
	Margin requirements (percent of market value and effective date) ⁶											
Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974		
70	80		65		55		65		50			
50	60		50		50		50		50			
70	80		65		55		65		50			

1. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

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

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

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

5. Series initiated in June 1984.

6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities 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.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1999	2000	2001	2001					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
<i>U.S. budget¹</i>									
1 Receipts, total	1,827,302	2,025,218	1,990,930	127,842	122,559	158,496	157,163	121,233	187,914
2 On-budget	1,382,986	1,544,634	1,483,411	89,473	84,011	116,598	122,004	83,375	150,941
3 Off-budget	444,468	480,584	507,519	38,369	38,548	41,898	35,159	37,858	36,973
4 Outlays, total	1,702,875	1,788,826	1,863,909	125,022	202,549	123,250	166,548	175,500	161,347
5 On-budget	1,382,097	1,458,061	1,517,071	92,145	138,167	111,255	134,014	140,388	162,916
6 Off-budget	320,778	330,765	346,838	32,877	64,382	11,996	32,534	35,112	-1,569
7 Surplus or deficit (-), total	124,579	236,392	127,021	2,820	-79,990	35,245	-9,385	-54,267	26,567
8 On-budget	889	86,573	-33,660	-2,672	-54,156	5,343	-12,010	-57,013	-11,975
9 Off-budget	123,690	149,819	160,682	5,492	-25,834	29,902	2,625	2,746	38,542
<i>Source of financing (total)</i>									
10 Borrowing from the public	-88,674	-222,807	-90,118	-7,460	74,101	1,996	-3,695	72,036	-8,813
11 Operating cash (decrease, or increase [-])	-17,580	3,799	8,440	20,589	16,769	-37,890	16,612	-2,908	-21,837
12 Other ²	-18,325	-17,384	-45,343	-15,949	-10,880	649	-3,532	-14,861	4,083
MEMO									
13 Treasury operating balance (level, end of period)	56,458	52,659	44,219	23,098	6,329	44,219	27,607	30,515	52,352
14 Federal Reserve Banks	6,641	8,459	9,796	5,592	5,533	9,796	5,112	6,219	6,645
15 Tax and loan accounts	49,817	44,199	34,423	17,506	795	34,423	22,495	24,295	45,707

1. Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold;

net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCE: Monthly totals; U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; and fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government* when available.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	2000	2001	2000		2001		2001		
			H1	H2	H1	H2	Oct.	Nov.	Dec.
RECEIPTS									
1 All sources	2,025,218	1,990,930	1,089,763	953,667	1,120,040	875,207	157,163	121,233	187,914
2 Individual income taxes, net	1,004,462	994,339	550,208	458,679	580,632	420,105	77,772	56,534	92,036
3 Withheld	780,397	793,386	388,526	395,572	402,417	398,365	69,963	59,818	86,889
4 Nonwithheld	358,049	383,146	281,103	77,732	308,418	76,199	9,858	2,729	6,472
5 Refunds	134,046	182,251	119,477	14,628	130,256	54,461	2,049	6,013	1,325
Corporation income taxes									
6 Gross receipts	235,655	186,732	119,166	123,962	102,947	90,970	30,134	3,411	38,238
7 Refunds	28,367	35,657	13,781	15,776	20,262	21,945	10,388	3,450	2,247
8 Social insurance taxes and contributions, net	652,852	693,967	353,514	310,122	379,878	314,678	48,794	53,263	50,628
9 Employment taxes and contributions ²	620,451	661,442	333,584	297,665	359,648	302,518	46,887	50,494	50,608
10 Unemployment insurance	27,640	27,812	17,562	10,097	17,842	9,880	1,529	2,356	224
11 Other net receipts ³	4,761	4,712	2,368	2,360	2,387	2,281	378	413	346
12 Excise taxes	68,865	66,232	33,532	35,501	32,490	29,124	3,657	4,842	3,011
13 Customs deposits	19,914	19,616	9,218	10,676	9,370	10,032	1,920	1,571	1,297
14 Estate and gift taxes	29,010	28,400	15,073	13,216	15,471	12,643	2,488	2,204	1,895
15 Miscellaneous receipts ⁴	42,826	37,305 ⁵	22,831	17,286	19,517	19,595	2,786	2,857	3,056
OUTLAYS									
16 All types	1,788,826	1,863,909	892,947	895,630	948,750	954,216	166,548	175,500	161,347
17 National defense	294,494	304,486	143,476	147,651	153,154	160,877	26,373	30,983	26,988
18 International affairs	17,216	16,522	7,250	11,902	6,522	9,072	2,519	2,606	1,924
19 General science, space, and technology	18,637	20,715	9,601	10,389	10,073	10,868	2,025	1,781	1,738
20 Energy	-1,060	48	-893	130	-244	494	-355	145	192
21 Natural resources and environment	25,031	23,738	10,814	12,907	11,059	13,310	2,248	2,518	2,179
22 Agriculture	36,641	28,339	11,164	20,977	10,832	19,954	5,288	4,576	4,773
23 Commerce and housing credit	3,211	5,801	-2,497	4,408	-1,539	6,941	1,194	218	-1,123
24 Transportation	46,854	53,882	21,054	25,841	23,810	33,006	5,423	5,885	4,580
25 Community and regional development	10,629	12,827	5,050	5,962	5,265	8,450	1,509	1,110	1,436
26 Education, training, employment, and social services	59,201	62,869	31,234	29,263	35,698	28,290	6,113	5,370	5,838
27 Health	154,534	171,912	75,871	81,413	87,427	92,411	17,549	15,216	16,045
28 Social security and Medicare	606,549	650,407	306,966	307,473	328,072	331,522	53,444	58,302	54,914
29 Income security	247,895	263,274	133,915	113,212	146,913	124,312	21,664	24,281	21,322
30 Veterans benefits and services	47,083	45,029	23,174	22,615	23,171	24,769	4,294	5,941	4,062
31 Administration of justice	27,820	29,754	13,981	14,635	14,694	16,209	3,230	2,834	2,868
32 General government	13,454	15,084	6,198	6,461	8,887	8,688	1,581	1,365	3,123
33 Net interest ⁶	223,218	206,088	115,545	104,685	107,824	89,692	16,157	15,928	13,781
34 Undistributed offsetting receipts ⁶	-42,581	-47,011	-19,346	-24,070	-22,865	-24,516	-3,727	-3,560	-3,294

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do 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. Federal employee retirement contributions and civil service retirement and disability fund.

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

5. Includes interest received by trust funds.

6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2002*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1999	2000				2001			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 Federal debt outstanding	5,805.0	5,801.5	5,714.2	5,701.9	5,689.6	5,800.6	5,753.9	5,834.5	5,970.3^c
2 Public debt securities	5,776.1	5,773.4	5,685.9	5,674.2	5,662.2	5,773.7	5,726.8	5,807.5	5,943.4 ^c
3 Held by public	3,715.5	3,688.0	3,495.7	3,438.5	3,413.5	3,434.4	3,274.2	3,338.7	3,393.8 ^c
4 Held by agencies	2,060.6	2,085.4	2,190.2	2,235.7	2,248.7	2,339.4	2,452.6	2,468.8	2,549.7 ^c
5 Agency securities	28.9	28.1	28.3	27.7	27.4	26.8	27.1	27.0	26.8 ^c
6 Held by public	28.3	27.8	28.2	27.6	27.3	26.8	27.1	27.0	26.8 ^c
7 Held by agencies	.6	.4	.1	.1	.1	.1	.0	.0	.0 ^c
8 Debt subject to statutory limit	5,686.9	5,686.5	5,600.6	5,591.6	5,580.5	5,692.3	5,644.8	5,732.6	5,871.4^c
9 Public debt securities	5,686.7	5,686.3	5,600.5	5,591.4	5,580.2	5,692.3	5,644.8	5,807.5	5,943.4 ^c
10 Other debt ¹	.1	.2	.2	.2	.2	.2	.2	.2	.3 ^c
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0 ^c

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

SOURCE: U.S. Department of the Treasury, *Monthly Statement of the Public Debt of the United States and Monthly Treasury Statement*.

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

Billions of dollars, end of period

Type and holder	1998	1999	2000	2001	2001			
					Q1	Q2	Q3	Q4
1 Total gross public debt	5,614.2	5,776.1	5,662.2	5,943.4	5,773.7	5,726.8	5,807.5	5,943.4
<i>By type</i>								
2 Interest-bearing	5,605.4	5,766.1	5,618.1	5,930.8	5,752.0	5,682.8	5,763.6	5,930.8
3 Marketable	3,355.5	3,281.0	2,966.9	2,982.9	2,981.9	2,822.3	2,897.3	2,982.9
4 Bills	691.0	737.1	646.9	811.3	712.0	620.1	734.9	811.3
5 Notes	1,960.7	1,784.5	1,557.3	1,413.9	1,499.0	1,441.0	1,399.6	1,413.9
6 Bonds	621.2	643.7	626.5	602.7	627.9	616.9	612.9	602.7
7 Inflation-indexed notes and bonds ¹	67.6	100.7	121.2	140.1	128.0	129.3	134.9	140.1
8 Nonmarketable ²	2,249.9	2,485.1	2,651.2	2,947.9	2,770.0	2,860.5	2,866.4	2,947.9
9 State and local government series	165.3	165.7	151.0	146.3	152.9	153.3	146.4	146.3
10 Foreign issues ³	34.3	31.3	27.2	15.4	24.7	24.0	18.3	15.4
11 Government	34.3	31.3	27.2	15.4	24.7	24.0	18.3	15.4
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	180.3	179.4	176.9	181.5	177.4	178.4	179.6	181.5
14 Government account series ⁴	1,840.0	2,078.7	2,266.1	2,574.8	2,360.3	2,474.7	2,492.1	2,574.8
15 Non-interest-bearing	8.8	10.0	44.2	12.7	46.5	44.0	43.8	12.7
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	1,828.1	2,064.2	2,249.0	n.a.	2,357.0	2,469.1	2,493.7	n.a.
17 Federal Reserve Banks ⁶	452.1	478.0	511.7	551.7	523.9	535.1	534.1	551.7
18 Private investors	3,334.0	3,233.9	2,880.4	n.a.	2,892.9	2,722.6	2,779.7	n.a.
19 Depository institutions	237.3	246.5	199.2	n.a.	187.9	190.1	189.0	n.a.
20 Mutual funds	343.3	335.4	312.6	n.a.	322.8	333.2	362.7	n.a.
21 Insurance companies	141.7	123.4	110.2	n.a.	101.9	94.8	88.5	n.a.
22 State and local treasuries ⁷	269.3	266.8	236.2	n.a.	224.0	216.5	188.9	n.a.
Individuals								
23 Savings bonds	186.6	186.4	184.8	n.a.	184.8	185.5	186.4	n.a.
24 Pension funds	356.9	349.7	333.4	n.a.	326.5	324.6	314.7	n.a.
25 Private	139.1	138.5	137.7	n.a.	131.2	127.5	122.7	n.a.
26 State and local	217.7	211.2	195.7	n.a.	195.3	197.1	192.0	n.a.
27 Foreign and international ⁸	1,278.7	1,268.7	1,201.3	n.a.	1,196.1	1,167.1	1,170.0	n.a.
28 Other miscellaneous investors ⁹	517.5	444.1	276.9	n.a.	323.6	195.8	n.a.	n.a.

1. The U.S. Treasury first issued inflation-indexed securities during the first quarter of 1997.

2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.

4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.

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

6. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table 1.18.

7. In March 1996, in a redefinition of series, fully defeased debt backed by nonmarketable federal securities was removed from "Other miscellaneous investors" and added to "State and local treasuries." The data shown here have been revised accordingly.

8. Includes nonmarketable foreign series Treasury securities and Treasury deposit funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

9. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

SOURCES: Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, Federal Reserve Board of Governors, *Flow of Funds Accounts of the United States* and U.S. Treasury Department, *Treasury Bulletin*, unless otherwise noted.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2001			2001, week ending								
	Sept.	Oct.	Nov.	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19	Dec. 26
<i>By type of security</i>												
1 U.S. Treasury bills	29,627	28,935	42,441	32,351	46,129	38,720	41,919	41,112	44,621	40,085	36,596	30,462
Treasury coupon securities by maturity												
2 Three years or less	96,124	106,558	133,582	110,220	135,164	121,476	133,713	142,859	134,961	117,836	100,532	54,426
3 More than three but less than or equal to six years	76,258	83,732	111,681	87,813	141,908	109,895	107,670	83,813	105,445	96,935	87,243	37,426
4 More than six but less than or equal to eleven years	60,808	59,295	79,622	66,353	89,839	70,506	90,672	66,402	71,130	80,786	64,945	26,256
5 More than eleven	18,764	24,268	30,303	34,983	40,584	27,110	28,648	23,938	27,849	23,206	18,809	10,470
6 Inflation-indexed ²	1,653	2,565	2,282	2,168	3,405	1,994	1,969	1,952	1,491	1,503	1,453	772
Federal agency and government-sponsored enterprises												
7 Discount notes	70,486	61,756	60,945	63,560	62,391	61,257	60,314	57,674	64,828	56,354	59,856	52,876
Coupon securities by maturity												
8 Three years or less	11,891	11,551	13,099	11,480	11,691	13,475	16,350	11,290	11,358	11,510	12,941	3,511
9 More than three years but less than or equal to six years	8,913	11,860	9,457	9,211	8,492	13,461	10,164	5,747	9,510	8,104	8,565	10,054
10 More than six years but less than or equal to eleven years	10,595	8,487	11,006	9,484	12,092	10,308	13,725	7,828	9,241	10,741	6,878	3,546
11 More than eleven years	1,010	1,451	1,758	1,989	2,274	2,854	1,093	1,143	1,165	1,489	1,853	1,474
12 Mortgage-backed	129,615	130,025	144,605	92,084	166,493	181,741	140,520	91,673	131,685	170,741	136,978	40,216
Corporate securities												
13 One year or less	95,488	79,349	76,651	67,299	76,073	84,847	83,253	63,122	72,261	75,478	91,035	54,280
14 More than one year	14,825	20,690	22,319	22,731	21,754	24,765	25,170	17,712	20,921	18,841	18,721	9,047
<i>By type of counterparty</i>												
With interdealer broker												
15 U.S. Treasury	125,189	139,549	180,416	150,216	204,851	170,365	179,261	166,102	170,943	166,587	139,874	65,989
16 Federal agency and government-sponsored enterprises	11,668	11,878	13,155	12,120	12,741	14,406	14,167	11,317	12,829	11,793	11,517	6,321
17 Mortgage-backed	33,296	36,435	36,048	25,614	38,520	47,633	32,056	27,251	34,270	41,039	37,960	11,200
18 Corporate	793	666	588	558	625	672	613	462	521	485	472	201
With other												
19 U.S. Treasury	158,044	165,804	219,495	183,672	252,179	199,336	225,330	193,975	214,554	193,765	169,704	93,824
20 Federal agency and government-sponsored enterprises	91,226	83,227	83,110	83,603	84,198	86,949	87,479	72,366	83,274	76,404	78,575	65,140
21 Mortgage-backed	96,318	93,590	108,557	66,470	127,973	134,108	108,464	64,422	97,415	129,702	99,018	29,016
22 Corporate	109,520	99,373	98,382	89,471	97,202	108,940	107,810	80,373	92,661	93,834	109,284	63,127

1. The figures represent purchases and sales in the market by the primary U.S. government securities dealers reporting to the Federal Reserve Bank of New York. Outright transactions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities scheduled for immediate and forward delivery, as well as all U.S. government securities traded on a when-issued basis between the announcement and issue date. Data do not include transactions under repurchase and reverse repurchase (resale) agreements. Averages are based on the number of trading days in the week.

2. Outright Treasury inflation-indexed securities (TIIS) transactions are reported at principal value, excluding accrued interest, where principal value reflects the original issuance par amount (unadjusted for inflation) times the price times the index ratio.

NOTE: Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/pihome/statistics>) under the Primary Dealer heading.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	2001			2001, week ending							
	Sept.	Oct.	Nov.	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Dec. 5	Dec. 12	Dec. 19
NET OUTRIGHT POSITIONS²											
<i>By type of security</i>											
1 U.S. Treasury bills	29,542	21,414	19,504 ²	21,354	5,491	10,700	20,314	38,298	30,754	43,293	33,371
Treasury coupon securities by maturity											
2 Three years or less	-13,889	-21,698	-28,331 ²	-29,568	-27,897	-26,296	-31,734	-28,206	-25,500	-24,373	-29,358
3 More than three years but less than or equal to six years	-10,010	-19,650	-23,842 ²	-21,421	-24,026	-22,704	-23,811	-24,715	-24,234	-22,702	-25,922
4 More than six but less than or equal to eleven years	-13,631	-8,478	-10,659 ²	-8,339	-8,587	-7,486	-11,358	-14,145	-14,365	-17,183	-17,288
5 More than eleven	10,701	10,868	10,806 ²	12,495	13,586	13,700	11,113	6,819	3,821	4,001	3,971
6 Inflation-indexed	3,918	4,541	4,378 ²	4,392	5,117	4,365	4,152	4,163	3,387	3,258	2,633
Federal agency and government-sponsored enterprises											
7 Discount notes	58,480	50,870	49,711 ²	43,180	45,104	55,967	50,853	47,424	47,952	50,292	46,561
Coupon securities, by maturity											
8 Three years or less	14,089	14,742	11,372 ²	11,265	9,833	12,226	11,510	11,589	12,520	11,919	10,668
9 More than three years but less than or equal to six years	-1,937	1,395	583 ²	1,370	1,023	1,582	897	-542	-1,610	-603	-1,074
10 More than six but less than or equal to eleven years	2,516	1,889	1,932 ²	357	739	1,045	3,361	2,288	2,967	2,431	1,755
11 More than eleven	3,231	3,733	4,482 ²	3,988	4,232	4,718	4,655	4,565	3,636	4,101	3,420
12 Mortgage-backed	7,506	12,233	24,212 ²	13,967	28,015	25,172	19,937	24,916	20,033	16,283	20,774
Corporate securities											
13 One year or less	18,108	18,969	21,057 ²	18,895	22,512	24,956	21,561	16,744	15,653	22,309	18,128
14 More than one year	29,098	31,904	35,111 ²	33,500	36,262	34,767	33,033	35,698	37,507	42,449	41,847
FINANCING³											
Securities in U.S. Treasury											
15 Overnight and continuing	536,941	565,640	558,495 ²	573,068	584,875	581,145	507,774	556,033	573,035	570,867	523,170
16 Term	660,031	660,095	733,782 ²	707,291	728,636	743,640	750,444	713,570	729,714	735,721	765,042
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	112,778	120,632	132,478 ²	121,299	145,788	133,597	119,425	131,925	129,596	133,506	125,436
18 Term	171,037	176,742	217,708 ²	187,817	205,840	197,372	232,333	229,793	236,941	247,270	255,285
Mortgage-backed securities											
19 Overnight and continuing	24,748	26,548	29,959 ²	25,276	32,415	28,176	23,420	33,671	37,505	37,285	33,549
20 Term	208,146	216,423	226,356 ²	230,291	222,660	225,519	229,877	225,796	231,852	225,636	230,396
Corporate securities											
21 Overnight and continuing	34,799	37,072	39,512 ²	37,898	38,817	38,851	38,980	42,104	37,047	38,428	37,305
22 Term	12,781	14,101	15,880 ²	13,808	14,528	13,984	16,727	17,354	19,119	18,300	18,880
MEMO: Reverse repurchase agreements											
23 Overnight and continuing	338,279	362,499	367,220 ²	389,737	406,008	382,523	297,926	374,929	393,445	386,656	340,194
24 Term	929,665	936,892	1,066,871 ²	994,875	1,051,851	1,057,706	1,099,430	1,052,854	1,086,627	1,107,733	1,140,661
Securities out U.S. Treasury											
25 Overnight and continuing	556,068	580,816	547,900 ²	585,572	561,390	578,587	487,138	558,791	567,822	545,176	519,127
26 Term	596,767	589,529	670,462 ²	636,553	666,574	671,469	688,687	657,001	663,869	694,389	701,100
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	200,899	218,541	221,623 ²	207,288	231,218	223,140	205,545	224,772	227,978	223,470	225,653
28 Term	131,482	130,511	172,805 ²	143,002	159,821	152,423	198,903	176,537	185,175	198,983	212,762
Mortgage-backed securities											
29 Overnight and continuing	258,259	271,700	277,885 ²	255,932	261,857	305,406	245,344	300,779	271,418	267,683	287,375
30 Term	112,292	134,317	147,287 ²	139,969	132,790	134,053	193,704	133,075	131,621	136,497	138,937
Corporate securities											
31 Overnight and continuing	80,776	92,074	95,909 ²	92,193	95,076	103,381	95,421	91,021	91,495	100,808	98,076
32 Term	8,333	10,158	10,853 ²	12,244	9,508	8,320	14,041	11,722	10,225	9,869	10,881
MEMO: Repurchase agreements											
33 Overnight and continuing	965,270	1,019,698	1,000,031 ²	1,005,472	1,008,405	1,059,874	888,904	1,038,747	1,014,709	996,637	983,641
34 Term	832,229	846,123	981,393 ²	912,562	948,335	946,450	1,075,887	958,159	969,989	1,019,036	1,042,256

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data. Positions for calendar days of the report week are assumed to be constant. Monthly averages are based on the number of calendar days in the month.

2. Net outright positions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities scheduled for immediate and forward delivery, as well as U.S. government securities traded on a when-issued basis between the announcement and issue date.

3. Figures cover financing U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities. Financing transactions for Treasury inflation-indexed securities (TIIS) are reported in actual funds paid or received, except for pledged securities. TIIS that are issued as pledged securities are reported at par value, which is the value of the security at original issuance (unadjusted for inflation).

NOTE: Major changes in the report form filed by primary dealers included a break in many series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/pihome/statistics>) under the Primary Dealer heading.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1997	1998	1999	2000	2001				
					June	July	Aug.	Sept.	Oct.
1 Federal and federally sponsored agencies	1,022,609	1,296,477	1,616,492	1,851,632	1,986,146	2,009,746	2,028,562	2,071,164	26,781
2 Federal agencies	27,792	26,502	26,376	25,666	25,495	25,325	26,623	27,017	6
3 Defense Department ¹	6	6	6	6	6	6	6	6	n.a.
4 Export-Import Bank ^{2,3}	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	252
5 Federal Housing Administration ⁴	102	205	126	255	204	210	224	231	n.a.
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26,775
8 Tennessee Valley Authority	27,786	26,496	26,370	25,660	25,489	25,319	26,617	27,011	n.a.
9 United States Railway Association ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	994,817	1,269,975	1,590,116	1,825,966	1,960,651	1,984,421	2,001,939	2,044,147	n.a.
11 Federal Home Loan Banks	313,919	382,131	529,005	594,404	595,148	601,490	599,070	614,325	618,071
12 Federal Home Loan Mortgage Corporation	169,200	287,396	360,711	426,899	496,711	508,944	515,671	534,434	540,371
13 Federal National Mortgage Association	369,774	460,291	547,619	642,700	702,300	706,800	718,000	727,000	726,200
14 Farm Credit Banks ⁸	63,517	63,488	68,883	74,181	76,330	76,307	76,264	76,385	76,339
15 Student Loan Marketing Association ⁹	37,717	35,399	41,988	45,375	47,687	48,427	50,356	49,404	n.a.
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	49,090	44,129	42,152	40,575	38,235	37,510	37,789	42,825	40,574
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	13,530	9,500	6,665	5,275	5,155	5,155	5,155	4,375	n.a.
26 Rural Electrification Administration	14,898	14,091	14,085	13,126	13,381	13,483	13,602	13,599	13,698
27 Other	20,110	20,538	21,402	22,174	19,699	18,872	19,032	30,851	26,876

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

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

3. On-budget since Sept. 30, 1976.

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

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

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agriculture Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.

9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

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

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

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

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

14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1998	1999	2000	2001							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 All issues, new and refunding ¹	262,342	215,427	180,403	26,248	29,298	19,232	21,152	13,159	30,446	30,105	28,363
By type of issue											
2 General obligation	87,015	73,308	64,475	8,385	9,691	5,836	8,796	3,926	14,302	10,163	9,218
3 Revenue	175,327	142,120	115,928	17,863	19,606	13,396	12,356	9,233	16,144	19,942	19,146
By type of issuer											
4 State	23,506	16,376	19,944	3,123	2,905	2,029	2,713	1,504	6,008	2,271	746
5 Special district or statutory authority ²	178,421	152,418	111,695	17,281	20,672	11,784	12,351	9,137	17,382	21,601	22,525
6 Municipality, county, or township	60,173	46,634	39,273	5,845	5,721	5,419	6,088	2,518	7,056	6,233	5,093
7 Issues for new capital	160,568	161,065	154,257	20,002	20,044	15,015	13,550	10,110	21,249	21,009	21,389
By use of proceeds											
8 Education	36,904	36,563	38,665	5,714	6,460	3,379	2,950	3,017	4,279	4,475	4,818
9 Transportation	19,926	17,394	19,730	2,522	1,258	3,160	1,669	1,195	1,587	2,882	1,349
10 Utilities and conservation	21,037	15,098	11,917	2,969	3,191	1,055	1,228	1,025	2,324	2,429	2,560
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	8,594	9,099	7,122	422	443	508	708	663	688	359	1,642
13 Other purposes	42,450	47,896	47,309	4,736	5,047	3,803	4,524	1,732	9,158	5,281	6,319

1. Par amounts of long-term issues based on date of sale.

2. Includes school districts.

SOURCE: Securities Data Company beginning January 1990; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1998	1999	2000	2001							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 All issues ¹	1,128,491	1,072,866	942,198	92,778	164,563	122,773	93,451	97,944	89,855	139,181	123,517
2 Bonds ²	1,001,736	941,298	807,281	86,274	154,623	102,476	84,872	89,990	84,509	123,346	110,888
By type of offering											
3 Sold in the United States	923,771	818,683	684,484	81,156	146,164	96,382	79,508	86,759	80,223	120,162	106,563
4 Sold abroad	77,965	122,615	122,798	5,117	8,459	6,094	5,364	3,231	4,286	3,185	4,326
MEMO											
5 Private placements, domestic	37,844	24,703	18,370	0	2,563	3,146	12	48	0	224	4,936
By industry group											
6 Nonfinancial	307,711	293,963	242,452	33,549	67,142	34,996	18,904	28,546	31,920	43,830	42,189
7 Financial	694,025	647,335	564,829	52,725	87,481	67,480	65,968	61,443	52,589	79,517	68,699
8 Stocks ³	182,055	223,968	283,717	6,504	9,940	20,297	8,579	7,954	5,346	15,835	12,629
By type of offering											
9 Public	126,755	131,568	134,917	6,504	9,940	20,297	8,579	7,954	5,346	15,835	12,629
10 Private placement ⁴	55,300	92,400	148,800	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
11 Nonfinancial	74,113	110,284	118,369	4,822	6,809	16,630	4,237	5,487	81	7,611	7,592
12 Financial	52,642	21,284	16,548	1,682	3,131	3,667	4,342	2,467	5,265	8,224	5,037

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

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data are not available.

SOURCE: Securities Data Company and the Board of Governors of the Federal Reserve System.

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1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2000	2001	2001							
			May	June	July	Aug.	Sept.	Oct.	Nov. ²	Dec.
1 Sales of own shares ²	2,279,315	1,806,175	158,361	139,270	138,428	142,577	105,038	153,827	147,192	151,480
2 Redemptions of own shares	2,057,277	1,677,026	132,574	125,097	129,021	131,408	127,995	137,837	124,060	149,465
3 Net sales ³	222,038	129,149	25,787	14,173	9,407	11,169	-22,957	15,990	23,132	2,015
4 Assets ⁴	5,123,747	4,683,807	4,956,982	4,888,874	4,825,144	4,635,477	4,253,850	4,376,923	4,625,601	4,683,807
5 Cash ⁵	277,386	222,637	237,487	240,199	240,392	240,329	223,077	229,576	239,671	222,637
6 Other	4,846,361	4,461,170	4,719,495	4,648,675	4,584,752	4,395,148	4,030,773	4,147,347	4,385,930	4,461,170

1. Data include stock, hybrid, and bond mutual funds and exclude money market mutual funds.

2. Excludes reinvestment of net income dividends and capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

4. Market value at end of period, less current liabilities.

5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1998	1999	2000	1999	2000				2001		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Profits with inventory valuation and capital consumption adjustment	777.4	825.2	876.4	857.6	870.3	892.8	895.0	847.6	789.8	759.8	697.0
2 Profits before taxes	721.1	776.3	845.4	825.0	844.9	862.0	858.3	816.5	755.7	738.3	680.6
3 Profits-tax liability	238.8	253.0	271.5	267.3	277.0	280.4	274.9	253.5	236.8	228.0	204.9
4 Profits after tax	482.3	523.3	573.9	557.7	567.8	581.6	583.4	563.0	518.9	510.3	475.6
5 Dividends	348.7	343.5	379.6	349.6	361.5	373.7	386.2	397.0	405.2	412.3	420.4
6 Undistributed profits	133.6	179.8	194.3	208.1	206.3	207.9	197.2	165.9	113.7	98.0	55.2
7 Inventory valuation	18.3	-2.9	-12.4	-21.0	-23.8	-14.8	-3.6	-7.3	-1.9	-8.8	3.1
8 Capital consumption adjustment	38.0	51.7	43.4	53.6	49.2	45.5	40.4	38.4	36.0	30.3	13.4

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1999	2000	2001	2000			2001			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
1 Accounts receivable, gross ²	845.4	958.6	n.a.	921.5	939.9	958.6	954.4	988.7	967.7	n.a.
2 Consumer	304.4	327.9	n.a.	321.8	331.5	327.9	319.2	324.5	329.2	n.a.
3 Business	395.1	458.4	n.a.	441.9	443.0	458.4	459.1	481.9	451.1	n.a.
4 Real estate	145.8	172.3	n.a.	157.7	165.4	172.3	176.1	182.3	187.4	n.a.
5 LESS: Reserves for unearned income	61.4	69.7	n.a.	66.1	68.3	69.7	69.9	61.5	60.8	n.a.
6 Reserves for losses	14.7	16.7	n.a.	15.7	15.6	16.7	17.2	17.4	18.0	n.a.
7 Accounts receivable, net	769.3	872.2	n.a.	839.6	856.1	872.2	867.3	909.7	888.9	n.a.
8 All other	406.6	461.5	n.a.	419.4	442.3	461.5	474.8	459.0	478.2	n.a.
9 Total assets	1,175.9	1,333.7	n.a.	1,259.0	1,298.4	1,333.7	1,342.1	1,368.7	1,367.1	n.a.
LIABILITIES AND CAPITAL										
10 Bank loans	35.4	35.9	n.a.	32.8	35.7	35.9	41.6	45.3	44.5	n.a.
11 Commercial paper	230.4	238.8	n.a.	224.3	218.8	238.8	180.9	181.6	171.0	n.a.
Debt										
12 Owed to parent	87.8	102.5	n.a.	95.1	100.0	102.5	97.2	93.4	90.8	n.a.
13 Not elsewhere classified	429.9	502.2	n.a.	483.7	507.3	502.2	533.8	542.1	555.9	n.a.
14 All other liabilities	237.8	301.8	n.a.	277.5	288.1	301.8	325.1	336.3	327.7	n.a.
15 Capital, surplus, and undivided profits	154.5	152.5	n.a.	145.7	148.5	152.5	163.5	170.0	177.3	n.a.
16 Total liabilities and capital	1,175.9	1,333.7	n.a.	1,259.0	1,298.4	1,333.7	1,342.1	1,368.7	1,367.1	n.a.

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.

2. Before deduction for unearned income and losses. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit		1998	1999	2000	2001					
					June ^e	July ^e	Aug. ^e	Sept. ^e	Oct. ^e	Nov.
		Seasonally adjusted								
1	Total	904.4	1,027.0	1,181.3	1,235.7	1,241.1	1,241.5	1,244.3	1,242.0	1,245.3
2	Consumer	369.1	409.0	464.0	490.4	491.0	496.7	496.0	497.9	510.4
3	Real estate	150.3	174.0	198.9	208.5	212.7	214.9	213.1	217.8	210.8
4	Business	385.0	444.0	518.4	536.8	537.4	529.9	535.2	526.3	524.1
		Not seasonally adjusted								
5	Total	912.7	1,036.4	1,192.1	1,241.8	1,236.0	1,235.7	1,239.5	1,240.7	1,242.2
6	Consumer	372.5	412.7	468.3	491.3	493.0	498.2	498.0	500.9	513.9
7	Motor vehicle loans	113.5	129.2	141.6	144.6	146.0	153.5	151.6	164.8	177.8
8	Motor vehicle leases	96.6	102.9	108.2	110.2	110.0	110.3	108.3	107.3	105.5
9	Revolving ²	31.9	32.5	37.6	36.8	36.4	36.0	35.9	28.0	29.3
10	Other ³	37.9	39.8	40.7	32.8	33.2	33.6	33.4	31.3	31.7
	Securitized assets ⁴									
11	Motor vehicle loans	54.8	73.1	97.1	114.6	115.8	113.5	117.5	124.3	124.8
12	Motor vehicle leases	12.7	9.7	6.6	7.6	7.4	7.2	7.0	6.9	7.0
13	Revolving	5.5	6.7	19.6	29.1	29.1	28.9	29.3	23.5	23.4
14	Other	19.6	18.8	17.1	15.5	15.2	15.2	15.0	14.8	14.5
15	Real estate	150.3	174.0	198.9	208.5	212.7	214.9	213.1	217.8	210.8
16	One- to four-family	90.0	108.2	130.6	140.1	144.7	146.9	144.8	150.2	143.2
17	Other	31.2	37.6	41.7	42.2	42.0	42.2	42.6	42.1	42.3
	Securitized real estate assets ⁴									
18	One- to four-family	29.0	28.0	24.7	23.4	23.2	23.0	22.8	22.7	22.4
19	Other .....	.1	.2	1.9	2.8	2.8	2.8	2.9	2.9	2.9
20	Business	389.9	449.6	525.0	542.0	530.3	522.6	528.4	522.0	517.6
21	Motor vehicles	64.8	69.4	75.5	83.9	79.6	56.9	57.8	52.7	52.9
22	Retail loans	19.5	21.1	18.3	16.6	16.6	16.7	16.7	16.8	16.2
23	Wholesale loans ⁵	32.8	34.8	39.7	49.3	45.0	22.2	23.6	18.7	19.5
24	Leases	12.5	13.6	17.6	18.1	18.0	18.0	17.5	17.2	17.2
25	Equipment	212.2	238.7	283.5	292.6	287.3	288.4	288.2	290.6	287.3
26	Loans	59.2	64.5	70.2	76.1	74.5	76.1	76.8	79.9	77.1
27	Leases	153.0	174.2	213.3	216.4	212.8	212.3	211.4	210.7	210.2
28	Other business receivables ⁶	63.9	87.0	99.4	105.4	103.8	103.2	105.1	104.8	103.9
	Securitized assets ⁴									
29	Motor vehicles	29.2	31.5	37.8	31.4	30.6	45.2	48.0	45.3	43.9
30	Retail loans	2.6	2.9	3.2	3.1	2.9	2.8	2.6	2.4	3.0
31	Wholesale loans	24.7	26.4	32.5	25.8	25.1	39.8	42.8	40.3	38.3
32	Leases	1.9	2.1	2.2	2.6	2.6	2.6	2.7	2.7	2.7
33	Equipment	13.0	14.6	23.1	22.6	23.0	22.7	23.1	22.5	23.4
34	Loans	6.6	7.9	15.5	15.2	15.2	14.8	15.1	14.5	15.5
35	Leases	6.4	6.7	7.6	7.5	7.8	7.9	8.0	8.0	7.9
36	Other business receivables ⁶	6.8	8.4	5.6	6.0	6.0	6.2	6.1	6.1	6.2

NOTE: This table has been revised to incorporate several changes resulting from the benchmarking of finance company receivables to the June 1996 Survey of Finance Companies. In that benchmark survey, and in the monthly surveys that have followed, more detailed breakdowns have been obtained for some components. In addition, previously unavailable data on securitized real estate loans are now included in this table. The new information has resulted in some reclassification of receivables among the three major categories (consumer, real estate, and business) and in discontinuities in some component series between May and June 1996.

Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

1. Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown

before deductions for unearned income and losses. Components may not sum to totals because of rounding.

2. Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods, such as appliances, apparel, boats, and recreation vehicles.

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

5. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

6. Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1999	2000	2001	2001						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
Terms ¹										
1 Purchase price (thousands of dollars)	210.7	234.5	245.0	250.6	242.9	241.5	246.6	242.9	252.2	253.0
2 Amount of loan (thousands of dollars)	161.7	177.0	184.2	188.7	182.7	181.3	184.3	181.2	189.1	190.0
3 Loan-to-price ratio (percent)	78.7	77.4	77.3	77.3	77.3	76.6	77.1	76.9	77.2	77.2
4 Maturity (years)	28.8	29.2	28.8	28.7	28.8	28.7	29.0	28.5	28.6	28.9
5 Fees and charges (percent of loan amount) ² .....	.77	.70	.67	.66	.66	.61	.61	.67	.63	.69
Yield (percent per year)										
6 Contract rate ³	6.94	7.41	6.90	7.02	7.01	7.06	6.80	6.63	6.54	6.68
7 Effective rate ^{3,13}	7.06	7.52	7.00	7.12	7.11	7.15	6.89	6.73	6.63	6.79
8 Contract rate (HUD series) ⁴	7.45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (section 203) ⁵	7.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.03	7.57	6.36	6.55	6.49	6.29	6.03	5.86	5.96	6.43
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	523,941	610,122	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 FHA/VA insured	55,318	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	468,623	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	195,210	154,231	270,384	24,430	26,082	22,111	16,016	20,020	25,389	36,769
Mortgage commitments (during period)										
15 Issued ⁷	187,948	163,689	52,796	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 To sell ⁸	5,900	11,786	1,601	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸										
17 Total	324,443	385,693	491,719	443,810	454,485	465,553	470,850	477,588	483,911	491,719
18 FHA/VA insured	1,836	3,332	3,506	2,738	2,689	2,643	2,597	2,553	3,562	3,506
19 Conventional	322,607	382,361	488,213	441,072	451,796	462,910	468,253	475,035	480,349	488,213
Mortgage transactions (during period)										
20 Purchases	239,793	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	233,031	166,901	389,611	38,133	44,574	33,933	32,666	31,646	38,958	50,532
22 Mortgage commitments contracted (during period) ⁹	228,432	169,231	417,434	37,312	43,788	34,087	31,140	41,346	42,619	51,456

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes, compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

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

3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

7. Does not include standby commitments issued, but includes standby commitments converted.

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1997	1998	1999	2000			2001	
				Q2	Q3	Q4	Q1	Q2
1 All holders	5,203,854	5,726,058	6,363,297	6,637,220	6,790,900	6,938,109	7,061,571	7,281,487
<i>By type of property</i>								
2 One- to four-family residences	3,975,197	4,365,761	4,800,174	4,993,038	5,120,042	5,226,585	5,319,959	5,480,513
3 Multifamily residences	301,700	333,677	376,466	395,650	403,925	414,386	423,557	438,827
4 Nonfarm, nonresidential	836,657	930,113	1,083,695	1,142,082	1,158,976	1,188,302	1,208,182	1,249,096
5 Farm	90,300	96,506	102,962	106,451	107,957	108,836	109,873	113,050
<i>By type of holder</i>								
6 Major financial institutions	2,084,000	2,195,869	2,396,265	2,550,401	2,606,592	2,620,886	2,664,837	2,716,269
7 Commercial banks ²	1,245,334	1,338,273	1,496,844	1,615,794	1,650,294	1,661,411	1,688,673	1,727,463
8 One- to four-family	745,777	798,009	880,208	949,223	968,831	966,502	978,144	999,396
9 Multifamily	50,705	54,174	67,666	75,795	77,031	77,821	79,890	80,542
10 Nonfarm, nonresidential	421,865	457,054	517,130	557,059	570,513	583,071	596,405	612,366
11 Farm	26,987	29,035	31,839	33,717	33,919	34,016	34,234	35,159
12 Savings institutions ³	631,826	643,957	668,634	701,992	721,563	723,534	741,114	751,660
13 One- to four-family	520,782	533,895	549,046	578,612	595,518	595,053	608,289	616,506
14 Multifamily	59,540	56,847	59,168	59,174	60,077	61,094	62,666	63,193
15 Nonfarm, nonresidential	51,150	52,798	59,945	63,688	65,437	66,852	69,589	71,378
16 Farm	354	417	475	518	531	535	569	583
17 Life insurance companies	206,840	213,640	230,787	232,615	234,735	235,941	235,050	237,146
18 One- to four-family	7,187	6,590	5,934	5,242	4,907	4,903	4,877	5,003
19 Multifamily	30,402	31,522	32,818	33,150	33,478	33,681	33,557	33,842
20 Nonfarm, nonresidential	158,779	164,004	179,048	180,856	182,646	183,757	183,078	184,634
21 Farm	10,472	11,524	12,987	13,367	13,704	13,600	13,538	13,667
22 Federal and related agencies	286,194	293,602	322,132	332,568	336,575	343,962	346,276	355,218
23 Government National Mortgage Association	8	7	7	7	6	6	6	6
24 One- to four-family	8	7	7	7	6	6	6	6
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	41,195	40,851	73,871	72,896	73,009	73,323	73,361	73,206
27 One- to four-family	17,253	16,895	16,506	16,435	16,444	16,372	16,297	16,153
28 Multifamily	11,720	11,739	11,741	11,729	11,734	11,733	11,725	11,720
29 Nonfarm, nonresidential	7,370	7,705	41,355	40,554	40,665	41,070	41,247	41,262
30 Farm	4,852	4,513	4,268	4,179	4,167	4,148	4,093	4,072
31 Federal Housing and Veterans' Administrations	3,811	3,674	3,712	3,845	3,395	3,507	2,873	2,918
32 One- to four-family	1,767	1,849	1,851	1,832	1,327	1,308	1,276	1,267
33 Multifamily	2,044	1,825	1,861	2,013	2,068	2,199	1,597	1,651
34 Resolution Trust Corporation	-278	24	-10	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	724	361	152	72	82	45	50	24
40 One- to four-family	117	58	25	12	13	7	8	4
41 Multifamily	140	70	29	14	16	9	10	5
42 Nonfarm, nonresidential	467	233	98	46	53	29	32	15
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	161,308	157,675	151,500	153,507	152,815	155,363	156,294	159,221
45 One- to four-family	149,831	147,594	141,195	142,478	141,786	144,150	145,014	147,730
46 Multifamily	11,477	10,081	10,305	11,029	11,029	11,213	11,280	11,491
47 Federal Land Banks	30,657	32,983	34,187	34,830	35,549	36,326	37,072	38,686
48 One- to four-family	1,804	1,941	2,012	2,049	2,092	2,137	2,181	2,276
49 Farm	0	0	0	0	0	0	0	0
50 Federal Home Loan Mortgage Corporation	48,454	57,085	56,676	56,972	57,046	59,240	60,110	61,542
51 One- to four-family	42,629	49,106	44,321	42,892	42,138	42,871	42,771	42,537
52 Multifamily	5,825	7,979	12,355	14,080	14,908	16,369	17,339	19,005
53 Mortgage pools or trusts ⁵	2,232,848	2,581,969	2,947,760	3,035,546	3,116,180	3,232,338	3,303,731	3,450,243
54 Government National Mortgage Association	536,879	537,446	582,263	590,708	602,628	611,553	601,523	598,075
55 One- to four-family	523,225	522,498	565,189	572,661	584,152	592,624	581,743	577,284
56 Multifamily	13,654	14,948	17,074	18,047	18,476	18,929	19,780	20,792
57 Federal Home Loan Mortgage Corporation	579,385	646,459	749,081	768,641	790,891	822,310	833,616	873,750
58 One- to four-family	576,846	643,465	744,619	763,890	786,007	816,602	827,769	867,924
59 Multifamily	2,539	2,994	4,462	4,751	4,884	5,708	5,847	5,826
60 Federal National Mortgage Association	709,582	834,517	960,883	995,815	1,020,828	1,057,750	1,099,049	1,163,978
61 One- to four-family	687,981	804,204	924,941	957,584	981,206	1,016,398	1,055,412	1,116,534
62 Multifamily	21,601	30,313	35,942	38,231	39,622	41,352	43,637	47,444
63 Farmers Home Administration ⁴	2	1	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	2	1	0	0	0	0	0	0
68 Private mortgage conduits	407,000	563,546	655,533	680,382	701,833	740,725	769,543	814,440
69 One- to four-family ⁶	310,659	405,153	455,021	464,593	477,899	499,834	523,300	539,200
70 Multifamily	20,907	33,754	42,226	44,413	46,142	49,513	50,749	56,974
71 Nonfarm, nonresidential	75,434	124,639	158,287	171,376	177,792	191,378	195,944	218,266
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	600,812	654,617	697,140	718,705	731,552	740,923	746,727	759,758
74 One- to four-family	389,294	433,542	467,503	485,316	503,266	511,887	516,580	529,296
75 Multifamily	71,146	77,421	80,588	82,997	84,237	84,544	85,263	86,129
76 Nonfarm, nonresidential	121,593	123,679	127,832	128,503	121,871	122,144	122,336	121,174
77 Farm	18,779	19,974	21,217	21,889	22,179	22,348	22,547	23,160

1. Multifamily debt refers to loans on structures of five or more units.

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

3. Includes savings banks and savings and loan associations.

4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.

5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.

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 finance companies.

SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1998	1999	2000	2001					
				June	July	Aug.	Sept.	Oct. ^f	Nov.
	Seasonally adjusted								
1 Total	1,315,797	1,413,564	1,557,931	1,616,292 ^f	1,614,677 ^f	1,618,374 ^f	1,621,613 ^f	1,632,813	1,652,655
2 Revolving	560,155	594,339	663,170	699,651	694,227 ^f	692,376 ^f	692,732	689,209	694,627
3 Nonrevolving ²	755,642	819,225	894,761	916,642	920,450 ^f	925,998 ^f	928,880 ^f	943,604	958,028
	Not seasonally adjusted								
4 Total	1,346,596	1,446,127	1,593,051	1,608,104	1,607,080 ^f	1,620,732 ^f	1,622,818 ^f	1,635,919	1,660,902
By major holder									
5 Commercial banks	508,932	499,758	541,470	540,213	535,459	537,724	535,255	539,758	547,823
6 Finance companies	183,345	201,549	219,783	214,271	215,566 ^f	223,079 ^f	220,884 ^f	224,098	238,741
7 Credit unions	155,406	167,921	184,434	186,357	185,081	186,274	185,732	185,523	185,878
8 Savings institutions	51,611	61,527	64,557	65,340	66,584	67,828	69,072	68,275	67,477
9 Nonfinancial business	74,877	80,311	82,662	68,013	65,228	63,310	60,212	58,719	60,287
10 Pools of securitized assets ³	372,425	435,061	500,145	533,910 ^f	539,163 ^f	542,517 ^f	551,662 ^f	559,546	560,696
By major type of credit ⁴									
11 Revolving	586,163	621,914	692,955	693,662	686,887 ^f	688,770 ^f	688,512	685,802	696,829
12 Commercial banks	210,346	189,352	218,063	213,014	208,852	206,279	203,126	208,591	217,140
13 Finance companies	31,944	32,483	37,561	36,848	36,397 ^f	35,979 ^f	35,901	27,999	29,280
14 Credit unions	19,930	20,641	22,226	21,268	21,799	22,195	21,879	21,666	22,055
15 Savings institutions	12,450	15,838	16,560	16,389	16,568	16,746	16,925	16,862	16,800
16 Nonfinancial business	39,166	42,783	42,430	31,366	29,314	27,603	25,207	23,709	24,463
17 Pools of securitized assets ³	272,327	320,817	356,114	374,776	373,958	379,968	385,474	386,975	387,092
18 Nonrevolving	760,433	824,213	900,095	914,442	920,193 ^f	931,962 ^f	934,306 ^f	950,118	964,073
19 Commercial banks	298,586	310,406	323,407	327,199	326,607	331,445	332,129	331,168	330,683
20 Finance companies	151,401	169,066	182,221	177,422	179,169 ^f	187,100 ^f	184,983 ^f	196,100	209,461
21 Credit unions	135,476	147,280	162,208	165,089	163,282	164,079	163,853	163,857	163,823
22 Savings institutions	39,161	45,689	47,997	48,951	50,016	51,082	52,147	51,413	50,678
23 Nonfinancial business	35,711	37,528	40,232	36,647	35,914	35,707	35,005	35,010	35,824
24 Pools of securitized assets ³	100,098	114,244	144,031	159,134	165,206 ^f	162,549 ^f	166,188 ^f	172,571	173,604

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals, excluding loans secured by real estate. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Comprises motor vehicle loans, mobile home loans, and all other loans that are not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct.	Nov.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	8.72	8.44	9.34	8.67	n.a.	n.a.	8.31	n.a.	n.a.	7.86
2 24-month personal	13.74	13.39	13.90	13.28	n.a.	n.a.	13.25	n.a.	n.a.	12.62
<i>Credit card plan</i>										
3 All accounts	15.71	15.21	15.71	15.07	n.a.	n.a.	14.60	n.a.	n.a.	14.22
4 Accounts assessed interest	15.59	14.81	14.91	14.63	n.a.	n.a.	14.64	n.a.	n.a.	13.88
<i>Auto finance companies</i>										
5 New car	6.30	6.66	6.61	6.56	6.15	6.20	6.41	5.42	2.71	2.89
6 Used car	12.64	12.60	13.55	12.57	12.05	11.79	12.06	12.01	11.41	10.96
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	52.1	52.7	54.9	57.0	57.2	57.3	57.7	57.2	53.7	51.0
8 Used car	53.5	55.9	57.0	57.8	57.6	57.6	57.6	57.6	57.2	56.7
<i>Loan-to-value ratio</i>										
9 New car	92	92	92	92	91	91	91	92	94	92
10 Used car	99	99	99	100	100	100	100	101	100	100
<i>Amount financed (dollars)</i>										
11 New car	19,083	19,880	20,923	21,871	22,124	22,687	22,591	23,049	24,443	24,934
12 Used car	12,691	13,642	14,058	14,350	14,586	14,571	14,321	14,408	14,627	14,669

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1995	1996	1997	1998	1999	2000				2001		
						Q1	Q2	Q3	Q4	Q1'	Q2'	Q3
	Nonfinancial sectors											
1 Total net borrowing by domestic nonfinancial sectors	705.9	733.6'	805.5'	1,048.8'	1,099.8'	951.1'	978.2'	792.0'	772.1'	1,006.5	1,018.6	1,275.5
By sector and instrument												
2 Federal government	144.4	145.0	23.1	-52.6	-71.2	-217.2	-408.7	-226.2	-331.3	-4.3	-256.0	255.7
3 Treasury securities	142.9	146.6	23.2	-54.6	-71.0	-215.2	-410.5	-223.8	-330.2	-2.1	-257.1	256.0
4 Budget agency securities and mortgages	1.5	-1.6	-1	2.0	-2	-2.1	1.8	-2.4	-1.2	-2.2	1.1	-4
5 Nonfederal	561.5	588.6'	782.4'	1,101.5'	1,171.1'	1,168.4'	1,386.9'	1,018.2'	1,103.5'	1,010.9	1,274.6	1,019.8
By instrument												
6 Commercial paper	18.1	-9	13.7	24.4	37.4	29.8	110.4	56.1	-4.0	-207.2	-141.5	-74.1
7 Municipal securities and loans	-48.2	2.6	71.4	96.8	68.2	20.0	30.1	31.0	60.1	110.7	112.4	56.0
8 Corporate bonds	91.1	116.3	150.5	218.7	229.9	186.2	153.8	168.8'	175.6	400.9	428.0	187.7
9 Bank loans n.e.c.	103.7	70.4'	106.4'	108.1'	82.6'	139.5	166.5'	47.0'	59.3'	-5.9	-153.2	-9.9
10 Other loans and advances	67.2	28.7'	59.5'	82.1'	57.1'	140.1'	124.2'	16.5'	125.2	-12.0	117.7	78.4
11 Mortgages	190.6	280.4'	323.3'	496.4'	596.3'	502.9'	659.6'	570.7'	551.6'	564.6	837.7	760.6
12 Home	179.1	245.7'	258.3'	389.9'	435.2'	361.9'	490.3'	441.9'	395.9'	434.3	622.9	544.7
13 Multifamily residential	4.5	9.4'	7.5'	23.8	40.5'	29.2'	48.0'	28.8'	41.7	39.3	55.5	57.7
14 Commercial	5.7	22.5	54.4'	76.1'	114.8'	104.4'	111.2'	93.4'	112.0'	86.8	146.8	151.6
15 Farm	1.4	2.7	3.1	6.5	5.8	7.4	10.1	6.5	2.0'	4.2	12.4	6.5
16 Consumer credit	138.9	91.3'	57.5'	75.0'	99.5'	149.9'	142.1'	128.2'	135.6'	159.9	73.6	21.3
By borrowing sector												
17 Household	339.3	343.8'	332.7'	467.2'	517.1'	526.9'	624.3'	554.5'	514.0'	554.4	671.2	616.2
18 Nonfinancial business	273.7	251.6'	393.6'	554.0'	601.6'	628.5'	744.4'	440.0'	535.8'	352.6	494.7	360.6
19 Corporate	224.9	179.4'	292.7'	406.3'	440.8'	479.7'	550.2'	303.7'	388.8'	225.2	354.3	248.9
20 Nonfarm noncorporate	46.1	67.3'	94.7'	139.7'	155.4'	135.0'	184.5'	129.1'	134.2	121.3	130.6	108.6
21 Farm	2.7	4.9	6.2	8.0	5.5	13.8	9.7	7.2	12.8'	6.0	9.8	3.1
22 State and local government	-51.5	-6.8	56.1	80.3	52.3	12.9	18.2	23.8	53.7	103.9	108.7	43.0
23 Foreign net borrowing in United States	78.5	88.4	71.8	43.4	27.9	120.3'	-7.9'	88.6'	66.8'	-6.9	-57.2	-126.8
24 Commercial paper	13.5	11.3	3.7	7.8	16.3	57.8	12.0	7.0	50.1	-25.4	-5.6	-26.5
25 Bonds	57.1	67.0	61.4	34.9	16.8	47.6'	-27.3'	71.4'	9.0'	17.1	-15.9	-101.4
26 Bank loans n.e.c.	8.5	9.1	8.5	6.7	.5	15.4	5.7	11.9	12.2	13.0	-31.0	4.4
27 Other loans and advances	-5	1.0	-1.8	-6.0	-5.7	-5	1.7	-1.7	-4.6	-11.6	-4.7	-3.4
28 Total domestic plus foreign	784.5	822.0'	877.3'	1,092.2'	1,127.8'	1,071.4'	970.3'	880.6'	838.9'	999.6	961.5	1,148.7
	Financial sectors											
29 Total net borrowing by financial sectors	454.0	550.1'	662.2'	1,087.2'	1,084.4'	608.0'	897.1'	794.0'	963.1'	864.2	795.7	1,086.3
By instrument												
30 Federal government-related	204.2	231.4	212.9	470.9	592.0	224.4	381.1	514.8	613.6	432.6	674.8	820.6
31 Government-sponsored enterprise securities	105.9	90.4	98.4	278.3	318.2	104.9	248.9	278.1	304.5	262.3	268.3	328.0
32 Mortgage pool securities	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	249.8	318.7'	449.3'	616.3'	492.5'	383.6'	516.1'	279.2'	349.5'	431.7	120.9	265.7
35 Open market paper	42.7	92.2	166.7	161.0	176.2	114.6	136.7	106.5	153.2	-134.6	-85.4	-85.6
36 Corporate bonds	195.9	178.1'	218.9'	310.1'	218.2'	171.8'	243.3'	205.0'	203.7'	438.9	186.8	309.6
37 Bank loans n.e.c.	2.5	12.6	13.3'	30.1	-14.2'	3.2'	6.9'	-6.7'	-4.4	27.1	14.3	-8.1
38 Other loans and advances	3.4	27.9	35.6	90.2	107.1	87.0	119.2	-31.6	-4.8	107.8	-11.0	58.0
39 Mortgages	5.3	7.9	14.9	24.8	5.1	7.0	10.0	6.0	1.8	-7.5	16.2	-8.2
By borrowing sector												
40 Commercial banking	22.5	13.0	46.1	72.9	67.2	78.3	99.3	43.4	18.8	148.3	-15.8	69.8
41 Savings institutions	2.6	25.5	19.7	52.2	48.0	57.5	69.0	-37.9	20.4	62.5	16.1	12.6
42 Credit unions	-1	.1	.1	.6	2.2	-2.9	.9	1.1	1.0	-6	.8	1.5
43 Life insurance companies	-1	1.1	.2	.7	.7	-7	-1.1	-3	-7	-2.4	.1	3.5
44 Government-sponsored enterprises	105.9	90.4	98.4	278.3	318.2	104.9	248.9	278.1	304.5	262.3	268.3	328.0
45 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
46 Issuers of asset-backed securities (ABSs)	142.4	150.8	202.2	321.4	223.4	175.0	146.0	156.2	307.9	295.8	172.3	303.2
47 Finance companies	50.2	50.6'	57.8'	57.1'	70.3'	61.1'	139.4'	98.1'	26.1'	-72.8	64.1	22.1
48 Mortgage companies	-2.2	4.1	-4.6	1.6	.2	-3.0	2.7	-3	1.0	.7	.6	.8
49 Real estate investment trusts (REITs)	4.5	11.9	39.6	62.7	6.3	11.5	9.8	-2.4	-8.1	-6.1	10.5	-10.2
50 Brokers and dealers	-5.0	-2.0	8.1	7.2	-17.2	44.4	-7	25.4	-6.6	-23.9	35.7	12.3
51 Funding corporations	34.9	63.8'	79.9'	40.0'	91.5'	-37.5'	50.6'	-4.2'	-10.4'	30.1	-163.6	-150.0

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1995	1996 ^r	1997 ^r	1998 ^r	1999 ^r	2000				2001		
						Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^r	Q2 ^r	Q3
	All sectors											
52 Total net borrowing, all sectors	1,238.5	1,372.1	1,539.5	2,179.4	2,212.2	1,679.4	1,867.4	1,674.6	1,802.0	1,863.8	1,757.2	2,235.0
53 Open market paper	74.3	102.6	184.1	193.1	229.9	202.1	259.1	169.7	199.3	-367.2	-232.5	-186.3
54 U.S. government securities	348.6	376.4	236.0	418.3	520.7	7.2	-27.6	288.6	282.2	428.2	418.8	1,076.3
55 Municipal securities	-48.2	2.6	71.4	96.8	68.2	20.0	30.1	31.0	60.1	110.7	112.4	56.0
56 Corporate and foreign bonds	344.1	361.3	430.8	563.7	465.0	405.6	369.8	445.2	388.3	856.9	598.9	395.9
57 Bank loans n.e.c.	114.7	92.1	128.2	145.0	68.9	158.0	179.2	52.2	67.1	34.1	-170.0	-13.6
58 Other loans and advances	70.1	57.7	93.2	166.3	158.5	226.6	245.1	-16.8	115.8	84.2	102.0	133.0
59 Mortgages	196.0	288.2	338.2	521.2	601.4	509.9	669.6	576.7	553.5	557.1	853.9	752.3
60 Consumer credit	138.9	91.3	57.5	75.0	99.5	149.9	142.1	128.2	135.6	159.9	73.6	21.3
	Funds raised through mutual funds and corporate equities											
61 Total net issues	147.2 ^r	232.9	185.2	108.8	153.7	390.1	209.9	245.6	-14.8	233.7	387.5	88.9
62 Corporate equities	-2 ^r	-4.7	-79.9	-165.8	-34.6	82.8	-22.2	-33.8	-171.5	137.3	119.5	-80.9
63 Nonfinancial corporations	-58.3	-69.5	-114.4	-267.0	-143.5	61.2	-245.2	-67.6	-350.8	-25.6	-72.6	-118.5
64 Foreign shares purchased by U.S. residents	65.4	82.8	57.6	101.3	114.4	62.6	185.9	61.1	89.4	109.2	208.8	10.9
65 Financial corporations	-7.3 ^r	-18.1	-23.1	-1	-5.6	-41.0	37.2	-27.3	89.8	53.7	-16.7	26.7
66 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	307.3	232.0	279.4	156.7	96.4	268.0	169.8

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

Transaction category or sector	1995	1996	1997	1998	1999	2000				2001		
						Q1	Q2	Q3	Q4	Q1	Q2'	Q3
NET LENDING IN CREDIT MARKETS ²												
1 Total net lending in credit markets	1,238.5	1,372.1'	1,539.5'	2,179.4'	2,212.2'	1,679.4'	1,867.4'	1,674.6'	1,802.0'	1,863.8'	1,757.2	2,235.0
2 Domestic nonfederal nonfinancial sectors	-79.3	74.0'	-21.3'	99.5'	196.3'	-218.5'	90.3'	-255.1'	-227.2'	-171.6'	-153.8	-178.8
3 Household	16.5	113.7'	-11.8'	-37.1'	148.6'	-274.4'	-10.4'	-183.3'	-212.1'	-172.5'	-140.5	-118.5
4 Nonfinancial corporate business	-8.8	-10.2	-12.7	-16.0	-2.8	56.8'	60.4'	-51.4'	-24.5'	4.1'	16.6	-23.7
5 Nonfarm noncorporate business	4.4	4.2	3.0	18.1	7.1	-2.1	4	-4.0	-2.7	-4.8	-5.2	-6.2
6 State and local governments	-91.4	-33.7	.1	134.5	43.4	1.2	39.9	-16.4	12.1	1.5	-24.8	-30.4
7 Federal government	-5	-7.2	5.1	13.5	5.8	6.5	7.7	4.5	10.6	4.6	4.0	1.0
8 Rest of the world	273.9	414.4	311.3	254.2	208.8	315.2	197.9	216.2	387.8	411.2'	349.6	381.9
9 Financial sectors	1,044.4	890.9'	1,244.5'	1,812.1'	1,801.3'	1,576.1'	1,571.4'	1,709.0'	1,630.7'	1,619.7'	1,557.4	2,030.9
10 Monetary authority	12.7	12.3	38.3	21.1	25.7	102.0	-5.4	39.1	-9	53.7	26.4	8.7
11 Commercial banking	265.9	187.5	324.3	305.2	308.2	415.8	497.4	363.2	157.0	152.8	133.9	234.8
12 U.S.-chartered banks	186.5	119.6	274.9	312.0	317.6	448.2	510.9	324.8	75.3	107.9	179.7	215.4
13 Foreign banking offices in United States	75.4	63.3	40.2	-11.9	-20.1	4.5	-22.3	32.8	81.1	41.3	-48.6	16.5
14 Bank holding companies	-3	3.9	5.4	-9	6.2	-42.2	3.5	-6.7	-3.2	7.3	-2.8	-1.4
15 Banks in U.S.-affiliated areas	4.2	.7	3.7	6.0	4.4	5.4	5.4	12.3	3.8	-3.6	5.6	4.2
16 Savings institutions	-7.6	19.9	-4.7	36.1	68.6	55.6	65.0	62.7	42.5	52.5	57.3	-6.0
17 Credit unions	16.2	25.5	16.8	19.0	27.5	35.7	31.6	21.2	33.6	23.2'	7.6	61.7
18 Bank personal trusts and estates	-8.3	-7.7	-25.0	-12.8	27.8	18.9	13.8	17.6	18.1	10.7	13.4	8.8
19 Life insurance companies	100.0	69.6	104.8	76.9	53.5	65.0	52.9	74.8	38.8	95.3	124.9	162.4
20 Other insurance companies	21.5	22.5	25.2	5.8	-3.0	-11.2	-18.1	6.2	-11.7	2.1	.1	9.0
21 Private pension funds	19.9	-4.1	47.6	56.4	45.0	46.8	24.7	64.9	28.7	26.1	-7.1	-9
22 State and local government retirement funds	38.3	35.8	67.1	72.1	46.9	63.3	31.5	37.6	86.1'	-70.7'	53.4	18.5
23 Money market mutual funds	86.5	88.8	87.5	244.0	182.0	161.5	-118.2	256.1	296.0	303.4	166.2	379.1
24 Mutual funds	52.5	48.9	80.9	124.8	47.2	-66.9	63.1	50.1	60.8	69.4	165.1	123.9
25 Closed-end funds	10.2	4.6	-2.6	5.5	7.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4
26 Government-sponsored enterprises	95.4	97.4	106.6	314.6	291.7	205.4	250.9	188.6	318.8	347.8	296.2	267.7
27 Federally related mortgage pools	98.3	141.0	114.6	192.6	273.8	119.5	132.2	236.7	309.1	170.3	406.5	492.6
28 Asset-backed securities issuers (ABSs)	120.6	120.5	163.8	281.7	205.2	154.2	111.4	120.9	278.9	269.8	150.0	276.4
29 Finance companies	49.9	18.9'	23.1'	77.3'	97.0'	145.4'	147.6'	102.8'	36.2'	-9'	126.7	-42.1
30 Mortgage companies	-3.4	8.2	-9.1	3.2	.3	-6.0	5.5	-5	2.0	1.4	1.1	1.7
31 Real estate investment trusts (REITs)	1.4	4.4	20.2	-5.1	-2.6	-16.3	-2.5	-3.6	-2.8	4.0	1.1	7.7
32 Brokers and dealers	90.1	-15.7	14.9	6.8	-34.7	102.9'	89.8'	152.1'	-69.0	289.5'	35.4	250.1
33 Funding corporations	-15.7	12.6	50.4	-12.9	133.8	-7.2	206.8'	-73.0'	17.0'	-172.5'	-192.4	-214.6
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,238.5	1,372.1'	1,539.5'	2,179.4'	2,212.2'	1,679.4'	1,867.4'	1,674.6'	1,802.0'	1,863.8'	1,757.2	2,235.0
Other financial sources												
35 Official foreign exchange	8.8	-6.3	.7	6.6	-8.7	1.5	-8.8	.7	4.9	-1.5	4.7	19.1
36 Special drawing rights certificates	2.2	-5	-5	.0	-3.0	.0	-8.0	-4.0	-4.0	.0	.0	.0
37 Treasury currency	.7	.5	.5	.6	1.0	2.2	3.2	4.2	-0.0	-1.1	1.1	-0.0
38 Foreign deposits	35.3	85.9	107.7	6.5	61.0	313.3	3.4	-40.8	207.4	235.5	-146.5	15.4
39 Net interbank transactions	10.0	-51.6	-19.7	-32.3	17.6	-72.9	151.9	-170.6	10.6	-45.7'	19.3	19.7
40 Checkable deposits and currency	-12.8	15.7	41.2	47.4	151.4	-206.8	-33.8	5.0	-50.2	90.3	100.8	245.3
41 Small time and savings deposits	96.6	97.2	97.1	152.4	44.7	104.6	123.0	224.5	310.8	288.3	194.2	229.2
42 Large time deposits	65.6	114.0	122.5	92.1	130.6	154.1	101.2	152.9	65.2	130.6	51.9	14.9
43 Money market fund shares	141.2	145.4	155.9	287.2	249.1	239.7	71.5	250.9	371.1	621.4	322.5	367.7
44 Security repurchase agreements	110.5	41.4	120.9	91.3	169.7	275.8'	155.1'	277.1'	-265.4'	-12.8'	177.7	262.2
45 Corporate equities	-2'	-4.7'	-79.9'	-165.8'	-34.6'	82.8'	-22.2'	-33.8'	-171.5'	137.3'	119.5	-80.9
46 Mutual fund shares	147.4	237.6	265.1	274.6	188.3	307.3	232.0	279.4	156.7	96.4	268.0	169.8
47 Trade payables	133.7	123.3	139.7	109.2	222.3	193.6'	212.9'	138.5'	119.3'	-16.2'	-100.0	-81.4
48 Security credit	26.7	52.4	111.0	103.3	104.3	507.8'	-95.3'	97.5'	74.4'	-140.9'	-28.5	485.8
49 Life insurance reserves	45.8	44.5	59.3	48.0	50.8	54.9	45.6	53.0	47.3	52.7	53.2	56.5
50 Pension fund reserves	158.8	148.3	201.4	202.1	184.4'	206.9'	260.7'	227.0'	168.8'	255.5'	168.7	192.9
51 Taxes payable	7.8	19.5	22.3	21.3	22.3	31.0'	26.5'	3.3'	26.0'	3.3'	16.3	114.4
52 Investment in bank personal trusts	6.4	-5.3	-49.9	-41.8	-6.5	-28.4	-33.1	-29.2	-28.0	-26.1	-22.7	-28.2
53 Noncorporate proprietors' equity	-2	-31.1'	-70.9'	-80.6'	-64.8'	-63.4'	-45.0'	-26.7'	-49.7'	-48.5'	-25.1	-60.2
54 Miscellaneous	496.9	526.1'	492.8'	986.8'	749.8'	904.3'	1,084.0'	1,399.2'	733.1'	500.7'	789.8	571.8
55 Total financial sources	2,719.7'	2,924.5'	3,256.8'	4,288.2'	4,441.8'	4,687.7'	4,092.3'	4,482.8'	3,528.8'	3,983.1'	3,722.3	4,749.2
Liabilities not identified as assets (-)												
56 Treasury currency	-3	-4	-2	-1	-7	-1.8	-7	9	-3.3	-3.6	-5	-7
57 Foreign deposits	25.0'	59.4'	106.2	-8.5	45.8	263.1'	-82.2'	-100.2'	200.3'	181.5'	-121.2	24.8
58 Net interbank liabilities	-3.1	-3.3	-19.9	3.4	3.5	25.3	5.4	-12.1	51.1	16.7	13.6	8.3
59 Security repurchase agreements	25.7	2.4	63.2	60.6	30.0	567.2'	51.9'	126.5'	-301.4'	-161.7'	171.9	36.6
60 Taxes payable	21.1	23.1	28.0	19.7	6.5	9.5'	4.8'	-2.6'	44.6'	4.4'	-9.7	12.9
61 Miscellaneous	-198.7'	-173.7'	-245.5'	-127.4'	-418.9'	-501.0'	-353.3'	-232.2'	-390.1'	27.3'	-477.6	-87.0
Floats not included in assets (-)												
62 Federal government checkable deposits	-6.0	.5	-2.7	2.6	-7.4	18.7	16.3	3.0	-2.1	-29.8	10.1	18.5
63 Other checkable deposits	-3.8	-4.0	-3.9	-3.1	-8	1.0	1.4	1.9	2.4	3.8	3.9	5.1
64 Trade credit	17.4	-25.4	-29.2	-51.3	42.9	-71.8'	-36.5'	-51.9'	24.3'	2.0'	32.3	-10.7
65 Total identified to sectors as assets	2,842.5'	3,046.2'	3,360.7'	4,392.3'	4,740.8'	4,377.5'	4,485.3'	4,749.6'	3,903.1'	3,942.5'	4,099.7	4,741.5

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.1 and F.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1996	1997	1998	1999	2000				2001		
					Q1	Q2	Q3	Q4	Q1 ¹	Q2 ²	Q3
	Nonfinancial sectors										
1 Total credit market debt owed by domestic nonfinancial sectors	14,441.1 ¹	15,245.1 ¹	16,293.9 ¹	17,428.5 ¹	17,658.2 ¹	17,839.9 ¹	18,038.3 ¹	18,320.9 ¹	18,563.5	18,746.8	19,054.8
By sector and instrument											
2 Federal government	3,781.8	3,804.9	3,752.2	3,681.0	3,653.5	3,464.0	3,410.2	3,385.2	3,408.8	3,251.4	3,320.1
3 Treasury securities	3,755.1	3,778.3	3,723.7	3,652.8	3,625.8	3,435.7	3,382.6	3,357.8	3,382.1	3,224.4	3,293.1
4 Budget agency securities and mortgages	26.6	26.5	28.5	28.3	27.8	28.2	27.6	27.3	26.8	27.0	27.0
5 Nonfederal	10,659.4 ¹	11,440.2 ¹	12,541.7 ¹	13,747.4 ¹	14,004.7 ¹	14,376.0 ¹	14,628.1 ¹	14,935.7 ¹	15,154.7	15,495.3	15,734.8
By instrument											
6 Commercial paper	156.4	168.6	193.0	230.3	260.8	296.8	307.0	278.4	253.2	223.3	201.3
7 Municipal securities and loans	1,296.0	1,367.5	1,464.3	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3
8 Corporate bonds	1,460.4	1,610.9	1,829.6	2,059.5	2,106.0	2,144.5	2,186.7 ¹	2,230.6 ¹	2,330.8	2,437.8	2,484.7
9 Bank loans n.e.c.	934.0 ¹	1,040.4 ¹	1,148.5 ¹	1,231.2 ¹	1,258.7 ¹	1,306.9 ¹	1,311.3 ¹	1,334.2 ¹	1,323.9	1,292.9	1,282.9
10 Other loans and advances	765.6 ¹	825.1 ¹	907.2 ¹	964.5 ¹	1,008.3 ¹	1,037.2 ¹	1,039.5 ¹	1,077.1 ¹	1,083.4	1,110.6	1,116.0
11 Mortgages	4,832.9 ¹	5,156.2 ¹	5,652.6 ¹	6,283.3 ¹	6,394.6 ¹	6,562.6 ¹	6,713.9 ¹	6,854.5 ¹	6,980.6	7,192.8	7,391.9
12 Home	3,720.0 ¹	3,978.3 ¹	4,368.2 ¹	4,803.4 ¹	4,879.4 ¹	5,005.1 ¹	5,124.3 ¹	5,225.9 ¹	5,319.5	5,477.9	5,623.1
13 Multifamily residential	278.2	285.7 ¹	309.5 ¹	350.2 ¹	357.5 ¹	369.5 ¹	376.7 ¹	387.2 ¹	397.0	410.9	425.3
14 Commercial	747.8	802.2 ¹	878.3 ¹	1,027.3 ¹	1,053.4 ¹	1,081.2 ¹	1,104.5 ¹	1,132.5 ¹	1,154.2	1,190.9	1,228.9
15 Farm	86.9	90.0	96.6	102.3	104.2	106.8	108.3	108.8 ¹	109.9	113.1	114.6
16 Consumer credit	1,214.1 ¹	1,271.6 ¹	1,346.6 ¹	1,446.1 ¹	1,437.0 ¹	1,476.5 ¹	1,519.6 ¹	1,593.1 ¹	1,585.3	1,608.1	1,622.8
By borrowing sector											
17 Households	5,223.9 ¹	5,556.9 ¹	6,024.1 ¹	6,541.5 ¹	6,608.3 ¹	6,772.9 ¹	6,938.9 ¹	7,115.5 ¹	7,186.3	7,362.9	7,531.7
18 Nonfinancial business	4,372.0 ¹	4,763.8 ¹	5,317.8 ¹	5,953.8 ¹	6,139.1 ¹	6,337.4 ¹	6,426.2 ¹	6,540.9 ¹	6,660.9	6,794.6	6,862.4
19 Corporate	3,093.0 ¹	3,383.9 ¹	3,790.2 ¹	4,265.3 ¹	4,415.3 ¹	4,562.2 ¹	4,618.0 ¹	4,695.9 ¹	4,785.7	4,881.5	4,922.8
20 Nonfarm noncorporate	1,129.3 ¹	1,224.0 ¹	1,363.7 ¹	1,519.1 ¹	1,553.1 ¹	1,599.1 ¹	1,630.3 ¹	1,664.8 ¹	1,695.5	1,727.9	1,753.9
21 Farm	149.7	155.9	163.9	169.4	170.7	176.2	177.9	180.2 ¹	179.7	185.2	185.8
22 State and local government	1,063.4	1,119.5	1,199.8	1,252.1	1,257.3	1,265.7	1,263.1	1,279.3	1,307.5	1,337.8	1,340.6
23 Foreign credit market debt held in United States	542.2	608.0	651.5	679.6	707.9 ¹	702.5 ¹	731.0 ¹	746.7 ¹	743.4	727.8	698.5
24 Commercial paper	67.5	65.1	72.9	89.2	101.6	101.2	109.8	120.9	112.8	110.1	106.3
25 Bonds	366.3	427.7	462.6	479.4	491.3 ¹	484.5 ¹	502.4 ¹	504.6 ¹	508.9	504.9	479.6
26 Bank loans n.e.c.	43.7	52.1	58.9	59.4	63.3	64.7	67.7	70.7	73.9	66.2	67.3
27 Other loans and advances	64.7	63.0	57.2	51.7	51.7	52.1	51.2	50.5	47.7	46.6	45.3
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	14,983.3 ¹	15,853.1 ¹	16,945.4 ¹	18,108.1 ¹	18,366.1 ¹	18,542.5 ¹	18,769.3 ¹	19,067.6 ¹	19,306.9	19,474.6	19,753.3
	Financial sectors										
29 Total credit market debt owed by financial sectors	4,828.8 ¹	5,458.0 ¹	6,545.2 ¹	7,629.6 ¹	7,769.2 ¹	7,993.5 ¹	8,190.8 ¹	8,457.1 ¹	8,657.3	8,856.2	9,121.0
By instrument											
30 Federal government-related	2,608.2	2,821.1	3,292.0	3,884.0	3,940.1	4,035.3	4,164.0	4,317.4	4,422.9	4,591.6	4,796.8
31 Government-sponsored enterprise securities	896.9	995.3	1,273.6	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.8
32 Mortgage pool securities	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	2,220.6 ¹	2,636.9 ¹	3,253.2 ¹	3,745.6 ¹	3,829.1 ¹	3,958.1 ¹	4,026.7 ¹	4,139.7 ¹	4,234.4	4,264.6	4,324.3
35 Open market paper	579.1	745.7	906.7	1,082.9	1,115.7	1,135.2	1,151.6	1,210.7	1,180.8	1,144.5	1,110.2
36 Corporate bonds	1,382.7 ¹	1,568.6 ¹	1,878.7 ¹	2,096.9 ¹	2,138.8 ¹	2,212.0 ¹	2,269.7 ¹	2,314.8 ¹	2,424.3	2,483.9	2,563.8
37 Bank loans n.e.c.	64.0	77.3 ¹	107.5 ¹	93.2 ¹	91.8 ¹	93.1 ¹	92.8 ¹	93.0 ¹	97.3	100.4	100.0
38 Other loans and advances	162.9	198.5	288.7	395.8	404.4	436.9	430.2	438.3	450.9	450.7	467.2
39 Mortgages	31.9	46.8	71.6	76.7	78.5	81.0	82.5	82.9	81.1	85.1	83.0
By borrowing sector											
40 Commercial banks	113.6	140.6	188.6	230.0	242.2	265.4	265.2	266.7	273.8	274.7	283.0
41 Bank holding companies	150.0	168.6	193.5	219.3	221.4	229.3	236.9	242.5	266.5	269.0	273.8
42 Savings institutions	140.5	160.3	212.4	260.4	266.9	280.7	276.0	287.7	295.1	294.4	303.9
43 Credit unions	.4	.6	1.1	3.4	2.6	2.9	3.1	3.4	3.2	3.5	3.8
44 Life insurance companies	1.6	1.8	2.5	3.2	3.0	2.7	2.7	2.5	1.9	1.9	2.8
45 Government-sponsored enterprises	896.9	995.3	1,273.6	1,591.7	1,618.0	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.8
46 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
47 Issuers of asset-backed securities (ABSs)	863.3	1,076.6	1,398.0	1,621.4	1,655.8	1,697.0	1,742.3	1,829.6	1,893.7	1,942.4	2,020.2
48 Brokers and dealers	27.3	35.3	42.5	25.3	36.4	36.2	42.6	40.9	35.0	43.9	47.0
49 Finance companies	534.5 ¹	568.3 ¹	625.5 ¹	695.7 ¹	708.4 ¹	740.8 ¹	761.8 ¹	776.9 ¹	756.2	769.0	771.3
50 Mortgage companies	20.6	16.0	17.7	17.8	17.1	17.8	17.7	17.9	18.1	18.2	18.5
51 Real estate investment trusts (REITs)	56.5	96.1	158.8	165.1	167.9	170.4	169.8	167.8	166.2	168.9	166.3
52 Funding corporations	312.4 ¹	372.6 ¹	412.6 ¹	504.0 ¹	507.4 ¹	515.0 ¹	508.7 ¹	503.7 ¹	524.7	478.6	433.6
	All sectors										
53 Total credit market debt, domestic and foreign	19,812.1 ¹	21,311.1 ¹	23,490.6 ¹	25,737.7 ¹	26,135.3 ¹	26,535.9 ¹	26,960.1 ¹	27,524.7 ¹	27,964.2	28,330.8	28,874.3
54 Open market paper	803.0	979.4	1,172.6	1,402.4	1,478.1	1,533.3	1,568.3	1,610.0	1,546.8	1,477.9	1,417.8
55 U.S. government securities	6,389.9	6,626.0	7,044.3	7,565.0	7,593.6	7,499.3	7,574.2	7,702.6	7,831.7	7,843.0	8,116.8
56 Municipal securities	1,296.0	1,367.5	1,464.3	1,532.5	1,539.2	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3
57 Corporate and foreign bonds	3,209.4 ¹	3,607.2 ¹	4,170.8 ¹	4,635.8 ¹	4,736.1 ¹	4,841.0 ¹	4,958.7 ¹	5,050.0 ¹	5,264.0	5,426.6	5,528.1
58 Bank loans n.e.c.	1,041.7	1,169.8	1,314.9	1,383.8	1,413.7	1,464.6	1,471.7	1,497.9	1,495.1	1,459.5	1,450.2
59 Other loans and advances	993.2	1,086.6 ¹	1,253.0 ¹	1,412.0 ¹	1,464.4 ¹	1,526.2 ¹	1,520.9 ¹	1,565.9 ¹	1,582.0	1,607.9	1,628.5
60 Mortgages	4,864.8 ¹	5,203.0 ¹	5,724.2 ¹	6,360.0 ¹	6,473.1 ¹	6,643.5 ¹	6,796.4 ¹	6,937.4 ¹	7,061.7	7,277.9	7,474.9
61 Consumer credit	1,214.1 ¹	1,271.6 ¹	1,346.6 ¹	1,446.1 ¹	1,437.0 ¹	1,476.5 ¹	1,519.6 ¹	1,593.1 ¹	1,585.3	1,608.1	1,622.8

1. Data in this table appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1996	1997	1998	1999	2000				2001		
					Q1	Q2	Q3	Q4	Q1	Q2 ¹	Q3
CREDIT MARKET DEBT OUTSTANDING ²											
1 Total credit market assets	19,812.1 ¹	21,311.1 ¹	23,490.6 ¹	25,737.7 ¹	26,135.3 ¹	26,535.9 ¹	26,960.1 ¹	27,524.7 ¹	27,964.2 ¹	28,330.8	28,874.3
2 Domestic nonfederal nonfinancial sectors	3,011.5 ¹	2,946.5 ¹	3,017.7 ¹	3,284.1 ¹	3,205.6 ¹	3,209.3 ¹	3,144.7 ¹	3,094.4 ¹	3,021.4 ¹	2,964.3	2,914.0
3 Household	2,086.8 ¹	2,031.3 ¹	1,967.7 ¹	2,184.5 ¹	2,114.4 ¹	2,089.7 ¹	2,040.3 ¹	1,977.4 ¹	1,928.0 ¹	1,869.6	1,832.7
4 Nonfinancial corporate business	270.2	257.5	241.5	238.7	230.8	246.1 ¹	239.0 ¹	249.1 ¹	226.3 ¹	232.1	231.1
5 Nonfarm noncorporate business	49.7	52.7	69.1	78.0	77.5	77.6	76.6	75.9	74.7	73.4	71.9
6 State and local governments	604.8	605.0	739.4	782.8	782.9	795.8	788.7	792.0	792.4	789.1	778.3
7 Federal government	200.2	205.4	219.1	258.0	259.6	261.6	262.7	265.4	266.6	267.6	267.8
8 Rest of the world	1,926.6	2,257.3	2,539.8	2,676.2	2,760.7	2,809.9	2,861.7	3,004.6	3,113.0 ¹	3,200.4	3,293.2
9 Financial sectors	14,673.8 ¹	15,901.8 ¹	17,714.0 ¹	19,519.4 ¹	19,909.4 ¹	20,255.2 ¹	20,691.0 ¹	21,160.3 ¹	21,563.2 ¹	21,898.6	22,399.3
10 Monetary authority	393.1	431.4	452.5	478.1	501.9	505.1	511.5	511.8	523.9	535.1	534.1
11 Commercial banking	3,707.7	4,031.9	4,335.7	4,643.9	4,725.0	4,847.4	4,931.0	5,002.3	5,015.7	5,044.4	5,096.5
12 U.S.-chartered banks	3,175.8	3,450.7	3,761.2	4,078.9	4,171.3	4,295.4	4,368.2	4,418.7	4,424.4	4,463.2	4,508.8
13 Foreign banking offices in United States	475.8	516.1	504.2	484.1	482.0	478.1	487.5	508.1	515.0	504.2	509.9
14 Bank holding companies	22.0	27.4	26.5	32.7	22.1	23.0	21.3	20.5	22.3	21.6	21.3
15 Banks in U.S.-affiliated areas	34.1	37.8	43.8	48.3	49.6	51.0	54.0	55.0	54.1	55.5	56.5
16 Savings institutions	933.2	928.5	964.6	1,033.2	1,045.8	1,062.5	1,082.2	1,089.7	1,101.6	1,116.4	1,119.0
17 Credit unions	288.5	305.3	324.2	351.7	359.0	370.1	376.0	382.2	386.5 ¹	391.8	407.8
18 Bank personal trusts and estates	232.0	207.0	194.1	222.0	226.7	230.2	234.6	239.1	241.8	245.1	247.3
19 Life insurance companies	1,657.0	1,751.1	1,828.0	1,886.0	1,902.2	1,914.1	1,935.1	1,943.9	1,967.2	1,996.9	2,040.0
20 Other insurance companies	491.2	515.3	521.1	518.2	515.4	510.8	512.4	509.4	510.0	510.0	512.3
21 Private pension funds	627.0	674.6	731.0	775.9	787.6	793.8	810.0	817.2	822.0	821.7	821.7
22 State and local government retirement funds	565.4	632.5	704.6	751.4	767.2	775.1	784.5	806.0 ¹	788.3 ¹	801.7	806.3
23 Money market mutual funds	634.3	721.9	965.9	1,147.8	1,217.1	1,159.4	1,212.5	1,296.7	1,403.8	1,414.6	1,498.0
24 Mutual funds	820.2	901.1	1,025.9	1,073.1	1,053.7	1,073.9	1,088.5	1,099.9	1,113.8	1,160.1	1,193.0
25 Closed-end funds	100.8	98.3	103.7	111.1	109.0	106.9	104.8	102.7	100.6	98.5	96.4
26 Government-sponsored enterprises	832.8	939.4	1,253.9	1,545.6	1,584.0	1,649.2	1,704.3	1,793.7	1,864.7 ¹	1,941.1	2,009.5
27 Federally related mortgage pools	1,711.3	1,825.8	2,018.4	2,292.2	2,322.1	2,355.2	2,414.3	2,491.6	2,534.2	2,635.8	2,759.0
28 Asset-backed securities (ABSs) issuers	773.9	937.7	1,219.4	1,424.6	1,453.8	1,486.3	1,522.9	1,602.9	1,660.5	1,703.7	1,774.7
29 Finance companies	545.1 ¹	568.2 ¹	645.5 ¹	742.5 ¹	776.6 ¹	812.3 ¹	830.0 ¹	850.5 ¹	848.0 ¹	878.5	859.4
30 Mortgage companies	41.2	32.1	35.3	35.6	34.1	35.5	35.4	35.9	36.2	36.5	36.9
31 Real estate investment trusts (REITs)	30.4	50.6	45.5	42.9	38.8	38.2	37.3	36.6	37.6	37.9	39.8
32 Brokers and dealers	167.7	182.6	189.4	154.7	194.8 ¹	188.2 ¹	243.3	223.6	312.3 ¹	288.4	369.9
33 Funding corporations	121.0	166.7	155.3	288.8	294.5	341.0 ¹	320.4 ¹	324.7 ¹	292.7 ¹	240.1	177.8
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	19,812.1 ¹	21,311.1 ¹	23,490.6 ¹	25,737.7 ¹	26,135.3 ¹	26,535.9 ¹	26,960.1 ¹	27,524.7 ¹	27,964.2 ¹	28,330.8	28,874.3
Other liabilities											
35 Official foreign exchange	53.7	48.9	60.1	50.1	46.6 ¹	46.0 ¹	44.9	46.1 ¹	42.8 ¹	43.4	49.0
36 Special drawing rights certificates	9.7	9.2	9.2	6.2	6.2	4.2	3.2	2.2	2.2	2.2	2.2
37 Treasury currency	18.9	19.3	19.9	20.9	21.4	22.1	23.2	23.2	22.9	23.2	23.2
38 Foreign deposits	521.7	618.5	642.3	703.6	781.9	782.8	772.6	824.5	883.4	846.8	850.6
39 Net interbank liabilities	240.8	219.4	189.0	204.5	169.7	210.6	173.2	188.0	155.1 ¹	163.1	176.8
40 Checkable deposits and currency	1,244.8	1,286.1	1,333.4	1,484.8	1,392.9	1,409.7	1,385.7	1,413.3	1,385.2	1,416.8	1,453.0
41 Small time and savings deposits	2,377.0	2,474.1	2,626.5	2,671.2	2,728.0	2,738.8	2,790.9	2,861.9	2,965.3	2,992.3	3,047.1
42 Large time deposits	590.9	713.4	805.5	936.1	966.5	987.4	1,025.9	1,054.5	1,078.0	1,087.1	1,090.4
43 Money market fund shares	886.7	1,042.5	1,329.7	1,578.8	1,666.0	1,627.1	1,697.8	1,812.1	1,994.7	2,014.8	2,116.1
44 Security repurchase agreements	701.5	822.4	913.7	1,083.4	1,149.4 ¹	1,185.2 ¹	1,238.6 ¹	1,194.1 ¹	1,199.7 ¹	1,240.5	1,287.8
45 Mutual fund shares	2,342.4	2,989.4	3,610.5	4,553.4	4,863.3	4,759.6	4,814.4	4,457.2	3,999.8	4,275.3	3,705.2
46 Security credit	358.1	469.1	572.3	676.6	801.1 ¹	780.3 ¹	805.8 ¹	822.7 ¹	785.4 ¹	781.5	904.6
47 Life insurance reserves	610.6	665.0	718.3	783.9	801.0	806.5	818.7	819.1	823.0	840.3	841.5
48 Pension fund reserves	6,325.1	7,323.4	8,193.7	9,041.7	9,237.9	9,166.7	9,307.9	9,054.8	8,588.9 ¹	8,849.7	8,281.0
49 Trade payables	1,827.6	1,967.3	2,076.5	2,298.8	2,321.7	2,371.6 ¹	2,418.2 ¹	2,464.9 ¹	2,436.3 ¹	2,406.9	2,412.2
50 Taxes payable	128.8	151.1	172.4	194.7	210.1	211.4 ¹	214.7 ¹	216.4	224.8 ¹	224.0	254.9
51 Investment in bank personal trusts	871.3	942.5	1,001.0	1,130.4	1,158.0	1,114.4	1,106.7	1,019.4	929.1	964.4	859.6
52 Miscellaneous	6,387.1 ¹	6,730.7 ¹	7,692.9 ¹	8,269.8 ¹	8,464.3 ¹	8,731.9 ¹	9,221.0 ¹	9,104.9 ¹	9,536.4 ¹	9,763.7	10,222.5
53 Total liabilities	45,308.7 ¹	49,803.3 ¹	55,457.6 ¹	61,426.6 ¹	62,921.3 ¹	63,492.5 ¹	64,823.6 ¹	64,903.9 ¹	65,017.3 ¹	66,266.6	66,452.1
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.4	21.1	21.6	21.4	21.4	21.5	21.4	21.6 ¹	21.4 ¹	21.5	22.0
55 Corporate equities	10,281.6 ¹	13,301.7 ¹	15,577.3 ¹	19,581.2 ¹	20,276.3 ¹	19,395.9 ¹	19,249.0 ¹	17,566.4 ¹	15,311.6 ¹	16,239.1	13,625.2
56 Household equity in noncorporate business	3,786.6 ¹	4,051.0 ¹	4,394.1 ¹	4,623.6 ¹	4,652.1 ¹	4,745.9 ¹	4,782.7 ¹	4,850.2 ¹	4,882.4 ¹	4,893.8	4,897.1
Liabilities not identified as assets (-)											
57 Treasury currency	-6.1	-6.3	-6.4	-7.1	-7.6	-7.9	-7.6	-8.5	-9.4	-9.5	-9.7
58 Foreign deposits	434.9 ¹	535.0 ¹	542.8 ¹	588.9 ¹	654.7 ¹	634.2 ¹	609.1 ¹	659.3 ¹	704.6 ¹	674.3	680.5
59 Net interbank transactions	-10.6	-32.2	-27.0	-25.5	-13.9	-11.6	-17.6	-4.3	1.7	5.5	6.3
60 Security repurchase agreements	109.8	172.9	233.5	263.6	410.5 ¹	423.0 ¹	446.0	374.6 ¹	353.7 ¹	396.2	394.1
61 Taxes payable	81.9	104.2	122.9	122.7	118.7 ¹	134.5 ¹	124.4	128.4 ¹	113.3 ¹	133.2	152.1
62 Miscellaneous	-1,226.5 ¹	-1,548.9 ¹	-2,323.1 ¹	-2,740.5 ¹	-2,908.3 ¹	-2,939.4 ¹	-2,727.8 ¹	-3,224.6 ¹	-3,066.2 ¹	-3,040.8	-2,760.7
Floats not included in assets (-)											
63 Federal government checkable deposits	-1.6	-8.1	-3.9	-9.9	-9.2 ¹	-5.6 ¹	-7.8	-2.3 ¹	-22.3 ¹	-40.1	-38.4
64 Other checkable deposits	30.1	26.2	23.1	22.3	18.7	22.5	15.5	24.0	21.1	25.5	19.2
65 Trade credit	165.7	126.8	76.6	120.9	50.2 ¹	16.5 ¹	6.0 ¹	91.6 ¹	38.4 ¹	21.8	35.7
66 Totals identified to sectors as assets	59,820.7 ¹	67,807.3 ¹	76,812.0 ¹	87,317.3 ¹	89,557.3 ¹	89,389.6 ¹	90,436.5 ¹	89,303.8 ¹	87,097.8 ¹	89,254.8	86,517.1

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.1 and L.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1999	2000	2001	2001								
				Apr.	May	June	July	Aug.	Sept.	Oct. ¹	Nov. ¹	Dec. ²
1 Industrial production ¹	139.4	145.7	140.1	142.0	141.6	140.3	140.4	140.0	138.5 ^r	137.5	136.9	136.7
Market groups												
2 Products, total	129.6	133.5	129.3	131.0	130.9	130.0	130.3	129.4	127.7 ^r	126.6	126.5	126.2
3 Final, total	131.8	135.8	132.0	134.0	133.9	132.9	133.2	132.0	130.0 ^r	129.0	129.2	128.8
4 Consumer goods	119.9	121.9	120.6	121.3	121.4	121.1	122.2	121.4	119.9 ^r	119.5	119.8	119.8
5 Equipment	153.5	161.8	152.3	157.3	156.5	154.1	152.7	150.5	147.1 ^r	145.2	144.8	143.6
6 Intermediate	123.2	126.4	121.4	122.2	122.2	121.4	121.4	121.6	120.7 ^r	119.4	118.5	118.6
7 Materials	155.6	166.4	158.0	160.3	159.4	157.4	157.2	157.6	156.5 ^r	155.6	154.3	154.3
Industry groups												
8 Manufacturing	144.7	151.6	144.8	146.7	146.4	145.0	145.2	144.5	142.9 ^r	141.8	141.5	141.3
9 Capacity utilization, manufacturing (percent) ² ..	80.6	80.7	75.0	76.0	75.8	75.0	75.1	74.6	73.7 ^r	73.1	72.9	72.8
10 Construction contracts ³	115.0	129.5	137.8	131.0 ^r	136.0 ^r	133.0 ^r	137.0 ^r	133.0 ^r	142.0 ^r	137.0	136.0	148.0
11 Nonagricultural employment, total ⁴	118.7	121.3	121.8	122.0	122.0	122.0	122.0	121.9	121.8	121.4	121.0	120.9
12 Goods-producing, total	109.8	110.7	108.1	109.4	109.0	108.4	108.1	107.5	107.1	106.5	105.8	105.2
13 Manufacturing, total	102.5	102.0	97.7	99.5	98.7	98.1	97.7	96.8	96.4	95.7	94.8	94.1
14 Manufacturing, production workers	103.7	102.8	97.0	99.0	98.2	97.3	96.8	95.9	95.3	94.6	93.6	92.8
15 Service-producing	121.1	124.2	125.5	125.4	125.6	125.6	125.7	125.9	125.8	125.4	125.2	125.2
16 Personal income, total	144.3	154.3	161.9	161.3	161.6	162.1	162.7	162.8	162.7	162.5	162.5	163.2
17 Wages and salary disbursements	149.9	162.2	171.0	170.8	170.7	171.5	171.8	171.7	171.7	171.4	171.5	172.4
18 Manufacturing	134.0	142.3	144.3	146.8	145.4	144.9	144.9	144.1	143.4	142.1	140.9	140.8
19 Disposable personal income ⁵	139.2	147.9	156.0	154.5	154.8	155.2	157.9	161.0	159.1	156.2	156.3	156.8
20 Retail sales ⁶	155.1	167.0	172.6	172.2	172.4	172.3	172.6	172.9	169.2	180.8	174.6	174.1
Prices ⁶												
21 Consumer (1982-84=100)	166.6	172.2	177.1	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7
22 Producer finished goods (1982=100)	133.0	138.0	140.7	141.8	142.7	142.2	140.5	140.9 ^r	141.7	139.6	138.4	137.2

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 2001. The recent annual revision is described in the March 2002 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S. Department of Commerce, and other sources.

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

4. Based on data from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

Category	1999 ^r	2000 ^r	2001	2001							
				May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
HOUSEHOLD SURVEY DATA ¹											
1 Civilian labor force ²	139,368	140,863	141,815	141,445 ^r	141,468 ^r	141,651 ^r	141,380 ^r	142,068 ^r	142,280	142,279	142,314
Employment											
2 Nonagricultural industries ³	130,207	131,903	131,929	132,042 ^r	131,959 ^r	132,051 ^r	131,282 ^r	131,823 ^r	131,412	131,099	130,809
3 Agriculture	3,281	3,305	3,144	3,193	3,044 ^r	3,055 ^r	3,126 ^r	3,181 ^r	3,203	3,154	3,246
Unemployment											
4 Number	5,880	5,655	6,742	6,210 ^r	6,465 ^r	6,545 ^r	6,972 ^r	7,064 ^r	7,665	8,026	8,259
5 Rate (percent of civilian labor force)	4.2	4.0	4.8	4.4	4.6 ^r	4.6 ^r	4.9	5.0 ^r	5.4	5.6	5.8
ESTABLISHMENT SURVEY DATA											
6 Nonagricultural payroll employment ⁴	128,916	131,759	132,210	132,530	132,431	132,449	132,395	132,230	131,782	131,427	131,297
7 Manufacturing	18,552	18,469	17,697	17,879	17,757	17,688	17,533	17,448	17,325	17,159	17,037
8 Mining	539	543	563	564	565	567	569	569	569	567	564
9 Contract construction	6,415	6,698	6,861	6,881	6,864	6,867	6,861	6,871	6,852	6,851	6,847
10 Transportation and public utilities	6,834	7,019	7,069	7,130	7,118	7,108	7,082	7,070	7,016	6,952	6,919
11 Trade	29,758	30,331	30,498	30,584	30,583	30,623	30,593	30,524	30,393	30,365	30,298
12 Finance	7,555	7,560	7,624	7,644	7,631	7,618	7,623	7,633	7,634	7,638	7,627
13 Service	39,055	40,460	41,024	41,078	41,085	41,046	41,129	41,134	40,995	40,889	40,942
14 Government	20,206	20,681	20,874	20,770	20,828	20,932	21,005	20,981	20,998	21,006	21,063

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

3. Includes self-employed, unpaid family, and domestic service workers.

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series		2001				2001				2001				
		Q1	Q2	Q3 ^c	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ^c	Q4	
		Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²				
1	Total industry	143.5	141.3	139.6	137.0	181.8	182.6	183.2	183.7	78.9	77.4	76.2	74.6	
2	Manufacturing	148.4	146.0	144.2	141.6	192.3	193.2	193.6	194.1	77.2	75.6	74.5	72.9	
3	Primary processing ³	172.0	168.9	167.1	164.6	221.4	223.0	223.8	224.6	77.7	75.8	74.7	73.3	
4	Advanced processing ⁴	135.3	133.3	131.5	128.8	176.2	176.6	176.9	177.2	76.8	75.5	74.3	72.7	
5	Durable goods	185.0	181.9	178.3	173.5	244.4	246.3	247.5	248.6	75.7	73.8	72.0	69.8	
6	Lumber and products	110.2	113.2	115.5	113.8	148.2	148.5	148.8	149.0	74.4	76.2	77.6	76.3	
7	Primary metals	120.8	120.5	117.8	109.7	151.0	150.8	150.6	150.4	80.0	79.9	78.2	73.0	
8	Iron and steel	113.7	117.3	115.7	106.4	147.9	147.4	146.8	146.2	76.9	79.6	78.8	72.8	
9	Nonferrous	129.5	124.6	120.6	114.0	155.1	155.3	155.6	155.9	83.5	80.2	77.5	73.1	
10	Industrial machinery and equipment	226.9	217.0	208.8	201.5	295.3	297.3	298.8	300.0	76.8	73.0	69.9	67.2	
11	Electrical machinery	544.2	509.2	485.3	483.3	716.8	735.6	745.4	753.6	75.9	69.2	65.1	64.1	
12	Motor vehicles and parts	155.2	166.8	169.5	165.2	218.7	220.1	221.5	222.9	71.0	75.8	76.5	74.1	
13	Aerospace and miscellaneous transportation equipment	100.2	99.0	95.9	90.9	135.4	135.3	135.2	135.1	74.0	73.2	71.0	67.3	
14	Nondurable goods	113.2	111.5	111.0	110.1	143.1	143.0	142.9	142.9	79.1	77.9	77.7	77.1	
15	Textile mill products	91.4	88.0	85.3	82.6	118.4	117.4	116.4	115.3	77.2	74.9	73.3	71.6	
16	Paper and products	109.2	108.9	108.5	107.8	138.5	138.7	138.8	139.0	78.9	78.5	78.1	77.5	
17	Chemicals and products	121.6	119.6	121.1	121.9	158.1	158.3	158.5	158.6	76.9	75.6	76.4	76.9	
18	Plastics materials	121.0	116.4	117.4	114.9	152.0	152.5	153.0	153.4	79.6	76.3	76.7	74.9	
19	Petroleum products	114.8	115.5	113.2	112.9	122.0	122.2	122.4	122.7	94.1	94.5	92.5	92.1	
20	Mining	102.0	102.9	101.8	99.4	111.9	112.0	112.2	112.4	91.1	91.8	90.7	88.4	
21	Utilities	123.5	120.0	119.1	117.2	134.6	136.2	138.1	140.0	91.8	88.1	86.3	83.7	
22	Electric	125.6	123.6	122.2	121.3	133.1	135.1	137.4	139.8	94.4	91.5	88.9	86.8	
		1973	1975	Previous cycle ⁵		Latest cycle ⁶		2000	2001					
		High	Low	High	Low	High	Low	Dec.	July	Aug.	Sept. ^c	Oct. ^c	Nov. ^c	Dec. ^c
		Capacity utilization rate (percent) ²												
1	Total industry	89.2	72.6	87.3	71.1	85.4	78.1	80.2	76.7	76.4	75.5	74.9	74.5	74.4
2	Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	78.4	75.1	74.6	73.7	73.1	72.9	72.8
3	Primary processing ³	91.8	67.3	88.6	65.7	88.3	76.7	79.6	74.9	74.8	74.4	73.7	73.1	73.0
4	Advanced processing ⁴	86.5	72.5	86.3	71.0	84.2	76.6	77.6	75.1	74.5	73.3	72.7	72.8	72.6
5	Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	77.7	72.8	72.3	71.0	69.9	69.8	69.7
6	Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	75.9	76.6	78.1	78.2	76.1	76.5	76.4
7	Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	83.2	79.3	78.0	77.4	75.6	72.7	70.6
8	Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	79.4	80.8	78.8	76.9	75.8	73.7	68.9
9	Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	87.4	77.7	77.1	77.8	75.4	71.6	72.4
10	Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	77.8	70.5	70.6	68.6	67.5	67.5	66.6
11	Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	81.7	65.4	65.1	64.8	64.4	64.1	63.9
12	Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	72.9	79.0	76.7	74.0	70.7	74.4	77.3
13	Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	74.4	71.8	70.8	70.3	69.4	67.2	65.3
14	Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	79.3	78.0	77.7	77.3	77.4	77.0	76.8
15	Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	76.0	72.2	73.7	74.1	71.9	71.4	71.5
16	Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	80.0	77.9	77.6	78.9	77.9	77.6	77.1
17	Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	76.6	76.5	76.5	76.3	77.4	76.8	76.5
18	Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	70.8	76.9	77.6	75.8	77.7	74.3	72.8
19	Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	93.6	93.6	92.2	91.5	93.6	92.1	90.5
20	Mining	94.3	88.2	96.0	80.3	88.0	87.0	90.2	90.9	90.4	90.9	89.1	88.4	87.7
21	Utilities	96.2	82.9	89.1	75.9	92.6	83.4	95.6	86.0	87.7	85.1	85.2	83.0	82.9
22	Electric	99.0	82.7	88.2	78.9	95.0	87.1	97.6	88.5	90.6	87.5	88.0	86.3	86.0

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 2001. The recent annual revision is described in the March 2002 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.

3. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics; stone, clay, and glass; primary metals; fabricated metals; semiconductors and related electronic components; and motor vehicle parts.

4. Advanced processing includes foods; tobacco; apparel; furniture and fixtures; printing and publishing; chemical products such as drugs and toiletries; agricultural chemicals, leather and products; machinery except semiconductors and related electronic components; transportation equipment except motor vehicle parts, instruments, and miscellaneous manufacturing.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. Monthly highs, 1988-89; monthly lows, 1990-91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group		1992 pro- portion	2001 avg.	2000		2001													
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ²	Oct. ²	Nov. ²	Dec. ²			
		Index (1992=100)																	
MAJOR MARKETS																			
1	Total index	100.0	140.1	145.1	143.9	143.5	142.9	142.0	141.6	140.3	140.4	140.0	138.5	137.5	136.9	136.7			
2	Products	60.8	129.3	133.6	132.7	132.2	132.1	131.0	130.9	130.0	130.3	129.4	127.7	126.6	126.5	126.2			
3	Final products	46.3	132.0	136.3	135.2	134.7	135.1	134.0	133.9	132.9	133.2	132.0	130.0	129.0	129.2	128.8			
4	Consumer goods, total	29.0	120.6	122.5	121.0	121.2	121.8	121.3	121.4	121.1	122.2	121.4	119.9	119.5	119.8	119.8			
5	Durable consumer goods	5.8	151.2	153.2	147.3	149.1	152.9	152.2	154.2	153.2	157.0	154.1	151.8	146.2	152.1	154.7			
6	Automotive products	2.5	149.9	145.3	138.5	141.8	149.8	149.6	152.8	152.3	161.1	155.6	152.5	145.2	155.8	160.6			
7	Autos and trucks	1.6	160.5	150.2	142.2	147.8	159.6	160.1	165.7	163.4	178.3	169.1	163.9	154.5	170.7	177.8			
8	Autos, consumer	0.9	93.9	89.3	93.4	93.3	97.0	96.0	97.9	97.2	97.5	90.6	92.7	86.9	94.7	101.1			
9	Trucks, consumer	0.7	231.4	215.1	194.4	206.0	226.3	228.4	237.9	234.0	264.3	252.6	239.8	226.5	251.5	259.6			
10	Auto parts and allied goods	0.9	133.5	138.2	133.3	132.8	134.7	133.5	132.5	135.1	133.9	134.5	134.8	131.0	132.3	133.2			
11	Other	3.3	151.3	160.9	155.9	156.1	155.1	153.9	154.5	152.9	151.0	151.0	149.8	146.1	146.5	146.5			
12	Appliances, televisions, and air conditioners	0.9	281.7	306.4	289.5	284.4	284.0	284.0	292.1	285.0	271.7	289.5	288.2	271.6	277.1	283.4			
13	Carpeting and furniture	0.8	119.1	125.5	119.8	124.7	123.1	119.9	117.7	118.6	116.2	117.6	118.5	117.0	119.1	118.4			
14	Miscellaneous home goods	1.6	114.1	120.5	119.5	118.3	117.7	117.4	117.7	116.2	117.7	112.7	110.5	109.2	107.5	106.5			
15	Nondurable consumer goods	23.2	113.2	115.1	114.5	114.4	114.3	113.9	113.6	113.4	113.9	113.6	112.3	112.9	112.1	111.5			
16	Food and tobacco	10.4	108.7	110.3	109.4	109.5	109.3	108.9	108.6	108.9	109.3	108.7	107.7	107.9	108.1	107.6			
17	Clothing	2.4	78.2	82.2	83.0	82.6	82.8	82.0	80.6	78.2	79.0	76.4	74.8	74.6	73.3	73.2			
18	Chemical products	4.6	145.1	140.1	139.4	141.7	143.8	143.4	145.2	145.7	147.5	146.7	145.9	148.8	148.6	148.3			
19	Paper products	2.9	105.6	107.9	109.2	107.3	106.9	107.4	106.7	106.6	106.0	105.7	105.1	103.9	102.2	101.0			
20	Energy	3.0	117.4	125.8	124.0	122.1	119.8	118.7	116.9	115.8	116.0	117.8	114.8	116.3	112.7	112.0			
21	Fuels	0.8	113.9	112.3	112.9	114.2	113.9	114.6	115.6	115.2	114.3	112.2	113.9	116.1	114.0	110.6			
22	Residential utilities	2.1	119.3	133.2	130.0	126.2	122.8	120.7	117.2	115.8	116.5	120.5	115.0	116.0	111.6	112.4			
23	Equipment	17.3	152.3	162.0	161.8	159.8	159.6	157.3	156.5	154.1	152.7	150.5	147.1	145.2	144.8	143.6			
24	Business equipment	13.2	175.8	189.3	188.7	186.1	185.4	182.1	181.3	177.8	176.1	173.3	168.4	166.2	166.0	164.6			
25	Information processing	5.2	278.9	303.4	304.1	297.5	294.1	288.4	286.8	279.6	275.2	271.9	266.0	265.6	265.4	263.5			
26	Computer and office equipment	1.1	942.5	1,012.9	1,017.4	1,012.6	996.5	970.9	950.6	948.7	934.2	925.5	903.0	899.9	905.0	912.4			
27	Industrial	4.0	125.2	135.9	137.2	132.4	132.6	129.1	129.0	125.2	123.1	122.2	119.6	118.9	117.6	116.3			
28	Transit	2.5	127.6	134.9	131.0	131.6	135.6	133.8	134.5	133.1	133.8	128.7	124.6	119.2	118.7	118.6			
29	Autos and trucks	1.2	145.8	145.9	140.0	142.5	151.1	148.0	152.5	150.5	157.1	149.6	143.6	136.2	143.6	151.2			
30	Other	1.3	139.2	148.5	145.4	151.6	143.3	143.1	139.1	140.7	140.8	139.8	131.7	130.1	134.3	130.6			
31	Defense and space equipment	3.4	73.9	75.2	75.5	74.1	74.5	74.4	73.5	73.4	73.6	73.5	73.8	74.0	73.8	73.9			
32	Oil and gas well drilling	0.6	143.4	139.9	146.7	147.7	151.0	152.2	151.9	150.4	147.1	143.1	140.4	133.5	129.5	124.5			
33	Manufactured homes	0.2	93.9	86.0	79.6	87.1	87.3	88.6	91.7	96.0	95.4	97.9	102.9	100.2	99.5	100.9			
34	Intermediate products, total	14.5	121.4	125.3	125.0	124.4	123.4	122.2	122.2	121.4	121.4	121.6	120.7	119.4	118.5	118.6			
35	Construction supplies	5.4	137.3	139.5	138.8	138.6	139.4	139.0	138.7	138.0	137.3	138.8	138.1	134.1	133.6	133.1			
36	Business supplies	9.1	112.0	116.9	116.9	116.0	113.8	112.2	112.4	111.6	112.0	111.3	110.4	110.6	109.5	110.1			
37	Materials	39.2	158.0	164.5	162.8	162.5	160.9	160.3	159.4	157.4	157.2	157.6	156.5	155.6	154.3	154.3			
38	Durable goods materials	20.7	212.7	223.9	220.3	219.7	218.0	216.4	216.2	212.9	212.6	212.0	209.4	207.7	205.9	206.4			
39	Durable consumer parts	4.0	155.6	157.6	149.0	154.6	155.0	155.1	159.6	157.7	160.2	160.8	155.3	152.0	153.9	157.0			
40	Equipment parts	7.5	442.1	482.4	474.0	470.1	464.3	452.9	446.5	436.1	429.9	429.6	430.4	432.0	427.9	428.1			
41	Other	9.2	125.2	129.8	130.3	128.2	127.2	127.9	127.5	126.2	126.4	125.4	123.8	122.4	120.1	119.4			
42	Basic metal materials	3.1	113.9	123.5	121.4	118.1	114.5	117.9	116.7	115.5	115.7	113.6	113.3	111.6	106.6	104.1			
43	Nondurable goods materials	8.9	104.2	107.1	108.4	107.9	104.9	104.7	103.0	102.2	102.7	104.0	104.2	104.2	103.0	102.5			
44	Textile materials	1.1	91.0	95.0	99.3	95.8	95.3	95.0	90.9	90.8	87.6	90.1	89.0	87.7	85.6	85.3			
45	Paper materials	1.8	109.5	109.7	112.2	112.1	106.0	110.2	108.3	104.8	107.7	109.5	110.5	112.0	110.7	110.2			
46	Chemical materials	4.0	102.6	106.3	107.8	108.0	104.8	101.8	100.5	100.3	100.9	102.2	102.1	102.6	100.7	99.9			
47	Other	2.1	109.6	112.7	110.5	109.9	108.7	110.6	109.4	109.3	109.7	109.8	110.2	108.5	109.5	109.4			
48	Energy materials	9.6	103.2	105.8	104.3	104.6	104.5	104.9	103.8	103.1	102.3	103.0	103.1	102.5	101.8	101.7			
49	Primary energy	6.2	98.7	99.5	99.4	98.9	99.1	99.5	99.0	99.5	98.5	98.4	99.4	98.2	97.9	97.6			
50	Converted fuel materials	3.4	111.8	118.9	113.6	116.1	115.5	115.7	113.1	109.1	109.0	111.4	109.3	110.3	108.8	109.2			
SPECIAL AGGREGATES																			
51	Total excluding autos and trucks	97.3	139.7	145.2	144.1	143.6	142.6	141.7	141.1	139.9	139.5	139.4	138.0	137.3	136.3	135.8			
52	Total excluding motor vehicles and parts	95.3	139.0	144.6	144.0	143.1	142.0	141.0	140.2	139.0	138.7	138.5	137.2	136.5	135.5	134.9			
53	Total excluding computer and office equipment	98.4	134.2	139.0	137.8	137.4	136.9	136.0	135.7	134.4	134.6	134.1	132.8	131.8	131.2	131.0			
54	Consumer goods excluding autos and trucks	27.5	118.5	121.2	120.0	119.9	119.8	119.3	119.0	118.8	119.1	118.8	117.6	117.6	117.0	116.5			
55	Consumer goods excluding energy	26.1	121.0	122.0	120.5	121.0	122.0	121.6	122.0	121.8	122.9	121.8	120.6	119.8	120.7	120.8			
56	Business equipment excluding autos and trucks	12.0	179.6	194.9	195.0	191.8	189.8	186.4	184.9	181.3	178.4	176.2	171.5	170.0	168.8	166.1			
57	Business equipment excluding computer and office equipment	12.0	146.8	158.0	157.4	155.1	154.7	152.1	151.7	148.5	147.2	144.7	140.6	138.6	138.4	137.0			
58	Materials excluding energy	29.6	175.8	183.9	182.2	181.6	179.3	178.2	177.4	175.0	175.0	175.2	173.7	172.7	171.0	171.1			

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	SIC code ²	1992 proportion	2001 avg.	2000	2001												
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ¹	Oct. ¹	Nov. ¹	Dec. ¹	
Index (1992=100)																	
MAJOR INDUSTRIES																	
59 Total index		100.0	140.1	145.1	143.9	143.5	142.9	142.0	141.6	140.3	140.4	140.0	138.5	137.5	136.9	136.7	
60 Manufacturing		85.4	144.8	150.1	148.9	148.4	147.9	146.7	146.4	145.0	145.2	144.5	142.9	141.8	141.5	141.3	
61 Primary processing		31.0	167.9	174.8	172.9	172.4	170.7	170.1	169.4	167.3	167.4	167.3	166.6	165.4	164.1	164.2	
62 Advanced processing		54.4	131.9	136.4	135.5	135.1	135.1	133.7	133.6	132.5	132.9	131.7	129.8	128.8	128.9	128.7	
63 Durable goods		44.8	179.2	188.5	185.6	184.6	184.7	182.9	182.7	180.1	180.0	178.9	176.1	173.5	173.5	173.6	
64 Lumber and products	24	2.1	113.2	112.1	109.3	109.5	111.8	111.8	113.7	114.2	114.0	116.2	116.4	113.3	114.0	114.0	
65 Furniture and fixtures	25	1.4	138.8	146.4	143.1	144.4	142.5	141.8	140.4	138.3	138.4	138.7	135.1	134.7	134.8	135.5	
66 Stone, clay, and glass products	32	2.1	130.5	130.4	132.5	132.4	132.9	133.1	133.0	130.0	130.0	130.8	129.9	128.9	127.5	126.1	
67 Primary metals	33	3.1	117.1	125.8	123.9	121.0	117.5	121.2	120.8	119.5	119.5	117.5	116.4	113.8	109.3	106.1	
68 Iron and steel	331,2	1.8	113.2	117.8	115.4	114.4	111.3	115.8	118.4	117.7	118.8	115.7	112.7	111.0	107.7	100.5	
69 Raw steel	331PT	0.1	103.0	104.3	106.6	106.9	107.0	99.2	106.2	107.8	108.3	106.2	105.8	99.5	95.1	87.5	
70 Nonferrous	333-6,9	1.4	122.0	135.5	134.3	128.9	125.1	127.8	124.0	122.0	120.8	119.9	121.2	117.4	111.6	112.9	
71 Fabricated metal products	34	5.0	130.2	136.0	136.2	133.2	132.2	131.0	131.0	129.5	131.1	131.0	128.7	126.9	126.1	126.8	
72 Industrial machinery and equipment	35	7.8	213.1	228.2	228.1	227.0	225.5	220.2	217.0	213.8	210.2	211.0	205.1	202.1	202.4	200.0	
73 Computer and office equipment	357	1.6	1,080.9	1,167.3	1,163.4	1,153.5	1,137.1	1,112.9	1,095.1	1,095.4	1,074.6	1,064.8	1,035.7	1,035.2	1,040.7	1,048.5	
74 Electrical machinery	36	7.1	503.8	569.5	555.4	543.6	533.6	518.8	511.4	497.6	485.9	485.5	484.6	483.8	482.6	483.4	
75 Transportation equipment	37	9.4	128.5	128.8	123.1	126.4	131.0	130.5	133.2	131.9	134.6	131.6	128.5	124.5	127.1	128.9	
76 Motor vehicles and parts	371	4.7	162.9	158.6	146.9	154.9	163.7	163.2	169.7	167.7	174.6	169.9	164.2	157.3	165.8	172.6	
77 Autos and light trucks	371PT	2.5	154.1	145.2	138.8	143.5	154.2	154.4	159.5	157.2	170.2	160.9	156.6	147.4	162.6	169.7	
78 Aerospace and miscellaneous transportation equipment	372-6,9	4.7	96.2	100.7	100.7	99.5	100.4	99.9	98.9	98.3	97.1	95.7	95.0	93.7	90.8	88.1	
79 Instruments	38	5.4	115.2	118.8	119.7	118.4	117.7	117.2	116.8	114.5	115.0	113.9	112.8	112.9	112.6	112.5	
80 Miscellaneous	39	1.3	117.5	123.6	122.7	120.2	119.9	120.4	119.0	119.8	120.7	116.7	114.5	113.6	111.0	112.8	
81 Nondurable goods		40.6	111.3	113.5	113.5	113.5	112.5	111.8	111.5	111.1	111.5	111.1	110.5	110.6	110.0	109.7	
82 Foods	20	9.6	112.6	113.5	113.0	113.5	113.6	112.6	112.8	112.9	113.1	113.0	111.7	111.8	112.2	112.1	
83 Tobacco products	21	1.6	93.8	98.7	96.2	94.8	93.3	94.8	92.9	93.8	95.0	93.2	92.7	92.8	92.7	90.8	
84 Textile mill products	22	1.8	86.8	90.5	92.4	90.9	91.0	90.4	86.7	86.8	84.3	85.8	85.9	83.2	82.4	82.2	
85 Apparel products	23	2.2	93.0	97.8	97.7	97.6	97.4	97.0	96.5	94.0	95.1	91.2	89.4	88.1	87.5	87.0	
86 Paper and products	26	3.5	108.6	110.6	111.0	110.8	106.0	110.6	108.8	107.1	108.1	107.7	109.7	108.3	107.8	107.3	
87 Printing and publishing	27	6.8	101.6	106.5	106.9	105.9	104.3	102.5	102.3	101.3	101.1	100.7	99.7	99.7	98.6	98.7	
88 Chemicals and products	28	10.0	121.0	121.1	121.2	122.2	121.4	119.5	119.9	119.5	121.2	121.2	121.0	122.7	121.8	121.4	
89 Petroleum products	29	1.4	114.1	114.1	114.5	115.3	114.7	115.4	115.6	115.5	114.6	112.9	112.1	114.7	113.0	111.1	
90 Rubber and plastics	30	3.5	136.9	139.5	140.4	139.5	138.8	137.9	137.1	137.7	138.0	137.3	136.5	134.5	134.0	135.0	
91 Leather and products	31	0.3	63.2	67.6	67.8	67.9	67.5	65.7	63.6	62.2	62.1	62.8	61.4	60.5	59.5	59.2	
92 Mining		6.8	101.5	100.9	101.3	102.2	102.5	103.1	103.0	102.5	101.9	101.4	102.1	100.1	99.4	98.6	
93 Metal	10	0.4	89.7	98.7	96.5	91.6	87.9	92.1	91.3	88.6	88.8	87.9	91.2	89.8	86.5	84.7	
94 Coal	12	1.0	111.7	107.1	113.8	113.4	115.5	114.9	113.9	115.9	111.9	111.7	111.7	106.5	106.6	105.8	
95 Oil and gas extraction	13	4.8	96.3	96.2	95.7	96.6	97.1	97.6	97.4	97.0	97.0	96.3	97.0	95.4	94.8	93.9	
96 Stone and earth minerals	14	0.6	132.5	125.3	130.0	135.0	133.0	134.3	137.1	133.7	130.6	132.2	131.2	129.6	128.5	129.1	
97 Utilities		7.8	119.9	127.7	125.2	123.4	121.8	121.3	119.7	119.1	118.2	121.1	118.1	118.8	116.2	116.7	
98 Electric	491,3PT	6.2	123.2	128.7	127.1	125.0	124.7	125.2	122.8	122.9	121.0	121.4	121.0	122.3	120.7	120.9	
99 Gas	492,3PT	1.6	109.4	122.4	117.0	116.2	110.3	107.1	107.8	105.2	107.4	108.1	106.9	105.6	100.0	101.1	
SPECIAL AGGREGATES																	
100 Manufacturing excluding motor vehicles and parts		80.7	143.8	149.8	149.3	148.2	147.0	145.8	145.1	143.7	143.5	143.0	141.7	141.0	140.1	139.4	
101 Manufacturing excluding computers and office equipment		83.8	138.0	142.9	141.7	141.3	140.8	139.8	139.5	138.1	138.4	137.7	136.2	135.2	134.9	134.7	
102 Computers, communications equipment, and semiconductors		5.6	1,048.4	1,193.6	1,166.2	1,146.7	1,127.5	1,089.4	1,065.4	1,036.7	1,006.7	999.5	994.8	1,000.8	999.7	1,002.3	
103 Manufacturing excluding computers and semiconductors		81.3	121.2	124.8	124.0	123.7	123.3	122.6	122.6	121.5	122.0	121.3	119.9	118.8	118.5	118.3	
104 Manufacturing excluding computers, communications equipment, and semiconductors		79.8	118.2	121.3	120.5	120.4	120.0	119.4	119.4	118.5	119.0	118.4	117.0	116.0	115.8	115.6	
Gross value (billions of 1996 dollars, annual rates)																	
MAJOR MARKETS																	
105 Products, total		100.0	2,718.5	2,800.7	2,771.7	2,768.2	2,776.5	2,754.8	2,759.1	2,741.6	2,753.0	2,732.0	2,694.5	2,665.6	2,673.1	2,673.8	
106 Final		77.2	2,100.0	2,161.0	2,134.6	2,133.7	2,145.9	2,129.3	2,133.0	2,118.1	2,129.7	2,107.0	2,075.1	2,053.8	2,065.8	2,065.9	
107 Consumer goods		51.9	1,302.5	1,316.7	1,296.7	1,301.7	1,311.5	1,307.1	1,312.4	1,307.9	1,322.5	1,312.1	1,298.5	1,289.6	1,299.2	1,302.6	
108 Equipment		25.3	797.4	850.5	845.0	837.7	839.5	825.8	823.3	811.6	806.5	793.3	773.1	759.5	761.3	757.0	
109 Intermediate		22.8	618.7	639.8	637.1	634.5	630.8	625.7	626.3	623.7	623.5	625.0	619.4	611.8	607.5	608.0	

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 2001. The recent annual revision is described in the March 2002 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical

Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Standard Industrial Classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1998	1999	2000	2001									
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,612	1,664	1,592	1,663	1,627	1,587	1,621	1,587	1,571	1,571	1,528	1,485	1,595
2 One-family	1,188	1,247	1,198	1,228	1,209	1,218	1,205	1,225	1,211	1,210	1,164	1,140	1,211
3 Two-family or more	425	417	394	435	418	369	416	362	360	361	364	345	384
4 Started	1,617	1,641	1,569	1,623	1,592	1,626	1,610	1,634	1,660	1,559	1,585	1,518	1,625
5 One-family	1,271	1,302	1,231	1,288	1,208	1,295	1,285	1,292	1,290	1,271	1,265	1,225	1,248
6 Two-family or more	346	339	338	335	384	331	325	342	370	288	320	293	377
7 Under construction at end of period ¹	971	953	934	989	1,002	1,006	1,016	1,012	1,019	1,009	1,015	1,009	1,009
8 One-family	659	648	623	675	676	682	688	688	693	691	691	682	679
9 Two-family or more	312	305	310	314	326	324	328	324	326	318	324	327	330
10 Completed	1,474	1,605	1,574	1,531	1,478	1,569	1,499	1,643	1,583	1,620	1,543	1,577	1,576
11 One-family	1,160	1,270	1,242	1,201	1,207	1,232	1,225	1,275	1,269	1,276	1,258	1,317	1,265
12 Two-family or more	315	335	332	330	271	337	274	368	314	344	285	260	311
13 Mobile homes shipped	374	348	250	180	179	184	186	198	193	199	206	207	203
Merchant builder activity in one-family units													
14 Number sold	886	880	877	959	953	899	882	889	877	871	854 ^r	851	895
15 Number for sale at end of period ¹	300	315	301	295	289	293	296	301	307	309	310	308	308
Price of units sold (thousands of dollars) ²													
16 Median	152.5	161.0	169.0	169.1	166.3	175.2	175.3	179.4	175.0	173.7	166.4 ^r	170.9	162.8
17 Average	181.9	195.8 ^r	207.2 ^r	211.0	210.2	205.5	211.4	211.7	209.3	207.5	203.3 ^r	207.6	203.3
EXISTING UNITS (one-family)													
18 Number sold	4,970	5,205	5,113	5,190	5,430	5,220	5,360	5,330	5,200	5,540	4,900	5,180	5,230
Price of units sold (thousands of dollars) ²													
19 Median	128.4	133.3	139.0	138.6	143.4	143.1	145.0	152.2	151.7	153.7	147.4	145.4	147.1
20 Average	159.1	168.3	176.2	174.6	179.5	179.9	183.6	191.1	190.6	193.5	185.2	181.8	182.9
Value of new construction (millions of dollars) ³													
CONSTRUCTION													
21 Total put in place	703,533	763,914	817,130	869,334	869,140	870,826	869,574	861,571	863,742	856,629	851,883	858,928	861,802
22 Private	550,754	595,667	641,269	681,826	681,176	677,429	670,838	665,322	667,765	663,108	660,249	660,415	654,999
23 Residential	314,514	349,560	375,268	398,863	395,080	392,160	394,330	391,508	395,668	399,558	398,136	403,398	399,587
24 Nonresidential	236,240	246,107	266,001	282,963	286,096	285,269	276,508	273,814	272,097	263,550	262,113	257,017	255,412
25 Industrial buildings	40,547	32,794	31,984	33,386	34,823	34,662	31,943	32,966	34,645	31,884	31,291	26,174	24,430
26 Commercial buildings	95,760	104,531	116,988	124,568	128,792	124,935	118,601	116,842	115,894	110,860	111,249	111,993	108,989
27 Other buildings	39,609	40,906	44,505	46,264	47,117	46,080	46,643	46,020	45,549	44,851	44,829	45,969	45,816
28 Public utilities and other	60,324	67,876	72,523	78,745	75,364	79,592	79,321	77,986	76,009	75,955	74,744	72,881	76,177
29 Public	152,779	168,247	175,861	187,508	187,964	193,397	198,736	196,249	195,977	193,521	191,635	198,514	206,802
30 Military	2,539	2,142	2,334	2,342	2,131	2,530	2,274	2,477	2,375	2,539	2,362	2,337	2,355
31 Highway	45,251	52,024	52,851	56,204	57,443	57,717	60,437	61,534	60,470	55,667	53,534	55,504	59,528
32 Conservation and development	5,415	5,995	6,043	7,838	7,573	6,332	7,216	6,592	6,063	7,265	7,344	7,485	7,341
33 Other	99,575	108,086	114,634	121,124	120,817	126,818	128,809	125,646	127,069	128,050	128,395	133,188	137,578

1. Not at annual rates.

2. Not seasonally adjusted.

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

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Dec. 2001 ¹
	2000 Dec.	2001 Dec.	2001				2001					
			Mar.	June	Sept.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
CONSUMER PRICES ² (1982-84=100)												
1 All items	3.4	1.6	4.0	3.7	.7	-2.0	.1	.4	-3	.0	-2	176.7
2 Food	2.8	2.8	4.1	3.3	2.8	1.2	.2	.2	.5	-.1	-.1	174.7
3 Energy items	14.2	-13.0	6.0	16.8	-18.2	-43.6	-1.9	2.6	-6.3	-4.4	-3.2	111.4
4 All items less food and energy	2.6	2.7	3.5	2.6	2.4	2.6	.2	.2	.2	.4	.1	187.8
5 Commodities .....	.6	-3	1.4	-1.6	.3	-.8	-.4	.3	-.1	.2	-.3	144.7
6 Services	3.4	4.0	4.2	4.5	3.1	4.0	.5	.1	.2	.5	.3	212.6
PRODUCER PRICES (1982=100)												
7 Finished goods	3.6	-1.8	4.7	.9	-1.4	-10.8	.4 ^r	.5 ^r	-1.6	-.6	-.7	137.2
8 Consumer foods	1.7	1.8	10.5	.9	2.0	-5.2	.7	.2	-.4	-.8	-.1	140.4
9 Consumer energy	16.6	-17.2	9.5	-4.2	-16.3	-47.0	1.3 ^r	2.2 ^r	-7.7	-3.8	-4.0	80.7
10 Other consumer goods	1.4	1.3	2.3	2.8	1.3	-1.3	.0 ^r	.2 ^r	-.4	.3	-.1	157.6
11 Capital equipment	1.2	-.1	.0	.6	1.7	-2.8	.1 ^r	.1	-.7	.1	-.1	139.7
Intermediate materials												
12 Excluding foods and feeds	4.2	-4.2	1.5	-1.2	-5.6	-10.9	-.5 ^r	.2 ^r	-1.5	-.5	-.9	126.0
13 Excluding energy	1.6	-1.6	1.5	-.9	-3.7	-3.2	-.4 ^r	-.1	-.4	-.2	-.2	134.6
Crude materials												
14 Foods	7.4	-7.4	15.6	-6.8	4.2	-34.5	-.4 ^r	1.0 ^r	-2.6	-5.9	-1.9	96.4
15 Energy	85.6	-53.0	-42.4	-52.0	-61.6	-53.9	-.5 ^r	-9.7 ^r	-19.2	28.3	-20.5	76.7
16 Other	-5.5	-9.9	-10.8	-15.0	-4.5	-9.3	-1.8 ^r	-.1 ^r	-1.7	-.8	.1	124.2

1. Not seasonally adjusted.

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT								
1 Total	8,781.5	9,268.6	9,872.9	9,937.5	10,027.9	10,141.7	10,202.6	10,224.9
By source								
2 Personal consumption expenditures	5,856.0	6,250.2	6,728.4	6,785.5	6,871.4	6,977.6	7,044.6	7,057.6
3 Durable goods	693.2	760.9	819.6	825.4	818.7	838.1	844.7	840.6
4 Nondurable goods	1,708.5	1,831.3	1,989.6	2,012.4	2,025.1	2,047.1	2,062.3	2,057.5
5 Services	3,454.3	3,658.0	3,919.2	3,947.7	4,027.5	4,092.4	4,137.6	4,159.4
6 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,788.4	1,780.3	1,722.8	1,669.9	1,624.8
7 Fixed investment	1,465.6	1,578.2	1,718.1	1,735.9	1,741.6	1,748.3	1,706.5	1,682.6
8 Nonresidential	1,101.2	1,174.6	1,293.1	1,314.9	1,318.2	1,311.2	1,260.2	1,231.0
9 Structures	282.4	283.5	313.6	321.1	330.9	345.8	338.6	334.3
10 Producers' durable equipment	818.9	891.1	979.5	993.8	987.3	965.4	921.7	896.8
11 Residential structures	364.4	403.5	425.1	421.0	423.4	437.0	446.2	451.6
12 Change in business inventories	73.1	58.6	49.4	52.5	38.7	-25.5	-36.6	-57.8
13 Nonfarm	72.3	60.1	51.1	55.3	37.8	-26.2	-35.3	-55.9
14 Net exports of goods and services	-151.7	-250.9	-364.0	-380.6	-390.6	-363.8	-347.4	-294.4
15 Exports	964.9	989.8	1,102.9	1,131.1	1,121.0	1,117.4	1,079.6	1,020.6
16 Imports	1,116.7	1,240.6	1,466.9	1,511.8	1,511.6	1,481.2	1,427.0	1,315.0
17 Government consumption expenditures and gross investment	1,538.5	1,632.5	1,741.0	1,744.2	1,766.8	1,805.2	1,835.4	1,836.9
18 Federal	539.2	564.0	590.2	587.0	594.2	605.3	609.9	615.7
19 State and local	999.3	1,068.5	1,150.8	1,157.2	1,172.6	1,199.8	1,225.5	1,221.2
By major type of product								
20 Final sales, total	8,708.4	9,210.0	9,823.6	9,884.9	9,989.2	10,167.2	10,239.1	10,282.7
21 Goods	3,232.3	3,418.6	3,644.8	3,677.2	3,670.6	3,718.8	3,715.0	3,690.3
22 Durable	1,524.4	1,618.8	1,735.2	1,753.8	1,740.7	1,755.8	1,737.2	1,704.9
23 Nondurable	1,707.9	1,799.8	1,909.7	1,923.5	1,929.9	1,963.1	1,977.8	1,985.4
24 Services	4,678.6	4,939.1	5,268.5	5,296.1	5,393.0	5,482.8	5,545.7	5,626.5
25 Structures	797.5	852.4	910.3	911.6	925.6	965.6	978.4	965.9
26 Change in business inventories	73.1	58.6	49.4	52.5	38.7	-25.5	-36.6	-57.8
27 Durable goods	44.7	35.3	34.7	33.0	31.5	-31.0	-42.3	-55.3
28 Nondurable goods	28.5	23.3	14.7	19.5	7.2	5.5	5.8	-2.5
MEMO								
29 Total GDP in chained 1996 dollars	8,508.9	8,856.5	9,224.0	9,260.1	9,303.9	9,334.5	9,341.7	9,310.4
NATIONAL INCOME								
30 Total	7,041.4	7,462.1	7,980.9	8,047.2	8,124.0	8,169.7	8,207.9	8,189.6
31 Compensation of employees	4,989.6	5,310.7	5,715.2	5,759.3	5,868.9	5,955.7	6,010.8	6,037.7
32 Wages and salaries	4,192.1	4,477.4	4,837.2	4,875.8	4,973.2	5,049.4	5,099.8	5,123.4
33 Government and government enterprises	692.7	724.3	768.4	772.6	776.6	788.8	799.6	812.5
34 Other	3,499.4	3,753.1	4,068.8	4,103.2	4,196.6	4,260.6	4,300.2	4,311.0
35 Supplement to wages and salaries	797.5	833.4	878.0	883.5	895.7	906.3	911.0	914.2
36 Employer contributions for social insurance	306.9	323.6	343.8	345.6	350.8	357.1	358.8	358.8
37 Other labor income	490.6	509.7	534.2	537.9	544.9	549.3	552.2	555.4
38 Proprietors' income ¹	623.8	672.0	715.0	719.3	725.2	735.2	745.3	752.7
39 Business and professional ¹	598.2	645.4	684.4	687.6	693.5	705.4	716.6	720.5
40 Farm ¹	25.6	26.6	30.6	31.6	31.7	29.8	28.7	32.3
41 Rental income of persons ²	138.6	147.7	141.6	138.3	141.7	139.6	139.0	144.0
42 Corporate profits ¹	777.4	825.2	876.4	895.0	847.6	789.8	759.8	697.0
43 Profits before tax ³	721.1	776.3	845.4	858.3	816.5	755.7	738.3	680.6
44 Inventory valuation adjustment	18.3	-2.9	-12.4	-3.6	-7.3	-1.9	-8.8	3.1
45 Capital consumption adjustment	38.0	51.7	43.4	40.4	38.4	36.0	30.3	13.4
46 Net interest	511.9	506.5	532.7	535.3	540.6	549.4	553.0	558.3

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

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

Account	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 Total personal income	7,426.0	7,777.3	8,319.2	8,381.5	8,519.6	8,640.2	8,714.6	8,771.8
2 Wage and salary disbursements	4,192.8	4,472.2	4,837.2	4,875.8	4,973.2	5,049.4	5,099.8	5,123.4
3 Commodity-producing industries	1,038.5	1,088.7	1,163.7	1,173.2	1,195.5	1,206.3	1,204.4	1,197.5
4 Manufacturing	756.6	782.0	830.1	838.0	852.2	853.3	850.2	841.1
5 Distributive industries	948.9	1,021.0	1,095.6	1,102.4	1,125.9	1,140.3	1,148.2	1,148.1
6 Service industries	1,512.7	1,638.2	1,809.5	1,827.6	1,875.2	1,914.0	1,947.6	1,965.4
7 Government and government enterprises	692.7	724.3	768.4	772.6	776.6	788.8	799.6	812.5
8 Other labor income	490.6	509.7	534.2	537.9	544.9	549.3	552.2	555.4
9 Proprietors' income ¹	623.8	672.0	715.0	719.3	725.2	735.2	745.3	752.7
10 Business and professional ¹	598.2	645.4	684.4	687.6	693.5	705.4	716.6	720.5
11 Farm ¹	25.6	26.6	30.6	31.6	31.7	29.8	28.7	32.3
12 Rental income of persons ²	138.6	147.7	141.6	138.3	141.7	139.6	139.0	144.0
13 Dividends	348.3	343.1	379.2	385.8	396.6	404.8	411.9	420.0
14 Personal interest income	964.4	950.0	1,000.6	1,009.2	1,013.1	1,010.9	1,001.0	991.5
15 Transfer payments	983.7	1,019.6	1,069.1	1,074.6	1,089.0	1,123.1	1,139.4	1,159.0
16 Old-age survivors, disability, and health insurance benefits	578.1	588.0	617.3	620.9	626.5	651.4	660.1	670.8
17 LESS: Personal contributions for social insurance	316.3	337.1	357.7	359.4	364.1	372.1	374.0	374.2
18 EQUALS: Personal income	7,426.0	7,777.3	8,319.2	8,381.5	8,519.6	8,640.2	8,714.6	8,771.8
19 LESS: Personal tax and nontax payments	1,070.4	1,159.2	1,288.2	1,300.2	1,329.8	1,345.2	1,351.4	1,195.5
20 EQUALS: Disposable personal income	6,355.6	6,618.0	7,031.0	7,081.3	7,189.8	7,295.0	7,363.2	7,576.4
21 LESS: Personal outlays	6,054.1	6,457.2	6,963.3	7,026.9	7,115.1	7,216.2	7,281.7	7,291.0
22 EQUALS: Personal saving	301.5	160.9	67.7	54.5	74.7	78.8	81.5	285.3
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	31,449.2	32,441.9	32,652.6 ^a	32,730.1 ^a	32,779.0 ^a	32,800.6 ^a	32,730.0 ^a	32,512.9 ^a
24 Personal consumption expenditures	21,007.2	21,862.6	22,152.4 ^a	22,239.7 ^a	22,340.5 ^a	22,448.7 ^a	22,522.8 ^a	22,502.6 ^a
25 Disposable personal income	22,800.0	23,150.0	23,148.0 ^a	23,209.0	23,376.0	23,470.0	23,541.0	24,157.0
26 Saving rate (percent)	4.7	2.4	1.0	.8	1.0	1.1	1.1	3.8
GROSS SAVING								
27 Gross saving	1,647.2	1,707.4	1,785.7	1,807.4	1,799.7	1,754.0	1,750.5	1,751.9
28 Gross private saving	1,375.0	1,348.0	1,323.0	1,329.6	1,332.7	1,307.9	1,321.2	1,534.4
29 Personal saving	301.5	160.9	67.7	54.5	74.7	78.8	81.5	285.3
30 Undistributed corporate profits ¹	189.9	228.7	225.3	233.9	197.0	147.8	119.5	71.7
31 Corporate inventory valuation adjustment	18.3	-2.9	-12.4	-3.6	-7.3	-1.9	-8.8	3.1
Capital consumption allowances								
32 Corporate	620.2	669.2	727.1	736.0	749.7	763.8	785.6	847.0
33 Noncorporate	264.2	284.1	302.8	305.2	311.3	317.5	334.6	330.4
34 Gross government saving	272.2	359.4	462.8	477.8	467.1	446.1	429.3	217.6
35 Federal	132.0	210.9	315.0	326.9	320.5	303.7	286.2	86.2
36 Consumption of fixed capital	88.2	91.7	96.4	97.0	97.9	98.4	99.4	99.8
37 Current surplus or deficit (-), national accounts	43.8	119.2	218.6	229.9	222.5	205.3	186.7	-13.6
38 State and local	140.2	148.5	147.8	150.9	146.6	142.5	143.2	131.4
39 Consumption of fixed capital	99.5	106.4	114.9	116.1	118.0	120.2	121.9	129.5
40 Current surplus or deficit (-), national accounts	40.7	42.1	32.8	34.8	28.6	22.3	21.3	1.9
41 Gross investment	1,616.2	1,634.7	1,655.3	1,651.1	1,649.7	1,633.5	1,607.3	1,602.3
42 Gross private domestic investment	1,538.7	1,636.7	1,767.5	1,788.4	1,780.3	1,722.8	1,669.9	1,624.8
43 Gross government investment	277.1	304.6	318.3	314.0	322.8	330.9	344.0	331.9
44 Net foreign investment	-199.7	-306.6	-430.5	-451.3	-453.4	-420.2	-406.6	-354.5
45 Statistical discrepancy	-31.0	-72.7	-130.4	-156.3	-150.0	-120.5	-143.2	-149.7

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

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1998	1999	2000	2000		2001		
				Q3	Q4	Q1	Q2	Q3
1 Balance on current account	-217,457	-324,364	-444,667	-115,305	-116,324	-111,778	-107,576	-94,980
2 Balance on goods and services	-166,828	-261,838	-375,739	-97,340	-100,293	-95,023	-90,543	-77,587
3 Exports	932,694	957,353	1,065,702	272,497	270,131	269,092	259,315	243,391
4 Imports	-1,099,522	-1,219,191	-1,441,441	-369,837	-370,424	-364,115	-349,858	-320,978
5 Income, net	-6,202	-13,613	-14,792	-4,885	642	-5,021	-4,995	-5,038
6 Investment, net	-1,211	-8,511	-9,621	-3,620	1,971	-3,661	-3,658	-3,716
7 Direct	66,253	67,044	81,231	21,049	25,703	22,673	23,426	24,045
8 Portfolio	-67,464	-75,555	-90,852	-24,669	-23,732	-26,334	-27,084	-27,761
9 Compensation of employees	-4,991	-5,102	-5,171	-1,265	-1,329	-1,360	-1,337	-1,322
10 Unilateral current transfers, net	-44,427	-48,913	-54,136	-13,080	-16,673	-11,734	-12,038	-12,355
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-422	2,751	-944	114	-359	21	-786	23
12 Change in U.S. official reserve assets (increase, -)	-6,783	8,747	-290	-346	-1,410	190	-1,343	-3,559
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-147	10	-722	-182	-180	-189	-156	-145
15 Reserve position in International Monetary Fund	-5,119	5,484	2,308	1,300	-1,083	574	-1,015	-3,242
16 Foreign currencies	-1,517	3,253	-1,876	-1,464	-147	-195	-172	-172
17 Change in U.S. private assets abroad (increase, -)	-352,427	-448,565	-579,718	-107,495	-179,779	-243,331	-70,046	-11,847
18 Bank-reported claims ²	-35,572	-76,263	-138,500	-18,147	-71,574	-109,789	-105	56,025
19 Nonbank-reported claims	-38,204	-85,700	-163,846	-14,585	-44,514	-61,011	22,232	-29,773
20 U.S. purchase of foreign securities, net	-136,135	-131,217	-124,935	-33,129	-24,621	-31,591	-51,109	13,963
21 U.S. direct investments abroad, net	-142,516	-155,385	-152,437	-41,634	-39,070	-40,940	-41,064	-52,062
22 Change in foreign official assets in United States (increase, +)	-19,948	43,551	37,619	12,247	-3,573	4,898	-20,879	16,814
23 U.S. Treasury securities	-9,921	12,177	-10,233	-9,001	-13,436	-1,027	-20,783	15,810
24 Other U.S. government obligations	6,332	20,350	40,909	14,272	8,196	3,574	9,932	-216
25 Other U.S. government liabilities ²	-3,371	-2,855	-1,987	-220	-293	-1,246	-926	113
26 Other U.S. liabilities reported by U.S. banks ²	-9,501	12,964	5,803	6,884	980	2,594	-10,130	-874
27 Other foreign official assets ³	-3,487	915	3,127	312	980	1,003	1,028	1,981
28 Change in foreign private assets in United States (increase, +)	524,412	770,193	986,599	209,861	298,894	341,762	247,460	35,297
29 U.S. bank-reported liabilities ⁴	39,769	54,232	87,953	-1,910	43,365	6,890	44,271	-54,015
30 U.S. nonbank-reported liabilities	23,140	69,075	177,010	19,078	48,344	130,624	3,375	-13,298
31 Foreign private purchases of U.S. Treasury securities, net	48,581	-20,490	-52,792	-12,503	-10,395	656	-8,678	-9,436
32 U.S. currency flows	16,622	22,407	1,129	757	6,230	2,311	2,772	8,203
33 Foreign purchases of other U.S. securities, net	218,091	343,963	485,644	128,393	126,643	148,809	140,512	77,455
34 Foreign direct investments in United States, net	178,209	301,006	287,655	76,046	84,707	52,472	65,208	26,388
35 Capital account transactions, net ⁵	678	-3,491	705	175	184	173	177	182
36 Discrepancy	71,947	-48,822	696	749	2,367	8,065	-47,007	58,070
37 Due to seasonal adjustment	...	...	...	-9,977	3,856	8,821	-1,835	-8,617
38 Before seasonal adjustment	71,947	-48,822	696	10,726	-1,489	-756	-45,172	66,687
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-6,783	8,747	-290	-346	-1,410	190	-1,343	-3,559
40 Foreign official assets in United States, excluding line 25 (increase, +)	-16,577	46,406	39,606	12,467	-3,280	6,144	-19,953	16,701
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	-11,531	1,621	11,582	3,636	164	589	-1,743	-4,057

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.
 2. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.

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

4. Reporting banks included all types of depository institutions as well as some brokers and dealers.

5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^P
1 Goods and services, balance	-166,686	-261,838	-375,739	-28,876	-29,827	-30,166	-28,017	-19,019	-29,325	-27,887
2 Merchandise	-246,855	-345,434	-452,207	-34,449	-35,553	-35,838	-34,073	-35,531	-35,045	-33,969
3 Services	79,868	83,596	76,468	5,573	5,726	5,672	6,056	16,512	5,720	6,082
4 Goods and services, exports	933,053	957,353	1,065,702	87,155	85,312	82,822	83,837	76,775	77,640	78,204
5 Merchandise	670,324	684,553	772,210	62,846	60,848	58,688	59,533	55,597	56,590	56,216
6 Services	262,729	272,800	293,492	24,309	24,464	24,134	24,304	21,178	21,050	21,988
7 Goods and services, imports	-1,099,739	-1,219,191	-1,441,441	-116,031	-115,139	-112,988	-111,854	-95,794	-106,965	-106,091
8 Merchandise	-917,179	-1,029,987	-1,224,417	-97,295	-96,401	-94,526	-93,606	-91,128	-91,635	-90,185
9 Services	-182,560	-189,204	-217,024	-18,736	-18,738	-18,462	-18,248	-4,666	-15,330	-15,906

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE: FT900, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1998	1999	2000	2001							2002
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^P
1 Total	81,761	71,516	67,647	64,847	65,736	67,852	70,963	69,707	69,158	68,654	67,533
2 Gold stock ¹	11,046	11,048	11,046	11,044	11,044	11,044	11,045	11,045	11,045	11,045	11,045
3 Special drawing rights ^{2,3}	10,603	10,336	10,539	10,409	10,518	10,913	10,919	10,827	10,864	10,774	10,657
4 Reserve position in International Monetary Fund ²	24,111	17,950	14,824	14,619	14,965	15,297	18,404	17,787	17,293	17,854	17,602
5 Foreign currencies ⁴	36,001	32,182	31,238	28,775	29,209	30,598	30,595	30,048	29,956	28,981	28,229

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, line 3. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S.

SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

3. Includes allocations of SDRs by the International Monetary Fund on Jan. 1 of the year indicated, as follows: 1970—\$867 million; 1971—\$717 million; 1972—\$710 million; 1979—\$1,139 million; 1980—\$1,152 million; 1981—\$1,093 million; plus net transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1998	1999	2000	2001							2002
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^P
1 Deposits	167	71	215	102	84	80	608	75	528	61	162
Held in custody											
2 U.S. Treasury securities ²	607,574	632,482	594,094	586,607	578,573	590,820	587,566	599,043	600,129	592,630	592,031
3 Earmarked gold ¹	10,343	9,933	9,451	9,100	9,100	9,100	9,100	9,099	9,099	9,099	9,098

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, in each case measured at face (not market) value.

3. Held in foreign and international accounts and valued at \$42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1999	2000	2001						
			May	June	July	Aug.	Sept.	Oct. ^f	Nov. ^g
1 Total¹	806,318	845,869	836,962	835,417	845,155	839,457	852,175	860,460	867,671
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	138,847	144,593	143,616	144,414	151,858	137,621	143,597	140,003	130,661
3 U.S. Treasury bills and certificates ³	156,177	153,010	137,933	139,195	143,288	151,850	153,899	161,081	167,562
U.S. Treasury bonds and notes									
4 Marketable	422,266	415,964	410,979	407,736	406,995	407,338	409,887	412,126	418,392
5 Nonmarketable ⁴	6,111	5,348	5,049	5,081	4,846	4,805	4,036	3,520	3,542
6 U.S. securities other than U.S. Treasury securities ⁵	82,917	126,954	139,385	138,991	138,168	137,843	140,756	143,730	147,514
<i>By area</i>									
7 Europe ¹	244,805	253,592	251,505	252,391	262,830	260,593	262,568	263,765	262,134
8 Canada	12,503	12,394	10,967	11,573	11,727	12,033	11,299	11,780	12,589
9 Latin America and Caribbean	73,518	76,753	75,861	79,068	79,359	76,251	75,751	77,555	77,388
10 Asia	463,703	488,170	482,959	478,253	475,475	474,650	488,358	490,897	498,815
11 Africa	7,523	9,165	9,272	9,054	10,574	9,864	10,249	10,337	9,560
12 Other countries	4,266	5,795	6,398	5,078	5,190	6,066	3,950	6,126	7,185

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 and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

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

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States¹

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1997	1998	1999	2000	2001		
				Dec.	Mar.	June	Sept.
1 Banks' liabilities	117,524	101,125	88,537	77,779	89,394	108,418	93,194
2 Banks' claims	83,038	78,162	67,365	56,912	73,179	77,400	68,703
3 Deposits	28,661	45,985	34,426	23,315	29,902	32,765	36,895
4 Other claims	54,377	32,177	32,939	33,597	43,277	44,635	31,808
5 Claims of banks' domestic customers ²	8,191	20,718	20,826	24,411	21,105	21,144	20,844

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct. ¹	Nov. ²
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,347,837	1,408,740	1,511,410 ¹	1,532,678 ¹	1,519,311 ¹	1,519,999 ¹	1,509,166 ¹	1,489,196 ¹	1,563,086	1,639,311
2 Banks' own liabilities	884,939	971,536	1,077,636 ¹	1,113,888 ¹	1,095,034 ¹	1,098,902 ¹	1,077,597 ¹	1,056,582 ¹	1,110,738	1,165,827
3 Demand deposits	29,558	42,884	33,365	29,123	32,833	29,949	33,668	34,258	29,730	34,709
4 Time deposits ²	151,761	163,620	187,883	180,063	179,380	174,456	174,196	178,502	167,661	155,864
5 Other ³	140,752	155,853	171,401	206,146	212,071	225,276	206,037	196,294	207,593	220,659
6 Own foreign offices ⁴	562,868	609,179	684,987 ¹	698,556 ¹	670,750 ¹	669,221 ¹	663,696 ¹	647,528 ¹	705,754	754,595
7 Banks' custodial liabilities ⁵	462,898	437,204	433,774	418,790 ¹	424,277 ¹	421,097 ¹	431,569 ¹	432,614 ¹	452,348	473,484
8 U.S. Treasury bills and certificates ⁶	183,494	185,676	177,846	156,103 ¹	156,601 ¹	160,932 ¹	170,724 ¹	173,237 ¹	182,927	191,048
9 Short-term agency securities ⁷	n.a.	n.a.	n.a.	62,429 ¹	60,086 ¹	61,475 ¹	62,805 ¹	62,117 ¹	65,652	59,723
10 Other negotiable and readily transferable instruments ⁸	141,699	132,617	145,840	81,431 ¹	79,431 ¹	77,199 ¹	77,350 ¹	75,344 ¹	77,394	78,995
11 Other	137,705	118,911	110,088	118,827	128,159	121,491	120,690	121,916	126,375	143,718
12 Nonmonetary international and regional organizations ⁹	11,883	15,276	12,542	14,668	13,818	11,255	13,214	13,309	10,136	11,044
13 Banks' own liabilities	10,850	14,357	12,140	14,342	13,479	11,020	12,983	13,075	9,573	10,208
14 Demand deposits	172	98	41	15	28	50	21	36	40	21
15 Time deposits ²	5,793	10,349	6,246	3,532	4,228	2,896	2,738	2,299	2,627	3,009
16 Other ³	4,885	3,910	5,853	10,795	9,223	8,074	10,224	10,740	6,906	7,178
17 Banks' custodial liabilities ⁵	1,033	919	402	326	339	235	231	234	563	836
18 U.S. Treasury bills and certificates ⁶	636	680	252	105	68	78	92	118	521	779
19 Short-term agency securities ⁷	n.a.	n.a.	n.a.	132	134	132	117	102	18	36
20 Other negotiable and readily transferable instruments ⁸	397	233	149	87	137	25	21	13	13	17
21 Other	0	6	1	2	0	0	1	1	11	4
22 Official institutions ¹⁰	260,060	295,024	297,603	281,549	283,609	295,146	289,471	297,496	301,084	298,223
23 Banks' own liabilities	80,256	97,615	96,989	96,391	99,996	108,991	94,150	101,385	96,143	92,346
24 Demand deposits	3,003	3,341	3,952	2,522	2,465	2,169	2,934	3,042	2,496	3,336
25 Time deposits ²	29,506	28,942	35,573	26,625	32,752	28,121	26,441	31,971	24,275	18,348
26 Other ³	47,747	65,332	57,464	67,244	64,779	78,701	64,775	66,372	69,372	70,662
27 Banks' custodial liabilities ⁵	179,804	197,409	200,614	185,158	183,613	186,155	195,321	196,111	204,941	205,877
28 U.S. Treasury bills and certificates ⁶	134,177	156,177	153,010	137,933	139,195	143,288	151,850	153,899	161,081	167,562
29 Short-term agency securities ⁷	n.a.	n.a.	n.a.	43,193	40,301	39,971	40,727	39,961	41,078	35,037
30 Other negotiable and readily transferable instruments ⁸	44,953	41,182	47,366	3,509	3,647	2,686	2,558	2,230	1,946	1,715
31 Other	674	50	238	523	470	210	186	21	836	1,563
32 Banks ¹¹	885,336	900,379	972,932 ¹	989,775 ¹	969,419 ¹	957,962 ¹	955,810 ¹	928,746 ¹	989,024	1,053,003
33 Banks' own liabilities	676,057	728,492	821,306 ¹	845,021 ¹	815,981 ¹	811,203 ¹	809,865 ¹	786,741 ¹	841,794	890,750
34 Unaffiliated foreign banks	113,189	119,313	136,319	146,465	145,231	141,982	146,169	139,213	136,040	136,155
35 Demand deposits	14,071	17,583	15,522	12,143	15,211	12,548	14,585	14,928	11,166	13,149
36 Time deposits ²	45,904	48,140	66,904	69,365	63,199	62,794	64,252	64,816	61,245	56,194
37 Other ³	53,214	53,590	53,893	64,957	66,821	66,640	67,332	59,469	63,629	66,812
38 Own foreign offices ⁴	562,868	609,179	684,987 ¹	698,556 ¹	670,750 ¹	669,221 ¹	663,696 ¹	647,528 ¹	705,754	754,595
39 Banks' custodial liabilities ⁵	209,279	171,887	151,626	144,754 ¹	153,438 ¹	146,759 ¹	145,945 ¹	142,005 ¹	147,230	162,253
40 U.S. Treasury bills and certificates ⁶	35,359	16,796	16,023	8,539 ¹	8,459 ¹	9,097 ¹	9,584 ¹	8,784 ¹	10,288	10,907
41 Short-term agency securities ⁷	n.a.	n.a.	n.a.	3,774 ¹	3,172 ¹	2,537 ¹	2,423 ¹	2,629 ¹	2,868	2,470
42 Other negotiable and readily transferable instruments ⁸	45,332	45,695	36,036	28,513 ¹	28,123 ¹	27,327 ¹	27,274 ¹	24,188 ¹	23,829	23,305
43 Other	128,588	109,396	99,567	103,928	107,798	106,664	106,664	106,404	110,245	125,571
44 Other foreigners	190,558	198,061	228,333	246,686 ¹	252,465 ¹	255,636 ¹	250,671 ¹	249,645 ¹	262,842	277,041
45 Banks' own liabilities	117,776	131,072	147,201	158,134	165,578	167,688	160,599	155,381	163,228	172,523
46 Demand deposits	12,312	21,862	13,850	14,443	15,129	15,182	16,128	16,252	16,028	18,203
47 Time deposits ²	70,558	76,189	79,160	80,541	79,201	80,645	80,765	79,416	79,514	78,313
48 Other ³	34,906	33,021	54,191	63,150	71,248	71,861	63,706	59,713	67,686	76,007
49 Banks' custodial liabilities ⁵	72,782	66,989	81,132	88,552 ¹	86,887 ¹	87,948 ¹	90,072 ¹	94,264 ¹	99,614	104,518
50 U.S. Treasury bills and certificates ⁶	13,322	12,023	8,561	9,526 ¹	8,879 ¹	8,469 ¹	9,198 ¹	10,436 ¹	11,037	11,800
51 Short-term agency securities ⁷	n.a.	n.a.	n.a.	15,330 ¹	16,479 ¹	18,835 ¹	19,538 ¹	19,425 ¹	21,688	22,180
52 Other negotiable and readily transferable instruments ⁸	51,017	45,507	62,289	49,322 ¹	47,524 ¹	47,161 ¹	47,497 ¹	48,913 ¹	51,606	53,958
53 Other	8,443	9,459	10,282	14,374	14,005	13,483	13,839	15,490	15,283	16,580
MEMO										
54 Negotiable time certificates of deposits in custody for foreigners	27,026	30,345	34,217	25,912	24,884	22,640	24,442	23,228	22,646	22,778
55 Repurchase agreements ⁷	n.a.	n.a.	n.a.	119,901	126,508	138,328	132,705	111,109	127,516	136,459

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the 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 for foreign customers.

6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

7. Data available beginning January 2001.

8. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

9. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.

10. Foreign central banks, foreign central governments, and the Bank for International Settlements.

11. Excludes central banks, which are included in "Official institutions."

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹—Continued

Payable in U.S. dollars

Millions of dollars, end of period

Item	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct. ¹	Nov. ²
AREA										
56 Total, all foreigners	1,347,837	1,408,740	1,511,410 ¹	1,532,678 ¹	1,519,311 ¹	1,519,999 ¹	1,509,166 ¹	1,489,196 ¹	1,563,086	1,639,311
57 Foreign countries	1,335,954	1,393,464	1,498,867 ¹	1,518,009 ¹	1,505,492 ¹	1,508,743 ¹	1,495,952 ¹	1,475,887 ¹	1,552,949	1,628,267
58 Europe	427,375	441,810	446,788	464,175 ¹	457,565 ¹	449,794 ¹	431,373 ¹	414,241 ¹	435,140	491,807
59 Austria	3,178	2,789	2,692	2,593	2,026	2,040	2,370	2,398	2,117	2,944
60 Belgium ¹²	42,818	44,692	33,399	5,895	6,270	7,058	6,624	6,424	6,960	6,640
61 Denmark	1,437	2,196	3,000	2,910	3,063	2,596	3,294	3,243	3,752	4,248
62 Finland	1,862	1,658	1,411	1,144	2,395	1,574	1,003	1,267	1,223	1,135
63 France	44,616	49,790	37,833	40,209	40,076	42,709	39,661	38,263	49,058	49,691
64 Germany	21,357	24,753	35,519	30,344 ¹	32,392 ¹	32,363 ¹	27,830 ¹	20,426 ¹	23,707	23,111
65 Greece	2,066	3,748	2,011	1,525	1,653	2,288	2,607	2,440	2,408	2,080
66 Italy	7,103	6,775	5,072	5,534	6,767	5,877	4,761	5,803	5,445	5,913
67 Luxembourg ¹²	n.a.	n.a.	n.a.	14,971 ¹	14,876	14,578 ¹	14,427 ¹	15,065	14,612	16,536
68 Netherlands	10,793	8,143	7,047	10,787 ¹	9,637 ¹	11,388 ¹	11,553 ¹	11,149 ¹	12,285	13,078
69 Norway	710	1,327	2,305	2,573	4,584	3,540	3,961	3,565	3,145	3,056
70 Portugal	3,236	2,228	2,403	2,112 ¹	2,328 ¹	2,700 ¹	2,534 ¹	2,626 ¹	3,787	3,924
71 Russia	2,439	5,475	19,018	21,359 ¹	22,841 ¹	23,968 ¹	22,689 ¹	22,944 ¹	23,431	21,243
72 Spain	15,781	10,426	7,787	7,886	7,412	6,974	7,286	8,927	9,785	10,536
73 Sweden	3,027	4,652	6,497	5,284	5,507	4,111	3,233	3,760	3,461	3,705
74 Switzerland	50,654	63,485	74,635	93,170	73,078	65,942	53,148	39,576	39,706	81,121
75 Turkey	4,286	7,842	7,548	7,171	5,487	6,194	7,068	6,203	6,749	6,822
76 United Kingdom	181,554	172,687	167,757	139,049 ¹	145,734 ¹	137,279 ¹	138,192 ¹	139,289 ¹	142,991	155,524
77 Channel Islands and Isle of Man ¹³	n.a.	n.a.	n.a.	34,742	34,994	35,018	35,745	36,072	36,392	36,161
78 Yugoslavia ¹⁴	233	286	276	301	297	395	297	321	313	310
79 Other Europe and other former U.S.S.R. ¹⁵	30,225	28,858	30,578	34,616	36,148	41,202	43,090	44,480	43,813	44,029
80 Canada	30,212	34,214	30,982	26,034 ¹	26,025 ¹	26,437 ¹	28,149 ¹	26,148 ¹	25,522	27,920
81 Latin America	121,327	117,495	120,041	113,386 ¹	117,646 ¹	118,808 ¹	120,930 ¹	119,457 ¹	122,101	120,200
82 Argentina	19,014	18,633	19,451	12,390	16,458	13,296	11,260	15,139	12,997	10,772
83 Brazil	15,815	12,865	10,852	11,264	12,586	14,369	16,142	16,979	16,398	14,288
84 Chile	5,015	7,008	5,892	5,702	5,491	5,443	5,322	5,740	5,415	5,297
85 Colombia	4,624	5,669	4,542	4,746	4,631	4,397	4,582	4,449	4,589	4,643
86 Ecuador	1,572	1,956	2,112	2,140	1,981	2,145	2,170	2,117	2,101	2,004
87 Guatemala	1,336	1,626	1,601	1,597 ¹	1,518 ¹	1,531 ¹	1,469 ¹	1,443 ¹	1,851	1,934
88 Mexico	37,157	30,717	32,166	33,116 ¹	33,326 ¹	34,766 ¹	37,990 ¹	37,424 ¹	40,367	40,242
89 Panama	3,864	4,415	4,240	3,649 ¹	3,521 ¹	3,701 ¹	3,679 ¹	3,769 ¹	3,741	3,501
90 Peru	840	1,142	1,427	1,535	1,614	1,599	1,526	1,466	1,509	1,585
91 Uruguay	2,486	2,386	3,003	3,333	3,026	2,980	2,993	2,684	3,121	3,264
92 Venezuela	19,894	20,192	24,730	27,053 ¹	27,038 ¹	27,666 ¹	26,983 ¹	21,869 ¹	23,584	26,100
93 Other Latin America ¹⁶	9,710	10,886	10,025	6,861	6,456	6,915 ¹	6,814 ¹	6,378	6,428	6,570
94 Caribbean	433,539	461,200	573,337	600,384 ¹	598,298 ¹	608,639 ¹	613,815 ¹	596,097 ¹	649,562	669,641
95 Bahamas	118,085	135,811	189,298	190,142	187,469	183,844	184,769 ¹	178,265 ¹	212,415	201,522
96 Bermuda	6,846	7,874	9,636	7,025 ¹	7,821 ¹	8,235 ¹	7,424 ¹	7,538 ¹	9,611	9,179
97 British West Indies ¹⁷	302,486	312,278	367,197	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
98 Cayman Islands ¹⁷	n.a.	n.a.	n.a.	385,617 ¹	384,269 ¹	400,562 ¹	406,077 ¹	392,289 ¹	406,402	439,272
99 Cuba	62	75	90	84	85	88	45	154	86	85
100 Jamaica	577	520	794	1,101	963	975	967	958	880	930
101 Netherlands Antilles	5,010	4,047	5,428	3,474 ¹	3,970 ¹	3,285 ¹	3,341 ¹	4,584 ¹	6,094	4,070
102 Trinidad and Tobago	473	595	894	1,237	1,272	1,253	1,428	1,410	1,509	1,768
103 Other Caribbean ¹⁶	n.a.	n.a.	n.a.	11,704 ¹	12,449 ¹	10,397 ¹	9,764 ¹	10,899 ¹	12,565	12,815
104 Asia	307,960	319,489	305,554 ¹	291,882 ¹	284,154 ¹	283,786 ¹	279,217 ¹	300,657 ¹	300,998	299,060
China										
105 Mainland	13,441	12,325	16,531	23,157 ¹	15,391 ¹	15,587 ¹	16,024 ¹	16,886	17,880	12,368
106 Taiwan	12,708	13,603	17,352	18,105 ¹	19,847 ¹	23,066 ¹	22,759 ¹	22,236 ¹	19,174	21,097
107 Hong Kong	20,900	27,701	26,462	27,347	29,181 ¹	26,841	23,837	24,585	23,146	26,294
108 India	5,250	7,367	4,530	4,281	4,043	4,413	4,076	4,024	3,881	3,906
109 Indonesia	8,282	6,567	8,514	10,600	10,565	11,629	11,987	11,926	12,350	11,757
110 Israel	7,749	7,488	8,053	8,282	8,696	8,710	7,715	8,818	7,343	7,742
111 Japan	168,563	159,075	150,415	141,252 ¹	137,074 ¹	134,254 ¹	132,307 ¹	149,612 ¹	160,012	157,760
112 Korea (South)	12,524	12,988	7,955	5,854	6,746	7,366	7,046	7,723	7,743	8,116
113 Philippines	3,324	3,268	2,316	1,684	1,478	1,657	1,791	1,884	1,756	2,109
114 Thailand	7,359	6,050	3,117	3,376 ¹	3,401 ¹	3,469 ¹	3,850 ¹	3,445 ¹	3,665	4,791
115 Middle Eastern oil-exporting countries ¹⁸	15,609	21,314	23,763 ¹	19,677 ¹	20,551 ¹	19,221 ¹	20,573 ¹	20,875 ¹	18,443	18,620
116 Other	32,251	41,743	36,546	28,267	27,181	27,573	27,252	28,643	25,605	24,500
117 Africa	8,905	9,468	10,824	10,622	10,584	12,178	12,194	11,609	12,088	11,222
118 Egypt	1,339	2,022	2,621	2,220	2,267	3,526	3,647	3,014	2,910	3,110
119 Morocco	97	179	139	116	102	118	165	235	331	344
120 South Africa	1,522	1,495	1,010	707	693	839	1,324	810	886	1,018
121 Congo (formerly Zaire)	5	14	4	2	14	5	5	2	4	1
122 Oil-exporting countries ¹⁹	3,088	2,914	4,052	4,740	4,645	4,349	3,839	4,431	4,980	3,967
123 Other	2,854	2,844	2,998	2,837	2,863	3,341	3,214	3,117	2,977	2,782
124 Other countries	6,636	9,788	11,341	11,526	11,220	9,101	10,274	7,678	7,538	8,417
125 Australia	5,495	8,377	10,070	10,419	9,855	8,058	9,290	6,822	6,584	7,799
126 New Zealand ²⁰	n.a.	n.a.	n.a.	437	862	501	517	437	505	217
127 All other	1,141	1,411	1,271	670	503	542	467	419	449	401
128 Nonmonetary international and regional organizations	11,883	15,276	12,543	14,669	13,819	11,256	13,214	13,309	10,137	11,044
129 International ²¹	10,221	12,876	11,270	12,705	12,549	10,241	12,090	12,224	8,784	9,286
130 Latin American regional ²²	594	1,150	740	1,146	705	441	509	569	480	462
131 Other regional ²³	1,068	1,250	533	518	523	502	558	476	822	1,234

12. Before January 2001, data for Belgium-Luxembourg were combined.

13. Before January 2001, these data were included in data reported for the United Kingdom.

14. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

15. Includes the Bank for International Settlements and the European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

16. Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."

17. Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.

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

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

20. Before January 2001, these data were included in "All other."

21. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.

22. Principally the Inter-American Development Bank.

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

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	1998	1999	2000	2001						
				May	June	July	Aug.	Sept.	Oct. ¹	Nov. ²
1 Total, all foreigners	734,995	793,139	904,642 ³	996,692 ⁴	990,714 ⁴	975,314 ⁴	948,790 ⁴	956,986 ⁴	993,102	1,016,323
2 Foreign countries	731,378	788,576	899,956 ⁴	992,782 ⁴	986,016 ⁴	970,460 ⁴	944,239 ⁴	952,510 ⁴	988,207	1,011,065
3 Europe	233,321	311,686	378,115	461,025	452,076	441,780	413,717	406,726	413,853	462,589
4 Austria	1,043	2,643	2,926	3,364	2,870	2,714	3,130	3,116	3,848	3,412
5 Belgium ⁵	7,187	10,193	5,399	5,627	4,254	9,184	4,451	4,780	6,424	7,994
6 Denmark	2,383	1,669	3,272	2,505	2,268	1,345	1,570	1,672	933	2,507
7 Finland	1,070	2,020	7,382	8,800	8,460	8,666	8,350	10,917	12,065	11,010
8 France	15,251	29,142	40,035	42,189	48,835	56,997	56,342	51,709	60,732	58,769
9 Germany	15,923	29,205	36,834	55,063	51,242	47,378	47,744	37,802	39,565	36,254
10 Greece	575	806	646	285	313	369	278	288	333	327
11 Italy	7,284	8,496	7,629	6,867	8,111	5,466	6,227	6,639	7,750	6,321
12 Luxembourg ⁶	n.a.	n.a.	n.a.	1,876	1,285	914	1,010	910	1,088	1,392
13 Netherlands	5,697	11,810	17,043	16,488	16,993	16,875	16,309	18,408	17,256	17,173
14 Norway	827	1,000	5,012	2,915	6,502	4,379	3,851	4,835	3,617	4,603
15 Portugal	669	1,571	1,382	1,173	1,304	1,050	1,232	1,285	1,164	1,709
16 Russia	789	713	517	715	911	589	877	676	863	680
17 Spain	5,735	3,796	2,603	4,275	3,654	3,955	3,431	4,662	3,713	5,398
18 Sweden	4,223	3,264	9,226	10,986	11,049	11,507	11,651	12,216	11,800	12,897
19 Switzerland	46,874	79,158	82,085	137,273	111,492	96,036	79,942	72,545	71,968	121,798
20 Turkey	1,982	2,617	3,059	2,596	2,530	2,499	2,407	2,307	2,324	2,243
21 United Kingdom	106,349	115,971	144,938	149,064	161,720	161,232	157,531	163,164	158,423	158,716
22 Channel Islands and Isle of Man ³	n.a.	n.a.	n.a.	3,838	3,275	3,417	3,162	3,900	3,783	3,819
23 Yugoslavia ⁴	53	50	50	59	49	4	4	4	4	n.a.
24 Other Europe and other former U.S.S.R. ⁵	9,407	7,562	8,077	5,067	4,959	7,204	4,218	4,891	6,200	5,567
25 Canada	47,037	37,206	39,837 ⁴	44,568 ⁴	50,138 ⁴	43,293 ⁴	42,832 ⁴	50,279 ⁴	48,773	50,792
26 Latin America	79,976	74,040	76,561 ⁴	73,828 ⁴	73,740 ⁴	73,405 ⁴	76,349 ⁴	74,667 ⁴	74,177	72,928
27 Argentina	9,552	10,894	11,519 ⁴	11,713 ⁴	11,896 ⁴	12,317 ⁴	13,076 ⁴	12,093 ⁴	11,603	11,354
28 Brazil	16,184	16,987	20,567	20,728	21,538	20,941	22,152	22,481	21,427	20,453
29 Chile	8,250	6,607	5,815	5,444	5,451	5,217	5,379	5,240	5,423	5,522
30 Colombia	6,507	4,524	4,370	3,740	3,641	3,625	3,720	3,604	3,564	3,598
31 Ecuador	1,400	760	635	482	523	515	505	508	507	504
32 Guatemala	1,127	1,135	1,244	1,234	1,199	1,148	1,276	1,262	1,568	1,522
33 Mexico	21,212	17,899	17,415	17,961	17,385	17,476	17,582	16,947	17,272	16,996
34 Panama	3,584	3,387	2,933	2,872	3,086	3,190	3,199	3,212	3,426	3,415
35 Peru	3,275	2,529	2,807	2,535	2,570	2,516	2,422	2,440	2,435	2,369
36 Uruguay	1,126	801	673	366	398	410	453	459	492	540
37 Venezuela	3,089	3,494	3,518	3,109	2,982	2,913	3,417	3,225	3,221	3,306
38 Other Latin America ⁶	4,670	5,023	5,065	3,644	3,071	3,137	3,168	3,196	3,239	3,349
39 Caribbean	262,678	281,128	319,403 ⁴	324,711 ⁴	322,554 ⁴	317,628 ⁴	326,661 ⁴	333,330 ⁴	356,456	325,937
40 Bahamas	96,455	99,066	114,090	112,802	105,772	100,133	99,046	114,763	124,546	97,916
41 Bermuda	5,011	8,007	9,260	5,507	5,802	7,236	6,803	6,974	11,440	6,015
42 British West Indies ⁷	153,749	167,189	189,289 ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43 Cayman Islands ⁷	n.a.	n.a.	n.a.	195,783 ⁴	200,144 ⁴	198,911 ⁴	204,753 ⁴	197,100 ⁴	207,916	207,864
44 Cuba	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
45 Jamaica	239	295	355	396	301	326	367	369	380	406
46 Netherlands Antilles	6,779	5,982	5,801	5,738	5,749	5,617	10,228	9,818	7,647	9,583
47 Trinidad and Tobago	445	589	608	804	946	989	1,086	959	858	880
48 Other Caribbean ⁶	n.a.	n.a.	n.a.	3,681	3,840	4,416	4,378	3,347	3,669	3,273
49 Asia	98,607	75,143	77,829	81,217	80,927	86,714	77,445	80,734	87,331	91,337
50 China	1,261	2,110	1,606	2,252	4,387	3,785	2,191	3,462	4,118	4,427
51 Mainland	1,041	1,390	2,247	1,985	2,524	2,906	2,780	3,276	4,244	3,897
52 Hong Kong	9,080	5,903	6,669	9,127	9,249	7,488	5,743	6,432	5,161	7,984
53 India	1,440	1,738	2,178	1,648	1,634	1,576	1,622	1,576	1,561	1,609
54 Indonesia	1,942	1,776	1,914	2,015	1,932	2,011	1,975	1,944	1,965	1,935
55 Israel	1,166	1,875	2,729	2,715	2,417	4,483	3,621	3,622	3,980	4,592
56 Japan	46,713	28,641	34,974	34,442	32,338	36,953	34,922	32,349	39,940	34,665
57 Korea (South)	8,289	9,426	7,776	11,673	11,258	12,803	10,701	11,788	11,137	14,742
58 Philippines	1,465	1,410	1,784	1,788	1,831	2,333	1,740	2,151	1,505	2,021
59 Thailand	1,807	1,515	1,381	1,380	1,541	1,119	1,440	1,172	1,470	1,283
60 Middle Eastern oil-exporting countries ⁸	16,130	14,267	9,346	9,926	8,621	8,531	8,267	7,953	8,290	10,088
61 Other	8,273	5,092	5,225	2,266	3,195	2,726	2,443	5,009	3,960	4,094
62 Africa	3,122	2,268	2,094	1,904	2,132	2,038	2,052	1,872	1,878	2,108
63 Egypt	257	258	201	466	530	391	389	397	381	477
64 Morocco	372	352	204	185	175	173	151	154	148	116
65 South Africa	643	622	309	289	528	608	661	493	443	571
66 Congo (formerly Zaire)	0	24	0	n.a.	n.a.	n.a.	2	n.a.	n.a.	1
67 Oil-exporting countries ⁹	936	276	471	197	142	130	128	148	169	179
68 Other	914	736	909	767	757	736	721	680	737	764
69 Other countries	6,637	7,105	6,117	5,529	4,449	5,602	5,183	4,902	5,739	5,374
70 Australia	6,173	6,824	5,868	5,215	4,121	5,143	4,807	3,982	5,402	4,964
71 New Zealand ¹⁰	n.a.	n.a.	n.a.	136	279	360	264	329	275	330
72 All other	464	281	249	178	49	99	112	591	62	80
73 Nonmonetary international and regional organizations ¹¹	3,617	4,563	4,686	4,535	4,848	4,854	4,551	4,476	4,904	5,258

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Before January 2001, combined data reported for Belgium-Luxembourg.

3. Before January 2001, data included in United Kingdom.

4. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

5. Includes the Bank for International Settlements and European Central Bank. Since December 1992, has included all parts of the former U.S.S.R. (except Russia) and Bosnia, Croatia, and Slovenia.

6. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."

7. Beginning 2001, Cayman Islands replaced British West Indies in the data series.

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

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

10. Before January 2001, included in "All other."

11. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	1998	1999	2000	2001						
				May	June ^c	July ^c	Aug. ^c	Sept. ^c	Oct. ^c	Nov. ^p
1 Total	875,891	944,937	1,095,869 ^a	...	1,181,652	...	...	1,132,166	...	...
2 Banks' claims	734,995	793,139	904,642 ^a	996,692 ^a	990,714	975,314	948,790	956,986	993,102	1,016,323
3 Foreign public borrowers	23,542	35,090	37,907	49,538 ^a	52,198	55,767	47,161	45,782	49,327	56,590
4 Own foreign offices ¹	484,535	529,682	630,137	709,123	686,065	660,538	652,434	657,672	678,931	689,455
5 Unaffiliated foreign banks	106,206	97,186	95,243 ^a	79,937 ^a	91,447	94,593	84,545	92,177	92,517	96,908
6 Deposits	27,230	34,538	23,886	19,722 ^a	20,155	24,399	15,590	19,803	22,533	26,294
7 Other	78,976	62,648	71,357 ^a	60,215 ^a	71,292	70,194	68,955	72,374	69,984	70,614
8 All other foreigners	120,712	131,181	141,355 ^a	158,094 ^a	161,004	164,416	164,650	161,355	172,327	173,370
9 Claims of banks' domestic customers ³	140,896	151,798	191,227	...	190,938	...	...	175,180	...	...
10 Deposits	79,363	88,006	100,352	...	93,656	...	...	89,478	...	...
11 Negotiable and readily transferable instruments ⁴	47,914	51,161	78,147	...	81,034	...	...	75,868	...	...
12 Outstanding collections and other claims	13,619	12,631	12,728	...	16,248	...	...	9,834	...	...
MEMO										
13 Customer liability on acceptances	4,520	4,553	4,257	...	3,054	...	...	2,468	...	...
14 Banks' loans under resale agreements ⁵	n.a.	n.a.	n.a.	116,938	129,693	131,731	117,224	111,844	144,250	144,901
15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁶	39,978	31,125	53,153	58,117 ^a	66,905	60,152	60,299	54,932	57,698	66,930

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for quarter ending with month indicated.

Reporting banks include all types of depository institution as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists

principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances, and commercial paper.

5. Data available beginning January 2001.

6. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1997	1998	1999	2000	2001		
				Dec.	Mar.	June	Sept.
1 Total	276,550	250,418	267,082	274,009	307,613	302,109	298,548
<i>By borrower</i>							
2 Maturity of one year or less	205,781	186,526	187,894	186,103	195,032	191,827	180,117
3 Foreign public borrowers	12,081	13,671	22,811	21,399	23,741	26,656	20,259
4 All other foreigners	193,700	172,855	165,083	164,704	171,291	165,171	159,858
5 Maturity of more than one year	70,769	63,892	79,188	87,906	112,581	110,282	118,431
6 Foreign public borrowers	8,499	9,839	12,013	15,838	24,951	24,978	24,863
7 All other foreigners	62,270	54,053	67,175	72,068	87,630	85,304	93,568
<i>By area</i>							
8 Maturity of one year or less	...	...	...	...	...	...	...
9 Europe	58,294	68,679	80,842	142,464	89,553	80,682	71,271
10 Canada	9,917	10,968	7,859	8,323	7,065	8,639	7,890
11 Latin America and Caribbean	97,207	81,766	69,498	151,840	72,316	72,922	75,927
12 Asia	33,964	18,007	21,802	43,371	20,730	24,124	20,049
13 Africa	2,211	1,835	1,122	2,263	970	971	831
14 All other ³	4,188	5,271	6,771	11,717	4,398	4,489	4,149
15 Maturity of more than one year	...	...	...	...	...	...	...
16 Europe	13,240	14,923	22,951	57,770	38,259	39,944	41,171
17 Canada	2,525	3,140	3,192	3,174	3,252	3,995	4,250
18 Latin America and Caribbean	42,049	33,442	39,051	82,684	50,111	47,028	51,859
19 Asia	10,235	10,018	11,257	19,536	17,187	15,240	16,822
20 Africa	1,236	1,232	1,065	1,567	763	774	692
21 All other ³	1,484	1,137	1,672	5,954	3,009	3,301	3,637

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

Area or country	1997	1998	1999		2000				2001		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
1 Total	721.8	1,051.6	941.6	945.5	955.0	991.0	954.4	1,027.3	1,140.5²	1,135.8²	1,278.2
2 G-10 countries and Switzerland	242.8	217.7	219.4	243.4	272.4	313.6	280.3	300.7	332.8 ²	334.8 ²	296.5
3 Belgium and Luxembourg	11.0	10.7	15.7	14.3	14.2	13.9	13.0	14.2	15.3	13.0	14.3
4 France	15.4	18.4	20.0	29.0	27.1	32.6	29.0	29.6	30.0	35.9	34.4
5 Germany	28.6	30.9	37.4	38.7	37.3	31.5	37.6	45.1	45.2	51.6	41.1
6 Italy	15.5	11.5	15.0	18.1	19.9	20.5	18.6	21.3	20.4	23.7	22.8
7 Netherlands	6.2	7.8	11.7	12.3	17.0	16.0	17.5	18.4	18.8	15.3	16.8
8 Sweden	3.3	2.3	3.6	3.0	3.9	3.5	4.3	3.6	4.7	4.7	5.3
9 Switzerland	7.2	8.5	8.8	10.3	10.1	13.8	10.9	13.2	13.9	13.5	13.0
10 United Kingdom	113.4	85.4	63.5	79.3	101.9	138.2	112.8	115.6	141.3	127.5	100.6
11 Canada	13.7	16.8	17.9	16.3	17.3	18.2	18.5	16.7	15.4	21.3 ²	21.4
12 Japan	28.6	25.4	25.7	22.1	23.5	25.4	18.1	23.0	28.0	28.3	26.8
13 Other industrialized countries	65.5	69.0	71.7	68.4	62.7	75.3	73.7	74.5	75.7	70.2	69.4
14 Austria	1.5	1.4	3.0	3.5	2.6	2.8	3.5	4.1	3.8	3.6	4.4
15 Denmark	2.4	2.2	2.1	2.6	1.5	1.2	1.8	1.9	3.1	2.7	2.6
16 Finland	1.3	1.4	.9	.9	.8	1.2	2.8	1.5	1.4	1.2	1.3
17 Greece	5.1	5.9	6.6	6.0	5.7	6.7	6.4	8.3	4.1	3.6	3.6
18 Norway	3.6	3.2	3.8	3.3	3.0	4.6	8.5	8.3	10.2	7.9	6.1
19 Portugal	.9	1.4	1.2	1.0	1.0	2.0	1.5	2.0	1.9	1.4	1.4
20 Spain	12.6	13.7	15.1	12.1	11.3	12.2	10.5	10.3	12.6	12.4	13.2
21 Turkey	4.5	4.8	4.7	4.8	5.1	5.6	5.6	5.9	5.1	4.5	4.1
22 Other Western Europe	8.3	10.4	9.2	6.8	8.4	7.9	8.3	6.5	7.3	6.9	6.8
23 South Africa	2.2	4.4	4.0	3.8	4.8	4.6	4.2	3.6	4.1	3.8	4.4
24 Australia	23.1	20.3	21.1	23.5	18.6	26.3	20.5	22.1	21.9	22.1	21.6
25 OPEC ²	26.0	27.1	30.1	31.4	28.9	32.1	31.4	28.9	28.2	27.0	27.5
26 Ecuador	1.3	1.3	.9	.8	.7	.7	.6	.6	.6	.6	.6
27 Venezuela	2.5	3.2	3.0	2.8	3.0	2.9	2.9	2.5	2.7	2.6	2.6
28 Indonesia	6.7	4.7	4.4	4.2	3.9	4.1	4.4	4.6	4.4	4.1	3.9
29 Middle East countries	14.4	17.0	21.4	23.1	21.1	23.8	22.4	20.3	20.1	19.3	20.1
30 African countries	1.2	1.0	.5	.5	.2	.7	1.2	.8	.5	.4	.4
31 Non-OPEC developing countries	139.2	143.4	144.6	149.4	154.6	158.1	149.5	145.5	149.8 ²	157.3 ²	199.8
Latin America											
32 Argentina	18.4	23.1	22.8	23.2	22.4	21.6	21.4	21.4	20.9	19.7	19.2
33 Brazil	28.6	24.7	23.5	27.7	28.1	28.3	28.5	28.8	29.3	30.8	30.9
34 Chile	8.7	8.3	7.7	7.4	8.2	8.1	7.3	7.6	7.3	7.0	6.4
35 Colombia	3.4	3.2	2.7	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.5
36 Mexico	17.4	18.9	19.4	18.7	18.3	20.4	17.5	15.7	16.7	16.3	58.3
37 Peru	2.0	2.2	1.8	1.7	1.9	2.1	2.1	2.0	2.0	2.0	1.9
38 Other	4.1	5.4	5.5	5.9	6.5	6.7	6.2	6.3	8.5	8.2	8.0
Asia											
39 China	3.2	3.0	3.3	3.6	4.6	3.8	3.4	2.9	3.2 ²	6.7 ²	5.9
40 Mainland	9.5	13.3	12.3	12.0	12.6	12.6	12.8	10.8	11.1	10.7	10.8
41 Taiwan	4.9	5.5	7.0	7.7	7.9	8.2	5.8	9.1	6.5	11.8	14.1
42 India	.7	1.1	1.0	1.8	3.3	1.5	1.1	2.7	2.2	2.0	3.2
43 Israel	15.6	13.7	16.0	15.2	17.7	21.7	21.4	15.5	19.8	19.2	19.4
44 Korea (South)	5.1	5.6	6.1	6.1	6.5	6.8	6.9	7.1	6.5	6.7	6.1
45 Malaysia	5.7	5.1	5.8	6.2	5.3	5.3	4.7	5.1	5.2	5.4	5.3
46 Philippines	5.4	4.7	4.0	4.1	4.3	4.0	3.9	4.0	4.2	4.2	3.9
47 Thailand	4.3	2.9	2.9	2.9	2.0	1.9	1.7	1.9	1.7	1.8	1.6
Other Asia											
48 Egypt	.9	1.3	1.3	1.4	1.4	1.3	1.1	1.1	1.2	1.2	1.4
49 Morocco	.6	.5	.5	.4	.3	.3	.4	.3	.3	.3	.3
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa ³	.8	1.0	1.0	1.0	.9	.9	.8	.7	.7	.7	.7
52 Eastern Europe	9.1	5.5	5.4	5.2	6.3	9.4	9.0	10.1	9.5	9.5	9.8
53 Russia ⁴	5.1	2.2	2.0	1.6	1.7	1.5	1.4	1.0	1.5	1.5	1.4
54 Other	4.0	3.3	3.4	3.6	4.7	7.9	7.6	9.1	8.0	8.0	8.5
55 Offshore banking centers	140.2 ²	93.9 ²	79.1 ²	59.9 ²	53.9	60.6 ²	59.4 ²	76.3 ²	72.0 ²	58.8 ²	71.7
56 Bahamas	24.2	35.4	18.2	13.7	14.4	8.8	9.3	13.5	7.0	.0	1.0
57 Bermuda	9.8	4.6	8.2	8.0	7.3	6.3	6.3	9.0	7.9	5.7	7.6
58 Cayman Islands and other British West Indies	43.4	12.8	6.3	1.3	.0	5.1	5.9	14.6	14.3	12.6	20.7
59 Netherlands Antilles	14.6	2.6	9.1	1.7	2.5	2.6	1.9	1.9	2.9	1.7	5.8
60 Panama ⁵	3.1	3.9	3.9	3.9	3.4	3.3	2.5	3.2	3.8	3.4	3.4
61 Lebanon	.1	.1	.2	.1	.1	.1	.1	.1	.1	.1	.1
62 Hong Kong, China	32.2	23.3	22.4	21.0	22.2	20.7	20.6	18.7	21.5 ²	22.3 ²	17.9
63 Singapore	12.7	11.1	10.6	10.1	4.1	13.6	12.6	15.2	14.5	12.9	15.2
64 Other ⁶	.1	.2	.2	.1	.1	.1	.1	.2	.1	.1	.0
65 Miscellaneous and unallocated ⁷	99.1	495.1	391.2	387.9	376.1	342.1	351.1	391.2	472.4	478.4	603.4

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate 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.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

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

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

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

Millions of dollars, end of period

Type of liability, and area or country	1997	1998	1999	2000			2001		
				June	Sept.	Dec.	Mar.	June	Sept. ^P
1 Total	57,382	46,570	53,044	70,534	76,644	73,904	73,805	68,501	65,560
2 Payable in dollars	41,543	36,668	37,605	47,864	51,451	48,931	46,676	42,207	41,816
3 Payable in foreign currencies	15,839	9,902	15,415	22,670	25,193	24,973	27,129	26,294	23,744
By type									
4 Financial liabilities	26,877	19,255	27,980	44,068	49,895	47,419	47,958	42,296	39,455
5 Payable in dollars	12,630	10,371	13,883	22,803	26,159	25,246	23,351	18,043	17,803
6 Payable in foreign currencies	14,247	8,884	14,097	21,265	23,736	22,173	24,607	24,253	21,652
7 Commercial liabilities	30,505	27,315	25,064	26,466	26,749	26,485	25,847	26,205	26,105
8 Trade payables	10,904	10,978	12,857	13,764	13,918	14,293	12,481	13,213	11,821
9 Advance receipts and other liabilities	19,601	16,337	12,207	12,702	12,831	12,192	13,366	12,992	14,284
10 Payable in dollars	28,913	26,297	23,722	25,061	25,292	23,685	23,325	24,164	24,013
11 Payable in foreign currencies	1,592	1,018	1,318	1,405	1,457	2,800	2,522	2,041	2,092
By area or country									
Financial liabilities									
12 Europe	18,027	12,589	23,241	30,332	36,175	34,172	37,572	33,173	28,992
13 Belgium and Luxembourg	186	79	31	163	169	147	112	98	136
14 France	1,425	1,097	1,239	1,702	1,299	1,480	1,553	1,222	1,538
15 Germany	1,958	2,063	1,974	1,671	2,132	2,168	2,624	2,463	1,994
16 Netherlands	494	1,406	1,996	2,035	2,040	2,016	2,169	1,763	1,998
17 Switzerland	561	155	147	137	178	104	103	93	92
18 United Kingdom	11,667	5,980	16,521	21,463	28,601	26,362	28,962	25,751	21,390
19 Canada	2,374	693	284	714	249	411	718	628	793
20 Latin America and Caribbean	1,386	1,495	892	2,874	3,447	4,125	3,632	2,100	3,518
21 Bahamas	141	7	1	78	105	6	18	40	256
22 Bermuda	229	101	5	1,016	1,182	1,739	1,837	461	1,551
23 Brazil	143	152	126	146	132	148	26	21	40
24 British West Indies	604	957	492	463	501	406	1,657	1,508	1,561
25 Mexico	26	59	25	26	35	26	31	20	24
26 Venezuela	1	2	0	0	0	2	1	1	3
27 Asia	4,387	3,785	3,437	9,453	9,320	7,965	5,324	5,639	5,421
28 Japan	4,102	3,612	3,142	6,024	4,782	6,216	4,757	3,297	3,442
29 Middle Eastern oil-exporting countries ¹	27	0	4	5	7	11	15	8	9
30 Africa	60	28	28	33	48	52	38	61	59
31 Oil-exporting countries ²	0	0	0	0	0	0	0	0	5
32 All other ³	643	665	98	662	656	694	674	695	672
Commercial liabilities									
33 Europe	10,228	10,030	9,262	9,293	9,411	9,629	8,792	8,723	8,855
34 Belgium and Luxembourg	666	278	140	178	201	293	251	297	160
35 France	764	920	672	711	716	979	689	665	892
36 Germany	1,274	1,392	1,131	948	1,023	1,047	982	1,017	966
37 Netherlands	439	429	507	562	424	300	349	343	343
38 Switzerland	375	499	626	565	647	502	623	697	683
39 United Kingdom	4,086	3,697	3,071	2,982	2,951	2,847	2,542	2,706	2,296
40 Canada	1,175	1,390	1,775	2,053	1,889	1,933	1,625	2,043	1,650
41 Latin America and Caribbean	2,176	1,618	2,310	2,607	2,443	2,381	2,166	2,292	2,879
42 Bahamas	16	14	22	10	15	31	5	31	44
43 Bermuda	203	198	152	300	377	281	280	367	570
44 Brazil	220	152	145	119	167	114	239	279	312
45 British West Indies	12	10	48	22	19	76	64	21	28
46 Mexico	565	347	887	1,073	1,079	841	792	762	884
47 Venezuela	261	202	305	239	124	284	243	218	242
48 Asia	14,966	12,342	9,886	10,965	11,133	10,983	11,542	11,384	11,114
49 Japan	4,500	3,827	2,609	2,200	1,998	2,757	2,431	2,377	2,421
50 Middle Eastern oil-exporting countries ¹	3,111	2,852	2,551	3,489	3,706	2,832	3,359	3,087	3,053
51 Africa	874	794	950	950	1,220	948	1,072	1,115	938
52 Oil-exporting countries ²	408	393	499	575	663	483	566	539	471
53 Other ³	1,086	1,141	881	598	653	614	650	648	669

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

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

3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type of claim, and area or country	1997	1998	1999	2000			2001		
				June	Sept.	Dec.	Mar.	June	Sept. ^p
1 Total	68,128	77,462	76,669	80,731	94,803	90,157	107,705	98,023	109,374
2 Payable in dollars	62,173	72,171	69,170	72,300	82,872	79,558	94,932	88,243	98,590
3 Payable in foreign currencies	5,955	5,291	7,472	8,431	11,931	10,599	12,773	9,780	10,784
By type									
4 Financial claims	36,959	46,260	40,231	44,303	58,303	53,031	74,255	61,907	75,260
5 Deposits	22,909	30,199	18,566	17,462	30,928	23,374	25,419	25,381	22,391
6 Payable in dollars	21,060	28,549	16,373	15,361	27,974	21,015	23,244	23,174	19,888
7 Payable in foreign currencies	1,849	1,650	2,193	2,101	2,954	2,359	2,175	2,207	2,503
8 Other financial claims	14,050	16,061	21,665	26,841	27,375	29,657	48,836	36,526	52,869
9 Payable in dollars	11,806	14,049	18,593	22,384	20,541	25,142	41,417	32,054	47,321
10 Payable in foreign currencies	2,244	2,012	3,072	4,457	6,834	4,515	7,419	4,472	5,548
11 Commercial claims	31,169	31,202	36,438	36,428	36,500	37,126	33,450	36,116	34,114
12 Trade receivables	27,536	27,202	32,629	31,283	31,530	33,104	28,958	31,168	29,381
13 Advance payments and other claims	3,633	4,000	3,809	5,145	4,970	4,022	4,492	4,948	4,733
14 Payable in dollars	29,307	29,573	34,204	34,555	34,357	33,401	30,271	33,015	31,381
15 Payable in foreign currencies	1,862	1,629	2,207	1,873	2,143	3,725	3,179	3,101	2,733
By area or country									
Financial claims									
16 Europe	14,999	12,294	13,023	18,254	23,706	23,136	31,855	23,975	24,919
17 Belgium and Luxembourg	406	661	529	317	304	296	430	262	677
18 France	1,015	864	967	1,292	1,477	1,206	3,142	1,376	1,682
19 Germany	427	304	504	576	696	848	1,401	1,163	1,112
20 Netherlands	677	875	1,229	1,984	2,486	1,396	2,313	1,072	954
21 Switzerland	434	414	643	624	626	699	613	653	665
22 United Kingdom	10,337	7,766	7,561	11,668	16,191	15,900	20,938	15,913	16,960
23 Canada	3,313	2,503	2,553	5,799	7,517	4,576	4,847	4,787	4,580
24 Latin America and Caribbean	15,543	27,714	18,206	14,874	21,691	19,317	28,791	24,419	37,721
25 Bahamas	2,308	403	1,593	655	1,358	1,353	561	818	879
26 Bermuda	108	39	11	34	22	19	1,729	426	1,456
27 Brazil	1,313	835	1,476	1,666	1,568	1,827	1,648	1,877	2,081
28 British West Indies	10,462	24,388	12,099	7,751	15,722	12,596	21,227	16,515	29,222
29 Mexico	537	1,245	1,798	2,048	2,280	2,448	2,461	2,633	2,910
30 Venezuela	36	55	48	78	101	87	38	66	80
31 Asia	2,133	3,027	5,457	3,923	4,002	4,697	7,215	6,829	6,693
32 Japan	823	1,194	3,262	1,410	1,726	1,631	3,867	1,698	1,761
33 Middle Eastern oil-exporting countries ¹	11	9	23	42	85	80	86	76	100
34 Africa	319	159	286	320	284	411	430	476	456
35 Oil-exporting countries ²	15	16	15	39	3	57	42	35	83
36 All other ³	652	563	706	1,133	1,103	894	1,117	1,421	891
Commercial claims									
37 Europe	12,120	13,246	16,389	15,935	16,486	15,938	13,775	14,602	14,401
38 Belgium and Luxembourg	328	238	316	425	393	452	395	408	360
39 France	1,796	2,171	2,236	2,693	2,921	3,095	3,479	3,194	3,063
40 Germany	1,614	1,822	1,960	1,905	2,159	1,982	1,586	1,995	1,979
41 Netherlands	597	467	1,429	1,242	1,310	1,729	757	864	845
42 Switzerland	554	483	610	562	684	763	634	472	514
43 United Kingdom	3,660	4,769	5,827	4,937	5,193	4,502	3,562	3,826	3,576
44 Canada	2,660	2,617	2,757	3,250	2,953	3,502	3,392	3,498	3,125
45 Latin America and Caribbean	5,750	6,296	5,959	5,792	5,788	5,851	5,144	6,127	5,604
46 Bahamas	27	24	20	48	75	37	20	39	35
47 Bermuda	244	536	390	381	387	376	407	650	526
48 Brazil	1,162	1,024	905	894	981	957	975	1,377	1,192
49 British West Indies	109	104	181	51	55	137	130	135	124
50 Mexico	1,392	1,545	1,678	1,565	1,612	1,507	1,350	1,421	1,446
51 Venezuela	576	401	439	466	379	328	292	321	305
52 Asia	8,713	7,192	9,165	9,172	8,986	9,630	8,985	9,707	8,710
53 Japan	1,976	1,681	2,074	1,881	2,074	2,796	2,560	3,157	2,437
54 Middle Eastern oil-exporting countries ¹	1,107	1,135	1,625	1,241	1,199	1,024	966	1,054	922
55 Africa	680	711	631	766	895	672	773	673	842
56 Oil-exporting countries ²	119	165	171	160	392	180	165	154	170
57 Other ³	1,246	1,140	1,537	1,513	1,392	1,572	1,381	1,509	1,432

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

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

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	1999	2000	2001	2001						
			Jan.- Nov.	May	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^g
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	2,340,659	3,605,196	2,811,703	276,905 ^e	259,622	244,887	247,288	193,465	255,670	241,003
2 Foreign sales	2,233,137	3,430,306	2,708,568	259,584 ^e	249,184	233,412	239,580	204,974	248,425	227,814
3 Net purchases, or sales (-)	107,522	174,890	103,135	17,321 ^f	10,438	11,475	7,708	-11,509	7,245	13,189
4 Foreign countries	107,578	174,903	102,951	17,306 ^e	10,417	11,460	7,709	-11,498	7,222	13,180
5 Europe	98,060	164,656	81,397	9,798 ^e	9,306	6,700	9,203	-7,305	7,470	8,513
6 France	3,813	5,727	5,818	338	3,044	35	624	-2,605	1,969	-845
7 Germany	13,410	31,752	7,740	1,025	133	1,048	463	-418	825	694
8 Netherlands	8,083	4,915	9,649	573	334	654	595	358	552	1,096
9 Switzerland	5,650	11,960	2,600	448	298	-228	-127	-688	351	325
10 United Kingdom	42,902	58,736	36,485	4,494 ^e	4,005	3,744	6,165	-564	3,311	3,275
11 Channel Islands and Isle of Man ¹	n.a.	n.a.	-718	59	-168	-40	24	-73	-23	-198
12 Canada	-335	5,956	9,732	628	129	948	-225	1,137	193	935
13 Latin America and Caribbean	5,187	-17,812	-9,092	3,436	-1,038	65	-2,935	-4,779	-1,508	1,833
14 Middle East ²	-1,066	9,189	1,540	-173	234	515	826	664	-514	-105
15 Other Asia	4,445	12,494	20,128	3,530 ^f	1,725	3,222	620	-879	1,551	1,811
16 Japan	5,723	2,070	6,723	1,086 ^e	1,001	1,958	54	-806	1,148	414
17 Africa	372	415	-359	9	-82	-20	72	-37	-31	-9
18 Other countries	915	5	-395	78	143	30	148	-299	61	202
19 Nonmonetary international and regional organizations	-56	-11	184	15	21	15	-1	-11	23	9
BONDS ³										
20 Foreign purchases	854,692	1,208,386	1,765,878	169,528	158,157	139,401	157,635	156,454	192,442	187,610
21 Foreign sales	602,100	871,416	1,392,219	129,146	125,693	111,998	132,936	137,718	144,773	154,987
22 Net purchases, or sales (-)	252,592	336,970	373,659	40,382	32,464	27,403	24,699	18,736	47,669	32,623
23 Foreign countries	252,994	337,074	373,125	40,370	32,445	27,511	24,501	18,581	47,841	32,380
24 Europe	140,674	180,917	196,923	26,116	14,740	12,464	9,625	9,788	22,352	17,699
25 France	1,870	2,216	4,698	817	618	1,154	-1,035	-573	601	270
26 Germany	7,723	4,067	12,374	1,500	114	-185	472	454	1,666	2,001
27 Netherlands	2,446	1,130	2,175	509	576	-210	-297	457	83	-154
28 Switzerland	4,553	3,973	5,646	399	294	291	628	-51	292	417
29 United Kingdom	106,344	141,223	156,375	21,489	12,575	10,067	8,759	9,801	17,261	14,455
30 Channel Islands and Isle of Man ¹	n.a.	n.a.	1,596	-218	330	203	106	93	355	69
31 Canada	6,043	13,287	3,701	240	822	485	-1,434	-646	1,335	25
32 Latin America and Caribbean	58,783	59,444	71,451	9,167	7,387	6,222	8,961	2,518	2,270	7,838
33 Middle East ¹	1,979	2,076	1,883	-395	-24	-345	-22	8	307	432
34 Other Asia	42,817	78,794	99,092	5,412	9,646	8,815	7,569	7,281	21,044	6,593
35 Japan	17,541	39,356	34,909	-480	5,187	3,452	1,641	1,066	15,243	1,104
36 Africa	1,411	938	806	14	160	79	136	-6	272	71
37 Other countries	1,287	1,618	-731	-184	-286	-209	-334	-362	261	-278
38 Nonmonetary international and regional organizations	-402	-70	535	12	19	-108	198	155	-172	243
	Foreign securities									
39 Stocks, net purchases, or sales (-)	15,640	-13,088	-41,650	-7,732 ^e	-6,551	-6,345	-2,106	2,331	-3,096	2,723
40 Foreign purchases	1,177,303	1,802,185	1,308,689	135,462 ^e	119,750	114,276	96,409	99,580	105,784	107,620
41 Foreign sales	1,161,663	1,815,273	1,350,339	143,194 ^e	126,301	120,621	98,515	97,249	108,880	104,897
42 Bonds, net purchases, or sales (-)	-5,676	-4,054	31,572	2,267	1,048	5,629	9,405	10,319	308	-905
43 Foreign purchases	798,267	958,932	1,088,303	101,383	101,950	91,585	87,584	87,076	94,389	95,663
44 Foreign sales	803,943	962,986	1,056,731	99,116	100,902	85,956	78,179	76,757	94,081	96,568
45 Net purchases, or sales (-), of stocks and bonds	9,964	-17,142	-10,078	-5,465 ^e	-5,503	-716	7,299	12,650	-2,788	1,818
46 Foreign countries	9,679	-17,278	-9,558	-5,610 ^e	-5,500	-684	7,159	12,652	-2,594	1,824
47 Europe	59,247	-25,386	-1,207	-4,436 ^e	2,100	1,368	6,267	5,993	-3,639	2,416
48 Canada	-999	-3,888	1,536	931	405	299	-1,786	1,295	-804	-467
49 Latin America and Caribbean	-4,726	-15,688	3,604	3,047	-6,662	-444	711	2,658	-571	1,970
50 Asia	-42,961	24,488	-10,717	-4,380 ^e	-451	-1,587	1,608	2,534	3,070	-2,101
51 Japan	-43,637	20,970	-18,150	-3,672 ^e	-10	-1,535	616	-391	1,441	-3,533
52 Africa	710	943	-699	-132	-47	-111	-25	-34	-565	183
53 Other countries	-1,592	2,253	-2,075	-640	-845	-209	384	206	-85	-177
54 Nonmonetary international and regional organizations	285	150	-519	145	-3	-32	140	-2	-194	-6

1. Before January 2001, data included in United Kingdom.
2. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (-) during period

Area or country	1999	2000	2001	2001						
			Jan.-Nov.	May	June	July	Aug.	Sept.	Oct.	Nov. ^P
1 Total estimated	-9,953	-54,032	7,922	3,076	-3,445	-11,494	4,410	-1,990 ^r	14,969	12,654
2 Foreign countries	-10,518	-53,571	8,574	2,831	-3,237	-11,668	4,590	-2,138 ^r	14,884	12,880
3 Europe	-38,228	-50,704	-20,810	-498	-2,522	-8,223	321	-782 ^r	2,339	-5,872
4 Belgium ²	-81	73	-800	-216	-25	-343	42	174	-146	-9
5 Germany	2,285	-7,304	-2,743	1,176	-1,517	-970	67	-113	-392	54
6 Luxembourg ²	n.a.	n.a.	496	92	145	168	-64	-348	285	-5
7 Netherlands	2,122	2,140	-5,780	-1,730	1,117	1,263	2,437	-2,653	-1,336	-701
8 Sweden	1,699	1,082	-993	-386	-663	-114	593	1,037	-109	268
9 Switzerland	-1,761	-10,326	1,078	-912	-3	270	-44	979	-339	215
10 United Kingdom	-20,232	-33,669	-9,215	1,120	-3,180	-7,844	-4,610	1,992 ^r	7,359	-7,396
11 Channel Islands and Isle of Man ³	n.a.	n.a.	-43	-9	22	-64	11	-1	-34	7
12 Other Europe and former U.S.S.R.	-22,260	-2,700	-2,810	367	1,582	-589	1,889	-1,849	-2,949	1,695
13 Canada	7,348	-550	-7,113	745	161	-1,653	-356	-947	-3,091	-430
14 Latin America and Caribbean	-7,523	-4,914	11,414	140	-3,812	1,893	3,711	-541	3,998	6,266
15 Venezuela	362	1,288	287	51	-126	248	-128	39	-129	103
16 Other Latin America and Caribbean	1,661	-11,581	19,484	1,587	-545	-880	67	-524	4,065	8,393
17 Netherlands Antilles	-9,546	5,379	-8,357	-1,498	-3,141	2,525	3,772	-56	62	-2,230
18 Asia	29,359	1,639	23,537	2,704	3,464	-3,940	576	-150 ^r	11,755	11,820
19 Japan	20,102	10,580	13,395	4,658	-3,920	-2,126	324	-3,329 ^r	16,640	1,737
20 Africa	-3,021	-414	-587	-6	-12	-65	-120	47	-396	53
21 Other	1,547	1,372	2,133	-254	-516	320	458	235	279	1,043
22 Nonmonetary international and regional organizations	565	-461	-652	245	-208	174	-180	148	85	-226
23 International	190	-483	-333	393	-52	-90	103	-65	8	63
24 Latin American Caribbean regional	666	76	66	-4	-2	-1	-3	0	1	43
MEMO										
25 Foreign countries	-10,518	-53,571	8,574	2,831	-3,237	-11,668	4,590	-2,138 ^r	14,884	12,880
26 Official institutions	-9,861	-6,302	2,428	913	-3,243	-741	343	2,549	2,239	6,266
27 Other foreign	-657	-47,269	6,146	1,918	6	-10,927	4,247	-4,687 ^r	12,645	6,614
Oil-exporting countries										
28 Middle East ⁴	2,207	3,483	-1,352	-120	316	-590	-308	-586	12	2,442
29 Africa ⁵	0	0	-2	1	3	2	-2	-2	0	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Before January 2001, combined data reported for Belgium and Luxembourg.

3. Before January 2001, these data were included in the data reported for the United Kingdom.

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

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

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	1999	2000	2001	2001					2002
				Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	64.54	58.15	51.69	52.46	50.36	50.42	51.65	51.38	51.70
2 Brazil/real	1.8207	1.8301	2.3527	2.5122	2.6767	2.7408	2.5481	2.3635	2.3799
3 Canada/dollar	1.4858	1.4855	1.5487	1.5399	1.5679	1.5717	1.5922	1.5788	1.5997
4 China, P.R./yuan	8.2783	8.2784	8.2770	8.2770	8.2768	8.2768	8.2769	8.2761	8.2771
5 Denmark/krone	6.9900	8.0953	8.3323	8.2632	8.1654	8.2186	8.3832	8.3526	8.4183
6 European Monetary Union/euro ³	1.0653	0.9232	0.8952	0.9014	0.9114	0.9050	0.8883	0.8912	0.8832
7 Greece/drachma	306.30	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7594	7.7924	7.7997	7.7997	7.7997	7.7999	7.7996	7.7989	7.7989
9 India/rupee	43.13	45.00	47.22	47.17	47.75	48.05	48.04	47.93	48.35
10 Japan/yen	113.73	107.80	121.57	121.37	118.61	121.45	122.41	127.59	132.68
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8001	3.8000	3.8000	3.8000
12 Mexico/peso	9.553	9.459	9.337	9.133	9.425	9.339	9.225	9.157	9.164
13 New Zealand/dollar ²	52.94	45.68	42.02	43.14	41.73	41.39	41.58	41.57	42.45
14 Norway/krone	7.8071	8.8131	8.9964	8.9427	8.7691	8.8329	8.9296	8.9713	8.9684
15 Singapore/dollar	1.6951	1.7250	1.7930	1.7613	1.7494	1.8113	1.8295	1.8382	1.8394
16 South Africa/rand	6.1191	6.9468	8.6093	8.3115	8.6756	9.2804	9.7388	11.6761	11.6258
17 South Korea/won	1,189.84	1,130.90	1,292.01	1,285.65	1,293.83	1,302.36	1,282.10	1,292.29	1,316.34
18 Sri Lanka/rupee	70.868	76.964	89.602	89.994	90.157	90.954	92.670	93.194	93.473
19 Sweden/krona	8.2740	9.1735	10.3425	10.3329	10.6353	10.5661	10.6117	10.5753	10.4561
20 Switzerland/franc	1.5045	1.6904	1.6891	1.6808	1.6338	1.6357	1.6509	1.6566	1.6709
21 Taiwan/dollar	32.322	31.260	33.824	34.639	34.575	34.583	34.498	34.682	35.027
22 Thailand/baht	37.887	40.210	44.532	44.907	44.331	44.750	44.411	43.952	44.036
23 United Kingdom/pound ²	161.72	151.56	143.96	143.72	146.38	145.01	143.56	144.13	143.22
24 Venezuela/bolivar	606.82	680.52	724.10	731.97	743.46	743.22	745.10	753.64	762.40
Indexes ⁴									
NOMINAL									
25 Broad (January 1997=100) ⁵	116.87	119.67	126.09	125.62	125.97	126.86	127.33	127.52	129.15
26 Major currencies (March 1973=100) ⁶	94.07	98.32	104.32	103.84	103.40	104.37	105.64	106.30	108.10
27 Other important trading partners (January 1997=100) ⁷	129.94	130.33	136.34	135.95	137.49	138.08	137.19	136.62	137.68
REAL									
28 Broad (March 1973=100) ⁵	99.42 ^r	102.91 ^r	108.90 ^r	108.54 ^r	109.01 ^r	109.30 ^r	109.66 ^r	109.54 ^r	111.47
29 Major currencies (March 1973=100) ⁶	97.05 ^r	103.16 ^r	110.69 ^r	110.05 ^r	109.92 ^r	110.81 ^r	112.45 ^r	112.64 ^r	115.52
30 Other important trading partners (March 1973=100) ⁷	109.84 ^r	110.10 ^r	114.57 ^r	114.52 ^r	115.79 ^r	115.33 ^r	114.15 ^r	113.63 ^r	114.56

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals		
13.7603	Austrian schillings	1,936.27
40.3399	Belgian francs	40.3399
5.94573	Finland markkas	2.20371
6.55957	French francs	200.482
1.95583	German marks	166.386
.787564	Irish pounds	340.750
	Italian lire	
	Luxembourg francs	
	Netherlands guilders	
	Portuguese escudos	
	Spanish pesetas	
	Greek drachmas	

4. Starting with the February 2002 *Bulletin*, revised index values resulting from the periodic revision of data that underlie the calculated trade weights are reported. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2001¹

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 Total assets⁴	976,788	171,918	790,152	124,545	20,113	4,510	43,421	4,940
2 Claims on nonrelated parties	754,326	67,782	584,996	56,744	19,446	1,224	43,066	1,065
3 Cash and balances due from depository institutions	60,651	24,074	55,875	22,109	519	104	863	362
4 Cash items in process of collection and unposted debits	2,145	0	1,773	0	5	0	22	0
5 Currency and coin (U.S. and foreign)	14	n.a.	10	n.a.	1	n.a.	0	n.a.
6 Balances with depository institutions in United States	40,753	9,787	38,164	9,356	436	49	521	62
7 U.S. branches and agencies of other foreign banks (including their IBFs)	35,303	8,715	33,430	8,379	211	48	410	62
8 Other depository institutions in United States (including their IBFs)	5,449	1,072	4,734	977	224	1	111	0
9 Balances with banks in foreign countries and with foreign central banks	17,225	14,287	15,609	12,753	59	55	310	300
10 Foreign branches of U.S. banks	1,016	708	693	415	30	30	0	0
11 Banks in home country and home-country central banks	3,608	2,978	3,603	2,973	5	5	0	0
12 All other banks in foreign countries and foreign central banks	12,601	10,600	11,314	9,365	24	20	310	300
13 Balances with Federal Reserve Banks	514	n.a.	319	n.a.	18	n.a.	10	n.a.
14 Total securities and loans	435,792	34,181	329,581	26,077	18,260	1,074	27,166	35
15 Total securities, book value	110,435	5,861	99,254	5,330	1,286	438	4,064	12
16 U.S. Treasury	12,969	n.a.	12,117	n.a.	47	n.a.	267	n.a.
17 Obligations of U.S. government agencies and corporations	27,616	n.a.	24,057	n.a.	42	n.a.	1,478	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	69,849	5,861	63,080	5,330	1,196	438	2,319	12
19 Securities of foreign governmental units	11,914	3,927	11,696	3,882	131	33	12	12
20 Mortgage-backed securities	16,051	0	15,842	0	186	0	0	0
21 Other asset-backed securities	9,581	14	7,901	14	0	0	0	0
22 All other	32,303	1,920	27,641	1,435	880	406	2,307	0
23 Federal funds sold and securities purchased under agreements to resell	90,129	7,283	79,326	6,508	357	27	5,058	664
24 Depository institutions in the United States	25,381	4,009	19,588	3,898	357	27	350	0
25 Other	64,748	3,274	59,738	2,610	0	0	4,708	664
26 Total loans, gross	325,735	28,348	230,596	20,768	16,999	636	23,110	24
27 LESS: Unearned income on loans	377	28	269	22	25	1	9	0
28 EQUALS: Loans, net	325,358	28,320	230,327	20,747	16,974	636	23,102	24
<i>Total loans, gross, by category</i>								
29 Real estate loans	17,942	61	13,658	61	2,754	0	130	0
30 Loans to depository institutions and acceptances of other banks	73,558	14,031	55,477	9,117	2,264	484	5,106	21
31 Commercial banks in United States (including their IBFs)	6,693	1,599	5,220	1,173	637	329	340	0
32 U.S. branches and agencies of other foreign banks	3,580	1,524	2,433	1,098	581	329	312	0
33 Other commercial banks in United States	3,112	75	2,787	75	55	0	28	0
34 Other depository institutions in United States (including their IBFs)	15	0	1	0	0	0	0	0
35 Banks in foreign countries	16,132	11,253	10,278	6,922	220	155	219	21
36 Foreign branches of U.S. banks	293	193	256	161	30	30	0	0
37 Other banks in foreign countries	15,839	11,060	10,022	6,761	190	125	219	21
38 Loans to other financial institutions	50,719	1,179	39,979	1,022	1,407	0	4,548	0
39 Commercial and industrial loans	210,816	12,397	141,072	10,082	11,387	131	16,916	0
40 U.S. addressees (domicile)	173,584	27	117,164	25	10,612	0	14,445	0
41 Non-U.S. addressees (domicile)	37,231	12,370	23,908	10,057	775	131	2,471	0
42 Loans to foreign governments and official institutions (including foreign central banks)	3,560	1,780	2,521	1,441	217	22	218	2
43 Loans for purchasing or carrying securities (secured and unsecured)	13,128	0	12,564	0	0	0	185	0
44 All other loans	6,167	79	5,033	67	377	0	261	0
45 Lease financing receivables (net of unearned income)	566	0	271	0	0	0	295	0
46 U.S. addressees (domicile)	566	0	271	0	0	0	295	0
47 Non-U.S. addressees (domicile)	0	0	0	0	0	0	0	0
48 Trading assets	127,661	866	87,021	865	47	0	7,860	0
49 All other assets	40,092	1,379	33,192	1,185	263	18	2,120	3
50 Customers' liabilities on acceptances outstanding	819	n.a.	591	n.a.	75	n.a.	109	n.a.
51 U.S. addressees (domicile)	277	n.a.	195	n.a.	72	n.a.	6	n.a.
52 Non-U.S. addressees (domicile)	542	n.a.	396	n.a.	3	n.a.	103	n.a.
53 Other assets including other claims on nonrelated parties	39,274	1,379	32,601	1,185	189	18	2,011	3
54 Net due from related depository institutions ⁵	222,462	104,136	205,157	67,801	667	3,287	355	3,876
55 Net due from head office and other related depository institutions ⁵	222,462	n.a.	205,157	n.a.	667	n.a.	355	n.a.
56 Net due from establishing entity, head office, and other related depository institutions ⁵	n.a.	104,136	n.a.	67,801	n.a.	3,287	n.a.	3,876
57 Total liabilities⁴	976,788	171,918	790,152	124,545	20,113	4,510	43,421	4,940
58 Liabilities to nonrelated parties	850,574	161,191	710,260	115,284	8,636	4,403	39,053	4,906

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2001¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
59 Total deposits and credit balances	392,894	118,200	338,057	84,307	2,991	1,017	13,028	3,953
60 Individuals, partnerships, and corporations (including certified and official checks)	303,249	9,975	254,240	4,937	2,678	144	11,787	28
61 U.S. addressees (domicile)	286,843	82	244,116	0	956	0	11,722	0
62 Non-U.S. addressees (domicile)	16,406	9,894	10,124	4,937	1,722	144	65	28
63 Commercial banks in United States (including their IBFs)	51,048	9,905	47,218	8,105	271	103	1,238	248
64 U.S. branches and agencies of other foreign banks	18,189	9,274	16,221	7,579	0	58	255	230
65 Other commercial banks in United States	32,859	632	30,997	526	271	45	983	18
66 Banks in foreign countries	10,082	63,074	9,395	45,011	9	76	1	1,104
67 Foreign branches of U.S. banks	1,852	3,463	1,851	2,357	0	0	0	289
68 Other banks in foreign countries	8,230	59,612	7,544	42,654	9	76	1	815
69 Foreign governments and official institutions (including foreign central banks)	8,615	35,241	8,291	26,251	7	693	1	2,573
70 All other deposits and credit balances	19,900	3	18,913	3	26	0	0	0
71 Transaction accounts and credit balances (excluding IBFs)	8,928	n.a.	6,655	n.a.	255	n.a.	159	n.a.
72 Individuals, partnerships, and corporations (including certified and official checks)	7,438	n.a.	5,454	n.a.	243	n.a.	157	n.a.
73 U.S. addressees (domicile)	5,208	n.a.	4,223	n.a.	110	n.a.	148	n.a.
74 Non-U.S. addressees (domicile)	2,231	n.a.	1,231	n.a.	133	n.a.	9	n.a.
75 Commercial banks in United States (including their IBFs)	316	n.a.	309	n.a.	0	n.a.	0	n.a.
76 U.S. branches and agencies of other foreign banks	33	n.a.	32	n.a.	0	n.a.	0	n.a.
77 Other commercial banks in United States	283	n.a.	277	n.a.	0	n.a.	0	n.a.
78 Banks in foreign countries	687	n.a.	459	n.a.	9	n.a.	1	n.a.
79 Foreign branches of U.S. banks	1	n.a.	1	n.a.	0	n.a.	0	n.a.
80 Other banks in foreign countries	686	n.a.	458	n.a.	9	n.a.	1	n.a.
81 Foreign governments and official institutions (including foreign central banks)	287	n.a.	251	n.a.	2	n.a.	1	n.a.
82 All other deposits and credit balances	199	n.a.	182	n.a.	1	n.a.	0	n.a.
83 Nontransaction accounts (including MMDAs, excluding IBFs)	383,966	n.a.	331,402	n.a.	2,736	n.a.	12,869	n.a.
84 Individuals, partnerships, and corporations (including certified and official checks)	295,811	n.a.	248,786	n.a.	2,435	n.a.	11,631	n.a.
85 U.S. addressees (domicile)	281,636	n.a.	239,893	n.a.	845	n.a.	11,574	n.a.
86 Non-U.S. addressees (domicile)	14,176	n.a.	8,893	n.a.	1,590	n.a.	57	n.a.
87 Commercial banks in United States (including their IBFs)	50,731	n.a.	46,909	n.a.	271	n.a.	1,238	n.a.
88 U.S. branches and agencies of other foreign banks	18,156	n.a.	16,188	n.a.	0	n.a.	255	n.a.
89 Other commercial banks in United States	32,576	n.a.	30,720	n.a.	271	n.a.	983	n.a.
90 Banks in foreign countries	9,394	n.a.	8,937	n.a.	0	n.a.	0	n.a.
91 Foreign branches of U.S. banks	1,850	n.a.	1,850	n.a.	0	n.a.	0	n.a.
92 Other banks in foreign countries	7,544	n.a.	7,086	n.a.	0	n.a.	0	n.a.
93 Foreign governments and official institutions (including foreign central banks)	8,329	n.a.	8,040	n.a.	5	n.a.	0	n.a.
94 All other deposits and credit balances	19,700	n.a.	18,731	n.a.	25	n.a.	0	n.a.
95 IBF deposit liabilities	n.a.	118,200	n.a.	84,307	n.a.	1,017	n.a.	3,953
96 Individuals, partnerships, and corporations (including certified and official checks)	n.a.	9,975	n.a.	4,937	n.a.	144	n.a.	28
97 U.S. addressees (domicile)	n.a.	82	n.a.	0	n.a.	0	n.a.	0
98 Non-U.S. addressees (domicile)	n.a.	9,894	n.a.	4,937	n.a.	144	n.a.	28
99 Commercial banks in United States (including their IBFs)	n.a.	9,905	n.a.	8,105	n.a.	103	n.a.	248
100 U.S. branches and agencies of other foreign banks	n.a.	9,274	n.a.	7,579	n.a.	58	n.a.	230
101 Other commercial banks in United States	n.a.	632	n.a.	526	n.a.	45	n.a.	18
102 Banks in foreign countries	n.a.	63,074	n.a.	45,011	n.a.	76	n.a.	1,104
103 Foreign branches of U.S. banks	n.a.	3,463	n.a.	2,357	n.a.	0	n.a.	289
104 Other banks in foreign countries	n.a.	59,612	n.a.	42,654	n.a.	76	n.a.	815
105 Foreign governments and official institutions (including foreign central banks)	n.a.	35,241	n.a.	26,251	n.a.	693	n.a.	2,573
106 All other deposits and credit balances	n.a.	3	n.a.	3	n.a.	0	n.a.	0

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2001¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ¹	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
107 Federal funds purchased and securities sold under agreements to repurchase	152,322	20,587	135,946	13,966	1,176	212	5,062	683
108 Depository institutions in the United States	30,423	3,635	24,950	2,515	825	81	2,051	318
109 Other	121,899	16,953	110,996	11,452	351	132	3,011	365
110 Other borrowed money	79,076	20,650	64,395	15,607	3,237	3,149	6,152	259
111 Owed to nonrelated commercial banks in United States (including their IBFs)	11,122	2,940	9,708	2,415	428	345	354	60
112 Owed to U.S. offices of nonrelated U.S. banks	6,505	491	6,080	445	89	24	179	0
113 Owed to U.S. branches and agencies of nonrelated foreign banks	4,617	2,449	3,628	1,970	339	322	175	60
114 Owed to nonrelated banks in foreign countries	15,935	14,209	11,835	10,209	2,382	2,376	203	199
115 Owed to foreign branches of nonrelated U.S. banks	1,246	1,124	1,036	949	174	174	0	0
116 Owed to foreign offices of nonrelated foreign banks	14,689	13,085	10,799	9,260	2,208	2,202	203	199
117 Owed to others	52,019	3,501	42,852	2,983	428	427	5,595	0
118 All other liabilities	108,083	1,755	87,556	1,404	215	25	10,858	11
119 Branch or agency liability on acceptances executed and outstanding	954	n.a.	600	n.a.	75	n.a.	229	n.a.
120 Trading liabilities	72,253	121	56,189	119	16	0	8,745	2
121 Other liabilities to nonrelated parties	34,875	1,634	30,767	1,285	125	25	1,884	9
122 Net due to related depository institutions ⁵	126,214	10,727	79,892	9,261	11,476	108	4,368	35
123 Net due to head office and other related depository institutions ⁴	126,214	n.a.	79,892	n.a.	11,476	n.a.	4,368	n.a.
124 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	10,727	n.a.	9,261	n.a.	108	n.a.	35
MEMO								
125 Holdings of own acceptances included in commercial and industrial loans	1,211	n.a.	651	n.a.	17	n.a.	204	n.a.
126 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	104,056	n.a.	64,863	n.a.	6,147	n.a.	13,018	n.a.
127 Predetermined interest rates	51,209	n.a.	27,282	n.a.	3,511	n.a.	9,906	n.a.
128 Floating interest rates	52,847	n.a.	37,581	n.a.	2,637	n.a.	3,112	n.a.
129 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	102,408	n.a.	72,902	n.a.	4,942	n.a.	3,789	n.a.
130 Predetermined interest rates	19,950	n.a.	14,867	n.a.	592	n.a.	576	n.a.
131 Floating interest rates	82,458	n.a.	58,035	n.a.	4,350	n.a.	3,213	n.a.

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2001¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
132 Components of total nontransaction accounts, included in total deposits and credit balances	387,668	n.a.	333,942	n.a.	2,544	n.a.	12,808	n.a.
133 Time deposits of \$100,000 or more	377,509	n.a.	326,155	n.a.	2,542	n.a.	12,806	n.a.
134 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	10,159	n.a.	7,788	n.a.	2	n.a.	2	n.a.
	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
135 Immediately available funds with a maturity greater than one day included in other borrowed money	28,371	n.a.	25,047	n.a.	1,595	n.a.	1,050	n.a.
136 Number of reports filed ⁶	322	0	166	0	63	0	23	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve monthly statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate international banking facilities (IBFs). Since December 31, 1985, data for IBFs have been reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates that no IBF data have been reported for that item,

either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 monthly statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. Related depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases, two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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BOOKS AND MISCELLANEOUS PUBLICATIONS

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ANNUAL REPORT, 2000.

ANNUAL REPORT: BUDGET REVIEW, 2001.

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GUIDE TO THE FLOW OF FUNDS ACCOUNTS. January 2000. 1,186 pp. \$20.00 each.

FEDERAL RESERVE REGULATORY SERVICE. Loose-leaf; updated monthly. (Requests must be prepaid.)

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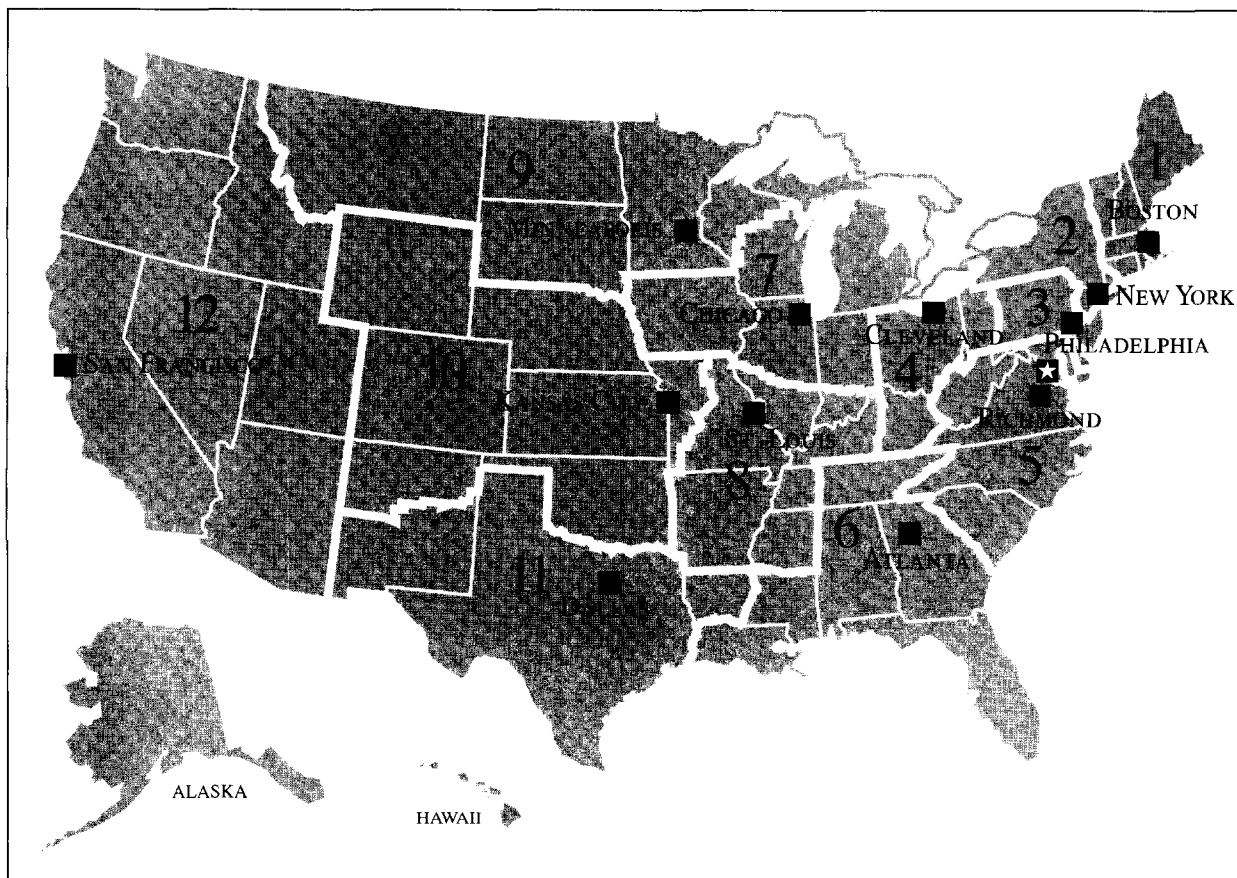
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STAFF STUDIES: Only Summaries Printed in the BULLETIN

Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies. Requests to obtain single copies of any paper or to be added to the mailing list for the series may be sent to Publications Services.

159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
160. BANKING MARKETS AND THE USE OF FINANCIAL SERVICES BY SMALL AND MEDIUM-SIZED BUSINESSES, by Gregory E. Ellichausen and John D. Wolken. September 1990. 35 pp.
162. EVIDENCE ON THE SIZE OF BANKING MARKETS FROM MORTGAGE LOAN RATES IN TWENTY CITIES, by Stephen A. Rhoades. February 1992. 11 pp.
164. THE 1989–92 CREDIT CRUNCH FOR REAL ESTATE, by James T. Fergus and John L. Goodman, Jr. July 1993. 20 pp.
167. A SUMMARY OF MERGER PERFORMANCE STUDIES IN BANKING, 1980–93, AND AN ASSESSMENT OF THE “OPERATING PERFORMANCE” AND “EVENT STUDY” METHODOLOGIES, by Stephen A. Rhoades. July 1994. 37 pp.
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171. THE COST OF BANK REGULATION: A REVIEW OF THE EVIDENCE, by Gregory Ellichausen. April 1998. 35 pp.
172. USING SUBORDINATED DEBT AS AN INSTRUMENT OF MARKET DISCIPLINE, by Study Group on Subordinated Notes and Debentures, Federal Reserve System. December 1999. 69 pp.
173. IMPROVING PUBLIC DISCLOSURE IN BANKING, by Study Group on Disclosure, Federal Reserve System. March 2000. 35 pp.
174. BANK MERGERS AND BANKING STRUCTURE IN THE UNITED STATES, 1980–98, by Stephen Rhoades. August 2000. 33 pp.

Maps of the Federal Reserve System



LEGEND

Both pages

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

Facing page

- Federal Reserve Branch city
- Branch boundary

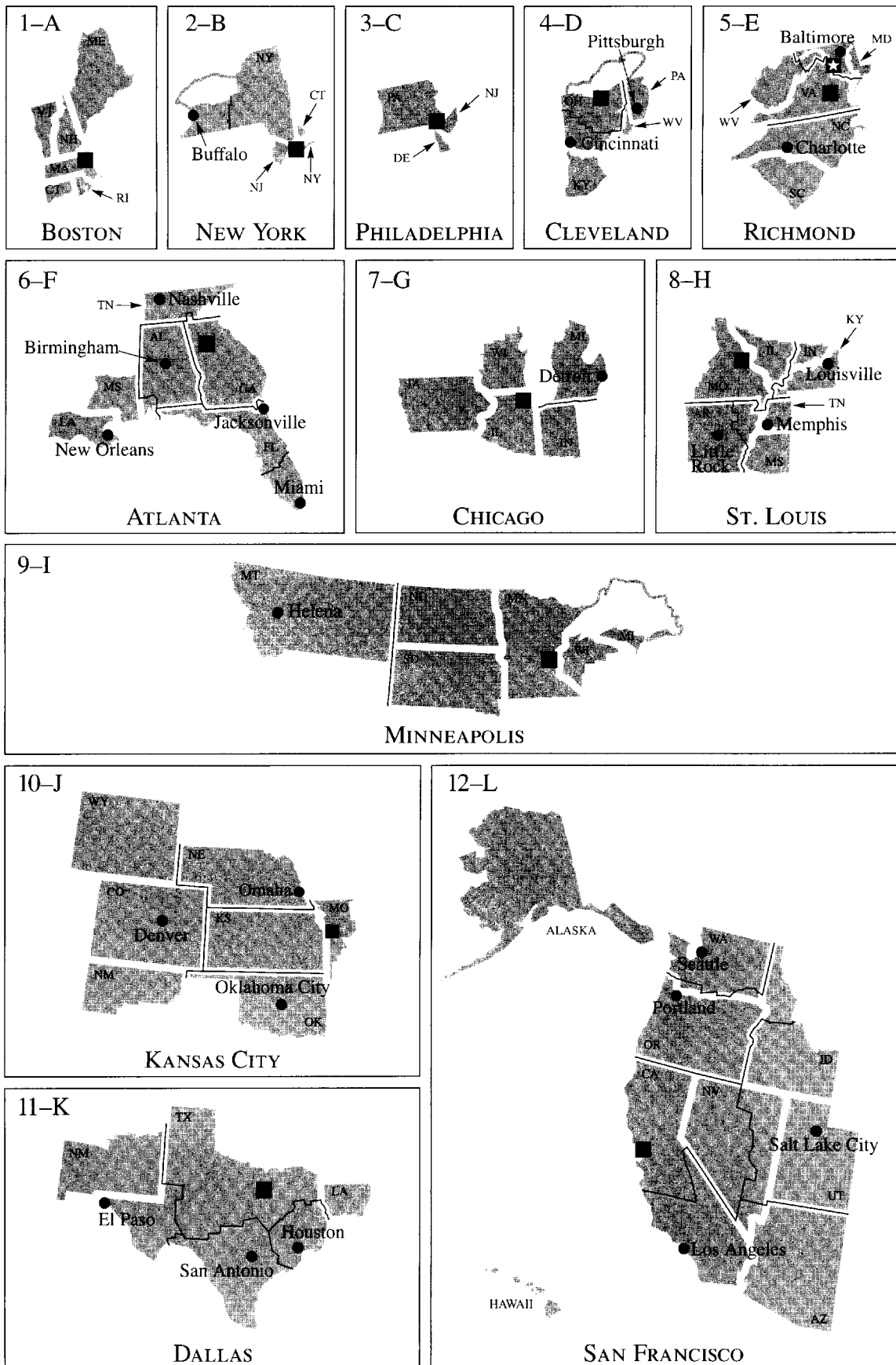
NOTE

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

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

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in February 1996.



Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or facility	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
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NEW YORK*	10045	Peter G. Peterson Gerald M. Levin	William J. McDonough Jamie B. Stewart, Jr.	
Buffalo	14240	Patrick P. Lee		Barbara L. Walter ¹
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2. Executive Vice President

Publications of Interest

FEDERAL RESERVE REGULATORY SERVICE

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

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

The Monetary Policy and Reserve Requirements Handbook contains Regulations A, D, and Q, plus related materials.

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

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

The Payment System Handbook deals with expedited funds availability, check collection, wire transfers, and risk-reduction policy. It includes Regulations CC, J, and EE, related statutes and commentaries, and policy statements on risk reduction in the payment system.

For domestic subscribers, the annual rate is \$200 for the *Federal Reserve Regulatory Service* and \$75 for each handbook. For subscribers outside the United States, the price including additional air mail costs is \$250 for the service and \$90 for each handbook.

The *Federal Reserve Regulatory Service* is also available on CD-ROM for use on personal computers. For a standalone PC, the annual subscription fee is \$300. For network subscriptions, the annual fee is \$300 for 1 concurrent user, \$750 for a maximum of 10 concurrent users, \$2,000 for a maximum of 50 concurrent users, and \$3,000 for a maximum of 100 concurrent users. Subscribers outside the United States should add \$50 to cover additional airmail costs. For further information, call (202) 452-3244.

All subscription requests must be accompanied by a check or money order payable to the Board of Governors of the Federal Reserve System. Orders should be addressed to Publications Services, mail stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

GUIDE TO THE FLOW OF FUNDS ACCOUNTS

A new edition of *Guide to the Flow of Funds Accounts* is now available from the Board of Governors. The new edition incorporates changes to the accounts since the initial edition was published in 1993. Like the earlier publication, it explains the principles underlying the flow of funds accounts and describes how the accounts are constructed. It lists each flow series in the Board's flow of funds publication, "Flow of Funds Accounts of the United States" (the Z.1 quarterly statistical release),

and describes how the series is derived from source data. The *Guide* also explains the relationship between the flow of funds accounts and the national income and product accounts and discusses the analytical uses of flow of funds data. The publication can be purchased, for \$20.00, from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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

The Board of Governors of the Federal Reserve System makes some of its statistical releases available to the public through the U.S. Department of Commerce's economic bulletin board. Computer access to the releases can be obtained by subscription.

For further information regarding a subscription to the economic bulletin board, please call (202) 482-1986. The releases transmitted to the economic bulletin board, on a regular basis, are the following:

<i>Reference Number</i>	<i>Statistical release</i>	<i>Frequency of release</i>
H.3	Aggregate Reserves	Weekly/Thursday
H.4.1	Factors Affecting Reserve Balances	Weekly/Thursday
H.6	Money Stock	Weekly/Thursday
H.8	Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions	Weekly/Monday
H.10	Foreign Exchange Rates	Weekly/Monday
H.15	Selected Interest Rates	Weekly/Monday
G.5	Foreign Exchange Rates	Monthly/end of month
G.17	Industrial Production and Capacity Utilization	Monthly/midmonth
G.19	Consumer Installment Credit	Monthly/fifth business day
Z.1	Flow of Funds	Quarterly
