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Productivity Developments Abroad

Christopher Gust and Jaime Marquez, of the Board's Division of International Finance, prepared this article. Jennifer Kahn, Timothy Troha, and Lisa Workman provided research assistance.

In recent years, the U.S. economy has surprised observers by growing briskly, even as inflation has remained quiescent. During 1996–99, for example, U.S. real gross domestic product (GDP) grew at 4.2 percent annually, whereas inflation, measured by the consumer price index, averaged only 2.3 percent. This impressive performance of the economy reflects in part an acceleration in recorded labor productivity. After having averaged 1.4 percent per year from 1973 to 1995, output per hour in the nonfarm business sector rose almost 2.6 percent from 1996 to 1999. This acceleration has allowed many firms to increase output without experiencing significant increases in unit costs.

The most prominent explanation for the pickup in productivity growth centers on new developments in the high-technology sector—in particular, the proliferation of computer and information technology. Insofar as most of the recent technological advances in this area are available to businesses worldwide, it is natural to expect them to contribute to faster productivity growth abroad as well.[1]

The availability of new technologies on a worldwide basis need not, however, translate into an automatic improvement in productivity performance. An economy's structure, institutions, and regulations influence the rapidity with which technological advances are adopted and the extent to which adoption of these advances leads to heightened efficiency. In this article we review the recent productivity trends in foreign industrial countries to examine whether they, too, are experiencing an improvement comparable to that seen in the United States. (In this study, we will not focus on the *level* of productivity but, rather, on trends in the *growth rate* of productivity.)

Our main finding is that, with only a few exceptions, labor productivity in foreign industrial countries does not appear to have accelerated in the latter half of the 1990s. Thus, labor productivity in the United States has changed from increasing less rapidly than that of most foreign industrial countries to rising more rapidly. In this article, we also consider factors that may account for this divergence in productivity trends and discuss the extent to which this difference is likely to persist.

Our conclusions need to be tempered, however, for several reasons. First, there are significant problems in data comparability and availability (such as measures of capital). Moreover, much of the data are published with a considerable delay. Difficult conceptual issues, especially with respect to measurement of the high-tech sector, make it difficult to ascertain the role of information technology as an engine of productivity growth abroad. Also, because the sample period is rather brief, the task of identifying a change in trend productivity growth is complicated. On the whole, these difficulties suggest that there is much room for further work on this important topic.

Defining Productivity

Labor productivity—the output of workers per unit of time—is a commonly used and straightforward measure of productivity (see box "Measures of Productivity"). The growth rate of labor productivity is approximately equal to the difference between the growth rate of output and the growth rate of the number of hours worked in the economy.

If output is produced by two factors, labor and capital, then the growth of labor productivity, in turn, depends upon the rate of "capital deepening" and the

1. For a more detailed discussion of the role of information technology as an explanation for the recent pickup in U.S. productivity growth, see Robert Gordon, "Does the 'New Economy' Measure Up to the Great Inventions of the Past?" *Journal of Economic Perspectives* (forthcoming); Alan Greenspan (remarks before the New York Association for Business Economics, New York, N.Y., June 13, 2000), available on line at http://www.federalreserve.gov/boarddocs/speeches/2000/20000613.htm; Stephen Oliner and Daniel Sichel, "The Resurgence of Growth in the Late 1990s: Is Information Technology the Story?" *Journal of Economic Perspectives* (forthcoming); and Dale W. Jorgenson and Kevin Stiroh, "Raising the Speed Limit: U.S. Economic Growth in the Information Age," *Brookings Papers on Economic Activity, 1:2000*, pp. 125–211.

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Measures of Productivity

Measures of productivity address the question of how much output is produced, on average, by different factors of production. The measure of productivity that is most commonly used is labor productivity because it is easy to calculate and interpret: How much output is produced, on average, by each unit of labor employed in production. We express this idea as

$$LP = Y/L,$$

where LP is labor productivity, Y is the amount of output, and L represents the amount of labor input. Because the focus of our study is on productivity growth rather than the level of productivity, we construct

$$lp = y - l,$$

where lowercase variables represent the growth rates of the corresponding uppercase variables.

The growth of labor productivity, in turn, can be decomposed into the contributions of "capital deepening"—the growth of the capital–labor ratio—and the growth of "multifactor productivity"—increases in productivity attributable to technological advances or improvements in production arrangements rather than to increases in factor inputs. Estimating the contributions of capital deepening and multifactor productivity to labor productivity growth requires making assessments about the relative importance of capital, labor, and multifactor productivity in the production process. In particular, it requires specifying the form of the production function:

$$Y = F(K, L, MFP),$$

where Y is the amount of output, and the expression $F(\,)$ indicates the maximum amount of output that can be produced with given amounts of capital stock (K), labor, (L), and multifactor productivity (MFP).[1]

Multifactor productivity growth is estimated as the difference between output growth and the growth of total factor inputs—that is, the combined growth of the factors of production: labor and capital. Total input growth can be calculated as a weighted average of labor and capital growth, with the marginal contributions of each of these factors to output being used as the weights. In principle, the marginal contribution of labor and capital to output depends upon the form of the production function, and there is no consensus on the exact specification of this function. In practice, a production function is often used that carries the implication that the marginal contribution of each factor of production is proportional to the share of total production that it receives as compensation. Thus, total input growth can be expressed as

$$q = wl \cdot l + wk \cdot k,$$

where q represents the combined growth of productive inputs, wl is the weight of labor (usually the share of labor compensation in total income), l is the growth rate of labor input, wk is the weight of capital (usually the share of capital compensation in total income), and k is the growth rate of capital services, which we assume to be proportional to the capital stock. Given the measure of overall input growth, we define multifactor productivity growth as

$$mfp = y - q = y - [wl \cdot l + wk \cdot k],$$

where mfp is multifactor productivity growth, and y is the growth of output. Thus, in this framework, any increase in the growth of output in excess of the contribution of factor inputs would be attributed to an increase in multifactor productivity growth.

Rearranging the last equation slightly, output growth can be expressed as a function of total factor input growth—the weighted growth of labor and capital—and multifactor productivity growth:

$$y = q + mfp = [wl \cdot l + wk \cdot k] + mfp.$$

Subtracting the growth of labor input, l, from both sides, and keeping in mind that $wl = 1 - wk$, this relationship can be further rearranged to decompose labor productivity growth into two components: (1) $(k - l) \cdot wk$, or the rate of capital deepening adjusted by the contribution of capital to the production process, and (2) mfp. Therefore, we have

$$y - l = (k - l) \cdot wk + mfp.$$

If capital is relatively unimportant—that is, if the wk term is small, then labor and multifactor productivity growth would be virtually identical. Similarly, if the capital–labor ratio remains essentially fixed, then the growth rates of labor and multifactor productivity would, again, be virtually identical. If, however, capital is an important factor and the capital–labor ratio is not fixed, then labor and multifactor productivity growth need not move together.

1. The role of land in the production process is generally ignored.

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growth of "multifactor productivity." Capital deepening refers to a rise in the ratio of capital to labor, that is, an increase in the amount of capital—machines, structures, and infrastructure—available to workers. For a given level of technology, capital deepening raises workers' ability to produce more output with the same level of effort.[2]

Multifactor productivity growth refers to increases in the productive capacity of the economy that are not attributable to increases in the contributions of labor and capital inputs. Increases in multifactor productivity may reflect advances in technology, but they may also reflect any other developments that result in greater efficiency, such as reorganization of tasks in a firm or improvements in distribution channels used to deliver goods and services. In either case, an acceleration in multifactor productivity allows labor to be more productive even if the capital–labor ratio is fixed.

Measuring multifactor productivity requires first estimating the contribution of the factors of production—capital and labor—to aggregate output. Developing such a measure involves specifying the economy's production function, that is, the way in which the economy transforms inputs of capital, labor, and other potential factors into final products.[3] Conventional models of the production function suggest that one reasonable means of measuring the growth rate of total factor inputs is to add the growth rate of labor to that of capital, each weighted by its share in the value of production. The resulting sum constitutes a measure of total input growth, which can be subtracted from output growth to estimate multifactor productivity growth. Thus, any increase in the growth of output in excess of total input growth would be attributed to an increase of multifactor productivity growth.

Estimating Productivity Growth

Estimating labor and multifactor productivity growth for many countries requires data on a range of variables: output, employment, labor hours, capital, and labor's share of output. The choice of data series for these variables is frequently constrained by the need to obtain recent statistics that are comparable across countries. For the United States, a complete and conceptually consistent data set is available from the Bureau of Labor Statistics (BLS).[4] Similar data are not available for many of the other countries in this study.[5]

Because this study emphasizes comparisons across countries, we supplement the BLS data for the United States with data from the Organisation for Economic Co-operation and Development (OECD) on output, labor, capital, and factor shares for seventeen industrialized countries (including the United States). Most of these data are collected for the business sector, defined as "the institutional sector whose primary role is the production and sale of goods and services."[6] Hence, this data set nets out the general government sector from our measures of output, capital, and employment. Focusing on the business sector avoids the potential for distortion in measures of productivity due to the complexities involved in assigning a market value to the associated flow of goods and services in the government sector. Also, the OECD has standardized its definition of the business sector across OECD countries to enhance the comparability of the data.

2. Early studies on productivity include Robert Solow, "Technical Change and the Aggregate Production Function," *Review of Economics and Statistics*, vol. 39 (August 1957), pp. 312–20; Edward F. Denison, *Why Growth Rates Differ: Postwar Experience in Nine Western Countries* (The Brookings Institution, 1967); Simon Kuznets, *Economic Growth of Nations: Total Output and Production Structure* (Harvard University Press, 1971); Dale W. Jorgenson, Frank M. Gollop, and Barbara M. Fraumeni, *Productivity and U.S. Economic Growth* (Harvard University Press, 1987); and Dale W. Jorgenson, "Productivity and Economic Growth" in Ernst R. Berndt and Jack E. Triplett, eds., *Fifty Years of Economic Measurement: The Jubilee of the Conference on Research in Income and Wealth* (University of Chicago Press, 1990).

More recent work includes Wolodar Lysko, "Manufacturing Multifactor Productivity in Three Countries," *Monthly Labor Review*, vol. 118 (July 1995), pp. 29–38; Chrys Dougherty and Dale W. Jorgenson, "International Comparisons of the Sources of Economic Growth," *American Economic Review* (May 1996, Papers and Proceedings, 1996), pp. 25–29; Jeremy Greenwood, Zvi Hercowitz, and Per Krusell, "Long-Run Implications of Investment-Specific Technological Change," *American Economic Review*, vol. 87 (June 1997), pp. 342–62; Stefano Scarpetta, Andrea Bassanini, Dirk Pilat, and Paul Schreyer, "Economic Growth in the OECD Area: Recent Trends at the Aggregate and Sectoral Level," OECD Economics Department Working Paper, no. 248; and Paul Schreyer, "The Contribution of Information and Communication Technology to Output Growth: A Study of the G-7 Countries," OECD Science, Technology, and Industry Working Paper, 2000/2 (OECD, 2000).

3. For surveys of the literature on production functions, see Dale W. Jorgenson, "Econometric Methods for Modeling Producer Behavior," in Zvi Griliches and Michael D. Intriligator, *Handbook of Econometrics*, vol. 3 (New York: North-Holland, 1986); and Ulrich Kohli, *Technology, Duality, and Foreign Trade: The GNP Function Approach to Modeling Imports and Exports* (University of Michigan Press, 1991).

4. The BLS documents describing the multifactor productivity series are available on line at http://www.bls.gov/mprhome.htm.

5. Complete and conceptually consistent data sets on labor and multifactor productivity are also published for Australia and Canada by their respective national statistical agencies.

6. For our purposes, the business sector data ideally would exclude the flow of services from owner-occupied dwellings in the household sector. But the OECD definition of output includes the flow of services because of data limitations in various OECD countries.

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Trends in Output and Factor Inputs

Table 1 reports average annual growth rates for business sector GDP, labor hours, capital stock, and factor shares for selected periods: 1981–89, 1990–98, 1990–95, and 1996–98 for the seventeen industrialized countries examined here.[7] For the United States, it includes the data both from the BLS and from the OECD. It also shows figures for 1996–99, although for the OECD data the calculations are based on our own estimates of growth in hours per worker. By and large, average growth rates for the 1996–98 and 1996–99 periods are quite similar in the BLS and the OECD data sets.

GDP Growth

For the United States, based on BLS data, the average annual growth rate of business GDP over 1996–98 is 4.9 percent (table 1), an increase of 2.3 percentage points relative to the first half of the 1990s and of 1.2 percentage points compared with the 1980s; the OECD-based estimates of U.S. output growth are quite similar to those of the BLS. For the foreign industrial countries, Finland, Ireland, and Norway show a greater increase in output growth over 1996–98 relative to either the first half of the 1990s or the 1980s. Other countries with a sizable increase of growth in the late 1990s relative to the earlier periods are Australia, Canada, the Netherlands, and Spain.

Labor Growth

The measure of labor that is used corresponds to business sector employment adjusted by hours per worker. Accounting for changes in hours worked, as opposed to merely accounting for changes in the number of employees, is important. First, from a secular standpoint, the past two decades have seen a decline in the number of hours worked per employee in foreign industrial economies. Thus, abstracting from the role of hours worked would overstate the amount of growth of labor input and understate labor productivity growth. Second, from a cyclical standpoint, hours per worker change over time relative to trend, as they provide firms with another means with which to vary labor input.

The OECD measure of labor hours per worker is for the overall economy instead of for the business sector. Ideally, we would prefer a measure of hours worked that corresponds to the OECD definition of the business sector, but such series are not available. However, the mismatch in the measure of hours is probably more relevant for estimating the level of productivity than for estimating the growth rate of productivity, unless the government and business sectors had significant differences in the trends of hours per worker.

For the United States, over 1996–98 the average annual growth rate of labor hours, based on BLS data for the nonfarm business sector, is 2.5 percent, which is higher than the averages for the 1980s (2.1 percent) and the early 1990s (1.0 percent).[8] For the United States, the OECD data follow a similar pattern, with growth rates of 2.2 percent, 2.1 percent, and 1.4 percent respectively.[9]

Turning to foreign countries, we find that growth in labor hours also picked up in 1996–98, relative to the earlier periods, for many countries. Growth rates of labor hours in Canada, Denmark, Finland, France, Ireland, Italy, the Netherlands, Norway, Spain, and the United Kingdom over 1996–98 are higher than during 1990–95 and the 1980s. However, in many industrial countries, hours worked declined between the 1980s and the early 1990s.

Capital Growth

The OECD data use a gross capital stock measure from which the full value of an asset is subtracted when it is retired from production. For the United States, the BLS-based measure of capital is a net capital stock measure (that is, net of period-by-period depreciation). With this measure, individual types of capital are aggregated according to their marginal product weights, as proxied by user costs for different types of capital.[10]

For the United States, the average annual growth rate of capital according to the BLS-based data over 1996–98 was 5.3 percent (table 1); this growth rate

7. We adopt the convention that the average annual growth rate for output over, for example, 1996–98 refers to the mean growth rate from the 1995 output level to the 1998 output level.

8. The BLS adjusts its measure of labor inputs for changes in labor quality. Here we report the BLS measure without the labor-quality adjustments.

9. Unlike the OECD, the BLS definition of the nonfarm business sector excludes government enterprises such as the Postal Service.

10. The BLS-based data for capital are from Oliner and Sichel, "The Resurgence of Growth in the Late 1990s." They construct a measure of capital through 1999 that is consistent with both BLS methodology and the October 1999 comprehensive revisions of the U.S. national income and product accounts. Since that paper was finalized, the U.S. national accounts have been revised further. That revision would raise the growth rate of capital slightly over 1996–99.

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1. Average growth rates for GDP, labor hours, and capital stock, and labor's share of GDP, in the Group of Seven and other OECD countries, selected periods, 1981–99

Percent

Country and measure of growth or share	1981–89	1990–98	1990–95	1996–98	1996–99[1]
United States					
BLS data[2]					
GDP	3.64	3.30	2.52	4.86	4.84
Labor hours	2.06	1.51	1.04	2.47	2.30
Capital stock	4.36	3.87	3.16	5.30	5.59
Labor share	.68	.68	.68	.67	.67
OECD data					
GDP	3.44	3.13	2.41	4.55	4.43
Labor hours	2.10	1.69	1.41	2.24	2.08
Capital stock	2.90	2.40	1.90	3.41	3.70
Labor share	.67	.66	.66	.66	.66
Canada					
GDP	3.25	2.11	1.51	3.31	3.53
Labor hours	1.81	.84	.17	2.19	2.59
Capital stock	5.74	4.12	3.86	4.64	4.85
Labor share	.66	.70	.70	.70	.70
France					
GDP	2.40	1.70	1.30	2.50	2.53
Labor hours	−.95	−.42	−.94	.62	.91
Capital stock	2.57	2.41	2.58	2.06	2.17
Labor share	.67	.61	.62	.61	.61
Germany[3]					
GDP	n.a.	1.68	1.62	1.77	1.72
Labor hours	n.a.	−.43	−.62	−.18	−.41
Capital stock	n.a.	2.65	2.95	2.25	2.33
Labor share	n.a.	.64	.66	.62	.62
Italy					
GDP	2.36	1.54	1.59	1.45	1.38
Labor hours	.04	−.51	−1.09	.64	.71
Capital stock	2.78	2.82	2.87	2.72	2.73
Labor share	.68	.64	.65	.62	.62
Japan					
GDP	4.09	1.84	2.15	1.21	1.31
Labor hours	.95	−.64	−.73	−.45	−.76
Capital stock	5.84	4.46	4.88	3.62	3.31
Labor share	.77	.72	.72	.72	.72
United Kingdom					
GDP	3.54	2.61	2.37	3.08	2.78
Labor hours	.22	.88	.60	1.46	1.29
Capital stock	1.69	2.73	2.64	2.92	3.10
Labor share	.69	.69	.70	.67	.69
Australia					
GDP	3.97	3.69	3.09	4.90	4.78
Labor hours	2.50	1.31	1.29	1.33	1.61
Capital stock	3.96	3.48	3.02	4.42	4.44
Labor share	.65	.62	.62	.62	.62

1.—Continued

Percent

Country and measure of growth or share	1981–89	1990–98	1990–95	1996–98	1996–99[1]
Belgium[4]					
GDP	1.96	2.05	1.79	2.56	2.39
Labor hours	.61	.15	−.37	1.20	1.33
Capital stock	2.84	3.14	3.26	2.90	2.93
Labor share	.64	.64	.64	.63	.63
Denmark[5]					
GDP	2.01	2.97	2.82	3.27	2.74
Labor hours	−.06	.33	−.82	2.63	1.88
Capital stock	3.02	2.91	2.69	3.35	3.42
Labor share	.69	.63	.63	.63	.63
Finland[6]					
GDP	3.54	1.68	−.46	5.94	5.51
Labor hours	−.29	−2.05	−4.18	2.20	2.34
Capital stock	n.a.	.35	−.14	.67	.85
Labor share	.71	.69	.71	.65	.64
Ireland[7]					
GDP	3.91	7.28	5.84	10.14	9.87
Labor hours	−.10	3.20	1.67	6.24	5.79
Capital stock	2.58	2.97	2.28	4.34	4.74
Labor share	.76	.68	.70	.64	.63
Netherlands[8]					
GDP	2.00	3.02	2.66	3.75	3.65
Labor hours	−1.35	1.02	−.24	3.55	3.31
Capital stock	1.66	2.29	2.08	2.70	2.78
Labor share	.61	.60	.61	.60	.60
Norway					
GDP	1.17	2.84	2.10	4.33	3.15
Labor hours	−.26	.14	−1.03	2.48	1.73
Capital stock	3.02	1.66	1.05	2.87	2.69
Labor share	.72	.68	.67	.68	.69
Spain[9]					
GDP	2.70	2.31	1.67	3.57	3.69
Labor hours	−1.10	.38	−.86	2.86	3.34
Capital stock	5.63	4.27	4.47	3.87	4.00
Labor share	.67	.61	.62	.60	.60
Sweden					
GDP	2.43	1.63	1.21	2.47	2.93
Labor hours	.90	−.42	−.88	.51	1.19
Capital stock	2.93	2.24	2.10	2.51	n.a.
Labor share	.69	.68	.68	.68	.68
Switzerland[10]					
GDP	1.93	.82	.46	1.52	1.52
Labor hours	n.a.	−.86	−.88	−.81	−.35
Capital stock	3.58	3.18	3.30	2.94	3.04
Labor share	.67	.69	.69	.70	.69

NOTE. In this and subsequent tables, the G-7 countries are listed first.

1. Uses authors' estimates for labor hours in 1999 for OECD data.

2. Data for the nonfarm business sector of the United States. Observations for GDP and labor hours are from the U.S. Bureau of Labor Statistics; data for capital stock and labor share are for nonfarm business as computed by Oliner and Sichel, "The Resurgence of Growth in the Late 1990s." They include software in their measure of investment expenditure and extend the BLS data beyond 1997.

3. Calculations for Germany use growth rates starting in 1992 to avoid the distortions induced by the German Unification during 1990–91.

4. Data for Belgium's growth of labor hours start in 1984.

5. Data for Denmark's growth of labor hours start in 1984, and data for capital-stock growth start in 1988.

6. Data for Finland's growth of capital stock start in 1994.

7. Data for Ireland's growth of labor hours start in 1984.

8. Data for the Netherland's labor share start in 1987.

9. Data for Spain's growth of capital stock start in 1989.

10. Data for Switzerland's growth of labor hours start in 1991.

n.a. Not available.

exceeded the corresponding growth rates over the 1980s and the early 1990s. The OECD measure of the growth of the U.S. capital stock follows much the same pattern but is consistently below the growth rate of U.S. capital in the BLS-based data. The main reason for this difference in growth rates is that, as noted, the BLS-based data aggregate individual types of capital by their user costs. As a result, the BLS data capture the effect of shifts in the composition of the capital stock toward types of capital with higher productivities, such as those embodying computer technology. The OECD data do not capture such compositional shifts because they do not weight different types of capital by their user costs. Although we would prefer to use a series of capital for the foreign industrial countries comparable to the BLS

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series, we do not have access to sufficiently disaggregated data to construct such a measure.[11]

Among foreign industrial countries, only five have growth rates of capital during 1996–98 that, as in the United States, exceeded their own 1981–95 averages: Australia, Denmark, Ireland, the Netherlands, and the United Kingdom. Canada, Norway, and Sweden experienced a pickup in capital growth in the late 1990s relative to the early 1990s, but not relative to the 1980s. Capital growth declined in 1996–98 relative to the earlier periods for Japan, France, Spain, and Switzerland; for Italy and Belgium, capital growth was relatively unchanged.

Factor Shares in Compensation

Even after data on labor and capital have been compiled, the problem remains of weighting their separate contributions so that a single aggregate measure of productive inputs can be estimated, thereby allowing for the calculation of multifactor productivity. Here we follow the general practice of setting these weights equal to the share of the value of production received by each factor as compensation for its services. Labor's share is calculated as the fraction of the value of GDP in the business sector that is paid to workers in that sector in the form of compensation; the share for capital is constructed as one minus the share for labor.

For the United States, labor's share (compensation) in the business sector has been roughly two-thirds of the value of production for the past two decades regardless of the source of data (table 1); other countries exhibit labor shares that are rather similar to that of the United States. The exception is Japan, where the share has exceeded 70 percent for the past twenty years. For France, Denmark, Spain, and Ireland, the labor share has shown a marked tendency to decline over time.

Trends in Labor and Multifactor Productivity Growth

Labor Productivity

For the United States, the average annual growth rate of U.S. labor productivity over 1996–98 based on BLS data was 2.4 percent, compared with 1.5 percent for 1990–95 and 1.6 percent for the 1980s (table 2). This pickup in U.S. labor productivity growth is evident in the OECD data as well. Specifically, the average annual growth rate of U.S. labor productivity was 2.3 percent in 1996–98, compared with 1.0 percent for the 1990–95 period and 1.3 percent for the 1980s.

Only two of the foreign industrial economies in our sample, Australia and Switzerland, show a rise in labor productivity growth over 1996–98 compared with the earlier periods. For Australia, the acceleration in labor productivity was particularly strong: an increase of 2 percentage points in 1996–98 over its average in the 1980s. In contrast, labor productivity growth slowed in Canada, Japan, and the major European countries in the latter half of the 1990s relative to both the 1981–89 and the 1990–95 periods. In most smaller European countries, such as Belgium, Denmark, and the Netherlands, labor productivity also decelerated in the latter half of the 1990s relative to the two earlier periods. In a few countries, including Finland, Ireland, and Sweden, labor productivity growth was relatively unchanged in the most recent period compared with the earlier periods.

On the whole, table 2 shows that, based on OECD data, during the 1980s and the first half of the 1990s, U.S. labor productivity growth was below labor productivity growth in every foreign Group of Seven (G-7) country. However, in the latter half of the 1990s, the situation reversed: Labor productivity growth in the United States was higher than that in foreign G-7 countries. Furthermore, of the foreign countries included in table 2, only Australia, Finland, Ireland, and Switzerland had a higher rate of labor productivity growth than the United States in the 1996–98 period.

Capital Deepening and Multifactor Productivity

As noted earlier, the growth of labor productivity depends on both the rate of capital deepening and the growth of multifactor productivity. For most countries, recent movements in the rate of capital deepening have been in the same direction as movements in labor productivity growth. For the United States, capital deepening rose in the latter half of the 1990s relative to the 1981–95 period regardless of data source. However, the contribution of U.S. capital deepening is significantly higher with BLS data than with OECD data because of differences in the measures of capital growth drawn from these data sources, as shown in table 1. Unlike the U.S. experi-

11. One study, discussed later in this article, that does construct a measure of capital, using the same methodology as the BLS, for the G-7 countries is Schreyer, "The Contribution of Information and Communication Technology to Output Growth." A drawback to his series is that they extend only to 1996.

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2. Average growth rate of productivity estimates, in the Group of Seven and other OECD countries, selected periods, 1981–99

Percent

Country and productivity estimate	1981–89	1990–98	1990–95	1996–98	1996–99[1]
United States					
BLS data[2]					
Labor productivity	1.59	1.78	1.47	2.42	2.57
Capital deepening	.73	.77	.68	.96	1.11
MFP	.86	1.01	.79	1.46	1.47
Of which labor quality	.34	.39	.42	.32	.31
OECD data					
Labor productivity	1.31	1.43	1.02	2.26	2.30
Capital deepening	.25	.24	.16	.40	.54
MFP	1.09	1.20	.85	1.91	1.80
Canada					
Labor productivity	1.42	1.26	1.34	1.10	.92
Capital deepening	1.31	.96	1.08	.73	.67
MFP	.14	.31	.26	.39	.27
France					
Labor productivity	3.41	2.12	2.26	1.86	1.61
Capital deepening	1.10	1.09	1.35	.57	.50
MFP	2.26	1.03	.89	1.31	1.12
Germany[3]					
Labor productivity	n.a.	2.13	2.26	1.96	2.14
Capital deepening	n.a.	1.09	1.22	.91	1.06
MFP	n.a.	1.03	1.02	1.04	1.07
Italy					
Labor productivity	2.33	2.09	2.72	.81	.67
Capital deepening	.87	1.18	1.36	.82	.82
MFP	1.45	.88	1.32	−.01	−.14
Japan					
Labor productivity	3.12	2.48	2.89	1.64	2.07
Capital deepening	1.15	1.44	1.56	1.21	1.23
MFP	2.00	1.03	1.31	.46	.85
United Kingdom					
Labor productivity	3.37	1.72	1.78	1.60	1.47
Capital deepening	.42	.53	.57	.44	.54
MFP	2.90	1.20	1.21	1.18	.95
Australia					
Labor productivity	1.45	2.37	1.79	3.52	3.12
Capital deepening	.45	.82	.64	1.16	1.06
MFP	1.01	1.57	1.15	2.41	2.11

NOTE. The sum of capital deepening growth and multifactor productivity (MFP) growth does not always add up to labor productivity growth because of rounding errors.

1. Uses authors' estimates for labor hours in 1999 for OECD data.
2. Measures of labor productivity, capital deepening, and MFP reported here are those in Oliner and Sichel, "The Resurgence of Growth in the Late 1990s," plus their estimated growth of labor quality.
3. Calculations for Germany use growth rates starting in 1992 to avoid the distortions induced by the German Unification during 1990–91.

2.—Continued

Percent

Country and productivity estimate	1981–89	1990–98	1990–95	1996–98	1996–99[1]
Belgium[4]					
Labor productivity	2.32	1.90	2.18	1.35	1.05
Capital deepening	.82	1.06	1.28	.63	.60
MFP	1.51	.83	.87	.73	.46
Denmark[5]					
Labor productivity	2.53	2.67	3.69	.62	.86
Capital deepening	n.a.	.94	1.27	.27	.56
MFP	n.a.	1.70	2.37	.37	.31
Finland[6]					
Labor productivity	3.85	3.82	3.91	3.66	3.10
Capital deepening	n.a.	n.a.	n.a.	−.54	−.53
MFP	n.a.	n.a.	n.a.	4.28	3.70
Ireland[7]					
Labor productivity	5.14	4.01	4.10	3.81	3.96
Capital deepening	n.a.	−.14	.15	−.71	−.39
MFP	n.a.	4.22	4.01	4.62	4.47
Netherlands[8]					
Labor productivity	3.40	2.07	2.98	.23	.35
Capital deepening	n.a.	.49	.90	−.33	−.21
MFP	n.a.	1.51	1.99	.54	.55
Norway					
Labor productivity	1.44	2.72	3.18	1.80	1.39
Capital deepening	.92	.48	.66	.12	.29
MFP	.50	2.23	2.48	1.73	1.13
Spain[9]					
Labor productivity	3.89	1.96	2.58	.70	.34
Capital deepening	n.a.	1.48	2.01	.40	.26
MFP	n.a.	.45	.52	.31	.08
Sweden					
Labor productivity	1.52	2.06	2.11	1.96	1.73
Capital deepening	.61	.81	.89	.65	n.a.
MFP	.92	1.23	1.19	1.32	n.a.
Switzerland[10]					
Labor productivity	n.a.	1.31	.66	2.38	1.90
Capital deepening	n.a.	1.18	1.21	1.13	1.03
MFP	n.a.	.10	−.57	1.20	.84

4. Data for Belgium's growth of labor hours start in 1984.
5. Data for Denmark's growth of labor hours start in 1984, and data for capital-stock growth start in 1988.
6. Data for Finland's growth of capital stock start in 1994.
7. Data for Ireland's growth of labor hours start in 1984.
8. Data for the Netherland's labor share start in 1987.
9. Data for Spain's growth of capital stock start in 1989.
10. Data for Switzerland's growth of labor hours start in 1991.
n.a. Not available.

ence, capital deepening in most foreign economies slowed in 1996–98 compared with 1981–95. The slowdown was particularly sharp in Ireland, the Netherlands, and Spain, and somewhat more moderate in Canada, France, and Germany. A notable exception to the slowing of capital deepening abroad was Australia.

The results for multifactor productivity growth are also consistent with the pattern of labor productivity growth. The results using the BLS-based data show a pickup in U.S. multifactor productivity growth from around 0.8 percent in the 1981–95 period to close to 1.5 percent in 1996–98. The OECD data also show a pickup in U.S. multifactor productivity growth, from around 1.0 percent in the 1981–95 period to close to 1.9 percent in 1996–98. The difference in estimated multifactor productivity growth rates for the United States stems from the differences in estimated growth rates of capital deepening in the two U.S. data sources; with labor productivity growth about the same in the two data sets, the higher rate of capital deepening in the more conceptually accurate BLS data, compared with the OECD data, leads to a lower estimated rate of multifactor productivity growth.

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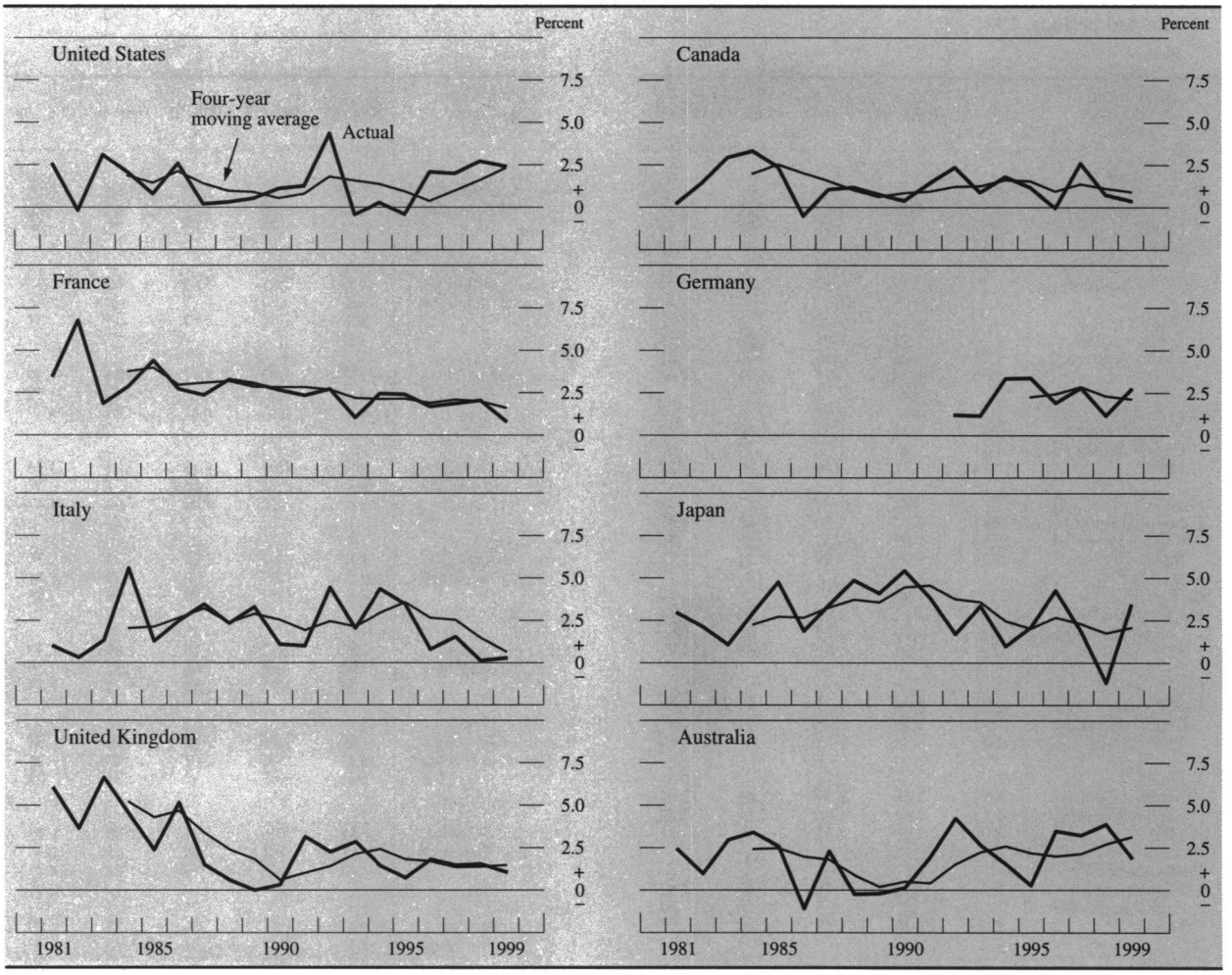
1. Growth rates of labor productivity in the Group of Seven and other OECD countries, 1981–99



NOTE. Calculations for the United States use the OECD data; results for Germany use growth rates starting in 1992 to avoid the distortions induced by the German unification during 1990–91. Calculations for growth rates (actual) for Belgium, Denmark, and Ireland start in 1984.

In contrast to the results for the United States, most of the foreign G-7 countries—the exception is Canada—experienced slowing multifactor productivity growth in the latter half of the 1990s relative to the 1981–95 period. Multifactor productivity growth also slowed in Belgium, the Netherlands, and Spain. Both Australia and Sweden experienced an acceleration in multifactor productivity, with the Australian pickup particularly sharp.

An important question is which component—capital deepening or multifactor productivity—was the driving force behind the 1.0 percentage point acceleration in U.S. labor productivity recorded in the BLS-based data from 1990–95 to 1996–98. Table 2 shows that in the BLS data, capital deepening accounts for 0.3 percentage point and that multifactor productivity accounts for 0.7 percentage point.[12] The OECD data yield comparable results, although these data do not embody quality adjustments for capital to the same extent as the BLS data.

Among the foreign industrial countries, the results indicate that changes in the growth rate of labor productivity have been dominated, for the most part, by changes in the growth rate of multifactor productivity. The exceptions to this pattern are Belgium, Canada, and Spain, where movements in the growth rate of capital deepening are important for explaining changes in the growth of labor productivity. Changes in multifactor productivity growth rates thus appear to have played the preeminent role in accounting for divergences in the movements of growth in U.S. and foreign labor productivity.

12. As indicated earlier, the recent annual revision of the U.S. national account implies a little more capital deepening than reported by Oliner and Sichel. Also, the above estimate of the change of multifactor productivity growth includes the change in the growth rate of labor quality over these two periods, which was –0.1 percent.

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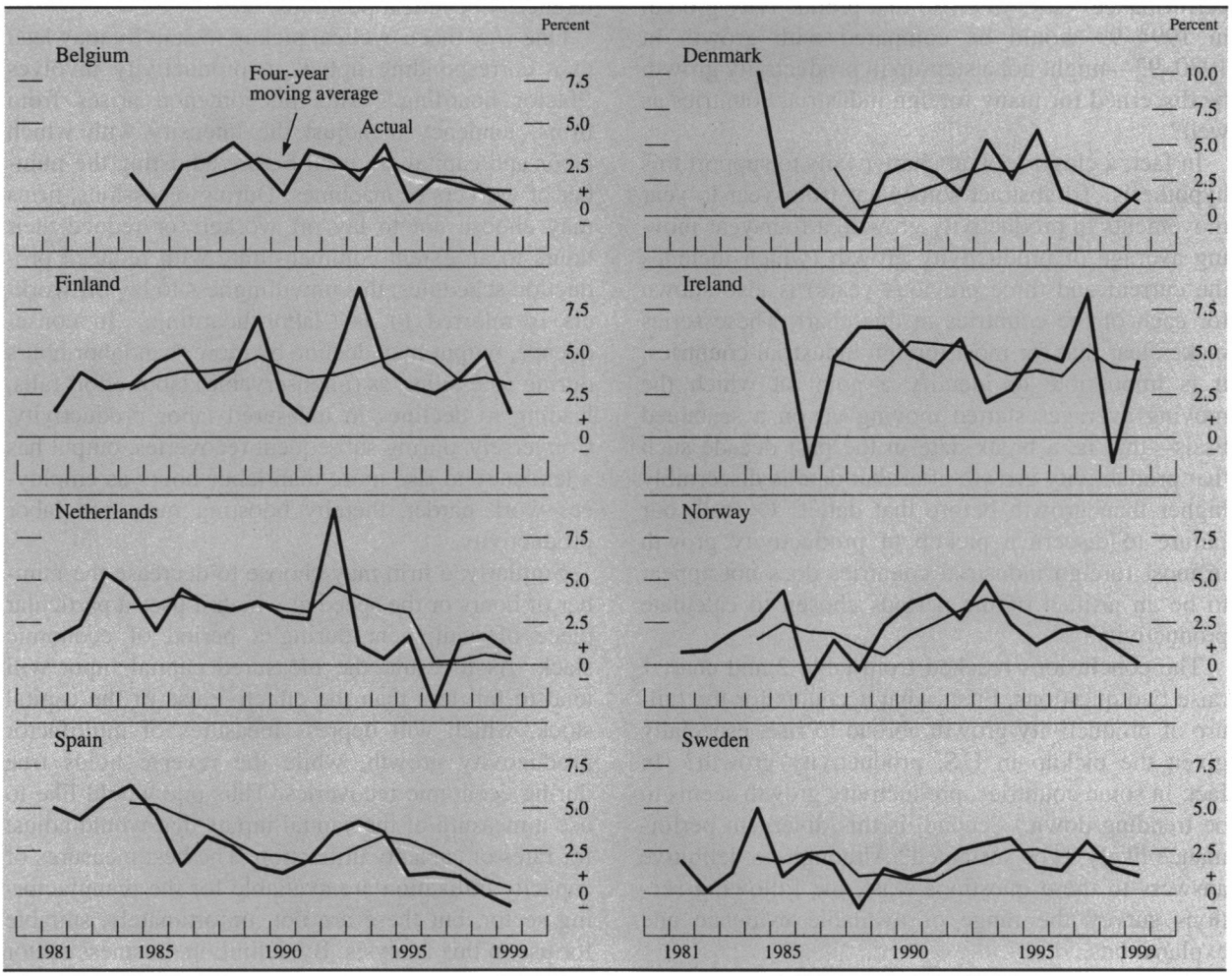
1.—Continued



Sensitivity to Period Selection

In an examination of the data in table 2, one question that comes to mind is whether movements in measured average productivity growth from period to period accurately reflect underlying movements in productivity performance or, alternatively, reflect largely the choice of time periods used to make the average growth rate calculations. Chart 1 shows annual growth rates for labor productivity for the countries in our study. For some countries, year-to-year movements in labor productivity are extremely volatile, a fact that is masked by period averages. This fact further supports the possibility that period averages of growth rates may not appropriately characterize underlying trends in productivity performance.

Even so, in the United States it is clear that the recent surge in measured productivity growth did not occur until the mid-1990s (for both BLS and OECD data) and since then has remained consistently high. Hence, a focus on 1996–98 as the period when productivity performance broke with its prior historical trend certainly makes sense for the United States.[13]

For many of the foreign economies shown in chart 1, 1995 does not represent a comparable break date in productivity performance. Thus, the question arises whether the improved performance of measured U.S. productivity growth relative to that of foreign economies might not be merely an artifact of the periods chosen to calculate the growth comparisons. To put it another way, if an alternative year

13. One motivation to use 1995 as the cut-off date for comparisons is the abrupt change in the rate of decline in prices for computer and peripheral equipment: from an annual average rate of 15 percent over 1990–95 to 30 percent over 1995–98; see Robert Gordon's article "Not Much of a New Economy," in the *Financial Times*, July 26, 2000. This abrupt change in price declines is credited with accelerating the pace of adoption of computers and the increased growth rate of labor productivity; see the interview with Dale Jorgenson in Steve Liesman, "Further Gains in Productivity Are Predicted—Economists Say Study Has Made Them Believers in the New Economy," *Wall Street Journal*, August 1, 2000.

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were chosen as a potential break date in productivity performance—say, 1993, so that productivity growth in 1994–99 would be compared with growth in 1980–93—might not a step-up in productivity growth be discerned for many foreign industrial countries as well?

In fact, a closer look at chart 1 fails to support this hypothesis. To abstract somewhat from year-to-year movements in productivity growth, a four-year moving average of productivity growth (which includes the current and three previous years) is also shown for each of the countries in this chart. These series make clear that for most foreign industrial countries, it is impossible to identify a point at which the moving averages started moving up on a sustained basis—that is, a break date in the past decade such that productivity growth after that date is discernibly higher than growth before that date.[14] Overall, our failure to discern a pickup of productivity growth in most foreign industrial countries does not appear to be an artifact of the periods chosen to calculate productivity.

The conclusions reached from table 2 and chart 1 raise two questions. First, what accounts for the failure of productivity growth abroad to rise, especially given the pickup in U.S. productivity growth? (In fact, in some countries, productivity growth seems to be trending down.) Second, is this divergent performance likely to be sustained? Although no definitive answers to these questions exist, the following sections survey the range of available evidence and explanations.

Explaining Differences in Productivity Growth

To account for the recent divergence in the patterns of U.S. and foreign labor productivity growth, we group the existing hypotheses into three categories: cyclical, methodological, and structural.

Cyclical Considerations

One of the factors that is considered important in explaining productivity growth is the cyclical position of the economy. With the U.S. economy growing rapidly in recent years while foreign industrial economies have generally been growing more slowly, it is possible that some part of the divergence in productivity performance may be attributable to differences in cyclical positions.

One way that a cyclical pickup in activity may lead to a corresponding uptick in productivity involves "factor hoarding." This phenomenon arises from firms' tendency to adjust the intensity with which labor and capital are used before adjusting the number of workers or machines. During recessions, firms may choose not to lay off workers or reduce their hours to an extent commensurate with reduced production schedules; this unwillingness to lay off workers is referred to as "labor hoarding." In consequence, output may decline by more than labor hours during recessions, as (unobservable) labor effort falls, leading to declines in measured labor productivity. Conversely, during subsequent recoveries, output has a tendency to rise more than labor hours as employees work harder, thereby boosting measured labor productivity.

Similarly, a firm may choose to decrease the number of hours or the speed at which it uses a particular piece of equipment during a period of economic slack. As a result, the measured capital input will tend to fall less than the effective use of the capital stock, which will depress measures of multifactor productivity growth, while the reverse holds true during economic recoveries. Thus one would like to use a measure of the capital inputs that would adjust for rates of capacity utilization. The best measures of capacity utilization are available for the manufacturing sector, but these are not, unfortunately, suitable for use in this analysis. By definition, business sector capital includes the capital of firms in the service sector, a sector that makes up a large share of activity in most industrialized countries and for which data on capacity utilization are not available.

To examine the role of cyclical considerations in the determination of labor productivity growth, we review the four-year moving averages of growth rates of labor productivity shown in chart 1. Although such moving averages do not necessarily correspond to trends in labor productivity adjusted for cyclical influences, they do make it easier to identify visually a long-term trend in the underlying series, with cyclical influences minimized.[15] Trends in labor productivity growth in many foreign industrial countries during 1996–99 appear to be a continuation of ongoing downward trends rather than the result of cyclical influences.

Specifically, as shown in chart 1, the countries with a relatively long-term decline in labor productivity

14. The one exception to this pattern is Australia, where productivity growth picked up in the early 1990s.

15. We considered the robustness of our findings by computing trend productivity growth using a Hodrick–Prescott filter; the conclusions are robust to this alternative method.

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growth are France, the United Kingdom, the Netherlands, and Spain. For other countries, such as Italy, Japan, Belgium, Finland, and Norway, the decline in trend productivity growth started in the early 1990s, whereas Canada, Ireland, and Sweden showed a relatively unchanged level of productivity growth. Australia is the only foreign country in our sample that showed a rising trend in productivity growth, an observation that confirms the results shown in table 2. Because the trend has been rising since the early 1990s, it suggests that factors other than the business cycle have been important.[16]

The pickup in labor productivity growth in the United States may be due in part to cyclical factors, but chart 1 suggests that the increase of U.S. labor productivity growth relative to foreign growth, as shown in table 2, is not due solely to cyclical factors. Nevertheless, not enough time has elapsed to allow a firm judgment as to whether the recent divergence in U.S. and foreign productivity performance reflects a secular shift.

Methodological Considerations

The much stronger measured productivity performance in the United States relative to the foreign countries in recent years does not reflect only the more conceptually accurate statistics embodied in the BLS data set (table 2). Even based on the OECD data set, measured productivity growth moves up appreciably in the United States in recent years. Nevertheless, despite the efforts of the OECD to enhance cross-country comparability of measures of output and input, methodological differences in national statistical agencies could still play a role in comparisons of the movements of U.S. and foreign productivity growth. Two methodological considerations that affect our measures of productivity growth are the method for measuring quality change in price indexes and the evolution of the system of national accounts.

Quality Change and Price Measurement

Calculations of capital deepening and multifactor productivity growth depend on measures of real output and of real capital. Because the data used to estimate output and investment are collected on a nominal basis, price indexes must be calculated to deflate these nominal figures to a real (constant-price) basis. This adjustment can be difficult when changes in prices reflect changes in quality. One method for measuring quality change in prices is to use hedonic pricing. This method seeks to identify the quality component of a product's price by redefining goods according to their characteristics and computing a quality-adjusted price based on those characteristics. For example, for computers, hedonic pricing derives a price for a bundle of computing power from the observed price of a computer "box" by estimating a relationship between the observed price and characteristics such as processor speed and memory size. With the rapid advancement in product development and quality change in high-tech goods, hedonic price indexes have gained increasing, albeit still limited, use among industrial countries (table 3).

Countries that do not use hedonic price indexes for goods such as computers, whose quality has changed rapidly over time, tend to understate output growth for these goods. If the price of a good reflects a quality improvement and is not quality adjusted, then the price change will be overstated and the output change understated. As a result, labor productivity growth will tend to be understated for countries that do not use hedonic price indexes relative to those countries that do make these quality adjustments. Because both the change in output and the change in the capital stock will be understated for countries that do not make this type of quality adjustment, the effect on multifactor productivity of using hedonic price indexes is less clear to the extent that computers are both an output and a capital input.

Can the failure of many foreign countries to use hedonic price indexes for computer products explain the relatively lower measured productivity performance abroad? Probably not. First, many of the countries that do use hedonic indexes, including Denmark, France, and Japan, still show declines in productivity growth. Second, in many of the countries that do not employ hedonic indexes, including Germany and Italy, a relatively small fraction of their output is composed of computers and other products related to information technology. Furthermore, other methodological differences between the United States and many foreign industrial countries, such as the use in the United States of chain-weighted instead of fixed-weight price indexes (table 3), may offset, to some extent, the effect of not using hedonic price indexes.

16. For a detailed discussion of Australia's productivity performance, see David Gruen and Glenn Stevens, "Australian Macroeconomic Performance in the 1990s," Reserve Bank of Australia Working Paper (July 2000). They argue that Australia's good performance in the 1990s is due to deregulation and privatization of "old economy" sectors rather than to advances in the information technology sector.

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Evolution of National Income Accounting Systems

International comparisons of productivity are also affected by the ongoing transition from the 1968 System of National Accounts (SNA68) to the 1993 System of National Accounts (SNA93), developed under the auspices of the United Nations, and from the 1979 European System of National Accounts (ESA79) to the 1995 system (ESA95).[17] The changes to national accounts introduced by these new systems are fairly substantial and include broadening the concept of investment to include expenditures such as software and mineral exploration, reclassifying some social expenditures as government consumption instead of private consumption, and providing a more comprehensive treatment of the financial services sector. In addition, both SNA93 and ESA95 recommend greater use of chain-weighted price indexes.

The changeover to the new systems ultimately will lead to greater international comparability of productivity measures. At present, however, our measures of productivity are complicated by the changeover, not only across countries but also over time for some countries, because implementation has been gradual and is not uniform. In a number of countries, the changes required by the new system have been implemented only over a short range of historical data and represent only preliminary estimates of the national accounts on the new basis. Table 3 shows the current national accounting system used in many countries and also lists the starting dates for which the data became available on the new basis for these countries. Some countries, such as Sweden and Spain, have published data in terms of the new accounts system only for the latter portion of our sample, while other countries have made these data available for the full sample period (1980–99). For those countries that have revised data only for the latter part of the sample, the early part of the sample is based on the old national accounts system, SNA68 or ESA79.

For each country, the switch to the new accounting system raises both the level and growth rates of GDP relative to the old accounting system. The quantitative effect varies from country to country, with the OECD estimating that, relative to the old system, the new accounting system raises the level of GDP in 1996 from as little as 0.3 percent in Belgium to as much as 5.1 percent in Denmark. Therefore, in a country such as Denmark, where the changeover to the new accounting system occurred in 1988, the effect of this change will tend to raise output growth in the 1990s relative to the 1980s. Other countries where the changeover affects our data in the middle of the sample include Italy, Finland, and Sweden. For these countries, labor productivity growth will tend to be biased down in the 1980s relative to the

3. Features of national accounts in the Group of Seven and other OECD countries

Country	Expenditure accounts	Chain-weighted	Benchmark/ base year	Hedonic price index used for computers
United States	NIPA	Yes	1996	Yes
Canada	SNA93 starting from 1955	Yes	1992	Yes
France	ESA95 starting from 1978	Yes	1995	Yes[1]
Germany	ESA95 starting from 1991	No	1995	No
Italy	ESA95 starting from 1988	No	1995	No
Japan	SNA68	No	1990	Yes
United Kingdom	ESA95 starting from 1987	Yes	1995	No
Australia	SNA93 starting from 1959	Yes	1997/98	Yes[2]
Belgium	ESA95 starting from 1980	No	1995	No
Denmark	ESA95 starting from 1988	No	1990	Yes[2]
Finland	ESA95 starting from 1988	No	1995	No
Ireland	ESA95 starting from 1990	No	1995	No
Netherlands	ESA95 starting from 1995	Yes	1995	No
Norway	SNA93 starting from 1978	Yes	1996	No
Spain	ESA95 starting from 1995	No	1995	No
Sweden	ESA95 starting from 1993	No	1995	Yes[2]

NOTE. NIPA refers to the national income and product accounts of the United States; SNA93, to the 1993 United Nations System of National Accounts, which represents a major revision to the 1968 United Nations System of National Accounts; and ESA95, to the 1995 European System of National Accounts.

1. Hedonic price index used for microcomputers only.
2. Uses current U.S. hedonic index, exchange-rate adjusted.

SOURCE. OECD and national statistical agencies.

17. The 1995 European System of National Accounts (ESA95) is designed to be consistent with SNA93 and is used by European Union member states. It further enhances the comparability of national account data among members of the European Union.

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1990s simply because of the transition to the new accounting system.[18]

Therefore, in countries most affected by this transition, labor productivity growth may be artificially low in the early part of our sample, a result that may bias our estimates toward showing an acceleration in labor productivity. Thus, the switchovers to new national accounting methods do not help to account for the absence of an upswing in recorded foreign productivity growth.

Structural Considerations

If the failure of foreign productivity growth to pick up in a manner commensurate with the recent rise in U.S. productivity growth cannot be wholly attributed to either measurement or cyclical factors, then part of the divergence in performance may be structural in origin. Accordingly, this divergence may have its roots in more fundamental economic forces. Two important structural factors affecting movements in U.S. and foreign productivity growth rates are changes in the quality of the labor force—as reflected in the skills, educational attainment, and demographic characteristics of workers—and the sluggishness of the rest of the world, relative to the United States, in adopting recent innovations in information technology.

Labor Quality

To examine the role played by changes in the quality of the labor force in the United States and abroad, we examined data from a study undertaken at the OECD by Scarpetta, Bassinini, Pilat, and Schreyer, who allow for change in average worker quality by using data on wages and employment for laborers with different educational levels.[19] Chart 2 shows the growth rate of their labor input measure for thirteen of the countries in this study for the 1986–98 period, including a breakdown of growth in labor input into hours growth and the change in quality of labor. As shown in the chart, changes in labor quality have generally been a much more important component of labor productivity growth abroad than in the United States.

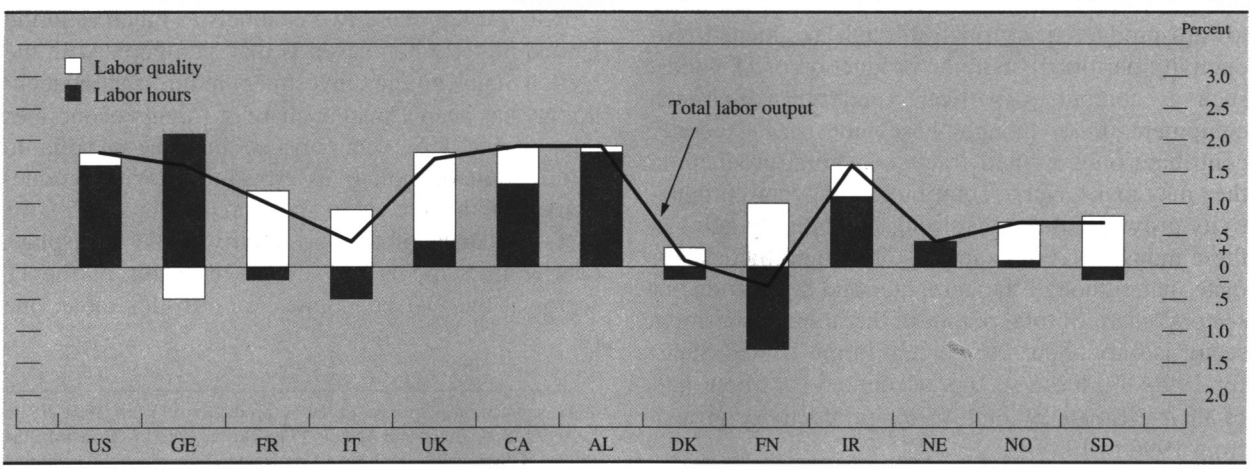
In fact, although the data in chart 2 do not distinguish between changes in labor quality in different periods, the OECD study reports that growth of U.S. labor quality remained relatively stable throughout the 1981–98 period.[20] The results suggest that a pickup in labor quality growth was not an important

18. The bias to our multifactor productivity estimates for these countries is less clear because their capital stock growth as well as their output growth in the 1980s will be understated.

19. See "Economic Growth in the OECD Area."

20. Ibid.

2. Change in labor hours, labor quality, and total labor input, selected countries, 1986–98



NOTE. The data for Germany include both the pre- and post-unification periods.

The country abbreviations are the following:

US = United States
GE = Germany
FR = France
IT = Italy
UK = United Kingdom
CA = Canada
AL = Australia
DK = Denmark
FN = Finland
IR = Ireland
NE = Netherlands
NO = Norway
SD = Sweden

SOURCE. Stefano Scarpetta, Andrea Bassanini, Dirk Pilat, and Paul Schreyer, "Economic Growth in the OECD Area: Recent Trends at the Aggregate and Sectoral Level," OECD Economics Department Working Paper, no. 248.

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factor in explaining the acceleration in U.S. productivity. This finding is consistent with the evidence based on BLS data from table 2 that show little change in the growth rate of labor quality during the past two decades.

However, in some European countries, such as France and Italy, a slowdown in the growth of labor skills does appear to partially explain the slowdown in productivity growth.[21] In particular, the OECD study reports that, once an adjustment has been made for labor quality, trend multifactor productivity growth in France and Italy picks up in the latter half of the 1990s relative to the first half of the 1990s. However, even after one adjusts for labor quality, the estimates of trend multifactor productivity growth in France and Italy in the latter half of the 1990s are still lower than the estimates of multifactor productivity growth in the 1980s. In sum, unmeasured changes in labor quality do not appear to account for most of the divergences in U.S. and foreign productivity performance in recent years.

Diffusion of Technology

A second hypothesis explaining why foreign productivity growth has not risen as much as U.S. productivity growth is the slower pace with which foreign countries have adopted recent innovations in information technology (IT). Researchers have focused on three channels by which those innovations may increase productivity growth. The first channel is the contribution that IT industries make toward productivity growth through heightened productivity performance in the production of IT goods, such as computers, software, and other high-tech equipment. Even though these industries generally contribute only a small fraction of total production, they may make a large contribution to overall productivity growth if there are strong productivity gains in these industries. For example, Oliner and Sichel estimate that, although the computer and semiconductor sectors' share of total output in the nonfarm business sector is only about 2½ percent in the United States for 1996–99, these sectors accounted for about half of their estimate of multifactor productivity growth from 1996 to 1999.[22]

Comparable data on the computer and semiconductor industries do not exist for many foreign industrial countries. Instead, we examine production of IT goods, which include data processing equipment, telecommunications equipment, and consumer electronics, relative to total output for the seventeen countries in this study. In 1997, Ireland, Japan, Finland, and Sweden were the only countries with IT production shares that were greater than that of the United States (chart 3). High IT production shares in Finland and Ireland are consistent with their relatively fast multifactor productivity growth and may partially explain it, although neither Finland nor Ireland has experienced a sizable acceleration in multifactor productivity in recent years. Low multifactor productivity growth in Denmark and Spain is consistent with these countries' relatively low level of IT production.

The other two channels relate to the use of information technology in other sectors of the economy. Investment in IT goods can boost the capital–labor ratio and therefore raise labor productivity. In recent years, with the price of IT goods falling rapidly as a result of technological improvements, investment in IT equipment has been increasing rapidly relative to investment in other types of capital. Finally, information technologies, such as Internet-ready computers, may create network effects that spur the dissemination of information, resulting in disembodied technical change.

Investment in information technology abroad does not appear to have translated into higher productivity growth through these two channels as much as in the United States. One reason is that, compared with the United States, foreign investment in information technology has been a smaller share of foreign economies than of the U.S. economy, so that the payoffs to information technology in terms of improved productivity growth have yet to show up.

As evidence of this possibility, table 4 displays data from Schreyer on several measures of the IT sector in the G-7 economies.[23] From this table, one

21. One possible explanation for this slowdown in labor quality in some European countries is that in the 1980s and the 1990s, declines in hours worked in these countries (see table 1) fell particularly hard on low-skilled workers. This trend tended to boost the average quality of a worker in those years. In more recent years, with labor market conditions improving, the utilization of low-skilled workers has increased, thereby slowing labor quality growth.

22. Oliner and Sichel also estimate that these sectors contributed 0.35 percentage point to an acceleration of roughly 1 percentage point in the annual growth rate of labor productivity from 1991–95 to 1996–99. See Oliner and Sichel, "The Resurgence of Growth in the 1990s." Other studies that have also found a significant contribution to the acceleration in labor productivity growth from the production of computer hardware include Gordon, "Does the 'New Economy' Measure Up to the Great Inventions of the Past?"; Jorgenson and Stiroh, "Raising the Speed Limit: U.S. Economic Growth in the Information Age;" Karl Whelan, "Computers, Obsolescence, and Productivity," Finance and Economics Discussion Series 2000-06 (Board of Governors of the Federal Reserve System, January 2000); and Council of Economic Advisers, *Economic Report of the President* (February 2000).

23. See Schreyer, "The Contribution of Information and Communication Technology to Output Growth."

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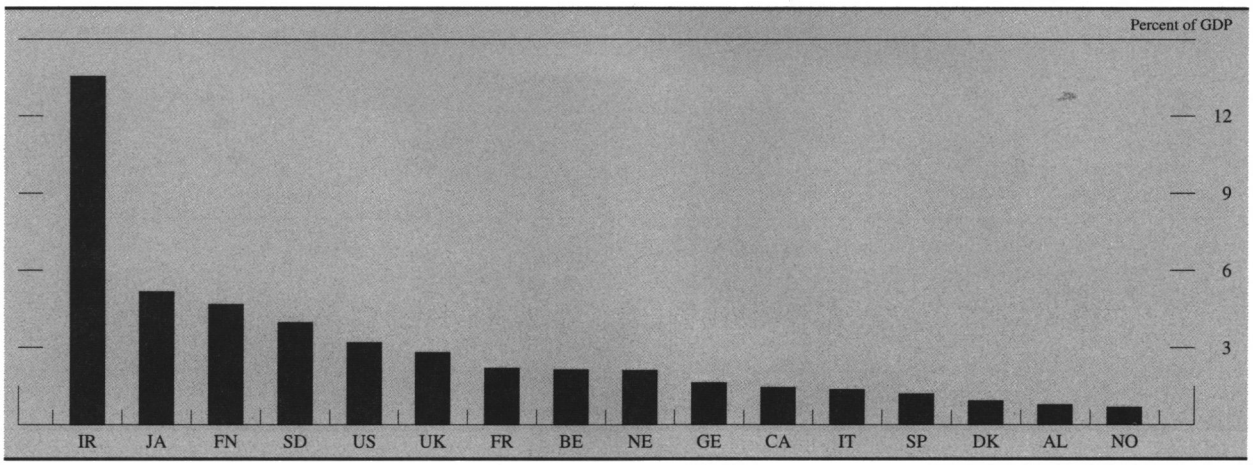
3. Production of information technology goods, selected countries, 1997



NOTE. IT goods include data processing equipment, telecommunications equipment, and consumer electronics.

The country abbreviations are the following:

IR = Ireland
JA = Japan
FN = Finland
SD = Sweden
US = United States
UK = United Kingdom
FR = France
BE = Belgium
NE = Netherlands
GE = Germany
CA = Canada
IT = Italy
SP = Spain
DK = Denmark
AL = Australia
NO = Norway

can see that information technology's share of nonresidential gross fixed capital formation has been increasing in all of the G-7 countries as producers substitute IT equipment for other types of investment goods. As a result, information technology's share of the total nominal capital stock has increased in all of these countries, with the United States, at 7.4 percent, having the highest share of IT capital in 1996 and Italy, at 2.1 percent, the lowest. With IT equipment making up a larger share of total capital, it is not surprising that information technology's share of total income in the United States is also higher than in the other G-7 countries. As a result, IT equipment makes a larger contribution to output growth in the United States than in the other G-7 countries.[24] Finally, Schreyer's study also reports that the contribution of IT capital to output growth is somewhat higher in the United Kingdom and Canada than it is

24. Schreyer's analysis probably understates the contribution of information technology to growth in all countries because his definition of IT equipment does not include software.

4. Share and contribution of information technology in the Group of Seven countries, 1985, 1990, and 1996

Percent except as noted

IT measures	United States	Canada	France	Western Germany	Italy	Japan	United Kingdom
Share of IT							
In nonresidential gross fixed capital formation							
1985	12.1	11.1	10.1	7.1	5.8	4.2	10.4
1990	15.7	12.6	8.8	7.2	7.7	5.3	13.3
1996	19.9	16.2	10.9	10.9	9.6	8.1	18.3
In nominal productive capital stock							
1985	6.2	4.3	2.4	2.9	1.3	1.2	3.6
1996	7.4	5.0	3.2	3.0	2.1	2.3	5.2
In total income							
1985	.8	.7	.3	.3	.5	.5	.4
1990	1.3	1.4	.9	.7	.8	.7	1.0
1996	1.7	1.5	.9	.8	.9	.8	1.5
Contributions to output growth (percentage points) from IT equipment							
1980–85	.28	.25	.17	.12	.13	.11	.16
1985–90	.34	.31	.23	.17	.18	.17	.27
1990–96	.42	.28	.17	.19	.21	.19.	.29

SOURCE. Paul Schreyer, "The Contribution of Information and Communication Technology to Output Growth: A Study of the G-7 Countries," OECD Science, Technology, and Industry Working Paper, 2000/2 (OECD, 2000).

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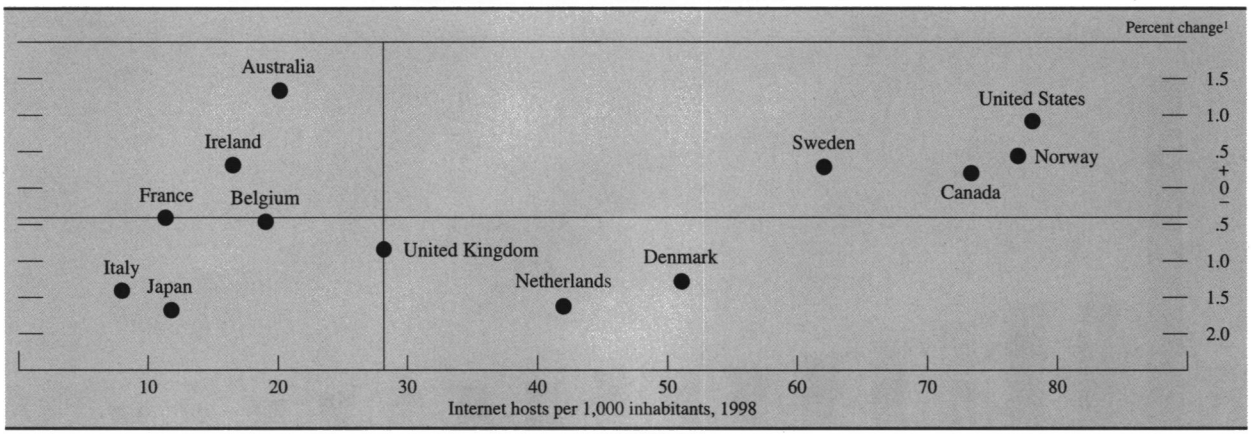
4. Acceleration in multifactor productivity in relation to the number of Internet hosts, selected countries



1. Change in growth rates of multifactor productivity between 1981–95 and 1996–98.

SOURCE. Number of Internet hosts from *OECD Information Outlook 2000*, figure 2, p. 79.

in France, Germany, Italy, and Japan. This finding also reflects information technology's relatively low share of total income in those countries.[25]

Unfortunately, Schreyer's analysis does not extend beyond 1996. It therefore does not include the latter half of the 1990s, for which researchers such as Oliner and Sichel have found that the use of information technology as a capital input played a significant role in the pickup in labor productivity growth in the United States.[26] To present more recent evidence, we examine the change in multifactor productivity growth for selected OECD countries during 1981–95 and 1996–98 plotted against the number of Internet hosts (chart 4) and also against the number of secure servers (chart 5), which is a more relevant measure of the extent of electronic commerce than the number of Internet hosts.[27] Using the median of the corresponding variables as critical values, we can group the observations into four quadrants. The countries that are in the northeast quadrant in both charts are Canada, Norway, Sweden, and the United States—countries in which a relatively large improvement in multifactor productivity growth has been accompanied by a substantial proliferation of information technology. The countries in the southwest quadrant include Japan, France, and Italy; in these countries the declines in multifactor productivity growth have been accompanied by a more limited diffusion of information technology.

SUSTAINED VERSUS TRANSITORY GROWTH DIFFERENTIALS

An important question raised by the estimated differential between U.S. and foreign productivity growth rates is how long it will be sustained. Even if the higher measured productivity growth experienced in

25. Although the data on both IT production and investment are consistent with a slower rate of innovation and adoption of information technology abroad than in the United States, the reasons for this development are not clear. One explanation is that, relative to foreign countries, several institutional features of the United States are more hospitable to innovation and adoption of these technologies. Such features include the regulatory environment, the flexibility of the labor force, and the breadth and depth of financial markets. For a more detailed discussion of these features, see Roger Ferguson, "Is Information Technology the Key to Higher Productivity Growth in the United States and Abroad?" (remarks before the 2000 Global Economic and Investment Outlook Conference, Carnegie Bosch Institute, Pittsburgh, Pa., September 21, 1999), available on line at http://www.federalreserve.gov/boarddocs/speeches/1999/19990921.htm.

26. See Oliner and Sichel, "The Resurgence of Growth in the Late 1990s."

27. We used the following definitions of an Internet host and a server:

> On the Internet, the term "host" means any computer that has full two-way access to other computers on the Internet. A host has a specific "local or host number" that, together with the network number, forms its unique IP address. If you use Point-to-Point Protocol to get access to your access provider, you have a unique IP address for the duration of any connection you make to the Internet and your computer is a host for that period. In this context, a "host" is a node in a network.

See *whatis.com*. On line. TechTarget.com, Inc. Available: http://whatis.techtarget.com/WhatIs_Definition_Page/0,4152,212254,00.html Oct. 21, 1999 [last update]

> Specific to the Web, a Web *server* is the computer program (housed in a computer) that serves requested HTML pages or files. A Web *client* is the requesting program associated with the user. The Web browser in your computer is a client that requests HTML files from Web servers.

See *whatis.com*. On line. TechTarget.com, Inc. Available: http://whatis.techtarget.com/WhatIs_Definition_Page/0,4152,212964,00.html Nov. 29, 1999 [last update].

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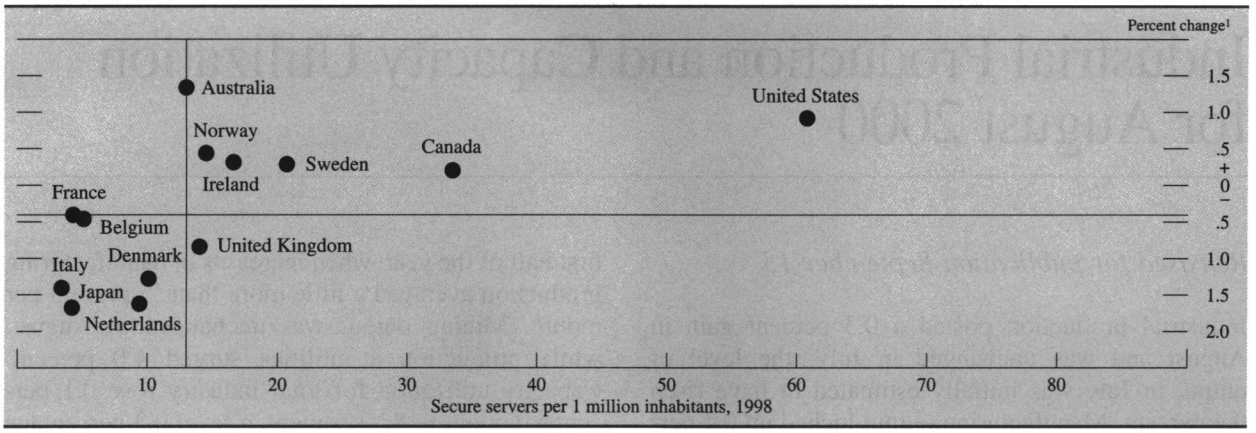
5. Acceleration in multifactor productivity in relation to the number of secure Internet servers, selected countries



1. Change in growth rates of multifactor productivity between 1981–95 and 1996–98.

SOURCE. Number of Internet servers from *OECD Information Outlook 2000*, figure 3, p. 80.

the United States in recent years is attributable to structural factors, rather than cyclical or methodological considerations, this does not mean that U.S. productivity growth will indefinitely remain higher than that in the rest of the world. In fact, there are reasons to believe that the differential is likely to erode over time.

First, to the extent that past experience is a useful guide, these countries will likely exhibit a phenomenon known as convergence: Countries that are behind in terms of their implementation of technologies can learn from countries that are more advanced and increase their productivity more rapidly. As these countries take advantage of new technologies and the availability of unexploited returns to scale, productivity growth rates first rise and then diminish over time.

Second, the U.S. experience and that of some other countries suggests that the increasing use of information technology has been an important part of a pickup in multifactor productivity growth. For example, Sweden, Norway, and Canada all tend to be relatively intensive users of information technology, and they seem to be starting to reap the benefits of this investment. Because investment in and use of information technology is becoming increasingly important, even in countries where structural impediments such as inflexible labor markets and a burdensome regulatory environment are thought to inhibit the adoption of new technologies, it is not unreasonable to expect that IT investments will help boost productivity growth abroad in the future.

CONCLUSION

We have documented that a pickup in productivity growth such as occurred in the United States in the second half of the 1990s, measured as either labor or multifactor productivity growth, does not appear to have occurred in most foreign industrial countries. In fact, in many foreign industrialized economies, measured growth rates of labor and multifactor productivity actually declined during this period.

In the absence of more definitive answers, the following explanations may be relevant as to why foreign economies have not experienced the acceleration in productivity witnessed in the United States. First, to some extent, recent U.S. productivity performance may contain a cyclical element related to the strength of the economy, compared with more muted growth abroad, although this factor does not seem to explain all the divergence in U.S. and foreign productivity performance. Second, although it is difficult to determine the overall quantitative effect of differences in measurement across countries, the evidence suggests that measurement bias has, at most, only a small role in accounting for the failure of measured productivity growth to pick up abroad. Finally, some of the upswing in U.S. productivity growth compared with that abroad is likely due to more fundamental changes in the U.S. economy, reflecting more advanced diffusion of technological improvements, especially in the IT sector, than has occurred in most foreign industrialized countries.

Nevertheless, there are reasons to expect that the differential will not be sustained indefinitely. First, the historical record suggests that productivity growth has tended to converge among industrial countries. Second, there is evidence that, although the diffusion of information technology has not occurred as rapidly abroad as in the United States, the proliferation of these technologies is occurring there as well. □

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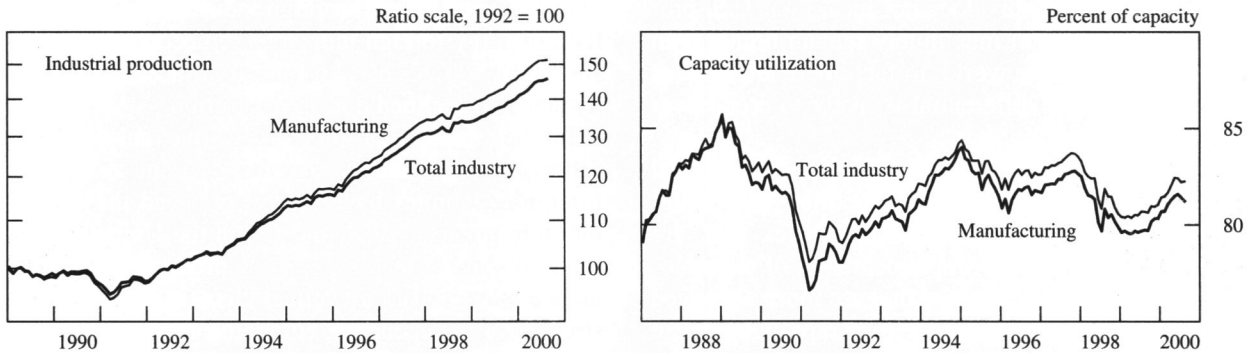
Industrial Production and Capacity Utilization for August 2000

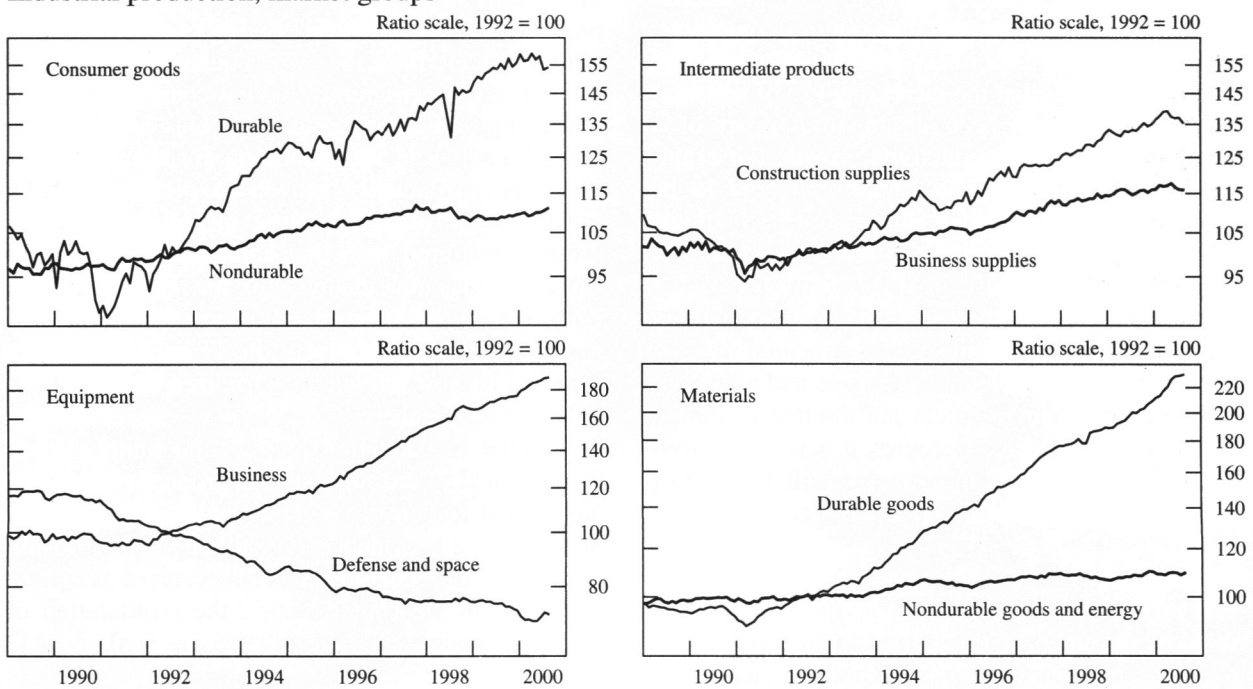
Released for publication September 15

Industrial production posted a 0.3 percent gain in August and was unchanged in July; the level of output in July was initially estimated to have risen 0.4 percent. Manufacturing output inched up 0.1 percent in both July and August, a slower rate than in the first half of the year, when increases in manufacturing production averaged a little more than ½ percent per month. Mining output was unchanged in August, while production at utilities surged 4.0 percent. Capacity utilization for total industry rose 0.1 percentage point, to 82.3 percent, a level 0.3 percentage point above its 1967–99 average.

Industrial production and capacity utilization



Industrial production, market groups



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

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Industrial production and capacity utilization, August 2000

Category	Industrial production, index, 1992=100								
	2000				Percentage change				
					2000[1]				Aug. 1999 to Aug. 2000
	May[r]	June[r]	July[r]	Aug.[p]	May[r]	June[r]	July[r]	Aug.[p]	
Total	**144.7**	**145.2**	**145.2**	**145.7**	**.8**	**.3**	**.0**	**.3**	**5.8**
Previous estimate	144.4	144.8	145.3	. . .	.6	.2	.4	. . .	. . .
Major market groups									
Products, total[2]	131.2	131.3	131.5	131.8	.2	.1	.2	.2	3.2
Consumer goods	118.8	119.0	118.6	119.2	.2	.2	−.3	.5	1.3
Business equipment	185.7	186.8	188.6	189.2	.4	.6	1.0	.3	8.8
Construction supplies	137.4	136.9	137.1	135.5	−1.3	−.3	.1	−1.2	1.9
Materials	168.1	169.3	168.9	169.9	1.9	.7	−.2	.6	9.9
Major industry groups									
Manufacturing	150.3	151.0	151.2	151.3	.6	.5	.1	.1	6.2
Durable	189.2	190.8	190.9	191.3	1.3	.8	.0	.2	9.7
Nondurable	113.2	113.3	113.4	113.3	−.3	.1	.1	−.1	1.6
Mining	102.3	103.1	104.3	104.3	1.1	.8	1.1	.0	5.9
Utilities	119.0	115.7	113.4	117.9	3.6	−2.8	−2.0	4.0	.1

	Capacity utilization, percent								MEMO Capacity, percentage change, Aug. 1999 to Aug. 2000
	Average, 1967–99	Low, 1982	High, 1988–89	1999	2000				
				Aug.	May[r]	June[r]	July[r]	Aug.[p]	
Total	**82.0**	**71.1**	**85.4**	**80.7**	**82.4**	**82.4**	**82.2**	**82.3**	**3.7**
Previous estimate	. . .	. . .	. . .	. . .	82.3	82.2	82.3	. . .	. . .
Manufacturing	81.1	69.0	85.7	79.7	81.5	81.6	81.4	81.2	4.2
Advanced processing	80.5	70.4	84.2	78.8	81.0	81.1	81.1	81.1	5.4
Primary processing	82.4	66.2	88.9	82.8	83.3	83.3	82.7	82.2	1.5
Mining	87.3	80.3	88.0	81.9	85.7	86.5	87.6	87.8	−1.2
Utilities	87.5	75.9	92.6	92.2	92.3	89.6	87.7	91.2	1.2

NOTE. Data are seasonally adjusted or calculated from seasonally adjusted monthly data.
1. Change from preceding month.
2. Contains components in addition to those shown.
r Revised.
p Preliminary.

MARKET GROUPS

After having declined 0.3 percent in July, the output of consumer goods rose 0.5 percent in August; production in the durable and nondurable goods sectors posted comparable gains. Within consumer durables, an increase in the output of automotive products, mainly motor vehicle assemblies and replacement tires, more than offset a decline in the production of other durable goods. Among other durable goods, a gain in the production of household appliances reversed a small portion of the sizable decline in July, but the output of carpeting and furniture and of miscellaneous durable goods fell. Within nondurable consumer goods, energy products jumped 3.7 percent in August, led by gains in residential sales of electricity and fuel oil. The output of non-energy products ticked up just 0.1 percent.

The production of business equipment rose 0.3 percent last month, with another large increase in the output of information processing and related equipment more than accounting for the gain. The production of industrial equipment moved down 0.5 percent. A 1.1 percent drop in transit equipment was due to declines in the output of commercial aircraft and of medium and heavy trucks. A large decrease in farm machinery and equipment production pushed down the "other equipment" index 4.8 percent. On balance, the level of output of business equipment was 8.8 percent higher than in August 1999, with gains in all major sectors except transit equipment. The production of defense and space equipment dropped 0.7 percent after two months of sizable increases.

After a downward-revised 0.1 percent rise in July, the production of construction supplies fell 1.2 percent in August and is now about 2½ percent below its recent peak in April. The output of durable goods materials rose 0.5 percent, bringing production to a level 15.6 percent above the level in August 1999. The output of equipment parts, especially semiconductors, continued to post strong gains, but the output of consumer parts and of basic metals, such as steel,

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fell further. The output of nondurable goods materials dropped 0.2 percent, continuing the sluggish pattern that has been evident this year. In contrast, production of energy materials jumped 1.7 percent.

INDUSTRY GROUPS

Manufacturing output edged up 0.1 percent in August for the second consecutive month. Upward revisions to the manufacturing index for May and June were more than offset by a downward revision for July, which was largely attributable to lower production in steel, paper, and automotive parts. In August the level of output in the manufacturing sector was 6.2 percent higher than the level in August 1999. Excluding motor vehicles and parts, manufacturing production fell 0.1 percent. The output of durable goods industries moved up 0.2 percent, with the production of transportation equipment advancing 0.9 percent. Durable goods production was also lifted by further gains in computer and office equipment and semiconductors. The production of nondurable goods edged down, reversing the July increase; continued weakness in textile mill products, apparel, and rubber and plastics accounted for most of the decline. The overall factory operating rate dropped 0.2 percentage point, to 81.2 percent; capacity utilization at primary-processing industries fell 0.5 percentage point, while utilization at advanced-processing industries held steady at 81.1 percent.

The level of output in the mining sector was flat in August after three months of strong gains, which were mainly due to increases in the output of energy extraction industries. The utilization rate at mines ticked up to 87.8 percent, a level 0.5 percentage point above its long-run average. Output at utilities, which had dropped 2.8 percent in June and 2.0 percent in July, jumped 4.0 percent; the operating rate at utilities increased to 91.2 percent, nearly 4 percent above its long-run average.

REVISION OF INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

In November the Federal Reserve Board will publish revisions to the index of industrial production (IP), to the related measures of capacity and capacity utilization, and to the index of industrial use of electric power. The updated measures will reflect both the incorporation of newly available, more comprehensive source data typical of annual revisions and, for some series, the introduction of improved compilation methods. The revision will also include a refinement of the method used to aggregate the individual series in the production and capacity indexes. The new source data are for recent years, primarily 1997 through 1999, and the modified methods affect data from 1992 onward.

The G.17 statistical release will be redesigned with the publication of the revision. More special aggregates will be added, but some detailed industry data will be available only on the Federal Reserve Board's public web site. Additional details regarding the redesign will be provided next month.

The updating of source data for IP will include annual data from the following reports of the Bureau of the Census: the 1997 Census of Manufactures, the 1998 Annual Survey of Manufactures, and selected editions of its 1998 and 1999 Current Industrial Reports. Annual data from the U.S. Geological Survey regarding metallic and nonmetallic minerals (except fuels) for 1998 and 1999 will also be introduced. The updating will include revisions to the monthly indicator for each industry (either physical product data, production-worker hours, or electric power usage) and revised seasonal factors.

Capacity and capacity utilization will be revised to incorporate preliminary data from the 1999 Survey of Plant Capacity of the Bureau of the Census, which covers manufacturing, along with other new data on capacity from the U.S. Geological Survey, the Department of Energy, and other organizations. The statistics on the industrial use of electric power will incorporate additional information received from utilities for the past few years and will include some data from the 1997 Census of Manufactures and 1998 Annual Survey of Manufactures.

Aggregate industrial production indexes have been built as annually weighted chain-type indexes, beginning with data for 1977. Currently, the weights are changed at the middle of every year; with the coming revision, the weights will change every month, rather than once a year, beginning with data for 1992.

Once the revision is published, it will also be made available on the Board's web site (www.federalreserve.gov/releases/g17). The revised data will also be available through the web site of the Department of Commerce. Further information on these revisions is available from the Board's Industrial Output Section (telephone 202-452-3197). □

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Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee at its meeting on August 22, 2000, decided to maintain the existing stance of monetary policy, keeping its target for the federal funds rate at 6½ percent.

Recent data have indicated that the expansion of aggregate demand is moderating toward a pace closer to the rate of growth of the economy's potential to produce. The data have also indicated that more rapid advances in productivity have been raising that potential growth rate as well as containing costs and holding down underlying price pressures.

Nonetheless, the Committee remains concerned about the risk of a continuing gap between the growth of demand and potential supply at a time when the utilization of the pool of available workers remains at an unusually high level.

Against the background of its long-term goals of price stability and sustainable economic growth and of the information currently available, the Committee believes the risks continue to be weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

GUIDANCE ISSUED ON FRAMEWORK FOR BOARD SUPERVISION OF FINANCIAL HOLDING COMPANIES

The Federal Reserve Board on August 15, 2000, issued guidance outlining the purpose and scope of its supervision of financial holding companies authorized to engage in a diversified range of financial activities.

The Federal Reserve is responsible for determining that financial holding companies, on a consolidated basis, are operated in a manner that does not threaten the viability of their depository institution subsidiaries. Through August 11, 365 banking organizations had elected to be treated as financial holding companies.

The guidance, contained in a supervisory letter (SR 00–13) to Federal Reserve supervisors as well as financial holding companies, focuses on the Gramm–Leach–Bliley Act's provisions for working with the functional regulators of the companies' securities, insurance, and commodities subsidiaries. There should be minimal, if any, noticeable change in the well-established relationships between the Federal Reserve and the primary supervisors of depository institutions controlled by financial holding companies.

"Effective financial holding company supervision requires strong, cooperative relationships between the Federal Reserve and primary bank, thrift, and functional regulators and foreign supervisors, "wrote Richard Spillenkothen, director of the Board's Division of Banking Supervision and Regulation. "These relationships respect the individual statutory authorities and responsibilities of the respective supervisors but at the same time allow for enhanced information flows and coordination so that individual responsibilities can be carried out effectively without creating duplication or excessive burden."

In supervising financial holding companies, the Federal Reserve will rely on reports filed with or prepared by bank, thrift, and functional regulators, as well as on publicly available information for both regulated and nonregulated subsidiaries. When necessary and appropriate, the Federal Reserve may conduct or participate in reviews at banks, thrifts, or functionally regulated subsidiaries to verify that risk-management and internal control policies established at the holding company level are being effectively implemented.

Most of the concepts discussed in the framework are already applied by the Federal Reserve in the consolidated supervision of complex bank holding companies. The Federal Reserve's supervision of financial holding companies will evolve as their activities and structures become more diverse. The levels of supervision may vary depending on a financial holding company's mix of banking, securities, and insurance activities.

Supervisory letters are the Federal Reserve's primary means of communicating key policy directives to its examiners, supervisory staff, and the banking industry. Supervisory letters can be viewed on the Board's web site: www.federalreserve.gov/boarddocs/srletters.

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AGENCIES PROPOSE CONSUMER PROTECTION RULES FOR INSURANCE SOLD BY DEPOSITORY INSTITUTIONS

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision jointly proposed on August 21, 2000, consumer protection rules for the sale of insurance products by depository institutions. The proposed rule, published in the *Federal Register*, implements section 305 of the recently enacted Gramm–Leach–Bliley Act. Comments are due October 5.

The act directs the agencies to publish rules that apply to retail sales practices, solicitations, advertising, or offers of insurance.

The proposed rule applies to any depository institution or any person selling, soliciting, advertising, or offering insurance products or annuities to a consumer at an office of the institution or on behalf of the institution. The following disclosures would be required:

1. The insurance product or annuity is not a deposit or other obligation of, or guaranteed by, the depository institution or—if applicable—its affiliate
2. The insurance product or annuity is not insured by the Federal Deposit Insurance Corporation or any other agency of the United States, the depository institution or—if applicable—its affiliate
3. In the case of an insurance product or annuity that involves an investment risk, there is investment risk associated with the product, including the possible loss of value
4. The depository institution may not condition an extension of credit on the consumer's purchase of an insurance product or annuity from the depository institution or from any of its affiliates, or on the consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product or annuity from an unaffiliated entity.

These disclosures must be made orally and in writing before the completion of the sale of an insurance product or annuity. The disclosures may be made electronically if the consumer affirmatively consents, provided the consumer can retain or later obtain the disclosures by printing or storing them electronically, such as by downloading. The rules also require written acknowledgment from the consumer that the disclosures were received. Disclosures made electronically can be acknowledged electronically or in paper form by the consumer.

The location of insurance sales and payment of referral fees is also addressed in the proposed rules. To the extent practicable, a depository institution must keep insurance and annuity sales activities physically segregated from the areas where retail deposits are routinely accepted from the general public. In addition, bank employees may refer a consumer who seeks to purchase an insurance product or annuity to a qualified salesperson. The referral fee may be no more than a one-time nominal charge that does not depend on whether the referral results in a transaction.

Persons who sell insurance products or annuities must be qualified and licensed under a state's applicable insurance licensing standards under the proposed rules.

WIRELESS ACCESS TO THE BOARD'S PUBLIC WEB SITE NOW AVAILABLE THROUGH HAND-HELD DEVICES

The Federal Reserve Board announced on August 25, 2000, that wireless personal digital assistants can be used to access and read items on the Board's public web site.

The most popular items on the web site will be available, including statistical reports on foreign exchange rates, selected interest rates, consumer credit, and industrial production and capacity utilization. Press releases and Federal Open Market Committee announcements will also be accessible. Items may be added or deleted with changes in user demand and technology.

Users of Palm OS-compatible personal digital assistants can download the required application file from the Board's web site to their personal computers and then transfer it onto their personal digital assistants. Users of Windows CE-compatible personal digital assistants can directly access pages that are optimized for display on their personal digital assistants.

The application file can be found on the Board's web site: www.federalreserve.gov/wireless.

ENFORCEMENT ACTIONS AND TERMINATIONS OF PREVIOUS ACTIONS

The Federal Reserve Board announced on August 11, 2000, the execution of a written agreement by and among Unity Bancorp, Inc., Clinton, New Jersey, the

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Federal Reserve Bank of New York, and the Commissioner of Banking and Insurance of the State of New Jersey.

The Federal Reserve Board announced on August 23, 2000, the issuance of a written agreement by and among Banco Union, S.A.C.A., Caracas, Venezuela; Banco Union, S.A.C.A., Miami Agency, Miami, Florida; Banco Union, S.A.C.A., New York Agency, New York, New York; the Federal Reserve Bank of Atlanta; the Federal Reserve Bank of New York; the New York State Banking Department; and the State of Florida Department of Banking and Finance.

The Federal Reserve Board announced on August 11, 2000, the termination of the following enforcement actions:

- National Bank of Greece, S.A., Athens, Greece, and the National Mortgage Bank of Greece, S.A. Cease and desist order dated September 25, 1989, was terminated June 14, 2000
- Farmers & Merchants Bank, Long Beach, California. Cease and desist order dated March 23, 1992, was terminated June 12, 2000. □

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Minutes of the Meeting of the Federal Open Market Committee Held on June 27–28, 2000

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, June 27, 2000, at 2:30 p.m. and continued on Wednesday, June 28, 2000, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Broaddus
Mr. Ferguson
Mr. Gramlich
Mr. Guynn
Mr. Jordan
Mr. Kelley
Mr. Meyer
Mr. Parry

Mr. Hoenig, Ms. Minehan, Messrs. Moskow and Poole, Alternate Members of the Federal Open Market Committee

Messrs. McTeer and Stern, Presidents of the Federal Reserve Banks of Dallas and Minneapolis respectively

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Ms. Fox, Assistant Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Baxter, Deputy General Counsel
Ms. Johnson, Economist
Mr. Stockton, Economist

Ms. Cumming, Messrs. Eisenbeis, Goodfriend, Howard, Lindsey, Reinhart, and Simpson, Associate Economists

Mr. Fisher, Manager, System Open Market Account

Mr. Winn, Assistant to the Board, Office of Board Members, Board of Governors

Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors

Messrs. Madigan and Slifman, Associate Directors, Divisions of Monetary Affairs and Research and Statistics respectively, Board of Governors

Mr. Porter,[1] Deputy Associate Director, Division of Monetary Affairs, Board of Governors

Messrs. Freeman,[2] Oliner,[3] Struckmeyer, Whitesell, and Ms. Zickler,[2] Assistant Directors, Divisions of International Finance, Research and Statistics, Research and Statistics, Monetary Affairs, and Research and Statistics respectively, Board of Governors

Mr. Reifschneider,[1] Section Chief, Division of Research and Statistics, Board of Governors

Mr. Bomfim[2] and Ms. Garrett, Economists, Division of Monetary Affairs, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Ms. Pianalto and Mr. Stone, First Vice Presidents, Federal Reserve Banks of Cleveland and Philadelphia respectively

Messrs. Hakkio, Hunter, Lang, Rasche, and Rosenblum, Senior Vice Presidents, Federal Reserve Banks of Kansas City, Chicago, Philadelphia, St. Louis, and Dallas respectively

Messrs. Altig, Fuhrer, Judd, Ms. Perelmuter, and Mr. Weber, Vice Presidents, Federal Reserve Banks of Cleveland, Boston, San Francisco, New York, and Minneapolis respectively

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on May 16, 2000, were approved.

By unanimous vote, David J. Stockton was elected to serve as economist until the election of his successor at the first meeting of the Committee after

1. Attended portion of meeting relating to the Committee's discussion of the economic outlook.
2. Attended portion of meeting relating to the Committee's long-run policy.
3. Attended Wednesday session only.

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December 31, 2000, with the understanding that in the event of the discontinuance of his official connection with the Board of Governors he would cease to have any official connection with the Federal Open Market Committee.

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets. There were no open market operations in foreign currencies for the System's account in the period since the previous meeting, and thus no vote was required of the Committee.

The Manager also reported on developments in domestic financial markets and on System open market transactions in government securities and federal agency obligations during the period May 16, 2000, through June 27, 2000. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic outlook and the implementation of monetary policy over the intermeeting period ahead.

The information reviewed at this meeting suggested that the economic expansion was moderating somewhat from a very rapid pace in the first quarter. Consumer spending was increasing only modestly after large gains earlier, housing activity was down somewhat, and growth of business spending on capital equipment, while still quite vigorous, was slowing a little after a first-quarter surge. As a consequence, industrial production and employment were rising at somewhat reduced rates. Core consumer prices continued to evidence some acceleration, to an important extent reflecting some indirect effects of the sharp increase in oil prices over the past year.

Nonfarm payroll employment increased further in May, although the rise was associated with a surge in government hiring of census workers that more than offset a considerable contraction in private payrolls. The drop in private employment following very large gains in March and April seemed, in the absence of other signs of weakening labor demand, to be attributable at least to some extent to statistical noise and seasonal adjustment problems. Averaging over the three months, private nonfarm employment advanced at about the rate of the previous twelve months. The civilian unemployment rate averaged 4.0 percent over April and May.

Industrial production continued to rise in May after a brisk increase in April, but the average gain for April and May was somewhat below the average monthly advance during the two previous quarters. Manufacturing output climbed at a slower rate in the April–May period, reflecting less rapid growth in the production of high-tech equipment and sluggish output of other non-automotive equipment. The further step-up in manufacturing activity lifted capacity utilization a little further, bringing it still closer to its long-term average.

Growth of consumer spending apparently slowed considerably in the second quarter after outsized gains in several previous quarters. Nominal retail sales declined in both April and May; outlays fell at durable goods outlets and edged up at nondurable goods stores. Despite the recent weakness, however, continued solid expansion of disposable incomes, the large accumulated gains in household wealth, and very positive consumer sentiment suggested that underlying fundamentals behind household spending remained favorable.

Higher mortgage rates apparently were exerting a restraining effect on residential housing activity. Total private housing starts fell in May to their lowest level since the middle of last year. Moreover, while sales of new single-family homes had not yet slackened appreciably through April (latest data), sales of existing homes through May were running below their 1999 average. In addition, consumers' assessments of homebuying conditions and builders' ratings of new home sales had weakened significantly.

Business fixed investment appeared to be on track for another rapid increase in the second quarter. Shipments of nondefense capital goods, notably computing and communications equipment, continued on a strong uptrend in May, and the persisting strength in orders for many types of equipment pointed to further advances in coming months. Outlays for nonresidential structures, which had been weak in 1999, rose sharply in the first quarter and recorded a further appreciable gain in April.

The book value of manufacturing and trade inventories increased in April at about the first-quarter pace. Stockbuilding was generally in line with sales, and aggregate inventory–sales ratios for the manufacturing, wholesale, and retail sectors remained near the bottom of their ranges for the preceding twelve months. There were few indications across industries of significant inventory imbalances.

The U.S. trade deficit in goods and services for April was very close to its March level. However, the deficit was up appreciably from its average for the first quarter, with the value of imports increasing substantially more than the value of exports. The available information indicated robust economic growth in all major regions of the world thus far this year. Economic activity in the foreign industrial countries expanded vigorously in the first quarter, and growth generally appeared to be continuing at a strong pace in the second quarter. In addition, the available information suggested that a number of

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emerging-market economies had registered very rapid expansion thus far this year.

Recent information continued to indicate that consumer price inflation had picked up, while producer price inflation was essentially unchanged. Consumer prices edged up in May after having been unchanged in April; excluding the food and energy components, consumer prices rose moderately further in May. For the twelve months ended in May, both total and core consumer prices increased somewhat more than in the previous twelve-month period. At the producer level, prices of finished goods other than food and energy edged higher in April and May and rose during the twelve months ended in May by the same moderate amount recorded for the previous twelve-month period. With regard to labor costs, average hourly earnings of production or nonsupervisory workers registered only a slight increase in May after a somewhat larger rise in April. The advance for the twelve months ended in April was about the same as that for the previous twelve-month period.

At its meeting on May 16, 2000, the Committee adopted a directive that called for a tightening of conditions in reserve markets sufficient to raise the federal funds rate ½ percentage point, to a level of 6½ percent. The members noted that the relatively forceful move was necessary given the persisting growth of aggregate demand in excess of the expansion of potential supply, which was creating rising pressures in already tight markets for labor and other resources. In their view, this action would help bring aggregate demand into better alignment over time with potential supply and thereby work to forestall the emergence of inflationary expectations and the buildup of inflationary pressures. They also noted that even with this additional firming, the risks were still weighted mainly in the direction of rising inflationary pressures.

Open market operations during the intermeeting period were directed toward implementing the desired increased pressure on reserve positions, and the federal funds rate averaged very close to the Committee's 6½ percent target. The Committee's action and its announcement surprised markets only a little, and bond and stock prices edged a bit lower. Markets grew increasingly uneasy over the next few weeks as incoming data suggested the possible need for further substantial policy tightening, which could have adverse effects on corporate earnings. These concerns apparently contributed to sharp further declines in equity prices and to widening risk spreads on corporate bonds. Subsequently, debt and equity markets rebounded in response to a series of U.S. economic data releases that were viewed as signaling a moderation in aggregate demand and a continuation of limited cost and price pressures, and thus a reduced probability of additional monetary tightening. On balance over the intermeeting interval, yields on longer-term Treasury securities and investment-grade corporate bonds declined appreciably, and most broad stock price indexes ended the period little changed.

In foreign exchange markets, the trade-weighted value of the dollar depreciated somewhat over the intermeeting period against an index of major currencies. Decreases in longer-term U.S. interest rates weighed on the dollar, and the dollar's decline against the euro also occurred against the background of indicators of accelerating activity in the euro area and possible further monetary tightening. Frequent hints that the Bank of Japan might abandon its zero policy rate might have contributed to the dollar's weakness against the yen. By contrast, the dollar strengthened a little against the currencies of a group of other important trading partners, notably the currencies of Mexico, Indonesia, and the Philippines.

M2 and M3 appeared to have rebounded in June following the clearing in May of unusually large final personal tax payments for 1999. The expansion of these aggregates likely had been held down somewhat this year by sluggish currency growth in the aftermath of the century date change and by the increase in the opportunity cost of their liquid components associated with rising market interest rates. Nevertheless, supported by rapid growth in nominal spending and income, M2 evidently had expanded over the first half of the year at a rate close to that in 1999, and M3 had expanded at a faster rate than last year. Strong demands for bank credit, funded by the issuance of large time deposits and other liabilities not included in M2, underlaid the acceleration in M3.

The staff forecast prepared for this meeting continued to suggest that the economic expansion would moderate gradually from its currently elevated pace to a rate around or perhaps a little below the growth of the economy's estimated potential. The expansion of domestic final demand increasingly would be held back by the anticipated waning of positive wealth effects associated with earlier large gains in equity prices and by higher interest rates; as a result, growth of spending on consumer durables and houses was expected to slow further. By contrast, business fixed investment, notably purchases of equipment and software, was projected to remain robust, and continued solid economic growth abroad would boost the growth of U.S. exports for some period ahead. Core price inflation was projected to rise noticeably over the forecast horizon, partly as a result of higher

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import prices and some firming of gains in nominal labor compensation in persistently tight labor markets that would not be fully offset by productivity growth.

In the Committee's discussion of current and prospective economic developments, members cited evidence of slower expansion in economic activity in recent months. In particular, consumer spending had decelerated noticeably, especially for housing and motor vehicles, but the members agreed that the eventual extent and duration of the slowing in overall economic growth were subject to substantial uncertainty. A number of factors supported a projection of considerably more moderate expansion going forward in relation to the overly rapid pace in the second half of 1999 and early 2000, including the likelihood that much of the effect on spending of the rise in interest rates and leveling out in equity prices this year had not yet been felt. Nevertheless, the indications of slowing economic expansion were still tentative. Some sectors of the economy, such as business fixed investment, continued to display substantial vigor, and the members could not be confident that growth would not rebound to a clearly unsustainable pace, as had occurred previously in this expansion. With regard to inflation, members observed that steep increases in energy prices had boosted overall rates of inflation somewhat, and in addition the higher energy prices likely had contributed indirectly to the rise in core measures of inflation. A number of members also were concerned that rising core inflation could be generated increasingly from unsustainably tight labor markets, and they noted that labor costs would need to be monitored closely even if growth in demand slowed sufficiently to keep levels of resource utilization about unchanged. To date, however, rising productivity growth had contained labor cost pressures, and despite the moderation in the expansion of activity, there were no early signs of any slowing in the growth of productivity.

In preparation for a report to Congress, the members of the Board of Governors and the presidents of the Federal Reserve Banks provided individual projections of the growth of nominal and real GDP, the rate of unemployment, and the rate of inflation for the years 2000 and 2001. With regard to the growth of nominal GDP, most of the forecasts were in ranges of 6¼ to 6¾ percent for 2000 as a whole and 5½ to 6 percent for 2001. The forecasts of the rate of expansion in real GDP had a central tendency of 4 to 4½ percent for 2000, suggesting a noticeable deceleration in the second half of the year, and were centered on a range of 3¼ to 3¾ percent for 2001. The civilian rates of unemployment associated with these forecasts had central tendencies of about 4 percent in the fourth quarter of 2000 and 4 to 4¼ percent in the fourth quarter of 2001. Forecasts of the rate of inflation were shaped importantly by the projected pattern of energy prices; for this year the forecasts, as measured by the chain-type price index for personal consumption expenditures, were centered on a range of 2½ to 2¾ percent before dropping back to a range of 2 to 2½ percent in 2001.

In their assessment of business conditions in different parts of the country, the presidents of the Federal Reserve Banks commented on indications of some slowing in the expansion of regional economic activity in a majority of the districts, though several emphasized that the available information pointed to only slight moderation to date. This slowing and the cumulative effects of the firming in financial conditions this year had been accompanied by an increasing number of anecdotal reports of more cautious business sentiment.

In their comments on developments in key sectors of the economy nationwide, the members reported on statistical and anecdotal indications that growth in consumer spending had slowed appreciably in recent months from the unusually robust pace seen in late 1999 and early this year. A number of factors that might account for the moderation could also point to the possible extension of the less robust trend. Those factors included gradually waning wealth effects associated with the absence of further large gains in stock market prices; rising levels of consumer debt; the loss of consumer purchasing power stemming from higher energy prices; and the large cumulative buildup of consumer stocks of motor vehicles and other durables. Still, the data on retail sales were volatile and often revised significantly; some of the recent moderation in spending might have reflected a pause following the surge in demand during atypically favorable weather conditions over the winter months; and the pace of purchases could pick up again. While the course of consumer spending remained uncertain, members concluded that, in the context of relatively high levels of consumer confidence and sizable projected gains in jobs and incomes, slower but still solid expansion in consumer expenditures was most likely to occur over coming quarters.

The housing market also provided clear evidence of weakening demand. The slowdown evidently reflected the effects of higher mortgage interest rates on a growing number of homebuyers and probably also the diminishing wealth effects of the earlier run-up in stock prices and the cumulatively large additions to the stock of housing in the economy. The

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sluggish tone of the housing data was confirmed by anecdotal reports of slowing residential sales and building activity in most parts of the country. Despite these developments, sizable building backlogs in many areas, the outlook for continuing growth in consumer incomes, and still favorable consumer sentiment were likely to support substantial homebuilding activity, albeit at a reduced level. At least in some parts of the country, firms supplying building materials and home furnishings were beginning to feel the retarding effects of the slowdown in the housing market.

After a surge early in the year that evidently reflected in part investment spending delayed by Y2K concerns, growth in business fixed investment had moderated in recent months but was expected to remain quite robust over the next several quarters. New orders for many types of business equipment had remained strong, order backlogs had continued to build, and it was clear that business executives still anticipated high rates of return on their new investments. As a result, business investment spending could be expected to remain elevated, at least over the nearer term and especially for high-tech equipment and software. At the same time, members cited anecdotal indications of the emergence of a more cautious tone in the business community, evidently associated in part with less favorable financial conditions in debt and equity markets and possibly auguring more substantial cutbacks in business investment over time should growth in personal consumption outlays be sustained on a considerably slower trend.

Strengthening economic activity in many of the nations that are important U.S. trading partners was reflected in expanding exports, and several members provided anecdotal confirmation of growing foreign markets for many U.S. goods and services. While expanding export markets were a welcome development from the perspective of many domestic businesses, they would add to overall demand pressures on U.S. producer resources at a time when the latter were already operating at very high levels.

With regard to the outlook for inflation, members gave considerable attention to the somewhat faster increases in broad price measures over the past year, but they differed to some extent regarding the prospects for further increases in inflation. It was generally agreed that developments relating to energy would continue to exert upward pressure on prices over the near term, including the pass-through or indirect effects of higher oil prices on core measures of inflation. Looking beyond the near term, a number of members, noting that core measures of consumer prices had been rising more rapidly this year, were concerned that these prices might well continue to accelerate gradually, even assuming that economic expansion would be sustained at a pace close to the economy's potential. In this view, labor markets were already operating at levels of utilization that were likely eventually to produce rising labor costs that would be passed through to market prices even if productivity growth remained high or rose somewhat further. Other members were more optimistic that core inflation might be contained near current levels. The recent increase in core inflation could largely reflect the indirect effects of the rise in energy prices. To date, unit labor costs had been quite subdued, leaving open the question of what was a sustainable level of labor resource use. Rising productivity was likely to continue to restrain unit labor costs to a degree, and product markets remained highly competitive. However, even these members saw considerable inflation risks should the slowdown in aggregate demand fail to be sustained, and the members generally agreed that for the foreseeable future possible increases in underlying inflation remained the principal risk to the continued good performance of the U.S. economy.

In contrast to its earlier practice, the Committee at this meeting did not establish ranges for growth of money and debt in 2000 and 2001. The legal requirement to set and announce such ranges recently had expired, and the members did not view the ranges as currently serving a useful role in the formulation of monetary policy. Owing to uncertainties about the behavior of the velocities of money and debt, these ranges had not provided reliable benchmarks for the conduct of monetary policy for some years. Nevertheless, the Committee believed that the behavior of these aggregates retained value for gauging economic and financial conditions and that such behavior should continue to be monitored. Moreover, Committee members emphasized that they would continue to consider periodically issues related to their long-run strategy for monetary policy, even if they were no longer setting ranges for the money and debt aggregates.

In the Committee's discussion of policy for the intermeeting period ahead, all the members supported a proposal to maintain an unchanged policy stance consistent with a federal funds rate averaging about 6½ percent. The increasing though still tentative indications of some slowing in aggregate demand, together with the likelihood that the earlier policy tightening actions had not yet exerted their full retarding effects on spending, were key factors in this decision. The uncertainties surrounding the outlook for the economy, notably the extent and duration of

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the recent moderation in spending and the effects of the appreciable tightening over the past year, including the ½ percentage point increase in the intended federal funds rate at the May meeting, reinforced the argument for leaving the stance of policy unchanged at this meeting and weighing incoming data carefully. Several members commented that a considerable amount of new information bearing on the prospective strength of the economy and the outlook for inflation would become available during the relatively long interval before the next meeting in August. Members generally saw little risk in deferring any further policy tightening move, particularly since the possibility that underlying inflation would worsen appreciably seemed remote under prevailing circumstances. Among other factors, inflation expectations had been remarkably stable despite rising energy prices, and real interest rates were already relatively elevated.

In their discussion of the balance-of-risks sentence in the press statement to be issued shortly after this meeting, all the members agreed that the latter should continue to express, as it had for every meeting earlier this year, their belief that the risks remained weighted toward rising inflation. Indications that growth in aggregate demand was moderating to a pace closer to that of potential supply were still partial and tentative, and labor markets remained unusually tight. Many Committee members noted that, based on the currently available information, additional firming of policy could well be needed at some point in the future, though a number also expressed the opinion that less tightening probably would be required than they had thought at the time of the May meeting. Several emphasized that the press release should not convey the impression that the Committee now viewed further policy tightening moves as an unlikely prospect.

At the conclusion of this discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with maintaining the federal funds rate at an average of around 6½ percent.

The vote also encompassed approval of the sentence below for inclusion in the press statement to be released shortly after the meeting:

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee believes that the risks are weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Ferguson, Gramlich, Guynn, Jordan, Kelley, Meyer, and Parry. Votes against this action: None.

It was agreed that the next meeting of the Committee would be held on Tuesday, August 22, 2000.

The meeting adjourned at 10:35 a.m.

NOTATION VOTE

By notation vote completed on July 18, 2000, the Committee authorized Vice Chairman McDonough to accept the Legion of Honor to be awarded by the French government pursuant to a decision by the President of the French Republic.

Votes for this action: Messrs. Greenspan, Broaddus, Ferguson, Gramlich, Guynn, Jordan, Kelley, Meyer, and Parry. Votes against this action: None. Abstention: Mr. McDonough.

In conformance with regulations of the Board of Governors of the Federal Reserve System pertaining to foreign decorations, the Board's Vice Chairman, Mr. Ferguson, authorized Chairman Greenspan to accept the same award from the French government.

Donald L. Kohn
Secretary

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Legal Developments

ORDERS ISSUED UNDER BANK HOLDING ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Australia & New Zealand Banking Group Limited
Melbourne, Australia

Order Approving the Acquisition of a Bank

Australia & New Zealand Banking Group Limited, a foreign banking organization subject to 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 all voting shares of Amerika Samoa Bank, Pago Pago, American Samoa ("Amerika Samoa").

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 34,182 (2000)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

ANZ has total consolidated assets of approximately $88 billion and is the second largest banking organization in Australia.[1] ANZ operates a branch in New York, New York, and engages in limited nonbanking activities in the United States.

Amerika Samoa is the second largest banking operation in American Samoa, controlling deposits of $44 million, representing 44 percent of all deposits in commercial banking organizations in American Samoa. ANZ does not have banking operations in the banking market in which Amerika Samoa operates. Based on this and the other facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.

Certain Supervisory Considerations

Under section 3 of the BHC Act, the Board may not approve an application involving a foreign bank unless the bank is "subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country."[2] The Board has made the following findings with regard to the supervision of ANZ.

The home country supervisor of ANZ is the Australian Prudential Regulation Authority ("APRA").[3] The Board previously determined, in an application filed under section 3 of the BHC Act, that another Australian bank was subject to home country supervision on a consolidated basis.[4] The Board finds that ANZ is supervised in substantially the same manner as the other Australian bank. Based on this finding and all the facts of record, the Board concludes that ANZ is subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The BHC Act also requires the Board to determine that ANZ has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.[5] The Board has reviewed the restrictions on disclosure in jurisdiction where ANZ has material operations and has communicated with relevant government authorities concerning access to information. ANZ has committed that it will make available to the Board such information on its operations and the operations of any of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the International Banking Act (12 U.S.C. 3101 *et seq.*), and other applicable federal law. ANZ also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary in order to enable ANZ to make any such information available to the Board. In light of these commitments and other facts of record, the Board concludes that ANZ has provided adequate assurances of access to any appropriate information the Board may request.

1. Asset data are as of December 31, 1999, and use exchange rates then in effect, and deposit data are as of June 30, 1999.

2. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. *See* 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationships of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. *See* 12 C.F.R. 211.24(c)(1)(ii).

3. In July 1998, the APRA assumed the bank supervisory functions formerly exercised by the Reserve Bank of Australia. This transfer of supervisory responsibilities has not resulted in any material changes in the scope or nature of the supervision of Australian banks.

4. *See National Australia Bank Ltd.*, 81 *Federal Reserve Bulletin* 1153 (1995).

5. *See* 12 U.S.C. § 1842(c)(3)(A).

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Other Factors Under the BHC Act

The Board also has carefully considered the financial and managerial resources and future prospects of the banks and companies involved in this proposal, the convenience and needs of the communities to be served, and other supervisory factors applicable under the BHC Act.[6] ANZ's capital levels exceed the levels required under Australian capital guidelines.

The capital levels of ANZ also exceed the capital levels under the Basle Capital Accord and are considered equivalent to the capital levels that would be required of a U.S. banking organization under similar circumstances.

The Board has reviewed supervisory information from the home country authorities responsible for supervising ANZ, confidential financial information from ANZ, and reports of examination from the appropriate federal and state supervisors of the organizations involved in the proposal assessing the financial and managerial resources of the organizations. Based on all the facts of record, the Board has concluded that the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are other supervisory factors that the Board must consider under section 3 of the BHC Act. Considerations related to the convenience and needs of the communities to be served, including the performance record of Amerika Samoa under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), also are consistent with approval of the proposal.[7]

Conclusion

Based on the foregoing and all 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 ANZ's compliance with all the commitments made in connection with this application. The approval is also specifically conditioned on the Board's receiving access to information on the operations or activities of ANZ and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by ANZ and its affiliates with applicable federal statutes. The commitments and 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 Amerika Samoa shall not be consummated before the fifteenth calendar day following the effective date of this order, and the proposal shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors effective August 7, 2000.

Voting for this action: Chairman Greenspan, Vice Chaiman Ferguson, and Governors Kelley, Meyer, and Gramlich.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

First Bancorp
Troy, North Carolina

Order Approving the Acquisition of a Bank Holding Company

First Bancorp, 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 First Savings Bancorp, Inc. ("First Savings") and its wholly owned subsidiary bank, First Savings Bank of Moore County, Inc., SSB ("Bank"), both of Southern Pines, North Carolina.[1]

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 21,198 (2000)). 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.

First Bancorp, with total consolidated assets of approximately $624 million, is the 15th largest depository institution in North Carolina, controlling approximately $452 million in deposits, representing less than 1 percent of total deposits in depository institutions in the state ("state deposits").[2] First Savings, with total consolidated assets of approximately $330 million, is the 26th largest depository institution in North Carolina, controlling deposits of approximately $232 million, representing less than 1 percent of state deposits. On consummation of the proposal and taking into account the proposed divestiture discussed in this order, First Bancorp would become the tenth largest depository institution in North Carolina, controlling deposits of approximately $668 million, representing less than 1 percent of state deposits.

6. The Board received one comment from an individual who objected to the manner in which Amerika Samoa selects outside real estate appraisers in American Samoa. An institution's selection of its outside contractors generally is beyond the scope of factors that the Board is permitted to consider under section 3 of the BHC Act, and the record does not indicate that Amerika Samoa's selection criteria has had an adverse effect on the bank. The Board has forwarded the comment to the Federal Deposit Insurance Corporation ("FDIC") and the Department of Legal Affairs of the Territory of American Samoa, the appropriate federal and state supervisors of Amerika Samoa.

7. Amerika Samoa was rated "outstanding" in its most recent CRA performance evaluation conducted by the FDIC, as of June 8, 1998.

1. First Bancorp also has requested approval to exercise an option to acquire up to 19.9 percent of First Savings's voting shares on the occurrence of certain events. The option would expire on consummation of this proposal. In addition, First Bancorp intends to merge Bank with and into First Bancorp's existing subsidiary bank after consummation of the holding company merger.

2. Asset data are as of June 30, 2000, and deposit and ranking data are as of June 30, 1999. In this context, depository institutions include commercial banks, savings banks, and savings associations.

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Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving an application to acquire a bank holding company if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. Section 3 of the BHC Act also prohibits the Board from approving a proposed combination that substantially would lessen competition or tend to create a monopoly in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal clearly are outweighed in the public interest by the probable effects of the proposal in meeting the convenience and needs of the community to be served.[3]

First Bancorp and First Savings compete directly in the Moore County banking market, which the Federal Reserve Bank of Richmond (the "Reserve Bank") has defined as Moore County, North Carolina. The Board has carefully reviewed the competitive effects of the proposal in the relevant banking market in light of all the facts of record, including the attractiveness of the market for entry, the number of competitors that would remain in the market on consummation of the proposal, the concentration levels of market deposits and the increase in these levels as measured by the Herfindahl–Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Guidelines"), and other characteristics of the market.[4]

In order to determine the effect of a particular transaction on competition, it is necessary to designate the area of effective competition between the parties, which the courts have held is decided by reference to the relevant "line of commerce," or product market, and geographic market. The Board and the courts consistently have recognized that the appropriate product market for analyzing the competitive effects of mergers and acquisitions is the cluster of products (various kinds of credit) and services (such as checking accounts and trust administration) offered by banking institutions, and First Bancorp has not challenged that definition of the product market.[5] However, First Bancorp has suggested that the relevant geographic market includes not only Moore County, but also all the counties that are contiguous to Moore County.

In defining the relevant geographic market, the Board consistently has sought to identify the area in which the cluster of banking products and services is provided by competing institutions and in which purchasers of the products and services seek to obtain these products and services.[6] In applying these standards to bank acquisition proposals, the Board and the courts repeatedly have held that the geographic market for the cluster of banking products and services is local in nature.[7] In delineating the relevant geographic market in which to assess the competitive effects of a bank merger or acquisition, the Board reviews population density; worker commuting patterns; the usage and availability of banking products; advertising patterns of financial institutions; the presence of shopping, employment, healthcare, and other necessities; and other indicia of economic integration and transmission of competitive forces among banks.[8]

Commuting data for 1990 from the U.S. Bureau of the Census indicated that only one contiguous county, Hoke County, had a significant number of its workforce commuting to Moore County. However, an equal number of Hoke County residents commuted to Cumberland County, which includes the city of Fayetteville. All the bank offices in Hoke County are located in a town included in the Fayetteville Ranally Metropolitan Area ("RMA"). These data suggest that the banking activity in Hoke County is aligned more closely with Cumberland County and the Fayetteville RMA than with Moore County. In addition to reviewing carefully commuting patterns, the Board has considered other data, including information obtained from local economic officials in the Moore County area, and has concluded that the facts of record do not support expanding the Moore County banking market.

Based on the Reserve Bank's analysis of the appropriate market definition and all the facts of record, including commuting patterns and other commercial patterns throughout Moore County and the contiguous counties, the Board concludes that the appropriate geographic market for considering the competitive effects of the proposal is Moore County.

First Bancorp's subsidiary bank is the third largest depository institution in the Moore County banking market and controls deposits of $104.5 million, representing 11.3 percent of total deposits in depository institutions in

3. 12 U.S.C. § 1842(c).

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

5. *See First Security Corporation*, 86 *Federal Reserve Bulletin* 122 (2000) (*"First Security"*); *see also Chemical Banking Corporation*, 82 *Federal Reserve Bulletin* 239 (1996) (*"Chemical"*), and the cases and studies cited therein. The Supreme Court has emphasized that it is the cluster of products and services that, as a matter of trade reality, makes banking a distinct line of commerce. *See United States v. Philadelphia National Bank*, 374 U.S. 321, 357 (1963) (*"Philadelphia National"*); *accord United States v. Connecticut National Bank*, 418 U.S. 656 (1974); *United States v. Phillipsburg National Bank*, 399 U.S. 350 (1969) (*"Phillipsburg National"*).

6. *See, e.g., First Security; Sunwest Financial Services, Inc.*, 73 *Federal Reserve Bulletin* 463 (1987); *Pikeville National Corporation*, 71 *Federal Reserve Bulletin* 240 (1985); *Wyoming Bancorporation*, 68 *Federal Reserve Bulletin* 313 (1982); *aff'd 729 F.2d 687 (10th Cir., 1984).*

7. *See Philadelphia National*, 374 U.S. at 357; *Phillipsburg National*; *First Security*; *First Union Corporation*, 84 *Federal Reserve Bulletin* 489 (1998); *Chemical; St. Joseph Valley Bank*, 68 *Federal Reserve Bulletin* 673 (1982).

8. *See Chemical; Crestar Bank*, 81 *Federal Reserve Bulletin* 200, 201 n.5 (1995); *Pennbancorp*, 69 *Federal Reserve Bulletin* 548 (1983).

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the market ("market deposits").[9] The First Savings subsidiary bank is the second largest depository institution in the banking market and controls deposits of $115.9 million, representing 12.5 percent of market deposits. To reduce the potential for adverse effects on competition, First Bancorp has committed to divest one branch that controls approximately $15.6 million in deposits to an out-of-market firm.[10] After the proposed merger and divestiture, First Bancorp would become the second largest competitor in the market, controlling 30.8 percent of market deposits, and the HHI would increase 349 points to 2146.

Numerous factors suggest that the increase in concentration as measured by the HHI does not indicate a significantly adverse effect on competition in the Moore County banking market in this case after the proposed divestiture. Because the proposed divestiture would be to an out-of-market banking organization, a new competitor would enter the banking market as a result of the proposal. The total number of competitors in the banking market would remain unchanged at twelve, including four large multistate banking organizations, one of which would be the largest depository institution in the market, controlling 31.5 percent of market deposits.

In addition to the structural factors discussed above, the Moore County banking market has characteristics that indicate it is attractive for entry. Two depository institutions have entered the banking market *de novo* since June 1997, including one entrant earlier this year. The banking market is a relatively large rural county with deposits of approximately $1 billion, ranking third among the 65 rural counties in North Carolina in total deposits.[11] In the last three years the population of Moore County has increased 2.1 percent, which is almost twice the average rate of population increase in rural counties in North Carolina. Moreover, the per capita income level in Moore County exceeds the average for rural counties in the state.

The Board believes that the foregoing considerations, including the number of competitors that would remain in the Moore County banking market after consummation of the proposal and the structure and attractiveness of that market, mitigate the potential anticompetitive effects of the transaction in this case.

The Department of Justice has conducted a detailed review of the proposal and advised the Board that consummation of the proposal likely would not have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation also have been afforded an opportunity to comment and have not objected to consummation of the proposal.

After carefully reviewing all the facts of record, and for the reasons discussed in this order, the Board concludes that consummation of the proposal would not be likely to result in a significantly adverse effect on competition or on the concentration of banking resources in the Moore County banking market or in any other relevant banking market. Accordingly, based on all the facts of record and subject to completion of the proposed divestiture and compliance with related commitments, the Board has determined that competitive effects are consistent with approval of the proposed transaction.

Other Considerations

Section 3 of the BHC Act requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved and certain supervisory factors. 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 First Bancorp. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of First Bancorp, First Savings, and their respective subsidiary banks are consistent with approval, as are the other supervisory factors the Board must consider under section 3 of the BHC Act.

Section 3 of the BHC Act also requires the Board to consider the convenience and needs of the communities to be served. The Board has reviewed information presented by First Bancorp related to the convenience and needs factor and the records of performance of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). Based on all the facts of record, the Board concludes that considerations relating to the convenience and needs of the communities to be served, including the CRA performance records of the depository institutions of First Bancorp and First Savings, are consistent with approval.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the application

9. Market share data are as of June 30, 1999, and have been adjusted to reflect acquisitions consummated since that time. Market share data are based on calculations in which the deposits of thrift institutions, including Bank and other savings banks, are included 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 Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the deposits of the First Savings Bank of Moore County, Inc., would be acquired by a commercial banking organization, those deposits are included at 100 percent in the calculation of pro forma market share. *See Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669 (1990).

10. First Bancorp has committed to execute, before consummating the acquisition of First Savings, a sales agreement for the proposed divestiture with an out-of-market purchaser. First Bancorp also has committed that if it is unsuccessful in completing the proposed divestiture within 180 days of acquiring First Savings, it will transfer the unsold branch to an independent trustee to sell the branch promptly to an alternative purchaser determined by the Board to be competitively suitable.

11. In this context, "rural county" means a county that is not included in a metropolitan statistical area.

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should be, and hereby is, approved. Approval of the application is conditioned specifically on compliance by First Bancorp with all the commitments made in connection with the proposal, including First Bancorp's divestiture commitments, and with the conditions stated or referred to in this order. For the purpose of this action, the commitments and conditions relied on by the Board in reaching its decision 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 First Savings shall not be consummated before the fifteenth calendar day following the effective date of this order, or later than three months after the effective date of this order, unless such period is extended for good cause by the Reserve Bank acting pursuant to delegated authority.

By order of the Board of Governors, effective August 21, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

Westamerica Bancorporation San Rafael, California

Order Approving the Acquisition of a Bank

Westamerica Bancorporation ("Westamerica"), 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 all the common stock of First Counties Bank, Clearlake, California ("Bank").

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (65 *Federal Register* 30,410 (2000)). 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.

Westamerica, with total consolidated assets of $3.9 billion, is the 17th largest commercial banking organization in California, controlling deposits of $3.1 billion, representing less than 1 percent of total deposits in depository institutions in the state ("state deposits").[1] Bank, with total consolidated assets of $90.7 million, is the 255th largest banking organization in California, controlling deposits of $80 million, representing less than 1 percent of state deposits. On consumation of the proposal, Westamerica would remain the 17th largest banking organization in California, controlling deposits of $3.2 billion.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly in any relevant banking market. That section also prohibits the Board from approving a proposal that may substantially lesson competition in any relevant banking market, unless the anticompetitive effects of the proposal 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.[2]

Westamerica and Bank compete directly in two California banking markets, the Napa banking market and the Lake County banking market.[3] Consummation of the proposal would be consistent with the Department of Justice Merger Guidelines ("DOJ Guidelines")[4] and Board precedent in the Napa banking market. On consummation of the proposal, Westamerica would remain the second largest banking organization in the Napa banking market and control $220 million in deposits, representing 15.4 percent of total deposits in depository institutions in the market ("market deposits"). The HHI would increase 19 points to 1154.[5]

In the Lake County banking market, consummation of the proposal would increase the level of market concentration, as measured by the HHI, to levels that exceed the DOJ Guidelines. Westamerica is the largest of 10 banking organizations in the Lake County banking market and controls deposits of $79.3 million, representing approximately 17.4 percent of market deposits. Bank is the third largest banking organization in the market and controls deposits of $67.5 million, representing approximately 14.8 percent of market deposits. On consummation of the proposal Westamerica would control deposits of $146.9 million, representing approximately 32.2 percent of market deposits, and the HHI would increase 516 points to 1808.

1. In this context, depository institutions include commercial banks, savings banks, and savings associations. Asset data are as of December 31, 1999, and deposit and ranking data are as of June 30, 1999.

2. 12 U.S.C. § 1842(c)(1).

3. The Napa banking market is defined as the Napa Ranally Metropolitan Area and the towns of St. Helena and Calistoga, and the Lake County banking market is defined as Lake County.

4. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger Herfindahl–Hirschman Index ("HHI") is above 1800 points is considered to be highly concentrated. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by 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 entities.

5. Market share data are as of June 30, 1999, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *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).

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As the Board has indicated in previous cases, in a market in which the competitive effects of a proposal exceed the DOJ Guidelines, the Board will consider whether other factors tend to mitigate the competitive effects of the proposal. The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the level of market concentration and size of the increase in market concentration.

In this case, several factors indicate that the likely effect of the proposal on competition in the Lake County banking market would not be significantly adverse. Nine depository institutions, including Westamerica, would operate in the market after consummation of the proposal. Although Westamerica would control approximately 32.2 percent of the market deposits, three other institutions, including one large multistate banking organization that is the largest depository organization in California measured by deposits, would each control over 12 percent of market deposits. In addition, three other depository institutions would each control between 5 and 10 percent of market deposits. The Lake County banking market also has characteristics that indicate that it is attractive for entry. The number of employees living in the market increased 18 percent from 1990 to 1999, a rate of increase substantially greater than that for the rest of California, where the number of employees grew less than 10 percent over the same period. Wells Fargo & Company, the second largest depository organization in California measured by deposits, entered the market *de novo* in 1995.

The Department of Justice has advised the Board that consummation of the proposal would not likely have any significant adverse competitive effects in the Lake County banking market or any other relevant banking market.

After carefully reviewing all the facts of record, and for the reasons discussed in this order, the Board concludes that consummation of the proposal is not likely to result in any significantly adverse effects on competition or on the concentration of banking resources in the Lake County banking market or any other relevant market. On this basis, the Board has determined that the competitive factors are consistent with approval of the proposal.

Other Considerations

The BHC Act requires the Board, in acting on an application, 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. 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 Westamerica. Based on all the facts of record, the Board concludes that the financial and managerial resources and the future prospects of Westamerica, Bank, and Westamerica's subsidiary banks are consistent with approval, as are the other supervisory factors the Board must consider under the BHC Act. 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 (12 U.S.C. § 2901 *et seq.*), are consistent with approval of the proposal.

Conclusion

Based on the foregoing, and in light of all 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 Westamerica with all the commitments made in connection with the proposal. For the purpose of this action, the commitments and conditions relied on by the Board in reaching its decision 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 Bank shall not be consummated before the fifteenth calendar day following the effective date of this order, or later than three months after the effective date of this order, unless such period is extended for good cause by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective August 2, 2000.

This action was taken pursuant to the Board's Rules Regarding Delegation of Authority (12 C.F.R. 265.4(b)(1)) by a committee of Board members. Voting for this action: Chairman Greenspan and Governors Kelley and Gramlich. Absent and not voting: Vice Chairman Ferguson and Governor Meyer.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Caixa Económica Montepio Geral Lisbon, Portugal

Order Approving Establishment of a Representative Office

Caixa Económica Montepio Geral ("Bank"), Lisbon, Portugal, 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 Newark, New Jersey. 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.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in Newark, New Jersey (*Newark Star-Ledger*, May 31, 2000). The time for filing

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comments has expired, and the Board has considered the application and all comments received.

Bank, with total consolidated assets of approximately $6.7 billion,[1] is the sixth largest bank in Portugal.[2] Bank engages in a full range of banking activities, and offers a wide variety of products and services, particularly in the areas of mortgage and construction lending. Bank operates an extensive branch network in Portugal. Bank also operates branches in Madeira and the Cayman Islands, and representative offices in Canada and France. Bank currently does not conduct any operations in the United States.

The proposed representative office would serve as a liaison between Bank and its customers, solicit new business, and establish good will and name recognition among potential customers.

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)).[3] 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)).

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 an application involving other Portuguese banks, that those banks were subject to home country supervision on a consolidated basis.[4] Bank is supervised by the Bank of Portugal ("Central Bank") on substantially the same terms and conditions as the other banks, including with respect to transactions and relationships with affiliates. Based on all the facts of record, the Board has determined that Bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The Board also has taken into account 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)). The Central Bank 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 supervisors, the Board has also determined that 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 Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with relevant government authorities regarding access to information. Bank and its parent 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 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 Central Bank 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, the Board concludes 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, and the terms and conditions set forth in this order, the Board has determined that Bank's application to establish the representative office should be, and hereby is, approved. If 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

1. Unless otherwise indicated, data are as of March 31, 2000.

2. Bank is wholly owned by Montepio Geral - Associacao Mutualista ("Montepio"), Lisbon, Portugal, a mutual benefit association with approximately 100,000 members. Montepio, directly and through Bank, owns interests in a bank in Cape Verde and a bank in Guinea-Bissau.

3. 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.

4. *See Caixa Geral de Depósitos S.A.*, 85 *Federal Reserve Bulletin* 774 (1999); *Banco Espírito Santo*, S.A., 86 *Federal Reserve Bulletin* 418 (2000); *Banco Comercial Portugues, S.A.*, 86 *Federal Reserve Bulletin* 613 (2000).

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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 with the commitments made in connection with this application and with the conditions in this order.[5] 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 of the Board of Governors, effective August 21, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

The Chuo Mitsui Trust & Banking Co., Ltd. Tokyo, Japan

Order Approving Establishment of a Representative Office

The Chuo Mitsui Trust & Banking Co., Ltd. ("Bank"), Tokyo, Japan, 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.

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 (*New York Post*, April 14, 2000). The time for filing comments has expired, and the Board has considered the application and all comments received.

Bank, the sixth largest bank in Japan, was formed in April 2000 when The Chuo Trust & Banking Co., Ltd. merged with The Mitsui Trust & Banking Co., Ltd. ("Mitsui"), both of Tokyo, Japan.

Bank provides banking and trust services to individual and corporate clients. Bank operates an extensive branch network in Japan, and representative offices in Singapore and China. Before the merger, Mitsui operated a representative in New York, New York. Bank has requested authority to retain and operate the representative office with this application. Pursuant to Regulation K, the Board allowed the merger to proceed before an application to establish the office was filed and acted on by the Board.[1]

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)).[2] 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)).

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 banks in Japan, that those banks were subject to home country supervision on a consolidated basis.[3] Bank is supervised by the Financial Services Agency (the "FSA") on substantially the same terms and conditions as those other banks.[4] Based on all

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

1. *See* 12 C.F.R. 211.24(a)(3), and Board Letter, dated March 29, 2000, to Peter Figdor, Esq.

2. 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.

3. *See Bank of Tokyo Ltd.*, 81 *Federal Reserve Bulletin* 279 (1995); *Mitsubishi Bank Ltd.*, 82 *Federal Reserve Bulletin* 436 (1996); *Sumitomo Bank Ltd.*, 82 *Federal Reserve Bulletin* 365 (1996); *Sumitomo Bank Ltd.*, 83 *Federal Reserve Bulletin* 54 (1997); *Fuji Bank Ltd.*, 84 *Federal Reserve Bulletin* 674 (1998); *Fuji Bank Ltd.*, 85 *Federal Reserve Bulletin* 338 (1999); *Sanwa Bank, Ltd.*, 86 *Federal Reserve Bulletin* 54 (2000).

4. On July 1, 2000, the Financial System Planning Bureau, a bureau of the Japanese Ministry of Finance, was merged into the Financial Supervisory Agency. The combined agency was renamed the Financial Services Agency ("FSA"). The merger combines the Ministry of Finance's policy-making function with the former Financial Supervisory Agency's supervisory and inspection functions. Other than the addition of the policy-making function to the FSA, there have been no material changes in Japanese bank supervision since it was last reviewed by the Board in November 1999.

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the facts of record, the Board has determined that Bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The Board also has taken into account 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)). The FSA 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, the Board has also determined that 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 Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with relevant government authorities regarding access to information. Bank has committed to make available to the Board such information on the operations of Bank and any of its 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 has 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 FSA 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, the Board concludes 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 the terms and conditions set forth in this order, the Board has determined that Bank's application to establish the representative office should be, and hereby is, approved. If 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 termination of any of Bank's direct or indirect activities in the United States. Approval of this application is also specifically conditioned on Bank's compliance with the commitments made in connection with this application and with the conditions in this order.[5] 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 of the Board of Governors, effective August 21, 2000.

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

ROBERT DEV. FRIERSON
Associate Secretary of the Board

5. 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 and its agent, the New York State Banking Department ("Department"), to license the proposed representative office of Bank in accordance with any terms or conditions that the Department may impose.

INDEX OF ORDERS ISSUED OR ACTIONS TAKEN BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (APRIL 1, 2000-JUNE 30, 2000)

Applicant	Merged or Acquired Bank or Activity	Date of Approval	*Bulletin* Volume and Page
Banca Intesa S.p.A., Milan, Italy	To establish a state-licensed branch in New York, New York	April 5, 2000	86, 433
Banca Sella S.p.A., Biella, Italy	To establish a state-licensed agency in Miami, Florida	May 30, 2000	86, 503
Banco Comercial Português, S.A., Oporto, Portugal Banco Português do Atlântico, S.A., Oporto, Portugal BCP-IF S.G.P.S., Lda, Lisbon, Portugal	BPABank, National Association, Newark, New Jersey	June 30, 2000	86, 592

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Applicant	Merged or Acquired Bank or Activity	Date of Approval	*Bulletin* Volume and Page
BPA Internacional, S.G.P.S. Sociedade Unipessoal Lda, Funchal, Madeira, Portugal Banco Português do Atlântico (USA), Inc., Newark, New Jersey			
Banco Comercial Português, S.A., Oporto, Portugal	To establish a representative office in Miami, Florida	June 30, 2000	86, 613
BB&T Corporation, Winston-Salem, North Carolina	One Valley Bancorp, Inc., Charleston, West Virginia	May 30, 2000	86, 491
Caisse Nationale de Crêdit Agricole, Paris, France	Espírito Santo Bank, Miami, Florida	April 5, 2000	86, 412
Canadian Imperial Bank of Commerce, Toronto, Canada The CIBC World Markets Corporation, Toronto, Canada CIBC World Markets Inc., Toronto, Canada CIBC Delaware Holdings Inc., New York, New York	St. Anthony Bancorp, Inc., Cicero, Illinois St. Anthony Bank, A Federal Savings Bank, Cicero, Illinois	April 12, 2000	86, 424
The Chase Mahattan Bank, New York, New York	Chase Bank of Texas, National Association,	June 14, 2000	86, 610
Compass Bancshares, Inc., Birmingham, Alabama	Founders Bancorp, Inc., Scottsdale, Arizona	June 30, 2000	86, 595
Compass Bank, Birmingham, Alabama	Founders Bank of Arizona, Scottsdale, Arizona		
Dime Bancorp, Inc., New York, New York	Hudson United Bancorp, Mahwah, New Jersey Hudson United Bank, Mahwah, New Jersey	April 12, 2000	86, 413
E.S. Control Holding S.A., Luxembourg E.S. International Holding S.A., Luxembourg Espírito Santo Financial Group S.A., Luxembourg Espírito Santo Financial (Portugal) Sociedade Gestora de Participações Sociais, S.A., Lisbon, Portugal Bespar-Sociedade Gestora de Participações Sociais, S.A., Lisbon, Portugal Banco Espírito Santo, S.A., Lisbon, Portugal	Espírito Santo Bank, Miami, Florida	April 5, 2000	86, 418
National Commerce Bancorporation, Memphis, Tennessee	CCB Financial Corporation, Durham, North Carolina Central Carolina Bank and Trust Company, Durham, North Carolina	June 19, 2000	86, 597

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Applicant	Merged or Acquired Bank or Activity	Date of Approval	*Bulletin* Volume and Page
Northern Star Financial Inc., Mankato, Minnesota	First Federal Holding Company of Morris, Inc., Morris, Minnesota First Federal Savings Bank, Morris, Minnesota	June 19, 2000	86, 609
Peoples Heritage Financial Group, Inc., Portland, Maine	Banknorth Group, Inc., Burlington, Vermont	April 24, 2000	86, 425
Popular, Inc., Hato Rey, Puerto Rico Popular Inernational Bank, Hato Rey, Puerto Rico Popular North America, Inc., Mount Laurel, New Jersey	Banco Popular, National Association, Orlando, Florida Banco Popular, National Association, Orlando, Florida	June 5, 2000	86, 600
The Charles Schwab Corporation, San Francisco, California	U.S. Trust Corporation, New York, New York United States Trust Company of New York, New York, New York	May 1, 2000	86, 494
SierraCities.com, Inc., Houston, Texas FSF of Delaware, Inc., Wilmington, Delaware	Greenbelt Bancshares, Inc., Quanah, Texas Security National Bank of Quanah, Quanah, Texas	April 12, 2000	86, 432
Valley View Bancshares, Inc., Overland Park, Kansas	Bank of Lee's Summit, Lee's Summit, Missouri	April 3, 2000	86, 420
Wells Fargo & Company, San Francisco, California	First Commerce Bancshares, Inc., Lincoln, Nebraska First Commerce Bancshares of Colorado, Inc., Colorado Springs, Colorado	May 30, 2000	86, 500
Wells Fargo & Company, San Francisco, California	National Bancorp of Alasks, Anchorage, Alaska National Bank of Alaska, Anchorage, Alaska	June 21, 2000	86,602

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By the Secretary of the Board

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

Section 4

Applicant(s)	Bank(s)	Effective Date
Commerica Incorporated, Detroit, Michigan First Union Corporation, Charlotte, North Carolina	NYCE Corporation, Woodcliff Lake, New Jersey SafeCheck Company, LLC, New York, New York	August 31, 2000

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Applicant(s)	Bank(s)	Effective Date
FleetBoston Financial Corporation, Boston, Massachusetts		
HSBC Holdings PLC, London, England		
HSBC Financing (Netherlands), London, England		
HSBC Holdings BV, Amsterdam, Netherlands		
HSBC North America, Inc., Buffalo, New York		
HSBC USA Inc., Buffalo, New York		
Summit Bancorp, Princeton, New Jersey		
The Bank of New York Company, Inc., New York, New York		
The Chase Manhattan Corporation, New York, New York		
The Royal Bank of Scotland Group plc, Edinburgh, Scotland		
The Royal Bank of Scotland plc, Edinburgh, Scotland		
RBSG International Holdings Ltd, Edinburgh, Scotland		
Citizens Financial Group, Inc., Providence, Rhode Island		

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
Capitol Bancorp Ltd., Lansing, Michigan	Goshen Community Bank, Goshen, Indiana	Chicago	August 14, 2000
Indiana Community Bancorp Limited, Elkhart, Indiana			
Cardinal Financial Corporation, Fairfax, Virginia	Heritage Bancorp, Inc., McLean, Virginia	Richmond	August 2, 2000
	The Heritage Bank, McLean, Virginia		
CBCT Bancshares, Inc., Baltimore, Maryland	Community Bank of Central Texas, SSB, Smithville, Texas	Dallas	August 8, 2000
Citizens Bancshares, Inc., Crawfordville, Florida	Citizens Bank-Wakula, Crawfordville, Florida	Atlanta	August 16, 2000

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Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Commfirst Bancorporation, Inc., South Sioux City, Nebraska	Robuck Inc., South Sioux City, Nebraska	Kansas City	August 3, 2000
CorTrust Bank National Association, Mitchell, South Dakota	The First Freeman Corporation, Freeman, South Dakota The First National Bank of Freeman, Freeman, South Dakota	Minneapolis	August 10, 2000
Cumberland Bancshares, Inc., Hartsville, Tennessee	Academy Bank, Lebanon, Tennessee	Atlanta	August 4, 2000
Dacotah Banks, Inc., Aberdeen, South Dakota	Bowbells Holding Company, Bowbells, North Dakota First National Bank, Bowbells, North Dakota	Minneapolis	August 16, 2000
The EastBank Corporation, Minneapolis, Minnesota	EastBank, Minneapolis, Minnesota	Minneapolis	August 9, 2000
FCB Financial, Inc., Tampa, Florida	First Commercial Bank of Tampa, Tampa, Florida	Atlanta	August 4, 2000
First Home Bancorp, Inc., Seminole, Florida	First Home Bank, Seminole, Florida	Atlanta	August 14, 2000
First Rainsville Bancshares, Inc. Employee Stock Ownership Plan, Rainsville, Alabama	First Rainsville Bancshares, Rainsville, Alabama First Bank of the South, Rainsville, Alabama	Atlanta	August 11, 2000
First-West Texas Bancshares, Inc., Midland, Texas	First Pecos Bancshares, Inc., Midland, Texas	Dallas	August 2, 2000
FMB Equibanc, Inc., Statesboro, Georgia	Farmers and Merchants Bank, Statesboro, Georgia	Atlanta	July 28, 2000
Grant County State Bancshares, Inc. Employees Stock Ownership Plan, Swayzee, Indiana	Grant County State Bancshares, Inc., Swayzee, Indiana	Chicago	August 3, 2000
Heritage Commerce Corp, San Jose, California	Western Holdings Bancorp, Los Altos, California Bank of Los Altos, Los Altos, California	San Francisco	August 10, 2000
Hopkins Financial Corporation, Mitchell, South Dakota	The First Freeman Corporation, Freeman, South Dakota The First National Bank of Freeman, Freeman, South Dakota	Minneapolis	August 10, 2000
Integrity Bancshares, Inc., Alpharetta, Georgia	Integrity Bank, Alpharetta, Georgia	Atlanta	August 17, 2000
The Jack and Katherine Dickey Family Limited Partnership, Weatherford, Oklahoma	First Farm Credit Corporation, Custer, Oklahoma Southwest Capital, L.L.C., Weatherford, Oklahoma	Kansas City	August 4, 2000
Maham Beteiligungsgesellschaft AG, Zurich, Switzerland	Habib American Bank, New York, New York	New York	August 10, 2000
Pilot Grove Savings Bank Employee Stock Ownership Plan, Pilot Grove, Iowa Pilot Bancorp, Inc., Pilot Grove, Iowa	Farmers Savings Bank, Mount Pleasant, Iowa	Chicago	July 25, 2000

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Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Valley National Bancorp, Wayne, New Jersey	Shrewsbury Bancorp, Inc., Shrewsbury, New Jersey Shrewsbury State Bank, Shrewsbury, New Jersey	New York	August 2, 2000

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Admiral Family Banks, Inc., Alsip, Illinois	To continue to engage in leasing activities	Kansas City	August 3, 2000
Chambers Bancshares, Inc., Danville, Arkansas	To engage *de novo* in extending credit and servicing loans	St. Louis	August 7, 2000
Lizton Financial Corporation, Lizton, Indiana	Independent Bankers Life Reinsurance Company of Indiana Ltd., Turks and Caicos Islands	Chicago	July 26, 2000
The Northern Trust Corporation, Chicago, Illinois	The Northern Trust Company, Chicago, Illinois Key Bank Tax Credit Investment Partners, Cleveland, Ohio	Chicago	August 3, 2000
Pierce County Bancorp, Tacoma, Washington Olympic Equities Corporation, Puyallup, Washington	Olympic Equities Corporation, Puyallup, Washington	San Francisco	August 4, 2000
Southern Financial Bancorp, Inc., Warrenton, Virginia	First Savings Bank of Virginia, Springfield, Virginia	Richmond	August 2, 2000

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
M&T Bank Corporation, Buffalo, New York Olympia Financial Corporation, Buffalo, New York	Keystone Financial Inc., Harrisburg, Pennsylvania Keystone Financial Bank, N.A., Harrisburg, Pennsylvania	New York	August 7, 2000

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
Highlands Union Bank, Abingdon, Virginia	First Vantage Bank/Tri-Cities, Bristol, Virginia	Richmond	August 14, 2000
Manufacturers and Traders Company, Buffalo, New York	Keystone Financial Bank, N.A., Harrisburg, Pennsylvania	New York	August 7, 2000
Southern Financial Bank, Warrenton, Virginia	First Savings Bank of Virginia, Springfield, Virginia	Richmond	August 2, 2000

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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.

Trans Union LLC v. Board of Governors, et al., No. 00-CV-2087(ESH) (D.D.C., filed August 30, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Financial Information.

Sedgwick v. Board of Governors, No. 00–16525 (9th Cir., filed August 7, 2000). Appeal of district court dismissal of action under Federal Tort Claims Act alleging violation of bank supervision requirements.

Individual Reference Services Group, Inc., v. Board of Governors, et al., No. 00-CV-1828 (ESH) (D.D.C., filed July 28, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Finance Information.

Reed Elsevier Inc. v. Board of Governors, No. 00–1289 (D.C. Cir., filed June 30, 2000). Petition for review of interagency rule regarding Privacy of Consumer Financial Information.

Board of Governors v. Interfinancial Services, Ltd., No. 00–5233 (D.C. Cir., filed June 27, 2000). Appeal of district court order enforcing administrative subpoena issued by the Board. On June 30, 2000, the court of appeals denied the appellant's motion for a stay of the district court order.

Bettersworth v. Board of Governors, No. 00–50262 (5th Cir., filed April 14, 2000). Appeal of district court's dismissal of Privacy Act claims.

Hunter v. Board of Governors, No. 00-CV-735 (ESH) (D.D.C., filed April 5, 2000). Action claiming retaliation for whistleblowing activity.

Bennett v. Federal Bureau of Investigation, et al., No. H-00–0707 (S.D. Texas, filed March 1, 2000). Action alleging Board interference with a private investment. On August 23, 2000, the government filed a motion to dismiss the action.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the funding of the retirement plan for certain Board employees.

Folstad v. Board of Governors, No. 00–1056 (6th Cir., filed January 14, 2000). Appeal of district court order granting summary judgment to the Board in a Freedom of Information Act case.

Toland v. Internal Revenue Service, Federal Reserve System, et al., No. CV-S-99–1769-JBR-RJJ (D. Nevada, filed December 29, 1999). Challenge to income taxation and Federal Reserve notes. On February 16, 2000, the government filed a motion to dismiss the action.

Artis v. Greenspan, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). Employment discrimination action.

Sheriff Gerry Ali v. U.S. State Department, No. 99–7438 (C.D. Cal., filed July 21, 1999). Action relating to impounded bank drafts.

Kerr v. Department of the Treasury, No. 99–16263 (9th Cir., filed April 28, 1999). Appeal of dismissal of action challenging income taxation and Federal Reserve notes.

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.

Hunter v. Board of Governors, No. 1:98CV02994 (ESH) (D.D.C., filed December 9, 1998). Action under the Freedom of Information Act, the Privacy Act, and the first amendment. On April 26, 2000, the court granted the Board's motion to dismiss or for summary judgment. On August 25, 2000, the court denied plaintiff's request for attorney's fees and costs.

Board of Governors v. Carrasco, No. 98 Civ. 3474 (LAK) (S.D.N.Y., filed May 15, 1998). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On May 26, 1998, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets and appointing the Federal Reserve Bank of New York as receiver for those assets. Following entry of the Board's order requiring restitution, 85 *Federal Reserve Bulletin* 142 (1998), the court granted the Board's motion for judgment in the asset freeze action and authorized a judicial sale of the seized property.

Board of Governors v. Pharaon, No. 98–6101 (2d Cir., filed May 4, 1998). Appeal and cross-appeal of district court order granting in part and denying in part the Board's motion for summary judgment seeking prejudgment interest and a statutory surcharge in connection with a civil money penalty assessed by the Board. On February 24, 1999, the court granted the Board's appeal and denied the cross-appeal, and remanded the matter to the district court for determination of prejudgment interest due to the Board.

Written Agreements Approved by Federal Reserve Banks

Banco Union, S.A.C.A.
Caracas, Venezuela

The Federal Reserve Board announced on August 23, 2000, the issuance of a Written Agreement by and among Banco Union, S.A.C.A., Caracas, Venezuela; Banco Union, S.A.C.A., Miami Agency, Miami, Florida; Banco Union, S.A.C.A., New York Agency, New York, New York; the Federal Reserve Bank of Atlanta; the Federal Reserve Bank of New York; the New York State Banking Depart-

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ment; and the State of Florida, Department of Banking and Finance.

Unity Bancorp, Inc.
Clinton, New Jersey

The Federal Reserve Board announced on August 11, 2000, the execution of a Written Agreement by and among Unity Bancorp, Inc., Clinton, New Jersey, the Federal Reserve Bank of New York, and the Commissioner of Banking and Insurance of the State of New Jersey.

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Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

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

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

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1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	1999		2000		2000				
	Q3	Q4	Q1	Q2[r]	Mar.	Apr.[r]	May[r]	June[r]	July
Reserves of depository institutions[2]									
1 Total	−16.1	−3.4	1.8	−9.5	−34.1	13.8	12.8	−40.4	8.9
2 Required	−16.0	−4.5	.0	−6.2	−37.8	16.0	18.7	−46.4	9.4
3 Nonborrowed	−17.9	−3.0	2.4	−11.1	−36.2	10.2	11.1	−44.2	6.2
4 Monetary base[3]	9.0	20.4	4.3	−3.3	−4.5	3.1	2.7	3.1	3.4
Concepts of money and debt[4]									
5 M1	−1.8	4.8	.5	−1.4	7.1	4.7	−11.8	−2.7	1.0
6 M2	5.3	5.1	6.0	6.1	9.5[r]	10.4	−.8	3.3	3.4
7 M3	5.0	10.3[r]	10.7[r]	8.1	13.6[r]	8.7	4.1	7.3	9.5
8 Debt	6.2	6.4	6.0[r]	5.3	6.9[r]	5.5	3.8	5.1	n.a.
Nontransaction components									
9 In M2[5]	7.6	5.3	7.8	8.5	10.2	12.1	2.6	5.0	4.0
10 In M3 only[6]	4.4[r]	24.5[r]	23.0[r]	13.0	23.9[r]	4.6	16.4	17.2	24.5
Time and savings deposits									
Commercial banks									
11 Savings, including MMDAs	10.6	4.2	3.6	8.0	6.5	14.8	−2.5	6.1	9.0
12 Small time[7]	2.1	7.0	9.1	15.1	10.4	18.3	13.8	20.5	10.8
13 Large time[8,9]	.3	38.6	22.6	20.3	13.7	37.9	8.5	18.6	17.6
Thrift institutions									
14 Savings, including MMDAs	13.3	−3.3	−1.4	1.7	7.2	−8.0	10.4	−2.6	−.8
15 Small time[7]	−3.2	5.0	6.4	3.3	3.7	−1.8	7.8	9.6	12.8
16 Large time[8]	1.6	6.0	18.2	−.6	1.3	−5.0	−12.7	24.3	26.4
Money market mutual funds									
17 Retail	8.2	10.5	18.7	9.7	19.7	19.1	−3.9	−5.8	−9.3
18 Institution-only	9.3	21.4	23.5	13.8	45.1	−1.3	17.3	15.5	51.8
Repurchase agreements and Eurodollars									
19 Repurchase agreements[10]	10.9[r]	16.7[r]	20.8[r]	10.3	−9.6[r]	−12.8	33.1	32.9	10.2
20 Eurodollars[10]	−9.7	13.3	29.2	−3.2	65.0	−51.1	24.9	−17.0	−23.4
Debt components[4]									
21 Federal	−.3	−4.3	−4.4	−7.6	3.1	−5.5	−18.6	−9.0	n.a.
22 Nonfederal	8.0	9.4	8.8[r]	8.7	7.9[r]	8.4	9.5	8.6	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.

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

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2000			2000						
	May	June	July	June 14	June 21	June 28	July 5	July 12	July 19	July 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	558,972	558,662	559,982	557,301	558,947	559,537	564,930	560,513	558,305	558,298
U.S. government securities[2]										
2 Bought outright—System account[3]	507,413	507,018	506,116	507,528	508,074	506,611	505,045	505,802	507,047	506,293
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	140	140	140	140	140	140	140	140	140	140
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty[4]	17,303	16,905	17,642	15,541	15,563	17,478	25,048	18,979	14,873	15,237
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	99	87	64	27	46	40	59	175	31	12
9 Seasonal credit	280	389	513	352	395	461	460	484	505	549
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	404	788	469	648	1,168	819	34	364	589	482
13 Other Federal Reserve assets	33,333	33,334	35,038	33,065	33,561	33,988	34,145	34,568	35,119	35,585
14 Gold stock	11,048	11,047	11,046	11,048	11,048	11,047	11,046	11,046	11,046	11,046
15 Special drawing rights certificate account	5,200	4,667	4,200	5,200	4,200	4,200	4,200	4,200	4,200	4,200
16 Treasury currency outstanding	29,589	29,898[r]	30,007	29,874[r]	29,909[r]	29,944[r]	29,979	29,993	30,007	30,021
ABSORBING RESERVE FUNDS										
17 Currency in circulation	566,062	568,485[r]	570,637	568,501[r]	567,780[r]	567,585[r]	572,093	573,263	570,343	568,633
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	198	87	85	81	68	69	74	67	69	102
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	7,060	6,232	5,172	5,232	7,943	6,983	6,159	4,981	5,333	4,633
21 Foreign	95	85	120	82	83	89	183	95	98	111
22 Service-related balances and adjustments	6,836	6,893	6,784	6,661	6,918	6,853	7,064	6,887	6,595	6,837
23 Other	250	234	233	237	251	198	228	236	249	217
24 Other Federal Reserve liabilities and capital	16,265	15,627	15,652	15,636	15,571	15,621	15,709	15,811	15,339	15,792
25 Reserve balances with Federal Reserve Banks[5]	8,045	6,631	6,553	6,994	5,490	7,329[r]	8,646	4,412	5,532	7,240
	End-of-month figures			Wednesday figures						
	May	June	July	June 14	June 21	June 28	July 5	July 12	July 19	July 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	566,932	566,538	560,828	560,360	566,210	566,875	563,043	563,140	557,890	561,822
U.S. government securities[2]										
2 Bought outright—System account[3]	506,744	504,950	506,103	507,396	508,531	507,884	505,180	506,743	507,093	507,830
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	140	140	140	140	140	140	140	140	140	140
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty[4]	26,395	26,930	17,490	18,110	20,970	22,975	23,245	20,020	14,010	16,955
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	88	54	45	79	129	50	74	263	101	12
9 Seasonal credit	344	458	584	378	454	476	460	497	536	556
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	840	−12	1,348	1,031	2,203	1,140	−373	567	719	533
13 Other Federal Reserve assets	32,381	34,019	35,119	33,226	33,783	34,210	34,317	34,910	35,292	35,796
14 Gold stock	11,048	11,046	11,046	11,048	11,048	11,047	11,046	11,046	11,046	11,046
15 Special drawing rights certificate account	5,200	4,200	4,200	5,200	4,200	4,200	4,200	4,200	4,200	4,200
16 Treasury currency outstanding	29,671	29,979[r]	30,035	29,874[r]	29,909[r]	29,944[r]	29,979	29,993	30,007	30,021
ABSORBING RESERVE FUNDS										
17 Currency in circulation	570,521[r]	571,115[r]	568,558	569,176[r]	568,453[r]	569,854[r]	574,686	572,852	570,247	569,375
18 Reverse repurchase agreements—triparty[4]	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	140	76	118	68	68	76	64	87	99	118
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	5,445	6,208	5,392	5,024	13,668	6,613	5,358	5,020	5,922	5,134
21 Foreign	110	105	76	107	86	117	116	93	148	94
22 Service-related balances and adjustments	6,746	7,064[r]	6,553	6,661	6,918	6,853	7,064	6,887	6,595	6,837
23 Other	226	203	228	247	238	191	241	265	225	221
24 Other Federal Reserve liabilities and capital	15,271	15,719	15,331	15,339	15,254	15,313	15,359	15,293	14,966	15,436
25 Reserve balances with Federal Reserve Banks[5]	14,390	11,274[r]	9,853	9,861	6,684[r]	13,050	5,380	7,882	4,941	9,873

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.

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1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1997	1998	1999	2000						
	Dec.	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
1 Reserve balances with Reserve Banks[2]	10,664	9,026	5,263	5,169	5,078	6,515	7,078	7,660	6,465[r]	6,577
2 Total vault cash[3]	44,742	44,294	60,630	74,015	63,764	48,946	46,453	44,632	44,563	45,473
3 Applied vault cash[4]	37,255	36,183	36,392	39,063	37,017	33,227	33,507	33,895	32,757	33,090
4 Surplus vault cash[5]	7,486	8,111	24,238	34,952	26,747	15,719	12,946	10,737	11,806	12,383
5 Total reserves[6]	47,919	45,209	41,655	44,232	42,095	39,742	40,584	41,555	39,222	39,667
6 Required reserves	46,235	43,695	40,347	42,207	40,982	38,533	39,433	40,589	38,087[r]	38,542
7 Excess reserve balances at Reserve Banks[7]	1,685	1,514	1,308	2,025	1,113	1,209	1,152	966	1,136[r]	1,125
8 Total borrowing at Reserve Banks	324	117	320	374	108	179	304	362	479	570
9 Adjustment	245	101	179	296	45	101	184	86	90	60
10 Seasonal	79	15	67	31	44	71	120	276	389	510
11 Special Liquidity Facility[8]	0	0	74	46	19	7	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									
	2000									
	Apr. 5	Apr. 19	May 3	May 17	May 31	June 14	June 28	July 12	July 26	Aug. 3
1 Reserve balances with Reserve Banks[2]	7,186	6,715	7,491	7,614	7,743	6,502	6,420	6,530[r]	6,390	7,212
2 Total vault cash[3]	48,613	47,144	44,592	44,114	45,158	43,847	45,105	45,782	44,916	46,292
3 Applied vault cash[4]	33,330	32,885	34,378	33,227	34,459	32,183	33,332	32,747[r]	33,188	33,643
4 Surplus vault cash[5]	15,283	14,259	10,214	10,887	10,699	11,664	11,773	13,035	11,729	12,650
5 Total reserves[6]	40,516	39,600	41,869	40,841	42,202	38,685	39,752	39,277[r]	39,578	40,855
6 Required reserves	38,883	38,516	40,849	39,929	41,194	37,707	38,473[r]	38,042[r]	38,550	39,722
7 Excess reserve balances at Reserve Banks[7]	1,632	1,083	1,019	912	1,008	978	1,279[r]	1,235[r]	1,027	1,133
8 Total borrowing at Reserve Banks	189	368	276	303	440	472	471	589	549	581
9 Adjustment	104	264	120	65	100	134	43	117	22	27
10 Seasonal	85	104	156	238	340	339	428	472	527	555
11 Special Liquidity Facility[8]	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.

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1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 9/1/00	Effective date	Previous rate	On 9/1/00	Effective date	Previous rate	On 9/1/00	Effective date	Previous rate
Boston	6.00	5/16/00	5.50	6.55	8/10/00	6.60	7.05	8/10/00	7.10
New York	↕	5/19/00	↕	↕	↕	↕	↕	↕	↕
Philadelphia	↕	5/18/00	↕	↕	↕	↕	↕	↕	↕
Cleveland	↕	5/16/00	↕	↕	↕	↕	↕	↕	↕
Richmond	↕	5/16/00	↕	↕	↕	↕	↕	↕	↕
Atlanta	↕	5/17/00	↕	↕	↕	↕	↕	↕	↕
Chicago	↕	5/17/00	↕	↕	↕	↕	↕	↕	↕
St. Louis	↕	5/18/00	↕	↕	↕	↕	↕	↕	↕
Minneapolis	↕	5/18/00	↕	↕	↕	↕	↕	↕	↕
Kansas City	↕	5/17/00	↕	↕	↕	↕	↕	↕	↕
Dallas	↕	5/17/00	↕	↕	↕	↕	↕	↕	↕
San Francisco	6.00	5/16/00	5.50	6.55	8/10/00	6.60	7.05	8/10/00	7.10

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6
1978—Jan. 9	6–6.5	6.5
20	6.5	6.5
May 11	6.5–7	7
12	7	7
July 3	7–7.25	7.25
10	7.25	7.25
Aug. 21	7.75	7.75
Sept. 22	8	8
Oct. 16	8–8.5	8.5
20	8.5	8.5
Nov. 1	8.5–9.5	9.5
3	9.5	9.5
1979—July 20	10	10
Aug. 17	10–10.5	10.5
20	10.5	10.5
Sept. 19	10.5–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980—Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
July 28	10–11	10
29	10	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13
8	13	13
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
1982—Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
23	6.5	6.5
July 11	6	6
Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11	6.5	6.5
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6–6.5	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5
Sept. 13	5–5.5	5
17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
1992—July 2	3–3.5	3
7	3	3
1994—May 17	3–3.5	3.5
18	3.5	3.5
Aug. 16	3.5–4	4
18	4	4
Nov. 15	4–4.75	4.75
17	4.75	4.75
1995—Feb. 1	4.75–5.25	5.25
9	5.25	5.25
1996—Jan. 31	5.00–5.25	5.00
Feb. 5	5.00	5.00
1998—Oct. 15	4.75–5.00	4.75
16	4.75	4.75
Nov. 17	4.50–4.75	4.50
19	4.50	4.50
1999—Aug. 24	4.50–4.75	4.75
26	4.75	4.75
Nov. 16	4.75–5.00	4.75
18	5.00	5.00
2000—Feb. 2	5.00–5.25	5.25
4	5.25	5.25
Mar. 21	5.25–5.50	5.50
23	5.50	5.50
May 16	5.50–6.00	5.50
19	6.00	6.00
In effect Sept. 1, 2000	6.00	6.00

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 intrayearly 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*.

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

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1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

	Type of deposit	Requirement	
		Percentage of deposits	Effective date
	Net transaction accounts[2]		
1	$0 million–$44.3 million[3]	3	12/30/99
2	More than $44.3 million[4]	10	12/30/99
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 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the amount was decreased from $46.5 million to $44.3 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 30, 1999, for depository institutions that report weekly, and with the period beginning January 20, 2000, for institutions that report quarterly, the exemption was raised from $4.9 million to $5.0 million.

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

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 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 1½ years (see note 5).

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1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
U.S. TREASURY SECURITIES[2]										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	9,147	3,550	0	0	0	0	0	2,294	0	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	435,907	450,835	464,218	42,468	37,029	38,607	48,459	37,141	36,386	44,008
4 For new bills	435,907	450,835	464,218	42,468	37,029	38,607	48,459	37,141	36,386	44,008
5 Redemptions	0	2,000	0	0	0	0	198	779	2,297	4,188
Others within one year										
6 Gross purchases	5,549	6,297	11,895	1,450	0	0	0	0	164	1,875
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	41,716	46,062	50,590	3,936	3,566	6,877	5,034	0	13,063	4,672,255
9 Exchanges	−27,499	−49,434	−53,315	−2,175	−4,360	−6,688	−3,515	0	−12,633	3,108,900
10 Redemptions	1,996	2,676	1,429	0	390	0	0	568	0	0
One to five years										
11 Gross purchases	20,080	12,901	19,731	3,514	160	0	740	1,723	890	706
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	−37,987	−37,777	−44,032	−3,936	−3,566	−5,210	−5,034	0	−10,334	4,672,255
14 Exchanges	20,274	37,154	42,604	2,175	4,045	4,348	3,515	0	10,063	3,108,900
Five to ten years										
15 Gross purchases	3,449	2,294	4,303	581	809	0	489	930	0	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	−1,954	−5,908	−5,841	0	0	−949	0	0	−1,552	0
18 Exchanges	5,215	7,439	7,583	0	316	1,170	0	0	2,570	0
More than ten years										
19 Gross purchases	5,897	4,884	9,428	1,257	1,069	0	330	0	528	1,151
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	−1,775	−2,377	−717	0	0	−717	0	0	−1,177	0
22 Exchanges	2,360	4,842	3,139	0	0	1,170	0	0	0	0
All maturities										
23 Gross purchases	44,122	29,926	45,357	6,802	2,038	0	1,559	4,947	1,582	3,732
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,996	4,676	1,429	0	390	0	198	1,347	2,297	4,188
Matched transactions										
26 Gross purchases	3,577,954	4,395,430	4,395,998	488,845	492,277	340,127	401,404	336,103	357,355	368,396
27 Gross sales	3,580,274	4,399,330	4,414,253	510,605	471,663	339,585	401,841	334,751	356,640	369,739
Repurchase agreements										
28 Gross purchases	810,485	512,671	281,599	0	0	0	0	0	0	0
29 Gross sales	809,268	514,186	301,273	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	41,022	19,835	5,999	−14,959	22,262	542	923	4,952	−1	−1,800
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	25	0	0	0	0	0	0	0	0
33 Redemptions	1,540	322	157	0	6	25	0	10	0	0
Repurchase agreements										
34 Gross purchases	160,409	284,316	360,069	0	0	0	0	0	0	0
35 Gross sales	159,369	276,266	370,772	0	0	0	0	0	0	0
36 Net change in federal agency obligations	−500	7,703	−10,859	0	−6	−25	0	−10	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	0	304,989	155,578	61,345	82,998	61,230	79,585	107,375	70,850
40 Gross sales	0	0	164,349	64,378	178,880	81,335	62,253	78,425	105,885	70,315
41 Net change in triparty obligations	0	0	140,640	91,200	−117,535	1,663	−1,023	1,160	1,490	535
42 **Total net change in System Open Market Account**	**40,522**	**27,538**	**135,780**	**76,241**	**−95,279**	**2,180**	**−100**	**6,102**	**1,489**	**−1,265**

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.

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

Millions of dollars

Account	Wednesday					End of month		
	2000					2000		
	June 28	July 5	July 12	July 19	July 26	May 31	June 30	July 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,047	11,046	11,046	11,046	11,046	11,048	11,046	11,046
2 Special drawing rights certificate account	4,200	4,200	4,200	4,200	4,200	5,200	4,200	4,200
3 Coin	679	667	660	688	715	599	699	754
Loans								
4 To depository institutions	526	535	761	637	568	431	512	628
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]	22,975	23,245	20,020	14,010	16,955	26,395	26,930	17,490
Federal agency obligations[3]								
8 Bought outright	140	140	140	140	140	140	140	140
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 **Total U.S. Treasury securities**[3]	**507,884**	**505,180**	**506,743**	**507,093**	**507,830**	**506,744**	**504,950**	**506,103**
11 Bought outright[4]	507,884	505,180	506,743	507,093	507,830	506,744	504,950	506,103
12 Bills	195,726	193,022	193,846	192,174	191,626	198,323	192,792	190,265
13 Notes	226,138	226,139	226,382	227,613	228,869	223,631	226,138	228,503
14 Bonds	86,020	86,020	86,515	87,305	87,335	84,791	86,020	87,335
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 **Total loans and securities**	**531,525**	**529,100**	**527,664**	**521,879**	**525,493**	**533,710**	**532,532**	**524,361**
17 Items in process of collection	7,924	6,269	8,000	8,004	7,390	11,985	5,545	3,414
18 Bank premises	1,402	1,410	1,411	1,413	1,413	1,400	1,409	1,418
Other assets								
19 Denominated in foreign currencies[5]	15,266	15,553	15,559	15,564	15,569	15,246	15,550	15,092
20 All other[6]	17,516	17,342	17,898	18,314	18,812	15,707	17,056	18,600
21 **Total assets**	**589,559**	**585,587**	**586,438**	**581,108**	**584,640**	**594,896**	**588,037**	**578,886**
LIABILITIES								
22 Federal Reserve notes	540,664	545,439	543,605	541,028	540,188	541,590	541,912	539,396
23 Reverse repurchase agreements—triparty[2]	0	0	0	0	0	0	0	0
24 **Total deposits**	**26,630**	**18,786**	**20,244**	**17,945**	**22,201**	**27,416**	**25,028**	**22,006**
25 Depository institutions	19,709	13,071	14,866	11,649	16,752	21,634	18,513	16,309
26 U.S. Treasury—General account	6,613	5,358	5,020	5,922	5,134	5,445	6,208	5,392
27 Foreign—Official accounts	117	116	93	148	94	110	105	76
28 Other	191	241	265	225	221	226	203	228
29 Deferred credit items	6,952	6,004	7,295	7,170	6,815	10,619	5,379	2,154
30 Other liabilities and accrued dividends[7]	4,811	4,604	4,758	4,433	4,888	4,752	4,781	4,839
31 **Total liabilities**	**579,057**	**574,832**	**575,903**	**570,575**	**574,092**	**584,377**	**577,099**	**568,394**
CAPITAL ACCOUNTS								
32 Capital paid in	6,865	6,866	6,870	6,877	6,880	6,781	6,865	6,881
33 Surplus	2,679	2,679	2,679	2,679	2,679	2,679	2,679	2,615
34 Other capital accounts	958	1,210	986	977	988	1,058	1,395	995
35 **Total liabilities and capital accounts**	**589,559**	**585,587**	**586,438**	**581,108**	**584,640**	**594,896**	**588,037**	**578,886**
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)	773,885	773,010	771,875	771,075	770,457	777,900	773,550	769,994
38 LESS: Held by Federal Reserve Banks	233,221	227,571	228,269	230,047	230,269	236,310	231,639	230,598
39 Federal Reserve notes, net	540,664	545,439	543,605	541,028	540,188	541,590	541,912	539,396
Collateral held against notes, net								
40 Gold certificate account	11,047	11,046	11,046	11,046	11,046	11,048	11,046	11,046
41 Special drawing rights certificate account	4,200	4,200	4,200	4,200	4,200	5,200	4,200	4,200
42 Other eligible assets	0	1,627	1,456	4,539	17	0	0	417
43 U.S. Treasury and agency securities	525,417	528,565	526,903	521,243	524,925	525,342	526,665	523,733
44 **Total collateral**	540,664	545,439	543,605	541,028	540,188	541,590	541,912	539,396

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.

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1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2000					2000		
	June 28	July 5	July 12	July 19	July 26	May 31	June 30	July 31
1 **Total loans**	**526**	**535**	**761**	**637**	**569**	**440**	**512**	**577**
2 Within fifteen days[1]	481	175	399	610	515	402	307	371
3. Sixteen days to ninety days	45	359	362	27	54	38	206	206
4. 91 days to 1 year	0	0	0	0	0	0	0	0
5 **Total U.S. Treasury securities**[2]	**507,884**	**505,180**	**506,743**	**507,093**	**507,830**	**506,744**	**504,949**	**506,103**
6 Within fifteen days[1]	17,350	13,016	13,805	20,814	18,709	15,491	1,038	13,568
7 Sixteen days to ninety days	107,056	109,813	109,879	107,367	107,688	105,584	118,287	108,730
8 Ninety-one days to one year	135,157	135,592	135,562	129,393	131,913	139,209	138,867	136,104
9 One year to five years	126,231	124,668	125,406	126,927	126,927	125,525	124,668	125,108
10 Five years to ten years	53,437	53,438	53,439	53,493	53,440	53,435	53,438	53,440
11 More than ten years	68,652	68,652	68,653	69,152	69,153	67,500	68,652	69,153
12 **Total federal agency obligations**	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**
13 Within fifteen days[1]	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	10	10	10	10	10	0	10	10
15 Ninety-one days to one year	0	0	0	0	0	10	0	0
16 One year to five years	10	10	10	10	10	10	10	10
17 Five years to ten years	120	120	120	120	120	120	120	120
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.

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

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	1999 Dec.	2000 Jan.	Feb.	Mar.	Apr.	May	June	July
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]					Seasonally adjusted							
1 Total reserves[3]	50.17	46.87	45.19	41.74	41.74	43.11	41.64	40.45	40.92	41.35	39.96	40.26
2 Nonborrowed reserves[4]	50.02	46.54	45.07	41.42	41.42	42.74	41.53	40.27	40.62	40.99	39.48	39.69
3 Nonborrowed reserves plus extended credit[5]	50.02	46.54	45.07	41.42	41.42	42.74	41.53	40.27	40.62	40.99	39.48	39.69
4 Required reserves	48.76	45.18	43.68	40.43	40.43	41.09	40.52	39.24	39.77	40.39	38.83	39.13
5 Monetary base[6]	451.62	479.17	512.75	591.19	591.19	591.97	573.50	571.37	572.87[r]	574.14[r]	575.64[r]	577.28
					Not seasonally adjusted							
6 Total reserves[7]	51.45	48.01	45.31	41.89	41.89	44.23	42.10	39.75	40.60	41.58	39.25	39.70
7 Nonborrowed reserves	51.30	47.69	45.19	41.57	41.57	43.86	41.99	39.58	40.30	41.21	38.77	39.13
8 Nonborrowed reserves plus extended credit[5]	51.30	47.69	45.19	41.57	41.57	43.86	41.99	39.58	40.30	41.21	38.77	39.13
9 Required reserves[8]	50.04	46.33	43.80	40.58	40.58	42.20	40.99	38.55	39.45	40.61	38.11	38.57
10 Monetary base[9]	456.63	484.98	518.27	600.63	600.63	596.90	571.87	570.24	571.51[r]	573.25[r]	574.56[r]	577.04
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	51.17	47.92	45.21	41.66	41.66	44.23	42.10	39.74	40.58	41.56	39.22	39.67
12 Nonborrowed reserves	51.02	47.60	45.09	41.33	41.33	43.86	41.99	39.56	40.28	41.19	38.74	39.10
13 Nonborrowed reserves plus extended credit[5]	51.02	47.60	45.09	41.33	41.33	43.86	41.99	39.56	40.28	41.19	38.74	39.10
14 Required reserves	49.76	46.24	43.70	40.35	40.35	42.21	40.98	38.53	39.43	40.59	38.09	38.54
15 Monetary base[12]	463.40	491.79	525.06	607.93	607.93	604.63	579.22	577.12	578.33[r]	580.08[r]	581.44[r]	583.83
16 Excess reserves[13]	1.42	1.69	1.51	1.31	1.31	2.03	1.11	1.21	1.15	.97	1.14	1.13
17 Borrowings from the Federal Reserve	.16	.32	.12	.32	.32	.37	.11	.18	.30	.36	.48	.57

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).

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1.21 MONEY STOCK AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item	1996 Dec.	1997 Dec.	1998 Dec.	1999 Dec.	2000 Apr.[r]	2000 May[r]	2000 June[r]	2000 July
	Seasonally adjusted							
Measures[2]								
1 M1	1,081.1	1,073.9	1,097.4	1,122.9	1,116.7	1,105.7	1,103.2	1,104.1
2 M2	3,822.9	4,041.9	4,396.8	4,655.4	4,769.2	4,766.0	4,779.0	4,792.4
3 M3	4,952.4	5,403.2	5,996.7	6,482.5[r]	6,668.7	6,691.3	6,731.8	6,785.1
4 Debt	14,443.9	15,234.7	16,282.9	17,381.5[r]	17,720.6	17,777.0	17,852.5	n.a.
M1 components								
5 Currency[3]	394.3	424.8	459.5	515.5	518.7	520.4	522.4	523.7
6 Travelers checks[4]	8.3	8.1	8.2	8.3	8.2	8.3	8.8	9.3
7 Demand deposits[5]	402.3	395.3	379.3	355.2	342.0	334.8	331.1	332.0
8 Other checkable deposits[6]	276.1	245.8	250.3	244.0	247.9	242.3	240.9	239.1
Nontransaction components								
9 In M2[7]	2,741.8	2,967.9	3,299.4	3,532.5	3,652.5	3,660.4	3,675.8	3,688.2
10 In M3 only[8]	1,129.5	1,361.3	1,599.9	1,827.1[r]	1,899.4	1,925.3	1,952.9	1,992.8
Commercial banks								
11 Savings deposits, including MMDAs	904.0	1,020.5	1,184.8	1,285.7	1,325.3	1,322.5	1,329.2	1,339.2
12 Small time deposits[9]	593.3	625.4	626.1	634.7	659.9	667.5	678.9	685.0
13 Large time deposits[10, 11]	413.9	488.3	539.3	614.4	647.4	652.0	662.1	671.8
Thrift institutions								
14 Savings deposits, including MMDAs	366.6	376.6	413.8	448.7	449.3	453.2	452.2	451.9
15 Small time deposits[9]	353.6	342.8	325.6	320.5	324.2	326.3	328.9	332.4
16 Large time deposits[10]	78.3	85.6	88.9	91.5	94.7	93.7	95.6	97.7
Money market mutual funds								
17 Retail	524.4	602.8	749.2	842.9	893.8	890.9	886.6	879.7
18 Institution-only	312.0	380.8	518.4	607.4	640.0	649.2	657.6	686.0
Repurchase agreements and Eurodollars								
19 Repurchase agreements[12]	210.7	256.0	300.8	340.3[r]	344.1	353.6	363.3	366.4
20 Eurodollars[12]	114.6	150.7	152.6	173.5	173.2	176.8	174.3	170.9
Debt components								
21 Federal debt	3,781.3	3,800.3	3,750.8	3,659.5	3,602.3	3,546.5	3,520.0	n.a.
22 Nonfederal debt	10,662.6	11,434.4	12,532.1	13,722.0[r]	14,118.3	14,230.5	14,332.5	n.a.
	Not seasonally adjusted							
Measures[2]								
23 M1	1,105.1	1,097.7	1,121.3	1,147.4	1,125.5	1,099.5	1,100.8	1,102.9
24 M2	3,845.2	4,065.0	4,422.0	4,683.7	4,814.8	4,737.9	4,759.6	4,776.7
25 M3	4,973.4	5,427.2	6,026.3	6,517.5[r]	6,712.6	6,669.6	6,708.4	6,745.4
26 Debt	14,440.5	15,231.8	16,279.8	17,380.6[r]	17,692.6	17,730.3	17,803.2	n.a.
M1 components								
27 Currency[3]	397.9	428.9	464.1	521.2	519.0	520.0	521.9	523.8
28 Travelers checks[4]	8.6	8.3	8.4	8.4	8.3	8.4	8.7	8.9
29 Demand deposits[5]	419.9	412.4	395.9	371.2	344.6	329.6	329.1	332.8
30 Other checkable deposits[6]	278.8	248.2	252.8	246.7	253.5	241.6	241.1	237.4
Nontransaction components								
31 In M2[7]	2,740.0	2,967.4	3,300.7	3,536.3	3,689.3	3,638.4	3,658.8	3,673.7
32 In M3 only[8]	1,128.2	1,362.2	1,604.3	1,833.8[r]	1,897.8	1,931.6	1,948.8	1,968.7
Commercial banks								
33 Savings deposits, including MMDAs	903.3	1,020.4	1,186.0	1,288.5	1,341.6	1,317.7	1,330.1	1,341.0
34 Small time deposits[9]	592.7	625.3	626.5	635.5	660.6	665.2	674.7	682.7
35 Large time deposits[10, 11]	413.2	487.2	537.8	612.6	647.2	656.6	663.7	672.5
Thrift institutions								
36 Savings deposits, including MMDAs	366.3	376.5	414.2	449.7	454.8	451.5	452.5	452.5
37 Small time deposits[9]	353.2	342.8	325.8	321.0	324.5	325.2	326.8	331.2
38 Large time deposits[10]	78.1	85.4	88.6	91.2	94.7	94.4	95.8	97.8
Money market mutual funds								
39 Retail	524.3	602.3	748.1	841.6	907.8	878.8	874.6	866.2
40 Institution-only	315.6	386.7	527.9	618.9	640.2	644.5	650.3	665.9
Repurchase agreements and Eurodollars								
41 Repurchase agreements[12]	205.7	250.5	295.4	335.5[r]	342.7	357.8	364.5	363.6
42 Eurodollars[12]	115.7	152.3	154.5	175.6	173.1	178.3	174.5	168.9
Debt components								
43 Federal debt	3,787.9	3,805.8	3,754.9	3,663.1	3,597.2	3,514.0	3,475.5	n.a.
44 Nonfederal debt	10,652.5	11,426.0	12,524.8	13,717.5[r]	14,095.4	14,216.4	14,327.7	n.a.

Footnotes appear on following page.

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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 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).

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.

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Seasonally adjusted											
Assets												
1 Bank credit	4,563.7	4,792.3	4,839.2	4,889.6	4,932.2	4,998.0	5,026.4	5,062.2	5,041.9	5,041.1	5,065.3	5,074.3
2 Securities in bank credit	1,232.5	1,267.8	1,269.6	1,280.5	1,288.8	1,306.6	1,301.8	1,308.3	1,300.3	1,297.2	1,307.6	1,314.6
3 U.S. government securities	815.3	812.7	815.2	815.7	814.4	815.5	817.1	819.5	823.8	818.3	819.1	817.6
4 Other securities	417.2	455.1	454.4	464.8	474.5	491.1	484.7	488.8	476.5	478.9	488.5	496.9
5 Loans and leases in bank credit[2]	3,331.1	3,524.5	3,569.6	3,609.1	3,643.4	3,691.3	3,724.6	3,753.9	3,741.5	3,743.9	3,757.7	3,759.8
6 Commercial and industrial	964.9	1,009.9	1,022.4	1,031.0	1,039.2	1,059.0	1,067.3	1,074.0	1,067.9	1,073.1	1,072.9	1,076.7
7 Real estate	1,373.9	1,492.9	1,515.1	1,537.4	1,554.6	1,577.7	1,593.2	1,607.7	1,601.7	1,605.8	1,609.7	1,607.5
8 Revolving home equity	99.1	104.4	106.4	108.9	112.6	115.1	115.7	117.0	116.9	116.5	116.7	117.3
9 Other	1,274.7	1,388.5	1,408.7	1,428.5	1,442.0	1,462.6	1,477.6	1,490.7	1,484.8	1,489.3	1,492.9	1,490.2
10 Consumer	482.0	495.7	500.0	502.8	507.2	510.4	516.3	517.2	516.0	514.8	517.8	518.4
11 Security[3]	123.5	143.4	143.0	143.3	144.0	145.0	149.7	151.8	154.2	150.0	156.6	149.2
12 Other loans and leases	386.9	382.6	389.1	394.7	398.4	399.3	398.0	403.2	401.9	400.2	400.7	408.0
13 Interbank loans	222.6	222.5	228.2	223.5	221.9	227.2	227.8	240.0	239.1	236.6	237.1	251.5
14 Cash assets[4]	259.9	282.8	279.9	272.1	281.3	274.3	269.1	269.9	274.4	270.4	262.3	274.6
15 Other assets[5]	348.7	380.4	366.3	366.0	368.2	377.5	380.0	399.6	389.7	396.5	403.7	407.7
16 **Total assets**[6]	**5,336.4**	**5,618.8**	**5,654.5**	**5,691.9**	**5,743.8**	**5,816.6**	**5,842.8**	**5,910.1**	**5,884.2**	**5,883.0**	**5,906.7**	**5,946.3**
Liabilities												
17 Deposits	3,396.9	3,540.4	3,558.6	3,575.7	3,626.1	3,631.6	3,658.8	3,716.9	3,719.9	3,695.8	3,704.6	3,732.2
18 Transaction	644.7	626.7	625.4	626.3	626.1	629.7	617.2	613.2	617.7	602.8	609.7	636.5
19 Nontransaction	2,752.2	2,913.6	2,933.3	2,949.4	3,000.0	3,001.9	3,041.5	3,103.7	3,102.3	3,093.1	3,094.9	3,095.7
20 Large time	727.7	841.0	844.8	851.3	872.1	877.9	894.7	915.4	906.1	903.6	918.3	923.3
21 Other	2,024.5	2,072.7	2,088.5	2,098.1	2,127.9	2,124.0	2,146.8	2,188.2	2,196.2	2,189.4	2,176.6	2,172.4
22 Borrowings	1,023.6	1,133.9	1,136.0	1,157.7	1,186.8	1,200.8	1,201.4	1,219.1	1,211.3	1,204.1	1,230.1	1,232.6
23 From banks in the U.S.	335.8	360.3	368.7	377.5	377.4	383.8	375.3	386.5	389.2	379.7	382.9	393.6
24 From others	687.8	773.6	767.3	780.2	809.4	817.0	826.1	832.6	822.1	824.3	847.2	839.0
25 Net due to related foreign offices	215.4	229.8	234.1	233.5	223.9	249.8	259.5	261.2	260.8	279.5	253.3	240.4
26 Other liabilities	274.5	290.4	298.4	293.8	294.1	317.8	307.5	299.7	296.4	290.6	301.2	304.2
27 **Total liabilities**	**4,910.5**	**5,194.5**	**5,227.1**	**5,260.6**	**5,330.9**	**5,400.0**	**5,427.2**	**5,496.8**	**5,488.5**	**5,470.0**	**5,489.3**	**5,509.4**
28 Residual (assets less liabilities)[7]	426.0	424.3	427.4	431.2	412.8	416.7	415.6	413.3	395.7	413.0	417.3	436.9
	Not seasonally adjusted											
Assets												
29 Bank credit	4,535.5	4,816.5	4,841.9	4,883.5	4,932.7	4,989.9	5,010.5	5,034.6	5,029.3	5,013.5	5,034.8	5,035.0
30 Securities in bank credit	1,217.5	1,276.3	1,273.7	1,281.9	1,290.8	1,304.3	1,291.6	1,291.2	1,286.3	1,280.5	1,288.3	1,295.6
31 U.S. government securities	807.1	814.4	819.2	822.7	823.0	820.9	816.4	811.1	818.7	810.8	809.4	807.2
32 Other securities	410.4	461.8	454.5	459.2	467.8	483.4	475.2	480.1	467.6	469.7	479.0	488.4
33 Loans and leases in bank credit[2]	3,318.1	3,540.2	3,568.2	3,601.5	3,641.9	3,685.6	3,718.9	3,743.4	3,743.0	3,733.1	3,746.5	3,739.4
34 Commercial and industrial	960.5	1,007.4	1,023.1	1,034.9	1,046.3	1,061.9	1,066.7	1,069.2	1,069.3	1,068.1	1,068.8	1,068.0
35 Real estate	1,371.0	1,496.9	1,512.0	1,532.6	1,550.1	1,575.1	1,589.9	1,604.0	1,597.6	1,603.1	1,604.8	1,603.1
36 Revolving home equity	99.2	104.7	106.1	107.8	111.8	114.7	115.7	117.1	116.7	116.7	116.8	117.5
37 Other	1,271.8	1,392.2	1,405.9	1,424.7	1,438.4	1,460.4	1,474.2	1,486.9	1,480.9	1,486.4	1,488.0	1,485.6
38 Consumer	478.2	502.9	502.0	501.2	506.1	510.0	515.3	517.2	516.0	514.8	517.8	518.4
39 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	195.8	195.1	194.3	196.8	196.3
40 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	321.4	320.9	320.5	321.0	322.1
41 Security[3]	120.4	147.5	144.5	142.3	144.6	143.4	149.6	148.8	151.7	146.7	153.6	145.2
42 Other loans and leases	388.0	385.5	386.6	390.6	394.8	395.1	397.5	404.1	408.4	400.3	401.5	404.8
43 Interbank loans	218.6	223.4	229.6	229.0	228.2	226.9	227.3	236.0	247.3	233.5	232.5	237.9
44 Cash assets[4]	251.2	296.9	280.5	263.7	278.5	272.1	265.2	260.6	286.7	259.2	249.1	251.5
45 Other assets[5]	348.8	378.9	368.5	369.4	371.6	380.5	381.4	399.0	397.3	395.9	399.7	401.4
46 **Total assets**[6]	**5,295.9**	**5,656.7**	**5,661.5**	**5,686.2**	**5,751.5**	**5,809.1**	**5,823.9**	**5,868.6**	**5,899.7**	**5,840.6**	**5,854.6**	**5,864.3**
Liabilities												
47 Deposits	3,375.1	3,553.6	3,557.5	3,579.5	3,644.1	3,616.9	3,646.9	3,692.4	3,736.3	3,674.4	3,673.6	3,673.9
48 Transaction	637.9	638.2	618.4	619.2	634.7	620.4	616.2	606.8	645.9	594.7	597.4	606.5
49 Nontransaction	2,737.2	2,915.4	2,939.1	2,960.3	3,009.4	2,996.6	3,030.7	3,085.6	3,090.4	3,079.7	3,076.2	3,067.4
50 Large time	715.0	852.0	857.4	859.7	871.6	874.1	883.9	898.8	886.5	888.2	901.7	907.2
51 Other	2,022.3	2,063.4	2,081.7	2,100.6	2,137.7	2,122.5	2,146.8	2,186.8	2,203.9	2,191.5	2,174.4	2,160.2
52 Borrowings	1,011.2	1,152.5	1,140.2	1,153.3	1,185.8	1,210.2	1,204.3	1,205.9	1,202.3	1,189.2	1,220.1	1,219.7
53 From banks in the U.S.	331.8	364.2	370.3	377.4	378.9	384.4	376.1	383.4	388.7	376.4	379.8	389.5
54 From others	679.4	788.3	769.9	775.9	806.9	825.8	828.1	822.5	813.5	812.7	840.3	830.2
55 Net due to related foreign offices	209.2	233.4	248.5	237.0	213.3	250.2	250.1	252.7	243.4	264.2	242.4	252.3
56 Other liabilities	272.8	291.9	300.8	294.5	292.8	316.3	305.7	297.2	293.3	288.2	298.3	302.3
57 **Total liabilities**	**4,868.3**	**5,231.4**	**5,246.9**	**5,264.3**	**5,336.1**	**5,393.6**	**5,406.9**	**5,448.3**	**5,475.3**	**5,416.0**	**5,434.4**	**5,448.2**
58 Residual (assets less liabilities)[7]	427.6	425.3	414.6	421.9	415.5	415.5	417.0	420.3	424.4	424.6	420.2	416.1

Footnotes appear on p. A21.

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Seasonally adjusted											
Assets												
1 Bank credit	4,036.2	4,244.2	4,298.9	4,346.3	4,365.3	4,417.6	4,453.4	4,489.1	4,470.0	4,470.4	4,490.4	4,504.2
2 Securities in bank credit	1,038.7	1,066.6	1,077.4	1,085.1	1,087.1	1,098.8	1,099.2	1,105.9	1,100.0	1,098.9	1,106.4	1,111.2
3 U.S. government securities	728.9	731.6	739.3	737.6	734.7	735.9	738.2	739.9	743.9	739.8	741.0	737.4
4 Other securities	309.8	335.0	338.2	347.4	352.4	363.0	361.0	366.1	356.1	359.2	365.4	373.9
5 Loans and leases in bank credit[2]	2,997.5	3,177.6	3,221.4	3,261.2	3,278.1	3,318.7	3,354.2	3,383.1	3,370.1	3,371.4	3,384.1	3,393.0
6 Commercial and industrial	770.4	815.2	826.7	834.6	840.0	853.9	862.1	870.4	865.1	869.4	869.4	873.7
7 Real estate	1,355.4	1,475.5	1,497.4	1,519.4	1,536.3	1,559.1	1,574.4	1,589.0	1,582.8	1,587.0	1,591.0	1,589.1
8 Revolving home equity	99.1	104.4	106.4	108.9	112.6	115.1	115.7	117.0	116.9	116.5	116.7	117.3
9 Other	1,256.3	1,371.1	1,391.1	1,410.5	1,423.7	1,444.0	1,458.7	1,472.0	1,465.9	1,470.5	1,474.2	1,471.7
10 Consumer	482.0	495.7	500.0	502.8	507.2	510.4	516.3	517.2	516.0	514.8	517.8	518.4
11 Security[3]	70.8	76.6	76.2	76.8	66.1	64.0	68.7	70.3	69.9	66.8	72.2	71.2
12 Other loans and leases	318.9	314.6	321.1	327.6	328.6	331.3	332.8	336.3	336.3	333.5	333.7	340.6
13 Interbank loans	194.7	193.6	195.5	194.9	192.5	195.4	199.1	213.8	211.3	209.2	211.7	221.9
14 Cash assets[4]	222.3	230.6	229.2	224.4	233.9	230.3	224.5	224.6	229.6	225.5	218.9	228.9
15 Other assets[5]	315.7	341.7	328.0	326.8	328.1	336.3	336.4	356.7	344.3	354.5	360.4	365.2
16 **Total assets**[6]	**4,710.8**	**4,951.2**	**4,992.8**	**5,033.5**	**5,060.4**	**5,119.7**	**5,153.3**	**5,222.8**	**5,194.7**	**5,198.4**	**5,220.1**	**5,258.6**
Liabilities												
17 Deposits	3,084.0	3,161.4	3,181.5	3,197.7	3,238.6	3,249.5	3,276.3	3,330.1	3,335.2	3,317.4	3,314.9	3,340.8
18 Transaction	633.9	616.0	614.4	615.2	615.2	618.5	605.8	601.8	605.5	591.6	598.0	625.3
19 Nontransaction	2,450.1	2,545.4	2,567.1	2,582.5	2,623.4	2,631.0	2,670.5	2,728.2	2,729.7	2,725.8	2,716.9	2,715.4
20 Large time	427.9	474.7	480.2	487.3	498.5	509.6	524.6	542.6	535.8	539.1	542.9	545.5
21 Other	2,022.1	2,070.7	2,086.9	2,095.2	2,124.9	2,121.4	2,145.8	2,185.7	2,193.9	2,186.7	2,174.0	2,169.9
22 Borrowings	848.8	954.6	960.6	980.5	987.1	996.4	996.1	1,013.6	997.8	1,002.4	1,024.6	1,024.7
23 From banks in the U.S.	311.5	340.6	350.3	357.7	356.5	365.9	356.3	365.7	362.9	359.9	365.5	369.5
24 From others	537.2	614.0	610.3	622.8	630.6	630.5	639.8	647.9	635.0	642.5	659.2	655.2
25 Net due to related foreign offices	144.7	194.2	207.1	213.2	208.6	228.7	240.1	243.5	242.0	252.6	239.9	234.0
26 Other liabilities	211.5	220.0	225.7	222.6	220.8	237.9	234.6	229.5	225.5	221.5	230.1	235.1
27 **Total liabilities**	**4,288.9**	**4,530.1**	**4,574.9**	**4,614.0**	**4,655.1**	**4,712.4**	**4,747.1**	**4,816.6**	**4,800.6**	**4,793.9**	**4,809.5**	**4,834.6**
28 Residual (assets less liabilities)[7]	421.9	421.1	417.8	419.4	405.3	407.3	406.2	406.2	394.1	404.5	410.6	424.1
	Not seasonally adjusted											
Assets												
29 Bank credit	4,016.4	4,260.6	4,297.4	4,341.5	4,372.0	4,417.8	4,447.0	4,471.8	4,466.2	4,454.2	4,470.2	4,476.2
30 Securities in bank credit	1,028.7	1,071.2	1,080.2	1,089.4	1,092.6	1,099.5	1,094.8	1,095.5	1,092.0	1,089.3	1,094.2	1,098.4
31 U.S. government securities	721.6	732.8	743.1	744.8	742.7	740.2	737.5	732.4	738.9	733.5	732.0	728.1
32 Other securities	307.1	338.4	337.2	344.6	350.0	359.2	357.3	363.0	353.1	355.9	362.1	370.3
33 Loans and leases in bank credit[2]	2,987.7	3,189.4	3,217.1	3,252.1	3,279.3	3,318.3	3,352.2	3,376.4	3,374.2	3,364.9	3,376.0	3,377.9
34 Commercial and industrial	768.2	811.3	824.9	836.9	848.8	861.0	864.7	868.0	869.0	867.3	867.2	867.6
35 Real estate	1,352.7	1,479.3	1,494.0	1,514.4	1,532.0	1,556.6	1,571.1	1,585.5	1,578.9	1,584.4	1,586.3	1,584.9
36 Revolving home equity	99.2	104.7	106.1	107.8	111.8	114.7	115.7	117.1	116.7	116.7	116.8	117.5
37 Other	1,253.5	1,374.6	1,388.0	1,406.6	1,420.2	1,441.9	1,455.4	1,468.4	1,462.2	1,467.8	1,469.5	1,467.4
38 Consumer	478.2	502.9	502.0	501.2	506.1	510.0	515.3	517.2	516.0	514.8	517.8	518.4
39 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	198.8	195.1	194.3	196.8	196.3
40 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	321.4	320.9	320.5	321.0	322.1
41 Security[3]	68.0	80.3	77.9	75.5	66.6	62.6	68.2	67.6	67.4	64.2	69.4	67.8
42 Other loans and leases	320.6	315.7	318.3	324.0	325.9	328.0	332.8	338.0	342.9	334.2	335.2	339.1
43 Interbank loans	190.8	194.4	196.9	200.5	198.8	195.1	198.6	209.8	219.4	206.1	207.1	208.2
44 Cash assets[4]	214.9	242.5	230.4	217.1	233.2	229.4	221.4	217.0	243.0	216.0	207.6	207.7
45 Other assets[5]	317.3	338.8	328.3	328.9	332.3	340.0	340.2	357.9	354.7	355.6	358.6	361.0
46 **Total assets**[6]	**4,681.3**	**4,977.7**	**4,994.2**	**5,028.9**	**5,077.1**	**5,122.3**	**5,146.9**	**5,195.4**	**5,222.6**	**5,170.9**	**5,182.1**	**5,191.9**
Liabilities												
47 Deposits	3,068.4	3,167.8	3,173.3	3,195.4	3,255.5	3,234.0	3,268.7	3,314.3	3,362.8	3,304.4	3,292.3	3,289.7
48 Transaction	627.1	627.3	607.5	608.3	624.2	609.6	605.1	595.5	633.5	583.7	585.9	595.5
49 Nontransaction	2,441.3	2,540.5	2,565.8	2,587.0	2,631.3	2,624.4	2,663.6	2,718.8	2,729.3	2,720.7	2,706.4	2,694.2
50 Large time	421.3	480.3	486.8	488.9	496.0	504.3	519.2	534.4	527.8	531.6	534.4	536.4
51 Other	2,020.0	2,060.2	2,079.0	2,098.1	2,135.3	2,120.0	2,144.4	2,184.4	2,201.5	2,189.1	2,172.0	2,157.7
52 Borrowings	836.3	973.2	964.9	976.2	986.2	1,005.8	999.1	1,000.4	988.8	987.5	1,014.6	1,011.8
53 From banks in the U.S.	307.5	344.5	351.9	357.7	358.0	366.5	357.2	362.6	362.4	356.6	362.4	365.4
54 From others	528.8	628.7	613.0	618.5	628.2	639.3	641.9	637.8	626.4	630.9	652.3	646.3
55 Net due to related foreign offices	139.9	195.5	219.1	216.2	202.5	233.3	232.0	235.9	226.5	238.0	230.3	244.0
56 Other liabilities	211.1	219.8	226.1	223.0	221.4	237.9	234.4	228.7	224.5	220.7	229.1	234.5
57 **Total liabilities**	**4,255.7**	**4,556.2**	**4,583.4**	**4,610.8**	**4,665.7**	**4,711.0**	**4,734.1**	**4,779.3**	**4,802.6**	**4,750.5**	**4,766.4**	**4,780.0**
58 Residual (assets less liabilities)[7]	425.6	421.5	410.8	418.1	411.5	411.3	412.7	416.1	420.1	420.3	415.7	411.9

Footnotes appear on p. A21.

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Seasonally adjusted											
Assets												
1 Bank credit	2,263.9	2,368.4	2,393.5	2,420.0	2,434.0	2,470.7	2,484.4	2,494.5	2,482.4	2,482.2	2,494.6	2,506.3
2 Securities in bank credit	532.3	550.6	555.8	563.6	566.5	576.9	576.2	575.4	571.8	569.4	574.6	580.4
3 U.S. government securities	356.8	355.8	356.9	356.5	355.0	356.8	359.7	360.6	361.9	359.6	360.0	360.4
4 Trading account	22.0	20.5	21.5	20.5	21.3	23.5	22.7	24.3	23.9	21.6	23.2	26.1
5 Investment account	334.8	335.3	335.3	336.0	333.7	333.3	337.0	336.3	338.0	338.0	336.8	334.3
6 Other securities	175.6	194.8	199.0	207.2	211.5	220.1	216.6	214.7	209.9	209.8	214.6	220.0
7 Trading account	73.3	81.5	85.9	91.1	92.9	101.2	98.0	96.6	92.3	91.5	96.9	101.0
8 Investment account	102.3	113.3	113.1	116.1	118.6	118.9	118.5	118.1	117.6	118.3	117.7	119.0
9 State and local government	23.3	24.4	24.5	24.7	25.1	25.4	25.6	26.1	26.1	26.2	26.3	26.0
10 Other	79.0	89.0	88.6	91.4	93.5	93.5	92.9	92.0	91.4	92.1	91.4	93.0
11 Loans and leases in bank credit[2]	1,731.6	1,817.8	1,837.6	1,856.3	1,867.5	1,893.8	1,908.1	1,919.2	1,910.6	1,912.8	1,920.0	1,926.0
12 Commercial and industrial	530.8	554.9	562.1	565.1	568.0	578.8	582.7	584.2	579.9	584.2	583.7	586.7
13 Bankers acceptances	.9	1.0	1.0	1.0	1.1	1.1	1.0	.9	1.0	.9	.9	.9
14 Other	529.9	553.9	561.2	564.1	567.0	577.8	581.7	583.3	578.9	583.3	582.8	585.8
15 Real estate	681.2	747.5	751.2	759.3	774.4	787.5	793.2	801.0	796.4	800.9	803.2	799.8
16 Revolving home equity	64.0	66.4	67.6	69.2	72.2	73.9	74.3	75.2	75.2	74.8	74.9	75.4
17 Other	617.2	681.1	683.6	690.2	702.2	713.6	718.9	725.8	721.2	726.0	728.3	724.5
18 Consumer	218.8	217.9	220.9	222.6	225.8	226.7	227.4	226.8	227.5	226.6	225.9	227.2
19 Security[3]	64.7	70.1	69.6	70.2	59.3	57.8	62.1	63.2	62.7	59.7	65.3	64.1
20 Federal funds sold to and repurchase agreements with broker–dealers	47.9	49.8	47.0	48.9	38.2	38.9	43.9	44.6	43.8	41.7	46.1	45.6
21 Other	16.8	20.3	22.6	21.4	21.2	18.9	18.2	18.6	18.9	18.0	19.2	18.5
22 State and local government	11.3	11.9	12.0	12.2	12.3	12.3	12.2	12.2	12.2	12.1	12.1	12.4
23 Agricultural	7.8	9.1	9.3	9.3	9.4	9.5	9.5	9.4	9.4	9.4	9.4	9.5
24 Federal funds sold to and repurchase agreements with others	9.9	11.8	13.3	14.5	13.5	13.2	13.5	12.8	13.2	12.4	13.3	13.0
25 All other loans	96.0	76.8	81.7	85.6	85.6	87.6	84.7	84.0	85.7	82.5	81.3	86.9
26 Lease-financing receivables	111.2	117.8	117.5	117.4	119.0	120.4	122.8	125.5	123.5	125.0	125.8	126.3
27 Interbank loans	129.4	130.7	132.3	133.0	125.1	130.4	132.2	139.4	141.0	136.6	138.1	143.2
28 Federal funds sold to and repurchase agreements with commercial banks	77.7	58.7	65.8	68.8	66.6	71.6	70.6	73.2	76.6	71.9	70.3	77.7
29 Other	51.6	72.0	66.5	64.2	58.5	58.8	61.6	66.2	64.4	64.6	67.9	65.5
30 Cash assets[4]	141.7	147.7	148.8	145.7	154.3	148.9	145.1	143.4	147.6	145.2	139.5	145.6
31 Other assets[5]	223.0	236.5	222.1	219.8	218.9	222.8	224.2	245.4	234.1	241.9	249.7	253.6
32 **Total assets**[6]	**2,722.9**	**2,848.6**	**2,862.3**	**2,884.0**	**2,897.8**	**2,938.1**	**2,951.5**	**2,987.9**	**2,970.9**	**2,971.1**	**2,987.1**	**3,013.9**
Liabilities												
33 Deposits	1,584.8	1,591.2	1,598.7	1,603.6	1,626.4	1,632.2	1,625.6	1,626.6	1,642.0	1,623.6	1,616.1	1,627.1
34 Transaction	332.0	313.5	312.0	311.5	310.1	313.9	306.6	300.7	306.1	294.7	298.1	312.4
35 Nontransaction	1,252.7	1,277.7	1,286.7	1,292.1	1,316.2	1,318.2	1,319.0	1,325.9	1,335.9	1,328.9	1,317.9	1,314.7
36 Large time	208.6	231.5	231.8	235.2	243.6	251.2	257.9	265.8	263.0	263.8	265.2	267.3
37 Other	1,044.1	1,046.2	1,054.9	1,057.0	1,072.6	1,067.0	1,061.0	1,060.0	1,072.9	1,065.1	1,052.7	1,047.5
38 Borrowings	566.4	631.0	629.1	638.8	647.8	649.2	654.1	676.5	664.3	668.3	685.3	685.2
39 From banks in the U.S.	166.4	187.4	191.8	193.4	197.1	202.3	196.2	204.5	203.8	201.1	204.4	206.8
40 From others	399.9	443.6	437.3	445.3	450.7	446.9	457.9	472.0	460.5	467.2	480.9	478.4
41 Net due to related foreign offices	140.4	189.1	201.9	207.8	203.2	222.7	230.9	221.1	220.3	227.2	218.2	212.9
42 Other liabilities	157.3	162.1	165.7	164.5	163.4	177.2	176.3	179.9	175.1	171.4	180.4	186.3
43 **Total liabilities**	**2,448.8**	**2,573.4**	**2,595.4**	**2,614.7**	**2,640.9**	**2,681.3**	**2,687.0**	**2,704.0**	**2,701.7**	**2,690.5**	**2,700.0**	**2,711.5**
44 Residual (assets less liabilities)[7]	274.1	275.2	266.9	269.3	256.9	256.9	264.5	283.8	269.2	280.6	287.1	302.3

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

C. Large domestically chartered commercial banks—Continued

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Not seasonally adjusted											
Assets												
45 Bank credit	2,243.4	2,391.2	2,404.8	2,421.4	2,437.3	2,464.0	2,472.3	2,475.5	2,477.2	2,463.2	2,473.3	2,476.3
46 Securities in bank credit	523.1	556.9	561.9	567.0	567.6	573.7	569.9	565.8	565.0	560.0	563.8	568.2
47 U.S. government securities	349.7	358.5	363.2	362.3	359.7	357.8	356.7	353.4	357.3	352.7	351.6	351.1
48 Trading account	20.4	21.1	22.5	21.4	21.5	22.0	22.5	22.6	22.7	19.9	21.3	23.3
49 Investment account	329.3	337.4	340.6	340.9	338.1	335.8	334.2	330.8	334.6	332.8	330.3	327.8
50 Mortgage-backed securities	212.6	217.1	221.2	222.1	220.5	217.9	216.5	211.2	217.1	215.6	210.6	206.3
51 Other	116.7	120.2	119.4	118.9	117.6	117.9	117.6	119.6	117.5	117.1	119.7	121.6
52 One year or less	22.9	23.4	27.2	29.0	28.8	30.5	30.3	30.2	30.3	29.4	30.2	30.3
53 One to five years	55.9	57.3	54.4	52.6	51.5	51.6	52.3	53.2	52.5	52.3	54.0	53.5
54 More than five years	38.0	39.5	37.8	37.3	37.4	35.8	35.0	36.2	34.8	35.4	35.4	37.8
55 Other securities	173.4	198.4	198.8	204.6	207.9	215.9	213.3	212.5	207.7	207.3	212.2	217.1
56 Trading account	73.3	81.5	85.9	91.1	92.9	101.2	98.0	96.6	92.3	91.5	96.9	101.0
57 Investment account	100.1	116.9	112.9	113.6	115.0	114.7	115.2	115.8	115.4	115.8	115.4	116.2
58 *State and local government*	22.8	24.6	24.7	24.8	25.1	25.3	25.5	25.6	25.4	25.6	25.7	25.6
59 Other	77.3	92.3	88.2	88.8	89.8	89.3	89.7	90.3	89.9	90.2	89.7	90.6
60 Loans and leases in bank credit[2]	1,720.3	1,834.3	1,842.8	1,854.4	1,869.8	1,890.3	1,902.3	1,909.7	1,912.2	1,903.2	1,909.5	1,908.1
61 Commercial and industrial	528.6	551.9	561.5	567.4	574.7	583.3	583.3	581.9	582.2	581.3	581.6	581.5
62 Bankers acceptances	.9	1.0	1.0	1.0	1.1	1.1	1.0	.9	1.0	.9	.9	.9
63 Other	527.7	550.9	560.5	566.4	573.6	582.3	582.3	580.9	581.2	580.4	580.6	580.6
64 Real estate	677.5	753.7	752.5	757.6	771.5	784.7	789.0	796.4	793.0	797.3	797.7	793.7
65 Revolving home equity	64.2	66.8	67.4	68.4	71.5	73.6	74.4	75.4	75.2	75.1	75.3	75.7
66 Other	371.6	420.3	416.1	418.1	425.0	433.4	436.2	442.9	441.1	444.7	444.1	439.2
67 Commercial	241.6	266.6	269.0	271.2	275.0	277.7	278.3	278.0	276.7	277.5	278.3	278.7
68 Consumer	215.9	224.4	223.9	222.8	225.7	226.2	226.4	226.8	227.5	226.6	225.9	227.2
69 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.2	73.1	72.5	71.5	72.2
70 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	154.6	154.4	154.1	154.4	154.9
71 Security[3]	61.9	73.8	71.4	69.0	59.8	56.4	61.7	60.5	60.2	57.1	62.5	60.7
72 Federal funds sold to and repurchase agreements with broker–dealers	45.0	54.2	49.6	47.3	38.2	36.8	42.5	41.8	40.8	39.0	43.6	42.1
73 Other	16.9	19.6	21.8	21.7	21.7	19.6	19.1	18.7	19.5	18.1	18.8	18.7
74 State and local government	11.3	11.8	11.9	12.1	12.2	12.2	12.1	12.1	12.1	12.0	12.1	12.4
75 Agricultural	7.9	9.1	9.1	9.1	9.2	9.4	9.5	9.6	9.6	9.5	9.6	9.6
76 Federal funds sold to and repurchase agreements with others	9.9	11.8	13.3	14.5	13.5	13.2	13.5	12.8	13.2	12.4	13.3	13.0
77 All other loans	96.8	77.8	79.9	83.1	83.4	84.5	84.3	84.8	91.0	82.4	82.0	84.7
78 Lease-financing receivables	110.5	120.0	119.4	118.9	119.7	120.5	122.7	124.8	123.4	124.5	124.9	125.2
79 Interbank loans	129.0	131.4	132.6	135.7	129.9	133.8	135.0	139.5	148.7	136.3	138.8	138.6
80 Federal funds sold to and repurchase agreements with commercial banks	76.8	60.2	65.4	70.8	69.3	72.2	71.1	72.5	82.2	70.8	69.7	73.1
81 Other	52.3	71.2	67.1	64.8	60.6	61.5	63.8	67.0	66.5	65.5	69.1	65.5
82 Cash assets[4]	135.5	158.2	150.4	140.3	154.2	148.1	142.6	137.1	155.0	137.6	131.1	129.8
83 Other assets[5]	223.2	235.6	223.4	221.9	222.2	227.3	228.1	244.8	238.5	241.9	248.3	249.4
84 **Total assets**[6]	**2,696.1**	**2,882.0**	**2,876.8**	**2,884.9**	**2,909.4**	**2,938.5**	**2,943.4**	**2,962.2**	**2,985.2**	**2,944.4**	**2,956.8**	**2,959.5**
Liabilities												
85 Deposits	1,574.2	1,602.6	1,599.0	1,603.4	1,636.1	1,617.4	1,620.7	1,616.0	1,660.4	1,614.9	1,602.3	1,593.4
86 Transaction	327.9	323.2	308.5	306.9	317.3	307.5	305.4	296.9	323.6	289.3	291.7	294.2
87 Nontransaction	1,246.3	1,279.4	1,290.6	1,296.5	1,318.8	1,309.9	1,315.3	1,319.1	1,336.8	1,325.6	1,310.6	1,299.1
88 Large time	202.0	237.1	238.4	236.8	241.2	245.9	252.5	257.7	255.1	256.4	256.8	258.2
89 Other	1,044.3	1,042.3	1,052.2	1,059.6	1,077.6	1,063.9	1,062.8	1,061.4	1,081.7	1,069.2	1,053.8	1,040.9
90 Borrowings	552.5	651.2	637.7	640.7	650.6	657.3	655.2	660.9	654.0	652.6	673.0	666.8
91 From banks in the U.S.	161.1	191.9	196.1	197.1	201.1	203.5	195.4	199.1	201.2	196.2	199.0	198.8
92 From nonbanks in the U.S.	391.4	459.3	441.6	443.6	449.5	453.8	459.8	461.9	452.8	456.4	474.0	468.0
93 Net due to related foreign offices	135.7	190.4	213.9	210.8	197.2	227.3	222.9	213.5	204.9	212.6	208.7	222.9
94 Other liabilities	157.3	162.1	165.7	164.5	163.4	177.2	176.3	179.9	175.1	171.4	180.4	186.3
95 **Total liabilities**	**2,419.6**	**2,606.2**	**2,616.3**	**2,619.4**	**2,647.3**	**2,679.2**	**2,675.1**	**2,670.4**	**2,694.3**	**2,651.5**	**2,664.4**	**2,669.3**
96 Residual (assets less liabilities)[7]	276.4	275.7	260.4	265.4	262.0	259.3	268.3	291.8	290.9	292.9	292.4	290.2

Footnotes appear on p. A21.

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Seasonally adjusted											
Assets												
1 Bank credit	1,772.3	1,875.8	1,905.4	1,926.3	1,931.3	1,946.9	1,969.1	1,994.5	1,987.7	1,988.1	1,995.9	1,997.8
2 Securities in bank credit	506.4	516.0	521.6	521.4	520.6	521.9	522.9	530.5	528.2	529.5	531.8	530.9
3 U.S. government securities	372.1	375.8	382.4	381.2	379.7	379.1	378.5	379.2	382.0	380.2	381.0	377.0
4 Other securities	134.2	140.1	139.2	140.3	140.9	142.8	144.4	151.3	146.2	149.3	150.8	153.9
5 Loans and leases in bank credit[2]	1,265.9	1,359.8	1,383.8	1,404.9	1,410.7	1,425.0	1,446.1	1,464.0	1,459.5	1,458.6	1,464.1	1,467.0
6 Commercial and industrial	239.6	260.3	264.6	269.5	271.9	275.1	279.4	286.1	285.1	285.2	285.7	287.0
7 Real estate	674.2	728.0	746.2	760.1	761.9	771.6	781.2	788.0	786.4	786.1	787.7	789.2
8 Revolving home equity	35.1	38.0	38.8	39.7	40.4	41.2	41.4	41.8	41.7	41.7	41.8	42.0
9 Other	639.1	690.0	707.4	720.4	721.5	730.4	739.8	746.2	744.7	744.4	745.9	747.3
10 Consumer	263.2	277.8	279.1	280.2	281.3	283.8	289.0	290.4	288.5	288.2	291.9	291.2
11 Security[3]	6.1	6.5	6.5	6.5	6.8	6.2	6.6	7.1	7.2	7.1	7.0	7.0
12 Other loans and leases	82.8	87.2	87.4	88.6	88.7	88.3	90.0	92.3	92.3	92.1	91.8	92.5
13 Interbank loans	65.3	62.9	63.2	62.0	67.4	64.9	66.9	74.4	70.2	72.7	73.6	78.7
14 Cash assets[4]	80.5	82.9	80.4	78.8	79.6	81.4	79.4	81.3	82.1	80.2	79.4	83.2
15 Other assets[5]	92.7	105.2	105.9	107.1	109.2	113.5	112.2	111.3	110.2	112.7	110.7	111.6
16 **Total assets**[6]	**1,987.9**	**2,102.6**	**2,130.5**	**2,149.5**	**2,162.6**	**2,181.5**	**2,201.8**	**2,234.9**	**2,223.7**	**2,227.3**	**2,233.0**	**2,244.8**
Liabilities												
17 Deposits	1,499.2	1,570.2	1,582.8	1,594.0	1,612.2	1,617.3	1,650.7	1,703.5	1,693.2	1,693.7	1,698.8	1,713.7
18 Transaction	301.8	302.5	302.5	303.7	305.1	304.6	299.2	301.1	299.5	296.9	299.9	313.0
19 Nontransaction	1,197.4	1,267.7	1,280.3	1,290.3	1,307.2	1,312.7	1,351.5	1,402.4	1,393.8	1,396.9	1,398.9	1,400.7
20 Large time	219.3	243.2	248.4	252.1	254.8	258.4	266.7	276.7	272.7	275.2	277.6	278.2
21 Other	978.1	1,024.5	1,031.9	1,038.2	1,052.3	1,054.3	1,084.8	1,125.6	1,121.0	1,121.6	1,121.3	1,122.5
22 Borrowings	282.4	323.6	331.5	341.8	339.3	347.1	342.0	337.1	333.6	334.1	339.3	339.5
23 From banks in the U.S.	145.1	153.2	158.5	164.3	159.4	163.5	160.1	161.2	159.1	158.8	161.1	162.8
24 From others	137.3	170.4	173.0	177.5	179.9	183.6	182.0	175.9	174.5	175.3	178.2	176.7
25 Net due to related foreign offices	4.3	5.1	5.3	5.4	5.3	6.0	9.1	22.4	21.7	25.4	21.7	21.1
26 Other liabilities	54.3	57.9	60.0	58.2	57.3	60.7	58.3	49.6	50.3	50.2	49.6	48.8
27 **Total liabilities**	**1,840.1**	**1,956.8**	**1,979.5**	**1,999.3**	**2,014.2**	**2,031.2**	**2,060.1**	**2,112.6**	**2,098.8**	**2,103.4**	**2,109.4**	**2,123.0**
28 Residual (assets less liabilities)[7]	147.7	145.8	150.9	150.2	148.4	150.4	141.7	122.4	124.9	123.9	123.5	121.7
	Not seasonally adjusted											
Assets												
29 Bank credit	1,773.0	1,869.4	1,892.6	1,920.1	1,934.6	1,953.8	1,974.7	1,996.3	1,988.9	1,991.1	1,996.9	1,999.9
30 Securities in bank credit	505.6	514.2	518.3	522.5	525.1	525.7	524.8	529.6	526.9	529.4	530.3	530.1
31 U.S. government securities	371.9	374.3	379.9	382.5	383.0	382.4	380.8	379.0	381.6	380.8	380.5	377.0
32 Other securities	133.7	140.0	138.4	140.0	142.1	143.4	144.1	150.6	145.4	148.6	149.9	153.2
33 Loans and leases in bank credit[2]	1,267.4	1,355.1	1,374.3	1,397.7	1,409.6	1,428.0	1,449.9	1,466.7	1,462.0	1,461.7	1,466.5	1,469.8
34 Commercial and industrial	239.6	259.4	263.4	269.6	274.1	277.7	281.4	286.2	286.8	286.0	285.7	286.1
35 Real estate	675.2	725.6	741.5	756.8	760.5	771.9	782.2	789.1	785.9	787.1	788.6	791.2
36 Revolving home equity	35.0	37.9	38.6	39.4	40.3	41.1	41.3	41.6	41.4	41.5	41.5	41.8
37 Other	640.3	687.7	702.9	717.4	720.2	730.8	740.9	747.4	744.5	745.6	747.1	749.4
38 Consumer	262.3	278.4	278.1	278.4	280.4	283.8	288.9	290.4	288.5	288.2	291.9	291.2
39 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	123.6	121.9	121.8	125.4	124.0
40 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	166.8	166.6	166.4	166.5	167.2
41 Security[3]	6.1	6.5	6.5	6.5	6.8	6.2	6.6	n.a.	7.2	7.1	7.0	7.0
42 Other loans and leases	84.2	85.2	84.7	86.3	87.8	88.3	90.8	93.9	93.6	93.3	93.4	94.2
43 Interbank loans	61.8	63.0	64.3	64.8	69.0	61.3	63.7	70.3	70.7	69.8	68.2	69.6
44 Cash assets[4]	79.4	84.3	80.0	76.7	78.9	81.3	78.7	79.9	88.0	78.3	76.5	77.9
45 Other assets[5]	94.1	103.2	104.9	107.0	110.1	112.6	112.1	113.2	116.2	113.7	110.3	111.5
46 **Total assets**[6]	**1,985.2**	**2,095.7**	**2,117.4**	**2,144.0**	**2,167.8**	**2,183.8**	**2,203.5**	**2,233.2**	**2,237.5**	**2,226.5**	**2,225.3**	**2,232.4**
Liabilities												
47 Deposits	1,494.2	1,565.2	1,574.3	1,592.0	1,619.4	1,616.6	1,648.0	1,698.2	1,702.4	1,689.5	1,690.0	1,696.4
48 Transaction	299.2	304.1	299.0	301.4	306.9	302.1	299.7	298.5	309.9	294.4	294.2	301.3
49 Nontransaction	1,195.0	1,261.1	1,275.2	1,290.6	1,312.5	1,314.5	1,348.3	1,399.7	1,392.5	1,395.1	1,395.8	1,395.1
50 Large time	219.3	243.2	248.4	252.1	254.8	258.4	266.7	276.7	272.7	275.2	277.6	278.2
51 Other	975.7	1,017.9	1,026.8	1,038.5	1,057.7	1,056.1	1,081.6	1,123.0	1,119.8	1,119.9	1,118.2	1,116.8
52 Borrowings	283.8	322.0	327.2	335.4	335.6	348.5	343.9	339.5	334.8	334.9	341.7	345.0
53 From banks in the U.S.	146.4	152.6	155.8	160.6	156.9	162.9	161.8	163.5	161.2	160.4	163.4	166.7
54 From others	137.4	169.4	171.4	174.8	178.7	185.5	182.1	176.0	173.6	174.5	178.3	178.4
55 Net due to related foreign offices	4.3	5.1	5.3	5.4	5.3	6.0	9.1	22.4	21.7	25.4	21.7	21.1
56 Other liabilities	53.8	57.6	60.3	58.5	58.0	60.7	58.0	48.8	49.3	49.3	48.7	48.2
57 **Total liabilities**	**1,836.1**	**1,950.0**	**1,967.1**	**1,991.3**	**2,018.3**	**2,031.8**	**2,059.1**	**2,108.9**	**2,108.2**	**2,099.1**	**2,102.0**	**2,110.7**
58 Residual (assets less liabilities)[7]	149.1	145.8	150.4	152.7	149.4	152.0	144.4	124.3	129.2	127.4	123.3	121.7

Footnotes appear on p. A21.

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Seasonally adjusted											
Assets												
1 Bank credit	527.5	548.1	540.3	543.3	566.9	580.4	573.0	573.2	571.8	570.7	574.8	570.1
2 Securities in bank credit	193.8	201.2	192.2	195.4	201.7	207.8	202.6	202.4	200.4	198.3	201.3	203.3
3 U.S. government securities	86.4	81.1	76.0	78.1	79.6	79.7	78.9	79.7	79.9	78.5	78.1	80.2
4 Other securities	107.4	120.1	116.2	117.4	122.1	128.1	123.7	122.7	120.5	119.7	123.2	123.1
5 Loans and leases in bank credit[2]	333.7	346.9	348.2	347.9	365.2	372.6	370.4	370.8	371.4	372.5	373.6	366.8
6 Commercial and industrial	194.5	194.6	195.7	196.3	199.2	205.1	205.2	203.6	202.8	203.7	203.5	203.0
7 Real estate	18.4	17.4	17.7	18.0	18.3	18.6	18.9	18.7	18.9	18.8	18.7	18.4
8 Security[3]	52.7	66.8	66.8	66.5	78.0	81.0	81.0	81.5	84.3	83.2	84.4	78.0
9 Other loans and leases	68.0	68.0	68.0	67.1	69.7	68.0	65.3	66.9	65.5	66.7	67.0	67.3
10 Interbank loans	27.9	29.0	32.7	28.6	29.4	31.8	28.6	26.2	27.9	27.3	25.5	29.6
11 Cash assets[4]	37.6	52.2	50.7	47.6	47.4	43.9	44.6	45.2	44.7	44.9	43.4	45.8
12 Other assets[5]	33.0	38.7	38.4	39.2	40.0	41.1	43.5	43.0	45.4	42.0	43.2	42.5
13 **Total assets**[6]	**625.6**	**667.6**	**661.8**	**658.4**	**683.4**	**696.9**	**689.5**	**687.3**	**689.5**	**684.7**	**686.6**	**687.7**
Liabilities												
14 Deposits	312.9	379.0	377.2	378.0	387.5	382.1	382.5	386.8	384.7	378.5	389.8	391.4
15 Transaction	10.8	10.8	11.0	11.1	10.9	11.2	11.4	11.4	12.2	11.2	11.7	11.1
16 Nontransaction	302.1	368.2	366.2	366.9	376.6	370.9	371.1	375.4	372.6	367.3	378.0	380.3
17 Borrowings	174.8	179.4	175.4	177.1	199.6	204.4	205.2	205.5	213.5	201.7	205.5	207.9
18 From banks in the U.S.	24.3	19.7	18.4	19.7	20.9	17.9	18.9	20.8	26.4	19.8	17.5	24.1
19 From others	150.6	159.6	156.9	157.4	178.7	186.5	186.3	184.7	187.1	181.8	188.0	183.8
20 Net due to related foreign offices	70.8	35.6	27.0	20.3	15.4	21.1	19.5	17.7	18.7	26.9	13.4	6.3
21 Other liabilities	63.0	70.4	72.7	71.2	73.4	79.9	72.9	70.2	70.9	69.1	71.2	69.2
22 **Total liabilities**	**621.5**	**664.4**	**652.2**	**646.6**	**675.9**	**687.6**	**680.1**	**680.2**	**687.9**	**676.1**	**679.8**	**674.8**
23 Residual (assets less liabilities)[7]	4.1	3.2	9.6	11.8	7.5	9.4	9.4	7.1	1.6	8.6	6.7	12.9
	Not seasonally adjusted											
Assets												
24 Bank credit	519.2	555.9	544.6	541.9	560.7	572.1	563.6	562.8	563.1	559.3	564.7	558.8
25 Securities in bank credit	188.8	205.1	193.4	192.5	198.2	204.9	196.8	195.8	194.3	191.2	194.2	197.2
26 U.S. government securities	85.5	81.7	76.1	77.9	80.3	80.7	78.9	78.7	79.8	77.3	77.4	79.1
27 Trading account	19.0	7.9	7.3	9.3	11.8	12.3	11.8	11.8	12.8	9.9	10.8	12.7
28 Investment account	66.5	73.8	68.8	68.6	68.6	68.4	67.1	66.8	67.0	67.4	66.5	66.3
29 Other securities	103.3	123.5	117.3	114.6	117.8	124.2	117.9	117.1	114.5	113.9	116.8	118.1
30 Trading account	60.8	78.2	74.0	71.3	73.9	80.5	75.0	74.3	71.9	71.4	74.2	74.8
31 Investment account	42.4	45.3	43.4	43.2	43.9	43.7	42.9	42.9	42.6	42.5	42.6	43.3
32 Loans and leases in bank credit[2]	330.4	350.8	351.1	349.4	362.5	367.2	366.7	367.0	368.8	368.2	370.5	361.6
33 Commercial and industrial	192.3	196.1	198.2	198.0	197.5	200.8	201.9	201.2	200.3	200.9	201.6	200.3
34 Real estate	18.2	17.6	18.0	18.1	18.2	18.5	18.7	18.5	18.7	18.6	18.5	18.2
35 Security[3]	52.4	67.2	66.6	66.8	78.0	80.8	81.3	81.3	84.3	82.5	84.1	77.4
36 Other loans and leases	67.4	69.8	68.4	66.6	68.9	67.1	64.7	66.1	65.5	66.2	66.3	65.6
37 Interbank loans	27.9	29.0	32.7	28.6	29.4	31.8	28.6	26.2	27.9	27.3	25.5	29.6
38 Cash assets[4]	36.3	54.3	50.1	46.6	45.3	42.8	43.9	43.6	43.7	43.2	41.5	43.8
39 Other assets[5]	31.5	40.1	40.2	40.5	39.3	40.5	41.3	41.0	42.7	40.2	41.1	40.4
40 **Total assets**[6]	**614.6**	**679.0**	**667.3**	**657.3**	**674.4**	**686.9**	**677.0**	**673.2**	**677.0**	**669.8**	**672.4**	**672.4**
Liabilities												
41 Deposits	306.7	385.8	384.1	384.1	388.6	382.9	378.2	378.1	373.6	370.0	381.3	384.2
42 Transaction	10.7	10.9	10.9	10.9	10.5	10.7	11.1	11.3	12.4	11.0	11.6	10.9
43 Nontransaction	296.0	374.9	373.3	373.2	378.1	372.2	367.1	366.8	361.1	359.0	369.8	373.2
44 Borrowings	174.8	179.4	175.4	177.1	199.6	204.4	205.2	205.5	213.5	201.7	205.5	207.9
45 From banks in the U.S.	24.3	19.7	18.4	19.7	20.9	17.9	18.9	20.8	26.4	19.8	17.5	24.1
46 From others	150.6	159.6	156.9	157.4	178.7	186.5	186.3	184.7	187.1	181.8	188.0	183.8
47 Net due to related foreign offices	69.3	37.9	29.3	20.8	10.7	17.0	18.1	16.8	16.8	26.2	12.0	8.3
48 Other liabilities	61.7	72.1	74.7	71.5	71.4	78.4	71.4	68.5	68.9	67.6	69.2	67.8
49 **Total liabilities**	**612.5**	**675.2**	**663.5**	**653.6**	**670.4**	**682.7**	**672.8**	**668.9**	**672.7**	**665.5**	**668.0**	**668.2**
50 Residual (assets less liabilities)[7]	2.0	3.8	3.8	3.8	4.0	4.2	4.2	4.3	4.3	4.3	4.4	4.2

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1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities[1]—Continued

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1999	2000							2000			
	July[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.[r]	May[r]	June[r]	July	July 5	July 12	July 19	July 26
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
51 Revaluation gains on off-balance-sheet items[8]	54.2	62.4	64.5	65.7	65.1	72.4	66.2	62.6	58.8	59.8	63.3	65.4
52 Revaluation losses on off-balance-sheet items[8]	56.2	61.7	64.2	64.0	65.0	72.9	66.4	62.4	58.2	59.3	62.9	65.1
53 Mortage-backed securities[9]	242.5	252.0	251.3	252.6	254.4	251.5	248.9	241.4	246.7	245.8	240.1	237.1
54 Pass-through	167.5	174.8	174.4	175.9	178.8	177.2	176.9	172.4	176.8	175.9	171.5	169.0
55 CMO, REMIC, and other	75.0	77.3	76.9	76.7	75.6	74.4	72.0	68.9	69.9	70.0	68.6	68.2
56 Net unrealized gains (losses) on available-for-sale securities[10]	−6.7	−13.2	−10.8	−9.6	−16.3	−16.5	−15.0	−10.8	−10.1	−10.2	−10.4	−11.6
57 Off-shore credit to U.S. residents[11]	36.3	23.2	23.6	24.1	24.4	23.5	22.4	22.2	22.3	22.3	22.2	22.0
58 Securitized consumers loans[12]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	87.3	86.7	86.5	87.9	87.7
59 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72.4	71.4	71.4	72.9	72.9
60 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15.0	15.3	15.1	15.0	14.9
61 Securitized business loans[12]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Small domestically chartered commercial banks, adjusted for mergers												
62 Mortage-backed securities[9]	207.2	201.6	204.6	206.4	207.6	207.0	205.7	205.1	205.5	206.3	203.8	204.6
63 Securitized consumer loans[12]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	220.9	219.5	219.9	220.6	222.3
64 Credit cards and related plans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	211.2	211.2	210.8	210.3	212.0
65 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.7	8.3	9.1	10.3	10.3
Foreign-related institutions												
66 Revaluation gains on off-balance-sheet items[8]	37.5	39.8	40.1	39.2	39.2	44.6	38.6	35.7	34.8	35.0	36.7	34.5
67 Revaluation losses on off-balance-sheet items[8]	36.2	39.1	40.1	38.3	38.6	44.5	38.0	35.7	34.6	35.1	36.8	34.7
68 Securitized business loans[12]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

NOTES TO TABLE 1.26

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.

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1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2000					
	1995	1996	1997	1998	1999	Jan.	Feb.	Mar.	Apr.	May	June
1 **All issuers**	**674,904**	**775,371**	**966,699**	**1,163,303**	**1,403,023**	**1,407,789**	**1,428,605**	**1,449,143**	**1,465,697**	**1,497,712**	**1,516,205**
Financial companies[1]											
2 Dealer-placed paper, total[2]	275,815	361,147	513,307	614,142	786,643	821,870	835,140	849,198	860,843	884,299	884,578
3 Directly placed paper, total[3]	210,829	229,662	252,536	322,030	337,240	299,599	298,603	302,885	294,328	302,305	300,718
4 Nonfinancial companies[4]	188,260	184,563	200,857	227,132	279,140	286,319	294,863	297,060	310,526	311,109	330,909

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.

B. Bankers Dollar Acceptances[1]

Millions of dollars, not seasonally adjusted, year ending September[2]

Item	1996	1997	1998	1999
1 **Total amount of reporting banks' acceptances in existence**	**25,832**	**25,774**	**14,363**	**10,094**
2 Amount of other banks' eligible acceptances held by reporting banks	709	736	523	461
3 Amount of own eligible acceptances held by reporting banks (included in item 1)	7,770	6,862	4,884	4,261
4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1)	9,361	10,467	5,413	3,498

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).
2. Data on bankers dollar acceptances are gathered from approximately 55 institutions; includes U.S. chartered commerical banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

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

Percent per year

Date of change	Rate
1997—Jan. 1	8.25
Mar. 26	8.50
1998—Sept. 30	8.25
Oct. 16	8.00
Nov. 18	7.75
1999—July 1	8.00
Aug. 25	8.25
Nov. 17	8.50
2000—Feb. 3	8.75
Mar. 22	9.00
May 17	9.50

Period	Average rate
1997	8.44
1998	8.35
1999	8.00
1997—Jan.	8.25
Feb.	8.25
Mar.	8.30
Apr.	8.50
May	8.50
June	8.50
July	8.50
Aug.	8.50
Sept.	8.50
Oct.	8.50
Nov.	8.50
Dec.	8.50

Period	Average rate
1998—Jan.	8.50
Feb.	8.50
Mar.	8.50
Apr.	8.50
May	8.50
June	8.50
July	8.50
Aug.	8.50
Sept.	8.49
Oct.	8.12
Nov.	7.89
Dec.	7.75

Period	Average rate
1999—Jan.	7.75
Feb.	7.75
Mar.	7.75
Apr.	7.75
May	7.75
June	7.75
July	8.00
Aug.	8.06
Sept.	8.25
Oct.	8.25
Nov.	8.37
Dec.	8.50
2000—Jan.	8.50
Feb.	8.73
Mar.	8.83
Apr.	9.00
May	9.24
June	9.50
July	9.50
Aug.	9.50

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.

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1.35 INTEREST RATES Money and Capital Markets

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

Item	1997	1998	1999	2000				2000, week ending				
				Apr.	May	June	July	June 30	July 7	July 14	July 21	July 28
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	5.46	5.35	4.97	6.02	6.27	6.53	6.54	6.53	6.85	6.44	6.50	6.50
2 Discount window borrowing[2,4]	5.00	4.92	4.62	5.50	5.71	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Commercial paper[3,5,6]												
Nonfinancial												
3 1-month	5.57	5.40	5.09	6.02	6.40	6.53	6.49	6.58	6.52	6.49	6.49	6.47
4 2-month	5.57	5.38	5.14	6.06	6.47	6.55	6.50	6.56	6.52	6.50	6.49	6.48
5 3-month	5.56	5.34	5.18	6.11	6.54	6.57	6.52	6.58	6.53	6.51	6.52	6.51
Financial												
6 1-month	5.59	5.42	5.11	6.03	6.41	6.53	6.50	6.56	6.53	6.50	6.49	6.49
7 2-month	5.59	5.40	5.16	6.07	6.50	6.56	6.51	6.58	6.53	6.50	6.51	6.50
8 3-month	5.60	5.37	5.22	6.15	6.57	6.59	6.54	6.59	6.55	6.53	6.53	6.53
Commercial paper (historical)[3,5,7]												
9 1-month	5.54	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 3-month	5.58	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 6-month	5.62	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finance paper, directly placed (historical)[3,5,8]												
12 1-month	5.44	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 3-month	5.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 6-month	5.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bankers acceptances[3,5,9]												
15 3-month	5.54	5.39	5.24	6.19	6.60	6.63	n.a.	6.62	n.a.	n.a.	n.a.	n.a.
16 6-month	5.57	5.30	5.30	6.32	6.76	6.74	n.a.	6.71	n.a.	n.a.	n.a.	n.a.
Certificates of deposit, secondary market[3,10]												
17 1-month	5.54	5.49	5.19	6.10	6.49	6.60	6.57	6.63	6.58	6.56	6.57	6.57
18 3-month	5.62	5.47	5.33	6.28	6.71	6.73	6.67	6.73	6.69	6.66	6.67	6.66
19 6-month	5.73	5.44	5.46	6.50	6.94	6.91	6.86	6.92	6.89	6.84	6.88	6.83
20 Eurodollar deposits, 3-month[3,11]	5.61	5.45	5.31	6.25	6.70	6.73	6.67	6.71	6.69	6.66	6.68	6.66
U.S. Treasury bills												
Secondary market[3,5]												
21 3-month	5.06	4.78	4.64	5.66	5.79	5.69	5.96	5.67	5.82	5.96	5.98	6.01
22 6-month	5.18	4.83	4.75	5.81	6.10	5.97	6.00	5.95	5.94	5.99	6.03	6.02
23 1-year	5.32	4.80	4.81	5.80	5.94	5.83	5.75	5.79	5.74	5.76	5.77	5.73
Auction high[3,5,12]												
24 3-month	5.07	4.81	4.66	5.67	5.92	5.74	n.a.	5.68	n.a.	n.a.	n.a.	n.a.
25 6-month	5.18	4.85	4.76	5.82	6.12	6.02	n.a.	5.96	n.a.	n.a.	n.a.	n.a.
26 1-year	5.36	4.85	4.78	n.a.	n.a.	6.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[13]												
27 1-year	5.63	5.05	5.08	6.15	6.33	6.17	6.08	6.13	6.08	6.09	6.11	6.06
28 2-year	5.99	5.13	5.43	6.40	6.81	6.48	6.34	6.44	6.31	6.34	6.40	6.31
29 3-year	6.10	5.14	5.49	6.36	6.77	6.43	6.28	6.37	6.25	6.28	6.34	6.25
30 5-year	6.22	5.15	5.55	6.26	6.69	6.30	6.18	6.25	6.13	6.18	6.24	6.16
31 7-year	6.33	5.28	5.79	6.27	6.69	6.33	6.22	6.30	6.20	6.23	6.28	6.19
32 10-year	6.35	5.26	5.65	5.99	6.44	6.10	6.05	6.08	6.01	6.06	6.10	6.04
33 20-year	6.69	5.72	6.20	6.18	6.55	6.28	6.20	6.30	6.23	6.22	6.23	6.13
34 30-year	6.61	5.58	5.87	5.85	6.15	5.93	5.85	5.94	5.88	5.87	5.87	5.80
Composite												
35 More than 10 years (long-term)	6.67	5.69	6.14	6.14	6.49	6.23	n.a.	6.24	n.a.	n.a.	n.a.	n.a.
STATE AND LOCAL NOTES AND BONDS												
Moody's series[14]												
36 Aaa	5.32	4.93	5.28	5.60	5.87	5.69	5.53	5.65	5.61	5.50	5.52	5.50
37 Baa	5.50	5.14	5.70	6.18	6.53	6.24	6.09	6.17	6.15	6.09	6.07	6.03
38 *Bond Buyer* series[15]	5.52	5.09	5.43	5.75	6.00	5.80	5.63	5.77	5.71	5.61	5.60	5.58
CORPORATE BONDS												
39 Seasoned issues, all industries[16]	7.54	6.87	7.45	7.98	8.41	8.05	7.98	8.08	8.02	8.00	7.99	7.93
Rating group												
40 Aaa	7.27	6.53	7.05	7.64	7.99	7.67	7.65	7.73	7.68	7.65	7.67	7.60
41 Aa	7.48	6.80	7.36	7.82	8.24	7.87	7.81	7.88	7.85	7.82	7.82	7.75
42 A	7.54	6.93	7.53	8.07	8.49	8.18	8.11	8.22	8.15	8.14	8.13	8.05
43 Baa	7.87	7.22	7.88	8.40	8.90	8.48	8.35	8.48	8.40	8.36	8.35	8.29
MEMO												
Dividend–price ratio[17]												
44 Common stocks	1.77	1.49	1.25	1.14	1.17	1.12	1.10	1.13	1.13	1.08	1.09	1.11

NOTE. Some of the 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. 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 Board's Commercial Paper Web pages (http://www.federalreserve.gov/releases/cp) for more information.

7. An average of offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.

8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.

9. Representative closing yields for acceptances of the highest-rated money center banks.

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

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

12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.

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

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

15. 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 Moodys' A1 rating. Based on Thursday figures.

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

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

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1.36 STOCK MARKET Selected Statistics

Indicator	1997	1998	1999	1999		2000						
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	456.99	550.65	619.52	634.22	638.17	634.07	606.03	622.28	646.82	640.07	649.61	653.27
2 Industrial	574.97	684.35	775.29	791.41	808.28	814.73	767.08	790.35	822.76	814.75	819.54	825.28
3 Transportation	415.08	468.61	491.62	474.78	461.04	456.35	398.69	384.39	406.14	411.50	395.09	410.67
4 Utility	143.87	190.52	284.82	502.58	511.78	485.82	482.30	509.59	502.78	487.17	501.93	484.19
5 Finance	424.84	516.65	530.97	539.20	510.99	495.23	471.65	491.29	524.05	523.22	544.51	556.32
6 Standard & Poor's Corporation (1941–43 = 10)[1]	873.43	1,085.50	1,327.33	1,390.99	1,428.68	1,425.59	1,388.88	1,442.21	1,461.36	1,418.48	1,461.96	1,473.00
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	628.34	682.69	770.90	819.60	838.24	878.73	910.00	1,014.03	918.77	917.76	934.90	930.66
Volume of trading (thousands of shares)												
8 New York Stock Exchange	523,254	666,534	799,554	866,281	884,141	1,058,021	1,032,791	1,124,097	1,047,960	893,896	971,137	941,694
9 American Stock Exchange	24,390	28,870	32,629	33,330	41,076	47,530	51,134	59,449	63,054	44,146	42,490	36,486
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	**1,361,600**[r]	**1,685,820**[r]	**2,130,152**[r]	**206,280**	**228,530**	**243,490**	**265,210**	**278,530**	**251,700**	**240,660**	**247,200**	**244,970**
Free credit balances at brokers[4]												
11 Margin accounts[5]	293,000[r]	405,180[r]	532,500[r]	49,480	55,130	57,800	56,470	65,020	65,930	66,170	64,970	71,730
12 Cash accounts	517,030[r]	633,725[r]	757,345[r]	68,200	79,070	75,760	79,700	85,530	76,190	73,500	74,140	74,970
	Margin requirements (percent of market value and effective date)[6]											
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

1. 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.

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1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
				2000					
	1997	1998	1999	Feb.	Mar.	Apr.	May	June	July
U.S. budget[1]									
1 Receipts, total	1,579,292	1,721,798	1,827,454	108,675	135,582	295,148	146,002	214,875	134,074
2 On-budget	1,187,302	1,305,999	1,382,986	71,090	94,586	244,662	107,469	168,319	97,681
3 Off-budget	391,990	415,799	444,468	37,585	40,996	50,486	38,533	46,556	36,393
4 Outlays, total	1,601,235	1,652,552	1,702,940	150,409	170,962	135,651	149,612	158,987	129,317
5 On-budget	1,290,609	1,335,948	1,382,262	118,340	137,864	105,742	114,829	152,308	99,708
6 Off-budget	310,626	316,604	320,778	32,069	33,099	29,909	34,783	6,679	29,609
7 Surplus or deficit (−), total	−21,943	69,246	124,414	−41,734	−35,380	159,497	−3,611	55,888	4,757
8 On-budget	−103,307	−29,949	724	−47,250	−43,278	138,920	−7,360	16,011	−2,027
9 Off-budget	81,364	99,195	123,690	5,516	7,897	20,577	3,750	39,877	6,784
Source of financing (total)									
10 Borrowing from the public	38,171	−51,211	−88,674	17,131	39,746	−112,667	−53,755	−23,131	−31,307
11 Operating cash (decrease, or increase (−))	604	4,743	−17,580	40,773	−22,808	−47,787	69,470	−34,350	23,384
12 Other[2]	−16,832	−22,778	−18,160	−16,170	18,442	957	−12,104	1,593	3,166
MEMO									
13 Treasury operating balance (level, end of period)	43,621	38,878	56,458	21,962	44,770	92,557	23,087	57,437	34,053
14 Federal Reserve Banks	7,692	4,952	6,641	5,004	4,357	15,868	5,445	6,208	5,392
15 Tax and loan accounts	35,930	33,926	49,817	16,958	40,413	76,689	17,642	51,229	28,661

1. Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal 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*; fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government.*

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

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1998	1999	1998	1999		2000	2000		
			H2	H1	H2	H1	May	June	July
RECEIPTS									
1 **All sources**	**1,721,798**	**1,827,454**	**825,057**	**966,045**	**892,266**	**1,089,760**	**146,002**	**214,875**	**134,074**
2 Individual income taxes, net	828,586	879,480	392,332	481,907	425,451	550,208	63,687	100,458	66,301
3 Withheld	646,483	693,940	339,144	351,068	372,012	388,526	65,946	59,516	64,474
4 Nonwithheld	281,527	308,185	65,204	240,278	68,302	281,103	23,349	44,161	4,066
5 Refunds	99,476	122,706	12,032	109,467	14,841	119,477	25,619	3,228	2,241
Corporation income taxes									
6 Gross receipts	213,008	216,324	104,163	106,861	110,111	119,166	7,427	41,899	6,605
7 Refunds	24,593	31,645	14,250	17,092	13,996	13,781	1,654	1,366	1,592
8 Social insurance taxes and contributions, net	571,831	611,833	268,466	324,831	292,551	353,514	60,394	60,771	49,650
9 Employment taxes and contributions[2]	540,014	580,880	256,142	306,235	280,059	333,584	49,212	60,034	47,136
10 Unemployment insurance	27,484	26,480	10,121	16,378	10,173	17,562	10,778	311	2,145
11 Other net receipts[3]	4,333	4,473	2,202	2,216	2,319	2,368	403	426	369
12 Excise taxes	57,673	70,414	33,366	31,015	34,262	33,532	5,391	6,093	6,022
13 Customs deposits	18,297	18,336	9,838	8,440	10,287	9,218	1,598	1,767	1,781
14 Estate and gift taxes	24,076	27,782	12,359	14,915	14,001	15,073	2,480	2,087	1,872
15 Miscellaneous receipts[4]	32,658	34,929	18,735	15,140	19,569	22,831	6,678	3,165	3,435
OUTLAYS									
16 **All types**	**1,652,552**	**1,702,940**	**877,414**	**817,227**	**882,795**	**892,947**[r]	**149,612**	**158,987**[r]	**129,317**
17 National defense	268,456	274,873	140,196	134,414	149,820	143,476	23,640	29,637	19,542
18 International affairs	13,109	15,243	8,297	6,879	8,530	7,250	764	667	3,067
19 General science, space, and technology	18,219	18,125	10,142	9,319	10,089	9,601	1,686	1,862	1,524
20 Energy	1,270	912	699	797	−90	−893	−167	20	42
21 Natural resources and environment	22,396	23,970	12,671	10,351	12,100	10,814	1,839	2,123	1,783
22 Agriculture	12,206	23,011	16,757	9,803	20,887	11,164	615	1,656	496
23 Commerce and housing credit	1,014	2,649	4,046	−1,629	7,353	−2,497	1,063	−1,237	423
24 Transportation	40,332	42,531	20,836	17,082	22,972	21,054	3,892	4,224	3,781
25 Community and regional development	9,720	11,870	6,972	5,368	7,135	5,050	1,047	974	814
26 Education, training, employment, and social services	54,919	56,402	27,762	29,003	27,532	31,234	5,143	4,766	3,874
27 Health	131,440	141,079	67,838	69,320	74,490	75,871	12,532	13,443	12,450
28 Social security and Medicare	572,047	580,488	316,809	261,146	295,030	306,966	52,741	58,378	47,415
29 Income security	233,202	237,707	109,481	126,552	113,504	133,915	19,342	18,886	15,343
30 Veterans benefits and services	41,781	43,212	22,750	20,105	23,412	23,174	4,028	5,268	1,910
31 Administration of justice	22,832	25,924	12,041	13,149	13,459	13,981	2,616	2,281	2,051
32 General government	13,444	15,771	9,136	6,641	7,006	6,198	1,201	1,517	960
33 Net interest[5]	243,359	229,735	116,954	116,655	112,420	115,545	21,325	17,503	17,660
34 Undistributed offsetting receipts[6]	−47,194	−40,445	−25,793	−17,724	−22,850	−19,346	−3,697	−3,371	−3,818

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 2001*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government.*

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1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1998			1999				2000	
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 **Federal debt outstanding**	**5,578**	**5,556**	**5,643**	**5,681**	**5,668**	**5,685**	**5,805**	**5,802**	**5,714**
2 Public debt securities	5,548	5,526	5,614	5,652	5,639	5,656	5,776	5,773	5,686
3 Held by public	3,790	3,761	3,787	3,795	3,685	3,667	3,716	3,688	n.a.
4 Held by agencies	1,758	1,766	1,827	1,857	1,954	1,989	2,061	2,085	n.a.
5 Agency securities	30	29	29	29	29	29	29	28	28
6 Held by public	26	26	29	28	28	28	28	28	n.a.
7 Held by agencies	4	4	1	1	1	1	1	0	n.a.
8 **Debt subject to statutory limit**	**5,460**	**5,440**	**5,530**	**5,566**	**5,552**	**5,568**	**5,687**	**5,687**	**5,601**
9 Public debt securities	5,460	5,439	5,530	5,566	5,552	5,568	5,687	5,686	5,601
10 Other debt[1]	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950

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 *Treasury Bulletin.*

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

Billions of dollars, end of period

Type and holder	1996	1997	1998	1999	1999		2000	
					Q3	Q4	Q1	Q2
1 **Total gross public debt**	**5,323.2**	**5,502.4**	**5,614.2**	**5,776.1**	**5,656.3**	**5,776.1**	**5,773.4**	**5,685.9**
By type								
2 Interest-bearing	5,317.2	5,494.9	5,605.4	5,766.1	5,647.2	5,766.1	5,763.8	5,675.9
3 Marketable	3,459.7	3,456.8	3,355.5	3,281.0	3,233.0	3,281.0	3,261.2	3,070.7
4 Bills	777.4	715.4	691.0	737.1	653.2	737.1	753.3	629.9
5 Notes	2,112.3	2,106.1	1,960.7	1,784.5	1,828.8	1,784.5	1,732.6	1,679.1
6 Bonds	555.0	587.3	621.2	643.7	643.7	643.7	653.0	637.7
7 Inflation-indexed notes and bonds[1]	n.a.	33.0	67.6[r]	100.7[r]	92.4[r]	100.7[r]	107.4[r]	109.0[r]
8 Nonmarketable[2]	1,857.5	2,038.1	2,249.9	2,485.1	2,414.2	2,485.1	2,502.6	2,605.2
9 State and local government series	101.3	124.1	165.3	165.7	168.1	165.7	161.9	160.4
10 Foreign issues[3]	37.4	36.2	34.3	31.3	31.0	31.3	28.8	27.7
11 Government	47.4	36.2	34.3	31.3	31.0	31.3	28.8	27.7
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	182.4	181.2	180.3	179.4	180.0	179.4	178.6	177.7
14 Government account series[4]	1,505.9	1,666.7	1,840.0	2,078.7	2,005.2	2,078.7	2,103.3	2,209.4
15 Non-interest-bearing	6.0	7.5	8.8	10.0	9.0	10.0	9.6	10.1
By holder[5]								
16 U.S. Treasury and other federal agencies and trust funds	1,497.2	1,655.7	1,826.8	2,060.6	1,989.1	2,060.6	2,085.4	2,190.2
17 Federal Reserve Banks	410.9	451.9	471.7	477.7	496.5	477.7	501.7	505.0
18 Private investors	3,431.2	3,414.6	3,334.0	3,233.9	3,175.4	3,233.9	3,182.8	2,987.4
19 Depository institutions	296.6	300.3	237.3	246.3[r]	239.9[r]	246.3[r]	234.9	n.a.
20 Mutual funds	315.8	321.5	343.2	349.5[r]	338.1[r]	349.5[r]	343.7	n.a.
21 Insurance companies	214.1	176.6	144.5	140.0[r]	141.6[r]	140.0[r]	138.7	n.a.
22 State and local treasuries[6]	257.0	239.3	269.3	266.8	271.6	266.8	257.2	n.a.
Individuals								
23 Savings bonds	187.0	186.5	186.7	186.5	186.3[r]	186.5	185.3	184.7
24 Pension funds	392.7	421.0	434.7	445.5[r]	444.8	445.5[r]	432.3	n.a.
25 Private	189.2	204.1	218.1	234.5[r]	228.3	234.5[r]	230.8	n.a.
26 State and Local	203.5	216.9	216.6	211.0[r]	216.5	211.0[r]	201.5	n.a.
27 Foreign and international[7]	1,102.1	1,241.6	1,278.7	1,268.8	1,281.3	1,268.8	1,274.0	1,248.9
28 Other miscellaneous investors[6,8]	665.9	527.9	438.5[r]	330.5[r]	271.7[r]	330.5[r]	316.7	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. 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.
7. 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.
8. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

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

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

Millions of dollars, daily averages

Item	2000			2000, week ending								
	Apr.	May	June	May 31	June 7	June 14	June 21	June 28	July 5	July 12	July 19	July 26
OUTRIGHT TRANSACTIONS[2]												
By type of security												
1 U.S. Treasury bills	27,907	23,171	20,474	29,554	28,693	17,118	18,428	17,957	19,729	15,829	15,986	14,835
Coupon securities, by maturity												
2 Five years or less	114,115	116,145	102,265	100,865	122,618	92,777	96,219	100,238	95,280	104,977	95,874	92,287
3 More than five years	69,668	58,444	64,492	51,980	79,094	58,700	62,753	61,828	53,472	55,910	56,204	57,284
4 Inflation-indexed	1,201	837	955	670	1,249	1,033	802	778	851	2,586	743	790
Federal agency												
5 Discount notes	58,111	66,305	49,638	60,053	55,481	44,941	48,777	45,529	59,195	55,141	58,519	47,330
Coupon securities, by maturity												
6 One year or less	1,220	1,046	864	502	811	753	805	1,176	637	1,910	1,099	1,368
7 More than one year, but less than or equal to five years	9,675	8,626	7,304	8,139	8,034	6,730	8,390	6,033	7,381	9,802	7,806	5,838
8 More than five years	8,295	6,923	9,031	4,907	11,899	7,464	9,671	6,485	10,544	11,132	7,477	6,853
9 Mortgage-backed	72,104	61,536	64,884	36,075	79,762	108,222	49,885	35,406	30,534	114,891	78,571	37,100
By type of counterparty												
With interdealer broker												
10 U.S. Treasury	108,736	98,961	92,504	88,357	115,729	83,721	89,993	86,829	76,860	86,657	85,622	76,595
11 Federal agency	9,029	8,007	8,398	6,338	9,902	8,435	8,801	6,727	7,720	8,267	7,515	6,730
12 Mortgage-backed	26,543	24,010	24,768	14,940	27,907	38,194	21,238	15,746	14,738	32,479	23,708	17,862
With other												
13 U.S. Treasury	104,155	99,635	95,682	94,713	115,926	85,906	88,209	93,972	92,472	92,646	83,186	88,601
14 Federal agency	68,271	74,892	58,438	67,262	66,322	51,453	58,843	52,496	70,037	69,718	67,387	54,661
15 Mortgage-backed	45,561	37,525	40,116	21,135	51,855	70,029	28,647	19,660	15,796	82,412	54,863	19,237
FUTURES TRANSACTIONS[3]												
By type of deliverable security												
16 U.S. Treasury bills	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	0	n.a.	n.a.	n.a.
Coupon securities, by maturity												
17 Five years or less	2,667	4,870	3,549	5,916	6,220	3,160	3,267	1,793	2,939	2,695	2,818	2,268
18 More than five years	15,366	14,727	13,282	16,539	16,391	15,261	11,783	11,130	9,685	7,963	8,976	8,978
19 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
Federal agency												
20 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity												
21 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
22 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0	0
23 More than five years	56	98	245	158	165	335	158	355	161	53	43	27
24 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0	0
OPTIONS TRANSACTIONS[4]												
By type of underlying security												
25 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity												
26 Five years or less	1,608	1,967	1,398	1,021	2,555	628	1,027	1,538	1,012	1,478	1,308	1,032
27 More than five years	4,256	4,460	3,185	4,329	4,312	2,481	3,362	3,027	2,077	2,606	3,068	2,455
28 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0	0
Federal agency												
29 Discount notes	0	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity												
30 One year or less	0	0	0	0	0	0	0	0	0	0	0	0
31 More than one year, but less than or equal to five years	0	0	0	0	0	0	n.a.	n.a.	n.a.	0	0	n.a.
32 More than five years	0	0	20	0	30	n.a.	n.a.	13	14	n.a.	n.a.	0
33 Mortgage-backed	686	1,078	1,306	0	2,112	1,722	711	844	889	942	494	1,078

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Monthly averages are based on the number of trading days in the month. Transactions are assumed to be evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

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

Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

3. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

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

NOTE. "n.a." indicates that data are not published because of insufficient activity.

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

Millions of dollars

Item	2000			2000, week ending							
	Apr.	May	June	May 31	June 7	June 14	June 21	June 28	July 5	July 12	July 19
	Positions[2]										
NET OUTRIGHT POSITIONS[3]											
By type of security											
1 U.S. Treasury bills	6,568	−5,764	3,514	−3,103	5,307	3,773	3,051	2,010	3,215	6,900	5,288
Coupon securities, by maturity											
2 Five years or less	−28,803	−42,941	−38,615	−39,154	−40,164	−39,185	−39,720	−37,398	−31,591	−30,281	−33,718
3 More than five years	−18,591	−23,820	−21,306	−27,018	−21,941	−21,485	−20,632	−20,887	−22,278	−19,462	−21,825
4 Inflation-indexed	2,192	1,849	1,668	1,573	1,328	1,646	1,817	1,856	1,754	2,748	2,741
Federal agency											
5 Discount notes	28,299	27,258	32,775	30,094	31,351	31,654	35,903	31,901	33,800	32,327	37,165
Coupon securities, by maturity											
6 One year or less	15,284	12,658	10,016	10,343	10,654	10,552	10,222	8,814	9,393	12,198	13,907
7 More than one year, but less than or equal to five years	894	2,883	1,925	2,449	2,018	1,716	2,173	1,909	1,515	3,013	4,088
8 More than five years	3,316	2,084	899	1,472	2,136	381	1,211	310	−653	976	1,618
9 Mortgage-backed	27,631	21,502	23,442	20,840	24,844	24,885	20,938	22,612	25,149	20,088	17,784
NET FUTURES POSITIONS[4]											
By type of deliverable security											
10 U.S. Treasury bills	0	0	0	0	n.a.	n.a.	0	0	0	n.a.	n.a.
Coupon securities, by maturity											
11 Five years or less	13,480	17,318	12,969	14,711	13,622	13,504	11,838	13,096	12,321	14,231	15,443
12 More than five years	−2,131	1,770	−165	783	−770	−265	−222	631	−277	−1,619	1,569
13 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
Federal agency											
14 Discount notes	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
15 One year or less	0	0	0	0	0	0	0	0	0	0	0
16 More than one year, but less than or equal to five years	0	0	0	0	0	0	0	0	0	0	0
17 More than five years	−40	−105	−740	−66	−371	−1,260	−1,314	−156	−244	−205	−303
18 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0
NET OPTIONS POSITIONS											
By type of deliverable security											
19 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
20 Five years or less	74	180	376	39	−350	−170	1,407	369	1,247	1,896	697
21 More than five years	6,471	2,496	400	665	−96	−297	347	1,164	2,081	1,128	1,186
22 Inflation-indexed	0	0	0	0	0	0	0	0	0	0	0
Federal agency											
23 Discount notes	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity											
24 One year or less	0	0	0	0	0	0	0	0	0	0	0
25 More than one year, but less than or equal to five years	139	309	194	n.a.	194	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 More than five years	70	477	522	762	690	688	700	123	129	422	144
27 Mortgage-backed	52	769	929	−118	−336	1,267	1,555	1,304	670	1,403	2,410
	Financing[5]										
Reverse repurchase agreements											
28 Overnight and continuing	298,607	308,541	294,802	311,880	295,654	307,653	283,910	292,097	294,428	281,044	271,301
29 Term	792,459	791,514	850,521	771,755	817,832	844,458	856,451	913,474	745,067	791,805	838,997
Securities borrowed											
30 Overnight and continuing	280,029	304,544	292,038	299,999	300,138	294,085	286,170	285,140	301,201	303,871	301,536
31 Term	112,178	108,141	112,854	109,933	108,688	110,588	117,529	116,242	107,146	110,267	116,920
Securities received as pledge											
32 Overnight and continuing	1,890	1,748	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,468	2,376
33 Term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Repurchase agreements											
34 Overnight and continuing	732,319	731,269	744,475	733,912	746,848	762,590	734,882	734,872	739,951	748,300	750,714
35 Term	682,363	671,847	746,986	646,751	695,212	727,831	761,667	827,872	660,759	701,653	754,442
Securities loaned											
36 Overnight and continuing	7,750	8,409	7,698	8,887	8,203	8,274	7,186	7,307	7,068	6,638	7,372
37 Term	7,738	9,076	6,567	8,605	7,230	6,712	6,106	6,180	6,712	6,563	6,269
Securities pledged											
38 Overnight and continuing	61,754	61,585	61,667	64,152	62,840	59,385	61,708	61,747	65,123	62,578	63,841
39 Term	7,132	5,403	4,249	3,955	4,614	4,434	4,265	3,812	3,791	4,312	4,533
Collateralized loans											
40 Total	22,002	15,835	16,826	13,912	23,370	15,842	13,551	15,433	13,702	19,192	21,991

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. Securities positions are reported at market value.

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

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day. Financing data are reported in terms of actual funds paid or received, including accrued interest.

NOTE. "n.a." indicates that data are not published because of insufficient activity.

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1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1996	1997	1998	1999	2000				
					Jan.	Feb.	Mar.	Apr.	May
1 **Federal and federally sponsored agencies**	**925,823**	**1,022,609**	**1,296,477**	**1,616,492**	**1,620,814**	**1,635,828**	**1,644,276**	n.a.	**193,776**
2 Federal agencies	29,380	27,792	26,502	26,376	26,277	26,168	26,231	26,011	26,052
3 Defense Department[1]	6	6	6	6	6	6	6	6	6
4 Export-Import Bank[2,3]	1,447	552	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration[4]	84	102	205	126	126	155	168	173	184
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.	n.a.
8 Tennessee Valley Authority	27,853	27,786	26,496	26,370	26,271	26,162	26,225	26,005	26,046
9 United States Railway Association[6]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies[7]	896,443	994,817	1,269,975	1,590,116	1,594,537	1,609,660	1,618,045	164,298	167,726
11 Federal Home Loan Banks	263,404	313,919	382,131	529,005	522,692	527,835	535,284	541,673	557,506
12 Federal Home Loan Mortgage Corporation	156,980	169,200	287,396	360,711	372,586	380,660	378,006	388,261	392,555
13 Federal National Mortgage Association	331,270	369,774	460,291	547,619	544,360	547,100	557,543	561,700	571,800
14 Farm Credit Banks[8]	60,053	63,517	63,488	68,883	69,082	69,147	67,154	69,036	70,036
15 Student Loan Marketing Association[9]	44,763	37,717	35,399	41,988	43,762	42,723	38,089	40,119	43,144
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 debt**[13]	**58,172**	**49,090**	**44,129**	**42,152**	**40,753**	**40,182**	**39,306**	**38,700**	**39,102**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	1,431	552	↑	↑	↑	↑	↑	↑	↑
21 Postal Service[6]	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.							
24 United States Railway Association[6]	n.a.	n.a.	↓	↓	↓	↓	↓	↓	↓
Other lending[14]									
25 Farmers Home Administration	18,325	13,530	9,500	6,665	6,565	6,515	6,350	6,240	6,140
26 Rural Electrification Administration	16,702	14,898	14,091	14,085	13,958	14,016	13,152	13,167	13,221
27 Other	21,714	20,110	20,538	21,402	20,230	19,651	19,804	19,293	19,741

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 Agricultural 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.

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1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1997	1998	1999	1999	2000						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
1 **All issues, new and refunding**[1]	**214,694**	**262,342**	**215,427**	**14,751**	**8,969**	**10,905**	**16,780**	**14,233**	**14,136**	**20,208**	**12,827**
By type of issue											
2 General obligation	69,934	87,015	73,308	3,715	3,454	4,473	5,008	4,598	6,051	8,581	4,256
3 Revenue	134,989	175,327	142,120	11,035	5,516	6,433	11,773	9,635	8,086	11,628	8,572
By type of issuer											
4 State	18,237	23,506	16,376	834	863	1,730	1,570	1,371	1,102	2,907	783
5 Special district or statutory authority[2]	134,919	178,421	152,418	10,640	5,784	7,414	11,098	10,229	9,639	13,520	8,545
6 Municipality, county, or township	70,558	60,173	46,634	3,277	2,322	1,761	4,112	2,633	3,396	3,782	3,500
7 **Issues for new capital**	**135,519**	**160,568**	**161,065**	**11,475**	**8,009**	**9,382**	**13,508**	**12,029**	**12,481**	**16,987**	**11,297**
By use of proceeds											
8 Education	31,860	36,904	36,563	3,095	2,189	2,548	3,436	2,484	3,662	4,465	3,185
9 Transportation	13,951	19,926	17,394	1,201	1,064	723	2,723	768	1,778	1,093	1,947
10 Utilities and conservation	12,219	21,037	15,098	1,008	588	115	1,086	729	537	1,141	353
11 Social welfare	27,794	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	6,667	8,594	9,099	707	89	647	747	762	585	1,150	632
13 Other purposes	35,095	42,450	47,896	3,141	2,885	2,804	2,426	3,903	3,557	5,776	2,543

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	1997	1998	1999	1999		2000					
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[r]	June
1 **All issues**[1]	**929,256**	**1,128,491**	**1,072,866**	**85,016**	**50,805**	**55,714**	**85,679**	**113,093**	**61,963**	**62,939**	**102,864**
2 **Bonds**[2]	**811,376**	**1,001,736**	**941,298**	**61,033**	**42,477**	**44,220**	**63,391**	**96,148**	**40,941**	**58,233**	**92,742**
By type of offering											
3 Sold in the United States	708,188	923,771	818,683	53,908	36,488	30,784	56,727	87,603	36,724	45,986	75,271
4 Sold abroad	103,188	77,965	122,615	7,125	5,989	13,436	6,664	8,545	4,217	12,247	17,471
MEMO											
5 Private placements, domestic	n.a.	n.a.	n.a.	1,237	3,241	967	65	0	228	3,694	3,391
By industry group											
6 Nonfinancial	222,603	307,935	293,963	24,283	14,614	14,599	26,598	28,086	8,060	20,832	29,412
7 Financial	588,773	693,801	647,335	36,750	27,863	29,620	36,792	68,062	32,881	37,401	63,331
8 **Stocks**[3]	**117,880**	**126,755**	**131,568**	**23,983**	**8,328**	**11,494**	**22,288**	**16,945**	**21,022**	**4,706**	**7,810**
By type of offering											
9 Public	117,880	126,755	131,568	23,983	8,328	11,494	22,288	16,945	21,022	4,706	7,810
10 Private placement[4]	55,450	78,850	86,300	7,192	7,192	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
11 Nonfinancial	60,386	74,113	110,284	22,611	7,450	9,247	21,796	15,679	16,763	4,522	6,458
12 Financial	57,494	52,642	21,284	1,372	878	2,247	492	1,266	4,259	184	1,352

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 Assets[1]

Millions of dollars

Item	1998	1999	1999	2000						
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June[r]	July
1 **Sales of own shares**[2]	**1,461,430**	**1,791,894**	**185,898**	**226,251**	**237,861**	**269,118**	**202,248**	**172,718**	**181,866**	**167,644**
2 Redemptions of own shares	1,217,022	1,621,987	178,855	204,380	197,423	243,194	176,671	162,984	161,462	151,960
3 Net sales[3]	244,408	169,906	7,042	21,871	40,438	25,924	25,577	9,735	20,404	15,685
4 **Assets**[4]	**4,173,531**	**5,233,191**	**5,233,191**	**5,114,482**	**5,375,874**	**5,606,254**	**5,391,187**	**5,232,319**	**5,458,914**	**5,380,247**
5 Cash[5]	191,393	219,189	219,189	222,729	231,480	221,623	254,819	260,426	259,241	257,125
6 Other	3,982,138	5,014,002	5,014,002	4,891,753	5,144,394	5,384,630	5,136,368	4,971,892	5,199,673	5,123,123

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	1997[r]	1998[r]	1999[r]	1998[r]		1999[r]				2000	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1[r]	Q2
1 Profits with inventory valuation and capital consumption adjustment	833.8	815.0	856.0	818.0	803.4	852.0	836.8	842.0	893.2	936.3	964.0
2 Profits before taxes	792.4	758.2	823.0	760.1	742.3	797.6	804.5	819.0	870.7	920.7	942.2
3 Profits-tax liability	237.2	244.6	255.9	249.0	239.4	247.8	250.8	254.2	270.8	286.3	292.9
4 Profits after taxes	555.2	513.6	567.1	511.1	502.9	549.9	553.7	564.8	599.9	634.4	649.3
5 Dividends	335.2	351.5	370.7	351.4	356.1	361.1	367.2	373.9	380.6	387.3	393.0
6 Undistributed profits	220.0	162.1	196.4	159.7	146.9	188.7	186.5	190.9	219.3	247.1	256.3
7 Inventory valuation	8.4	17.0	−9.1	17.7	19.9	11.4	−8.9	−19.7	−19.2	−25.0	−13.4
8 Capital consumption adjustment	32.9	39.9	42.1	40.2	41.2	42.9	41.2	42.7	41.6	40.6	35.2

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

Account	1997	1998	1999	1998	1999				2000	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
1 Accounts receivable, gross[2]	663.3	711.7	811.5	711.7	733.8	756.5	776.3	811.5	848.7	653.9
2 Consumer	256.8	261.8	.0	261.8	261.7	.0	.0	.0	.0	77.5
3 Business	318.5	347.5	n.a.	347.5	362.8	365.0	n.a.	n.a.	n.a.	443.7
4 Real estate	87.9	102.3	126.5	102.3	109.2	113.3	122.3	126.5	128.8	132.7
5 LESS: Reserves for unearned income	52.7	56.3	53.5	56.3	52.9	53.4	54.0	53.5	53.9	n.a.
6 Reserves for losses	13.0	13.8	13.5	13.8	13.4	13.4	13.6	13.5	14.0	n.a.
7 Accounts receivable, net	597.6	641.6	744.6	641.6	667.6	689.7	708.6	744.6	780.8	653.9
8 All other	312.4	337.9	406.3	337.9	363.3	373.2	368.5	406.3	412.5	n.a.
9 **Total assets**	**910.0**	**979.5**	**1,150.9**	**979.5**	**1,030.8**	**1,062.9**	**1,077.2**	**1,150.9**	**1,193.3**	**653.9**
LIABILITIES AND CAPITAL										
10 Bank loans	24.1	26.3	35.1	26.3	24.8	25.1	27.0	35.1	30.7	n.a.
11 Commercial paper	201.5	231.5	227.9	231.5	222.9	231.0	205.3	227.9	229.7	n.a.
Debt										
12 Owed to parent	64.7	61.8	123.8	61.8	64.6	65.4	84.5	123.8	145.2	n.a.
13 Not elsewhere classified	328.8	339.7	397.0	339.7	366.7	383.1	396.2	397.0	410.0	n.a.
14 All other liabilities	189.6	203.2	222.7	203.2	220.3	226.1	216.0	222.7	241.6	n.a.
15 Capital, surplus, and undivided profits	101.3	117.0	144.5	117.0	131.5	132.2	148.2	144.5	136.2	n.a.
16 **Total liabilities and capital**	**910.0**	**979.5**	**1,150.9**	**979.5**	**1,030.8**	**1,062.9**	**1,077.2**	**1,150.9**	**1,193.4**	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.

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1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables[1]

Billions of dollars, amounts outstanding

Type of credit	1997	1998	1999	2000					
				Jan.	Feb.	Mar.	Apr.	May	June
	Seasonally adjusted								
1 **Total**	**810.5**	**875.8**	**993.9**	**1,022.4**	**1,032.2**	**1,054.1**	**1,073.3**[r]	**1,088.7**[r]	**1,110.5**
2 Consumer	327.9	352.8	385.3	391.7	395.5	396.7	398.0	400.7[r]	401.7
3 Real estate	121.1	131.4	154.7	159.1	162.3	167.9	173.1	178.4	185.6
4 Business	361.5	391.6	453.9	471.6	474.4	489.4	502.2[r]	509.5	523.1
	Not seasonally adjusted								
5 **Total**	**818.1**	**884.0**	**1,003.2**	**1,022.4**	**1,031.9**	**1,057.0**	**1,073.6**[r]	**1,088.5**[r]	**1,116.0**
6 Consumer	330.9	356.1	388.8	391.1	392.3	392.8	394.4	399.4[r]	404.2
7 Motor vehicles loans	87.0	103.1	114.7	117.6	121.3	121.1	120.9	124.1[r]	125.7
8 Motor vehicle leases	96.8	93.3	98.3	99.3	100.7	101.7	102.8	104.1	103.9
9 Revolving[2]	38.6	32.3	33.8	34.4	32.9	31.5	31.9	31.6[r]	33.1
10 Other[3]	34.4	33.1	33.1	33.0	32.7	31.1	31.2	31.9[r]	31.8
Securitized assets[4]									
11 Motor vehicle loans	44.3	54.8	71.1	69.6	67.8	71.2	72.1	71.9	74.1
12 Motor vehicle leases	10.8	12.7	9.7	9.5	9.2	8.8	8.5	8.2	7.9
13 Revolving	.0	8.7	10.5	10.4	10.4	10.3	10.1	11.1	11.1
14 Other	19.0	18.1	17.7	17.4	17.3	17.1	16.8	16.5	16.6
15 Real estate	121.1	131.4	154.7	159.1	162.3	167.9	173.1	178.4	185.6
16 One- to four-family	59.0	75.7	88.3	91.1	91.7	90.4	93.6	97.3	97.2
17 Other	28.9	26.6	38.3	38.6	38.4	38.4	39.0	39.4	39.6
Securitized real estate assets[4]									
18 One- to four-family	33.0	29.0	28.0	29.2	32.0	38.9	40.2	41.5	48.6
19 Other	.2	.1	.2	.2	.2	.2	.2	.2	.2
20 Business	366.1	396.5	459.6	472.2	477.4	496.3	506.1[r]	510.7	526.2
21 Motor vehicles	63.5	79.6	87.8	87.9	89.6	90.2	93.6	94.8	94.5
22 Retail loans	25.6	28.1	33.2	33.3	33.7	32.3	32.7	33.3	33.8
23 Wholesale loans[5]	27.7	32.8	34.7	34.6	35.8	37.9	38.9	39.5	38.4
24 Leases	10.2	18.7	19.9	20.1	20.1	19.9	22.0	22.0	22.3
25 Equipment	203.9	198.0	221.9	222.3	225.1	238.0	243.1	247.3	256.2
26 Loans	51.5	50.4	52.2	51.9	52.8	54.9	55.6	55.9	60.3
27 Leases	152.3	147.6	169.7	170.4	172.3	183.1	187.5	191.5	195.8
28 Other business receivables[6]	51.1	69.9	95.5	99.6	101.4	106.4	107.4[r]	106.6	107.5
Securitized assets[4]									
29 Motor vehicles	33.0	29.2	31.5	31.5	31.0	31.5	32.3	32.0	31.7
30 Retail loans	2.4	2.6	2.9	2.9	2.8	3.2	3.1	3.0	2.9
31 Wholesale loans	30.5	24.7	26.4	26.5	26.1	25.9	26.8	26.7	26.4
32 Leases	.0	1.9	2.1	2.1	2.1	2.4	2.4	2.4	2.4
33 Equipment	10.7	13.0	14.6	22.8	22.5	22.0	21.7	21.5	29.7
34 Loans	4.2	6.6	7.9	16.1	15.9	15.4	15.2	15.0	15.2
35 Leases	6.5	6.4	6.7	6.7	6.6	6.5	6.5	6.5	14.6
36 Other business receivables[6]	4.0	6.8	8.4	8.1	7.7	8.3	8.0	8.4	6.6

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.

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1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1997	1998	1999	2000						
				Jan.	Feb.	Mar.	Apr.	May	June	July
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	180.1	195.2	210.7	223.7	216.9	226.0	224.2	232.2	238.6	235.8
2 Amount of loan (thousands of dollars)	140.3	151.1	161.7	169.9	165.6	170.7	170.2	176.3	178.3	178.3
3 Loan-to-price ratio (percent)	80.4	80.0	78.7	77.9	78.4	77.7	77.9	78.0	76.9	77.7
4 Maturity (years)	28.2	28.4	28.8	29.1	29.1	29.0	29.1	29.2	29.2	29.3
5 Fees and charges (percent of loan amount)[2]	1.02	.89	.77	.75	.71	.68	.68	.71	.69	.66
Yield (percent per year)										
6 Contract rate[1]	7.57	6.95	6.94	7.34	7.43	7.49	7.52	7.44	7.40	7.41
7 Effective rate[1,3]	7.73	7.08	7.06	7.45	7.54	7.60	7.63	7.55	7.50	7.51
8 Contract rate (HUD series)[4]	7.76	7.00	7.45	8.21	8.20	8.19	8.29	8.26	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203)[5]	7.89	7.04	7.74	8.56	8.53	8.35	8.33	8.58	n.a.	n.a.
10 GNMA securities[6]	7.26	6.43	7.03	7.84	7.96	7.79	7.64	8.06	7.69	7.59
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	316,678	414,515	523,941	527,977	535,096	538,751	539,181	545,803	552,166	561,045
12 FHA/VA insured	31,925	33,770	55,318	57,369	58,294	58,451	58,899	59,140	59,703	60,397
13 Conventional	284,753	380,745	468,623	470,608	476,802	480,300	480,282	486,663	492,463	500,648
14 Mortgage transactions purchased (during period)	70,465	188,448	195,210	9,035	11,484	8,801	6,257	12,872	12,842	15,128
Mortgage commitments (during period)										
15 Issued[7]	69,965	193,795	187,948	9,130	9,811	10,051	12,524	10,450	11,825	16,660
16 To sell[8]	1,298	1,880	5,900	1,287	612	1,954	1,340	1,594	1,254	436
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	164,421	255,010	324,443	325,914	328,598	336,338	339,207	347,370	350,836	354,020
18 FHA/VA insured	177	785	1,836	1,806	1,719	2,521	1,987	3,116	2,892[r]	2,858
19 Conventional	164,244	254,225	322,607	324,108	326,879	333,817	337,220	344,254	347,944[r]	351,162
Mortgage transactions (during period)										
20 Purchases	117,401	267,402	239,793	12,942	6,747	9,323	8,393	15,741	12,271	10,912
21 Sales	114,258	250,565	233,031	12,764	6,424	8,569	8,077	15,261	11,806	10,539
22 Mortgage commitments contracted (during period)[9]	120,089	281,899	228,432	8,341	7,156	10,122	8,750	13,807	13,596	10,803

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 FNMA exclude swap activity.

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1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1996	1997	1998	1999				2000
				Q1	Q2	Q3	Q4	Q1
1 **All holders**	**4,877,536**	**5,211,286**	**5,736,638**	**5,876,132**	**6,029,340**	**6,238,187**	**6,387,651**	**6,503,518**
By type of property								
2 One- to four-family residences	3,718,723	3,970,848	4,355,376	4,447,543	4,561,061	4,692,093	4,788,204	4,862,061
3 Multifamily residences	289,186	302,517	330,551	341,889	349,310	359,904	373,514	382,602
4 Nonfarm, nonresidential	782,493	847,623	954,205	989,302	1,019,331	1,084,794	1,122,968	1,154,354
5 Farm	87,134	90,299	96,506	97,398	99,638	101,396	102,965	104,501
By type of holder								
6 Major financial institutions	1,981,886	2,083,981	2,194,813	2,202,218	2,242,431	2,321,356	2,393,684	2,460,338
7 Commercial banks[2]	1,145,389	1,245,315	1,337,217	1,336,733	1,361,365	1,418,819	1,495,717	1,547,038
8 One- to four-family	677,603	745,510	797,492	782,446	790,372	827,291	879,676	904,710
9 Multifamily	45,451	49,670	54,116	58,036	60,529	63,964	67,591	72,431
10 Nonfarm, nonresidential	397,452	423,148	456,574	466,738	479,929	496,246	516,611	537,224
11 Farm	24,883	26,986	29,035	29,513	30,536	31,320	31,839	32,673
12 Savings institutions[3]	628,335	631,826	643,957	646,510	656,518	676,346	668,634	680,745
13 One- to four-family	513,712	520,782	533,918	534,898	544,962	560,622	549,072	560,046
14 Multifamily	61,570	59,540	56,821	56,759	55,016	57,282	59,138	57,759
15 Nonfarm, nonresidential	52,723	51,150	52,801	54,417	56,096	57,983	59,948	62,447
16 Farm	331	354	417	435	443	459	475	493
17 Life insurance companies	208,162	206,840	213,640	218,975	224,548	226,190	229,333	232,555
18 One- to four-family	6,977	7,187	6,590	6,953	7,292	7,432	5,935	6,137
19 Multifamily	30,750	30,402	31,522	31,515	31,800	31,998	32,592	32,983
20 Nonfarm, nonresidential	160,315	158,779	164,004	168,795	173,495	174,571	177,817	179,949
21 Farm	10,120	10,472	11,524	11,712	11,961	12,189	12,989	13,486
22 Federal and related agencies	295,192	286,167	292,636	288,176	288,038	320,850	320,105	318,240
23 Government National Mortgage Association	2	8	7	6	8	8	7	7
24 One- to four-family	2	8	7	6	8	8	7	7
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration[4]	41,596	41,195	40,851	40,691	40,766	73,705	73,871	72,899
27 One- to four-family	17,303	17,253	16,895	16,777	16,653	16,583	16,506	16,456
28 Multifamily	11,685	11,720	11,739	11,731	11,735	11,745	11,741	11,732
29 Nonfarm, nonresidential	6,841	7,370	7,705	7,769	7,943	41,068	41,355	40,509
30 Farm	5,768	4,852	4,513	4,413	4,435	4,308	4,268	4,202
31 Federal Housing and Veterans' Administrations	6,244	3,821	3,674	3,538	3,490	3,889	3,712	3,773
32 One- to four-family	3,524	1,767	1,849	1,713	1,623	2,013	1,851	1,826
33 Multifamily	2,719	2,054	1,825	1,825	1,867	1,876	1,861	1,947
34 Resolution Trust Corporation	0	0	0	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	2,431	724	361	315	189	163	152	98
40 One- to four-family	365	109	54	47	28	24	23	15
41 Multifamily	413	123	61	54	32	28	26	17
42 Nonfarm, nonresidential	1,653	492	245	214	129	111	103	67
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	168,813	161,308	157,675	157,185	155,637	153,172	151,500	150,312
45 One- to four-family	155,008	149,831	147,594	147,063	145,033	142,982	141,195	139,986
46 Multifamily	13,805	11,477	10,081	10,122	10,604	10,190	10,305	10,326
47 Federal Land Banks	29,602	30,657	32,983	33,128	33,666	34,218	34,187	34,142
48 One- to four-family	1,742	1,804	1,941	1,949	1,981	2,013	2,012	2,009
49 Farm	27,860	28,853	31,042	31,179	31,685	32,205	32,175	32,133
50 Federal Home Loan Mortgage Corporation	46,504	48,454	57,085	53,313	54,282	55,695	56,676	57,009
51 One- to four-family	41,758	42,629	49,106	44,140	43,574	44,010	44,321	43,384
52 Multifamily	4,746	5,825	7,979	9,173	10,708	11,685	12,355	13,625
53 Mortgage pools or trusts[5]	2,040,848	2,239,350	2,589,764	2,715,196	2,810,119	2,891,187	2,954,836	3,000,462
54 Government National Mortgage Association	506,246	536,879	537,446	543,280	553,196	569,038	582,307	589,385
55 One- to four-family	494,064	523,225	522,498	527,886	537,287	552,670	565,233	571,699
56 Multifamily	12,182	13,654	14,948	15,395	15,909	16,368	17,074	17,686
57 Federal Home Loan Mortgage Corporation	554,260	579,385	646,459	687,179	718,085	738,581	749,081	757,106
58 One- to four-family	551,513	576,846	643,465	684,240	714,844	735,088	744,619	752,607
59 Multifamily	2,747	2,539	2,994	2,939	3,241	3,493	4,462	4,499
60 Federal National Mortgage Association	650,780	709,582	834,518	881,815	911,435	938,484	960,883	975,815
61 One- to four-family	633,210	687,981	804,205	849,513	877,863	903,531	924,941	938,898
62 Multifamily	17,570	21,601	30,313	32,302	33,572	34,953	35,942	36,917
63 Farmers Home Administration[4]	3	2	1	1	1	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	3	2	1	1	1	0	0	0
68 Private mortgage conduits	329,559	413,502	571,340	602,921	627,402	645,084	662,565	678,156
69 One- to four-family[6]	258,800	316,400	412,700	430,653	447,938	455,276	462,600	471,390
70 Multifamily	16,369	21,591	34,323	37,736	39,435	40,936	42,628	43,835
71 Nonfarm, nonresidential	54,390	75,511	124,317	134,532	140,029	148,873	157,337	162,930
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others[7]	559,609	601,788	659,425	670,542	688,753	704,794	719,026	724,478
74 One- to four-family	363,143	379,516	417,063	419,258	431,603	442,550	450,213	452,891
75 Multifamily	69,179	72,320	73,829	74,302	74,863	75,386	77,799	78,846
76 Nonfarm, nonresidential	109,119	131,173	148,559	156,836	161,711	165,943	169,796	171,228
77 Farm	18,169	18,779	19,974	20,145	20,577	20,916	21,218	21,513

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.

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1.55 CONSUMER CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1997	1998	1999	2000					
				Jan.	Feb.	Mar.	Apr.	May	June[p]
	Seasonally adjusted								
1 **Total**	**1,234,461**	**1,301,023**	**1,393,657**	**1,409,387**	**1,418,756**	**1,429,431**	**1,438,656[r]**	**1,452,808**	**1,464,758**
2 Revolving[2]	531,163	560,504	595,610	603,782	608,523	615,510	622,460[r]	628,798	632,463
3 Nonrevolving[2]	703,297	740,519	798,047	805,605	810,233	813,921	816,197	824,010	832,295
	Not seasonally adjusted								
4 **Total**	**1,264,103**	**1,331,742**	**1,426,151**	**1,419,258**	**1,413,585**	**1,416,228**	**1,426,448[r]**	**1,439,654**	**1,455,985**
By major holder									
5 Commercial banks	512,563	508,932	499,758	498,589	499,148	497,120	502,679	507,995	512,938
6 Finance companies	160,022	168,491	181,573	184,887	186,896	183,705	184,050	187,610	190,569
7 Credit unions	152,362	155,406	167,921	168,109	168,209	169,487	171,257	173,727	174,234
8 Savings institutions	47,172	51,611	61,527	60,674	59,821	58,968	59,472	59,976	60,480
9 Nonfinancial business	78,927	74,877	80,311	76,048	73,509	72,908	72,979	73,018	71,915
10 Pools of securitized assets[3]	313,057	372,425	435,061	430,951	426,002	434,040	436,011[r]	437,328	445,849
By major type of credit[4]									
11 Revolving	555,858	586,528	623,245	614,528	609,387	609,086	615,588[r]	621,160	625,744
12 Commercial banks	219,826	210,346	189,352	185,451	186,379	184,901	188,691	192,351	192,537
13 Finance companies	38,608	32,309	33,814	34,352	32,885	31,456	31,928	31,628	33,062
14 Credit unions	19,552	19,930	20,641	20,175	19,941	19,764	19,929	20,025	20,650
15 Savings institutions	11,441	12,450	15,838	15,551	15,263	14,975	15,291	15,607	15,923
16 Nonfinancial business	44,966	39,166	42,783	39,746	37,918	37,430	37,418	37,393	36,252
17 Pools of securitized assets[3]	221,465	272,327	320,817	319,253	317,001	320,560	322,331[r]	324,156	327,320
18 Nonrevolving	708,245	745,214	802,906	804,730	804,198	807,142	810,860	818,494	830,241
19 Commercial banks	292,737	298,586	310,406	313,138	312,769	312,219	313,988	315,644	320,401
20 Finance companies	121,414	136,182	147,759	150,535	154,011	152,249	152,122	155,982	157,507
21 Credit unions	132,810	135,476	147,280	147,934	148,268	149,723	151,328	153,702	153,584
22 Savings institutions	35,731	39,161	45,689	45,123	44,558	43,993	44,181	44,369	44,557
23 Nonfinancial business	33,961	35,711	37,528	36,302	35,591	35,478	35,561	35,625	35,663
24 Pools of securitized assets[3]	91,592	100,098	114,244	111,698	109,001	113,480	113,680	113,172	118,529

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 CREDIT[1]

Percent per year except as noted

Item	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	9.02	8.72	8.44	n.a.	n.a.	8.88	n.a.	n.a.	9.21	n.a.
2 24-month personal	13.90	13.74	13.39	n.a.	n.a.	13.76	n.a.	n.a.	13.88	n.a.
Credit card plan										
3 All accounts	15.77	15.71	15.21	n.a.	n.a.	15.47	n.a.	n.a.	15.39	n.a.
4 Accounts assessed interest	15.57	15.59	14.81	n.a.	n.a.	14.32	n.a.	n.a.	14.74	n.a.
Auto finance companies										
5 New car	7.12	6.30	6.66	7.32	7.18	7.34	6.76	6.38	6.51	6.55
6 Used car	13.27	12.64	12.60	13.28	12.95	13.27	13.45	13.52	13.47	13.58
OTHER TERMS[3]										
Maturity (months)										
7 New car	54.1	52.1	52.7	53.4	52.9	52.7	53.1	53.8	53.5	53.4
8 Used car	51.0	53.5	55.9	55.6	57.0	57.1	57.1	57.1	57.1	n.a.
Loan-to-value ratio										
9 New car	92	92	92	91	91	92	93	93	93	93
10 Used car	99	99	99	99	98	98	99	98	99	n.a.
Amount financed (dollars)										
11 New car	18,077	19,083	19,880	20,699	20,503	20,206	20,395	20,542	20,621	20,494
12 Used car	12,281	12,691	13,642	13,970	13,809	13,697	13,666	13,871	14,132	n.a.

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.

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1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1994	1995	1996	1997	1998	1998	1999[r]				2000	
						Q4[r]	Q1	Q2	Q3	Q4	Q1[r]	Q2
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**559.3[r]**	**711.3[r]**	**731.4[r]**	**804.3[r]**	**1,042.9[r]**	**1,065.8**	**1,278.3**	**939.4**	**1,170.7**	**1,095.5**	**947.3**	**994.4**
By sector and instrument												
2 Federal government	155.9[r]	144.4	145.0	23.1	−52.6	−65.2	−83.4	−98.5	−71.4	−31.5	−215.5	−414.0
3 Treasury securities	155.7	142.9	146.6	23.2	−54.6	−77.4	−81.9	−99.1	−71.5	−31.5	−213.5	−415.8
4 Budget agency securities and mortgages	.2	1.5	−1.6	−.1	2.0	12.2	−1.5	.6	.0	.0	−2.1	1.8
5 Nonfederal	403.4[r]	566.9[r]	586.3[r]	781.2[r]	1,095.5[r]	1,131.0	1,361.8	1,037.9	1,242.2	1,126.9	1,162.9	1,408.4
By instrument												
6 Commercial paper	21.4	18.1	−.9	13.7	24.4	−43.0	58.3	−2.6	49.8	44.0	36.2	116.9
7 Municipal securities and loans	−35.9	−48.2	2.6	71.4	96.8	92.8	92.1	56.8	71.3	52.5	8.9	34.0
8 Corporate bonds	23.3	91.1	116.3	150.5	218.7	193.2	274.0	287.6	202.8	155.2	186.2	153.8
9 Bank loans n.e.c.	75.2	103.7	70.5	106.5	108.2	107.5	86.0	24.0	112.3	108.6	131.9	159.7
10 Other loans and advances	34.0	67.2	33.5	69.1	74.3	101.4	148.0	2.3	79.2	55.4	162.1	144.6
11 Mortgages	160.5[r]	196.0[r]	275.7[r]	317.5[r]	505.5[r]	609.2	572.8	608.4	650.7	601.7	494.5	667.6
12 Home	183.2[r]	180.7[r]	242.5[r]	252.3[r]	386.9[r]	444.1	411.8	440.8	480.0	398.9	346.2	500.6
13 Multifamily residential	−3.6[r]	5.8[r]	9.4[r]	8.3[r]	20.3[r]	26.9	35.5	33.1	44.2	47.9	31.5	36.6
14 Commercial	−21.3[r]	7.9[r]	21.3[r]	53.7[r]	92.0[r]	129.6	122.0	125.6	119.4	152.4	109.9	118.5
15 Farm	2.2	1.6	2.6	3.2	6.2	8.6	3.6	9.0	7.0	2.5	6.9	11.9
16 Consumer credit	124.9	138.9	88.8	52.5	67.6	69.9	130.5	61.4	76.2	109.5	143.1	131.8
By borrowing sector												
17 Household	313.4[r]	348.8[r]	347.6[r]	333.4[r]	480.5[r]	526.7	554.6	520.7	588.5	509.6	531.4	635.4
18 Nonfinancial business	136.3[r]	269.5[r]	245.5[r]	391.8[r]	534.7[r]	527.4	727.4	473.5	601.3	583.7	627.7	747.9
19 Corporate	128.7[r]	236.1[r]	157.0[r]	270.6[r]	417.2[r]	404.9	626.3	372.0	467.2	455.4	503.4	615.5
20 Nonfarm noncorporate	3.3	30.6	83.8	115.0	109.8	115.3	96.2	99.8	125.5	122.7	109.5	120.8
21 Farm	4.4	2.9	4.8	6.2	7.7	7.2	4.9	1.7	8.5	5.6	14.7	11.6
22 State and local government	−46.2	−51.5	−6.8	56.1	80.3	76.9	79.8	43.6	52.5	33.6	3.8	25.0
23 Foreign net borrowing in United States	−13.9	78.5[r]	88.4[r]	71.8[r]	43.3[r]	−25.6	30.7	−24.5	77.3	17.6	116.9	−10.5
24 Commercial paper	−26.1	13.5	11.3	3.7	7.8	−4.7	18.0	−27.5	41.1	33.6	56.7	10.9
25 Bonds	12.2	57.1[r]	67.0[r]	61.4[r]	34.8[r]	−21.5	15.4	.2	44.0	−2.7	45.7	−29.6
26 Bank loans n.e.c.	1.4	8.5	9.1	8.5	6.7	9.8	.9	5.6	−6.6	2.3	15.4	6.1
27 Other loans and advances	−1.4	−.5	1.0	−1.8	−6.0	−9.1	−3.5	−2.8	−1.1	−15.5	−.9	2.0
28 **Total domestic plus foreign**	**545.3[r]**	**789.8[r]**	**819.8[r]**	**876.1[r]**	**1,086.2[r]**	**1,040.2**	**1,309.1**	**914.9**	**1,248.1**	**1,113.1**	**1,064.2**	**983.8**
	Financial sectors											
29 **Total net borrowing by financial sectors**	**468.4**	**453.9**	**545.8**	**653.7**	**1,073.9**	**1,295.7**	**1,228.8**	**995.3**	**1,064.2**	**1,063.4**	**618.3**	**842.9**
By instrument												
30 Federal government-related	287.5	204.1	231.5	212.8	470.9	677.6	589.5	576.6	651.6	550.3	249.2	356.4
31 Government-sponsored enterprise securities	176.9	105.9	90.4	98.4	278.3	510.5	193.0	304.7	407.1	367.9	104.9	234.8
32 Mortgage pool securities	115.4	98.2	141.1	114.5	192.6	167.1	396.6	271.9	244.5	182.4	144.3	121.6
33 Loans from U.S. government	−4.8	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	180.9	249.8	314.4	440.9	603.0	618.1	639.2	418.8	412.6	513.0	369.2	486.5
35 Open market paper	40.5	42.7	92.2	166.7	161.0	130.9	78.7	57.3	89.9	479.0	130.9	77.4
36 Corporate bonds	121.8	195.9	173.8	210.5	296.9	292.6	473.8	254.8	179.5	−21.0	166.5	268.1
37 Bank loans n.e.c.	−13.7	2.5	12.6	13.2	30.1	9.9	−6.7	11.0	−5.9	−55.6	.3	8.8
38 Other loans and advances	22.6	3.4	27.9	35.6	90.2	154.2	73.3	107.9	139.8	107.5	64.4	122.3
39 Mortgages	9.8	5.3	7.9	14.9	24.8	30.6	20.1	−12.3	9.4	3.2	7.0	10.0
By borrowing sector												
40 Commercial banking	20.1	22.5	13.0	46.1	72.9	65.3	46.1	61.5	107.0	54.1	72.4	115.1
41 Savings institutions	12.8	2.6	25.5	19.7	52.2	88.6	75.2	59.2	51.9	5.8	40.6	56.3
42 Credit unions	.2	−.1	.1	.1	.6	.4	1.5	1.4	2.8	3.3	−2.9	.9
43 Life insurance companies	.3	−.1	1.1	.2	.7	1.8	3.3	3.0	1.1	−4.4	−.7	-1.1
44 Government-sponsored enterprises	172.1	105.9	90.4	98.4	278.3	510.5	193.0	304.7	407.1	367.9	104.9	234.8
45 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	167.1	396.6	271.9	244.5	182.4	144.3	121.6
46 Issuers of asset-backed securities (ABSs)	76.5	142.4	150.8	202.2	321.4	340.1	289.7	301.5	220.5	124.2	166.0	193.2
47 Finance companies	48.6[r]	50.2	45.9	48.7	43.0	6.8	77.0	90.5	−17.2	99.2	52.3	157.6
48 Mortgage companies	−11.5	−2.2	4.1	−4.6	1.6	3.0	−4.6	5.1	−6.1	6.2	−3.0	2.7
49 Real estate investment trusts (REITs)	10.2	4.5	11.9	39.6	62.7	44.0	25.6	−19.7	7.9	11.3	11.5	9.8
50 Brokers and dealers	.5	−5.0	−2.0	8.1	7.2	12.4	−31.1	−17.4	16.9	−37.3	44.4	−.7
51 Funding corporations	23.1	34.9	64.1	80.7	40.7	55.7	156.5	−66.2	27.9	250.6	−11.4	−47.4

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1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]—Continued

Transaction category or sector	1994	1995	1996	1997	1998	1998	1999[r]				2000	
						Q4[r]	Q1	Q2	Q3	Q4	Q1[r]	Q2
	All sectors											
52 **Total net borrowing, all sectors**	**1,013.8[r]**	**1,243.8[r]**	**1,365.6[r]**	**1,529.8[r]**	**2,160.1[r]**	**2,335.9**	**2,537.8**	**1,910.2**	**2,312.3**	**2,176.5**	**1,682.6**	**1,826.7**
53 Open market paper	35.7	74.3	102.6	184.1	193.1	83.2	155.1	27.2	180.7	556.6	223.7	205.1
54 U.S. government securities	448.1	348.5	376.5	235.9	418.3	612.4	506.1	478.1	580.1	518.9	33.6	−57.6
55 Municipal securities	−35.9	−48.2	2.6	71.4	96.8	92.8	92.1	56.8	71.3	52.5	8.9	34.0
56 Corporate and foreign bonds	157.3	344.1[r]	357.0[r]	422.4[r]	550.4[r]	464.3	763.1	542.6	426.3	131.5	398.4	392.3
57 Bank loans n.e.c.	62.9	114.7	92.1	128.2	145.0	127.1	80.1	40.6	99.8	55.2	147.7	174.6
58 Other loans and advances	50.4	70.1	62.5	102.8	158.5	246.4	217.8	107.5	217.9	147.3	225.7	268.9
59 Mortgages	170.3[r]	201.3[r]	283.6[r]	332.4[r]	530.3[r]	639.8	593.0	596.2	660.0	604.9	501.5	677.6
60 Consumer credit	124.9	138.9	88.8	52.5	67.6	69.9	130.5	61.4	76.2	109.5	143.1	131.8
	Funds raised through mutual funds and corporate equities											
61 **Total net issues**	**113.4**	**131.5**	**231.9[r]**	**181.2[r]**	**100.0[r]**	**9.9**	**154.2**	**178.5**	**120.4**	**172.8**	**414.3**	**125.4**
62 Corporate equities	12.8	−16.0	−5.7[r]	−83.9[r]	−174.6[r]	−215.6	−86.4	−33.9	−7.0	.0	105.2	−123.0
63 Nonfinancial corporations	−44.9	−58.3	−69.5	−114.4	−267.0	−491.3	−52.1	−338.4	−128.4	−55.0	62.8	−248.0
64 Foreign shares purchased by U.S. residents	48.1	50.4	82.8[r]	57.6[r]	101.2[r]	330.2	−19.8	284.4	121.7	71.3	63.3	135.0
65 Financial corporations	9.6	−8.1	−19.0	−27.1	−8.9	−54.5	−14.5	20.2	−.3	−16.3	−20.8	−10.0
66 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	225.5	240.6	212.4	127.5	172.8	309.0	248.4

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.

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1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

Transaction category or sector	1994	1995	1996	1997	1998	1998	1999[r]				2000	
						Q4[r]	Q1	Q2	Q3	Q4	Q1[r]	Q2
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**1,013.8[r]**	**1,243.8[r]**	**1,365.6[r]**	**1,529.8[r]**	**2,160.1[r]**	**2,335.9**	**2,537.8**	**1,910.2**	**2,312.3**	**2,176.5**	**1,682.6**	**1,826.7**
2 Domestic nonfederal nonfinancial sectors	210.0[r]	−61.3[r]	80.5[r]	17.1[r]	131.8[r]	−188.6	507.8	380.4	268.7	29.3	−104.3	263.4
3 Household	246.8[r]	34.1[r]	128.7[r]	31.8[r]	−16.7[r]	−375.6	305.5	280.3	265.1	38.5	−172.9	180.7
4 Nonfinancial corporate business	17.7	−8.8	−10.2	−12.7	14.0	44.5	67.0	17.8	45.2	−13.0	63.8	38.5
5 Nonfarm noncorporate business	.6	4.7	−4.3	−2.1	.1	.1	2.8	1.2	.8	1.4	2.6	2.8
6 State and local governments	−55.0	−91.4	−33.7	.1	134.5	142.4	132.5	81.0	−42.4	2.4	2.3	41.4
7 Federal government	−27.4	−.2	−7.4	5.1	13.5	11.8	17.0	6.7	11.2	−11.8	6.2	8.2
8 Rest of the world	132.3	273.9	414.4	311.3[r]	254.2[r]	388.6	256.9	61.6	385.3	138.7	334.9	185.6
9 Financial sectors	698.8[r]	1,031.4[r]	878.1[r]	1,196.3[r]	1,760.6[r]	2,124.1	1,756.2	1,461.5	1,647.0	2,020.3	1,445.7	1,369.5
10 Monetary authority	31.5	12.7	12.3	38.3	21.1	23.5	64.5	59.8	20.6	−42.2	103.4	−3.9
11 Commercial banking	163.4	265.9	187.5	324.3	305.2	493.3	68.1	166.6	449.4	548.7	377.1	484.7
12 U.S.-chartered banks	148.1	186.5	119.6	274.9	312.0	507.6	131.5	259.4	421.9	457.7	409.2	505.8
13 Foreign banking offices in United States	11.2	75.4	63.3	40.2	−11.9	−17.6	−53.1	−102.5	33.2	42.0	4.8	−29.9
14 Bank holding companies	.9	−.3	3.9	5.4	−.9	−7.4	−6.0	.4	−12.4	42.6	−42.2	3.5
15 Banks in U.S.-affiliated areas	3.3	4.2	.7	3.7	6.0	10.7	−4.4	9.2	6.6	6.3	5.4	5.4
16 Savings institutions	6.7	−7.6	19.9	−4.7	36.3	111.0	111.0	85.3	58.1	20.2	50.2	72.9
17 Credit unions	28.1	16.2	25.5	16.8	19.0	20.4	30.9	32.7	27.5	18.8	39.9	40.7
18 Bank personal trusts and estates	7.1	−8.3	−7.7	−25.0	−12.8	−13.5	−7.6	−8.4	−8.6	−9.1	−9.5	−9.9
19 Life insurance companies	72.0	100.0	69.6	104.8	76.9	79.0	78.4	68.2	36.8	30.7	57.2	54.1
20 Other insurance companies	24.9	21.5	22.5	25.2	20.4	67.6	−19.7	26.7	−14.4	−9.4	−14.0	−13.6
21 Private pension funds	45.0[r]	20.2[r]	−5.8[r]	19.5[r]	57.8[r]	108.3	57.5	86.6	32.0	54.0	46.1	.2
22 State and local government retirement funds	30.9	33.6	37.3	63.8	71.5[r]	51.4	76.0	25.1	40.0	58.2	55.3	17.1
23 Money market mutual funds	30.0	86.5	88.8	87.5	244.0	345.7	215.7	−67.0	224.8	354.5	208.8	−156.2
24 Mutual funds	−7.1	52.5	48.9	80.9	124.8	106.3	97.4	117.2	−13.0	−12.7	−80.8	55.0
25 Closed-end funds	−3.7	10.5	4.7	−2.9	4.5	4.5	3.1	3.1	3.1	3.1	3.1	3.1
26 Government-sponsored enterprises	117.8	86.7	84.2	94.3	261.7[r]	415.2	189.1	251.5	280.7	221.0	138.2	215.1
27 Federally related mortgage pools	115.4	98.2	141.1	114.5	192.6	167.1	396.6	271.9	244.5	182.4	144.3	121.6
28 Asset-backed securities issuers (ABSs)	69.4	120.6	120.5	163.8	281.7	317.2	272.1	284.8	212.0	94.4	145.3	158.7
29 Finance companies	48.3	49.9	18.4	21.9	51.9	75.8	85.3	88.1	91.7	114.4	132.9	145.5
30 Mortgage companies	−24.0	−3.4	8.2	−9.1	3.2	6.0	−9.1	10.2	−12.1	12.3	−6.0	5.5
31 Real estate investment trusts (REITs)	−.7	1.4	4.4	20.2	−5.1	−40.8	1.7	−2.2	−2.7	−7.0	−16.3	−2.5
32 Brokers and dealers	−44.2	90.1	−15.7	14.9	6.8	−210.3	34.6	−119.7	−22.2	−15.9	106.9	33.8
33 Funding corporations	−12.1[r]	−15.7[r]	13.6[r]	47.4[r]	−1.0[r]	−3.5	10.5	81.1	−1.1	403.8	−36.3	147.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 **Net flows through credit markets**	**1,013.8[r]**	**1,243.8[r]**	**1,365.6[r]**	**1,529.8[r]**	**2,160.1[r]**	**2,335.9**	**2,537.8**	**1,910.2**	**2,312.3**	**2,176.5**	**1,682.6**	**1,826.7**
Other financial sources												
35 Official foreign exchange	−5.8	8.8	−6.3	.7	6.6	8.6	−14.0	−5.4	−8.5	−7.0	1.5	−8.8
36 Special drawing rights certificates	.0	2.2	−.5	−.5	.0	.0	−4.0	.0	−4.0	−4.0	.0	−8.0
37 Treasury currency	.7	.6	.1	.0	.0	−2.3	.0	2.1	2.0	−4.1	2.2	−2.3
38 Foreign deposits	52.9	35.3	85.9	108.9[r]	2.0[r]	−127.6	113.7	110.1	69.4	52.7	258.5	−1.1
39 Net interbank transactions	89.8	10.0	−51.6	−19.7	−32.3	−115.2	48.3	93.4	−33.5	−43.3	−75.8	202.0
40 Checkable deposits and currency	−9.7	−12.8[r]	15.7[r]	41.2[r]	47.4[r]	53.2	63.6	37.5	139.3	365.2	−219.1	−61.1
41 Small time and savings deposits	−39.9	96.6	97.2	97.1	152.4	298.3	−74.8	106.6	119.1	28.0	109.1	132.2
42 Large time deposits	19.6	65.6	114.0	122.5	92.1	83.6	18.0	42.4	102.7	359.4	149.2	108.5
43 Money market fund shares	40.5[r]	141.2[r]	145.4[r]	155.9[r]	287.2[r]	289.4	221.3	115.3	174.3	485.5	241.0	48.2
44 Security repurchase agreements	78.2	110.5	41.4	120.9	91.3	−207.7	258.0	−26.1	135.9	319.0	276.1	134.8
45 Corporate equities	12.8	−16.0	−5.7[r]	−83.9[r]	−174.6[r]	−215.6	−86.4	−33.9	−7.0	.0	105.2	−123.0
46 Mutual fund shares	100.6	147.4	237.6	265.1	274.6	225.5	240.6	212.4	127.5	172.8	309.0	248.4
47 Trade payables	120.0	128.9	114.1[r]	131.2[r]	27.0[r]	−35.7	121.7	253.3	216.9	137.0	213.7	213.2
48 Security credit	−.1	26.7	52.4	111.0	103.3	−19.3	−62.2	139.7	18.9	277.8	566.3	−138.6
49 Life insurance reserves	35.5	45.8	44.5	59.3	48.0[r]	68.9	55.4	42.1	48.1	57.6	38.0	44.3
50 Pension fund reserves	257.4[r]	171.0[r]	163.0[r]	278.8[r]	248.7[r]	282.6	204.5	248.8	266.7	294.6	258.0	240.8
51 Taxes payable	2.6	6.2	16.0	15.6	11.8	8.0	−2.1	42.5	−1.1	22.5	24.8	24.7
52 Investment in bank personal trusts	17.8	4.0	−8.6	−56.3	−48.0	−48.8	−32.0	−25.9	−34.3	−32.3	−40.4	−41.0
53 Noncorporate proprietors' equity	43.1[r]	34.6[r]	−3.4[r]	−43.7[r]	−46.7[r]	−16.3	−19.2	4.1	−71.2	−2.2	−27.4	−28.7
54 Miscellaneous	273.2[r]	489.4[r]	525.7[r]	499.6[r]	836.2[r]	530.5	398.5	1,393.1	499.2	502.2	1,024.6	879.9
55 **Total financial sources**	**2,102.9[r]**	**2,739.7[r]**	**2,942.6[r]**	**3,333.6[r]**	**4,086.9[r]**	**3,395.8**	**3,986.7**	**4,662.0**	**4,072.6**	**5,157.9**	**4,897.2**	**3,691.2**
Liabilities not identified as assets (−)												
56 Treasury currency	−.2	−.5	−.9	−.6	−.7	−3.4	−1.5	.6	.2	−6.3	−1.8	−6.2
57 Foreign deposits	43.0	25.1	59.6	107.4[r]	−6.4[r]	−142.5	49.3	96.1	26.4	93.9	179.0	−67.2
58 Net interbank liabilities	−2.7	−3.1	−3.3	−19.9	3.4	−38.7	49.7	−4.8	−7.0	−23.7	24.4	−4.1
59 Security repurchase agreements	73.5[r]	25.7[r]	4.1[r]	64.3[r]	61.4[r]	−18.1	213.5	54.3	77.8	−217.3	550.0	−11.5
60 Taxes payable	16.6	21.1	22.9[r]	27.9[r]	13.7[r]	12.8	−9.1	20.1	1.5	−.7	10.0	−.3
61 Miscellaneous	−119.2[r]	−180.9[r]	−88.1[r]	−82.0[r]	−54.3[r]	54.1	−533.0	−289.9	−466.9	−71.3	−340.3	−250.2
Floats not included in assets (−)												
62 Federal government checkable deposits	−4.8	−6.0	.5	−2.7	2.6	17.1	−2.1	−27.0	8.6	−9.2	28.7	−2.6
63 Other checkable deposits	−2.8	−3.8	−4.0	−3.9	−3.1	−1.8	−2.1	−.9	−.3	.0	.6	1.5
64 Trade credit	27.4	15.6	−21.2	−29.4[r]	−42.1[r]	−32.2	45.6	−18.1	60.4	111.4	2.7	10.8
65 **Total identified to sectors as assets**	**2,072.1[r]**	**2,846.6[r]**	**2,973.1[r]**	**3,272.5[r]**	**4,112.5[r]**	**3,548.5**	**4,176.3**	**4,831.5**	**4,371.9**	**5,281.1**	**4,443.9**	**4,021.1**

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.

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1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1995	1996	1997	1998	1998	1999				2000	
					Q4	Q1	Q2	Q3	Q4	Q1[r]	Q2
	Nonfinancial sectors										
1 **Total credit market debt owed by domestic nonfinancial sectors**	**13,712.9[r]**	**14,444.2[r]**	**15,247.0[r]**	**16,289.9[r]**	**16,289.9[r]**	**16,605.6[r]**	**16,785.1[r]**	**17,105.5[r]**	**17,445.6[r]**	**17,680.1**	**17,865.1**
By sector and instrument											
2 Federal government	3,636.7	3,781.8	3,804.9	3,752.2	3,752.2	3,759.7	3,651.7	3,632.7	3,681.0	3,653.5	3,464.0
3 Treasury securities	3,608.5	3,755.1	3,778.3	3,723.7	3,723.7	3,731.6	3,623.4	3,604.5	3,652.8	3,625.8	3,435.7
4 Budget agency securities and mortgages	28.2	26.6	26.5	28.5	28.5	28.1	28.3	28.3	28.3	27.8	28.2
5 Nonfederal	10,076.1[r]	10,662.5[r]	11,442.1[r]	12,537.7[r]	12,537.7[r]	12,845.9[r]	13,133.4[r]	13,472.8[r]	13,764.5[r]	14,026.6	14,401.2
By instrument											
6 Commercial paper	157.4	156.4	168.6	193.0	193.0	223.9	232.4	239.3	230.3	260.8	296.8
7 Municipal securities and loans	1,293.5	1,296.0	1,367.5	1,464.3	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5	1,539.2	1,551.6
8 Corporate bonds	1,344.1	1,460.4	1,610.9	1,829.6	1,829.6	1,898.1	1,970.0	2,020.7	2,059.5	2,106.0	2,144.5
9 Bank loans n.e.c.	863.6	934.1	1,040.5	1,148.8	1,148.8	1,165.2	1,178.5	1,202.9	1,231.5	1,259.1	1,306.4
10 Other loans and advances	736.9	770.4	839.5	913.8	913.8	957.4	956.0[r]	969.8[r]	985.3[r]	1,032.4	1,066.2
11 Mortgages	4,557.9[r]	4,833.6[r]	5,151.1[r]	5,656.6[r]	5,656.6[r]	5,791.1[r]	5,946.2[r]	6,151.4[r]	6,299.4[r]	6,412.8	6,582.1
12 Home	3,510.5[r]	3,719.2[r]	3,971.5[r]	4,358.4[r]	4,358.4[r]	4,451.2[r]	4,564.4[r]	4,694.1[r]	4,791.3[r]	4,867.7	4,995.2
13 Multifamily residential	265.5	278.6[r]	286.9[r]	307.3[r]	307.3[r]	316.4[r]	324.6[r]	335.7[r]	347.7[r]	355.5	364.7
14 Commercial	697.3[r]	748.7[r]	802.3[r]	894.4[r]	894.4[r]	926.1[r]	957.5[r]	1,020.3[r]	1,058.4[r]	1,085.8	1,115.5
15 Farm	84.6	87.1	90.3	96.5	96.5	97.4	99.6	101.4	102.0	103.7	106.7
16 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,331.7	1,319.3	1,340.4	1,370.1	1,426.2	1,416.2	1,453.6
By borrowing sector											
17 Household	4,782.9[r]	5,105.3[r]	5,442.8[r]	5,924.6[r]	5,924.6[r]	6,004.8[r]	6,147.2[r]	6,313.3[r]	6,469.1[r]	6,541.9	6,710.9
18 Nonfinancial business	4,223.0[r]	4,493.7[r]	4,879.9[r]	5,413.3[r]	5,413.3[r]	5,617.9[r]	5,748.0[r]	5,917.1[r]	6,043.3[r]	6,227.4	6,423.6
19 Corporate	2,925.5[r]	3,107.7[r]	3,372.7[r]	3,788.5[r]	3,788.5[r]	3,970.3[r]	4,071.6[r]	4,207.6[r]	4,302.2[r]	4,457.6	4,617.5
20 Nonfarm noncorporate	1,152.4	1,236.1	1,351.1	1,460.9	1,460.9	1,485.2	1,510.2	1,540.9	1,572.0	1,599.7	1,629.9
21 Farm	145.1	149.9	156.1	163.8	163.8	162.4	166.1	168.6	169.0[r]	170.1	176.1
22 State and local government	1,070.2	1,063.4	1,119.5	1,199.8	1,199.8	1,223.2	1,238.2	1,242.4	1,252.1[r]	1,257.3	1,266.7
23 **Foreign credit market debt held in United States**	**453.7[r]**	**542.2[r]**	**608.0[r]**	**651.4[r]**	**651.4[r]**	**659.2[r]**	**652.7[r]**	**672.9[r]**	**676.9[r]**	**704.6**	**698.9**
24 Commercial paper	56.2	67.5	65.1	72.9	72.9	77.2	70.1	81.8	89.2	101.6	101.2
25 Bonds	299.4[r]	366.3[r]	427.7[r]	462.5[r]	462.5[r]	466.3[r]	466.4[r]	477.4[r]	476.7[r]	488.1	480.7
26 Bank loans n.e.c.	34.6	43.7	52.1	58.9	58.9	59.1	60.5	58.8	59.4	63.3	64.8
27 Other loans and advances	63.6[r]	64.7[r]	63.0[r]	57.2[r]	57.2[r]	56.5[r]	55.8[r]	55.0[r]	51.7[r]	51.7	52.1
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**14,166.5[r]**	**14,986.4[r]**	**15,855.0[r]**	**16,941.3[r]**	**16,941.3[r]**	**17,264.7[r]**	**17,437.8[r]**	**17,778.5[r]**	**18,122.5[r]**	**18,384.7**	**18,564.0**
	Financial sectors										
29 **Total credit market debt owed by financial sectors**	**4,278.8**	**4,824.6**	**5,445.2**	**6,519.1**	**6,519.1**	**6,809.0**	**7,073.3**	**7,346.8[r]**	**7,607.0**	**7,744.5**	**7,970.9**
By instrument											
30 Federal government-related	2,376.8	2,608.3	2,821.1	3,292.0	3,292.0	3,434.1	3,580.7	3,745.9	3,884.0	3,940.3	4,032.0
31 Government-sponsored enterprise securities	806.5	896.9	995.3	1,273.6	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7	1,618.0	1,676.7
32 Mortgage pool securities	1,570.3	1,711.4	1,825.8	2,018.4	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3	2,355.4
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	1,901.9	2,216.3	2,624.1	3,227.1	3,227.1	3,374.9	3,492.6	3,601.0[r]	3,723.0	3,804.2	3,938.9
35 Open market paper	486.9	579.1	745.7	906.7	906.7	926.4	940.9	963.4	1,082.9	1,115.7	1,135.2
36 Corporate bonds	1,204.7	1,378.4	1,555.9	1,852.8	1,852.8	1,968.6	2,042.8	2,091.1[r]	2,074.6	2,114.2	2,192.5
37 Bank loans n.e.c.	51.4	64.0	77.2	107.2	107.2	104.1	106.8	105.2	92.9	91.4	93.6
38 Other loans and advances	135.0	162.9	198.5	288.7	288.7	299.1	328.6	365.4	395.8	404.4	436.7
39 Mortgages	24.1	31.9	46.8	71.6	71.6	76.6	73.6	75.9	76.7	78.5	81.0
By borrowing sector											
40 Commercial banks	102.6	113.6	140.6	188.6	188.6	187.5	202.7	224.2	230.0	242.2	265.9
41 Bank holding companies	148.0	150.0	168.6	193.5	193.5	202.6	205.5	211.8[r]	219.3	221.4	229.3
42 Savings institutions	115.0	140.5	160.3	212.4	212.4	226.9	241.6	255.4	260.4	266.9	280.0
43 Credit unions	.4	.4	.6	1.1	1.1	1.5	1.8	2.5	3.4	2.6	2.9
44 Life insurance companies	.5	1.6	1.8	2.5	2.5	3.3	4.0	4.3	3.2	3.0	2.7
45 Government-sponsored enterprises	806.5	896.9	995.3	1,273.6	1,273.6	1,321.8	1,398.0	1,499.8	1,591.7	1,618.0	1,676.7
46 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3	2,355.4
47 Issuers of asset-backed securities (ABSs)	712.5	863.3	1,076.6	1,398.0	1,398.0	1,463.1	1,539.9	1,599.1	1,632.0	1,665.8	1,716.0
48 Brokers and dealers	29.3	27.3	35.3	42.5	42.5	34.8	30.4	34.6	25.3	36.4	36.2
49 Finance companies	483.9	529.8	554.5	597.5	597.5	614.4	639.2	628.5	659.9	670.7	712.7
50 Mortgage companies	16.5	20.6	16.0	17.7	17.7	16.5	17.8	16.3	17.8	17.1	17.8
51 Real estate investment trusts (REITs)	44.6	56.5	96.1	158.8	158.8	165.2	160.3	162.2	165.1	167.9	170.4
52 Funding corporations	248.6	312.7	373.7	414.4	414.4	459.1	449.5	462.0	506.6	510.1	505.1
	All sectors										
53 **Total credit market debt, domestic and foreign**	**18,445.3[r]**	**19,811.0[r]**	**21,300.2[r]**	**23,460.4[r]**	**23,460.4[r]**	**24,073.7[r]**	**24,511.1[r]**	**25,125.3[r]**	**25,729.5[r]**	**26,129.2**	**26,534.9**
54 Open market paper	700.4	803.0	979.4	1,172.6	1,172.6	1,227.6	1,243.3	1,284.5	1,402.4	1,478.1	1,533.3
55 U.S. government securities	6,013.6	6,390.0	6,626.0	7,044.3	7,044.3	7,193.8	7,232.4	7,378.6	7,565.0	7,593.8	7,496.0
56 Municipal securities	1,293.5	1,296.0	1,367.5	1,464.3	1,464.3	1,491.0	1,510.0	1,518.6	1,532.5	1,539.2	1,551.6
57 Corporate and foreign bonds	2,848.1[r]	3,205.1[r]	3,594.5[r]	4,144.9[r]	4,144.9[r]	4,333.0[r]	4,479.2[r]	4,589.1[r]	4,610.8[r]	4,708.3	4,817.7
58 Bank loans n.e.c.	949.6	1,041.7	1,169.8	1,314.9	1,314.9	1,328.3	1,345.7	1,366.9	1,383.8	1,413.7	1,464.7
59 Other loans and advances	935.4[r]	998.0[r]	1,101.0[r]	1,259.6[r]	1,259.6[r]	1,313.0[r]	1,340.3[r]	1,390.1[r]	1,432.7[r]	1,488.5	1,555.0
60 Mortgages	4,581.9[r]	4,865.5[r]	5,197.9[r]	5,728.2[r]	5,728.2[r]	5,867.7[r]	6,019.8[r]	6,227.3[r]	6,376.1[r]	6,491.3	6,663.1
61 Consumer credit	1,122.8	1,211.6	1,264.1	1,331.7	1,331.7	1,319.3	1,340.4	1,370.1	1,426.2	1,416.2	1,453.6

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

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1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1995	1996	1997	1998	1998	1999				2000	
					Q4	Q1	Q2	Q3[r]	Q4[r]	Q1[r]	Q2
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**18,445.3[r]**	**19,811.0[r]**	**21,300.2[r]**	**23,460.4[r]**	**23,460.4[r]**	**24,073.7[r]**	**24,511.1[r]**	**25,125.3**	**25,729.5**	**26,129.2**	**26,534.9**
2 Domestic nonfederal nonfinancial sectors	2,905.5[r]	3,031.3[r]	3,004.7[r]	3,108.2[r]	3,108.2[r]	3,208.2[r]	3,277.3[r]	3,343.4	3,474.9	3,418.7	3,459.0
3 Household	1,944.3[r]	2,118.3[r]	2,106.4[r]	2,061.4[r]	2,061.4[r]	2,133.5[r]	2,172.2[r]	2,235.9	2,353.9	2,304.6	2,319.1
4 Nonfinancial corporate business	280.4	270.2	257.5	271.5	271.5	266.1[r]	273.3[r]	288.4	300.7	293.0	305.2
5 Nonfarm noncorporate business	42.3	38.0	35.9	35.9	35.9	36.6	36.9	37.1	37.5	38.1	38.8
6 State and local governments	638.6	604.8	605.0	739.4	739.4	772.1	794.8	781.9	782.8	782.9	795.8
7 Federal government	207.5[r]	200.2[r]	205.5[r]	219.1[r]	219.1[r]	223.3[r]	225.0[r]	260.7	258.0	259.6	261.6
8 Rest of the world	1,531.1	1,926.6	2,257.3[r]	2,539.8[r]	2,539.8[r]	2,608.3[r]	2,621.3[r]	2,718.1	2,678.0	2,765.9	2,809.7
9 Financial sectors	13,801.1[r]	14,652.9[r]	15,832.7[r]	17,593.3[r]	17,593.3[r]	18,033.8[r]	18,387.5[r]	18,803.0	19,318.6	19,685.1	20,004.6
10 Monetary authority	380.8	393.1	431.4	452.5	452.5	466.0	485.1	489.3	478.1	501.9	505.1
11 Commercial banking	3,520.1	3,707.7	4,031.9	4,335.7	4,335.7	4,338.4	4,383.4	4,488.3	4,643.9	4,725.0	4,847.4
12 U.S.-chartered banks	3,056.1	3,175.8	3,450.7	3,761.2	3,761.2	3,782.9	3,847.6	3,944.3	4,078.9	4,171.3	4,295.4
13 Foreign banking offices in United States	412.6	475.8	516.1	504.2	504.2	487.8	465.7	475.3	484.1	482.0	478.1
14 Bank holding companies	18.0	22.0	27.4	26.5	26.5	25.0	25.1	22.0	32.7	22.1	23.0
15 Banks in U.S.-affiliated areas	33.4	34.1	37.8	43.8	43.8	42.7	45.0	46.7	48.3	49.6	51.0
16 Savings institutions	913.3	933.2	928.5	964.8	964.8	990.8	1,011.4	1,030.8	1,033.4	1,044.5	1,061.7
17 Credit unions	263.0	288.5	305.3	324.2	324.2	330.2	341.0	348.5	351.7	360.0	372.9
18 Bank personal trusts and estates	239.7	232.0	207.0	194.1	194.1	192.2	190.1	188.0	185.7	183.3	180.8
19 Life insurance companies	1,587.5	1,657.0	1,751.1	1,828.0	1,828.0	1,853.5	1,869.6	1,880.4	1,886.0	1,901.5	1,913.9
20 Other insurance companies	468.7	491.2	515.3	535.7	535.7	530.8	537.5	533.9	531.6	528.0	524.6
21 Private pension funds	633.1[r]	627.3[r]	646.8[r]	704.7[r]	704.7[r]	719.0[r]	740.7[r]	748.7	762.2	773.7	773.8
22 State and local government retirement funds	531.0	568.2	632.0	703.6[r]	703.6[r]	722.6[r]	728.9[r]	738.9	753.4	767.2	771.5
23 Money market mutual funds	545.5	634.3	721.9	965.9	965.9	1,036.2	1,001.8	1,049.7	1,147.8	1,217.1	1,159.4
24 Mutual funds	771.3	820.2	901.1	1,025.9	1,025.9	1,050.8	1,083.7[r]	1,083.0	1,073.1	1,053.0	1,070.9
25 Closed-end funds	96.4	101.1	98.3	102.8	102.8	103.6	104.3	105.1	105.9	106.7	107.4
26 Government-sponsored enterprises	750.0	807.9	902.2	1,163.9[r]	1,163.9[r]	1,203.1[r]	1,268.4[r]	1,340.2	1,399.5	1,426.4	1,481.7
27 Federally related mortgage pools	1,570.3	1,711.4	1,825.8	2,018.4	2,018.4	2,112.3	2,182.7	2,246.1	2,292.3	2,322.3	2,355.4
28 Asset-backed securities issuers (ABSs)	653.4	773.9	937.7	1,219.4	1,219.4	1,280.1	1,352.7	1,409.8	1,435.3	1,463.9	1,505.4
29 Finance companies	526.2	544.5	566.4	618.4	618.4	639.9	660.9	678.2	713.3	747.0	782.2
30 Mortgage companies	33.0	41.2	32.1	35.3	35.3	33.0	35.6	32.5	35.6	34.1	35.5
31 Real estate investment trusts (REITs)	26.0	30.4	50.6	45.5	45.5	45.9	45.3	44.7	42.9	38.8	38.2
32 Brokers and dealers	183.4	167.7	182.6	189.4	189.4	211.4	162.9	167.0	158.6	201.1	188.2
33 Funding corporations	108.4[r]	122.0[r]	164.7[r]	165.2[r]	165.2[r]	174.1[r]	201.4[r]	200.1	288.4	289.6	328.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 **Total credit market debt**	**18,445.3[r]**	**19,811.0[r]**	**21,300.2[r]**	**23,460.4[r]**	**23,460.4[r]**	**24,073.7[r]**	**24,511.1[r]**	**25,125.3**	**25,729.5**	**26,129.2**	**26,534.9**
Other liabilities											
35 Official foreign exchange	63.7	53.7	48.9	60.1	60.1	53.6	50.9	52.1	50.1	49.4	46.5
36 Special drawing rights certificates	10.2	9.7	9.2	9.2	9.2	8.2	8.2	7.2	6.2	6.2	4.2
37 Treasury currency	18.2	18.3	18.3	18.3	18.3	18.3	18.8	19.3	18.3	18.8	18.1
38 Foreign deposits	418.8	521.7[r]	619.7[r]	639.0[r]	639.0[r]	667.4[r]	694.9[r]	712.3	725.8	790.4	790.2
39 Net interbank liabilities	290.7	240.8	219.4	189.0	189.0	182.0	207.1[r]	198.9	203.2	165.6	219.5
40 Checkable deposits and currency	1,229.1[r]	1,244.8[r]	1,286.1[r]	1,333.4[r]	1,333.4[r]	1,310.5[r]	1,353.1[r]	1,353.8	1,484.8	1,392.9	1,410.7
41 Small time and savings deposits	2,279.7	2,377.0	2,474.1	2,626.5	2,626.5	2,637.6	2,644.6	2,665.9	2,671.2	2,729.2	2,740.5
42 Large time deposits	476.9	590.9	713.4	805.5	805.5	804.3	809.0	837.5	936.1	966.5	987.4
43 Money market fund shares	741.3[r]	886.7[r]	1,042.5[r]	1,329.7[r]	1,329.7[r]	1,411.7[r]	1,393.5[r]	1,444.9	1,578.8	1,666.0	1,627.1
44 Security repurchase agreements	660.0	701.5	822.4	913.7	913.7	980.3	970.8	999.3	1,085.4	1,155.8	1,186.2
45 Mutual fund shares	1,852.8	2,342.4	2,989.4	3,610.5	3,610.5	3,758.1[r]	4,049.1	3,931.5	4,553.4	4,864.5	4,740.7
46 Security credit	305.7	358.1	469.1	572.3	572.3	552.7	589.3	593.2	665.9	803.7	770.8
47 Life insurance reserves	566.2	610.6	665.0	718.3	718.3	735.9[r]	749.8	756.2	783.9	796.9	802.8
48 Pension fund reserves	5,812.7[r]	6,548.4[r]	7,817.1[r]	8,912.7[r]	8,912.7[r]	9,064.9[r]	9,479.5[r]	9,150.5	9,999.4	10,227.4	10,139.0
49 Trade payables	1,698.0	1,812.1[r]	1,943.3	1,970.3[r]	1,970.3[r]	1,973.9[r]	2,038.1[r]	2,098.4	2,152.6	2,179.6	2,233.3
50 Taxes payable	107.6	123.6	139.2	151.0	151.0	158.2[r]	160.6[r]	165.3	166.4	180.3	178.0
51 Investment in bank personal trusts	803.0	871.7	942.5	1,001.0	1,001.0	1,012.5	1,059.8	998.3	1,116.6	1,135.2	1,085.0
52 Miscellaneous	5,838.0[r]	6,231.3[r]	6,571.9[r]	7,133.9[r]	7,133.9[r]	7,131.6[r]	7,310.8[r]	7,318.7	7,638.2	7,851.6	8,059.6
53 **Total liabilities**	**41,617.9[r]**	**45,354.2[r]**	**50,091.7[r]**	**55,454.8[r]**	**55,454.8[r]**	**56,535.3[r]**	**58,099.0[r]**	**58,428.7**	**61,565.7**	**63,109.3**	**63,574.5**
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	22.1	21.4	21.1	21.6	21.6	20.7	20.8	21.3	21.4	21.4	21.5
55 Corporate equities	8,495.7	10,255.8	13,201.3[r]	15,427.8[r]	15,427.8[r]	15,919.1[r]	17,060.4[r]	16,214.9	19,576.3	20,231.8	19,298.5
56 Household equity in noncorporate business	3,671.6[r]	3,876.6[r]	4,151.1[r]	4,400.8[r]	4,400.8[r]	4,460.5[r]	4,523.0[r]	4,582.8	4,643.5	4,695.1	4,764.9
Liabilities not identified as assets (−)											
57 Treasury currency	−5.8	−6.7	−7.3	−8.0	−8.0	−8.4	−8.2	−8.2	−9.7	−10.2	−11.9
58 Foreign deposits	360.2	437.0[r]	538.3[r]	548.2[r]	548.2[r]	560.5[r]	584.5[r]	591.1	614.9	659.7	642.9
59 Net interbank transactions	−9.0	−10.6	−32.2	−27.0	−27.0	−11.3	−10.6	−13.2	−25.5	−13.9	−11.5
60 Security repurchase agreements	107.4[r]	111.5[r]	175.8[r]	237.2[r]	237.2[r]	296.7[r]	308.2[r]	327.7	269.3	413.4	408.8
61 Taxes payable	62.4	76.7	92.3	101.5	101.5	89.2[r]	110.3[r]	94.2	94.5	88.9	101.1
62 Miscellaneous	−1,167.5[r]	−1,630.7[r]	−1,996.0[r]	−2,539.2[r]	−2,539.2[r]	−2,755.0[r]	−2,824.4[r]	−3,133.2	−3,008.0	−3,149.6	−3,169.7
Floats not included in assets (−)											
63 Federal government checkable deposits	3.1	−1.6	−8.1	−3.9	−3.9	−7.2	−12.4	−10.2	−9.9	−6.5	−5.2
64 Other checkable deposits	34.2	30.1	26.2	23.1	23.1	18.9	22.1	14.5	22.3	18.7	22.5
65 Trade credit	196.8[r]	174.6[r]	135.5[r]	94.5[r]	94.5[r]	56.3[r]	30.8[r]	44.7	141.7	92.6	73.1
66 **Total identified to sectors as assets**	**54,225.6[r]**	**60,327.7[r]**	**68,540.7[r]**	**76,878.6[r]**	**76,878.6[r]**	**78,696.0[r]**	**81,502.8[r]**	**81,340.1**	**87,717.2**	**89,964.3**	**89,609.3**

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.

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2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1997	1998	1999	1999		2000						
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[r]	June	July[p]
1 **Industrial production**[1]	**127.1**	**132.4**	**137.1**	**139.4**	**140.1**	**141.1**	**141.6**	**142.4**	**143.5**	**144.4**	**144.8**	**145.3**
Market groupings												
2 Products, total	119.6	123.7	126.5	128.0	128.5	129.7	130.1	130.3	131.0[r]	131.0	131.0	131.3
3 Final, total	121.1	125.4	128.0	129.8	130.3	131.6	131.8	132.0	132.8	133.0	133.2	133.6
4 Consumer goods	115.1	116.2	116.9	117.6	118.1	118.8	118.7	118.0	118.6	118.5	118.5	117.9
5 Equipment	132.1	142.7	148.9	151.4	151.8	154.2	155.0	156.9	158.1[r]	158.9	159.4	161.9
6 Intermediate	115.3	118.8	122.1	122.4	123.1	123.7	124.8	125.1	125.3[r]	124.8	124.2	124.3
7 Materials	139.0	146.5	154.8	158.8	159.7	160.5	161.2	163.1	165.0[r]	167.6	168.7	169.6
Industry groupings												
8 Manufacturing	130.1	136.4	142.3	145.0	145.6	146.7	147.2	148.4	149.3	150.2	150.7	151.6
9 Capacity utilization, manufacturing (percent)[2]	82.4	80.9	79.8	80.3	80.3	80.7	80.7	81.1	81.3	81.4	81.4	81.6
10 Construction contracts[3]	144.1	161.2[r]	177.3[r]	176.0[r]	175.0[r]	175.0[r]	179.0[r]	192.0[r]	184.0[r]	171.0	178.0	172.0
11 Nonagricultural employment, total[4]	120.3	123.4	126.2	127.3	127.5	127.9	128.0	128.5	128.9	129.1	129.1	129.0
12 Goods-producing, total	101.2	102.7	102.3	103.5	103.6	104.1	103.9	104.3	104.3	104.1	104.2	104.4
13 Manufacturing, total	98.3	98.8	97.0	97.3	97.3	97.4	97.2	97.3	97.3	97.3	97.3	97.6
14 Manufacturing, production workers	99.6	99.8	97.8	98.1	98.1	98.2	98.0	97.9	98.0	97.9	97.9	98.3
15 Service-producing	126.5	130.0	133.8	134.9	135.2	135.5	135.7	136.2	136.8	137.0	137.1	136.9
16 Personal income, total	175.1[r]	186.5[r]	196.6	201.3	201.7[r]	203.3[r]	204.4[r]	206.0[r]	207.1[r]	207.7	208.6	209.1
17 Wages and salary disbursements	171.3	184.6[r]	196.9[r]	201.4[r]	202.7[r]	204.3[r]	205.2[r]	206.4[r]	208.1[r]	208.1	209.4	210.5
18 Manufacturing	144.6	152.3[r]	157.4[r]	159.7[r]	159.8[r]	161.1[r]	161.6[r]	162.0[r]	163.5[r]	162.6	163.8	164.7
19 Disposable personal income[5]	172.5[r]	182.7[r]	191.9	196.0[r]	196.1[r]	197.4[r]	198.3[r]	199.8[r]	200.7[r]	201.2	201.8	202.4
20 Retail sales[5]	169.8	178.4	194.6[r]	200.8	204.0	205.5	208.3	209.3	208.3	208.5	209.4	211.0
Prices[6]												
21 Consumer (1982–84=100)	160.5	163.0	166.6	168.3	168.3	168.7	169.7	171.1	171.2	171.3	172.3	172.6
22 Producer finished goods (1982=100)	131.8	130.7	133.0	134.9	134.9	134.7	136.0	136.8[r]	137.0	137.5	138.4	138.3

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 1999. The recent annual revision is described in an article in the March 2000 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	1997	1998	1999	1999	2000						
				Dec.	Jan.	Feb.	Mar.	Apr.	May[r]	June	July[p]
HOUSEHOLD SURVEY DATA[1]											
1 Civilian labor force[2]	136,297	137,673	139,368	140,108	140,910	141,165	140,867	141,230	140,489	140,762	140,399
Employment											
2 Nonagricultural industries[3]	126,159	128,085	130,207	131,141	131,850	131,954	131,801	132,351	131,417	131,858	131,450
3 Agriculture	3,399	3,378	3,281	3,279	3,371	3,408	3,359	3,355	3,298	3,321	3,299
Unemployment											
4 Number	6,739	6,210	5,880	5,688	5,689	5,804	5,708	5,524	5,774	5,583	5,650
5 Rate (percent of civilian labor force)	4.9	4.5	4.2	4.1	4.0	4.1	4.1	3.9	4.1	4.0	4.0
ESTABLISHMENT SURVEY DATA											
6 **Nonagricultural payroll employment**[4]	**122,690**	**125,826**	**128,616**	**130,038**	**130,387**	**130,482**	**131,009**	**131,419**	**131,590**	**131,620**	**131,512**
7 Manufacturing	18,675	18,772	18,431	18,479	18,495	18,473	18,476	18,492	18,479	18,492	18,538
8 Mining	596	590	535	530	530	533	536	539	539	539	540
9 Contract construction	5,691	5,985	6,273	6,552	6,652	6,618	6,726	6,694	6,666	6,668	6,674
10 Transportation and public utilities	6,408	6,600	6,792	6,911	6,925	6,937	6,953	6,970	6,962	6,985	7,005
11 Trade	28,614	29,127	29,792	29,938	29,978	29,989	30,044[r]	30,252	30,112	30,162	30,221
12 Finance	7,109	7,407	7,632	7,613	7,612	7,624	7,621	7,610	7,600	7,589	7,596
13 Service	36,040	37,526	39,000	39,707	39,844	39,914	40,090	40,195	40,220	40,385	40,384
14 Government	19,557	19,819	20,161	20,308	20,351	20,394	20,547	20,667	21,012	20,800	20,554

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*.

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2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1999		2000		1999		2000		1999		2000	
	Q3	Q4	Q1	Q2[r]	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2[r]
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**137.7**	**139.5**	**141.7**	**144.2**	**170.7**	**172.3**	**173.8**	**175.5**	**80.7**	**81.0**	**81.5**	**82.2**
2 Manufacturing	142.5	144.9	147.4	150.1	178.7	180.6	182.4	184.4	79.7	80.3	80.8	81.4
3 Primary processing[3]	123.4	125.4	126.0	125.7	149.0	149.8	150.4	150.9	82.8	83.7	83.8	83.3
4 Advanced processing[4]	152.5	155.2	158.7	162.9	193.7	196.1	198.7	201.6	78.7	79.1	79.9	80.8
5 Durable goods	174.4	177.4	182.5	188.7	217.6	221.0	224.8	229.1	80.2	80.3	81.2	82.4
6 Lumber and products	120.5	120.6	121.3	119.0	147.4	148.4	149.0	149.1	81.7	81.2	81.4	79.8
7 Primary metals	128.7	130.9	132.4	133.3	149.3	150.1	150.7	151.5	86.2	87.2	87.9	88.0
8 Iron and steel	126.6	129.1	130.9	132.3	151.3	152.5	153.5	154.4	83.7	84.6	85.3	85.7
9 Nonferrous	131.2	133.3	134.3	134.4	147.0	147.2	147.5	148.0	89.3	90.5	91.0	90.8
10 Industrial machinery and equipment	232.3	239.9	252.3	263.3	285.3	295.8	306.1	315.2	81.4	81.1	82.4	83.5
11 Electrical machinery	400.9	419.0	458.1	512.7	498.5	514.6	537.2	570.7	80.4	81.4	85.3	89.8
12 Motor vehicles and parts	153.3	154.7	155.2	157.9	184.9	185.0	185.7	186.7	82.9	83.6	83.6	84.6
13 Aerospace and miscellaneous transportation equipment	93.8	89.9	88.0	86.6	126.2	125.8	125.2	124.5	74.3	71.5	70.3	69.5
14 Nondurable goods	111.5	113.4	113.7	113.3	139.9	140.3	140.5	140.6	79.7	80.9	80.9	80.6
15 Textile mill products	111.6	111.4	111.3	109.6	131.6	131.8	131.9	131.9	84.8	84.5	84.4	83.1
16 Paper and products	116.0	117.9	117.0	116.7	135.3	136.1	136.6	136.7	85.7	86.6	85.6	85.4
17 Chemicals and products	117.0	121.8	121.7	120.3	150.7	151.0	151.4	151.7	77.6	80.7	80.4	79.3
18 Plastics materials	124.2	132.3	134.0	131.6	138.4	139.6	140.8	141.9	89.7	94.8	95.2	92.8
19 Petroleum products	114.6	114.1	115.8	117.1	122.7	123.1	123.4	123.6	93.4	92.7	93.9	94.8
20 Mining	98.2	99.5	100.4	101.4	120.2	120.2	119.8	119.3	81.7	82.8	83.8	85.0
21 Utilities	118.4	113.2	113.6	115.8	127.8	128.2	128.6	129.0	92.7	88.3	88.3	89.8
22 Electric	120.8	116.5	115.5	118.5	125.6	126.1	126.6	127.1	96.2	92.4	91.2	93.2

	1973	1975	Previous cycle[5]		Latest cycle[6]	1999	2000					
	High	Low	High	Low	High	Low	July	Feb.	Mar.	Apr.[r]	May[r]	June	July[p]
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**89.2**	**72.6**	**87.3**	**71.1**	**85.4**	**78.1**	**80.7**	**81.5**	**81.7**	**82.0**	**82.3**	**82.2**	**82.3**
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	79.7	80.7	81.1	81.3	81.4	81.4	81.6
3 Primary processing[3]	91.2	68.2	88.1	66.2	88.9	77.7	82.9	83.7	83.7	83.8	83.3	83.0	83.2
4 Advanced processing[4]	87.2	71.8	86.7	70.4	84.2	76.1	78.6	79.7	80.2	80.5	80.9	81.0	81.2
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	80.3	80.9	81.6	82.1	82.5	82.5	82.5
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	82.7	81.3	80.8	81.0	80.2	78.2	78.6
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	85.9	86.9	88.5	88.5	87.8	87.7	87.4
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	83.7	84.1	86.4	86.1	85.4	85.6	84.8
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	88.6	90.3	91.1	91.5	90.6	90.3	90.6
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	81.5	82.5	83.0	83.4	83.5	83.6	84.0
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	80.9	84.9	86.9	88.7	90.2	90.6	91.4
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	82.3	82.6	83.6	83.9	85.4	84.5	79.6
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	74.9	69.9	70.4	69.8	69.1	69.7	70.5
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	79.4	81.0	80.9	80.8	80.5	80.5	80.8
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	85.3	84.0	84.6	84.4	82.5	82.3	82.3
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	85.2	85.3	85.9	86.2	84.9	85.2	85.2
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	76.9	80.8	80.0	79.3	79.3	79.4	79.5
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	90.9	102.4	91.3	93.4	93.0	92.0	89.4
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	93.9	93.7	96.1	94.8	95.6	93.9	94.8
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	81.3	83.5	84.7	84.7	84.7	85.6	87.2
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	93.9	89.7	86.1	89.2	91.3	88.9	85.9
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	97.7	91.7	90.3	92.9	94.5	92.2	88.3

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 1999. The recent annual revision is described in an article in the March 2000 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; and fabricated metals.

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; transportation equipment; instruments; and miscellaneous manufactures.

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

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

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2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1992 proportion	1999 avg.	1999 July	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.	2000 Apr.[r]	2000 May[r]	2000 June	2000 July[p]
			Index (1992 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**137.1**	**137.4**	**137.7**	**138.1**	**139.1**	**139.4**	**140.1**	**141.1**	**141.6**	**142.4**	**143.5**	**144.4**	**144.8**	**145.3**
2 Products	60.5	126.5	126.9	127.6	127.6	128.5	128.0	128.5	129.7	130.1	130.3	131.0	131.0	131.0	131.3
3 Final products	46.3	128.0	128.6	129.5	129.1	130.2	129.8	130.3	131.6	131.8	132.0	132.8	133.0	133.2	133.6
4 Consumer goods, total	29.1	116.9	116.8	117.6	117.1	118.2	117.6	118.1	118.8	118.7	118.0	118.6	118.5	118.5	117.9
5 Durable consumer goods	6.1	152.6	153.4	155.5	153.5	157.4	154.4	155.7	158.9	156.4	156.8	159.1	157.3	158.7	153.4
6 Automotive products	2.6	144.7	143.7	150.6	145.5	147.9	146.2	144.4	149.1	145.4	146.0	148.7	146.8	149.5	139.6
7 Autos and trucks	1.7	151.8	148.9	162.9	152.8	155.1	154.3	148.7	155.0	150.7	151.9	155.8	154.0	157.2	139.8
8 Autos, consumer	.9	102.6	102.4	105.0	105.5	103.9	107.2	99.8	105.4	105.0	103.1	107.4	106.2	105.5	100.3
9 Trucks, consumer	.7	202.4	197.2	221.6	201.9	207.8	203.6	199.0	206.3	198.3	202.3	206.2	203.8	210.5	181.9
10 Auto parts and allied goods	.9	133.9	135.3	132.8	134.4	136.7	133.8	137.1	139.6	136.9	136.6	137.6	135.7	137.5	137.4
11 Other	3.5	158.6	161.1	158.7	159.7	165.0	160.7	164.9	166.6	165.4	165.5	167.5	165.7	166.0	165.1
12 Appliances, televisions, and air conditioners	1.0	324.3	329.9	319.0	326.3	363.1	348.4	357.6	361.6	362.8	367.3	373.3	370.0	375.6	365.4
13 Carpeting and furniture	.8	121.7	124.1	122.1	124.1	124.8	117.4	123.0	126.9	122.6	122.6	125.0	123.1	124.5	124.6
14 Miscellaneous home goods	1.6	114.7	115.9	115.4	114.4	114.8	115.0	116.7	116.6	116.6	115.9	116.5	115.4	114.0	114.3
15 Nondurable consumer goods	23.0	108.7	108.3	108.9	108.7	109.3	109.1	109.5	109.7	110.0	109.1	109.4	109.6	109.3	109.6
16 Foods and tobacco	10.3	107.3	106.7	106.5	106.2	106.8	107.3	107.4	107.6	107.9	107.8	108.3	107.8	107.8	108.3
17 Clothing	2.4	90.6	89.2	90.1	89.9	89.4	90.6	89.1	89.3	89.6	89.2	89.5	88.9	87.0	87.5
18 Chemical products	4.5	121.8	119.4	122.7	120.9	123.1	126.0	126.5	125.8	125.1	125.8	124.2	124.7	125.5	126.1
19 Paper products	2.9	102.3	102.0	103.2	104.7	106.3	105.1	103.1	104.3	104.5	103.0	103.3	103.4	105.4	106.5
20 Energy	2.9	114.0	118.6	116.6	117.6	114.5	106.7	112.0	113.0	114.8	108.8	111.1	114.4	110.3	108.2
21 Fuels	.8	111.3	111.1	110.0	112.0	112.4	110.1	111.7	108.4	111.5	114.8	112.3	113.3	112.0	112.7
22 Residential utilities	2.1	115.0	121.7	119.3	119.7	114.9	104.3	111.6	114.6	115.8	105.2	109.9	114.3	108.9	105.2
23 Equipment	17.2	148.9	149.3	150.5	150.2	151.2	151.4	151.8	154.2	155.0	156.9	158.1	158.9	159.4	161.9
24 Business equipment	13.2	171.6	172.6	173.9	173.7	174.8	175.0	175.5	179.4	180.6	183.0	185.0	185.8	186.2	188.6
25 Information processing and related	5.4	248.6	253.8	259.9	261.3	265.6	266.7	270.1	277.9	281.2	285.7	290.3	295.2	297.3	305.0
26 Computer and office equipment	1.1	840.1	851.9	892.8	926.9	950.5	970.0	985.6	1,015.3	1,059.5	1,093.5	1,126.1	1,156.4	1,184.5	1,214.1
27 Industrial	4.0	135.3	135.4	133.6	133.9	134.9	134.6	135.0	138.4	140.1	140.0	140.1	140.4	139.7	141.6
28 Transit	2.5	126.9	127.5	128.1	124.0	122.3	121.2	118.5	119.9	117.6	118.7	118.7	116.2	115.3	113.1
29 Autos and trucks	1.2	131.4	131.2	135.3	132.0	133.4	134.2	127.8	134.3	134.0	133.9	136.9	135.2	134.3	125.9
30 Other	1.3	131.4	123.8	123.2	126.4	125.1	127.5	128.1	126.8	128.6	136.4	140.9	140.1	142.2	143.0
31 Defense and space equipment	3.3	74.4	74.5	74.7	73.6	73.7	73.0	72.4	70.6	69.7	69.8	69.3	69.3	70.4	71.8
32 Oil and gas well drilling	.6	106.8	102.0	107.1	111.3	115.7	121.3	124.3	125.5	129.9	130.6	129.0	135.0	134.0	145.2
33 Manufactured homes	.2	155.2	151.5	151.3	144.4	142.6	139.3	138.3	135.4	129.6	129.3	123.4	122.0	120.0	117.7
34 Intermediate products, total	14.2	122.1	121.5	121.7	122.6	123.2	122.4	123.1	123.7	124.8	125.1	125.3	124.8	124.2	124.3
35 Construction supplies	5.3	133.4	133.2	132.9	134.1	135.4	134.3	134.9	136.4	137.5	139.0	139.2	137.4	136.7	137.1
36 Business supplies	8.9	115.3	114.6	115.1	115.8	115.9	115.2	116.0	116.1	117.2	116.9	117.1	117.4	116.8	116.6
37 Materials	39.5	154.8	155.0	154.6	155.7	156.8	158.8	159.7	160.5	161.2	163.1	165.0	167.6	168.7	169.6
38 Durable goods materials	20.8	198.9	200.3	199.9	202.3	203.4	206.7	208.8	211.7	213.1	217.5	220.6	226.2	228.6	231.2
39 Durable consumer parts	4.0	150.7	153.9	147.2	156.0	153.7	154.8	155.0	156.0	153.1	154.7	152.8	159.6	157.4	156.4
40 Equipment parts	7.6	360.9	364.6	369.0	371.4	377.5	386.8	394.9	404.9	418.0	435.4	453.2	470.7	486.4	499.0
41 Other	9.2	131.3	131.1	131.6	131.2	131.7	133.4	134.0	134.8	134.1	134.7	134.6	134.9	134.7	135.4
42 Basic metal materials	3.1	121.8	122.8	123.3	122.1	123.5	125.6	126.3	126.2	124.2	126.3	126.9	126.3	125.8	125.9
43 Nondurable goods materials	8.9	114.6	114.5	114.4	114.7	117.4	119.1	118.7	117.0	117.6	116.8	116.6	116.5	116.2	116.3
44 Textile materials	1.1	101.0	101.2	101.1	100.3	102.3	103.3	100.9	99.3	101.9	102.7	100.7	100.2	100.4	100.4
45 Paper materials	1.8	117.0	116.3	116.3	118.6	118.5	119.3	118.5	117.9	116.6	118.3	119.3	117.4	118.7	117.4
46 Chemical materials	3.9	117.3	117.7	117.4	117.7	122.0	125.1	124.2	122.1	124.5	121.5	121.5	122.4	121.4	121.5
47 Other	2.1	113.5	113.0	113.2	112.5	114.9	114.9	116.8	114.8	112.7	113.3	112.3	112.1	111.8	112.9
48 Energy materials	9.7	101.7	102.9	102.3	101.8	101.5	101.6	101.4	101.2	100.5	100.6	102.5	102.6	102.5	101.7
49 Primary energy	6.3	99.2	100.2	100.3	99.6	98.8	100.1	99.5	98.3	96.7	98.0	100.4	100.4	100.9	100.7
50 Converted fuel materials	3.3	107.0	108.0	106.1	106.1	106.5	104.1	104.8	106.8	108.2	105.5	106.6	106.5	105.4	103.1
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.1	137.0	137.3	137.4	138.0	138.9	139.3	140.2	141.0	141.6	142.4	143.5	144.5	144.8	145.7
52 Total excluding motor vehicles and parts	95.1	136.4	136.7	137.1	137.2	138.3	138.7	139.5	140.4	141.1	141.8	143.0	143.7	144.2	145.2
53 Total excluding computer and office equipment	98.2	131.1	131.2	131.4	131.5	132.4	132.7	133.2	134.1	134.4	135.0	136.0	136.7	136.9	137.3
54 Consumer goods excluding autos and trucks	27.4	115.0	115.0	115.2	115.2	116.3	115.6	116.4	116.9	117.0	116.2	116.6	116.6	116.5	116.6
55 Consumer goods excluding energy	26.2	117.3	116.6	117.7	117.1	118.7	118.8	118.8	119.5	119.1	119.0	119.5	119.0	119.4	119.0
56 Business equipment excluding autos and trucks	12.0	176.2	177.4	178.3	178.5	179.5	179.7	181.1	184.5	186.0	188.7	190.5	191.7	192.2	196.1
57 Business equipment excluding computer and office equipment	12.1	143.8	144.4	144.6	143.6	144.0	143.7	143.8	146.8	146.9	148.4	149.4	149.5	149.2	150.8
58 Materials excluding energy	29.8	172.0	171.6	171.3	173.0	174.7	177.4	178.6	179.8	181.0	183.5	185.5	189.0	190.5	192.2

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2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]—Continued

Group	SIC code	1992 proportion	1999 avg.	1999 July	1999 Aug.	1999 Sept.	1999 Oct.	1999 Nov.	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.	2000 Apr.r	2000 Mayr	2000 June	2000 Julyp
				Index (1992 = 100)												
MAJOR INDUSTRIES																
59 **Total index**	...	**100.0**	**137.1**	**137.4**	**137.7**	**138.1**	**139.1**	**139.4**	**140.1**	**141.1**	**141.6**	**142.4**	**143.5**	**144.4**	**144.8**	**145.3**
60 Manufacturing	...	85.4	142.3	142.0	142.5	142.9	144.2	145.0	145.6	146.7	147.2	148.4	149.3	150.2	150.7	151.6
61 Primary processing	...	26.5	123.3	123.3	123.4	123.6	124.8	125.6	125.9	126.0	125.9	126.1	126.3	125.6	125.3	125.7
62 Advanced processing	...	58.9	151.8	151.8	152.6	153.1	154.5	155.2	155.9	157.5	158.4	160.1	161.5	163.1	164.2	165.2
63 Durable goods	...	45.0	172.8	173.8	174.4	175.0	176.5	177.4	178.4	181.0	181.8	184.6	186.8	189.0	190.3	191.4
64 Lumber and products	24	2.0	121.6	121.5	120.2	119.7	120.5	119.8	121.4	122.1	121.2	120.5	120.8	119.6	116.5	117.1
65 Furniture and fixtures	25	1.4	125.5	125.7	126.4	127.9	127.0	125.2	128.6	126.9	126.8	126.3	126.4	128.1	128.1	128.2
66 Stone, clay, and glass products	32	2.1	130.5	129.3	130.2	129.6	131.2	132.4	131.4	130.9	131.7	132.7	131.9	132.0	131.8	132.5
67 Primary metals	33	3.1	126.6	128.0	129.6	128.3	129.0	131.1	132.8	132.8	130.9	133.6	133.8	132.9	133.0	132.8
68 Iron and steel	331,2	1.7	123.2	126.2	127.6	125.9	124.9	130.7	131.7	130.8	129.1	132.9	132.7	131.9	132.4	131.5
69 Raw steel	331PT	.1	113.3	111.1	115.9	112.4	121.8	124.0	124.2	123.1	118.7	121.1	124.1	123.9	124.6	122.7
70 Nonferrous	333–6,9	1.4	130.9	130.2	132.1	131.4	134.0	131.7	134.1	135.2	133.2	134.5	135.3	134.1	133.8	134.4
71 Fabricated metal products	34	5.0	128.7	128.6	128.5	128.4	128.8	129.7	129.0	130.8	130.4	130.6	131.0	131.4	131.3	131.8
72 Industrial machinery and equipment	35	8.0	230.1	230.0	231.4	235.5	238.3	239.7	241.8	247.7	252.6	256.7	260.5	263.3	266.1	269.7
73 Computer and office equipment	357	1.8	1,061.4	1,075.1	1,123.7	1,167.5	1,196.6	1,222.8	1,244.6	1,284.5	1,342.2	1,389.6	1,428.4	1,466.3	1,502.5	1,540.0
74 Electrical machinery	36	7.3	390.2	399.2	401.3	402.1	412.6	418.1	426.4	443.5	455.6	475.2	494.8	514.3	528.9	543.6
75 Transportation equipment	37	9.5	122.4	122.9	122.9	123.1	122.3	121.8	120.4	121.7	119.6	120.9	120.7	121.7	121.3	117.6
76 Motor vehicles and parts	371	4.9	151.0	152.2	152.2	155.6	155.7	155.8	152.7	156.6	153.4	155.6	156.2	159.5	158.0	149.2
77 Autos and light trucks	371PT	2.6	137.8	135.8	146.8	139.4	140.7	141.0	135.0	141.0	137.7	138.1	142.1	140.5	142.7	128.6
78 Aerospace and miscellaneous transportation equipment	372–6,9	4.6	94.9	94.7	94.7	92.2	90.6	89.5	89.7	88.6	87.5	88.0	87.0	86.1	86.6	87.5
79 Instruments	38	5.4	116.5	117.2	117.7	117.2	118.3	118.9	119.7	118.4	117.3	117.4	117.3	117.4	117.3	119.7
80 Miscellaneous	39	1.3	124.7	125.2	125.2	125.1	125.0	125.0	126.4	126.9	125.5	124.8	125.2	124.5	124.4	125.1
81 Nondurable goods	...	40.4	111.8	111.0	111.5	111.8	113.0	113.6	113.7	113.5	113.8	113.6	113.5	113.2	113.1	113.7
82 Foods	20	9.4	110.1	108.9	108.9	109.6	110.1	110.3	110.0	109.8	110.7	111.1	111.6	111.1	111.3	111.5
83 Tobacco products	21	1.6	94.3	96.0	94.8	90.9	91.9	93.1	94.7	96.7	94.5	91.4	92.7	92.4	90.9	92.9
84 Textile mill products	22	1.8	110.9	112.3	111.7	110.8	112.7	111.4	110.1	111.5	110.8	111.6	111.3	108.8	108.6	108.6
85 Apparel products	23	2.2	90.7	89.8	89.2	89.0	89.1	89.1	89.1	89.0	89.7	89.5	90.1	88.8	86.9	87.8
86 Paper and products	26	3.6	116.2	115.0	115.8	117.2	118.0	118.1	117.7	117.1	116.5	117.3	117.8	116.0	116.4	116.4
87 Printing and publishing	27	6.7	104.4	102.8	103.6	104.6	106.0	105.7	105.3	105.3	105.7	105.9	105.4	105.8	105.9	106.6
88 Chemicals and products	28	9.9	117.5	115.8	117.7	117.4	119.8	122.7	122.9	121.6	122.4	121.2	120.2	120.3	120.5	120.8
89 Petroleum products	29	1.4	114.7	115.1	114.1	114.6	114.5	112.8	114.9	113.2	115.6	118.7	117.1	118.2	116.1	117.3
90 Rubber and plastic products	30	3.5	137.7	138.0	137.6	139.3	138.9	139.3	141.4	142.2	141.2	140.5	141.6	140.4	141.4	142.5
91 Leather and products	31	.3	69.8	69.1	70.2	69.5	68.2	67.7	65.4	68.1	66.2	64.6	63.7	64.5	63.9	63.5
92 Mining	...	6.9	98.0	97.8	98.5	98.3	99.2	99.7	99.5	99.7	100.0	101.3	101.2	101.1	102.0	103.7
93 Metal	10	.5	97.1	96.2	93.0	91.4	94.2	94.5	95.2	95.5	94.1	92.7	93.4	92.4	90.8	91.3
94 Coal	12	1.0	108.1	110.0	110.7	109.4	108.8	110.0	109.5	106.3	101.9	109.3	112.0	110.1	114.4	117.5
95 Oil and gas extraction	13	4.8	92.5	92.3	93.2	93.0	94.0	94.5	94.6	95.7	96.2	96.0	95.9	96.7	97.0	98.7
96 Stone and earth minerals	14	.6	124.4	120.5	123.0	125.5	126.3	125.0	122.4	120.8	127.5	133.0	128.8	124.5	126.8	127.9
97 Utilities	...	7.7	115.6	119.8	117.8	117.7	115.2	110.9	113.5	114.6	115.3	110.8	114.9	117.8	114.8	111.0
98 Electric	491,493PT	6.2	118.2	122.6	120.0	119.8	116.9	115.8	116.9	116.0	116.0	114.4	117.9	120.1	117.4	112.6
99 Gas	492,493PT	1.6	104.8	107.4	108.2	108.5	107.9	88.2	98.1	108.4	112.6	94.4	101.2	107.3	103.1	104.1
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts	...	80.5	141.7	141.4	142.0	142.3	143.6	144.5	145.2	146.2	146.9	148.0	149.0	149.7	150.4	151.8
101 Manufacturing excluding computer and office equipment	...	83.6	135.3	134.8	135.1	135.3	136.5	137.1	137.6	138.5	138.7	139.7	140.5	141.1	141.6	142.2
102 Computers, communications equipment, and semiconductors	...	5.9	794.1	812.1	830.4	843.0	863.9	887.7	908.5	952.4	994.7	1,043.7	1,093.0	1,139.3	1,177.5	1,220.2
103 Manufacturing excluding computers and semiconductors	...	81.1	121.6	121.3	121.6	121.7	122.6	122.9	123.1	123.6	123.4	123.8	123.9	124.1	124.0	124.3
104 Manufacturing excluding computers, communications equipment, and semiconductors	...	79.5	119.3	118.9	119.1	119.3	120.1	120.4	120.6	120.9	120.7	121.0	121.0	121.0	120.9	121.1
		Gross value (billions of 1992 dollars, annual rates)														
Major Markets																
105 **Products, total**	...	**2,001.9**	**2,726.1**	**2,726.1**	**2,742.0**	**2,740.2**	**2,762.6**	**2,740.0**	**2,751.5**	**2,781.7**	**2,791.9**	**2,795.8**	**2,811.3**	**2,811.6**	**2,808.5**	**2,804.4**
106 Final	...	1,552.1	2,101.6	2,102.8	2,118.5	2,112.5	2,132.5	2,115.8	2,122.4	2,147.5	2,152.5	2,155.2	2,168.6	2,171.6	2,172.9	2,168.3
107 Consumer goods	...	1,049.6	1,294.9	1,292.4	1,301.3	1,297.0	1,311.7	1,294.7	1,301.5	1,309.9	1,309.9	1,302.9	1,308.9	1,308.2	1,307.7	1,295.6
108 Equipment	...	502.5	808.3	812.3	819.0	817.5	822.5	823.4	822.9	840.3	845.6	856.0	863.5	867.5	869.4	878.1
109 Intermediate	...	449.9	623.3	622.0	622.4	626.4	628.9	623.0	627.9	633.0	638.1	639.3	641.5	638.9	634.5	634.9

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 1999. The recent annual revision is described in an article in the March 2000 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.

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2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1997	1998	1999	1999				2000					
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.[r]	May[r]	June
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	1,441	1,612	1,664	1,553	1,636	1,678	1,683	1,762	1,661	1,597	1,559	1,511	1,528
2 One-family	1,062	1,188	1,247	1,200	1,204	1,238	1,266	1,317	1,223	1,238	1,164	1,150	1,127
3 Two-family or more	379	425	417	353	432	440	417	445	438	359	395	361	401
4 Started	1,474	1,617	1,667	1,628	1,636	1,663	1,769	1,744	1,822	1,630	1,652	1,591	1,563
5 One-family	1,134	1,271	1,335	1,290	1,343	1,344	1,441	1,361	1,324	1,327	1,310	1,258	1,222
6 Two-family or more	340	346	332	338	293	319	328	383	498	303	342	333	341
7 Under construction at end of period[1]	833	935	1,022	1,021	1,020	1,022	1,025	1,033	1,041	1,031	1,029	1,024	1,022
8 One-family	570	637	704	702	706	708	710	712	712	706	703	697	694
9 Two-family or more	264	297	318	319	314	314	315	321	329	325	326	327	328
10 Completed	1,404	1,473	1,636	1,642	1,608	1,653	1,675	1,599	1,732	1,728	1,660	1,705	1,539
11 One-family	1,120	1,158	1,308	1,307	1,274	1,345	1,340	1,296	1,382	1,375	1,354	1,384	1,206
12 Two-family or more	285	315	328	335	334	308	335	303	350	353	306	321	333
13 Mobile homes shipped	354	374	348	320	321	316	304	307	291	287	271	265	262
Merchant builder activity in one-family units													
14 Number sold	804	886	907	848	906	895	916	927	905	947[r]	869	861	829
15 Number for sale at end of period[1]	287	300	326	311	314	317	320	321	309	321	318	320	327
Price of units sold (thousands of dollars)[2]													
16 Median	146.0	152.5	160.0	162.0	160.0	172.9	165.0	163.0	162.3	165.7[r]	161.4	161.2	159.0
17 Average	176.2	181.9	195.8	194.4	200.3	212.4	203.0	200.1	199.6	205.3[r]	207.3	198.3	196.3
EXISTING UNITS (one-family)													
18 Number sold	4,382	4,970	5,197	5,150	4,880	5,150	5,140	4,450	4,760	5,200	4,880	5,090	5,310
Price of units sold (thousands of dollars)[2]													
19 Median	121.8	128.4	133.3	134.4	132.5	133.2	133.7	132.2	133.7	134.7	136.1	137.6	140.2
20 Average	150.5	159.1	168.3	170.2	167.2	168.9	168.8	168.9	168.1	171.5	173.3	176.0	178.9
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 **Total put in place**	**656,084**	**710,104**	**765,719**	**753,081**	**756,854**	**776,476**	**791,698**	**806,099[r]**	**816,012[r]**	**829,517[r]**	**815,848**	**813,847**	**799,990**
22 Private	501,426	550,983	592,037	582,464	584,860	596,942	605,802	614,584	629,590	637,743	629,097	631,471	625,725
23 Residential	289,101	314,058	348,584	347,616	349,968	353,854	358,223	365,149	368,745	372,118	368,734	367,787	362,658
24 Nonresidential	212,325	236,925	243,454	234,848	234,892	243,088	247,579	249,435	260,845	265,625	260,363	263,684	263,067
25 Industrial buildings	36,696	40,464	35,016	32,696	31,354	32,244	33,262	33,947	38,538	39,030	38,591	40,955	38,688
26 Commercial buildings	86,151	95,753	103,759	103,930	103,935	107,305	107,187	107,961	115,440	116,030	114,997	113,073	114,213
27 Other buildings	37,193	39,607	41,279	40,198	41,496	42,095	43,392	43,350	45,553	45,808	44,223	46,362	45,321
28 Public utilities and other	52,287	61,101	63,400	58,024	58,107	61,444	63,738	64,177	61,314	64,757	62,552	63,294	64,845
29 Public	154,657	159,121	173,682	170,617	171,994	179,534	185,895	191,515[r]	186,422[r]	191,774[r]	186,750	182,376	174,265
30 Military	2,561	2,538	2,122	1,932	2,114	1,944	2,332	1,782	3,011	2,249	2,185	2,258	2,188
31 Highway	43,886	48,339	54,447	52,432	50,646	56,547	60,218	63,368	53,145	59,007	55,923	52,113	48,914
32 Conservation and development	5,708	5,421	6,002	6,145	5,941	6,585	7,001	6,223	6,975	6,494	5,878	5,425	5,725
33 Other	102,502	102,823	111,110	110,108	113,293	114,458	116,344	120,142[r]	123,291[r]	124,024[r]	122,764	122,580	117,438

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.

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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, July 2000[1]
	1999 July	2000 July	1999		2000[r]		2000					
			Sept.	Dec.	Mar.	June	Mar.	Apr.	May	June	July	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**2.1**	**3.5**	**3.9**	**2.4**	**5.8**	**2.6**	**.7**	**.0**	**.1**	**.6**	**.2**	**172.6**
2 Food	2.1	2.6	2.5	2.2	1.7	2.7	.1	.1	.5	.1	.5	168.1
3 Energy items	3.3	19.3	26.0	7.8	50.5	6.6	4.9	−1.9	−1.9	5.6	.1	129.7
4 All items less food and energy	2.1	2.4	2.5	1.8	3.2	2.0	.4	.2	.2	.2	.2	181.1
5 Commodities	.6	.4	2.5	−.6	.3	.0	.3	.2	.0	−.2	.0	143.8
6 Services	2.7	3.3	2.5	3.1	4.1	3.2	.5	.2	.2	.3	.2	202.5
PRODUCER PRICES (1982=100)												
7 Finished goods	1.5	4.1	6.8	.9	7.9	1.8	.7[r]	−.1[r]	.0	.6	.0	138.3
8 Consumer foods	−.1	2.1	3.3	−2.0	3.6	1.8	.1	1.0	−.2	−.3	.0	137.4
9 Consumer energy	4.9	19.2	37.6	5.9	51.8	5.7	4.4[r]	−3.0[r]	−.5	5.1	−.7	96.2
10 Other consumer goods	2.4	1.7	3.8	1.1	.8	.8	.1	.1	.2	−.1	.1	153.5
11 Capital equipment	−.1	1.2	.3	1.2	.9	1.5	.1	.2	.1	.0	.1	138.6
Intermediate materials												
12 Excluding foods and feeds	.6	5.1	6.6	3.6	9.5	2.8	.9	−.1[r]	−.1	.9	.3	131.0
13 Excluding energy	−.1	2.8	3.4	2.1	4.2	2.7	.4[r]	.3[r]	.1	.2	.2	137.2
Crude materials												
14 Foods	−7.2	3.3	3.7	−3.6	21.5	−11.1	3.6[r]	1.6[r]	−1.8	−2.6	−2.7	99.4
15 Energy	13.4	53.5	134.4	−27.9	84.9	106.7	2.3[r]	−6.0[r]	9.9	16.2	.4	123.4
16 Other	−6.7	7.5	22.6	26.2	9.9	−10.5	−.5	−1.1[r]	−.3	−1.3	−1.8	144.2

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.

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2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1997[r]	1998[r]	1999[r]	1999[r]			2000	
				Q2	Q3	Q4	Q1[r]	Q2
GROSS DOMESTIC PRODUCT								
1 **Total**	**8,318.4**	**8,790.2**	**9,299.2**	**9,191.5**	**9,340.9**	**9,559.7**	**9,752.7**	**9,942.9**
By source								
2 Personal consumption expenditures	5,529.3	5,850.9	6,268.7	6,213.2	6,319.9	6,446.2	6,621.7	6,707.1
3 Durable goods	642.5	693.9	761.3	756.3	767.2	787.6	826.3	814.4
4 Nondurable goods	1,641.6	1,707.6	1,845.5	1,825.3	1,860.0	1,910.2	1,963.9	1,997.2
5 Services	3,245.2	3,449.3	3,661.9	3,631.5	3,692.7	3,748.5	3,831.6	3,895.6
6 Gross private domestic investment	1,390.5	1,549.9	1,650.1	1,607.9	1,659.1	1,723.7	1,755.7	1,852.8
7 Fixed investment	1,327.7	1,472.9	1,606.8	1,593.4	1,622.4	1,651.0	1,725.8	1,779.9
8 Nonresidential	999.4	1,107.5	1,203.1	1,188.0	1,216.8	1,242.2	1,308.5	1,359.9
9 Structures	255.8	283.2	285.6	283.7	281.2	290.4	308.9	315.4
10 Producers' durable equipment	743.6	824.3	917.4	904.3	935.6	951.8	999.6	1,044.5
11 Residential structures	328.2	365.4	403.8	405.4	405.6	408.8	417.3	419.9
12 Change in business inventories	62.9	77.0	43.3	14.5	36.7	72.7	29.9	73.0
13 Nonfarm	60.0	76.4	43.6	13.4	42.0	71.8	32.4	73.1
14 Net exports of goods and services	−89.3	−151.5	−254.0	−240.4	−280.5	−299.1	−335.2	−360.0
15 Exports	966.4	966.0	990.2	973.0	999.5	1,031.0	1,051.9	1,090.8
16 Imports	1,055.8	1,117.5	1,244.2	1,213.4	1,280.0	1,330.1	1,387.1	1,450.8
17 Government consumption expenditures and gross investment	1,487.9	1,540.9	1,634.4	1,610.9	1,642.4	1,688.8	1,710.4	1,742.9
18 Federal	538.2	540.6	568.6	558.3	570.4	591.6	580.1	604.5
19 State and local	949.7	1,000.3	1,065.8	1,052.6	1,072.1	1,097.3	1,130.4	1,138.5
By major type of product								
20 Final sales, total	8,255.5	8,713.2	9,255.9	9,177.0	9,304.2	9,486.9	9,722.8	9,870.0
21 Goods	3,082.5	3,239.3	3,467.0	3,436.7	3,490.6	3,566.0	3,680.3	3,734.5
22 Durable	1,436.2	1,532.3	1,651.1	1,635.9	1,669.4	1,701.8	1,773.7	1,810.3
23 Nondurable	1,646.4	1,707.1	1,815.8	1,800.8	1,821.1	1,864.1	1,906.6	1,924.2
24 Services	4,442.1	4,673.0	4,934.6	4,891.2	4,965.2	5,050.3	5,135.2	5,227.8
25 Structures	730.9	800.9	854.3	849.1	848.5	870.7	907.4	907.7
26 Change in business inventories	62.9	77.0	43.3	14.5	36.7	72.7	29.9	73.0
27 Durable goods	33.1	45.8	27.2	5.0	27.6	47.5	20.7	48.3
28 Nondurable goods	29.8	31.2	16.1	9.5	9.1	25.2	9.2	24.7
MEMO								
29 **Total GDP in chained 1996 dollars**	**8,159.5**	**8,515.7**	**8,875.8**	**8,783.2**	**8,905.8**	**9,084.1**	**9,191.8**	**9,311.5**
NATIONAL INCOME								
30 **Total**	**6,618.4**	**7,038.1**	**7,469.7**	**7,392.3**	**7,493.1**	**7,680.7**	**7,833.5**	**7,972.4**
31 Compensation of employees	4,651.3	4,984.2	5,299.8	5,255.4	5,340.9	5,421.1	5,512.2	5,597.6
32 Wages and salaries	3,886.0	4,192.8	4,475.1	4,435.5	4,512.2	4,583.5	4,660.4	4,734.8
33 Government and government enterprises	664.3	692.7	724.4	720.3	727.5	734.5	749.9	760.1
34 Other	3,221.7	3,500.1	3,750.7	3,715.2	3,784.7	3,849.0	3,910.5	3,974.7
35 Supplement to wages and salaries	765.3	791.4	824.6	819.9	828.7	837.7	851.8	862.9
36 Employer contributions for social insurance	289.9	305.9	323.6	321.2	325.9	330.3	337.8	342.4
37 Other labor income	475.4	485.5	501.0	498.7	502.8	507.4	514.0	520.5
38 Proprietors' income[1]	581.2	620.7	663.5	660.4	659.7	689.6	693.9	708.5
39 Business and professional[1]	551.5	595.2	638.2	631.4	644.2	657.9	674.8	686.8
40 Farm[1]	29.7	25.4	25.3	29.0	15.5	31.7	19.1	21.7
41 Rental income of persons[2]	128.3	135.4	143.4	145.7	136.6	146.2	145.6	141.9
42 Corporate profits[1]	833.8	815.0	856.0	836.8	842.0	893.2	936.3	964.0
43 Profits before tax[3]	792.4	758.2	823.0	804.5	819.0	870.7	920.7	942.2
44 Inventory valuation adjustment	8.4	17.0	−9.1	−8.9	−19.7	−19.2	−25.0	−13.4
45 Capital consumption adjustment	32.9	39.9	42.1	41.2	42.7	41.6	40.6	35.2
46 Net interest	423.9	482.7	507.1	494.1	513.8	530.6	545.4	560.3

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.*

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2.17 PERSONAL INCOME AND SAVING

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

Account	1997[r]	1998[r]	1999[r]	1999[r]			2000	
				Q2	Q3	Q4	Q1[r]	Q2
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**6,937.0**	**7,391.0**	**7,789.6**	**7,729.7**	**7,828.5**	**7,972.3**	**8,105.8**	**8,233.6**
2 Wage and salary disbursements	3,888.9	4,190.7	4,470.0	4,430.4	4,507.0	4,578.3	4,660.4	4,734.8
3 Commodity-producing industries	975.1	1,038.6	1,089.2	1,081.6	1,097.8	1,111.2	1,130.9	1,144.8
4 Manufacturing	718.4	756.6	782.4	777.4	789.0	795.1	802.8	811.5
5 Distributive industries	879.6	949.1	1,020.3	1,009.9	1,029.9	1,049.4	1,070.9	1,092.3
6 Service industries	1,369.9	1,510.3	1,636.0	1,618.6	1,651.8	1,683.2	1,708.6	1,737.5
7 Government and government enterprises	664.3	692.7	724.4	720.3	727.5	734.5	749.9	760.1
8 Other labor income	475.4	485.5	501.0	498.7	502.8	507.4	514.0	520.5
9 Proprietors' income[1]	581.2	620.7	663.5	660.4	659.7	689.6	693.9	708.5
10 Business and professional[1]	551.5	595.2	638.2	631.4	644.2	657.9	674.8	686.8
11 Farm[1]	29.7	25.4	25.3	29.0	15.5	31.7	19.1	21.7
12 Rental income of persons[2]	128.3	135.4	143.4	145.7	136.6	146.2	145.6	141.9
13 Dividends	334.9	351.1	370.3	366.8	373.5	380.2	386.9	392.6
14 Personal interest income	864.0	940.8	963.7	951.3	969.4	989.0	1,011.6	1,027.7
15 Transfer payments	962.2	983.0	1,016.2	1,012.2	1,020.3	1,027.4	1,046.9	1,066.1
16 Old-age survivors, disability, and health insurance benefits	565.8	578.0	588.0	586.1	589.7	592.8	607.9	624.3
17 LESS: Personal contributions for social insurance	297.9	316.2	338.5	335.8	341.0	345.9	353.4	358.5
18 EQUALS: Personal income	6,937.0	7,391.0	7,789.6	7,729.7	7,828.5	7,972.3	8,105.8	8,233.6
19 LESS: Personal tax and nontax payments	968.8	1,070.9	1,152.0	1,133.4	1,164.0	1,197.3	1,239.3	1,271.6
20 EQUALS: Disposable personal income	5,968.2	6,320.0	6,637.7	6,596.3	6,664.5	6,775.0	6,866.5	6,962.0
21 LESS: Personal outlays	5,715.3	6,054.7	6,490.1	6,432.8	6,543.3	6,674.1	6,855.6	6,945.7
22 EQUALS: Personal saving	252.9	265.4	147.6	163.6	121.1	101.0	11.0	16.4
MEMO								
Per capita (chained 1996 dollars)								
23 Gross domestic product	30,434.4	31,469.5	32,511.9	32,220.0	32,586.0	33,153.5	33,485.6	33,847.7
24 Personal consumption expenditures	20,230.9	20,985.4	21,900.4	21,791.0	22,004.4	22,266.4	22,635.5	22,748.8
25 Disposable personal income	21,838.0	22,672.0	23,191.0	23,133.0	23,203.0	23,404.0	23,472.0	23,617.0
26 Saving rate (percent)	4.2	4.2	2.2	2.5	1.8	1.5	.2	.2
GROSS SAVING								
27 **Gross saving**	**1,502.3**	**1,654.4**	**1,717.6**	**1,691.7**	**1,716.8**	**1,746.3**	**1,777.0**	**1,830.5**
28 Gross private saving	1,343.7	1,375.7	1,343.5	1,338.5	1,321.1	1,331.4	1,279.2	1,323.7
29 Personal saving	252.9	265.4	147.6	163.6	121.1	101.0	11.0	16.4
30 Undistributed corporate profits[1]	261.3	218.9	229.4	218.7	214.0	241.7	262.7	278.1
31 Corporate inventory valuation adjustment	8.4	17.0	−9.1	−8.9	−19.7	−19.2	−25.0	−13.4
Capital consumption allowances								
32 Corporate	581.5	624.3	676.9	670.7	687.7	694.8	711.5	730.6
33 Noncorporate	250.9	265.1	284.5	280.3	293.1	288.7	294.1	298.7
34 Gross government saving	158.6	278.7	374.1	353.3	395.7	414.9	497.7	506.8
35 Federal	33.4	137.4	217.3	209.5	240.6	238.4	333.0	336.9
36 Consumption of fixed capital	86.8	88.4	92.8	92.0	93.4	95.0	97.2	99.1
37 Current surplus or deficit (−), national accounts	−53.3	49.0	124.4	117.5	147.3	143.3	235.8	237.8
38 State and local	125.2	141.3	156.8	143.7	155.1	176.6	164.7	169.9
39 Consumption of fixed capital	94.2	99.5	106.8	105.8	107.7	109.9	112.7	115.7
40 Current surplus or deficit (−), national accounts	31.0	41.7	50.0	38.0	47.4	66.6	52.0	54.2
41 **Gross investment**	**1,532.1**	**1,629.6**	**1,645.6**	**1,614.9**	**1,627.3**	**1,678.5**	**1,699.3**	**1,766.1**
42 Gross private domestic investment	1,390.5	1,549.9	1,650.1	1,607.9	1,659.1	1,723.7	1,755.7	1,852.8
43 Gross government investment	264.6	278.8	308.7	303.5	308.0	324.4	334.2	332.5
44 Net foreign investment	−123.1	−199.1	−313.2	−296.5	−339.8	−369.6	−390.7	−419.3
45 **Statistical discrepancy**	**29.7**	**−24.8**	**−71.9**	**−76.8**	**−89.5**	**−67.8**	**−77.7**	**−64.4**

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

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

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3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1997	1998	1999	1999				2000
				Q1	Q2	Q3	Q4	Q1
1 Balance on current account	−140,540	−217,138	−331,479	−66,627	−78,982	−89,649	−96,223	−102,301
2 Balance on goods and services	−105,932	−166,898	−264,971	−52,676	−63,300	−72,718	−76,280	−86,176
3 Exports	936,937	932,977	956,242	230,321	234,297	241,969	249,653	255,037
4 Imports	−1,042,869	−1,099,875	−1,221,213	−282,997	−297,597	−314,687	−325,933	−341,213
5 Income, net	6,186	−6,211	−18,483	−3,120	−4,145	−5,535	−5,683	−4,200
6 Investment, net	11,050	−1,036	−13,102	−1,775	−2,813	−4,193	−4,319	−2,820
7 Direct	71,935	67,728	62,704	16,030	14,698	15,701	16,275	17,687
8 Portfolio	−60,885	−68,764	−75,806	−17,805	−17,511	−19,894	−20,594	−20,507
9 Compensation of employees	−4,864	−5,175	−5,381	−1,345	−1,332	−1,342	−1,364	−1,380
10 Unilateral current transfers, net	−40,794	−44,029	−48,025	−10,831	−11,537	−11,396	−14,260	−11,925
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	68	−422	2,751	118	−392	−686	3,711	−82
12 Change in U.S. official reserve assets (increase, −)	−1,010	−6,783	8,747	4,068	1,159	1,951	1,569	−554
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−350	−147	10	562	−190	−184	−178	−180
15 Reserve position in International Monetary Fund	−3,575	−5,119	5,484	3	1,413	2,268	1,800	−237
16 Foreign currencies	2,915	−1,517	3,253	3,503	−64	−133	−53	−137
17 Change in U.S. private assets abroad (increase, −)	−487,998	−328,231	−441,685	−25,741	−171,609	−124,174	−120,162	−142,647
18 Bank-reported claims[3]	−141,118	−35,572	−69,862	28,487	−41,786	−11,259	−45,304	−45,084
19 Nonbank-reported claims	−122,888	−10,612	−92,328	−14,223	−25,734	−27,943	−24,428	−35,183
20 U.S. purchases of foreign securities, net	−118,976	−135,995	−128,594	1,107	−71,131	−41,420	−17,150	−27,535
21 U.S. direct investments abroad, net	−105,016	−146,052	−150,901	−41,112	−32,958	−43,552	−33,280	−34,845
22 Change in foreign official assets in United States (increase, +)	18,876	−20,127	42,864	4,274	−1,096	12,191	27,495	20,442
23 U.S. Treasury securities	−6,690	−9,921	12,177	800	−6,708	12,963	5,122	16,198
24 Other U.S. government obligations	4,529	6,332	20,350	5,993	5,792	1,835	6,730	8,107
25 Other U.S. government liabilities[3]	−1,041	−3,550	−3,255	−1,485	−1,099	−760	89	−644
26 Other U.S. liabilities reported by U.S. banks[3]	22,286	−9,501	12,692	−1,139	1,436	−2,032	14,427	−4,150
27 Other foreign official assets[4]	−208	−3,487	900	105	−517	185	1,127	931
28 Change in foreign private assets in United States (increase, +)	738,086	502,362	710,700	98,506	273,104	182,019	157,072	194,566
29 U.S. bank-reported liabilities[2]	149,026	39,769	67,403	−13,951	37,151	24,585	19,618	−6,701
30 U.S. nonbank-reported liabilities	113,921	−7,001	34,298	27,928	13,663	−8,085	792	42,035
31 Foreign private purchases of U.S. Treasury securities, net	146,433	48,581	−20,464	−7,505	−5,407	9,639	−17,191	−9,254
32 U.S. currency flows	24,782	16,622	22,407	2,440	3,057	4,697	12,213	−6,847
33 Foreign purchases of other U.S. securities, net	197,892	218,075	331,523	62,815	80,838	95,620	92,250	133,000
34 Foreign direct investments in United States, net	106,032	186,316	275,533	26,779	143,802	55,563	49,390	42,333
35 Capital account transactions, net[5]	350	637	−3,500	157	165	171	−3,993	166
36 Discrepancy	−127,832	69,702	11,602	−14,755	−22,349	18,177	30,531	30,410
37 Due to seasonal adjustment	...	...	...	5,514	−1,511	−9,739	5,738	5,588
38 Before seasonal adjustment	−127,832	69,702	11,602	−20,269	−20,838	27,916	24,793	24,822
MEMO								
Changes in official assets								
39 U.S. official reserve assets (increase, −)	−1,010	−6,783	8,747	4,068	1,159	1,951	1,569	−554
40 Foreign official assets in United States, excluding line 25 (increase, +)	19,917	−16,577	46,119	5,759	3	12,951	27,406	21,086
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,124	−11,531	1,331	2,155	1,632	−783	−1,673	5,951

1. Seasonal factors are not calculated for lines 11–16, 18–20, 22–35, and 38–41.
2. Reporting banks included all types of depository institutions as well as some brokers and dealers.
3. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
4. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.
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*.

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3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

Item	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May[r]	June
1 Goods and services, balance	−105,932	−166,898	−264,971	−25,657	−27,425	−28,144	−30,606	−30,500	−30,307	−30,619
2 Merchandise	−196,665	−246,854	−345,559	−32,255	−34,049	−34,641	−37,148	−36,894	−36,475	−36,847
3 Services	90,733	79,956	80,588	6,598	6,624	6,497	6,542	6,394	6,168	6,228
4 Goods and services, exports	936,937	932,977	956,242	84,107	83,583	84,731	86,723	86,583	86,567	90,563
5 Merchandise	679,702	670,324	684,358	61,211	60,321	60,894	62,513	62,566	62,749	66,495
6 Services	257,235	262,653	271,884	22,896	23,262	23,837	24,210	24,017	23,818	24,068
7 Goods and services, imports	1,042,869	1,099,875	1,221,213	−109,764	−111,008	−112,875	−117,329	−117,083	−116,874	−121,182
8 Merchandise	876,367	917,178	1,029,917	−93,466	−94,370	−95,535	−99,661	−99,460	−99,224	−103,342
9 Services	166,502	182,697	191,296	−16,298	−16,638	−17,340	−17,668	−17,623	−17,650	−17,840

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	1997	1998	1999	2000							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[p]
1 **Total**	**69,954**	**81,755**	**71,516**	**69,898**	**69,309**	**70,789**	**66,587**	**67,160**	**67,957**	**66,516**	**65,333**
2 Gold stock, including Exchange Stabilization Fund[1]	11,050	11,041	11,089	11,048	11,048	11,048	11,048	11,048	11,048	11,046	11,046
3 Special drawing rights[2,3]	10,027	10,603	10,336	10,199	10,277	10,335	10,122	10,310	10,444	10,257	10,371
4 Reserve position in International Monetary Fund[2]	18,071	24,111	17,950	17,710	17,578	17,871	15,403	15,373	15,428	15,083	13,798
5 Foreign currencies[4]	30,809	36,001	32,182	30,941	30,406	31,535	30,014	30,429	31,037	30,130	30,118

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 BANKS[1]

Millions of dollars, end of period

Asset	1997	1998	1999	2000							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[p]
1 **Deposits**	**457**	**167**	**71**	**82**	**87**	**125**	**142**	**110**	**104**	**76**	**78**
Held in custody											
2 U.S. Treasury securities[2]	620,885	607,574	632,482	627,326	631,421	641,830	632,216	623,553	627,081	624,177	628,001
3 Earmarked gold[3]	10,763	10,343	9,933	9,866	9,771	9,711	9,711	9,711	9,688	9,688	9,674

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.

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3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1997	1998	1999	2000					
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Total**[1]	**776,505**	**759,928**	**806,288**	**808,474**	**812,353**	**828,947**	**834,154**[r]	**826,302**	**835,625**
By type									
2 Liabilities reported by banks in the United States[2]	135,384	125,883	138,817	134,753	130,268	136,240	137,724[r]	135,802	135,679
3 U.S. Treasury bills and certificates[3]	148,301	134,177	156,177	153,548	156,995	164,781	157,607	148,820	157,190
U.S. Treasury bonds and notes									
4 Marketable	428,004	432,127	422,266	429,029	430,806	430,237	436,640	435,235	433,823
5 Nonmarketable[4]	5,994	6,074	6,111	6,152	6,191	5,734	5,770	5,808	5,740
6 U.S. securities other than U.S. Treasury securities[5]	58,822	61,667	82,917	84,992	88,093	91,955	96,413	100,637	103,193
By area									
7 Europe[1]	252,289	256,026	244,805	246,022	248,792	251,571	249,685	250,306	252,966
8 Canada	36,177	36,715	38,666	39,439	39,358	39,846	39,501	39,190	39,705
9 Latin America and Caribbean	96,942	79,503	73,518	71,888	71,180	77,014	72,407[r]	69,508	71,220
10 Asia	400,144	400,631	463,673	463,801	466,087	474,355	486,133[r]	482,134	485,424
11 Africa	9,981	10,059	7,523	8,208	7,976	7,979	8,024	7,709	7,849
12 Other countries	7,058	3,080	4,189	5,202	5,046	4,268	4,490	3,541	4,547

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 1988, 20-year maturity issue and 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 States[1] Payable in Foreign Currencies

Millions of dollars, end of period

Item	1996	1997	1998	1999			2000
				June	Sept.	Dec.	Mar.
1 Banks' liabilities	103,383	117,524	101,125	90,305	100,112	88,144	85,344
2 Banks' claims	66,018	83,038	78,162	59,597	67,032	67,355	63,573
3 Deposits	22,467	28,661	45,985	31,452	32,713	34,416	32,804
4 Other claims	43,551	54,377	32,177	28,145	34,319	32,939	30,769
5 Claims of banks' domestic customers[2]	10,978	8,191	20,718	23,474	11,534	20,826	21,753

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.

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

Millions of dollars, end of period

Item	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
BY HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**1,283,027**	**1,347,837**	**1,413,683**	**1,413,683**	**1,413,811**	**1,407,301**	**1,406,476**	**1,406,149[r]**	**1,452,895**	**1,456,081**
2 Banks' own liabilities	882,980	884,939	976,400	976,400	981,461	970,752	960,303	974,579[r]	1,031,943	1,017,083
3 Demand deposits	31,344	29,558	42,884	42,884	36,518	39,611	29,255	30,202	29,097	30,674
4 Time deposits[2]	198,546	151,761	163,620	163,620	162,147	165,682	167,031	182,683	176,953	182,682
5 Other[3]	168,011	140,752	162,749	162,749	174,682	163,884	161,533	165,626[r]	179,090	175,601
6 Own foreign offices[4]	485,079	562,868	607,147	607,147	608,114	601,575	602,484	596,068	646,803	628,126
7 Banks' custodial liabilities[5]	400,047	462,898	437,283	437,283	432,350	436,549	446,173	431,570[r]	420,952	438,998
8 U.S. Treasury bills and certificates[6]	193,239	183,494	185,797	185,797	181,879	184,604	195,050	184,160[r]	174,310	180,951
9 Other negotiable and readily transferable instruments[7]	93,641	141,699	132,575	132,575	129,551	128,673	127,630	124,209	123,580	124,669
10 Other	113,167	137,705	118,911	118,911	120,920	123,272	123,493	123,201	123,062	133,378
11 Nonmonetary international and regional organizations[8]	11,690	11,883	15,276	15,276	21,807	20,436	18,361	20,590[r]	22,807	21,078
12 Banks' own liabilities	11,486	10,850	14,357	14,357	20,951	19,513	17,586	19,800[r]	22,109	20,636
13 Demand deposits	16	172	98	98	202	148	71	58	36	34
14 Time deposits[2]	5,466	5,793	10,349	10,349	9,621	9,251	9,741	11,338	11,393	12,545
15 Other[3]	6,004	4,885	3,910	3,910	11,128	10,114	7,774	8,404[r]	10,680	8,057
16 Banks' custodial liabilities[5]	204	1,033	919	919	856	923	775	790	698	442
17 U.S. Treasury bills and certificates[6]	69	636	680	680	625	704	695	623	582	432
18 Other negotiable and readily transferable instruments[7]	133	397	233	233	225	213	71	77	113	10
19 Other	2	0	6	6	6	6	9	90	3	0
20 Official institutions[9]	283,685	260,060	294,994	294,994	288,301	287,263	301,021	295,331[r]	284,622	292,869
21 Banks' own liabilities	102,028	80,256	97,615	97,615	82,678	79,652	87,187	87,379[r]	87,931	87,999
22 Demand deposits	2,314	3,003	3,341	3,341	2,645	3,306	2,381	2,620	2,781	2,887
23 Time deposits[2]	41,396	29,506	28,942	28,942	25,909	27,690	30,117	36,587[r]	31,645	33,540
24 Other[3]	58,318	47,747	65,332	65,332	54,124	48,656	54,689	48,172	53,505	51,572
25 Banks' custodial liabilities[5]	181,657	179,804	197,379	197,379	205,623	207,611	213,834	207,952	196,691	204,870
26 U.S. Treasury bills and certificates[6]	148,301	134,177	156,177	156,177	153,548	156,995	164,781	157,607	148,820	157,190
27 Other negotiable and readily transferable instruments[7]	33,151	44,953	41,152	41,152	51,522	50,298	48,689	50,118	47,734	47,611
28 Other	205	674	50	50	553	318	364	227	137	69
29 Banks[10]	815,247	885,336	905,383	905,383	905,045	893,042	887,858	890,695[r]	937,160	930,938
30 Banks' own liabilities	641,447	676,057	733,356	733,356	740,355	730,867	723,761	730,194[r]	777,035	760,161
31 Unaffiliated foreign banks	156,368	113,189	126,209	126,209	132,241	129,292	121,277	134,126[r]	130,232	132,035
32 Demand deposits	16,767	14,071	17,583	17,583	12,964	12,424	13,930	14,404	13,254	14,518
33 Time deposits[2]	83,433	45,904	48,140	48,140	51,171	51,510	49,716	57,240[r]	55,167	57,960
34 Other[3]	56,168	53,214	60,486	60,486	68,106	65,358	57,631	62,482	61,811	59,557
35 Own foreign offices[4]	485,079	562,868	607,147	607,147	608,114	601,575	602,484	596,068	646,803	628,126
36 Banks' custodial liabilities[5]	173,800	209,279	172,027	172,027	164,690	162,175	164,097	160,501[r]	160,125	170,777
37 U.S. Treasury bills and certificates[6]	31,915	35,359	16,936	16,936	17,582	14,635	15,770	13,931[r]	14,179	13,239
38 Other negotiable and readily transferable instruments[7]	35,393	45,332	45,695	45,695	36,426	34,629	35,453	33,790	33,667	34,657
39 Other	106,492	128,588	109,396	109,396	110,682	112,911	112,874	112,780	112,279	122,881
40 Other foreigners	172,405	190,558	198,030	198,030	198,658	206,560	199,236	199,533	208,306	211,196
41 Banks' own liabilities	128,019	117,776	131,072	131,072	137,477	140,720	131,769	137,206	144,868	148,287
42 Demand deposits	12,247	12,312	21,862	21,862	20,707	23,733	12,873	13,120	13,026	13,235
43 Time deposits[2]	68,251	70,558	76,189	76,189	75,446	77,231	77,457	77,518	78,748	78,637
44 Other[3]	47,521	34,906	33,021	33,021	41,324	39,756	41,439	46,568	53,094	56,415
45 Banks' custodial liabilities[5]	44,386	72,782	66,958	66,958	61,181	65,840	67,467	62,327	63,438	62,909
46 U.S. Treasury bills and certificates[6]	12,954	13,322	12,004	12,004	10,124	12,270	13,804	11,999	10,729	10,090
47 Other negotiable and readily transferable instruments[7]	24,964	51,017	45,495	45,495	41,378	43,533	43,417	40,224	42,066	42,391
48 Other	6,468	8,443	9,459	9,459	9,679	10,037	10,246	10,104	10,643	10,428
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	16,083	27,026	30,345	30,345	28,344	27,266	28,056	26,087	27,238	26,571

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 of deposit, which are included in "Other negotiable and readily transferable instruments."
3. Includes borrowing under repurchase agreements.
4. For U.S. banks, includes amounts 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. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
8. 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.
9. Foreign central banks, foreign central governments, and the Bank for International Settlements.
10. Excludes central banks, which are included in "Official institutions."

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3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]—Continued

Item	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
AREA										
50 **Total, all foreigners**	**1,283,027**	**1,347,837**	**1,413,683**	**1,413,683**	**1,413,811**	**1,407,301**	**1,406,476**	**1,406,149[r]**	**1,452,895**	**1,456,081**
51 **Foreign countries**	**1,271,337**	**1,335,954**	**1,398,407**	**1,398,407**	**1,392,004**	**1,386,865**	**1,388,115**	**1,385,559[r]**	**1,430,088**	**1,435,003**
52 Europe	419,672	427,375	448,070	448,070	450,033	451,022	449,760	433,784[r]	435,694	448,674
53 Austria	2,717	3,178	2,789	2,789	2,648	2,997	2,570	2,302	2,468	2,664
54 Belgium and Luxembourg	41,007	42,818	44,692	44,692	42,433	38,783	36,385	33,100	31,656	31,236
55 Denmark	1,514	1,437	2,196	2,196	2,510	2,533	3,235	2,601	3,629	3,444
56 Finland	2,246	1,862	1,658	1,658	1,290	1,479	2,015	1,744	1,529	1,380
57 France	46,607	44,616	49,790	49,790	48,530	49,839	43,666	45,324	43,577	42,130
58 Germany	23,737	21,357	24,748	24,748	24,097	23,916	25,176	23,710	24,875	28,952
59 Greece	1,552	2,066	3,748	3,748	3,145	4,000	3,216	3,188	3,030	2,765
60 Italy	11,378	7,103	6,775	6,775	6,261	5,405	5,278	4,789	7,142	6,676
61 Netherlands	7,385	10,793	8,310	8,310	7,271	7,797	7,617	7,277[r]	6,823	8,728
62 Norway	317	710	1,327	1,327	834	1,169	1,336	1,197	963	2,189
63 Portugal	2,262	3,236	2,228	2,228	2,034	2,113	2,006	1,913	1,964	2,373
64 Russia	7,968	2,439	5,475	5,475	6,404	7,543	7,360	10,065	11,716	11,876
65 Spain	18,989	15,781	10,426	10,426	12,531	12,130	12,518	11,208	10,796	9,990
66 Sweden	1,628	3,027	4,652	4,652	4,673	4,792	5,425	5,165	4,390	5,434
67 Switzerland	39,023	50,654	65,985	65,985	64,282	61,335	81,934	69,208	63,700	59,535
68 Turkey	4,054	4,286	7,842	7,842	6,912	7,714	7,995	8,016	7,501	8,472
69 United Kingdom	181,904	181,554	176,234	176,234	184,520	187,347	169,156	169,222[r]	176,824	187,741
70 Yugoslavia[11]	239	233	286	286	273	294	270	265	275	276
71 Other Europe and other former U.S.S.R.[12]	25,145	30,225	28,909	28,909	29,385	29,836	32,602	33,490[r]	32,836	32,813
72 Canada	28,341	30,212	34,119	34,119	32,965	33,387	36,147	40,562	36,229	37,256
73 Latin America and Caribbean	536,393	554,866	577,737	577,737	599,593	596,273	596,211	604,685[r]	659,093	640,936
74 Argentina	20,199	19,014	18,633	18,633	15,333	16,548	17,906	18,487	16,496	16,540
75 Bahamas	112,217	118,085	134,407	134,407	149,727	155,720	141,370	159,115	174,132	182,216
76 Bermuda	6,911	6,846	7,877	7,877	9,910	9,106	10,108	9,710	8,713	8,024
77 Brazil	31,037	15,815	12,860	12,860	12,230	12,785	14,889	10,305	9,945	10,805
78 British West Indies	276,418	302,486	312,779	312,779	320,352	311,990	320,120	314,961	355,037	324,986
79 Chile	4,072	5,015	7,008	7,008	6,366	6,244	5,752	5,933	6,095	6,192
80 Colombia	3,652	4,624	5,669	5,669	4,438	4,304	4,314	4,243	4,237	4,360
81 Cuba	66	62	75	75	75	75	100	77	77	85
82 Ecuador	2,078	1,572	1,956	1,956	1,985	2,035	2,141	2,193	2,274	2,253
83 Guatemala	1,494	1,336	1,626	1,626	1,636	1,617	1,706	1,628	1,669	1,647
84 Jamaica	450	577	520	520	540	571	671	670	706	673
85 Mexico	33,972	37,157	30,717	30,717	32,090	32,216	31,393	32,832	33,915	33,938
86 Netherlands Antilles	5,085	5,010	3,997	3,997	4,269	3,692	4,528	5,108[r]	6,561	7,878
87 Panama	4,241	3,864	4,415	4,415	4,042	3,737	4,157	3,788	3,764	3,820
88 Peru	893	840	1,142	1,142	1,073	1,051	975	1,021	1,100	1,124
89 Uruguay	2,382	2,486	2,386	2,386	2,260	2,262	2,377	2,431	2,520	2,680
90 Venezuela	21,601	19,894	20,189	20,189	21,517	21,297	22,572	21,140	20,469	22,259
91 Other	9,625	10,183	11,481	11,481	11,750	11,023	11,132	11,043	11,383	11,456
92 Asia	269,379	307,960	319,363	319,363	290,411	287,375	287,636	288,745[r]	282,325	290,045
China										
93 Mainland	18,252	13,441	12,325	12,325	11,570	11,661	8,096	8,530	7,824	9,931
94 Taiwan	11,840	12,708	13,600	13,600	11,674	11,211	14,642	14,488	14,113	13,584
95 Hong Kong	17,722	20,900	27,697	27,697	25,951	24,038	22,672	22,873	23,951	23,951
96 India	4,567	5,250	7,367	7,367	5,491	5,405	6,258	5,586	5,703	5,558
97 Indonesia	3,554	8,282	6,567	6,567	6,853	7,495	7,837	7,275	7,064	7,400
98 Israel	6,281	7,749	7,488	7,488	6,581	7,680	8,338	7,058	5,541	6,143
99 Japan	143,401	168,563	159,075	159,075	149,033	145,314	145,074	147,409	148,668	153,662
100 Korea (South)	13,060	12,524	12,853	12,853	11,573	12,625	16,420	16,820	12,941	10,324
101 Philippines	3,250	3,324	3,253	3,253	1,937	2,540	2,277	2,290	1,750	1,999
102 Thailand	6,501	7,359	6,050	6,050	5,389	5,134	4,370	3,628	3,428	3,529
103 Middle Eastern oil-exporting countries[13]	14,959	15,609	21,284	21,284	16,927	15,811	16,132	19,005	18,647	18,538
104 Other	25,992	32,251	41,804	41,804	37,432	38,461	35,520	33,783[r]	32,695	35,426
105 Africa	10,347	8,905	9,468	9,468	8,105	8,270	8,614	8,576	8,437	8,718
106 Egypt	1,663	1,339	2,022	2,022	1,616	1,703	1,770	1,663	1,722	1,962
107 Morocco	138	97	179	179	176	262	115	106	122	149
108 South Africa	2,158	1,522	1,495	1,495	730	698	673	687	662	595
109 Zaire	10	5	14	14	7	13	13	7	13	6
110 Oil-exporting countries[14]	3,060	3,088	2,914	2,914	2,952	3,098	3,318	3,558	3,298	3,405
111 Other	3,318	2,854	2,844	2,844	2,624	2,496	2,725	2,555	2,620	2,601
112 Other	7,205	6,636	9,650	9,650	10,897	10,538	9,747	9,207	8,310	9,374
113 Australia	6,304	5,495	8,377	8,377	9,910	9,335	8,669	8,414	7,586	8,564
114 Other	901	1,141	1,273	1,273	987	1,203	1,078	793	724	810
115 Nonmonetary international and regional organizations	11,690	11,883	15,276	15,276	21,807	20,436	18,361	20,590[r]	22,807	21,078
116 *International*[15]	*10,517*	*10,221*	*12,876*	*12,876*	*19,708*	*17,561*	*16,306*	*19,207[r]*	*21,375*	*19,918*
117 Latin American regional[16]	424	594	1,150	1,150	1,128	1,858	1,244	518	624	668
118 Other regional[17]	749	1,068	1,250	1,250	971	1,017	811	865	808	492

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
12. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
14. Comprises Algeria, Gabon, Libya, and Nigeria.
15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
16. Principally the Inter-American Development Bank.
17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

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

Millions of dollars, end of period

Area or country	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Total, all foreigners**	**708,225**	**734,995**	**795,377**	**795,377**	**757,214**	**750,972**	**813,890**	**815,083**[r]	**820,761**	**825,814**
2 **Foreign countries**	**705,762**	**731,378**	**790,814**	**790,814**	**751,596**	**746,305**	**809,581**	**810,081**[r]	**816,418**	**820,823**
3 Europe	199,880	233,321	315,905	315,905	308,133	314,504	361,470	350,067	359,895	357,229
4 Austria	1,354	1,043	2,643	2,643	3,020	2,471	2,493	2,429	2,242	2,148
5 Belgium and Luxembourg	6,641	7,187	10,193	10,193	8,898	9,777	8,022	7,939	5,959	6,390
6 Denmark	980	2,383	1,669	1,669	1,702	1,743	1,625	1,940	2,001	3,440
7 Finland	1,233	1,070	2,020	2,020	2,328	1,846	2,093	2,087	2,414	2,650
8 France	16,239	15,251	29,142	29,142	30,051	28,303	28,127	30,958	35,217	28,613
9 Germany	12,676	15,923	29,205	29,205	29,871	28,890	35,371	33,991	31,521	33,605
10 Greece	402	575	806	806	793	683	842	864[r]	828	837
11 Italy	6,230	7,284	8,496	8,496	8,614	6,785	7,048	7,034	6,565	7,724
12 Netherlands	6,141	5,697	11,810	11,810	11,477	11,484	14,089	13,932	14,377	15,667
13 Norway	555	827	1,000	1,000	1,376	1,146	1,132	1,499	1,832	1,935
14 Portugal	777	669	1,571	1,571	1,307	1,155	1,043	1,085	1,268	1,424
15 Russia	1,248	789	713	713	701	743	709	709	715	744
16 Spain	2,942	5,735	3,796	3,796	4,581	4,339	3,187	3,217	3,126	3,844
17 Sweden	1,854	4,223	3,264	3,264	4,556	5,382	7,492	8,100	7,112	8,744
18 Switzerland	28,846	46,874	79,158	79,158	68,976	70,250	111,544	97,688	105,573	86,273
19 Turkey	1,558	1,982	2,617	2,617	2,969	3,031	3,053	3,148	3,269	3,218
20 United Kingdom	103,143	106,349	120,190	120,190	120,126	128,252	125,162	125,935[r]	128,259	141,739
21 Yugoslavia[2]	52	53	50	50	50	50	50	51	49	49
22 Other Europe and other former U.S.S.R.[3]	7,009	9,407	7,562	7,562	6,737	8,174	8,388	7,461	7,568	8,185
23 Canada	27,189	47,037	37,206	37,206	36,474	38,541	42,686	43,300	45,481	42,592
24 Latin America and Caribbean	343,730	342,654	353,416	353,416	323,537	314,839	323,816	328,769	321,219	328,645
25 Argentina	8,924	9,552	10,167	10,167	9,962	10,095	9,845	9,732	9,507	9,386
26 Bahamas	89,379	96,455	99,324	99,324	78,641	68,914	74,018	72,312	71,459	80,393
27 Bermuda	8,782	5,011	8,007	8,007	10,145	11,771	7,441	5,685	6,478	6,285
28 Brazil	21,696	16,184	15,706	15,706	15,031	15,382	14,981	16,210	16,376	16,541
29 British West Indies	145,471	153,749	167,189	167,189	157,469	156,776	166,284	173,907	165,920	164,969
30 Chile	7,913	8,250	6,607	6,607	6,672	6,224	6,511	6,447	6,399	6,214
31 Colombia	6,945	6,507	4,524	4,524	4,326	4,176	3,937	3,907	4,032	3,796
32 Cuba	0	0	0	0	0	0	0	0	0	1
33 Ecuador	1,311	1,400	760	760	692	730	688	662	640	612
34 Guatemala	886	1,127	1,135	1,135	1,067	1,170	1,181	1,252	1,245	1,235
35 Jamaica	424	239	295	295	298	332	328	316	300	291
36 Mexico	19,428	21,212	17,899	17,899	17,848	17,489	16,998	16,944	16,771	17,063
37 Netherlands Antilles	17,838	6,779	5,982	5,982	6,194	6,341	6,385	6,388	6,579	6,502
38 Panama	4,364	3,584	3,387	3,387	3,067	2,972	2,912	2,844	2,984	3,062
39 Peru	3,491	3,275	2,529	2,529	2,462	2,414	2,223	2,356	2,515	2,457
40 Uruguay	629	1,126	801	801	709	777	761	714	708	620
41 Venezuela	2,129	3,089	3,494	3,494	3,571	3,524	3,580	3,474	3,595	3,456
42 Other	4,120	5,115	5,610	5,610	5,383	5,752	5,743	5,619	5,711	5,762
43 Asia	125,092	98,607	74,914	74,914	73,342	69,074	72,692	78,257[r]	80,200	82,349
China										
44 Mainland	1,579	1,261	2,090	2,090	2,221	2,726	3,161	4,532	2,611	1,687
45 Taiwan	922	1,041	1,390	1,390	1,462	1,501	925	1,080	1,716	1,287
46 Hong Kong	13,991	9,080	5,893	5,893	5,240	4,453	4,519	4,546	4,573	4,266
47 India	2,200	1,440	1,738	1,738	1,616	1,802	1,749	1,786	1,941	1,904
48 Indonesia	2,651	1,942	1,776	1,776	1,711	1,743	1,817	1,821	1,819	1,856
49 Israel	768	1,166	1,875	1,875	1,853	1,832	3,412	3,293	2,857	1,610
50 Japan	59,549	46,713	28,636	28,636	28,612	25,559	27,310	30,381[r]	31,689	33,256
51 Korea (South)	18,162	8,289	9,262	9,262	11,378	12,066	11,466	12,209	14,018	15,859
52 Philippines	1,689	1,465	1,410	1,410	1,088	1,058	1,698	1,714	1,884	1,865
53 Thailand	2,259	1,807	1,515	1,515	1,155	1,275	1,154	1,081	1,137	1,255
54 Middle Eastern oil-exporting countries[4]	10,790	16,130	14,252	14,252	10,774	10,947	11,612	10,765	11,666	12,128
55 Other	10,532	8,273	5,077	5,077	6,232	4,112	3,869	5,049	4,289	5,376
56 Africa	3,530	3,122	2,268	2,268	2,786	2,453	1,991	2,054	2,109	2,493
57 Egypt	247	257	258	258	222	207	243	206	218	230
58 Morocco	511	372	352	352	299	313	279	300	271	259
59 South Africa	805	643	622	622	943	889	428	360	341	772
60 Zaire	0	0	24	24	0	0	0	0	0	0
61 Oil-exporting countries[5]	1,212	936	276	276	494	228	198	394	508	430
62 Other	755	914	736	736	828	816	843	794	771	802
63 Other	6,341	6,637	7,105	7,105	7,324	6,894	6,926	7,634	7,514	7,515
64 Australia	5,300	6,173	6,824	6,824	7,113	6,682	6,674	7,225	7,139	7,240
65 Other	1,041	464	281	281	211	212	252	409	375	275
66 Nonmonetary international and regional organizations[6]	2,463	3,617	4,563	4,563	5,618	4,667	4,309	5,002	4,343	4,991

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.
2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
3. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Europe."

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

Millions of dollars, end of period

Type of claim	1997	1998	1999	1999	2000					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Total**	**852,852**	**875,891**	**945,334**	**945,334**	...	...	**1,009,002**	...	...	...
2 Banks' claims	708,225	734,995	795,377	795,377	757,214	750,972	813,890	815,083[r]	820,761	825,814
3 Foreign public borrowers	20,581	23,542	35,090	35,090	42,241	36,541	36,036	37,300[r]	42,492	40,858
4 Own foreign offices[2]	431,685	484,535	528,397	528,397	490,280	496,771	552,218	557,339	549,177	552,831
5 Unaffiliated foreign banks	109,230	106,206	101,227	101,227	93,524	87,666	96,030	91,849	92,859	93,427
6 Deposits	30,995	27,230	34,360	34,360	24,259	21,275	24,361	22,399	24,758	22,361
7 Other	78,235	78,976	66,867	66,867	69,265	66,391	71,669	69,450	68,101	71,066
8 All other foreigners	146,729	120,712	130,663	130,663	131,169	129,994	129,606	128,595[r]	136,233	138,698
9 Claims of banks' domestic customers[3]	144,627	140,896	149,957	149,957	...	...	195,112	...	...	...
10 Deposits	73,110	79,363	86,164	86,164	...	...	127,077	...	...	...
11 Negotiable and readily transferable instruments[4]	53,967	47,914	51,161	51,161	...	...	56,032	...	...	...
12 Outstanding collections and other claims	17,550	13,619	12,632	12,632	...	...	12,003	...	...	...
MEMO										
13 Customer liability on acceptances	9,624	4,520	4,672	4,672	...	...	4,466	...	...	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	33,816	39,978	31,125	31,125	41,559[r]	48,225	53,657	45,383	44,868	42,571

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, bankers acceptances, and commercial paper.
5. 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 States[1] Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area[2]	1996	1997	1998	1999			2000
				June	Sept.	Dec.	Mar.
1 **Total**	**258,106**	**276,550**	**250,418**	**261,268**	**270,102**	**266,330**	**261,095**
By borrower							
2 Maturity of one year or less	211,859	205,781	186,526	186,494	196,821	187,454	180,047
3 Foreign public borrowers	15,411	12,081	13,671	25,354	22,603	22,904	21,332
4 All other foreigners	196,448	193,700	172,855	161,140	174,218	164,550	158,715
5 Maturity of more than one year	46,247	70,769	63,892	74,774	73,281	78,876	81,048
6 Foreign public borrowers	6,790	8,499	9,839	11,704	12,193	12,043	12,803
7 All other foreigners	39,457	62,270	54,053	63,070	61,088	66,833	68,245
By area							
Maturity of one year or less							
8 Europe	55,690	58,294	68,679	84,717	82,567	80,843	79,673
9 Canada	8,339	9,917	10,968	6,674	8,545	7,860	8,408
10 Latin America and Caribbean	103,254	97,207	81,766	64,879	78,102	69,035	62,377
11 Asia	38,078	33,964	18,007	22,587	20,864	21,820	22,510
12 Africa	1,316	2,211	1,835	1,543	1,119	1,122	957
13 All other[3]	5,182	4,188	5,271	6,094	5,624	6,774	6,122
Maturity of more than one year							
14 Europe	6,965	13,240	14,923	18,962	18,618	22,950	23,949
15 Canada	2,645	2,525	3,140	3,292	3,192	3,191	3,134
16 Latin America and Caribbean	24,943	42,049	33,442	39,090	38,111	38,741	39,153
17 Asia	9,392	10,235	10,018	10,482	10,641	11,257	12,093
18 Africa	1,361	1,236	1,232	1,105	1,087	1,065	965
19 All other[3]	941	1,484	1,137	1,843	1,632	1,672	1,754

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.

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

Billions of dollars, end of period

Area or country	1996	1997	1998				1999				2000
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.
1 **Total**	**645.8**	**721.8**	**1029.8**	**1017.2**	**1071.9**	**1051.6**	**992.8**[r]	**939.4**[r]	**937.4**[r]	**937.6**[r]	**952.7**[r]
2 G-10 countries and Switzerland	228.3	242.8	250.9	273.9	240.0	217.7	208.7[r]	223.1[r]	206.1[r]	237.4[r]	284.1[r]
3 Belgium and Luxembourg	11.7	11.0	12.0	14.0	11.7	10.7	15.6	16.1	15.7	14.3	14.2
4 France	16.6	15.4	16.5	21.7	20.3	18.4	21.6	20.4	19.9	29.0	27.1
5 Germany	29.8	28.6	27.0	30.5	31.4	30.9	34.7	32.1	37.4	38.7	37.3
6 Italy	16.0	15.5	20.8	21.1	18.5	11.5	17.8	16.4	15.0	18.1	20.0
7 Netherlands	4.0	6.2	7.7	8.6	8.4	7.8	10.7	13.3	10.6	12.3	17.1
8 Sweden	2.6	3.3	4.8	3.1	2.1	2.3	4.0	2.6	3.6	3.0	3.9
9 Switzerland	5.3	7.2	5.9	7.0	7.6	8.5	7.8	8.2	8.8	10.3	10.1
10 United Kingdom	104.7	113.4	114.6	125.9	100.1	85.4	56.1[r]	74.3[r]	51.7[r]	73.3[r]	113.5[r]
11 Canada	14.0	13.7	14.2	16.7	15.9	16.8	15.9	17.1	17.8	16.3	17.5
12 Japan	23.7	28.6	27.3	25.3	23.9	25.4	24.6	22.6	25.6	22.0	23.5
13 Other industrialized countries	66.1	65.5	78.2	78.7	78.5	69.0	80.1	79.7	71.7	68.4	62.8
14 Austria	1.1	1.5	1.7	1.9	2.1	1.4	2.8	2.8	3.0	3.5	2.6
15 Denmark	1.5	2.4	2.1	2.2	3.0	2.2	3.4	2.9	2.1	2.6	1.5
16 Finland	.8	1.3	1.5	1.4	1.6	1.4	1.5	.9	.9	.9	.8
17 Greece	6.7	5.1	6.1	5.8	5.8	5.9	6.5	5.9	6.6	6.0	5.7
18 Norway	8.0	3.6	4.0	3.4	3.2	3.2	3.1	3.0	3.8	3.3	3.0
19 Portugal	.9	.9	.8	1.4	1.1	1.4	1.4	1.2	1.2	1.0	1.0
20 Spain	13.3	12.6	18.1	17.5	19.5	13.7	15.7	16.6	15.1	12.1	11.3
21 Turkey	2.7	4.5	4.9	6.5	5.2	4.8	5.2	4.9	4.7	4.8	5.1
22 Other Western Europe	4.9	8.3	10.2	9.9	10.4	10.4	10.2	10.2	9.2	6.8	8.3
23 South Africa	2.0	2.2	5.5	6.9	5.4	4.4	4.8	4.7	4.0	3.8	4.8
24 Australia	24.0	23.1	23.2	21.8	21.4	20.3	25.4	26.6	21.1	23.5	18.6
25 OPEC[2]	19.8	26.0	26.0	25.5	26.0	27.1	26.2	26.1	30.1	31.4	28.9
26 Ecuador	1.1	1.3	1.3	1.2	1.2	1.3	1.2	1.1	.9	.8	.7
27 Venezuela	2.4	2.5	3.4	3.3	3.1	3.2	3.5	3.2	3.0	2.8	3.0
28 Indonesia	5.2	6.7	5.6	5.1	4.7	4.7	4.5	5.0	4.4	4.2	3.9
29 Middle East countries	10.7	14.4	14.4	15.6	16.1	17.0	16.7	16.5	21.4	23.0	21.1
30 African countries	.4	1.2	1.4	.3	.8	1.0	.4	.4	.5	.5	.2
31 Non-OPEC developing countries	130.3	139.2	149.8	146.1	140.4	143.4	146.7	148.6	142.5	147.3	152.5[r]
Latin America											
32 Argentina	14.3	18.4	20.0	20.9	22.9	23.1	24.3	22.8	22.1	22.4	21.3
33 Brazil	20.7	28.6	33.4	30.3	24.0	24.7	24.2	25.1	22.1	26.4	26.9
34 Chile	7.0	8.7	9.0	9.1	8.5	8.3	8.6	8.2	7.7	7.4	8.2
35 Colombia	4.1	3.4	3.3	3.6	3.4	3.2	3.3	3.1	2.7	2.5	2.5
36 Mexico	16.2	17.4	17.8	18.1	18.7	18.9	19.7	18.5	19.4	18.7	18.3
37 Peru	1.6	2.0	2.1	2.2	2.2	2.2	2.2	2.1	1.8	1.7	1.9
38 Other	3.3	4.1	4.0	4.4	4.6	5.4	5.3	5.5	5.5	5.9	6.5[r]
Asia											
China											
39 Mainland	2.5	3.2	4.2	3.9	2.8	3.0	5.0	5.3	3.3	3.6	4.6
40 Taiwan	10.3	9.5	12.1	11.8	12.5	13.3	11.8	12.6	12.3	12.0	12.6
41 India	4.3	4.9	5.0	4.9	5.3	5.5	5.5	6.7	7.0	7.7	7.9
42 Israel	.5	.7	.7	.9	.9	1.1	1.1	2.0	1.0	1.8	3.3
43 Korea (South)	21.5	15.6	16.2	14.6	13.1	13.7	13.7	15.3	16.0	15.1	17.4[r]
44 Malaysia	6.0	5.1	4.5	4.7	5.0	5.6	5.9	6.0	6.1	6.1	6.5
45 Philippines	5.8	5.7	5.1	5.4	4.7	5.1	5.4	5.7	5.8	6.2	5.3
46 Thailand	5.7	5.4	5.5	5.0	5.3	4.7	4.5	4.2	4.0	4.1	4.3
47 Other Asia	4.1	4.3	4.2	3.7	3.1	2.9	3.0	2.8	2.8	2.9	2.6
Africa											
48 Egypt	.7	.9	1.0	1.5	1.7	1.3	1.4	1.4	1.3	1.4	1.4
49 Morocco	.7	.6	.6	.6	.5	.5	.5	.5	.5	.4	.3
50 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	.9	.8	1.1	.8	1.1	1.0	1.2	1.0	1.0	1.0	.9
52 Eastern Europe	6.9	9.1	12.3	11.3	6.3	5.5	7.1	5.8	5.4	5.2	6.3[r]
53 Russia[4]	3.7	5.1	7.5	6.9	2.8	2.2	2.3	2.1	2.0	1.6	1.7
54 Other	3.2	4.0	4.7	4.4	3.5	3.3	4.8	3.7	3.4	3.6	4.7[r]
55 Offshore banking centers	135.1	140.2	133.1	130.0	121.0	93.9	93.6	75.9	90.3	60.1	42.0
56 Bahamas	20.5	24.2	32.6	28.6	30.7	35.4	32.6	20.4	29.4	13.9	2.4
57 Bermuda	4.5	9.8	9.1	9.4	10.4	4.6	3.9	5.7	8.2	8.0	7.3
58 Cayman Islands and other British West Indies	37.2	43.4	24.9	34.3	27.8	12.8	13.9	7.2	6.3	1.3	.0
59 Netherlands Antilles	26.1	14.6	14.0	10.5	6.0	2.6	2.7	1.3	9.1	1.7	2.5
60 Panama[5]	2.0	3.1	3.2	3.3	4.0	3.9	3.9	3.9	3.9	3.9	3.4
61 Lebanon	.1	.1	.1	.1	.2	.1	.1	.1	.2	.1	.1
62 Hong Kong, China	27.9	32.2	33.9	30.0	30.6	23.3	22.8	22.0	22.4	21.0	22.2
63 Singapore	16.7	12.7	15.0	13.6	11.1	11.1	13.5	15.2	10.6	10.1	4.1
64 Other[6]	.1	.1	.1	.2	.2	.2	.2	.1	.2	.1	.1
65 Miscellaneous and unallocated[7]	59.6	99.1	379.7	351.7	459.9	495.1	430.4	380.2	391.2	387.9	376.1[r]

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.

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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	1996	1997	1998	1998	1999				2000
				Dec.	Mar.	June	Sept.	Dec.	Mar.
1 **Total**	**61,782**	**57,382**	**46,570**	**46,570**	**46,663**	**49,337**	**52,979**	**53,044**	**52,386**
2 Payable in dollars	39,542	41,543	36,668	36,668	34,030	36,032	36,296	37,605	34,601
3 Payable in foreign currencies	22,240	15,839	9,902	9,902	12,633	13,305	16,683	15,415	17,785
By type									
4 Financial liabilities	33,049	26,877	19,255	19,255	22,458	25,058	27,422	27,980	28,205
5 Payable in dollars	11,913	12,630	10,371	10,371	11,225	13,205	12,231	13,883	11,935
6 Payable in foreign currencies	21,136	14,247	8,884	8,884	11,233	11,853	15,191	14,097	16,270
7 Commercial liabilities	28,733	30,505	27,315	27,315	24,205	24,279	25,557	25,064	24,181
8 Trade payables	12,720	10,904	10,978	10,978	9,999	10,935	12,651	12,857	12,399
9 Advance receipts and other liabilities	16,013	19,601	16,337	16,337	14,206	13,344	12,906	12,207	11,782
10 Payable in dollars	27,629	28,913	26,297	26,297	22,805	22,827	24,065	23,722	22,666
11 Payable in foreign currencies	1,104	1,592	1,018	1,018	1,400	1,452	1,492	1,318	1,515
By area or country									
Financial liabilities									
12 Europe	23,179	18,027	12,589	12,589	16,098	19,578	21,695	23,241	23,115
13 Belgium and Luxembourg	632	186	79	79	50	70	50	31	4
14 France	1,091	1,425	1,097	1,097	1,178	1,287	1,675	1,659	1,405
15 Germany	1,834	1,958	2,063	2,063	1,906	1,959	1,712	1,974	1,390
16 Netherlands	556	494	1,406	1,406	1,337	2,104	2,066	1,996	1,970
17 Switzerland	699	561	155	155	141	143	133	147	97
18 United Kingdom	17,161	11,667	5,980	5,980	9,729	13,097	15,096	16,521	16,579
19 Canada	1,401	2,374	693	693	781	320	344	284	313
20 Latin America and Caribbean	1,668	1,386	1,495	1,495	1,528	1,369	1,180	892	847
21 Bahamas	236	141	7	7	1	1	1	1	1
22 Bermuda	50	229	101	101	78	52	26	5	1
23 Brazil	78	143	152	152	137	131	122	126	129
24 British West Indies	1,030	604	957	957	1,064	944	786	492	489
25 Mexico	17	26	59	59	22	19	28	25	22
26 Venezuela	1	1	2	2	2	1	0	0	0
27 Asia	6,423	4,387	3,785	3,785	3,475	3,217	3,622	3,437	3,234
28 Japan	5,869	4,102	3,612	3,612	3,337	3,035	3,384	3,142	2,944
29 Middle Eastern oil-exporting countries[1]	25	27	0	0	1	2	3	3	4
30 Africa	38	60	28	28	31	29	31	28	28
31 Oil-exporting countries[2]	0	0	0	0	2	0	0	0	0
32 All other[3]	340	643	665	665	545	545	550	98	668
Commercial liabilities									
33 Europe	9,767	10,228	10,030	10,030	8,580	8,718	9,265	9,262	8,629
34 Belgium and Luxembourg	479	666	278	278	229	189	128	140	78
35 France	680	764	920	920	654	656	620	672	536
36 Germany	1,002	1,274	1,392	1,392	1,088	1,143	1,201	1,131	911
37 Netherlands	766	439	429	429	361	432	535	507	647
38 Switzerland	624	375	499	499	535	497	593	626	536
39 United Kingdom	4,303	4,086	3,697	3,697	3,008	2,959	3,175	3,071	2,652
40 Canada	1,090	1,175	1,390	1,390	1,597	1,670	1,753	1,775	2,013
41 Latin America and Caribbean	2,574	2,176	1,618	1,618	1,612	1,674	1,957	2,310	2,275
42 Bahamas	63	16	14	14	11	19	24	22	9
43 Bermuda	297	203	198	198	225	180	178	152	287
44 Brazil	196	220	152	152	107	112	120	145	115
45 British West Indies	14	12	10	10	7	5	39	48	23
46 Mexico	665	565	347	347	437	490	704	887	796
47 Venezuela	328	261	202	202	155	149	182	305	193
48 Asia	13,422	14,966	12,342	12,342	10,428	10,039	10,428	9,886	9,592
49 Japan	4,614	4,500	3,827	3,827	2,715	2,753	2,689	2,609	2,185
50 Middle Eastern oil-exporting countries[1]	2,168	3,111	2,852	2,852	2,479	2,209	2,618	2,551	2,308
51 Africa	1,040	874	794	794	727	832	959	950	943
52 Oil-exporting countries[2]	532	408	393	393	377	392	584	499	536
53 Other[3]	840	1,086	1,141	1,141	1,261	1,346	1,195	881	729

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.

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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	1996	1997	1998	1998	1999				2000
				Dec.	Mar.	June	Sept.	Dec.	Mar.
1 **Total**	**65,897**	**68,128**	**77,462**	**77,462**	**69,054**	**63,884**	**67,566**	**76,669**	**85,187**
2 Payable in dollars	59,156	62,173	72,171	72,171	64,026	57,006	60,456	69,170	75,252
3 Payable in foreign currencies	6,741	5,955	5,291	5,291	5,028	6,878	7,110	7,472	9,935
By type									
4 Financial claims	37,523	36,959	46,260	46,260	38,217	31,957	33,877	40,231	49,167
5 Deposits	21,624	22,909	30,199	30,199	18,686	13,350	15,192	18,566	23,989
6 Payable in dollars	20,852	21,060	28,549	28,549	17,101	11,636	13,240	16,373	22,115
7 Payable in foreign currencies	772	1,849	1,650	1,650	1,585	1,714	1,952	2,193	1,874
8 Other financial claims	15,899	14,050	16,061	16,061	19,531	18,607	18,685	21,665	25,178
9 Payable in dollars	12,374	11,806	14,049	14,049	17,457	14,800	15,718	18,593	20,355
10 Payable in foreign currencies	3,525	2,244	2,012	2,012	2,074	3,807	2,967	3,072	4,823
11 Commercial claims	28,374	31,169	31,202	31,202	30,837	31,927	33,689	36,438	36,020
12 Trade receivables	25,751	27,536	27,202	27,202	26,724	27,791	29,397	32,629	31,402
13 Advance payments and other claims	2,623	3,633	4,000	4,000	4,113	4,136	4,292	3,809	4,618
14 Payable in dollars	25,930	29,307	29,573	29,573	29,468	30,570	31,498	34,204	32,782
15 Payable in foreign currencies	2,444	1,862	1,629	1,629	1,369	1,357	2,191	2,207	3,238
By area or country									
Financial claims									
16 Europe	11,085	14,999	12,294	12,294	12,881	13,978	13,878	13,023	17,394
17 Belgium and Luxembourg	185	406	661	661	469	457	574	529	546
18 France	694	1,015	864	864	913	1,368	1,212	967	1,835
19 Germany	276	427	304	304	302	367	549	504	669
20 Netherlands	493	677	875	875	993	997	1,067	1,229	1,981
21 Switzerland	474	434	414	414	530	504	559	643	612
22 United Kingdom	7,922	10,337	7,766	7,766	8,400	8,631	8,157	7,561	9,646
23 Canada	3,442	3,313	2,503	2,503	3,111	2,828	3,172	2,553	3,549
24 Latin America and Caribbean	20,032	15,543	27,714	27,714	18,825	11,486	12,749	18,206	21,901
25 Bahamas	1,553	2,308	403	403	666	467	755	1,593	1,300
26 Bermuda	140	108	39	39	41	39	524	11	11
27 Brazil	1,468	1,313	835	835	1,112	1,102	1,265	1,476	1,628
28 British West Indies	15,536	10,462	24,388	24,388	14,621	7,393	7,263	12,099	15,814
29 Mexico	457	537	1,245	1,245	1,583	1,702	1,791	1,798	1,981
30 Venezuela	31	36	55	55	72	71	47	48	65
31 Asia	2,221	2,133	3,027	3,027	2,648	2,801	3,205	5,457	4,899
32 Japan	1,035	823	1,194	1,194	942	949	1,250	3,262	2,021
33 Middle Eastern oil-exporting countries[1]	22	11	9	9	8	5	5	21	29
34 Africa	174	319	159	159	174	228	251	286	197
35 Oil-exporting countries[2]	14	15	16	16	26	5	12	15	15
36 All other[3]	569	652	563	563	578	636	622	706	1,227
Commercial claims									
37 Europe	10,443	12,120	13,246	13,246	12,782	12,961	14,367	16,389	15,709
38 Belgium and Luxembourg	226	328	238	238	281	286	289	316	271
39 France	1,644	1,796	2,171	2,171	2,173	2,094	2,375	2,236	2,345
40 Germany	1,337	1,614	1,822	1,822	1,599	1,660	1,944	1,960	1,922
41 Netherlands	562	597	467	467	415	389	617	1,429	1,337
42 Switzerland	642	554	483	483	367	385	714	610	611
43 United Kingdom	2,946	3,660	4,769	4,769	4,529	4,615	4,789	5,827	5,354
44 Canada	2,165	2,660	2,617	2,617	2,983	2,855	2,638	2,757	3,088
45 Latin America and Caribbean	5,276	5,750	6,296	6,296	5,930	6,278	5,879	5,959	5,881
46 Bahamas	35	27	24	24	10	21	29	20	15
47 Bermuda	275	244	536	536	500	583	549	390	404
48 Brazil	1,303	1,162	1,024	1,024	936	887	763	905	846
49 British West Indies	190	109	104	104	117	127	157	181	90
50 Mexico	1,128	1,392	1,545	1,545	1,431	1,478	1,613	1,678	1,526
51 Venezuela	357	576	401	401	361	384	365	439	434
52 Asia	8,376	8,713	7,192	7,192	7,080	7,690	8,579	9,165	9,087
53 Japan	2,003	1,976	1,681	1,681	1,486	1,511	1,823	2,074	2,080
54 Middle Eastern oil-exporting countries[1]	971	1,107	1,135	1,135	1,286	1,465	1,479	1,625	1,531
55 Africa	746	680	711	711	685	738	682	631	711
56 Oil-exporting countries[2]	166	119	165	165	116	202	221	171	82
57 Other[3]	1,368	1,246	1,140	1,140	1,377	1,405	1,544	1,537	1,544

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.

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3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	1998	1999	2000 Jan.–June	1999 Dec.	2000 Jan.	2000 Feb.	2000 Mar.	2000 Apr.	2000 May	2000 June[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	1,574,192	2,340,659	1,838,017	256,414	263,946[r]	293,110	402,373	309,778	268,454	300,356
2 Foreign sales	1,524,203	2,233,137	1,748,050	247,460	253,365	265,365	378,141	306,474	262,142	282,563
3 **Net purchases, or sales (−)**	**49,989**	**107,522**	**89,967**	**8,954**	**10,581[r]**	**27,745**	**24,232**	**3,304**	**6,312**	**17,793**
4 **Foreign countries**	**50,369**	**107,578**	**89,936**	**8,983**	**10,539[r]**	**27,626**	**24,414**	**3,243**	**6,291**	**17,823**
5 Europe	68,124	98,060	93,311	13,283	15,704	24,375	18,594	12,289	7,496	14,853
6 France	5,672	3,813	2,220	66	−240	529	1,831	1,341	−588	−653
7 Germany	9,195	13,410	24,920	1,587	5,633	5,425	4,532	3,431	3,355	2,544
8 Netherlands	8,249	8,083	1,096	1,640	−281	516	277	113	−113	584
9 Switzerland	5,001	5,650	9,158	1,495	2,926	4,804	−913	1,689	585	67
10 United Kingdom	23,952	42,902	22,749	3,080	2,246	6,685	4,794	558	1,440	7,026
11 Canada	−4,689	−335	2,639	−940	666	890	286	9	834	−46
12 Latin America and Caribbean	757	5,187	−10,537	−4,735	−5,190	1,989	4,840	−11,441	−2,633	1,898
13 Middle East[1]	−1,449	−1,066[r]	6,760	466[r]	677	1,179[r]	2,124[r]	2,071[r]	705	4
14 Other Asia	−12,351	4,445[r]	−3,420	751[r]	−1,645	−860[r]	−1,716[r]	52[r]	−121	870
15 Japan	−1,171	5,723	−6,374	211	−1,603	−1,115	−2,604	−446	−1,045	439
16 Africa	639	372	585	−18	150[r]	−2	205	228	−50	54
17 Other countries	−662	915	598	176	177	55	81	35	60	190
18 **Nonmonetary international and regional organizations**	**−380**	**−56**	**31**	**−29**	**42**	**119**	**−182**	**61**	**21**	**−30**
BONDS[2]										
19 Foreign purchases	905,782	856,804	570,049	56,928	79,045	99,605	106,302	88,155	89,661	107,281
20 Foreign sales	727,044	602,109	419,404	41,321	58,889	69,476	76,979	70,900	68,163	74,997
21 **Net purchases, or sales (−)**	**178,738**	**254,695**	**150,645**	**15,607**	**20,156**	**30,129**	**29,323**	**17,255**	**21,498**	**32,284**
22 **Foreign countries**	**179,081**	**255,097**	**150,765**	**15,626**	**20,161**	**30,147**	**29,422**	**17,260**	**21,440**	**32,335**
23 Europe	130,057	140,674	83,093	7,500	10,083	17,063	19,454	7,640	9,475	19,378
24 France	3,386	1,870	1,859	269	−114	1,124	620	−34	104	159
25 Germany	4,369	7,723	1,792	−228	−618	702	348	288	175	897
26 Netherlands	3,443	2,446	367	183	−23	−97	94	279	283	−169
27 Switzerland	4,826	4,553	996	462	−47	526	202	−18	9	324
28 United Kingdom	99,637	106,344	66,010	6,040	10,324	13,478	15,479	4,274	6,237	16,218
29 Canada	6,121	6,043	7,078	961	2,133	1,324	689	764	1,076	1,092
30 Latin America and Caribbean	23,938	60,861	29,846	4,094	4,658	9,659	3,680	4,724	2,735	4,390
31 Middle East[1]	4,997	1,979	806	309	−86	−177	670	347	−47	99
32 Other Asia	12,662	42,842	28,603	2,591	2,623	2,545	4,506	3,753	7,997	7,179
33 Japan	8,384	17,541	12,432	1,437	1,113	1,173	2,010	580	3,491	4,065
34 Africa	190	1,411	683	257	677	−130	−11	35	40	72
35 Other countries	1,116	1,287	656	−86	73	−137	434	−3	164	125
36 **Nonmonetary international and regional organizations**	**−343**	**−402**	**−120**	**−19**	**−5**	**−18**	**−99**	**−5**	**58**	**−51**
	Foreign securities									
37 Stocks, net purchases, or sales (−)	6,227	15,640[r]	−8,744	−1,507[r]	1,107	−8,884[r]	−8,173[r]	723[r]	8,535	−2,052
38 Foreign purchases	929,923	1,177,303[r]	940,848	125,953[r]	134,949	176,940[r]	177,090[r]	154,322[r]	145,408	152,139
39 Foreign sales	923,696	1,161,663	949,592	127,460	133,842	185,824[r]	185,263[r]	153,599[r]	136,873	154,191
40 Bonds, net purchases, or sales (−)	−17,350	−5,676	1,916	3,872	−3,498[r]	−1,986	−3,431	798	4,263	5,770
41 Foreign purchases	1,328,281	798,267	446,805	52,227	62,186[r]	74,380	83,838	63,916	79,534	82,951
42 Foreign sales	1,345,631	803,943	444,889	48,355	65,684[r]	76,366	87,269	63,118	75,271	77,181
43 **Net purchases, or sales (−), of stocks and bonds**	**−11,123**	**9,964[r]**	**−6,828**	**2,365[r]**	**−2,391[r]**	**−10,870[r]**	**−11,604[r]**	**1,521[r]**	**12,798**	**3,718**
44 **Foreign countries**	**−10,778**	**9,679[r]**	**−7,207**	**2,207[r]**	**−2,551[r]**	**−10,899[r]**	**−11,703[r]**	**1,356[r]**	**12,722**	**3,868**
45 Europe	12,632	59,247	163	5,001	754	−4,969[r]	−5,923[r]	1,628[r]	10,113	−1,440
46 Canada	−1,901	−999	−3,993	1,342	−471	−1,865	−1,400	−422	−1,234	1,399
47 Latin America and Caribbean	−13,798	−4,726	−13,840	524	−4,868	−4,252	−701	−5,155[r]	−845	1,981
48 Asia	−3,992	−42,961	9,700	−4,945	1,955[r]	−713[r]	−4,086[r]	5,695[r]	4,971	1,878
49 Japan	−1,742	−43,637	12,438	−3,596	866	−879	−1,458[r]	4,688[r]	5,978	3,243
50 Africa	−1,225	710[r]	440	532[r]	99	184[r]	384	−143	−51	−33
51 Other countries	−2,494	−1,592	323	−247	−20	716	23	−247[r]	−232	83
52 **Nonmonetary international and regional organizations**	**−345**	**285**	**379**	**158**	**160**	**29**	**99**	**165**	**76**	**−150**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

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3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions[1]

Millions of dollars; net purchases, or sales (−) during period

Area or country	1998	1999	2000	1999	2000					
			Jan.–June	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
1 **Total estimated**	**49,039**	**−9,953**	**−12,195**	**4,642**	**9,543**	**5,563**	**−16,871**	**14,520**	**−7,018**	**−17,932**
2 Foreign countries	46,570	−10,518	−11,677	4,566	9,578	5,770	−17,092	14,484	−6,820	−17,597
3 Europe	23,797	−38,228	−25,293	−5,533	214	−2,443	−9,971	−632	−2,526	−9,935
4 Belgium and Luxembourg	3,805	−81	−77	−798	731	65	116	−498	−743	252
5 Germany	144	2,285	−1,505	607	1,706	−866	−1,352	−1,676	74	609
6 Netherlands	−5,533	2,122	2,972	268	806	2,475	539	700	−1,159	−389
7 Sweden	1,486	1,699	592	317	499	−100	263	−289	266	−47
8 Switzerland	5,240	−1,761	−7,337	1,403	−3,407	−1,382	5	−288	−337	−1,928
9 United Kingdom	14,384	−20,232	−16,459	−3,481	−450	−1,261	−5,150	−533	178	−9,243
10 Other Europe and former U.S.S.R.	4,271	−22,260	−3,479	−3,849	329	−1,374	−4,392	1,952	−805	811
11 Canada	615	7,348	1,430	218	−582	8	640	1,819	−681	226
12 Latin America and Caribbean	−3,662	−7,523	−4,806	806	−2,409	6,844	−4,789	2,509	−3,122	−3,839
13 Venezuela	59	362	137	−33	54	13	24	26	4	16
14 Other Latin America and Caribbean	9,523	1,661	−7,989	576	−3,837	2,482	−1,596	258	−548	−4,748
15 Netherlands Antilles	−13,244	−9,546	3,046	263	1,374	4,349	−3,217	2,225	−2,578	893
16 Asia	27,433	29,359	16,794	9,718	12,403	1,064	−2,943	11,166	−908	−3,988
17 Japan	13,048	20,102	5,626	8,263	1,297	−1,874	494	10,855	−2,486	−2,660
18 Africa	751	−3,021	−222	−541	−43	80	−19	4	−114	−130
19 Other	−2,364	1,547	420	−102	−5	217	−10	−382	531	69
20 Nonmonetary international and regional organizations	2,469	565	−518	76	−35	−207	221	36	−198	−335
21 International	1,502	190	−464	75	−7	−194	151	30	−158	−286
22 Latin American regional	199	666	53	1	0	0	70	6	−14	−9
MEMO										
23 Foreign countries	46,570	−10,518	−11,677	4,566	9,578	5,770	−17,092	14,484	−6,820	−17,597
24 Official institutions	4,123	−9,861	11,557	4,962	6,763	1,777	−569	6,403	−1,405	−1,412
25 Other foreign	42,447	−657	−23,234	−396	2,815	3,993	−16,523	8,081	−5,415	−16,185
Oil-exporting countries										
26 Middle East[2]	−16,554	2,207	5,608	−3,556	2,913	170	283	811	572	859
27 Africa[3]	2	0	0	−1	0	0	0	0	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. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

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

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3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR[1]

Currency units per U.S. dollar except as noted

Item	1997	1998	1999	2000					
				Mar.	Apr.	May	June	July	Aug.
	Exchange Rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar[2]	74.37	62.91	64.54	60.94	59.60	57.84	59.49	58.70	58.08
2 Austria/schilling	12.206	12.379	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Belgium/franc	35.81	36.31	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4 Brazil/real	1.0779	1.1605	1.8207	1.7424	1.7696	1.8278	1.8099	1.7982	1.8091
5 Canada/dollar	1.3849	1.4836	1.4858	1.4608	1.4689	1.4957	1.4770	1.4778	1.4828
6 China, P.R./yuan	8.3193	8.3008	8.2781	8.2786	8.2793	8.2781	8.2772	8.2794	8.2796
7 Denmark/krone	6.6092	6.7030	6.9900	7.7228	7.8872	8.2329	7.8501	7.9471	8.2459
8 European Monetary Union/euro[3]	n.a.	n.a.	1.0653	0.9643	0.9449	0.9059	0.9505	0.9386	0.9045
9 Finland/markka	5.1956	5.3473	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 France/franc	5.8393	5.8995	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11 Germany/deutsche mark	1.7348	1.7597	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Greece/drachma	273.28	295.70	306.30	346.33	355.02	371.63	354.14	359.04	372.97
13 Hong Kong/dollar	7.7431	7.7467	7.7594	7.7848	7.7880	7.7907	7.7934	7.7969	7.7995
14 India/rupee	36.36	41.36	43.13	43.64	43.68	44.08	44.76	44.84	45.77
15 Ireland/pound[2]	151.63	142.48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
16 Italy/lira	1,703.81	1,736.85	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
17 Japan/yen	121.06	130.99	113.73	106.31	105.63	108.32	106.13	108.21	108.08
18 Malaysia/ringgit	2.8173	3.9254	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
19 Mexico/peso	7.918	9.152	9.553	9.289	9.394	9.506	9.834	9.419	9.272
20 Netherlands/guilder	1.9525	1.9837	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 New Zealand/dollar[2]	66.25	53.61	52.94	49.02	49.60	47.08	47.05	45.97	44.52
22 Norway/krone	7.0857	7.5521	7.8071	8.4100	8.6272	9.0533	8.6807	8.7185	8.9526
23 Portugal/escudo	175.44	180.25	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 Singapore/dollar	1.4857	1.6722	1.6951	1.7153	1.7096	1.7286	1.7277	1.7414	1.7206
25 South Africa/rand	4.6072	5.5417	6.1191	6.4675	6.6480	7.0238	6.9147	6.8971	6.9570
26 South Korea/won	947.65	1,400.40	1,189.84	1,116.39	1,110.32	1,119.49	1,117.94	1,115.08	1,114.47
27 Spain/peseta	146.53	149.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28 Sri Lanka/rupee	59.026	65.006	70.868	73.810	74.123	74.867	76.736	78.852	78.283
29 Sweden/krona	7.6446	7.9522	8.2740	8.6971	8.7486	9.0925	8.7471	8.9640	9.2771
30 Switzerland/franc	1.4514	1.4506	1.5045	1.6636	1.6657	1.7190	1.6420	1.6519	1.7149
31 Taiwan/dollar	28.775	33.547	32.322	30.724	30.520	30.772	30.831	30.984	31.106
32 Thailand/baht	31.072	41.262	37.887	37.923	37.993	38.951	39.087	40.318	40.889
33 United Kingdom/pound[2]	163.76	165.73	161.72	157.99	158.23	150.90	150.92	150.76	148.89
34 Venezuela/bolivar	488.87	548.39	606.82	666.82	672.73	680.00	680.96	685.86	689.17
	Indexes[4]								
NOMINAL									
35 Broad (January 1997=100)[5]	104.44	116.48	116.87	117.44	118.10	120.70	119.43	119.86	120.65
36 Major currencies (March 1973=100)[6]	91.24	95.79	94.07	95.64	96.31	99.31	96.74	97.68	99.16
37 Other important trading partners (January 1997=100)[7]	104.67	126.03	129.94	128.54	129.05	130.43	131.62	131.08	130.51
REAL									
38 Broad (March 1973=100)[5]	91.33	99.36	98.77	100.07	100.72	102.76	102.07	102.49[r]	103.20
39 Major currencies (March 1973=100)[6]	92.26[r]	97.25	96.75	99.92	100.64[r]	103.58[r]	101.26[r]	102.33[r]	104.05
40 Other important trading partners (March 1973=100)[7]	95.87	108.52	107.76	106.59	107.17	108.14	109.61	109.15[r]	108.58

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. As of January 1999, the euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. These 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	1936.27	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds		

4. The December 1999 Bulletin contains revised index values resulting from the annual revision to the trade weights. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811–18.

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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Short pamphlets suitable for classroom use. Multiple copies are available without charge.

Consumer Handbook on Adjustable Rate Mortgages
Consumer Handbook to Credit Protection Laws
A Guide to Business Credit for Women, Minorities, and Small Businesses
Series on the Structure of the Federal Reserve System
The Board of Governors of the Federal Reserve System
The Federal Open Market Committee
Federal Reserve Bank Board of Directors
Federal Reserve Banks
A Consumer's Guide to Mortgage Lock-Ins
A Consumer's Guide to Mortgage Settlement Costs
A Consumer's Guide to Mortgage Refinancings
Home Mortgages: Understanding the Process and Your Right to Fair Lending
How to File a Consumer Complaint about a Bank
Making Sense of Savings
SHOP: The Card You Pick Can Save You Money
Welcome to the Federal Reserve
When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit
Keys to Vehicle Leasing
Looking for the Best Mortgage

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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. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print.

159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
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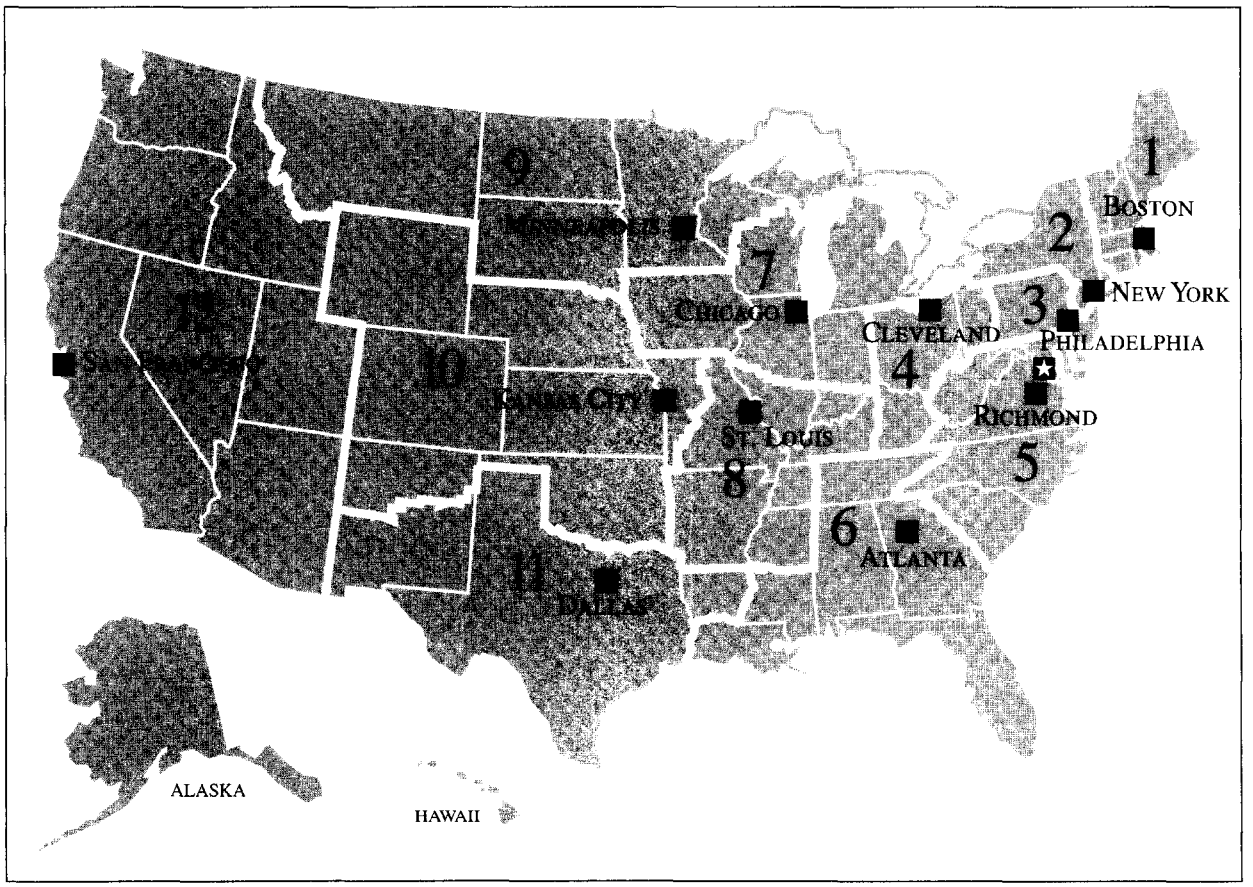
Maps of the Federal Reserve System



NOTE

LEGEND

Both pages

■ Federal Reserve Bank city

◘ Board of Governors of the Federal Reserve System, Washington, D.C.

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.

Facing page

• Federal Reserve Branch city

— Branch boundary

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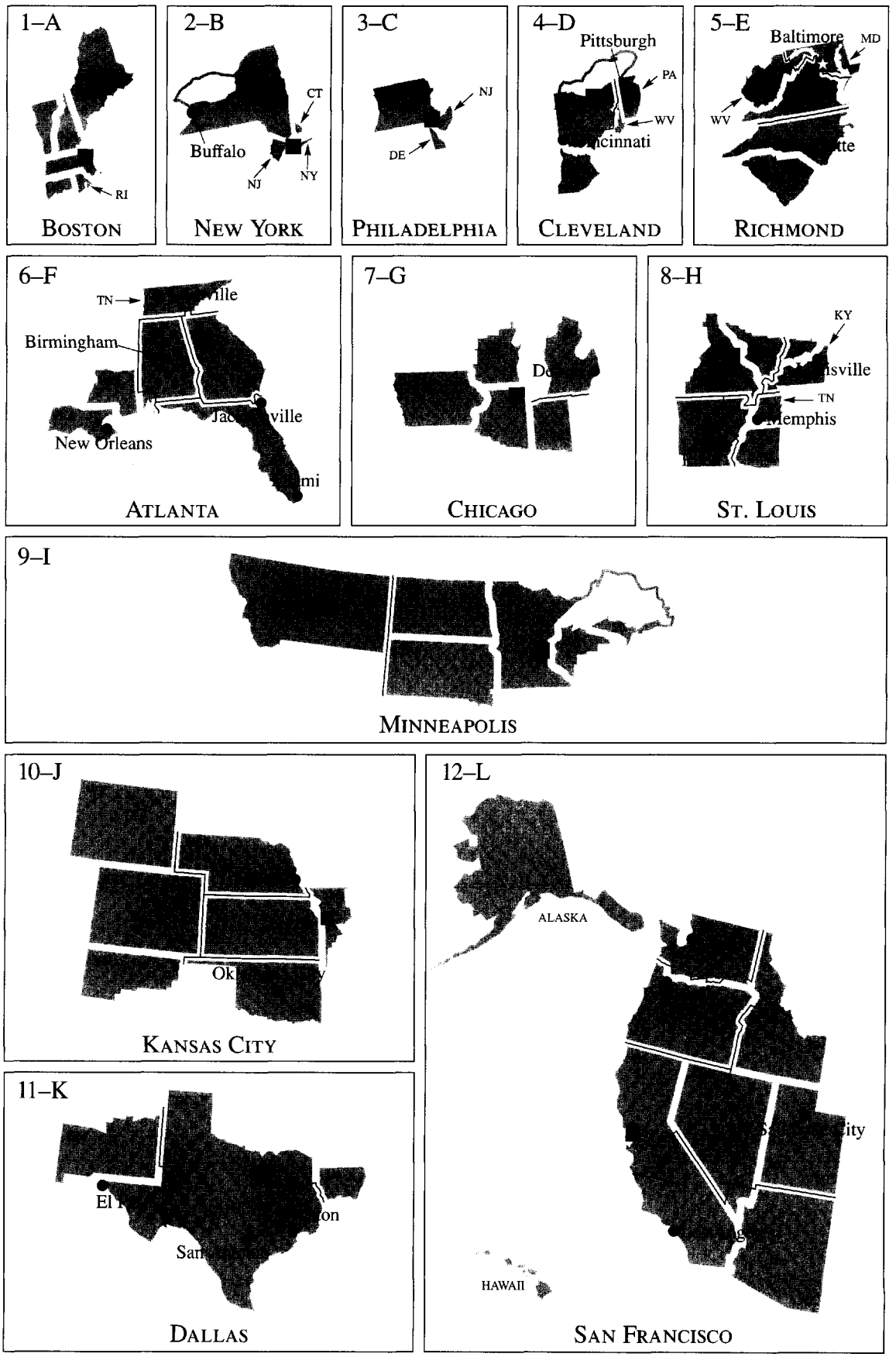

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Federal Reserve Banks, Branches, and Offices

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 Charles A. Heimbold, Jr.	William J. McDonough Jamie B. Stewart, Jr.	
Buffalo	14240	Bal Dixit		Barbara L. Walter[1]
PHILADELPHIA	19105	Joan Carter Charisse R. Lillie	Anthony M. Santomero William H. Stone, Jr.	
CLEVELAND*	44101	David H. Hoag Robert W. Mahoney	Jerry L. Jordan Sandra Pianalto	
Cincinnati	45201	George C. Juilfs		Barbara B.Henshaw
Pittsburgh	15230	John T. Ryan III		Robert B. Schaub
RICHMOND*	23219	Jeremiah J. Sheehan Wesley S. Williams, Jr.	J. Alfred Broaddus, Jr. Walter A. Varvel	
Baltimore	21203	George L. Russell, Jr.		William J. Tignanelli[1]
Charlotte	28230	Joan H. Zimmerman		Dan M. Bechter[1]
ATLANTA	30303	John F. Wieland Paula Lovell	Jack Guynn Patrick K. Barron	James M. McKee
Birmingham	35283	D. Bruce Carr		Andre T. Anderson
Jacksonville	32231	William E. Flaherty		Robert J. Slack
Miami	33152	Karen Johnson-Street		James T. Curry III
Nashville	37203	Frances F. Marcum		Melvyn K. Purcell[1]
New Orleans	70161	Dwight H. Evans		Robert J. Musso[1]
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Detroit	48231	Timothy D. Leuliette		David R. Allardice[1]
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Little Rock	72203	Diana T. Hueter		Robert A. Hopkins
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Helena	59601	William P. Underriner		Samuel H. Gane
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Portland	97208	Nancy Wilgenbusch		Raymond H. Laurence[1]
Salt Lake City	84125	Barbara L. Wilson		Andrea P. Wolcott
Seattle	98124	Richard R. Sonstelie		Gordon R. G. Werkema[2]

*Additional offices of these Banks are located at Windsor Locks, Connecticut 06096; East Rutherford, New Jersey 07016; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; Milwaukee, Wisconsin 53202; and Peoria, Illinois 61607.

1. Senior Vice President.
2. Executive Vice President

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Publications of Interest

FEDERAL RESERVE CONSUMER CREDIT PUBLICATIONS

The Federal Reserve Board publishes a series of brochures covering individual credit laws and topics, as pictured below.

Seven brochures on the mortgage process are available: *A Consumer's Guide to Mortgage Lock-Ins; A Consumer's Guide to Mortgage Refinancings*; *A Consumer's Guide to Mortgage Settlement Costs*; *Consumer Handbook on Adjustable Rate Mortgages*; *Home Mortgages: Understanding the Process and Your Right to Fair Lending*; *Looking for the Best Mortgage: Shop, Compare, Negotiate*; and *When Your Home Is on the Line: What You Should Know about Home Equity Lines of Credit*. These brochures were prepared in conjunction with other federal agencies and trade and consumer groups.

The Board also publishes the *Consumer Handbook to Credit Protection Laws*. This booklet explains, among other things, how to shop for and obtain credit, how to maintain a good credit rating, and how to dispute unfair credit transactions and resolve billing errors. It also covers some aspects of electronic funds transfers.

Shop . . . The Card You Pick Can Save You Money is designed to help consumers comparison shop when looking for a credit card. It contains the results of the Federal Reserve Board's survey of the terms of credit card plans offered by credit card issuers throughout the United States. Because the terms can affect the amount an individual pays for using a credit card, the booklet lists the annual percentage rate (APR), annual fee, grace period, type of pricing (fixed or variable rate), other features, and a telephone number for each card issuer surveyed.

A Guide to Business Credit for Women, Minorities, and Small Businesses covers the credit application process and points out sources of technical assistance for small business loans. It also covers borrower rights under the Equal Credit Opportunity Act.

Up to 100 copies of consumer publications are available free of charge from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. Some brochures are available on the Board's web site at http://www.federalreserve.gov/pubs/brochure.htm/.

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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, M, 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, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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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:

Reference Number	*Statistical release*	*Frequency of release*
H.3	Aggregate Reserves	Weekly/Thursday
H.4.1	Factors Affecting Reserve Balances	Weekly/Thursday
H.6	Money Stock	Weekly/Thursday
H.8	Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions	Weekly/Monday
H.10	Foreign Exchange Rates	Weekly/Monday
H.15	Selected Interest Rates	Weekly/Monday
G.5	Foreign Exchange Rates	Monthly/end of month
G.17	Industrial Production and Capacity Utilization	Monthly/midmonth
G.19	Consumer Installment Credit	Monthly/fifth business day
Z.1	Flow of Funds	Quarterly

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