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U.S. International Transactions in 1993

Catherine L. Mann of the Board's Division of International Finance prepared this article.

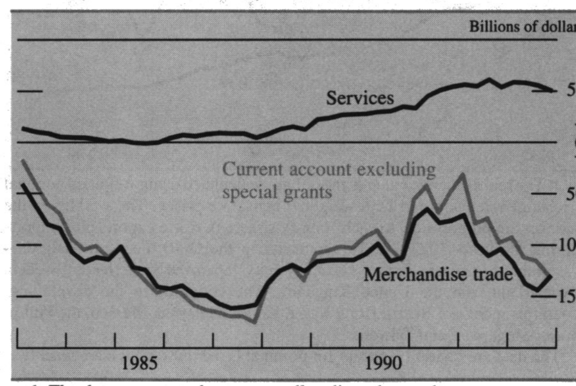
The U.S. current account deficit widened from $66 billion in 1992 to $109 billion in 1993—the largest deficit in six years. This broadest measure of the external deficit worsened largely because U.S. domestic economic activity gained momentum while growth in the major U.S. markets abroad on average was sluggish. All components of the current account either remained constant or deteriorated.

The first component of the current account, trade in goods and services, registered a deficit of $77 billion, almost double the deficit of 1992. This widening was fully accounted for by a widening of the merchandise trade deficit, which measures trade in goods only, from $96 billion in 1992 to $132 billion in 1993. Exports increased $16 billion whereas imports rose $53 billion. On services transactions, the surplus of $56 billion in 1993 was unchanged from that in 1992 (chart 1 and table 1).

Net investment income, the sum of net income from direct investments and net payments on portfolio investments and the third major component of the current account, fell nearly to zero for the year. Net direct investment income fell a bit as payments on foreign direct investments in the United States recovered from the unusually low levels of recent years, whereas net portfolio payments increased as the growing net external debt outweighed lower interest rates.

Net unilateral transfers were little changed in 1993. Transfers of $33 billion from the United

1. U.S. external balances, 1983–93[1]



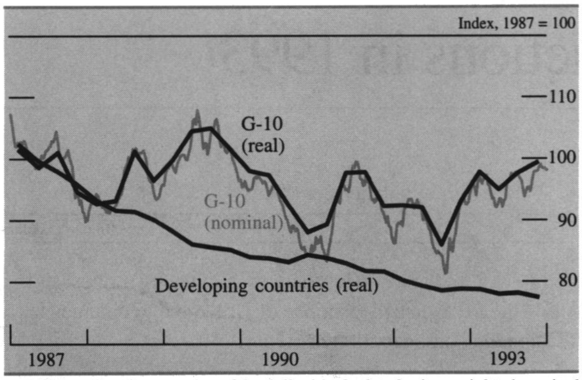
1. The data are quarterly at seasonally adjusted annual rates.
SOURCE. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

1. U.S. current account, 1988–93
Billions of dollars

Item	1988	1989	1990	1991	1992	1993	Changes, 1992–93
Goods and services, net	−114.9	−90.3	−78.3	−27.9	−39.7	−76.7	−37.0
Trade balance	−127.0	−115.2	−109.0	−73.8	−96.2	−132.4	−36.2
Services, net	12.1	24.9	30.7	45.9	56.4	55.7	−.7
Investment income, net	12.6	14.9	20.3	13.1	6.2	.1	−6.2
Direct investment, net	38.7	48.9	56.2	52.8	48.3	46.0	−2.3
Portfolio investment, net	−26.1	−34.0	−35.9	−39.7	−42.0	−45.9	−3.9
Unilateral transfers, net	−25.0	−26.1	−33.8	6.6	−32.9	−32.5	.4
Foreign cash grants to the United States	*	*	17.0	42.5	1.3	*	−1.3
Other transfers	−25.0	−26.1	−50.8	−35.9	−34.2	−32.5	1.7
Current account balance	−127.2	−101.6	−91.9	−8.3	−66.4	−109.2	−42.8
MEMO: Current account balance excluding foreign cash grants	−127.2	−101.6	−108.9	−50.8	−67.7	−109.2	−41.5

* Less than 0.05.
SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

2. Nominal and real exchange value of the dollar against currencies of selected countries, 1987–93[1]



1. The real exchange value of the dollar is calculated using weighted nominal exchange rates adjusted with weighted consumer prices. The weights in the indexes are proportional to each country's share in world exports plus imports during the years 1972–76. The countries in the G-10 index are Belgium-Luxembourg, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom. The countries in the developing-countries index are Brazil, Hong Kong, Korea, Malaysia, Mexico, the Philippines, Singapore, and Taiwan.

The data are quarterly, except for nominal G-10 rates, which are weekly.

States to countries abroad were split about equally between private remittances and transfers and U.S. government grants (for development and related assistance and for financing of purchases of U.S. military goods).

The behavior of the current account was little affected by changes in the prices of traded goods. Import and export prices remained generally flat during the year and only minimally affected the growth of imports and exports. Prices were flat because their main determinants—costs and exchange rates—changed little. Cost pressures remained low as economic activity gained strength in the United States and in some foreign industrial economies only toward the end of the year, and most economies remained well below the level of output that might have triggered rising inflation.

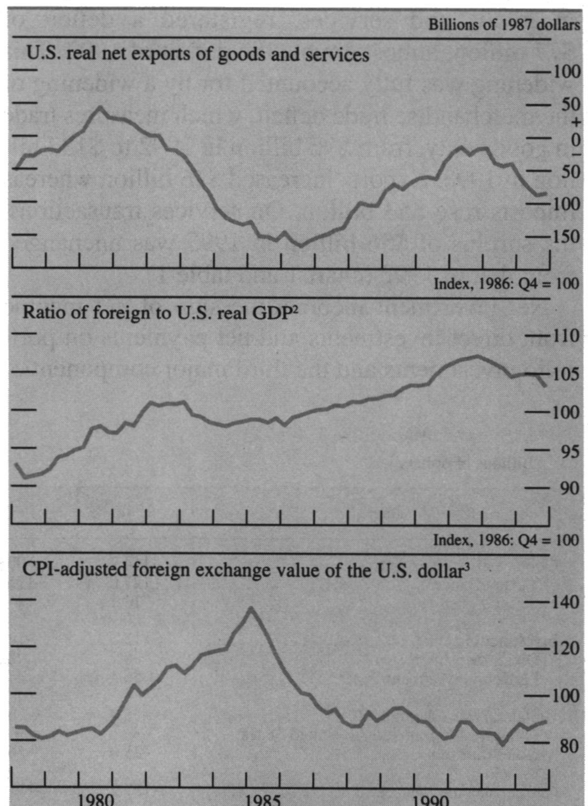
The foreign exchange value of the dollar traded within a relatively narrow range in 1993 compared with previous years, though over the year it appreciated about 7 percent in nominal terms against the weighted average of currencies of the industrial Group of Ten (G-10) countries. The lagged effect of the real appreciation of the dollar against many of the European currencies in late 1992, however, tended to depress U.S. real net exports of goods and services, especially vis-à-vis the European markets, which were also experiencing particularly weak economic activity. Against the currencies of the developing countries, the dollar was nearly flat in real terms in 1993, in contrast to its downward drift of previous years (chart 2).

Economic Influences on U.S. International Transactions

The proximate determinants of changes in U.S. trade flows and the external balance are (1) rates of economic activity in the United States and its trading partners abroad and (2) changes in relative prices. These factors are influenced by economic policies and private saving and investment decisions, which along with tastes, technology, and factor endowments are the fundamental determinants of trade flows and the external balance.

Over the past fifteen years, the importance of rates of economic activity and changes in relative

3. Historical perspective on the U.S. external balance and its proximate determinants, 1978–93[1]



1. The data are quarterly. In the top and middle panels, they are at seasonally adjusted annual rates.

2. The GDP for foreign countries is the weighted average of the G-10 countries, other industrial countries, and developing countries. The weights are based on U.S. bilateral nonagricultural exports (average of 1987–89).

3. See note for chart 2 for the G-10 and eight developing countries.

U.S. Trade, Economic Activity, and Relative Prices

Many studies offer econometric estimates of the responsiveness of real U.S. trade flows to real economic activity and relative prices. Greatly simplified, the analytical relationship between trade flows and the proximate determinants of trade discussed in the text is shown below in the log-linear form commonly used in econometric estimation:

$$\log(X) = a0 + a1 \log(Y^*) + a2 \log(RPX)$$

$$\log(M) = b0 + b1 \log(Y) + b2 \log(RPM)$$

where X and M are measures of the volume of exports and imports; Y and Y^* are measures of real economic activity for the United States and the foreign countries; and RPX and RPM are measures of the relative price of exports and imports. Coefficients a1 and b1 are the estimated responsiveness of exports and imports to changes in real activity; coefficients a2 and b2 are the estimated responsiveness of trade flows to changes in relative prices; and coefficients a0 and b0 are constants.

Empirical analyses differ in their choice of data to measure activity and relative prices and in the econometric technique used. For example, some studies use real total exports and total imports as the measures of trade flows, whereas others use real nonagricultural exports and real non-oil imports. Still others further disaggregate the computer sector. To measure activity, some studies use real GDP whereas others use real domestic demand. Finally, measures of relative prices differ, with studies using unit value indexes, producer price indexes, or consumer price indexes as components of the relative price measures. Moreover, research differs as to the extent and selection of the data included for developing and industrial countries. Finally, the years covered by the analyses vary.[1]

The table shows estimates, from a representative selection of research, of the responsiveness of trade flows to changes in economic activity and relative prices. These studies indicate the near unit value and symmetric response of trade flows to changes in relative prices and show the asymmetric response of U.S. trade to changes in foreign and U.S. economic activity.

Study (year)[2]	Price responsiveness		Activity responsiveness	
	Export	Import	Export	Import
Houthakker–Magee (1968)	−1.51	−.54	.99	1.51
Warner–Kreinin (1983)	−.95	−1.19	1.26	1.77
Helkie–Hooper (1988)	−.83	−1.15	2.19	2.11
Marquez (1990)	−.99	−.92	1.54	1.94
Meade (1991)	−.99	−1.02	1.25	2.02

1. For an excellent review of the literature, see Morris Goldstein and Mohsin S. Kahn, "Income and Price Effects in Foreign Trade," in Ronald W. Jones and Peter B. Kenen, eds., *Handbook of International Economics,* vol. 2 (New York: North-Holland, 1985), pp. 1041–105.

2. H.S. Houthakker and Stephen P. Magee, "Income and Price Elasticities in World Trade," *Review of Economics and Statistics,* vol. 51 (1969), pp. 111–25; William L. Helkie and Peter Hooper, "An Empirical Analysis of the External Deficit, 1980–1986," in Ralph C. Bryant, Gerald Holtham, and Peter Hooper, eds., *External Deficits and the Dollar* (The Brookings Institution, 1988), pp. 10–56; Jaime Marquez, "Bilateral Trade Elasticities," *Review of Economics and Statistics,* vol. 72 (1990), pp. 70–77; Ellen E. Meade, "Computers and the Trade Deficit," in Peter Hooper and J. David Richardson, eds., *International Economic Transactions* (University of Chicago, 1991), pp. 61–85; Dennis Warner and Mordechai E. Kreinin, "Determinants of International Trade Flows," *Review of Economics and Statistics,* vol. 65 (1983), pp. 96–104.

prices in affecting the path of the U.S. external balance has varied (chart 3). From 1981 to 1988, the effect of the deterioration and subsequent improvement in relative prices (as measured by the real CPI-adjusted exchange value of the dollar) was substantial. During that period, growth rates of gross domestic product (GDP) in the United States and its principal trading partners abroad were similar, so they had less of an effect on the U.S. external balance. Since 1989, however, relative prices have changed little, and the differential rate of growth in GDP has been the more important factor influencing the U.S. external balance.

Econometric analyses of the joint effect of the proximate determinants on the U.S. external balance indicate that U.S. imports and exports respond to a similar extent to changes in relative prices but differ importantly in their response to changes in economic activity here and abroad (box). The estimated responsiveness of U.S. imports to changes in U.S. economic activity is about 1¼–1⅔ times larger than the responsiveness of exports to changes in foreign economic activity. This asymmetry implies that, even if the United States and its trading partners were to grow at the same rate, the U.S. external balance would worsen.

Although it has been a consistent feature of econometric analyses over the past fifty years, the activity asymmetry presents a puzzle: In theory, growth rates of economic activity in countries around the world should tend to converge in the long run; but, unless relative prices change, this convergence would yield an ever-growing U.S. external deficit. In an analysis of this puzzle, an important question arises: What economic factors may be missing from the equations for the U.S. external balance? One possibility is the way changes in technology affect the international supplies of differentiated products and their prices. In any case, for the near term, the current situation—flat relative prices, relatively stronger U.S. economic activity, and a large initial external deficit—compounds the effect of the asymmetry in income responsiveness on the U.S. external balance.

2. Growth of real GDP in selected foreign economies, 1991–93

Percent change, year over year

Country	1991	1992	1993[1]
G-10[2]	.3	.8	.9
Canada	−1.7	.7	2.4
Japan	4.1	1.2	.2
United Kingdom	−2.3	−.5	2.0
Germany	6.9	1.7	−1.3
Developing countries[2]	5.0	4.1	4.2
Mexico	3.6	2.6	.4
Korea	8.5	4.8	5.3
Taiwan	7.2	6.6	6.0
Hong Kong	4.2	5.3	5.3
China	7.7	12.8	13.4

1. Data for 1993 are partly estimated.

2. The countries in the G-10 index are Belgium–Luxembourg, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom. The countries in the developing countries index are Brazil, Hong Kong, Korea, Malaysia, Mexico, the Philippines, Singapore, and Taiwan. The indexes are weighted by U.S. bilateral nonagricultural export shares (average of 1987–89).

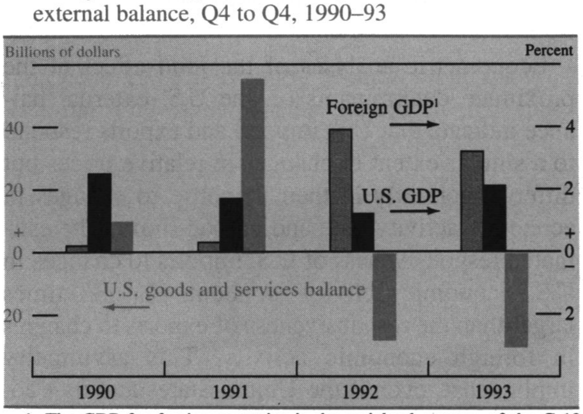
SOURCE. Various national sources.

Relative Rates of Economic Activity

The effect of differences in rates of GDP growth for the behavior of the U.S. external balance appears strikingly in data from the 1990s. The U.S. external balance improved in 1990 and 1991 when the rate of growth of U.S. GDP was very weak. In contrast, in 1992 and 1993, U.S. real GDP growth exceeded foreign growth, and the U.S. external balance worsened (chart 4).

The overall movement of the U.S. external balance is affected by how exports and imports individually respond to changes in economic activity. Slow economic activity abroad slows the growth rate of U.S. exports overall. But differentials in GDP growth rates across foreign markets also affect the magnitude and destination of U.S. exports and gradually change the relative importance of U.S. export markets. In 1993, a return to more robust economic activity in several of the larger U.S. export markets boosted overall U.S. export growth, particularly late in the year. Relatively faster rates of growth in expanding, but smaller, export markets have over time increased their importance for the growth of U.S. exports (table 2).

4. Changes in real gross domestic product and in the U.S. external balance, Q4 to Q4, 1990–93



1. The GDP for foreign countries is the weighted average of the G-10 countries, other industrial countries, and developing countries. The weights are based on U.S. bilateral nonagricultural exports (average of 1987–89).

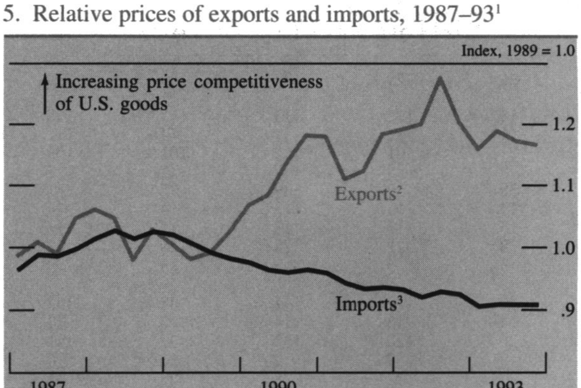
GDP growth in the G-10 countries generally remained quite slow in 1993, with two exceptions: Canada and the United Kingdom. In both of these major U.S. trading partners, growth strengthened during the year. Canadian GDP was bolstered by strong investment and positive net exports, principally to the expanding markets in the United States. U.K. growth benefited from the depreciation of sterling and the lowering of interest rates after the departure of the pound from the exchange rate mechanism of the European Monetary System. In contrast, growth in Germany and Japan remained weak or negative. Reductions in official interest rates in Germany were relatively tentative, as money growth and inflation remained stubbornly high. In Japan, economic challenges, including the appreciation of the yen, declines in asset prices, and capital-stock adjustment, as well as political uncertainties, kept domestic demand and economic activity weak.

The developing countries had much stronger overall economic activity than the industrial countries. But GDP growth rates in the developing countries in 1993 were about the same as those in 1992 and quite a bit weaker than those in 1990 and in 1991. In particular, economic activity in several important export markets—Mexico and the newly industrializing economies (NIEs) of Asia—slowed appreciably. In Mexico, both inflation and economic activity slowed as domestic economic policies effectively damped the rate of output growth, which had been more rapid in 1991. Uncertainty over the ratification of the North American Free Trade Agreement also contributed to the slowing of growth, at least until after NAFTA was ratified late in 1993. In Taiwan and Korea, domestic economic policies over the past two years have reined in rapid growth and the associated inflation and deterioration of the external balance.

Relative Prices of Exports and Imports

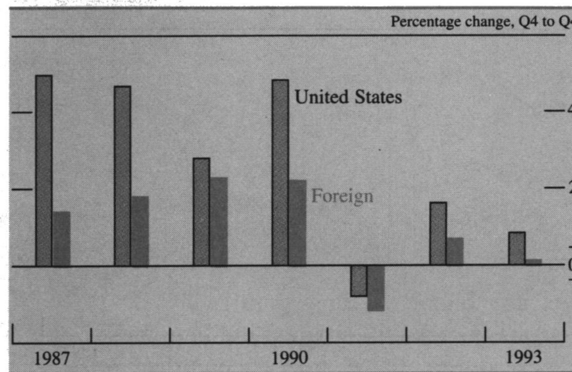
The other proximate determinant of U.S. external performance is the relative price, or price competitiveness, of those U.S. goods and services that compete against imports in the home market or against exports in markets abroad. The relative price of imports changed little in 1993 (chart 5). The relative price of U.S. exports was also about flat, on balance, in 1993 after having fallen in 1992 following three years of improved international competitiveness.

5. Relative prices of exports and imports, 1987–93[1]



1. The data are quarterly.
2. Ratio of foreign prices to U.S. export prices (nonagricultural, excluding computers).
3. Ratio of U.S. import prices (non-oil, excluding computers) to U.S. GDP deflator.

6. Relative costs of production, 1987–93[1]



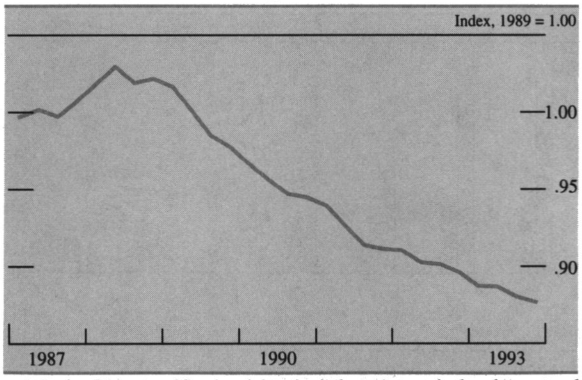
1. The data are producer price indexes. The index for foreign countries is the weighted average of the G-10 countries. The weights are constant shares in U.S. non-oil imports (average of 1987–89).

Determinants of international price competitiveness include the relative costs of production, exchange rates, and the behavior of profit margins. Domestic cost pressures were subdued and produced little change in competitiveness (chart 6). An appreciation of more than 5 percent of the real foreign exchange value of the dollar against the currencies of the G-10 and eight developing countries, weighted by their shares in world trade, somewhat reduced U.S. export price competitiveness, but modest responses in the profit margins of U.S. exporters offset this effect. When these foreign countries' currencies were weighted by shares in U.S. imports, the real exchange value of the dollar was flat, a factor contributing to the flat import prices and to little change in the competitiveness of U.S. domestic products that compete against imports.

Little change in import or export price competitiveness in 1993 masked a downward trend in the price of traded goods relative to the market basket of traded and nontraded goods in the U.S. economy (chart 7). In recent years, when international competitiveness has not stemmed from inflation differentials or from changes in exchange rates, firms exposed to international competition may have increased productivity to reduce prices and improve performance.

Since 1987, labor productivity in U.S. manufacturing and the internationalization of U.S. manufacturing (as measured by the ratio of the sum of exports and imports to domestic consumption) have both increased (chart 8). A regression line relating labor productivity and internationalization indi-

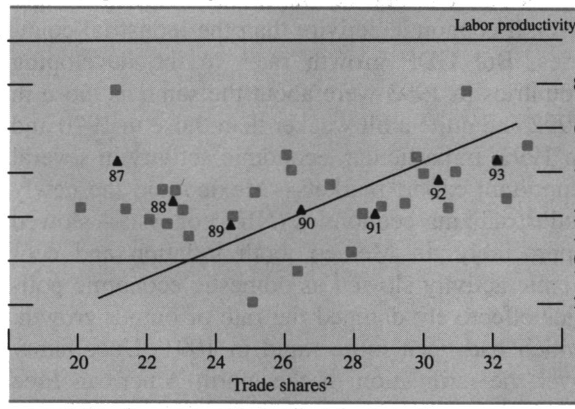
7. Relative price of traded goods, 1987–93[1]



1. Ratio of the sum of fixed-weight price indexes (nonagricultural export and non-oil import) divided by two to the U.S. CPI. The data are quarterly.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. national income and product accounts.

8. Labor productivity and internationalization, 1987–93[1]



1. Labeled points are annual averages. Other data points are quarterly.

2. Percentage change of quarterly data at annual rates.

3. Imports plus exports divided by apparent domestic consumption (output plus imports less exports).

cates a positive relationship, supporting the notion that the disciplines and challenges of international competition may be an important reason for increased productivity and the declining relative price of traded goods.

DEVELOPMENTS IN MERCHANDISE AND SERVICES TRADE

In 1993, sluggish economic activity abroad restrained the growth of goods and services exports, whereas import growth rose as the U.S. economy strengthened. In real terms, net exports of goods and services deteriorated $57 billion (1987 dollars) as real imports grew nearly three times faster than real exports did. Agricultural exports were flat as U.S. output in the 1993 crop year fell because of floods and droughts. The value of oil imports was steady as a sharp drop in the price of imported oil offset a large increase in the quantity imported. Falling prices yielded large increases in the quantity of computer imports and exports, but in terms of value, computer imports grew moderately while

3. U.S. merchandise trade, 1991–93

Billions of dollars, seasonally adjusted

Item	1991	1992	1993	1992	1993			
				Q4	Q1	Q2	Q3	Q4
Trade balance	−74	−96	−132	−26	−29	−34	−36	−33
Exports	417	440	457	114	112	113	112	120
Agricultural	40	44	44	11	11	11	11	11
Nonagricultural	377	396	413	103	101	102	101	109
Computers	27	29	29	8	7	7	7	8
Other capital goods	140	148	154	38	37	39	37	41
Consumer goods	46	50	53	13	13	13	14	14
Automotive products	40	47	52	13	13	13	12	14
Industrial supplies	110	110	112	28	27	28	28	29
All other exports	14	12	13	3	3	3	3	3
Imports	491	536	589	140	141	147	148	153
Petroleum and products	52	52	52	14	13	14	13	12
Nonpetroleum	439	485	538	126	128	133	135	141
Computers	26	32	38	9	9	9	10	10
Other capital goods	95	102	114	27	27	28	28	31
Consumer goods	108	123	134	32	32	33	34	34
Automotive products	86	92	102	24	25	26	25	27
Industrial supplies	81	89	100	23	23	25	26	26
Foods and other imports	44	47	48	12	12	12	12	13

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

exports were flat (table 3). Generally, prices for most products changed little, so most of the growth in exports and imports was in volume rather than value.

Merchandise Exports

Merchandise exports grew about 4½ percent in real terms from the fourth quarter of 1992 to the fourth quarter of 1993, down from the 7 percent growth rate for 1992 and well off the 9 percent pace of 1991. For the first three quarters of 1993, export growth in real terms was near zero. For the fourth quarter, exports increased substantially with much of the increase resulting from shipments of automotive products to Canada and Mexico, machinery to the United Kingdom, and aircraft to OPEC and the Asian NIEs. Computer exports, a very important export sector, grew 15 percent in real terms—somewhat slower than the extremely rapid pace of recent years. Exports of large jet aircraft fell about 17 percent from their peak in early 1992, when they accounted for nearly 6 percent of nonagricultural exports.

In recent years, developing-country markets have been critical for U.S. export performance (table 4). Historically, the industrial countries have accounted for about two-thirds of U.S. nonagricultural exports (indicated by the 1990 shares in the table); but exports to the developing countries accounted for virtually all the growth in U.S. exports in 1991 and 1992. Revived economic growth in some of the industrial countries and the cooling-off of growth in some of the developing countries resulted in a return to more normal patterns in 1993, although the developing-country markets still accounted for more than half of U.S. export growth.

Almost half of the increase in merchandise exports last year went to Canada, the largest U.S. trading partner. A significant share of those exports were auto parts, which were reimported into the United States to satisfy a strong U.S. demand for automobiles. However, exports of industrial supplies and materials and of industrial and service machinery were also strong, supporting investment-led growth in Canada. Strong growth of consumer goods exports to Latin America and of machinery exports to Singapore and China

4. U.S. nonagricultural exports, by importing region, 1990–93

Billions of dollars, seasonally adjusted at annual rates

Importing region	Percentage share	Dollar change, Q4–Q4		
	1990	1991:Q4	1992:Q4	1993:Q4
Total	**100.0**	**24.1**	**22.7**	**25.4**
Industrial countries[1]	66.2	2.7	–.9	12.3
Canada	22.5	5.2	3.4	11.8
Japan	11.4	–3.3	–1.2	–1.1
Western Europe	29.7	.6	–4.3	3.3
Developing countries[1]	33.8	21.4	23.6	13.1
Latin America	14.1	10.6	8.2	4.0
Asian NIEs[2]	9.9	3.6	7.0	1.2
Other Asia[3]	7.7	5.4	7.0	7.1

1. Composition as designated by the Department of Commerce: "Industrial countries" comprises Japan, Canada, Western Europe, Australia, and New Zealand. "Developing countries" comprises East and Central Europe, Latin America, Asian NIEs, Other Asia (and Middle East), the Caribbean, Oceania, and Africa.

2. Comprises Hong Kong, Singapore, Taiwan, and Korea.

3. Includes China.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

reflected the sources of internal growth in those countries. Exports to OPEC countries, where oil revenues have been depressed by declining oil prices, increased only marginally. Shipments to Japan, the second largest trading partner, and to the sluggish economies in continental Europe actually declined.

Merchandise Imports

Merchandise imports grew about 14 percent in real terms during 1993, somewhat faster than the 1992 pace of 11 percent and twice the 1991 recession-year pace of 7 percent. The growth in imports was broadly based across commodity categories. The growth in imports of machinery, autos, and consumer durables was faster than the average growth rate for all imports, as domestic demand for these products responded strongly to the environment of lower interest rates in 1993. The fastest-growing component, computers, accounted for one-third of overall growth in merchandise imports in real terms.

Just as U.S. export growth has responded to differential growth rates in the destination markets, the sources of U.S. non-oil imports have been changing, although in this case the driving factor appears to be differences in the relative prices of

5. U.S. non-oil imports, by exporting region, 1990–93[1]
Billions of dollars, seasonally adjusted at annual rates

Exporting region	Percentage share	Dollar change, Q4–Q4		
	1990	1991:Q4	1992:Q4	1993:Q4
Total	**100.0**	**16.8**	**47.6**	**59.3**
Industrial countries	65.3	−3.9	29.5	32.3
Canada	19.7	3.8	8.1	12.1
Japan	20.7	−.5	7.6	10.0
Western Europe	23.7	−6.7	14.1	10.4
Developing countries	34.7	20.7	18.1	27.0
Latin America	10.5	5.1	4.8	9.5
Asian NIEs	13.8	3.3	1.0	2.3
Other Asia	9.4	11.8	12.9	12.8

1. See table 4, notes 1, 2, and 3 and source.

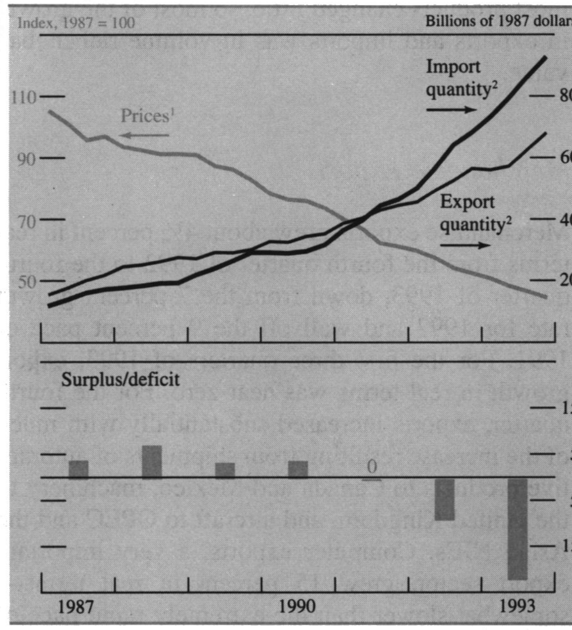
imports across source markets. Imports from the industrial countries have historically accounted for about two-thirds of non-oil imports (indicated by the 1990 shares in table 5). However, the lagged effects of the depreciation of the dollar against the currencies of Europe in 1989 and 1990 encouraged a substitution toward imports from the developing countries. The share of the industrial countries returned to more normal patterns in 1993, although the developing countries still accounted for nearly half of U.S. imports.

One of the most notable examples of this pattern of change in the sources of U.S. non-oil imports is the shift among the developing countries in Asia. In 1990, the developing countries of Asia ("Asian NIEs" and "Other Asia" in tables 4 and 5) accounted for about one-fourth of U.S. imports, and since then this group has accounted for about one-third of the increase in U.S. imports. However, rising wages in the Asian NIEs have encouraged these economies to invest and shift production to other Asian countries such as China, Thailand, and Malaysia. Consequently imports from the NIEs have fallen dramatically as a share of U.S. imports, whereas imports from other countries in Asia, particularly nondurable consumer goods from China, have increased. In 1993, imports from these other Asian countries accounted for one-fifth of total imports.

Computer Markets

While the relative prices of non-oil imports and nonagricultural exports were generally flat in 1993,

9. Computer prices and trade, 1987–93

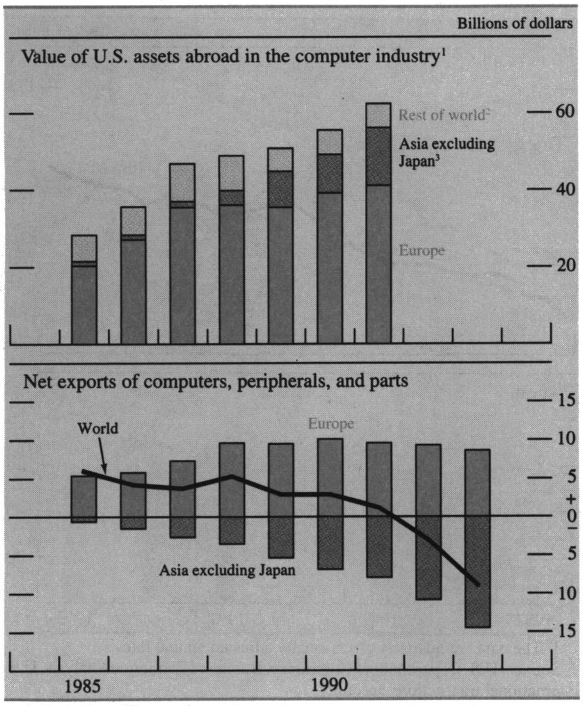


1. Fixed-weight price indexes are from U.S. national income and product accounts.
2. The data are quarterly at seasonally adjusted annual rates.
SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. national income and product accounts.

and therefore did not significantly affect the level of trade, the relative prices of computer products continued to decline markedly, with the import and export quantities of computers, peripherals, and parts rising concomitantly (chart 9). Computers, peripherals, and parts accounted for 16 percent of real non-oil imports and 15 percent of real nonagricultural exports in 1993, up from 7 percent and 10 percent respectively in 1990. Moreover, the deterioration in 1993 of $14 billion (in 1987 dollars) in the real computer trade balance to a deficit of $23 billion (in 1987 dollars) accounted for more than one-third of the overall deterioration in the real non-oil, nonagricultural, merchandise trade balance in 1993.

Part of the deterioration in the computer balance reflected a relatively faster rate of economic activity in the United States. However, patterns of computer trade also derive from investment strategies around the world of U.S. multinational businesses. The value of U.S.-owned assets in the developing countries of Asia increased much more quickly during the 1980s than did the value of assets in Europe or other countries (chart 10). Over the same

10. Trade and investment links in computers, 1985–93



1. Includes office equipment.
2. Data on the value of assets in Japan and Canada are confidential and are included in "rest of world."
3. For 1988 only, data combine investment in Latin America and Asia. Data for investment in 1988 in Asia alone are confidential.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

period, in the market for computers, peripherals, and parts, the trade deficit with the developing countries of Asia worsened significantly, whereas the trade surplus with Europe rose and then stagnated.

These data, along with data on the local markets for computers and the relative costs of production in different regions of the world, suggest the following patterns of trade and investment: Investments in Europe initially were probably distributorships for U.S. exports of finished computers, which later were expanded into production sites to supply the local markets with finished computers. Investments in the developing countries of Asia have more likely been production sites that assemble finished products for the U.S. market, not the local market.

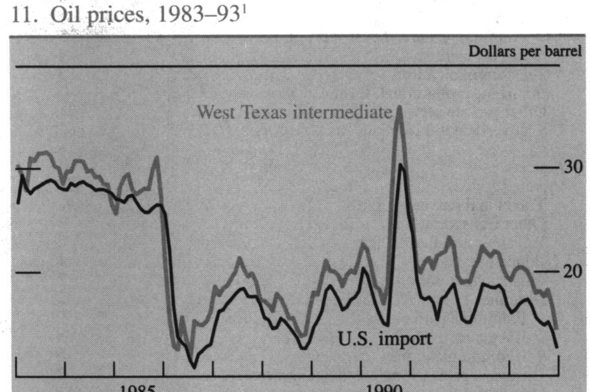
A significant portion of computer trade does not appear to be linked to U.S. investment abroad, however. The value of U.S.-owned assets in Canada and Japan is relatively small, but the trade flows in computers, peripherals, and parts between the United States and these two countries, particularly Japan, have been large.

Oil Markets

Oil prices began 1993 at the relatively high level of approximately $20 per barrel spot for West Texas intermediate (WTI) (chart 11). Spot WTI reached its 1993 peak of $21 per barrel when OPEC appeared to have successfully curbed production in the face of sluggish oil demand. Almost immediately, however, it became clear that OPEC production cuts did not offset the combination of increased non-OPEC production and the reduced demand for oil caused by weak economic activity in most of the industrial world—so prices declined. Through the summer months, oil prices rose and fell as prospects for an accord between Iraq and the United Nations (which would allow Iraq to export oil) dimmed and brightened. Prices rallied briefly in late September and early October when OPEC announced a six-month production agreement, but they plummeted soon after on strong North Sea production and a continuation of slack demand. At the turn of the year, spot WTI was trading around $14.50 per barrel.

The quantity of oil imports continued to increase (table 6). These increases resulted from declining U.S. oil production (typical for a mature oil exploration area), heavy stockbuilding (spurred by the relatively low oil prices), and gains in U.S. oil consumption (engendered by the continued pickup

11. Oil prices, 1983–93[1]



1. The data are monthly.

SOURCE. *Petroleum Intelligence Weekly*, various issues, and U.S. Department of Commerce, Bureau of Economic Analysis.

6. U.S. oil consumption, production, and imports, selected years, 1980–93

Millions of barrels per day

Item	1980	1985	1991	1992	1993p
Consumption	17.1	15.7	16.7	17.0	17.2
Production	10.8	11.2	9.9	9.8	9.6
Imports	6.9	5.1	7.6	7.9	8.5

p Preliminary.

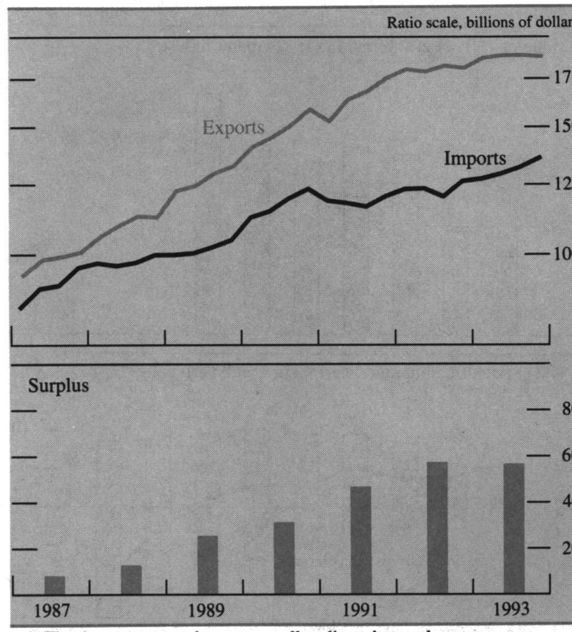
SOURCE. Department of Energy, Energy Information Administration.

in U.S. economic activity). For 1993 as a whole, imports increased 0.6 million barrels per day, to 8.5 million barrels per day.

Services Transactions

The surplus on trade in services remained unchanged in 1993 at $56 billion (table 7 and chart 12) mostly because of the sluggish economic activity abroad. One of the largest categories of services, in terms both of imports and exports and of the net surplus balance, is travel and passenger fares associated with tourism. The net surplus of

12. U.S. services trade, 1987–93[1]



1. The data are quarterly at seasonally adjusted annual rates.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

7. Service transactions, 1990–93

Billions of dollars

Item	1990	1991	1992	1993
Service transactions, net	31	46	56	56
Military, net	−8	−6	−3	−1
Sales	10	11	11	11
Receipts	18	16	14	12
Exports				
Private services	138	153	168	175
Travel and passenger fares	58	64	71	74
Other transportation	22	22	23	24
Royalties and license fees	17	18	20	20
Education	5	6	6	7
Financial services	4	5	5	7
Insurance[1]	1	1	1	3
Premiums received	5	5	6	6
Losses paid	4	4	4	5
Telecommunications	3	3	3	4
Business, professional, technical services	7	11	13	14
Other private services	21	22	25	23
U.S. government miscellaneous services	1	1	1	1
Imports				
Private services	98	100	107	116
Travel and passenger fares	48	45	51	54
Other transportation	23	23	23	25
Royalties and license fees	3	4	5	5
Education	1	1	1	1
Financial services	2	3	3	6
Insurance[2]	2	2	1	3
Premiums paid	10	11	12	13
Losses recovered	8	9	11	10
Telecommunications	6	7	7	7
Business, professional, technical services	2	3	4	4
Other private services	11	12	12	13
U.S. government miscellaneous services	2	2	2	2

1. Premiums received less losses paid.
2. Premiums paid less losses recovered.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

8. U.S. net investment income, 1990–93
Billions of dollars

Item	1990	1991	1992	1993
Investment income, net	20	13	6	0
Direct investment income, net	56	53	48	46
Receipts	59	50	50	56
Payments	3	−3	2	10
Portfolio income, net	−36	−40	−42	−46
Receipts	92	78	61	55
Private	82	70	54	50
Government	11	8	7	5
Payments	128	117	103	100
Private	87	76	62	59
Government	41	42	41	42

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

$20 billion in these tourist services in 1993 was unchanged from that in 1992. The growth rate of tourist services exports, which represent foreign tourists visiting the United States, slowed as foreign economic activity remained sluggish. Imports of tourist services, which represent U.S. tourism abroad, picked up a bit as U.S. economic activity strengthened.

Most other categories of services registered constant or slightly smaller net surpluses. The net surplus of royalties and license fees was unchanged; it had been creeping upward over the 1990s. This net surplus balance of $15 billion in 1993, the second largest net surplus category, represents net payments to the United States for the use of intellectual property abroad.

Both imports and exports of business, professional, and technical services grew slightly in 1993, and the net surplus balance rose a bit. The growth rate of exports, however, slowed significantly mostly because of foreign economic conditions. This recent slowing may appear greater than it actually is because of revisions to historical data: A 1991 benchmark survey, which added new types of services and required the reporting of smaller transactions, may have inflated growth rates for previous years.

Exports of education services, which represent payments by foreign students studying in the United States, and of financial services grew just slightly in 1993. In education, the United States enjoys a net surplus position, which rose to $6 billion in 1993. In financial services, imports and exports just balanced in 1993.

Telecommunications is one category of services for which the net position is a deficit. Payments exceed receipts because U.S. residents call abroad more frequently than foreigners call the United States and because foreign phone charges exceed U.S. charges. The deficit is small ($3 billion) and improved just slightly in 1993.

Exports of "other services," which includes medical services, dipped a bit in 1993 whereas imports in this catch-all category rose. The net surplus in this category—although dropping $1 billion, to $11 billion, in 1993—represented about 20 percent of the overall surplus in services.

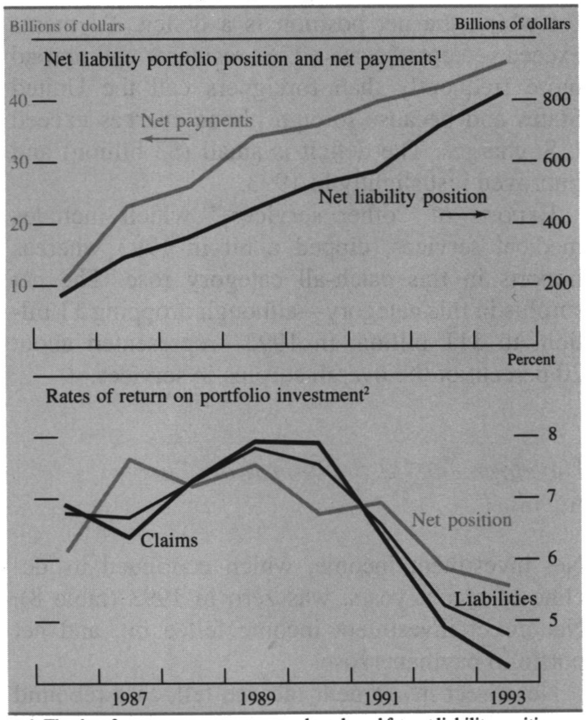
Developments in the Nontrade Current Account

Net investment income, which continued its decline of recent years, was zero in 1993 (table 8). Net direct investment income fell a bit, and net portfolio payments rose.

Net direct investment income fell, as a rebound in direct investment payments on foreign assets in the United States more than offset an increase in receipts from U.S. direct investments abroad. The substantial rise in direct investment payments reflected in large part the writing-off of substantial losses on real estate investments that had held down payments. Moreover, the increase in foreign direct investment in the United States during the mid-1980s and the improved profit performance of firms in the U.S. economy contributed to higher direct investment payments. Receipts from direct investment abroad were particularly strong in the financial services industries.

Net portfolio investment payments rose only moderately in 1993, as lower interest rates mitigated the effects of an increase in the net liability position (chart 13). Since 1986, net portfolio payments have increased along with the net position. Since 1989, however, the rate of growth in net payments has slowed because of a fall in the rate of return on the net position (lower panel). This fall has been damped somewhat since 1990 because the rate of return on claims has fallen more than that on liabilities. The rate of return on liabilities has been buoyed by a shift in the portfolios of foreigners toward instruments of longer maturity. In contrast, the rate of return on U.S. claims has been depressed

13. Factors affecting net portfolio increase, 1986–93



1. The data for net payments are annual totals and for net liability position are period averages.

2. For the net position, the data are the ratio of net payments to net liability position shown above. For claims (liabilities), the data are the ratio of total receipts (payments) to claims (liabilities).

SOURCES. Department of Commerce, Bureau of Economic Analysis; and Federal Reserve Board.

by a shift toward equities, for which the dividend yield is generally less than the interest rate on bonds and deposits.

DEVELOPMENTS IN CAPITAL ACCOUNT TRANSACTIONS

The large U.S. current account deficit in 1993 was offset by substantial reported and unreported net capital inflows (table 9), including particularly large net official inflows. Gross private capital flows both into and out of the United States were also large, but the net private inflow was relatively small. A substantial swing of the statistical discrepancy from negative to positive completes the financing picture.

Official Flows

Foreign official assets in the United States rose $71 billion in 1993, a large increase from the previous years (table 9). Substantial additions to Japanese holdings in the United States resulted from Japanese intervention in exchange markets that was intended to counter periods of upward

9. Composition of U.S. capital flows, 1989–93

Billions of dollars

Item	1989	1990	1991	1992	1993
Current account balance	−102	−92	−8	−66	−109
Official capital, net	−16	34	26	43	70
Foreign official assets in the United States	9	34	18	41	71
U.S. official reserve assets	−25	−2	6	4	−1
Other U.S. government assets	1	2	3	−2	−0
Private capital, net	100	27	−3	36	13
Net inflows reported by U.S. banking offices	5	32	−8	44	47
Securities transactions, net	43	−34	10	15	−21
Private foreign net purchases of the following:					
U.S. Treasury securities	30	−3	19	37	24
U.S. corporate bonds[1]	28	12	27	31	61
U.S. corporate stocks	7	−15	10	−4	18
U.S. net purchases of foreign securities	−22	−29	−45	−48	−125
Direct investment, net	35	25	−6	-28	−19
Foreign direct investment in the United States	68	48	24	2	32
U.S. direct investment abroad[1]	−33	−23	−30	−31	−50
Other	17	3	1	5	6
Statistical discrepancy	17	31	−15	−12	27

1. Transactions with finance affiliates in the Netherlands Antilles have been excluded from direct investment outflows and added to foreign purchases of U.S. securities through 1992. This adjustment was discontinued in 1993 because of the assumption that virtually all the Eurobonds issued by Netherlands Antilles affiliates before mid-1984 have already come due.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

pressure on the exchange value of the yen. Additions to the holdings of Mexico and of Argentina resulted from foreign exchange market purchases of U.S. dollars that were intended to sterilize capital inflows into those countries as their economic climates improved. The positions of some other countries increased, in part because governments such as Singapore accumulated proceeds from the privatization of government-owned companies. As a result of the weakening of oil prices and revenues, holdings of the OPEC countries drifted downward.

Private Capital Flows

The net inflow of private capital into the United States overall totaled only $13 billion, as inflows through banking offices rose a bit from the 1992 pace, foreign net purchases of U.S. government and agency securities increased moderately, and foreign net purchases of U.S. corporate stocks recovered from a 1992 net outflow. These substantial inflows were nearly matched by record U.S. net purchases of foreign securities.

Net inflows through the banking sector totaled $47 billion in 1993, a small increase from those in 1992. The large inflows were somewhat surprising given the slow recovery of bank credit in the United States. The net inflows were partly accounted for by the substitution of Eurodollar borrowing for alternative financing sources, particularly at the U.S. offices of Japanese-chartered banks.

In 1993, private foreign net purchases of U.S. government agency securities (combined with U.S. corporate securities in table 9) increased sharply, to $32 billion, whereas net purchases of lower-yielding U.S. Treasury securities declined to $24 billion from the high figure of $37 billion in 1992. Although net purchases of U.S. Treasury securities by Canadian and European investors were strong, net purchases by Japanese investors weakened substantially from 1992 net inflows.

Financial institutions in the Caribbean have been increasingly active in the market for U.S. government securities. Gross transactions (purchases plus sales) in U.S. Treasury securities by institutions in Bermuda, the British West Indies, and the Netherlands Antilles rose from about $300 billion in 1992 to about $400 billion in 1993. In 1993, their net sales of U.S. Treasury securities continued but were more than matched by purchases of U.S. government agency securities.

10. Transactions in foreign securities by region, 1992–93
Billions of dollars

Item	1992	1993
Gross transactions	1,375	2,289
Net purchases	48	129
Europe	31	86
Canada	7	15
Japan	4	3
Latin America and Caribbean	4	9
Asia (excluding Japan)	4	12
Other	1	4

Foreign investor activity in the U.S. stock market picked up substantially, particularly in the fourth quarter. Unlike in 1992, most foreign investors added substantially to their holdings of U.S. stocks; an exception was Canadian investors, who sold U.S. stocks on net. Net foreign purchases of U.S. corporate bonds rose as Eurobond issuance by U.S. corporations increased substantially.

In recent years, the deregulation of foreign financial markets, higher returns in foreign markets, and the desire to diversify portfolios have supported greater demand by U.S. residents for foreign stocks and bonds. This continuing internationalization of financial markets was reflected in huge gross transactions in foreign securities: U.S. residents' gross transactions (purchases plus sales) in foreign securities nearly doubled from those in 1992, to more than $2 trillion in 1993 (table 10). On net, U.S. purchases of foreign securities rose from $48 billion in 1992 to $129 billion in 1993 as net purchases of foreign bonds tripled and net purchases of foreign stocks doubled.

Even with the large net purchases of recent years, foreign securities represent only about 3 percent of U.S. residents' holdings of stocks and bonds. Moreover, as shown in table 10, net purchases of securities in industrial countries continued to account for the bulk of net purchases, although the dollar value of net purchases in markets outside the industrial countries doubled to about $25 billion in 1993. In Latin America, the Argentine and Mexican markets were particularly attractive to U.S. investors. In the Asian NIEs, U.S. investors' net purchases were concentrated in Hong Kong and Korea; net sales of securities from Taiwan continued. The supply of foreign securities of developing countries to the international marketplace increased because of large, well-marketed privatizations, such as the Singapore state telephone company and Yacimientos Petroliferos Fiscales and Hydronor power groups in Argentina, and Yankee bond issues by, among others, Korea Electric Power.

Foreign direct investment in the United States rebounded in 1993 but remained well below the peak recorded in 1989. The rebound was due principally to a turnaround in flows from the European countries, particularly the United Kingdom. Direct investment flows from Japan were near zero.

U.S. direct investment abroad rose to the record level of $50 billion in 1993, swelled by increased reinvested earnings and new equity flows. While the bulk of direct investment outflows were to Western Europe, direct investment flows to Latin America rose from $6 billion in 1992 to $10 billion in 1993.

The statistical discrepancy is the residual entry that ensures that the balance of payments balances. In recent years, it has been negative, suggesting the existence of unreported capital outflows or payments for goods, services, or investment income. In 1993, the statistical discrepancy was positive, at $27 billion, suggesting unreported capital inflows. One source of errors and omissions in the measurement of capital inflows, and thus a possible explanation for their increase, is shipments of U.S. currency abroad, which accelerated in 1993.

PROSPECTS

Buoyant U.S. economic activity in 1994 should support continued strong growth in imports. But export growth should also strengthen as growth in foreign industrial economies picks up and as the Mexican economy recovers from its recent slump. Nevertheless, the trade deficit for U.S. goods and services is likely to continue worsening because of its initial size, the asymmetry in the responsiveness of trade flows to changes in economic activity, and a growing deficit in computers, peripherals, and parts.

In the medium term, export and import prices are likely to remain flat, in part because import and export competition should maintain downward pressure on domestic prices. At the same time, low capacity utilization abroad, abundant oil supplies, and slow employment growth here and abroad should keep cost pressures low.

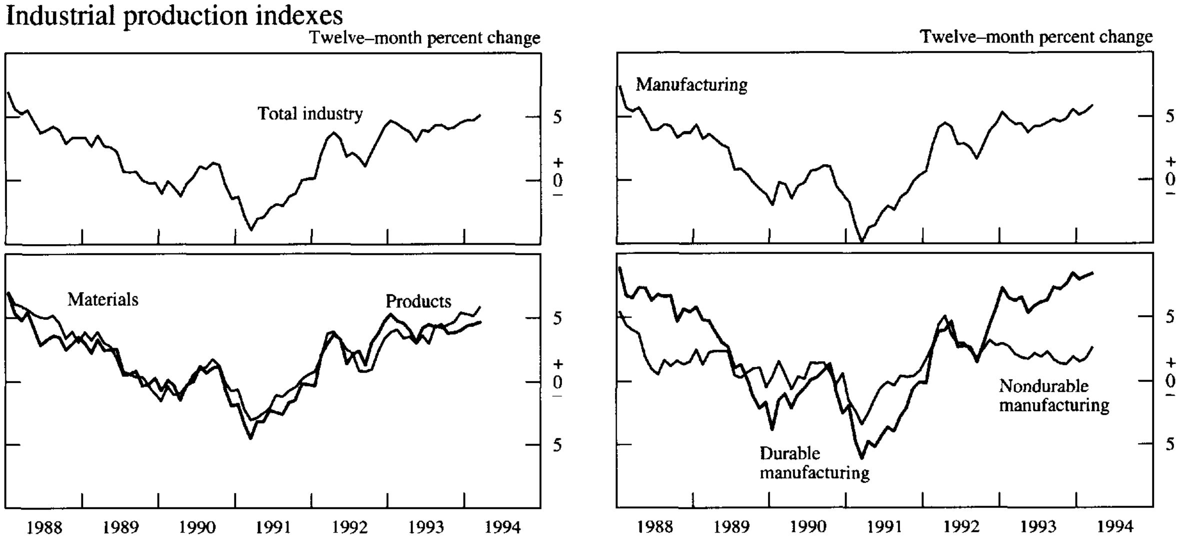
Higher U.S. interest rates will raise the rate of return on U.S. liabilities while the continued shift in U.S. claims toward lower-yielding equities will slow the rise in the rate of return on U.S. claims. Thus, net investment payments will likely rise faster than the net liability position rises. Payments on foreign direct investment in the United States will likely continue to rebound with U.S. economic activity and the maturing of those investments. At the same time, receipts from U.S. direct investment abroad could pick up with increased rates of growth in key foreign countries. On balance, U.S. net investment income is likely to deteriorate. □

Industrial Production and Capacity Utilization for March 1994

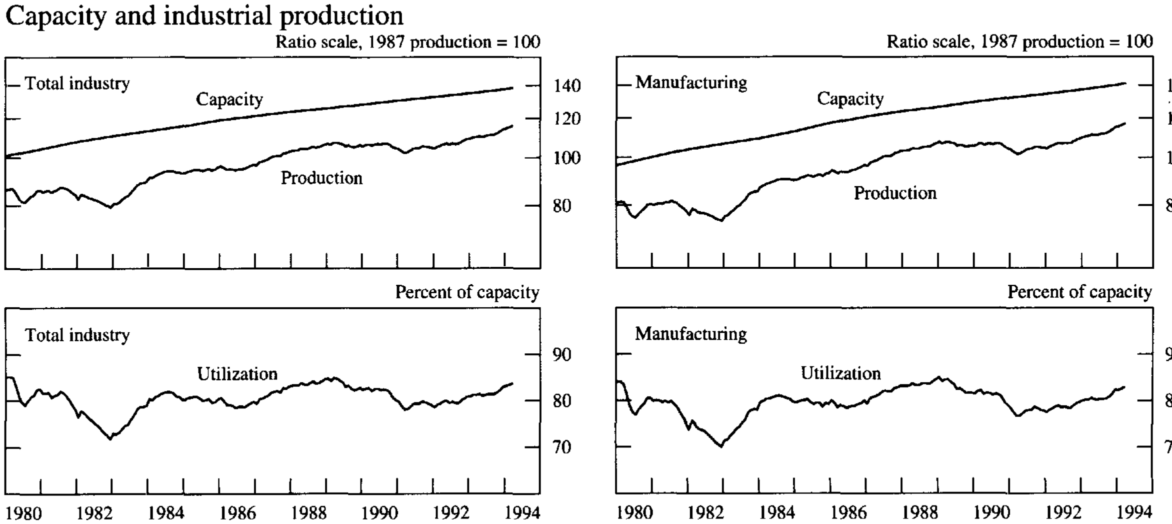
Released for publication April 15

Industrial production rose 0.5 percent in March after a gain of 0.6 percent in February. The output in several industries picked up notably from the weather-related slowdowns of January and February, but the overall increase was held back by a drop in the production of motor vehicles and electricity. Having reached a seasonally adjusted annual rate of 13.9 million units in February, motor vehicle assemblies dropped back to 13.0 million units in March; 1994 marks the first year since the 1970s

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization, March 1994[1]

Category	Industrial production, index, 1987=100								
	1993	1994			Percentage change				
					1993[2]	1994[2]			Mar. 1993 to Mar. 1994
	Dec. r	Jan. r	Feb. r	Mar. p	Dec. r	Jan. r	Feb. r	Mar. p	
Total	**114.0**	**114.4**	**115.0**	**115.6**	**1.0**	**.4**	**.6**	**.5**	**5.1**
Previous estimate	114.0	114.6	115.1	. . .	1.0	.5	.4	. . .	. . .
Major market groups									
Products, total[3]	113.0	113.4	114.2	114.4	.8	.4	.7	.3	4.6
Consumer goods	110.1	110.6	111.8	111.5	.4	.5	1.0	−.2	2.4
Business equipment	141.8	143.1	144.7	145.7	1.5	.9	1.1	.7	10.8
Construction supplies	101.3	100.1	99.1	100.3	1.8	−1.1	−1.0	1.1	5.5
Materials	115.5	115.8	116.3	117.2	1.3	.3	.4	.8	5.8
Major industry groups									
Manufacturing	115.4	115.5	116.3	117.0	1.2	.1	.7	.6	5.8
Durable	120.1	120.4	121.3	121.9	1.8	.3	.8	.5	8.4
Nondurable	109.7	109.6	110.1	111.0	.5	−.1	.5	.8	2.6
Mining	96.9	96.9	98.7	99.7	.0	.0	1.8	1.0	2.9
Utilities	115.8	119.9	118.5	116.3	−.2	3.5	−1.2	−1.8	−.9

Category	Capacity utilization, percent								Memo Capacity, percentage change, Mar. 1993 to Mar. 1994
	Average, 1967–93	Low, 1982	High, 1988–89	1993		1994			
				Mar.	Dec. r	Jan. r	Feb. r	Mar. p	
Total	**81.9**	**71.8**	**84.8**	**81.2**	**82.9**	**83.1**	**83.4**	**83.6**	**2.1**
Manufacturing	81.2	70.0	85.1	80.1	82.3	82.2	82.5	82.8	2.4
Advanced processing	80.6	71.4	83.3	78.9	80.6	80.7	81.2	81.3	3.0
Primary processing	82.2	66.8	89.1	83.2	86.4	85.8	85.8	86.4	1.2
Mining	87.4	80.6	87.0	86.8	87.5	87.5	89.2	90.1	−.9
Utilities	86.7	76.2	92.6	87.9	86.2	89.1	87.9	86.2	1.1

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

that assemblies have run at or above a 13.0 million unit pace in any month. At 115.6 percent of its 1987 average, industrial production was 5.1 percent higher in March than it was a year earlier. The utilization of total industrial capacity increased 0.2 percentage point, to 83.6 percent.

When analyzed by market group, the data show that the output of consumer goods fell back 0.2 percent in March, with gains in home goods and consumer nondurables mostly offsetting a large decrease in automotive products. Within consumer nondurables, production rebounds at a number of manufacturers more than offset a drop in the sale of electricity for home use.

The output of business equipment rose 0.7 percent despite the cutback in the output of motor vehicles and the continued decline in commercial aircraft manufacturing. The production of information processing equipment continued advancing rapidly; in addition, the production of industrial and other equipment picked up again, gaining more than 1 percent after having slipped back somewhat during January and February. The output of defense and space equipment fell further in March; it has declined about 10 percent during the past year.

The production of construction supplies, which fell about 1 percent per month in January and February as cold weather curtailed construction activity, advanced 1.1 percent in March. The production of industrial materials rose 0.8 percent, with strong gains in computer parts and semiconductors. The output of energy materials increased despite the cutback in electricity generation; coal mining strengthened again in March after a 10 percent jump in February.

When analyzed by industry group, the data show that manufacturing output increased 0.6 percent in March, with gains in all major industries other than transportation equipment. The factory operating rate rose 0.3 percentage point, to 82.8 percent. Capacity indexes for computers, semiconductors, light trucks, and appliances were revised up slightly for early this year; the aggregate effect of these revisions was to lower factory utilization for March by 0.1 percentage point from what it otherwise would have been. During the past year, utilization in manufacturing has increased 2.7 percentage points, while output has risen 5.8 percent. The output gain is the largest twelve-month increase in six years.

The utilization rate for primary-processing industries rose 0.6 percentage point, to 86.4 percent, about 4 percentage points more than its 1967–93 average but 2.7 percentage points less than its high during 1988 and 1989. Output increases of nearly 1 percent or more in stone, clay, and glass products, paper and products, rubber and plastics products, and textiles helped boost the primary-processing operating rate. The utilization rate for advanced-processing industries edged up 0.1 percentage point, to 81.3 percent, as a decrease of 2.4 percentage points in utilization for transportation equipment was more than offset by gains in other industries.

The increase in coal mining pushed up the overall output of mining 1 percent in March. The output of utilities fell back again as temperatures returned to about their seasonal norms. □

Statements to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 2, 1994

I am pleased to appear today before the Senate Banking Committee to give the views of the Federal Reserve Board on proposals to consolidate the banking regulators into a single agency. We have prepared a detailed analysis of such proposals, which I have attached to my statement.[1] My remarks this morning will highlight that analysis.

The proposals to create one federal bank regulator have the clearly stated objectives of reducing the government's costs of regulating and supervising banks, of reducing bankers' costs and burdens from duplicative examination and overlapping supervision, and in general making the supervisory process more efficient and more accountable. The Federal Reserve Board shares these goals but disagrees with the approach of one regulator for achieving these objectives. However, the Board believes that it is possible to achieve virtually all these proposals' objectives without creating the risks of one regulator that so trouble us.

In reaching this conclusion, the Board tested various proposals against the fundamental principle that the purpose of regulation is to enhance the capability of the regulated entity to contribute effectively to the nation's long-term economic growth and stability. We have concluded that for this to be accomplished, the following four subsidiary principles must be achieved:

- First, there should not be a single monolithic federal regulator.
- Second, every bank should have a choice of federal regulator.
- Third, there should be only one federal regulator for all the depository institutions in any single banking organization.
- Fourth, the U.S. central bank should continue to have its essential hands-on involvement in supervision and regulation.

A consolidated single regulator would deprive our regulatory structure of what the Board considers to be the current invaluable restraint on any one regulator conducting inflexible, excessively rigid policies. Laws on bank regulation and supervision must be drawn very generally, leaving the specifics to agency rulemaking. This vests the agencies with a broad mandate and a not inconsiderable amount of discretionary power. Hence, a safety valve is vitally needed to avoid the exercise of arbitrary actions. A denial of, or severe limitation of, charter choice closes off a safety valve, inevitably leading to greater micromanagement of banks and a lessened market for bank credit. We must avoid a regulatory structure that inhibits economic growth.

The current structure provides banks with a method—albeit one neither easily accomplished nor often taken—of shifting their regulator, an effective test that provides a limit on the arbitrary position or excessively rigid posture of any one regulator. The pressure of a potential loss of institutions has inhibited excessive regulation and acted as a countervailing force to the bias of a regulatory agency to overregulate.

The dual banking system and multiple federal regulators have facilitated diversity, inventiveness, and flexibility in our banking system, so important to a market economy subject to rapid change. A single federal regulator would effectively end the dual banking system: It would become an empty shell if a state-chartered entity had no choice of federal regulator or—reflecting a recent Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) provision—different asset powers. The dual banking system cannot survive consolidation at the federal level.

1. The attachment to this statement is available from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

I, as well as my colleagues on the Board, believe that would be a tragic loss.

Besides the effective loss of the dual banking system, the single regulator contemplated in current proposals would be disconnected from broad economic policy issues. This is a problem because a regulator that does not have macroeconomic responsibility for its actions is likely to inhibit prudent risk-taking by banks, thus limiting economic growth and stability. The central historic purpose of banking is to take risks through the extension of loans to businesses and others. Economic growth in our system could not occur without risk-taking by entrepreneurs and small and large businesses. Risk-taking requires financing. Thus, either an unwillingness or an inability of lenders to take risks would slow the expansion of our nation's employment and income. This fact creates a significant policy tradeoff in banking regulation, especially because of the government guarantee of bank deposits. On the one hand, regulators are concerned about bank failures and their effects on the economy, as well as their cost to the insurance fund. On the other hand, banks need to take risks to finance growth. Tradeoffs are required, and a swing in either direction can create both short- and long-term problems.

Indeed, a single regulator with a narrow view of safety and soundness and with no responsibility for the macroeconomic implications of its decisions would inevitably have a long-term bias against risk-taking and innovation. It receives no plaudits for contributing to economic growth through facilitating prudent risk-taking, but it is severely criticized for too many bank failures. The incentives are clear.

The Federal Reserve's stabilization objectives cause us to seek to avoid either excessive tightness or ease in our supervisory posture. The former leads inevitably to credit crunches, and the latter to credit policies that contribute, with a lag, to bank losses and failures. This is not to say, as some have advocated, that the Federal Reserve itself should be the only regulator. A single-regulator Federal Reserve would be prone to arbitrary and capricious behavior as would any other single bank regulator. We would thus oppose such an initiative, because as a single regulator we would inevitably drift to increasing day-by-day control of banking institutions, which would soon become less innovative and competitive—a severe loss to the nation.

Not only is it important that one of our regulators have macroeconomic responsibility so as to carry out the regulatory function properly, but also our central bank must continue to have hands-on involvement in supervision and regulation so as to effectively carry out its macroeconomic responsibilities. Joint responsibilities make for better supervisory and monetary policy than would result from either a supervisor divorced from economic responsibilities or a macroeconomic policymaker not involved in the review of individual bank's operations. Without the hands-on experience of regulation and supervision, and the exposure to the operations of banks and markets provided by such experience, the Federal Reserve's essential knowledge base would atrophy. Its deliberations would become increasingly academic, and the nation's central bank would soon resemble an ivory tower rather than an institution necessarily involved with the day-to-day activities of our economic and financial system. It is our knowledgeable examiners and supervisors—knowledgeable about banks, financial markets, and the payment systems that connect them—that provide the expertise the Federal Reserve needs. And the fact is that we simply could not retain such staff members if they were not actively involved in the process; reading reports or joining as junior participants in a handful of examinations would not be sufficient.

Some have argued that most foreign central banks are not involved in bank supervision and regulation. In fact, as described in more detail in the attachment, central banks in all but one Group of Seven (G-7) country (Canada), in most cases *de jure* but always *de facto,* are closely involved with the supervision of banks in their countries and internationally. More broadly, the central bank has either total or shared responsibility for bank supervision in three-quarters of the nations in the Organization for Economic Cooperation and Development (OECD). One example that is frequently used by those who believe that central banks in foreign countries are not involved in supervision is the Bundesbank. The facts show quite the contrary: The Bundesbank has more supervisory staff than the German Federal Banking Supervisory Office, reviews the auditors' reports before the Banking Supervisory Office receives them, and has veto power over certain liquidity and capital regulations of that office. In all industrial countries, either central banks or finance ministries, or both, are involved with supervision because nations have come to understand that bank supervision has economic consequences that are important for stability and economic growth.

Removing the Federal Reserve from supervision and regulation would greatly reduce our ability to forestall financial crises and to manage a crisis once it occurs. In a crisis, the Federal Reserve could always flood the market with liquidity through open market operations and discount window loans. But while rapid creation of liquidity is often a necessary response to a crisis, responsibilities for supervision and regulation give the Federal Reserve insight and the authority to use less blunt and more precisely calibrated techniques to manage such crises and, more important, to avoid them. The use of such techniques requires both the clout that comes with supervision and regulation and the understanding of the linkages between supervision and regulation and macroeconomic growth and stability.

The Federal Reserve is required to play the key role when systemic breakdown threatens. The attachment to my statement provides some detail about Federal Reserve involvement in financial crises over the past decade. I request that as you review it, you consider certain key questions.

Could the Federal Reserve without supervisory responsibilities have successfully managed the Mexican debt crisis of 1982, the 1985 collapse of privately insured thrift institutions in Ohio and Maryland, the stock market crash of 1987, or the Drexel failure of 1990?

Would the banking community have been persuaded to respond as they did in each of these cases by a central bank with much more limited authorities to affect events? Would the Federal Reserve without supervisory knowledge or authority have been able to play a role in persuading many of the banks to complete the payments necessary to prevent payments gridlock?

Finally, would a single bank regulator with no macroeconomic stabilization responsibilities have given the proper weights to financial market stability and economic growth? Without market expertise, would such a regulator have recognized early enough many of the problems central to resolution of these crises?

In my judgment, the risk that the answer to all these questions is "no" is too great to take.

There are ways, short of the creation of a single agency, to address the problems in the current regulatory structure and to reduce the costs of regulations. The crux of the issue is duplicative examinations of banks. This problem could be eliminated by a regulatory system that maintained two federal regulators but provided that in general only *one* of those regulators supervised all the depository institutions in any banking organization.

While there are many ways to achieve an improved regulatory structure, one such approach supported by the Federal Reserve Board that could be implemented with a relatively modest series of reforms would contain the following provisions:

- Merge the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS). This organization would become the Federal Banking Commission.
- Remove the Federal Deposit Insurance Corporation (FDIC) from examining healthy institutions.
- Put all independent national banks, all lead national banks that are part of a holding company, and all thrift institutions under the purview of the Federal Banking Commission, and put all independent state banks and all lead state banks that are part of a holding company under the purview of the Federal Reserve.
- Provide that the supervisor of the lead depository in a banking organization also be the supervisor and regulator of all the depository institutions in the organization regardless of the charter class of those affiliates.
- Finally, treat all U.S. activities of foreign banks as now, with adjustments as necessary to reflect the changes in the regulatory structure described above.

The Board has not yet adopted a position on the supervision and regulation of bank holding companies and their nonbank affiliates. The following are two broad options, and a strong case can be made for each:

• Under the first option, all holding companies and their nonbank affiliates could remain under the Federal Reserve's jurisdiction, continuing to provide uniform rulemaking for competitive equity and a substantial role for the Federal Reserve in shaping the financial structure, so useful for stabilization and systemic risk purposes.

• Under the second option, the jurisdiction of virtually all holding companies could be split between the Federal Reserve and the proposed Federal Banking Commission on the basis of the charter class of the lead bank. However, for systemic risk reasons, jurisdiction over the holding companies and nonbank affiliates of a modest number of banking organizations that meet certain criteria—such as large size and payment and foreign activity—would be retained by the Federal Reserve even if the lead bank of the organization had a national charter.

Under either option, the number of banking organizations subject to multiple regulators would drop sharply.

Whichever holding company option is selected, the general proposal would have the Federal Reserve supervise and regulate state nonmembers, with these banks being a significant addition to our existing regulatory load. This expansion of the Federal Reserve's supervisory functions rests solely on the notion that in a two-agency structure it is desirable to have responsibility for supervision and regulation defined clearly by charter class to preserve the dual banking system. The Board makes no case that responsibility for such banks—which account for almost one-quarter of bank assets—is needed for financial stability and monetary policy purposes. However, responsibility over banks of various sizes and locations, as under our existing authorities, is required if the Federal Reserve is to perform its functions effectively.

The Board's approach would achieve essentially all the benefits of one consolidated regulator while incurring virtually none of its risks. It eliminates duplicate supervision of depositories in a single banking organization and greatly reduces overlapping regulation. It maintains the dual banking system and permits any bank to change federal regulator by changing charter, thus ensuring a set of checks and balances on the arbitrariness of a single regulator. It maintains the healthy process of dynamic tension in bank rulemaking. It maintains the practical knowledge and skill, and the influence and authority, of the central bank, so critical for crisis prevention, crisis management, and monetary policy. It maintains the valuable perspective the central bank brings to supervision. In short, the proposal would avoid an inflexible, single regulator, preserve the dual banking system, ensure that an economic perspective is brought to supervision and regulation, and maintain a strong central bank. □

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Deposit Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, March 8, 1994

I am pleased to appear before the Financial Institutions Subcommittee today on behalf of the Federal Reserve Board to describe the actions the Board has taken to regulate bank sales of mutual funds and to present the Board's views on what additional regulatory or congressional action is necessary.

GROWTH OF MUTUAL FUNDS

Before describing the actions the Board has taken, I would like to make some observations about the recent growth in the mutual fund industry. Growth in mutual fund assets in recent years has been nothing short of explosive. Last year, the public bought a record $294 billion of shares of mutual funds, nearly all of which was in stock and bond funds, bringing assets under management in the mutual fund industry to slightly more than $2.0 trillion at year-end. As a consequence, mutual fund assets have surpassed the life insurance industry in size and, today, are exceeded only by commercial banks and pension funds. The strong inflows into mutual funds reflect their popularity among households. It is estimated that nearly a fifth of all households own shares in at least one mutual fund.

As mutual funds have become a significant competitor to depository institutions, these institutions have increased their participation in the mutual fund industry. The net assets of bank proprietary mutual funds are estimated to have increased from $44 billion at the end of 1988 to $220 billion at the end of 1993. Between 1988 and 1993, the market share of bank proprietary funds doubled from 5½ percent to more than 10 percent of the total assets of the mutual fund industry.

The potential for customer confusion clearly exists when mutual funds are sold to the public by depository institutions, given their traditional insured deposit activities. The chief concern is that depositors may not understand that the mutual fund investments they buy from a depository institution are not deposits and are not covered by Federal Deposit Insurance Corporation (FDIC) insurance. It is also possible that depository institution customers who buy mutual funds may receive less than adequate investment advice about mutual funds if sales personnel are not properly trained or their sales practices are not properly supervised.

This potential for customer confusion involving mutual fund sales could adversely affect the safety and soundness of a depository institution. If depositors suffer losses on investments they have purchased from a depository institution, the institution's reputation, and possibly its financial condition, could be adversely affected. More specifically, litigation risk and possible deposit withdrawals could affect a bank unfavorably.

Board Actions Regarding Involvement by Banking Organizations with Mutual Funds

The Board takes these concerns seriously. Over the years, the Board and its staff members have issued several interpretive opinions, supervisory letters, and informal staff opinions addressing issues relating to bank sales of uninsured investment products, including mutual funds. Many of these statements have been issued either in connection with the authorization of additional activities for bank holding companies or when the Board and its examiners have concluded that regulatory guidelines are necessary to address the manner in which an activity is being conducted. All of these statements reflect the Board's long-standing policy that when banks sell uninsured investment products to their customers they should do so in a manner that clearly distinguishes these products from insured deposits.

The first regulatory action that the Board took concerning mutual funds was a 1972 interpretive rule relating to conflicts that may arise when a bank holding company acts as an investment adviser to mutual funds. This rule authorized bank holding companies to act as investment advisers to mutual funds and, at the same time, created safeguards designed to assure a separation between the mutual fund being advised and the holding company's subsidiary banks.

During the mid-eighties, as bank holding companies and banks received authorization to engage in discount and full service brokerage, the Board and its staff members, through orders, opinion letters, and informal staff interpretations, adopted disclosure requirements that are applicable when these powers are used by banks and bank holding companies to sell mutual funds. Pursuant to these requirements, bank holding companies and banks are required to inform a customer that investments in a fund's shares are not obligations of a bank and are not insured by the FDIC. More recently, the Board revised its 1972 rule regarding investment advisory activities of bank holding companies to require that banks that sell or provide investment advice about mutual funds that are advised by an affiliate must disclose to customers the relationship between the affiliate and the fund.

Interagency Guidelines

In response to the rapidly growing involvement of depository institutions in the sales of mutual funds, the Board and the other bank regulatory agencies last month jointly issued a comprehensive set of guidelines governing the retail sale of mutual funds and other nondeposit investment products by depository institutions.

I would like today to focus on those aspects of the statement that are intended to directly address the question of potential customer confusion regarding the uninsured status of mutual funds and similar investment products, their nondeposit character, and the risks inherent in investing in such products. Ensuring that customers are not confused about the products they are purchasing is not simply a matter of providing accurate disclosure. Experience has demonstrated that the ''manner'' in which products are sold—the location of the sales, the experience and training of the personnel selling the products, and the conduct of sales programs—all contribute to the customer's understanding of the nature and risk associated with their investments.

Disclosure

In developing the interagency guidelines, one of the goals of the agencies was to standardize the basic disclosures that banks provide customers about mutual funds and other uninsured investment products. The disclosures provided for by the interagency statement must, at the very minimum, indicate that the product is not insured by the FDIC, is not a deposit or other obligation of, or guaranteed by, the selling depository institution, and is subject to investment risks, including possible loss of the principal amount invested. These disclosures should be provided orally during any sales presentations or when investment advice is given and both orally and in writing before or at the time an investment account is opened; moreover, they must be contained in all advertisements and other promotional materials. When the disclosures are provided in writing, they should be conspicuous and presented in a clear and concise manner. A depository institution should also disclose the existence of any advisory or other material relationship between the institution, or an affiliate of the institution, and a mutual fund whose shares are sold by the institution. Any other material relationship between the institution and an affiliate involved in providing the investment products should also be disclosed.

The agencies also provide for a disclosure concerning the Securities Investor Protection Corporation (SIPC) and other forms of insurance when mutual funds are sold by broker–dealers on bank premises. The interagency guidelines specifically state that if sales activities include any written or oral representations concerning insurance coverage provided by the SIPC or any other insurance fund or company, then a clear and accurate explanation of the coverage must be provided. There should not be any suggestion or implication that an alternative form of insurance coverage is the same or similar to FDIC insurance of bank deposits.

The interagency guidelines also provide that advertisements and other promotional and sales materials conspicuously include at least the minimum disclosures and must not suggest or convey a misleading impression about the nature of the investment product or its lack of FDIC insurance. The minimum disclosures should also be emphasized in telemarketing contacts. Written materials that contain information about both FDIC-insured deposits and nondeposit investment products should clearly segregate the two types of information.

Location of Sales

To further minimize the potential for customer confusion, the interagency guidelines provide that, except in very limited situations when physical considerations prevent it, sales or recommendations relating to nondeposit investment products should be conducted in a physical location distinct from the area where retail deposits are taken.

Personnel

Another element that must be considered in minimizing the potential for customer confusion relates to the personnel who provide advice about, or sell, mutual funds or other nondeposit investment products. The interagency guidelines provide that tellers and other employees should not make general or specific investment recommendations or accept orders for nondeposit investment products, even if unsolicited, while located in the routine deposit-taking area. Tellers and other employees who are not authorized to sell nondeposit investment products may only refer customers to individuals who are specifically trained to sell nondeposit investment products.

The interagency guidelines provide that depository institution personnel who sell, or provide investment advice about, nondeposit investment products should receive training that is the substantive equivalent of the type of training required for brokers licensed by the National Association of Securities Dealers (NASD). In addition, a depository institution should provide training to its employees who may have direct contact with customers to ensure a basic understanding of the institution's sales activities and the limits on their involvement in selling such nondeposit investment products.

Suitability

The guidelines also provide that depository institution personnel who recommend nondeposit investment products should have reasonable grounds for believing that a specific product is suitable for the particular customer on the basis of information disclosed by the customer. Personnel should make reasonable efforts to obtain information directly from the customer regarding, at a minimum, the customer's financial and tax status, investment objectives, and other information that may be useful in making an investment recommendation. Personnel who are authorized to sell nondeposit investment products may receive incentive compensation for transactions entered into by customers; however, incentive compensation programs should not be structured in such a way as to result in unsuitable recommendations.

BOARD SUPERVISION OF MUTUAL FUND ACTIVITIES

With regard to possible congressional action regarding mutual fund activities by banking organizations, the fact that the substantive provisions of H.R.3306 are essentially mirrored in the agencies' guidelines reduces the need for legislative action at this time. If a depository institution or any of its employees do not follow the guidelines, the regulators have ample authority to address any unsafe and unsound practices regarding the sale of mutual funds by depository institutions and to sanction misconduct when appropriate.

The Federal Reserve is also augmenting its current examination procedures regarding sales of mutual funds by state member banks or affiliated broker–dealers to ensure that the guidance contained in the recent interagency statement is being heeded. Sales of mutual funds by state member banks traditionally have been supervised and examined by the Federal Reserve in the same manner as sales of other securities and nondeposit, uninsured financial instruments. Before the adoption of the interagency statement, the Board in June 1993 issued specific supervisory guidance for examiner use concerning the proper disclosure and separation of mutual fund sales from deposit-taking activities on bank premises. Over the years, the Federal Reserve has developed product-specific examination procedures to ensure that these activities are carried out in a safe and sound manner. Further, the procedures are intended to address the Board's commitment to adequate disclosure of the uninsured nature of these retail investment products. Federal Reserve examiners have been reviewing on a regular basis the sales practices associated with uninsured, nondeposit investment instruments for compliance with our policies.

Before the issuance of the interagency statement, the Board assembled an interdistrict task force composed of senior examiners who have experience supervising and examining brokerage affiliates of banks and bank holding companies. That task force has been revising and expanding the Board's existing securities examination procedures to specifically incorporate the interagency statement. Currently, the task force is field testing and refining the expanded procedures at an examination of a large regional bank holding company and its securities affiliate that is actively involved in sales of mutual funds on the subsidiary banks' premises. Upon completion of the examination within the next several weeks, the task force will assemble in Washington, D.C., to finalize the revised mutual fund examination procedures, and they will be implemented immediately thereafter.

To avoid unnecessary regulatory burden on banks and affiliated broker–dealers, and in recognition of the expertise developed by the securities self-regulatory organizations, the Board initiated discussions with the NASD pertaining to its examinations of bank affiliated broker–dealers. The NASD examines bank affiliated broker–dealers for compliance with its rules regarding sales practices, recordkeeping, and other applicable customer protection requirements. Based on an informal survey of our Reserve Banks, we understand that about 85 percent of those state member banks that sell mutual funds do so through a registered broker–dealer selling on bank premises. About half of these registered broker–dealers are bank affiliated. All registered broker–dealers are subject to SEC oversight and to the additional requirements and rules adopted by their self-regulatory organizations.

Our discussions with the NASD have focused on cooperative efforts to minimize unnecessary duplication of examination efforts. These initiatives include examiner support and possible information sharing regarding bank affiliated broker–dealers. In this regard, an NASD examiner went on site with our examiner task force in field testing our mutual fund examination procedures.

Aside from new examination initiatives, the Board is considering expanding the scope of the consumer education seminars now being offered by the Federal Reserve Banks around the country to specifically address consumer issues related to mutual funds.

CONCLUSION

The issues raised by this hearing today are of extreme importance both to consumers who are faced with increasingly complex choices about investments and savings and to banks that must address their customers' need for access to a variety of investment and savings vehicles. Saving for a college education or for retirement is no longer as simple as depositing a set amount in a bank account each week. We believe that banks are in a unique position to help consumers understand the choices before them. But banks must recognize and affirmatively address the potential for customer confusion and the need to provide consumers with complete and accurate information. We intend to take all actions within our power to ensure that the depository institutions subject to the Board's jurisdiction do so. Selling mutual funds and other investment products in a manner that is not misleading and that provides customers with accurate and complete information is an important element of safe and sound banking that we intend to enforce. □

Statement by John P. LaWare, Member, Board of Governors of the Federal Reserve System, before the Committee on Small Business of the U.S. House of Representatives, March 17, 1994

I am pleased to be here this morning to discuss regulatory and other initiatives designed to stimulate bank lending, especially to small businesses, and to comment on recent trends in business lending activity. A review of these issues seems quite appropriate at this time. In recent months, the economy has displayed increasing evidence of underlying strength, accompanied by rising demands for credit by households and businesses. As these trends continue, we believe that initiatives taken in the regulatory arena will help facilitate the lending process for creditworthy small businesses.

I will begin my remarks this morning by reviewing some of the key initiatives that have been taken in the past year and their status, then follow with a look at recent financing trends and the need for additional initiatives.

You also asked for my views on the adequacy of bank Call Report data on small business lending; I will comment on the Call Report data at the end of my statement and also bring to your attention the survey of small business finances that the Federal Reserve currently has under way. We believe the survey, which is being cosponsored by the Small Business Administration, will provide important information for assessing credit availability for small businesses.

RECENT SUPERVISORY POLICY INITIATIVES

Last spring, the Administration, the Federal Reserve, and the other federal banking agencies ("agencies") announced a series of initiatives to reduce regulatory impediments to the availability of credit to small- and medium-sized businesses and farms, other businesses, and individuals. These initiatives were a continuation of ongoing interagency efforts to ensure that examiners evaluate bank lending activities in a consistent, prudent, and balanced manner.

One of the most important initiatives involves a proposal to revise the agencies' requirements for real estate appraisal by certified or licensed appraisers in ways that would reduce costs to banks and their customers. Such appraisals, which relate to a requirement of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, would be required less often under these revised rules. To implement this initiative, rules were issued for comment last year and approved by the Board on March 9. These rules do three things: (1) They increase the threshold amount for which such appraisals are required from $100,000 to $250,000; (2) they expand the "abundance of caution" exemption for business loans so that an appraisal would not be required when the value of real estate taken to collateralize a loan is not material to the decision to make the loan; and (3) they exempt from appraisals business loans of less than $1 million when the principal source of repayment is *not* the sale of, or income from, the real estate held as collateral.

Loans secured by real estate are an important source of credit for many small and midsize businesses. Thus, eliminating the requirement to obtain an appraisal in the cases just specified should work to their clear advantage by reducing costs. At the same time, such exemptions will not erode the safety and soundness of the lending institutions.

Other actions taken by the agencies to facilitate small business lending include a new policy that permits qualified banks to set aside a portion of their small business loan portfolios. The selected loans will be evaluated by examiners only on the basis of their performance and not on the level of loan documentation. This change is intended to encourage loans to smaller businesses that banks believe to be creditworthy based, for example, on the borrower's past credit experience or the bank's general knowledge of the customer but for which strict adherence to traditional documentation standards and procedures might make the loan too costly.

The agencies also have issued numerous statements in the past year with the intent of clarifying supervisory policies and reporting requirements. These statements deal with a variety of issues related to the treatment of troubled real estate loans, sales of foreclosed properties, restoration of problem loans to performing status, and the interagency framework for assessing loan quality.

In designing each of these initiatives, the agencies have sought to remove impediments to bank lending that might occur owing to unnecessary costs and supervisory burdens. Thus, as the economy develops momentum and as underlying demands for credit pick up, these actions will help ensure that credit decisions of lenders and borrowers are not unduly discouraged by costly appraisal and documentation procedures or by a misunderstanding of examination policies.

TRENDS IN BUSINESS FINANCING ACTIVITY

Ultimately, however, the major determinant of business credit use and availability is not regulations or supervisory policies but underlying economic and financial forces. In this regard, we are beginning to see evidence that business lending, including small business lending, has picked up. Indeed, in recent quarters, incoming data on the economy and credit flows have revealed appreciable underlying strength. Let me briefly review some recent trends that are setting the stage for bank credit growth this year.

Through much of 1993, overall business demands for credit remained quite weak. In the aggregate, nonfinancial businesses largely used internal funds to finance growing outlays for fixed capital and inventories and continued to focus efforts heavily on balance sheet restructuring. When external financing was needed, it was concentrated in capital markets, spurred by continuing declines in bond rates and a strong stock market. Many firms used proceeds from new security offerings to pay down bank loans. Such paydowns were an important factor contributing to the continued weakness in total business loans at banks last year.

The favorable interest rate environment and the restructuring activity of firms have produced a much healthier business sector. Debt service burdens have fallen markedly. Equity cushions seem to have moved to more comfortable levels. Indicators of financial stress, including loan default rates and bankruptcy filings, have dropped well down from peaks of recent years. Banks also have charted marked improvements. Equity capital, buoyed by record earnings, climbed to nearly 8 percent of assets last year, and the share of troubled assets on the books of banks dropped to its lowest level since 1986.

As banks have become more assured of their own financial health and that of their customers, their willingness to lend has grown. We observed on Federal Reserve surveys last year a consistent easing of terms and standards on business and consumer loans as the year progressed—a trend that has continued in the new year. The easing appears to have been more substantial for large firms, but respondents also have eased standards for small firms. The reporting banks attributed this easing to the improved economic outlook and their own strong capital positions.

Moreover, although growth of total business loans was held down last year by restructuring activity of big firms, we began to see signs of a pickup in lending to small firms. The new Call Report data on small business loans provide some evidence of this. I have included in my testimony a set of tables derived from the new Call Reports. These tables show the breakdown of outstanding loans, by size of loan and by size of bank, for different categories of business and farm loans.[1] Although the relationship between the size of the credit arrangement that a bank has with a business customer and the size of the customer's assets or sales is not precise, our surveys and examiner experience suggest that there is a strong positive correlation. Thus, we feel comfortable in assuming that most of the small loans reported by banks are to small businesses.

More than 6,000 banks indicated on the June Call Report that "virtually all" of their loans to businesses were less than $100,000 in size. We singled out these banks to see what had happened to their lending last year. We found that, while aggregate business loans were running off last year, this subset of banks maintained and increased their lending to small customers.

More generally, in the first two months of this year, growth of business loans at all domestic banks has strengthened. Total commercial and industrial loans increased at an average annual rate of 7.5 percent in January and February. In the latest survey of bank lending officers, respondents indicated that the demand for loans by businesses has firmed, largely reflecting increased needs to finance inventories and investment in plant and equipment.

These signs of a greater willingness to borrow and spend on the part of businesses are quite encouraging. Moreover, banks, which are better capitalized and more liquid than they have been in a long while, appear to be able and willing to meet the rising credit demands. I believe that in this environment, the recent initiatives taken in the supervisory area will help to facilitate new lending, particularly to smaller borrowers.

Need for Additional Initiatives?

You asked my opinion about the need for additional initiatives. In this regard, I view the steps that have recently been taken as an ongoing part of the supervisory process. This process is never complete. Regulators always have to remain vigilant to possibilities for reducing burdens and making the supervisory process more efficient. We must guard against implementing new policies that might unnecessarily impede the lending process. We also must be aware of special situations, such as those resulting from the California earthquake, when there may be a need to ease standards temporarily.

And, while supervision alone can play only a limited role in spurring aggregate lending, there is

1. The attachment to this statement is available from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

scope for the Congress and the agencies to work together to foster an environment for banks that will allow them to make sound loans and to compete efficiently in financial markets. Important in this regard are the initiatives now before the Congress related to interstate banking and broader powers for banks.

Adequacy of Call Report Data on Small Businesses and Farms

Let me conclude by commenting on the adequacy of data for assessing credit availability to small businesses. In particular, you have asked about the new data we now collect on the Call Reports. The new Call Report data are a good, albeit not perfect, measure of bank lending to small businesses. We believe that their usefulness as an indicator of trends in bank credit flows to small borrowers will increase each year as we collect more observations and that the data will be a valuable supplement to information we gather from other sources.

Our experience with the data reported for the first time in June revealed, as might be expected, a number of reporting problems that needed to be resolved. Consequently, the staff members of the relevant agencies have made a number of changes to the reporting instructions designed to clarify definitions and improve the quality of the reported statistics. The agencies, however, did not see the need to add items to the report or to collect information by size of borrower instead of size of loan, for several reasons.

It would be extremely costly for most banks to provide loan data by size of "business" because their records—especially automated records—do not group loans in this way. We recognized that any particular definition of small business that we selected might not be easily available to all reporting institutions nor would it be appropriate for all analytical purposes. Moreover, Call Report data, whether by size of loan or borrower, will not yield a comprehensive enough view to evaluate the adequacy and risks of small business financing. For example, we would need information on items such as the following: price and nonprice terms of business loans; personal or credit card loans that are used for business purposes; risk characteristics of the borrower and the firm's access to capital; and the cost and availability of credit from nonbank sources.

The Federal Reserve knows that banks play an important role in supplying credit and other financial services to small businesses, and we have a strong commitment to better understanding how the financing needs of these businesses are being met. For this reason, we are now undertaking an extensive survey of 6,000 small businesses, including 1,200 minority-owned small businesses. The survey will gather information on characteristics of the business firms and their owners, on their income flows and balance sheets, on their use of financial services and credit sources, and on their recent borrowing experiences. The information we hope to gain from this survey would be impossible to collect on the Call Report.

Summary Remarks

Finally, let me summarize my remarks this morning by saying that the Federal Reserve recognizes the highly important role that small business firms play in the economy and the need to promote the flow of credit to these firms. We intend to continue to seek ways, consistent with safety and soundness standards, to achieve this objective. □

Announcements

ACTION TAKEN BY THE FEDERAL OPEN MARKET COMMITTEE

Chairman Alan Greenspan announced on March 22, 1994, that the Federal Open Market Committee had decided to increase slightly the degree of pressure on reserve positions. This action was expected to be associated with a small increase in short-term money market interest rates.

RETIREMENT OF SILAS KEEHN AS PRESIDENT OF THE FEDERAL RESERVE BANK OF CHICAGO

Chairman Alan Greenspan of the Federal Reserve Board on March 28, 1994, made the following statement on the planned retirement this summer of Silas Keehn as President of the Federal Reserve Bank of Chicago:

> President Keehn has done a splendid job during his thirteen years as President of the Federal Reserve Bank of Chicago. His counsel will be missed not only at the Chicago Bank but also in the Federal Open Market Committee where he provided wise insights to policy. We wish him a long and fruitful retirement.

AVAILABILITY OF TRANSCRIPTS OF THE FEDERAL OPEN MARKET COMMITTEE

The Federal Reserve on March 9, 1994, made available for public inspection the transcripts of four meetings and two telephone conference calls of the Federal Open Market Committee (FOMC) held during the last half of 1988.

These transcripts cover meetings held in August, September, November, and December 1988 and telephone conference calls held in October and November of the same year.

These transcripts have been produced from the original raw transcripts in the FOMC Secretariat's files. The Secretariat has lightly edited the original to facilitate the reader's understanding without changing the substance. When one or more words were missing or garbled in the transcription, the notation "unintelligible" has been inserted. In some instances, words have been added in brackets to complete a speaker's thought or to correct an obvious transcription error or misstatement.

The FOMC last year decided to make transcripts of its meetings available to the public with a five-year lag. Transcripts of meetings for the years 1976 through the first half of 1988 will be made available as soon as editing is completed on the individual transcripts.

The only deletions in the transcripts involve a very small amount of confidential information pertaining to individual foreign central banks, businesses, and persons that are identified or identifiable. Deleted passages are indicated by gaps in the text.

Decisions of FOMC meetings held through 1993 have already been made public through the publication of minutes or of a record of policy actions.

Transcripts made available may be obtained from the Board's Freedom of Information Office.

APPOINTMENT OF NEW MEMBER TO THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced on March 9, 1994, the appointment to its Consumer Advisory Council of John E. Taylor, President and CEO of the National Community Reinvestment Coalition. He will replace Bonnie Guiton, the Dean of the McIntire School of Commerce at the University of Virginia, who recently resigned from the council. Mr. Taylor will serve a three-year term ending on December 31, 1996.

The council advises the Board on the exercise of its duties under the Consumer Credit Protection Act and on other consumer-related matters.

ESTABLISHMENT OF TEMPORARY SWAP FACILITY WITH MEXICO

Treasury Secretary Lloyd Bentsen and Federal Reserve Chairman Alan Greenspan confirmed on March 24, 1994, continued strong U.S. support for Mexico's economic policies.

They announced the establishment of a temporary $6 billion swap facility with Mexico. The Treasury Department's Exchange Stabilization Fund and the Federal Reserve System are each providing half of the facility.

ANNUAL REPORT: PUBLICATION

The *80th Annual Report, 1993,* of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1993, is available for distribution. Copies may be obtained on request to Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. A separately printed companion document, entitled *Annual Report: Budget Review, 1993–94,* describes the budgeted expenses of the Federal Reserve System for 1994 and compares them with expenses for 1992 and 1993; it is also available from Publications Services.

PROPOSED ACTION

The Federal Reserve Board on March 11, 1994, requested public comment on proposed amendments to Regulation Y (Bank Holding Companies and Change in Bank Control) regarding discounts on certain products and services for customers obtaining traditional banking products from affiliates. Comments were requested by April 14, 1994. □

Minutes of the Federal Open Market Committee Meeting on February 3–4, 1994

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 Thursday, February 3, 1994, at 2:30 p.m. and was continued on Friday, February 4, 1994, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Broaddus
Mr. Forrestal
Mr. Jordan
Mr. Kelley
Mr. LaWare
Mr. Lindsey
Mr. Parry
Ms. Phillips

Messrs. Hoenig, Keehn, Melzer, Oltman,[1] and Syron, Alternate Members of the Federal Open Market Committee

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

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Mr. Coyne, Assistant Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Prell, Economist
Mr. Truman, Economist

Messrs. Beebe, J. Davis, R. Davis, Goodfriend, Lindsey, Promisel, Siegman, Simpson, Stockton, and Ms. Tschinkel, Associate Economists

Ms. Lovett, Manager for Domestic Operations, System Open Market Account
Mr. Fisher, Manager for Foreign Operations, System Open Market Account

1. Attended the Thursday session only.

Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors
Mr. Slifman, Associate Director, Division of Research and Statistics, Board of Governors
Mr. Madigan, Associate Director, Division of Monetary Affairs, Board of Governors
Mr. Hooper, Assistant Director, Division of International Finance, Board of Governors[1]
Mr. Reinhart, Section Chief, Division of Monetary Affairs, Board of Governors[2]
Mr. Rosine, Senior Economist, Division of Research and Statistics, Board of Governors[2]
Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Messrs. T. Davis, Dewald, Lang, Rolnick, Rosenblum, and Scheld, Senior Vice Presidents, Federal Reserve Banks of Kansas City, St. Louis, Philadelphia, Minneapolis, Dallas, and Chicago respectively

Mr. McNees, Vice President, Federal Reserve Bank of Boston
Ms. Krieger, Assistant Vice President, Federal Reserve Bank of New York

In the agenda for this meeting, it was reported that advices of the election of the following members and alternate members of the Federal Open Market Committee for the period commencing January 1, 1994, and ending December 31, 1994, had been received and that the named individuals had executed their oaths of office.

The elected members and alternate members were as follows:

William J. McDonough, President of the Federal Reserve Bank of New York, with James H. Oltman, First Vice President of the Federal Reserve Bank of New York, as alternate;

2. Attended portion of meeting relating to the Committee's discussion of the economic outlook and its longer-run objectives for monetary and debt aggregates.

J. Alfred Broaddus, Jr., President of the Federal Reserve Bank of Richmond, with Richard F. Syron, President of the Federal Reserve Bank of Boston, as alternate;
Jerry L. Jordan, President of the Federal Reserve Bank of Cleveland, with Silas Keehn, President of the Federal Reserve Bank of Chicago, as alternate;
Robert P. Forrestal, President of the Federal Reserve Bank of Atlanta, with Thomas C. Melzer, President of the Federal Reserve Bank of St. Louis, as alternate;
Robert T. Parry, President of the Federal Reserve Bank of San Francisco, with Thomas M. Hoenig, President of the Federal Reserve Bank of Kansas City, as alternate.

By unanimous vote, the following officers of the Federal Open Market Committee were elected to serve until the election of their successors at the first meeting of the Committee after December 31, 1994, with the understanding that in the event of the discontinuance of their official connection with the Board of Governors or with a Federal Reserve Bank, they would cease to have any official connection with the Federal Open Market Committee:

Alan Greenspan	Chairman
William J. McDonough	Vice Chairman
Donald L. Kohn	Secretary and Economist
Normand R. V. Bernard	Deputy Secretary
Joseph R. Coyne	Assistant Secretary
Gary P. Gillum	Assistant Secretary
J. Virgil Mattingly, Jr.	General Counsel
Ernest T. Patrikis	Deputy General Counsel
Michael J. Prell	Economist
Edwin M. Truman	Economist

Jack H. Beebe, John M. Davis, Richard G. Davis, Marvin S. Goodfriend, David E. Lindsey, Larry J. Promisel, Charles J. Siegman, Thomas D. Simpson, David J. Stockton, and Sheila L. Tschinkel, Associate Economists

By unanimous vote, the Federal Reserve Bank of New York was selected to execute transactions for the System Open Market Account until the adjournment of the first meeting of the Committee after December 31, 1994.

By unanimous vote, Joan E. Lovett and Peter R. Fisher were selected to serve at the pleasure of the Committee in the capacities of Manager for Domestic Operations, System Open Market Account, and Manager for Foreign Operations, System Open Market Account, respectively on the understanding that their selection was subject to their being satisfactory to the Federal Reserve Bank of New York.

Secretary's note: Advice subsequently was received that the selections indicated above were satisfactory to the board of directors of the Federal Reserve Bank of New York.

On January 24, 1994, the continuing rules, regulations, authorizations, and other instruments of the Committee had been distributed with the advice that, in accordance with procedures approved by the Committee, they were being called to the Committee's attention before the February 3-4 organization meeting to give members an opportunity to raise any questions they might have concerning them. Members were asked to indicate if they wished to have any of the instruments in question placed on the agenda for consideration at this meeting, and no requests for substantive consideration were received.

At this meeting, the members agreed to update the references to the Management of the System Open Market Account in the following FOMC documents to reflect the new titles of Manager for Domestic Operations, System Open Market Account, and Manager for Foreign Operations, System Open Market Account: (1) FOMC Rules of Organization, (2) Procedures for Allocation of Securities in the System Open Market Account, and (3) Program for Security of FOMC Information. Except for this change, all of the instruments identified below remained in effect in their existing forms:

1. Procedures for Allocation of Securities in the System Open Market Account.
2. Authority for the Chairman to appoint a Federal Reserve Bank as agent to operate the System Account in case the New York Bank is unable to function.
3. Resolution to Provide for the Continued Operation of the Federal Open Market Committee During an Emergency.
4. Resolution Authorizing Certain Actions by Federal Reserve Banks During an Emergency.
5. Resolution Relating to Examinations of the System Open Market Account.
6. Guidelines for the Conduct of System Operations in Federal Agency Issues.
7. Regulation Relating to Open Market Operations of Federal Reserve Banks.
8. Program for Security of FOMC Information.

9. Federal Open Market Committee Rules of Organization, Rules of Procedure, and Rules Regarding Availability of Information.

By unanimous vote, the Authorization for Domestic Open Market Operations shown below was reaffirmed.

AUTHORIZATION FOR DOMESTIC OPEN MARKET OPERATIONS

Reaffirmed February 3, 1994

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, to the extent necessary to carry out the most recent domestic policy directive adopted at a meeting of the Committee:

(a) To buy or sell U.S. Government securities, including securities of the Federal Financing Bank, and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States in the open market, from or to securities dealers and foreign and international accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the System Open Market Account at market prices, and, for such Account, to exchange maturing U.S. Government and Federal agency securities with the Treasury or the individual agencies or to allow them to mature without replacement; provided that the aggregate amount of U.S. Government and Federal agency securities held in such Account (including forward commitments) at the close of business on the day of a meeting of the Committee at which action is taken with respect to a domestic policy directive shall not be increased or decreased by more than $8.0 billion during the period commencing with the opening of business on the day following such meeting and ending with the close of business on the day of the next such meeting;

(b) When appropriate, to buy or sell in the open market, from or to acceptance dealers and foreign accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the account of the Federal Reserve Bank of New York at market discount rates, prime bankers acceptances with maturities of up to nine months at the time of acceptance that (1) arise out of the current shipment of goods between countries or within the United States, or (2) arise out of the storage within the United States of goods under contract of sale or expected to move into the channels of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods; provided that the aggregate amount of bankers acceptances held at any one time shall not exceed $100 million;

(c) To buy U.S. Government securities, obligations that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States, and prime bankers acceptances of the types authorized for purchase under l(b) above, from dealers for the account of the Federal Reserve Bank of New York under agreements for repurchase of such securities, obligations, or acceptances in 15 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual dealers; provided that in the event Government securities or agency issues covered by any such agreement are not repurchased by the dealer pursuant to the agreement or a renewal thereof, they shall be sold in the market or transferred to the System Open Market Account; and provided further that in the event bankers acceptances covered by any such agreement are not repurchased by the seller, they shall continue to be held by the Federal Reserve Bank or shall be sold in the open market.

2. In order to ensure the effective conduct of open market operations, the Federal Open Market Committee authorizes and directs the Federal Reserve Banks to lend U.S. Government securities held in the System Open Market Account to Government securities dealers and to banks participating in Government securities clearing arrangements conducted through a Federal Reserve Bank, under such instructions as the Committee may specify from time to time.

3. In order to ensure the effective conduct of open market operations, while assisting in the provision of short-term investments for foreign and international accounts maintained at the Federal Reserve Bank of New York, the Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York (a) for System Open Market Account, to sell U.S. Government securities to such foreign and international accounts on the bases set forth in paragraph l(a) under agreements providing for the resale by such accounts of those securities within 15 calendar days on terms comparable to those available on such transactions in the market; and (b) for New York Bank account, when appropriate, to undertake with dealers, subject to the conditions imposed on purchases and sales of securities in paragraph l(c), repurchase agreements in U.S. Government and agency securities, and to arrange corresponding sale and repurchase agreements between its own account and foreign and international accounts maintained at the Bank. Transactions undertaken with such accounts under the provisions of this paragraph may provide for a service fee when appropriate.

By unanimous vote, the Authorization for Foreign Currency Operations was amended to reflect the new title of Manager for Foreign Operations, System Open Market Account.

AUTHORIZATION FOR FOREIGN CURRENCY OPERATIONS

Amended February 3, 1994

1. The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, for System Open Market Account, to the extent necessary to carry out the Committee's foreign currency directive and express authorizations by the Committee pursuant thereto, and in conformity with such procedural instructions as the Committee may issue from time to time:

A. To purchase and sell the following foreign currencies in the form of cable transfers through spot or forward transactions on the open market at home and abroad, including transactions with the U.S. Treasury, with the U.S. Exchange Stabilization Fund established by Section 10 of the Gold Reserve Act of 1934, with foreign monetary authorities, with the Bank for International Settlements, and with other international financial institutions:

Austrian schillings	Italian lire
Belgian francs	Japanese yen
Canadian dollars	Mexican pesos
Danish kroner	Netherlands guilders
Pounds sterling	Norwegian kroner
French francs	Swedish kronor
German marks	Swiss francs

B. To hold balances of, and to have outstanding forward contracts to receive or to deliver, the foreign currencies listed in paragraph A above.

C. To draw foreign currencies and to permit foreign banks to draw dollars under the reciprocal currency arrangements listed in paragraph 2 below, provided that drawings by either party to any such arrangement shall be fully liquidated within 12 months after any amount outstanding at that time was first drawn, unless the Committee, because of exceptional circumstances, specifically authorizes a delay.

D. To maintain an overall open position in all foreign currencies not exceeding $25.0 billion. For this purpose, the overall open position in all foreign currencies is defined as the sum (disregarding signs) of net positions in individual currencies. The net position in a single foreign currency is defined as holdings of balances in that currency, plus outstanding contracts for future receipt, minus outstanding contracts for future delivery of that currency, i.e., as the sum of these elements with due regard to sign.

2. The Federal Open Market Committee directs the Federal Reserve Bank of New York to maintain reciprocal currency arrangements ("swap" arrangements) for the System Open Market Account for periods up to a maximum of 12 months with the following foreign banks, which are among those designated by the Board of Governors of the Federal Reserve System under Section 214.5 of Regulation N, Relations with Foreign Banks and Bankers, and with the approval of the Committee to renew such arrangements on maturity:

Foreign bank	Amount of arrangement (millions of dollars equivalent)
Austrian National Bank	250
National Bank of Belgium	1,000
Bank of Canada	2,000
National Bank of Denmark	250
Bank of England	3,000
Bank of France	2,000
German Federal Bank	6,000
Bank of Italy	3,000
Bank of Japan	5,000
Bank of Mexico	700
Netherlands Bank	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	4,000
Bank for International Settlements:	
Dollars against Swiss francs	600
Dollars against authorized European currencies other than Swiss francs	1,250

Any changes in the terms of existing swap arrangements, and the proposed terms of any new arrangements that may be authorized, shall be referred for review and approval to the Committee.

3. All transactions in foreign currencies undertaken under paragraph 1.A. above shall, unless otherwise expressly authorized by the Committee, be at prevailing market rates. For the purpose of providing an investment return on System holdings of foreign currencies, or for the purpose of adjusting interest rates paid or received in connection with swap drawings, transactions with foreign central banks may be undertaken at non-market exchange rates.

4. It shall be the normal practice to arrange with foreign central banks for the coordination of foreign currency transactions. In making operating arrangements with foreign central banks on System holdings of foreign currencies, the Federal Reserve Bank of New York shall not commit itself to maintain any specific balance, unless authorized by the Federal Open Market Committee. Any agreements or understandings concerning the administration of the accounts maintained by the Federal Reserve Bank of New York with the foreign banks designated by the Board of Governors under Section 214.5 of Regulation N shall be referred for review and approval to the Committee.

5. Foreign currency holdings shall be invested insofar as practicable, considering needs for minimum working balances. Such investments shall be in liquid form, and generally have no more than 12 months remaining to maturity. When appropriate in connection with arrangements to provide investment facilities for foreign cur-

rency holdings, U.S. Government securities may be purchased from foreign central banks under agreements for repurchase of such securities within 30 calendar days.

6. All operations undertaken pursuant to the preceding paragraphs shall be reported promptly to the Foreign Currency Subcommittee and the Committee. The Foreign Currency Subcommittee consists of the Chairman and Vice Chairman of the Committee, the Vice Chairman of the Board of Governors, and such other member of the Board as the Chairman may designate (or in the absence of members of the Board serving on the Subcommittee, other Board members designated by the Chairman as alternates, and in the absence of the Vice Chairman of the Committee, his alternate). Meetings of the Subcommittee shall be called at the request of any member, or at the request of the Manager for Foreign Operations, System Open Market Account ("Manager"), for the purposes of reviewing recent or contemplated operations and of consulting with the Manager on other matters relating to his responsibilities. At the request of any member of the Subcommittee, questions arising from such reviews and consultations shall be referred for determination to the Federal Open Market Committee.

7. The Chairman is authorized:

A. With the approval of the Committee, to enter into any needed agreement or understanding with the Secretary of the Treasury about the division of responsibility for foreign currency operations between the System and the Treasury;

B. To keep the Secretary of the Treasury fully advised concerning System foreign currency operations, and to consult with the Secretary on policy matters relating to foreign currency operations;

C. From time to time, to transmit appropriate reports and information to the National Advisory Council on International Monetary and Financial Policies.

8. Staff officers of the Committee are authorized to transmit pertinent information on System foreign currency operations to appropriate officials of the Treasury Department.

9. All Federal Reserve Banks shall participate in the foreign currency operations for System Account in accordance with paragraph 3.G(1) of the Board of Governors' Statement of Procedure with Respect to Foreign Relationships of Federal Reserve Banks dated January 1, 1944.

By unanimous vote, the Foreign Currency Directive shown below was reaffirmed.

FOREIGN CURRENCY DIRECTIVE

Reaffirmed February 3, 1994

1. System operations in foreign currencies shall generally be directed at countering disorderly market conditions, provided that market exchange rates for the U.S. dollar reflect actions and behavior consistent with the IMF Article IV, Section 1.

2. To achieve this end the System shall:

A. Undertake spot and forward purchases and sales of foreign exchange.

B. Maintain reciprocal currency ("swap") arrangements with selected foreign central banks and with the Bank for International Settlements.

C. Cooperate in other respects with central banks of other countries and with international monetary institutions.

3. Transactions may also be undertaken:

A. To adjust System balances in light of probable future needs for currencies.

B. To provide means for meeting System and Treasury commitments in particular currencies, and to facilitate operations of the Exchange Stabilization Fund.

C. For such other purposes as may be expressly authorized by the Committee.

4. System foreign currency operations shall be conducted:

A. In close and continuous consultation and cooperation with the United States Treasury;

B. In cooperation, as appropriate, with foreign monetary authorities; and

C. In a manner consistent with the obligations of the United States in the International Monetary Fund regarding exchange arrangements under the IMF Article IV.

By unanimous vote, the Procedural Instructions with Respect to Foreign Currency Operations shown below were amended to reflect the new title of Manager for Foreign Operations, System Open Market Account.

PROCEDURAL INSTRUCTIONS WITH RESPECT TO FOREIGN CURRENCY OPERATIONS

Amended February 3, 1994

In conducting operations pursuant to the authorization and direction of the Federal Open Market Committee as set forth in the Authorization for Foreign Currency Operations and the Foreign Currency Directive, the Federal Reserve Bank of New York, through the Manager for Foreign Operations, System Open Market Account ("Manager"), shall be guided by the following procedural understandings with respect to consultations and clearances with the Committee, the Foreign Currency Subcommittee, and the Chairman of the Committee. All operations undertaken pursuant to such clearances shall be reported promptly to the Committee.

1. The Manager shall clear with the Subcommittee (or with the Chairman, if the Chairman believes that

consultation with the Subcommittee is not feasible in the time available):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding $300 million on any day or $600 million since the most recent regular meeting of the Committee.

B. Any operation that would result in a change on any day in the System's net position in a single foreign currency exceeding $150 million, or $300 million when the operation is associated with repayment of swap drawings.

C. Any operation that might generate a substantial volume of trading in a particular currency by the System, even though the change in the System's net position in that currency might be less than the limits specified in 1.B.

D. Any swap drawing proposed by a foreign bank not exceeding the larger of (i) $200 million or (ii) 15 percent of the size of the swap arrangement.

2. The Manager shall clear with the Committee (or with the Subcommittee, if the Subcommittee believes that consultation with the full Committee is not feasible in the time available, or with the Chairman, if the Chairman believes that consultation with the Subcommittee is not feasible in the time available):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding $1.5 billion since the most recent regular meeting of the Committee.

B. Any swap drawing proposed by a foreign bank exceeding the larger of (i) $200 million or (ii) 15 percent of the size of the swap arrangement.

3. The Manager shall also consult with the Subcommittee or the Chairman about proposed swap drawings by the System and about any operations that are not of a routine character.

AGREEMENT TO "WAREHOUSE" FOREIGN CURRENCIES

At its meeting on February 2–3, 1993, the Committee had reaffirmed the $5 billion limit on the amount of eligible foreign currencies that the System was prepared to "warehouse" for the Treasury and the Exchange Stabilization Fund (ESF). The purpose of the warehousing facility is to supplement, at the discretion of the Federal Reserve, the U.S. dollar resources of the Treasury and the ESF for financing their purchases of foreign currencies and related international operations. There had been no use of this facility since an ESF repayment of $2 billion on April 2, 1992. The Committee decided at this meeting to reaffirm the $5 billion ceiling, which it viewed as providing adequate operational flexibility to respond on short notice to unanticipated developments.

Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Forrestal, Kelley, LaWare, Lindsey, Parry, and Ms. Phillips. Vote against this action: Mr. Jordan. Absent and not voting: Messrs. Angell and Mullins.

Mr. Jordan dissented because he felt that providing funds to the Treasury using a warehousing arrangement was, in effect, a loan to the Treasury. In his opinion, direct financing of government operations by the central bank is inappropriate and could compromise the effective conduct of monetary policy. He did not rule out the possible efficacy of some warehousing transactions in very exceptional circumstances in the future, but he believed that the latter should be approved only after full Committee discussion. Accordingly, he did not want to retain the standing $5 billion authorization.

By unanimous vote, the minutes of actions taken at the meeting of the Federal Open Market Committee held on December 21, 1993, were approved.

The Manager for Foreign Operations reported on developments in foreign exchange markets during the period since the December meeting. There were no System open market transactions in foreign currencies during this period, and thus no vote was required of the Committee.

The Manager for Domestic Operations reported on developments in domestic financial markets and on System open market transactions in government securities and federal agency obligations during the period December 21, 1993, through February 3, 1994. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic and financial outlook, the ranges for the growth of money and debt in 1994, and the implementation of monetary policy over the intermeeting period ahead. A summary of the economic and financial information available at the time of the meeting and of the Committee's discussion is provided below, followed by the domestic policy directive that was approved by the Committee and issued to the Federal Reserve Bank of New York.

The information reviewed at this meeting indicated that economic activity recorded a strong advance during the closing months of 1993, and the limited data available on production and employment suggested appreciable further gains in the early weeks of this year. Housing starts had strengthened substantially in the fourth quarter of last year, and business fixed investment had registered a sharp rise. Increases in broad indexes of consumer and producer prices, excluding their food and energy components, had been somewhat larger in recent months than earlier in 1993, and prices of a number of commodities had turned up.

Assessment of the January labor market data was complicated by statistical revisions and weather-related reporting problems, but a variety of indicators pointed convincingly to a further strengthening in the demand for labor. Total nonfarm payroll employment posted a small gain in January after a sizable December increase. Manufacturing employment rose for a fourth consecutive month, with gains again concentrated in motor vehicles. Construction payrolls edged down, evidently reflecting the adverse effects of severe winter weather. The total number of jobs in the services industries was unchanged in January, but the inclement weather apparently held down employment in some segments of this sector as well. The average workweek of production or nonsupervisory workers rose in January to its highest level in almost five years; for manufacturing, the average workweek remained at its post–World War II high for a third consecutive month. The civilian unemployment rate, calculated on a new basis, was 6.7 percent in January.

Industrial production increased appreciably further in December, and the available information suggested a considerable rise in January. In December, the advance in manufacturing was led by the motor vehicle and computing equipment industries. Sizable increases in materials and construction supplies also were recorded. On the other hand, the output of consumer goods other than motor vehicles was sluggish, and the production of aircraft and defense and space equipment continued to shrink. Total utilization of manufacturing capacity rose again in December and reached a relatively high level, judged against historical experience.

Consumer spending, as measured by real personal consumption expenditures, posted another solid increase in the fourth quarter, and strong sales of motor vehicles in January suggested continued buoyancy in consumer demand. In the fourth quarter, real outlays on motor vehicles surged, and spending on other durable goods—notably furniture, appliances, and other household equipment—registered further large gains. By contrast, real outlays for nondurable goods and services rose only moderately. Housing starts jumped in December, with both single-family and multifamily starts sharing in the advance. For 1993 as a whole, housing starts were at their highest annual total in four years. Sales of new homes were up sharply in November, and sales of existing homes ended the year at the highest monthly level in the twenty-five-year history of the series.

Real business fixed investment recorded a very large increase in the fourth quarter. Business spending for equipment, notably for information processing equipment, was up sharply for a seventh straight quarter. The strength evident in recent orders for nondefense capital goods pointed to further gains in shipments of these goods in early 1994. Outlays for nonresidential structures in the fourth quarter posted their largest quarterly rise in six years; the increases were spread across a broad array of categories other than office buildings. Construction permits continued to rise in the fourth quarter, suggesting further growth of investment in nonresidential structures in the near term.

Business inventories remained generally well aligned with sales through November, the most recent month for which complete data were available. In manufacturing, inventory stocks fell in December after edging lower in November; with brisk gains in shipments in both months, the ratio of stocks to shipments fell further from levels that already were low by historical standards. At the wholesale level, inventories rose moderately in November after little change in the preceding two months. The inventory-to-sales ratio for this sector had changed little since May. Retail inventories expanded substantially in November for a third straight month. The buildup of stocks might have been in anticipation of robust holiday sales, but for some retail businesses, particularly general merchandise stores, the increases coincided with weak sales. For the retail sector as a whole, the inventory-to-sales ratio was up slightly in November.

The average nominal U.S. merchandise trade deficit for the October–November period was about the same as its average rate in the third quarter. The value of exports was up for the two-month period, with the increase occurring largely in machinery, automotive products, and aircraft. The higher value of imports for the two-month period reflected, as had been the case earlier in 1993, greater imports of consumer goods, automotive products, and machinery. Trends in economic activity in the major foreign industrial countries appeared to have diverged further in the fourth quarter. Moderate growth appeared to be continuing in Canada and the United Kingdom, but economic activity seemed to be growing more slowly or to have turned down in Japan, western Germany, and France.

Producer prices of finished goods were down slightly in December after being unchanged in November. Excluding the food and energy components, producer prices edged higher in December and were up slightly for the year as a whole. At the retail level, consumer prices rose modestly in November and December, with energy price declines holding down the increase in the overall index. For items other than food and energy, prices advanced in the two months at a slightly faster pace than that seen over previous months of the year; for 1993 as a whole, the increase was about the same as in 1992. Hourly compensation of private industry workers increased in the fourth quarter at the same pace as in the third quarter. For 1993, the rise in hourly compensation was little changed from the previous year. Average hourly earnings of production or nonsupervisory workers rose sharply in January, but for the twelve months ended in January, the increase was the same as that recorded for the previous twelve months.

At its meeting on December 21, 1993, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions and that did not include a presumption about the likely direction of any adjustment to policy during the intermeeting period. Accordingly, the directive indicated that in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater or slightly lesser reserve restraint might be acceptable during the intermeeting period. The reserve conditions associated with this directive were expected to be consistent with modest growth of M2 and M3 over the following months.

Open market operations were directed toward maintaining the existing degree of pressure on reserve positions throughout the intermeeting period. Additional reserves were supplied to the banking system on a temporary basis around year-end to meet seasonal movements in currency and required reserves as well as an enlarged demand for excess reserves. For the intermeeting period as a whole, the federal funds rate remained close to 3 percent while adjustment plus seasonal borrowing averaged somewhat more than anticipated.

Most market interest rates declined slightly during the intermeeting period, and major indexes of stock prices posted new highs. Market participants saw the incoming news on inflation as encouraging; still, they viewed the economy as relatively robust, and on balance they deemed a firming of monetary policy to counteract a potential buildup of inflation pressures as likely in the next few months, but probably not in the very near term.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies changed little on balance over the intermeeting period. The dollar fell against the yen in the context of somewhat higher Japanese interest rates and renewed expressions of U.S. concern about bilateral trade issues. The dollar appreciated slightly relative to the German mark and other European currencies against the background of relatively strong U.S. economic data and generally sluggish economic activity in continental Europe.

Growth of the broad monetary aggregates, though a little faster than in most of 1993, remained relatively slow over December and January. Investors evidently continued to find low-yielding deposits less appealing than stock and bond mutual funds, although recent inflows to bond funds appeared to have been at a slower rate than that seen over most of 1993. For the year 1993, growth of both M2 and M3 was estimated to have been slightly above the lower ends of the Committee's ranges. Private borrowing had picked up in recent months, and total domestic nonfinancial debt expanded at a somewhat faster, though still moderate, pace in the fourth quarter; for the year, nonfinancial debt was estimated to have been in the lower half of the Committee's monitoring range.

The staff forecast prepared for this meeting suggested that economic expansion would slow from the very strong pace of the fourth quarter, but that the economy still would advance in 1994 at a rate somewhat in excess of the growth of potential. The severe winter weather over much of the country and the California earthquake would tend to distort economic indicators for the early part of the year; however, taken together, these developments were not expected to have a material or lasting effect on the overall level of activity or prices. Consumer spending, which for some time had tended to outpace the growth of disposable income, was projected to increase at a rate more in line with incomes. Business fixed investment was expected to decelerate gradually from the very rapid rate of 1993, reflecting the diminishing effect of the earlier pickup in output growth, the slower growth of corporate cash flow, and a less rapid decline in the cost of capital. Homebuilding activity, driven by the greatly improved affordability of housing and increased confidence in employment prospects, was anticipated to continue at a relatively brisk pace through much of the year. Exports were projected to strengthen somewhat, bolstered by some pickup in foreign economic growth, and fiscal restraint was expected to exert a reduced drag on spending. In light of the limited margins of slack in labor and product markets that were anticipated to prevail over the forecast horizon, the ongoing expansion was projected to be associated with only a slight further reduction in the core rate of inflation.

In the Committee's discussion of current and prospective economic developments, members commented that the economy had entered the new year with appreciable forward momentum and that the expansion was likely to be sustained over the year ahead at a pace somewhat above the economy's long-run potential. The very rapid rate of economic growth now indicated for the fourth quarter of 1993 clearly could not be maintained. Much of the recent impetus to the expansion stemmed from a surge in expenditures on housing, business equipment, and consumer durables. Such spending had reached a very high level in relation to underlying demands so that the pace of additional increases undoubtedly would moderate during the course of 1994. Still, the economic expansion seemed to have considerable momentum, largely as a consequence of diminishing balance sheet constraints and generally favorable financial conditions spurred by a highly accommodative monetary policy. As a consequence, a number of members expressed the view that the risks were on the upside of a moderate growth forecast. In the context of low and decreasing slack in the economy, little further progress would be made toward price stability in 1994, and there was a distinct risk of higher inflation at some point if monetary policy were not adjusted. While broad measures of inflation did not on the whole suggest any changes in inflation trends, some members noted that a number of commodity prices had turned up in recent months, and they referred to still scattered but increasing anecdotal reports that some business firms were paying slightly higher prices for various materials purchased for use in the production process.

In keeping with the practice at meetings when the Committee establishes its long-run ranges for growth of the money and debt aggregates, the Committee members and the Federal Reserve Bank presidents not currently serving as members had prepared projections of economic activity, the rate of unemployment, and inflation for 1994. The central tendency of the forecasts pointed to somewhat faster economic growth this year than currently was estimated for 1993. The anticipated rate of economic expansion was expected to foster a limited further drop in the rate of unemployment by the fourth quarter of this year. With the slack in productive resources expected to diminish further to a quite low level, price and cost pressures were unlikely to abate significantly; indeed, price increases in 1994 could exceed those of 1993 when inflation had been held down by favorable developments in energy prices. Measured from the fourth quarter of 1993 to the fourth quarter of 1994, the forecasts for growth of real GDP had a central tendency of 3 to 3¼ percent and a full range of 2½ to 3¾ percent. Projections of the civilian rate of unemployment in the fourth quarter of 1994 were all in a range of 6½ to 6¾ percent calculated on the basis of the new survey recently introduced by the Bureau of Labor Statistics. For the CPI, the central tendency of the forecasts for the period from the fourth quarter of 1993 to the fourth quarter of 1994 was centered on increases of about 3 percent within a range of 2¼ to 4 percent, and for nominal GDP the forecasts were clustered in a range of 5½ to 6 percent for the year.

In the Committee's review of factors underlying recent developments, members observed that generally favorable financial conditions provided a backdrop conducive to further robust expansion in business activity. Much of the recent strengthening in economic growth was generated by increased spending in interest-sensitive sectors of the economy such as housing in response to relatively low interest rates. Generally buoyant equity markets, a readier availability of financing from lending institutions, and the strengthened financial condition of businesses and households also were cited as factors tending to boost economic activity. Balance sheet restructuring activities appeared to have slackened markedly, and while balance sheet adjustments probably were still being made, the latter seemed to be exerting much less restraint on the willingness of businesses and especially households to spend and to incur new debt to finance growing expenditures.

In their reports on developments across the nation, members commented on widespread indications of improving economic activity, including some strengthening in regions that earlier were characterized by stagnant business conditions. Some areas continued to be affected adversely by special factors, especially by spending cutbacks in defense and aerospace industries. California was a notable example, but a range of indicators suggested that the California economy might be stabilizing, albeit at a depressed level, after an extended period of declining activity. Mirroring these developments, business sentiment was characterized as generally optimistic around the nation. While business executives remained cautious in their hiring practices, the expansion in business activity was fostering sizable overall gains in employment even in areas where some major business concerns were reducing their workforces. A few large firms that previously had frozen or reduced their payrolls were now reported to be hiring additional workers.

Turning to prospective developments in key sectors of the economy, the members anticipated that the expansion in consumer expenditures would be well maintained during 1994, though the growth in such spending probably would moderate to a pace more in line with gains in disposable income. The available data on retail sales since the holiday period were still limited, but anecdotal reports pointed to continuing momentum in several parts of the country. Winter storms had hindered sales in a number of areas, but according to some retail contacts the adverse effects were likely to be temporary. In any event, the very rapid rates of growth in sales of automobiles and other consumer durables were not sustainable, and already high consumer debt ratios would be a further inhibiting factor. It was noted in this connection that consumer debt had become more concentrated over the course of recent years among consumer groups that were most likely to borrow to help finance their spending, with the result that the ability of such consumers to incur additional indebtedness could be diminished. Higher taxes confronting some households also were cited as a negative factor in the outlook for the consumer sector. On balance, however, while the prospects for consumer spending clearly were not free of uncertainty, the marked improvement in consumer confidence and favorable financial conditions would provide a setting conducive to sustained moderate growth in consumer expenditures.

The improvement in consumer sentiment together with the availability of relatively low cost financing had fostered very strong growth in housing construction over the closing months of 1993 and, adjusting for seasonal weather conditions, anecdotal reports from many areas suggested a continued robust performance in this sector of the economy in the early weeks of this year. The strength in housing activity had induced increases in the costs of lumber and other building materials, and shortages of skilled construction workers were reported in some areas. Despite these developments, prices of new homes did not appear at this point to be under significant upward pressure. Looking ahead, with housing construction already at high levels, further gains over the course of 1994 were expected to be substantially below those recorded in recent quarters.

Business fixed investment was likely to be sustained by continuing efforts to modernize production facilities in order to achieve more efficient operations in highly competitive domestic and world markets. The gains in such investment had been concentrated in expenditures for equipment, and while new orders pointed to further brisk growth in the months ahead, increases in such expenditures were likely to moderate over time. At the same time, growing economic activity and associated declines in commercial and industrial vacancy rates, at least in some parts of the country, suggested that nonresidential building construction other than office structures would post sizable increases over the year. Rebuilding activity following the earthquake in California would stimulate engineering and construction in the Los Angeles area over the quarters ahead.

Fiscal policy and foreign trade had exerted retarding effects on the economy in 1993. While the response of the economy to fiscal restraint and the outlook for export markets remained subject to substantial uncertainty, both fiscal policy and the trade deficit were expected at this point to be less negative factors in the performance of the economy during 1994. With regard to the outlook for fiscal policy, the downtrend in defense spending was projected to moderate and to contribute to a smaller net decline in overall federal government expenditures on goods and services in 1994. It was noted that the widespread political support of efforts to curtail federal government deficits could be expected to continue to contain new federal spending initiatives. With regard to the outlook for U.S. exports, more accommodative fiscal or monetary policies abroad were expected to foster a gradual improvement in rates of economic growth in major foreign industrial countries with beneficial effects on the demand from those countries for U.S. goods and services. One member also commented that NAFTA already seemed to be having a favorable effect on some exports to Mexico.

One sector of the economy that was viewed as a source of particular uncertainty was the outlook for inventories. Business firms continued to maintain tight control over their inventories, and in general the latter were at quite low levels in relation to sales. Indeed, there were some anecdotal reports that inventory shortfalls had resulted in the loss of sales in recent months. Lean inventory levels in the context of diminishing slack in labor and product markets raised concerns about the potential for increasing capacity pressures should strong demands persist that would tend to deplete existing inventories and lead to efforts not only to rebuild but to increase them. Thus far, there were few signs of developments such as significant increases in delivery lead times or in the costs of goods purchased by business firms that in the past had triggered substantial inventory buildups. However, there were ample precedents in the history of business-cycle expansions of efforts to accumulate large inventories in periods when strong final demands already were exerting inflationary pressures in the economy.

The members generally expressed concern about a buildup in inflationary pressures during the year ahead, especially if what they currently viewed as a very accommodative monetary policy were maintained. A number of members emphasized that even with the substantial slowing that they anticipated in the rate of economic expansion from the very rapid growth in the fourth quarter, overall margins of slack in labor and product markets, already reduced to fairly modest levels, would shrink further in the quarters ahead with the clear possibility that various imbalances and added inflation would emerge in the absence of monetary tightening actions. Continuing upward impetus to food prices, resulting from the adverse weather conditions during 1993, and the likelihood that energy prices would not decline further and might in fact turn up in an environment of somewhat stronger worldwide demand for energy products could add to overall price pressures.

The members acknowledged that broad measures of prices and wages had displayed mixed patterns over recent months and that on the whole they did not yet point to any clear change in inflation trends. However, some other indicators were more disquieting. One example was the growing, though still limited, number of anecdotal reports of shortages of skilled workers in some parts of the country or occupations, notably construction. Moreover, there were more reports of rising prices for products being purchased by business firms for use in the production process and in turn of successful efforts by businesses to raise their own prices in order to pass on higher costs or to improve their profit margins. More generally, many commodity prices had increased over the past several weeks. On the positive side, competitive pressures remained intense in many markets, augmented in markets for numerous products by competition from foreign producers. Some members also commented that the tradeoff between economic growth and inflation would be improved over the year ahead to the extent that the credibility of the System's anti-inflationary policy was maintained.

In keeping with the requirements of the Full Employment and Balanced Growth Act of 1978 (the Humphrey–Hawkins Act), the Committee at this meeting reviewed the ranges for growth of the monetary and debt aggregates in 1994 that it had established on a tentative basis at its meeting on July 6–7, 1993. The tentative ranges included expansion of 1 to 5 percent for M2 and 0 to 4 percent for M3, measured from the fourth quarter of 1993 to the fourth quarter of 1994. The monitoring range for growth of total domestic nonfinancial debt had been set provisionally at 4 to 8 percent for 1994. All of these ranges were unchanged from those that the Committee had set for 1993; the latter had been adjusted down to take account of ongoing increases in velocity.

In the Committee's discussion of the ranges for 1994, which tended to focus on M2, all the members expressed a preference for affirming the M2 and M3 ranges that had been established on a provisional basis in July and all but one favored adopting the provisional monitoring range for nonfinancial debt; that member preferred a lower range. Many of the members commented on the uncertainties that surrounded the establishment of ranges that were consistent with the Committee's goals for the economy. They noted that a variety of developments had altered the historical relationships between the monetary aggregates and broad measures of economic performance over the past several years. The resulting uncertainty implied that the Committee needed to retain a flexible approach to the behavior of the monetary aggregates in relation to their ranges, including the need to assess a broad array of other indicators to gauge the implications of monetary growth developments. Nonetheless, the members concluded that as best they could evaluate evolving financial conditions at this point, monetary growth within the tentative ranges would be likely to promote the Committee's objectives of sustained economic expansion and subdued inflation.

In 1993, both M2 and M3 had grown at rates about ½ percentage point above the lower bounds of the ranges that the Committee now contemplated retaining for 1994. According to a staff analysis prepared for this meeting, somewhat faster growth in both of these aggregates could be expected in 1994. But with nominal GDP also expected to be stronger, as indicated by the central tendency of the members' forecasts, the velocity of M2 would continue to rise at an appreciably faster rate than historical relationships would have suggested. This assessment assumed that households would continue to redirect savings from M2-type accounts to higher-yielding investments, especially bond and stock mutual funds. However, such redeployments of funds should moderate this year to the extent that some investors already had accomplished a considerable portion of their desired portfolio reallocations and in light of the possibility that changes in the prices of stocks and bonds, including the drop in bond prices in recent months, would underline the risks of holding such instruments. Moreover, depository institutions had strengthened their capital positions markedly and were likely to compete more aggressively for M2 and especially for M3-type deposits in an effort to maintain or increase their role in the financing of expanding economic activity. While these developments and their implications for monetary growth could not be forecast with confidence, the members believed that the ranges under consideration would probably be sufficiently wide to accommodate M2 and M3 growth rates under a variety of likely velocity scenarios. For example, if the factors that had tended to depress the growth of the broad aggregates in relation to income did not abate as expected this year, M2 and M3 growth would again be near the lower bounds of the Committee's ranges. Alternatively, if the behavior of these aggregates were to move closer to earlier patterns, growth in the upper portions of the ranges would foster an economic performance in line with the members' forecasts.

From the perspective of a longer time horizon, many of the members noted that the provisional range for M2 was essentially at a level that could well prove to be consistent with sustained and noninflationary economic expansion. This conclusion assumed that historical relationships between money growth and the expansion of broad measures of economic performance would be restored at some point. In the absence of such a development or the emergence of new, reasonably stable relationships, the Committee would have to continue to place diminished reliance on the monetary aggregates in the formulation of monetary policy.

With regard to the range for nonfinancial debt, the members anticipated that its growth this year would remain within the contemplated range. A staff analysis suggested that its federal borrowing component would decrease as a result of the ongoing effects of deficit reduction measures that had been enacted and the rise in tax receipts stemming from economic growth. At the same time, borrowing by the nonfederal sectors should strengthen further against the backdrop of more comfortable financial positions and the expected pickup in GDP expansion. In one view, however, a somewhat lower range was desirable for nonfinancial debt. In light of the shift in business preferences away from debt and toward equity, debt velocity could increase and slower growth in debt would be consistent with the Committee's objectives. However, this member could accept the higher range favored by the other members for 1994.

At the conclusion of the Committee's discussion, all the members indicated that they favored or could accept the ranges for 1994 that the Committee had established on a tentative basis at its meeting in July 1993. In keeping with the Committee's usual procedures under the Humphrey–Hawkins Act, the ranges would be reviewed at midyear, or sooner if deemed necessary, in light of the behavior of the aggregates and interim economic and financial developments. The Committee approved the following paragraph for inclusion in the domestic policy directive:

> The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 1 to 5 percent and 0 to 4 percent respectively, measured from the fourth quarter of 1993 to the fourth quarter of 1994. The Committee anticipated that developments contributing to unusual velocity increases could persist during the year and that money growth within these ranges would be consistent with its broad policy objectives. The monitoring range for growth of total domestic nonfinancial debt was set at 4 to 8 percent for the year. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

> Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Forrestal, Jordan, Kelley, LaWare, Lindsey, Parry, and Ms. Phillips. Votes against this action: None. Absent and not voting: Messrs. Angell and Mullins.

In the Committee's discussion of policy for the intermeeting period ahead, the members favored an adjustment toward a less accommodative policy stance, though views differed to some extent with regard to the amount of the adjustment. The current policy posture, which had been in effect since the late summer of 1992, was highly stimulative as evidenced, for example, by very low or even slightly negative real short-term interest rates and, in the view of at least some members, the relatively rapid growth over an extended period in narrow measures of money and reserves. Such a policy had been appropriate in a period when various developments had tended to inhibit the expansion, including widespread efforts to repair strained balance sheets and a variety of business restructuring activities that had tended to depress confidence and spending. More recently, the considerable progress made by households and businesses in decreasing their debt service burdens and the much strengthened capital positions of lending institutions had provided a financial basis, in the context of low interest rates, for growth in demands on productive capacity that could generate inflation pressures. In this situation, the members agreed that monetary policy should be adjusted toward a more neutral stance that would encourage sustained economic growth without a buildup of inflationary imbalances. The members recognized that timely action was needed to preclude the necessity for more vigorous and disruptive policy moves later if inflationary pressures were allowed to intensify. The history of past cyclical upswings had demonstrated the inflationary consequences and adverse effects on economic activity of delayed anti-inflation policy actions.

In the course of the Committee's discussion, a number of members endorsed a policy move that would involve only a slight adjustment toward a less accommodative degree of reserve pressure. These members recognized that evolving economic conditions might well justify a somewhat greater policy adjustment. They believed, however, that even a slight move at this time was likely to have a particularly strong impact on financial markets because it would be the first policy change after a long hiatus and indeed the first tightening action in about five years. The market effect might be amplified by a contemplated decision to authorize the Chairman to announce the policy action (discussed below). In the circumstances, these members felt that a somewhat greater policy adjustment would incur an unacceptable risk of dislocative repercussions in financial markets. A relatively small move would readily accomplish the purposes of signaling the Committee's anti-inflation resolve and together with expected further action should help to temper or avert an increase in inflation expectations and speculative developments in financial markets.

Other members indicated a preference for a somewhat greater firming action that would move monetary policy closer to a desirable neutral stance. In this view, recent developments in the economy had demonstrated that monetary policy was much too accommodative and that slow, gradual tightening moves risked allowing inflation pressures to build. A more decisive policy move at this juncture would in fact reduce uncertainty, because fewer discrete actions would be required and they would have a more pronounced and desirable effect in curbing inflationary sentiment and thus in minimizing upward pressures on longer-term interest rates over time. The result would be a policy stance that was more consistent with sustained economic expansion and progress toward price stability.

In further discussion, all the members indicated that they could accept the proposed slight policy adjustment at this point, but many observed that additional firming probably would be desirable later. The members did not see any unusual likelihood that a further policy action would be needed during the intermeeting period, and the Committee therefore decided to retain an unbiased intermeeting instruction in the directive. In this connection, it was understood that the Committee would be prepared to review its policy stance and take further action, if warranted by intermeeting developments, at a telephone conference during the period ahead.

At this meeting, Committee members discussed and agreed on a proposal to have the Chairman announce the Committee's short-term policy decision promptly. The purpose of such an announcement, which would be a departure from past Committee practice, was to avoid any misinterpretation of the Committee's action and its purpose. Because this would be the first tightening policy action in a long time, it was likely to attract considerable attention. The Committee did not intend this announcement to set any precedents or to imply any commitments regarding the announcement of its decisions in the future. That matter would be reviewed along with other issues relating to the disclosure of Committee information at a later meeting.

At the conclusion of the Committee's discussion, all the members indicated that they could support a directive that called for a slight increase in the degree of pressure on reserve positions and that did not include a presumption about the likely direction of any adjustment to policy during the intermeeting period. Accordingly, the Committee decided that in the context of its long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater or slightly lesser reserve restraint might be acceptable during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with moderate growth in M2 and M3 over the first half of 1994.

At the conclusion of the meeting, the Federal Reserve Bank of New York was authorized and directed, until instructed otherwise by the Committee, to execute transactions in the System Account in accordance with the following domestic policy directive:

The information reviewed at this meeting indicates a strong advance in economic activity during the closing months of 1993, and the limited data available for the early weeks of this year suggest appreciable further gains. The January labor market data were complicated by statistical revisions and weather-related reporting problems; however, a variety of indicators pointed convincingly to a continuing expansion of employment. Industrial production increased sharply in the fourth quarter and appears to have risen considerably further in January. Consumer spending and housing activity posted solid gains in late 1993, and strong sales of motor vehicles in January suggested continued buoyancy in consumer demand. Trends in contracts and orders point to further sizable gains in business fixed investment. The average nominal U.S. merchandise trade deficit in October–November was about the same as its average rate in the third quarter. Over the latter part of 1993, increases in broad indexes of consumer and producer prices, excluding their food and energy components, were somewhat larger than earlier in the year and prices of a number of commodities also turned up recently.

Most market interest rates have declined slightly since the Committee meeting on December 21, 1993. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies is about unchanged over the intermeeting period.

Growth of M2 and M3 was relatively slow over December and January. From the fourth quarter of 1992 to the fourth quarter of 1993, M2 and M3 are estimated to have grown at rates slightly above the lower ends of the Committee's ranges for the year. Private borrowing has picked up in recent months and total domestic nonfinancial debt expanded at a moderate rate in the fourth quarter; for the year, nonfinancial debt is estimated to have increased at a rate in the lower half of the Committee's monitoring range.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at this meeting established ranges for growth of M2 and M3 of 1 to 5 percent and 0 to 4 percent respectively, measured from the fourth quarter of 1993 to the fourth quarter of 1994. The Committee anticipated that developments contributing to unusual velocity increases could persist during the year and that money growth within these ranges would be consistent with its broad policy objectives. The monitoring range for growth of total domestic nonfinancial debt was set at 4 to 8 percent for the year. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to increase slightly the existing degree of pressure on reserve positions. In the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint or slightly lesser reserve restraint might be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with moderate growth in M2 and M3 over the first half of 1994.

Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Forrestal, Jordan, Kelley, LaWare, Lindsey, Parry, and Ms. Phillips. Votes against this action: None. Absent and not voting: Messrs. Angell and Mullins.

It was agreed that the next meeting of the Committee would be held on Tuesday, March 22, 1994.

The meeting adjourned at 11:45 a.m.

Donald L. Kohn
Secretary

Legal Developments

Final Rule—Amendment to Rules Regarding Foreign Gifts and Decorations

The Board of Governors is amending 12 C.F.R. Part 264b, its Rules Regarding Foreign Gifts and Decorations. The Board's Rules Regarding Foreign Gifts and Decorations provide that requests for Board approval of the acceptance of such expenses must be submitted to the Vice Chairman of the Board. The rules do not specify who should act upon such requests in the absence of the Vice Chairman, or in situations where the position of Vice Chairman is vacant. Accordingly, this rule will authorize the Board's Administrative Governor to act on requests for Board approval of these expenses when the Vice Chairman is unavailable.

Effective March 17, 1994, 12 C.F.R. Part 264b is amended as follows:

Part 264b—Rules Regarding Foreign Gifts and Decorations

1. The authority citation for part 264b continues to read as follows:

Authority: 5 U.S.C. 552; 5 U.S.C. 7342, as amended; 12 U.S.C. 248(i).

2. In section 264b.3, the last sentence in paragraph (d) is amended by removing the period at the end of the sentence and adding the phrase ", or, if the Vice Chairman is unavailable, to the Board's Administrative Governor." in its place.

Final Rule—Amendment to Rules Regarding Equal Opportunity

The Board of Governors is amending 12 C.F.R. Part 268, its Rules Regarding Equal Opportunity (Rules), to conform those Rules as closely as possible to the Equal Employment Opportunity Commission's (the Commission's) complaint processing regulation for federal employers, "Federal Sector Equal Employment Opportunity", which became effective October 1, 1992.

These Rules are hereby issued as a final rule. The Board issued these Rules as an interim rule, with request for public comments, on February 18, 1993. This final rule deviates from the interim rule in only a few particulars, based upon recommendations received from the Commission and from interested members of the Board's staff.

Effective March 29, 1994, 12 C.F.R. Part 268 is amended as follows:

Part 268—Rules Regarding Equal Opportunity

Subpart A—General Provisions and Administration

Section 268.101—Authority, purpose and scope.
Section 268.102—Definitions.
Section 268.103—Equal employment designations.

Subpart B—Board Program To Promote Equal Opportunity

Section 268.201—General policy for equal opportunity.
Section 268.202—Board program for equal employment opportunity.
Section 268.203—Complaints of discrimination covered under this part.
Section 268.204—Pre-complaint processing.
Section 268.205—Individual complaints.
Section 268.206—Dismissals of complaints.
Section 268.207—Investigation of complaints.
Section 268.208—Hearings.
Section 268.209—Final decisions.

Subpart C—Provisions Applicable to Particular Complaints

Section 268.301—Age Discrimination in Employment Act.
Section 268.302—Equal Pay Act.
Section 268.303—Rehabilitation Act.
Section 268.304—Employment of noncitizens.
Section 268.305—Class complaints.

Subpart D—Review by the Equal Employment Opportunity Commission

Subpart E—Remedies, Enforcement and Civil Actions

Subpart F—Matters of General Applicability

Subpart G—Prohibition Against Discrimination in Board Programs and Activities Because of a Physical or Mental Disability

Authority: 12 U.S.C. 244 and 248(i), (k) and (1).

Subpart A—General Provisions and Administration

Section 268.101—Authority, purpose and scope.

(a) *Authority.* The regulations in this part (12 C.F.R. Part 268) are issued by the Board of Governors of the Federal Reserve System under the authority of Sections 10(4) and 11(i),(k) and (l) of the Federal Reserve Act (partially codified in 12 U.S.C. 244 and 248(i),(k) and (l)).
(b) *Purpose and scope.* This part sets forth the Board's policy, program and procedures for providing equal opportunity to Board employees and applicants for employment without regard to race, color, religion, sex, national origin, age, or physical or mental disability. It also sets forth the Board's policy, program and procedures for prohibiting discrimination on the basis of physical or mental disability in programs and activities conducted by the Board. It also specifies the circumstances under which the Board will hire or decline to hire persons who are not citizens of the United States, consistent with the Board's operational needs, the requirements and prohibitions of the Immigration Reform and Control Act of 1986, as amended, and other applicable law.

Section 268.102—Definitions.

The definitions contained in this section shall have the following meanings throughout this part unless otherwise stated.
(a) *ADEA* means the Age Discrimination In Employment Act (29 U.S.C. 621 *et seq.*).
(b) *Agent of the class* means a class member who acts for the class during the processing of the class complaint under section 268.305 of this part.
(c) *Agreement of resolution* means the agreement referred to in section 268.305(f)(3) of this part.
(d) *Auxiliary aids* as used in subpart G of this part means services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities conducted by the Board. For example, auxiliary aids useful for persons with impaired vision include readers, Braille materials, audio recordings, telecommunication devices and other similar services and devices. Auxiliary aids useful for persons with impaired hearing include telephone handset amplifiers, telephones compatible with hearing aids, telecommunication devices for deaf persons (TDD's), interpreters, note takers, written materials, and other similar services and devices.

(e) *Board* means the Board of Governors of the Federal Reserve System.

(f) *Class* as used in section 268.305 of this part means a group of Board employees, former employees or applicants for employment who allegedly have been or are being adversely affected by a personnel policy or practice of the Board that discriminates against the group on the basis of their race, color, religion, sex, national origin, age or disability.

(g) *Class complaint* means a written complaint of discrimination filed on behalf of a class by the agent of the class alleging that:

(1) The class is so numerous that a consolidated complaint of the members of the class is impractical;

(2) There are questions of fact common to the class;

(3) The claims of the agent of the class are typical of the claims of the class; and

(4) The agent of the class, or, if represented, the representative, will fairly and adequately protect the interests of the class.

(h) *Commission* means the Equal Employment Opportunity Commission.

(i) *Complainant* means an aggrieved person who files an individual complaint pursuant to section 268.205 of this part, except that *complainant* shall mean a complainant, agent of the class or individual class claimant for purposes of sections 268.209, 268.402 through 268.406 and subparts E and F of this part.

(j) *Complete complaint* as used in subpart G of this part means a written statement that contains the complainant's name and address and describes the Board's alleged discriminatory actions in sufficient detail to inform the Board of the nature and date of the alleged violation. It shall be signed by the complainant or by someone authorized to do so on his or her behalf. Complaints filed on behalf of classes or third parties shall describe or identify (by name, if possible) the alleged victims of discrimination.

(k) *EEOC decision* means the written decision issued by the Commission's Office of Federal Operations as described in section 268.405 of this part.

(l) *Facility* means all or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other conveyances, or other real or personal property.

(m) *Final decision* means the Board's decision described in section 268.209 of this part.

(n) *Has a record of such an impairment* means has a history of, or has been classified (or misclassified) as having, a physical or mental impairment that substantially limits one or more major life activities.

(o) *Individual with a disability* means a person who:

(1) Has a physical or mental impairment which substantially limits one or more of such person's major life activities;

(2) Has a record of such an impairment; or

(3) Is regarded as having such an impairment; and

(4) Shall not include an individual, a Board employee or applicant for employment, impaired while under the influence of illegal drugs, an individual disabled by alcoholism, or an individual with an infectious or communicable disease, as further defined in section 268.303(g) of this part.

(p) *Investigator* means an investigative officer or complaint examiner selected or appointed pursuant to sections 268.103(c)(11) and 268.305(e)(3) of this part.

(q) *Is regarded as having an impairment* means:

(1) Has a physical or mental impairment that does not substantially limit major life activities but is treated by the Board as constituting such a limitation;

(2) Has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairment; or

(3) Has none of the impairments defined in section 268.102(s) of this part, but is treated by the Board as having such an impairment.

(r) *Major life activities* means functions, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(s) *Physical or mental impairment* means:

(1) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine; or

(2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

(t) *Qualified individual with a disability* means:

(1) With respect to a Board program or activity under which a person is required to perform services or to achieve a level of accomplishment, an individual with a disability who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the Board can determine on the basis of a written record would result in a fundamental alteration in its nature;

(2) With respect to any other program or activity, an individual with a disability who meets the essential eligibility requirements for participation in, or receipt of benefits from, that program or activity; or

(3) With respect to employment, an individual with a disability who, with or without reasonable accom-

modation, can perform the essential functions of the position in question without endangering the health and safety of the individual or others, and who meets the experience or education requirements (which may include passing a written test) of the position in question.

(u) *Title VII* means Title VII of the Civil Rights Act (42 U.S.C. 2000e *et seq.*).

Section 268.103—Equal employment designations.

(a) *Administrative Governor.* The Administrative Governor, a member of the Board of Governors designated by the Chairman of the Board, is charged with overseeing the internal affairs of the Board and is empowered to make decisions and determinations on behalf of the Board when authority to do so is delegated to him or her.

(1) The Administrative Governor is hereby delegated the authority to make determinations adjudicating complaints of discrimination pursuant to sections 268.206, 268.209, 268.305(i) and 268.709 of this part, unless a member of the Board of Governors has requested that the Board of Governors make the decision on the complaint pursuant to sections 268.209(a) or 268.709(k) of this part, settlements pursuant to section 268.305(f) of this part and determinations regarding attorney fees pursuant to section 268.501(e) of this part. The Administrative Governor is further delegated the authority to order such corrective measures, including such remedial actions as may be required by subpart E of this part, as he or she may consider necessary, including such disciplinary action as is warranted by the circumstances when an employee has been found to have engaged in a discriminatory practice.

(2) The Administrative Governor may delegate to any officer or employee of the Board any of his or her duties or functions under this part.

(3) The Administrative Governor may refer to the Board of Governors for determination or decision any complaint of discrimination that the Administrative Governor would otherwise decide pursuant to sections 268.206, 268.209, 268.305(i) and 268.709 of this part, settlements pursuant to section 268.305(f) of this part and determinations regarding attorney fees pursuant to section 268.501(e) of this part, and may make changes in programs and procedures designed to eliminate discriminatory practices or to improve the Board's programs under this part, and may make any recommendation for remedial or disciplinary action with respect to managerial or supervisory employees who have failed in their responsibilities, or employees who have been found to have engaged in discriminatory practices, or with regard to any other matter which the Administrative Governor believes merits the attention of the Board of Governors.

(b) *Staff Director for Management.* The Staff Director for Management shall perform the following functions under this part:

(1) When so authorized by the Administrative Governor, the Staff Director for Management shall make any determinations on complaints of discrimination that would otherwise be made by the Administrative Governor under sections 268.206, 268.209, 268.305(i) and 268.709 of this part, settlement pursuant to section 268.305(f) of this part and determinations regarding attorney fees pursuant to section 268.501(e) of this part. The Staff Director for Management shall order such corrective measures, including such remedial actions as may be required by subpart E of this part as he or she may consider necessary, and including the recommendation for such disciplinary action as is warranted by the circumstances when an employee is found to have engaged in a discriminatory practice.

(2) The Staff Director for Management shall review the record on any complaint under this part before a determination is made by the Board of Governors or the Administrative Governor on the complaint and make such recommendations as to the determination as he or she considers desirable, including any recommendation for such disciplinary action as is warranted by the circumstances when an employee is found to have engaged in a discriminatory practice.

(3) When authorized by the Administrative Governor, the Staff Director for Management may make changes in programs and procedures designed to eliminate discriminatory practices and improve the Board's program for equal employment opportunity.

(c) *EEO Programs Director.* The EEO Programs Director is appointed by the Board of Governors and shall perform the following functions under this part:

(1) Administer the Board's equal employment opportunity program and advise the Board, the Administrative Governor and the Staff Director for Management with respect to the preparation of equal employment opportunity plans, goals, objectives, procedures, regulations, reports, and other matters pertaining to the Board's program established under section 268.202 of this part;

(2) Advise and consult with the Chairman of the Board of Governors, when necessary, on any matter pertaining to the Board's equal employment opportunity program and its administration;

(3) Evaluate from time to time the sufficiency of the

Board's total program for equal employment opportunity and report to the Board of Governors, the Administrative Governor and the Staff Director for Management, with recommendations as to any improvement or correction needed, including remedial or disciplinary action with respect to managerial, supervisory or other employees who have failed in their responsibilities;

(4) Recommend to the Staff Director for Management and the Administrative Governor changes in programs and procedures designed to eliminate discriminatory practices and improve the Board's program for equal employment opportunity;

(5) Appoint a Federal Women's Program Manager, a Hispanic Program Coordinator, a Disabled Persons Program Coordinator, and such EEO Counselor(s) as may be necessary to assist the EEO Programs Director in carrying out the functions described in this part. The EEO Programs Director shall ensure such managers, coordinators and counselor(s) shall receive full and proper training to implement their duties and responsibilities under this part;

(6) Publicize to Board employees and applicants for employment and post at all times on official Board bulletin boards:

(i) The names, business telephone numbers, business addresses and the equal employment opportunity responsibilities of the Staff Director for Management, the EEO Programs Director, the Federal Women's Program Manager, the Hispanic Program Coordinator, and the Disabled Persons Program Coordinator;

(ii) The names, business telephone numbers, business addresses of EEO Counselors, the segments of the Board for which they are responsible, the availability of EEO Counselors to counsel an employee or applicant for employment who believes that he or she has been discriminated against because of race, color, religion, sex, national origin, age, or physical or mental disability, and the requirement that an employee or applicant for employment must consult an EEO Counselor as provided by sections 268.204 and 268.305(a) of this part; and

(iii) The time limits for contacting EEO Counselors;

(7) Provide to each employee annually (and the Division of Human Resources Management shall provide to each applicant for employment) a copy of a notice summarizing the general purposes of this part and specifying where copies of this part can be obtained. The EEO Programs Director shall ensure that copies of the summary of this part are posted in permanent locations in all Board facilities. The EEO Programs Director shall, on the request of any employee or applicant for employment provide that employee or applicant for employment with a copy of this part;

(8) Provide for counseling of aggrieved individuals and for the receipt and processing of individual and class complaints of discrimination;

(9) Provide for the receipt and investigation of individual complaints of discrimination, subject to sections 268.204 through 268.209 of this part, and provide for the acceptance and processing and/or dismissal of class action complaints in accordance with section 268.305 of this part;

(10) Act as the Board's designee under section 268.305(c) of this part;

(11) Appoint any investigators as necessary to administer this part. The EEO Programs Director is authorized to request the loan or assignment of any investigators or administrative judges from any agency as necessary to administer this part. The EEO Programs Director shall obtain the concurrence of the Staff Director for Management for all appointments of and reimbursements to investigators, whether from the private sector or otherwise, which exceeds the EEO Programs Director's procurement authority;

(12) Assure that individual complaints are fairly and thoroughly investigated and that final decisions of the Board are issued in a timely manner in accordance with this part;

(13) Dismiss a complaint, or a portion of a complaint, pursuant to sections 268.206 and 268.305(c) of this part;

(14) Suspend the complaint process when appropriate for any matter that is before the Merit Systems Protection Board for a determination; and

(15) Make recommendations based upon investigative reports, hearings and EEOC decisions which require the Board's final decision pursuant to section 268.209 of this part.

(d) *EEO Counselors*. The EEO Counselor(s) are appointed by the EEO Programs Director. EEO Counselors shall carry out the functions set forth in section 268.204 of this part.

(e) *Federal Women's Program Manager*. The EEO Programs Director shall appoint a Federal Women's Program Manager. The Federal Women's Program Manager shall perform the following functions: Advise the Board of Governors, the Administrative Governor, the Staff Director for Management and the EEO Programs Director on matters affecting, and administer the Board's program with respect to, the employment and advancement of women.

(f) *Hispanic Program Coordinator*. The EEO Programs Director shall appoint a Hispanic Program Coordinator. The Hispanic Program Coordinator shall perform the following functions: Advise the Board of Governors, the Administrative Governor, the Staff Director for Management and the EEO Programs Director on matters affecting, and administer the Board's program with respect to, the employment and advancement of Hispanics.

(g) *Disabled Persons Program Coordinator.* The EEO Programs Director shall appoint a Disabled Persons Program Coordinator. The Disabled Persons Program Coordinator shall perform the following functions: Advise the Board of Governors, the Administrative Governor, the Staff Director for Management and the EEO Programs Director on matters affecting, and administer the Board's program with respect to, the employment and advancement of individuals with a disability.

Subpart B—Board Program To Promote Equal Opportunity

Section 268.201—General policy for equal opportunity.

(a) It is the policy of the Board to provide equal opportunity in employment for all persons, to prohibit discrimination in employment because of race, color, religion, sex, national origin, age or disability, and to promote the full realization of equal opportunity in employment through a continuing affirmative program.

(b) It is also the policy of the Board to ensure equal opportunity for individuals with a disability in Board programs and activities consistent with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and to provide equal opportunity for all persons in accordance with the Immigration Reform and Control Act of 1986, as amended (8 U.S.C. 1324a).

(c) No person shall be subject to retaliation for opposing any practice prohibited by this part, or for participating in any stage of administrative or judicial proceedings under this part. The practices prohibited by this part include those made unlawful by Title VII, the ADEA, the Equal Pay Act (29 U.S.C. 206(d)) and the Rehabilitation Act (29 U.S.C. 791).

Section 268.202—Board program for equal employment opportunity.

(a) The Board, on the basis of a person's race, color, religion, sex or national origin, shall not:

(1) Fail or refuse to hire or discharge any person, or otherwise discriminate against any person with respect to his or her compensation, terms, conditions or privileges of employment; or

(2) Limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any person of employment opportunities or otherwise adversely affect the person's status as an employee.

(b) (1) The Board, on the basis of a person's age, shall not:

(i) Fail or refuse to hire or discharge any person or otherwise discriminate against any person with respect to his or her compensation, terms, conditions or privileges of employment;

(ii) Limit, segregate or classify its employees or applicants for employment in any way which would deprive or tend to deprive any person of employment opportunities or otherwise adversely affect the person's status as an employee or applicant for employment;

(iii) Reduce the wage rate of any employee in order to comply with paragraph (b) of this section;

(iv) Discriminate against any employee or applicant for employment because such employee or applicant for employment has opposed any practice forbidden under paragraph (b) of this section, or because such employee or applicant for employment has made a charge, testified, assisted or participated in any manner in any investigation, proceeding or litigation involving paragraph (b) of this section or the ADEA; or

(v) Print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the Board indicating any preference, limitation, specification or discrimination.

(2) An aggrieved person filing a complaint of discrimination on the basis of age under this subpart B or section 268.305 of this part must have been at least 40 years of age at the time the alleged discrimination occurred.

(c) The Board shall not discriminate among employees on the basis of sex by paying wages to employees at a rate less than the rate at which it pays wages to employees of the opposite sex for equal work on jobs the performance of which require equal skill, effort and responsibility, and which are performed under similar conditions, except where such payment is made pursuant to:

(1) A seniority system;

(2) A merit system;

(3) A system which measures earnings by quantity or quality or production; or

(4) A differential based on any factor other than sex or otherwise not prohibited by this part.

(d) The Board shall not discriminate against qualified individuals with a disability who are physically or mentally disabled. The Board's program regarding individuals with a disability in employment is fully described in section 268.303 of this part.

(e) The Board has established, maintains and carries out a continuing affirmative program designed to promote equal opportunity and to identify and eliminate discriminatory practices and policies. In support of its program, the Board:

(1) Provides sufficient resources to administer its equal opportunity program to ensure efficient and successful operation;

(2) Provides for the prompt, fair and impartial processing of complaints in accordance with this part, and consistent with guidance proffered by the Commission;

(3) Conducts a continuing campaign to eradicate every form of prejudice or discrimination from the Board's personnel policies, practices and working conditions;

(4) Communicates the Board's equal employment opportunity policy and program, and its employment needs to all sources of job candidates without regard to race, color, religion, sex, national origin, age, or physical or mental disability, and solicits their recruitment assistance on a continuing basis;

(5) Reviews, evaluates and controls managerial and supervisory performance in such a manner as to ensure a continuing affirmative application and vigorous enforcement of the policy of equal employment opportunity, and provides orientation, training and advice to managers and supervisors to assure their understanding and implementation of the Board's equal employment opportunity policy and program;

(6) Takes appropriate disciplinary action against employees who engage in discriminatory practices;

(7) Makes reasonable accommodation to the religious needs of employees and applicants for employment when those accommodations can be made without undue hardship on the operations of the Board;

(8) Makes reasonable accommodation to the known physical or mental limitations of qualified applicants and employees with disabilities unless the accommodation would impose an undue hardship on the operations of the Board;

(9) Reassigns, in accordance with section 268.303(f) of this part, nonprobationary employees who develop physical or mental limitations that prevent them from performing the essential functions of their positions even with reasonable accommodation;

(10) Provides recognition to employees, supervisors, managers and units demonstrating superior accomplishment in equal employment opportunity;

(11) Has established a system for periodically evaluating the effectiveness of the Board's overall equal employment opportunity effort;

(12) Provides the maximum feasible opportunity to employees to enhance their skills through on-the-job training, work-study programs and other training measures so that they may perform at their highest potential and advance in accordance with their abilities;

(13) Informs its employees and applicants for employment of the Board's affirmative equal opportunity policy and program, and enlists the cooperation of Board employees and other proper persons; and

(14) Participates at the community level with other employers, with schools and universities and with other public and private groups in cooperative action to improve employment opportunities and community conditions that affect employability.

(f) In order to implement its program, the Board:

(1) Develops the plans, procedures and regulations necessary to carry out its program;

(2) Appraises its human resources management operations at regular intervals to assure their conformity with the Board's program and this part, consistent with guidance proffered by the Commission;

(3) Assigns equal employment opportunity responsibilities as appropriate to the Administrative Governor and the Staff Director for Management, and designates an EEO Programs Director, EEO Counselors, a Federal Women's Program Manager, a Hispanic Program Coordinator and a Disabled Persons Program Coordinator, and clerical and administrative support, to carry out the functions of this part in all divisions and offices at the Board;

(4) Makes written materials available to all employees and applicants for employment informing them of the variety of equal employment opportunity programs, and administrative and judicial remedial procedures available to them, and prominently posts such written materials in its human resource management and EEO offices, and throughout the workplace;

(5) Ensures that full cooperation is provided by all Board employees to EEO Counselors, Board equal employment opportunity personnel and to investigators in the processing and resolution of pre-complaint matters and complaints filed with the Board, and that cooperation is provided to the Commission in connection with review of Board decisions, including granting the Commission routine access to relevant records of the Board as appropriate and consistent with applicable law, regulations and policies of the Board; and

(6) Publicizes to all employees and posts at all times the names, business telephone numbers and business addresses of the EEO Counselors, a notice of the time limits and necessity of contacting an EEO Counselor before filing a complaint, and the telephone numbers and addresses of the Staff Director

for Management, EEO Programs Director, Federal Women's Program Manager, Hispanic Program Coordinator and Disabled Persons Program Coordinator.

Section 268.203—Complaints of discrimination covered under this part.

(a) Individual and class complaints of employment discrimination and retaliation prohibited by section 268.202(a) (discrimination on the basis of race, color, religion, sex and national origin), section 268.202(b) (discrimination on the basis of age when the aggrieved person is at least 40 years of age), section 268.303(a) (discrimination on the basis of a disability), or section 268.202(c) (sex-based wage discrimination) of this part shall be processed in accordance with this part. Complaints alleging retaliation prohibited under this part are considered to be complaints of discrimination for purposes of this part.

(b) Except as set forth in section 268.304 and in subpart G of this part, this part applies to all Board employees and applicants for employment at the Board, and to all Board personnel policies or practices affecting Board employees or applicants for employment at the Board.

Section 268.204—Pre-complaint processing.

(a) Aggrieved persons who believe they have been discriminated against on the basis of race, color, religion, sex, national origin, age or disability must consult an EEO Counselor prior to filing a complaint in order to try to informally resolve the matter.

(1) An aggrieved person must initiate contact with an EEO Counselor within 45 days of the date of the matter alleged to be discriminatory or, in the case of a personnel action, within 45 days of the date that the action was communicated to the aggrieved person.

(2) The Board shall extend the 45-day time limit in paragraph (a)(1) of this section when the individual shows that he or she was not notified of the time limits and was not otherwise aware of them, that he or she did not know and reasonably should not have known that the discriminatory matter or personnel action occurred, that despite due diligence he or she was prevented by circumstances beyond his or her control from contacting an EEO Counselor within the time limits, or for other reasons considered sufficient by the Board.

(b) At the initial counseling session, EEO Counselors must advise individuals in writing of their rights and responsibilities, including the right to request a hearing after the investigation by the Board, the right to file a notice of intent to sue pursuant to section 268.301 (a) of this part and to file a lawsuit alleging a violation of the ADEA instead of an administrative complaint of age discrimination under this part, the duty to mitigate damages, administrative and court time frames, and that only the matter(s) raised in pre-complaint counseling (or issues like or related to issues raised in pre-complaint counseling) may be alleged in a subsequent complaint filed with the Board. EEO Counselors must advise individuals of their duty to keep the Board informed of their current address, to serve copies of requests for review by the Commission on the Board, and to keep the Commission informed of their current address in connection with any review of a Board action. The notice required by paragraphs (d) and (e) of this section shall include a notice of the right to file a class complaint. If the aggrieved person informs an EEO Counselor that he or she wishes to file a class complaint, the EEO Counselor shall explain the class complaint procedures and the responsibilities of the agent of the class.

(c) EEO Counselors shall conduct counseling activities in accordance with instructions promulgated by the EEO Programs Director, which shall be consistent with the counseling guidelines contained in the Commission's "EEO Management Directives For 29 C.F.R. Part 1614". When advised that a complaint has been filed by an aggrieved person, the EEO Counselor shall submit a written report within 15 calendar days to the EEO Programs Director and to the aggrieved person concerning the issues discussed and actions taken during counseling.

(d) Unless the aggrieved person agrees to a longer counseling period under paragraph (e) of this section, the EEO Counselor shall conduct the final interview with the aggrieved person within 30 days of the date the aggrieved person brought the matter to the EEO Counselor's attention. If the matter has not been resolved, the aggrieved person shall be informed in writing by the EEO Counselor, not later than the 30th day after contacting the EEO Counselor, of the right to file a discrimination complaint with the Board. This notice shall inform the complainant of the right to file a discrimination complaint within 15 calendar days of receipt of the notice, of the appropriate official with whom to file a complaint and of the complainant's duty to assure that the EEO Programs Director is informed immediately if the complainant retains counsel or a representative.

(e) Prior to the end of the 30-day period, the aggrieved person may agree in writing with the Board to postpone the final interview and extend the counseling period for an additional period of no more than 60 days. If the matter has not been resolved before the

conclusion of the agreed extension, the notice described in paragraph (d) of this section shall be issued.
(f) In the event the aggrieved person believes that he/she has been discriminated against and agrees to participate in an established Board alternative dispute resolution procedure, the pre-complaint processing period of this section will be 90 days. If the matter has not been resolved before the 90th day, the notice described in paragraph (d) of this section shall then be issued.
(g) The EEO Counselor shall not attempt in any way to restrain the aggrieved person from filing a complaint. The EEO Counselor shall not reveal the identity of an aggrieved person who consulted the EEO Counselor, except when authorized to do so by the aggrieved person, or until the Board has received a discrimination complaint under this part from that person involving the same matter.

Section 268.205—Individual complaints.

(a) A complaint alleging that the Board discriminated against the complainant must be filed with the Board.
(b) A complaint must be filed within 15 calendar days of receipt of the notice required by sections 268.204(d), (e) or (f) of this part.
(c) A complaint must contain a signed statement from the person claiming to be aggrieved or that person's attorney. This statement must be sufficiently precise to identify the aggrieved person and to describe generally the action(s) or practice(s) that form the basis of the complaint. The complaint must also contain a telephone number and address where the complainant or the complainant's representative can be contacted.
(d) The EEO Programs Director shall acknowledge receipt of a complaint in writing and inform the complainant of the date on which the complaint was filed. Such acknowledgement shall also advise the complainant that:

(1) The complainant has the right to file a request for review with the Commission with regard to the Board's final decision or dismissal of all or a portion of a complaint; and
(2) The Board is required to conduct a complete and fair investigation of the complaint within 180 days of the filing of the complaint unless the parties agree in writing to extend the period.

Section 268.206—Dismissals of complaints.

(a) The Board shall dismiss a complaint or a portion of a complaint:

(1) That fails to state a claim under sections 268.203 and 268.205(c) of this part, or states the same claim that is pending before or has been decided by the Board or the Commission;
(2) That fails to comply with the applicable time limits contained in sections 268.204, 268.205(b) and 268.305(b) of this part, unless the Board extends the time limits in accordance with section 268.604(c) of this part, or that raises a matter that has not been brought to the attention of an EEO Counselor and is not like or related to a matter that has been brought to the attention of an EEO Counselor;
(3) That is the basis of a pending civil action in a United States District Court in which the complainant is a party, provided that at least 180 days have passed since the filing of the administrative complaint, or that was the basis of a civil action decided by a United States District Court in which the complainant was a party;
(4) That is moot or alleges that a proposal to take a personnel action, or other preliminary step to taking a personnel action, is discriminatory;
(5) Where the complainant cannot be located, provided that reasonable efforts have been made to locate the complainant and the complainant has not responded within 15 calendar days to a notice of proposed dismissal sent to his or her last known address;
(6) Where the Board has provided the complainant with a written request to provide relevant information or otherwise proceed with the complaint, and the complainant has failed to respond to the request within 15 calendar days of its receipt or the complainant's response does not address the Board's request, provided that the request included a notice of the proposed dismissal. Instead of dismissing for failure to cooperate, the complaint may be adjudicated if sufficient information for that purpose is available; or
(7) If, prior to the issuance of the notice required by section 268.207(f) of this part, the complainant refuses within 30 days of receipt of an offer of settlement to accept the Board's offer of full relief containing a certification from the Board's Staff Director for Management, the General Counsel or a designee reporting directly to the Staff Director for Management or General Counsel (after consulting with the EEO Programs Director) that the offer constitutes full relief, provided that the offer gave notice that failure to accept would result in dismissal of the complaint. An offer of full relief under this paragraph (a)(7) is the appropriate relief in section 268.501 of this part.

(b) The Board shall inform the complainant of the right to file a request for review with the Commission with regard to the dismissal of the individual complaint pursuant to section 268.401 of this part, or to file a civil action. A copy of EEOC Form 573, Notice of Appeal/Petition, shall be attached to the Board's decision to dismiss an individual complaint under this section.

Section 268.207—Investigation of complaints.

(a) The investigation of individual complaints shall be conducted by an investigator appointed by the EEO Programs Director.

(b) Consistent with guidance proffered by the Commission, the Board, through the EEO Programs Director, shall develop a complete and impartial factual record upon which to make findings on the matters raised by the written complaint. The investigator may use an exchange of letters or memoranda, interrogatories, investigations, fact-finding conferences or any other fact-finding methods that efficiently and thoroughly address the matters at issue. The EEO Programs Director may incorporate alternative dispute resolution techniques into the investigation in order to promote early resolution of complaints.

(c) The procedures in paragraphs (c)(1) through (4) of this section apply to the investigation of complaints:

(1) The complainant, the Board and any employee of the Board shall produce such documentary and testimonial evidence as the investigator deems necessary, consistent with applicable laws, regulations and policies of the Board.

(2) The investigator may administer oaths. Statements of witnesses shall be made under oath or affirmation or, alternatively, by written statement under penalty of perjury.

(3) When the complainant, or the Board or its employees, fail without good cause shown to respond fully and in timely fashion to requests for documents, records, comparative data, statistics, affidavits or the attendance of witness(es), the investigator may note in the investigative record that the Board when rendering a final decision should, or the Commission on review may, in appropriate circumstances:

(i) Draw an adverse inference that the requested information, or the testimony of the requested witness, would have reflected unfavorably on the party refusing to provide the requested information;

(ii) Consider the matters to which the requested information or testimony pertains to be established in favor of the opposing party;

(iii) Exclude other evidence offered by the party failing to produce the requested information or witness;

(iv) Issue a decision fully or partially in favor of the opposing party; or

(v) Take such other actions as it deems appropriate.

(4) If documentary or testimonial evidence is needed by the investigator, and such documentary evidence is known to be contained in the files of another federal agency, or the testimony of an employee of another federal agency is needed, the EEO Programs Director shall, if necessary, contact the Commission for assistance in obtaining such documentary or testimonial evidence.

(d) The investigation shall be conducted by an investigator with appropriate security clearances.

(e) The Board shall complete its investigation within 180 days of the date of the filing of an individual complaint or within the time period contained in the determination of the Commission on review of a dismissal pursuant to section 268.206 of this part. By written agreement within those time periods, the complainant and the Board may voluntarily extend the time period for not more than an additional 90 days. The Board may unilaterally extend the time period or any period of extension for not more than 30 days where it must sanitize a complaint file that may contain confidential information of the Board under 12 C.F.R. Part 261, or other privileged information of the Board, provided the Board notifies the complainant of the extension.

(f) Within 180 days from the filing of the complaint, within the time period contained in a determination of the Commission's Office of Federal Operations on review of a dismissal, or within any period of extension provided for in paragraph (e) of this section, the Board shall notify the complainant that the investigation has been completed, shall provide the complainant with a copy of the investigative file, and shall notify the complainant that, within 30 days of the receipt of the investigative file, the complainant has the right to request a hearing before an administrative judge from the Commission or may receive an immediate final decision pursuant to section 268.209 of this part from the Board. In the absence of the required notice, the complainant may request a hearing under section 268.208 of this part at any time after 180 days has elapsed from the filing of the complaint.

Section 268.208—Hearings.

(a) *Requests.* When a complainant requests a hearing, the EEO Programs Director shall request the Commission to appoint an administrative judge to conduct a hearing in accordance with this section. Any hearing will be conducted by an administrative judge or hearing examiner with appropriate security clearances. Where the administrative judge determines that the complainant is raising or intends to pursue issues like or related to those raised in the complaint, but which the Board has not had an opportunity to address, the administrative judge shall remand any such issue for counseling in accordance with section 268.204 of this part or for such other processing as may be ordered by the administrative judge.

(b) *Discovery*. The administrative judge shall notify the parties of the right to seek discovery prior to the hearing and may issue such discovery orders as are appropriate. Unless the parties agree in writing concerning the methods and scope of discovery, the party seeking discovery shall request authorization from the administrative judge prior to commencing discovery. Both parties are entitled to reasonable development of evidence on matters relevant to the issues raised in the complaint, but the administrative judge may reasonably limit the quantity and timing of discovery. Evidence may be developed through interrogatories, depositions, and requests for admissions, stipulations or production of documents. It shall be grounds for objection to producing evidence that the information sought by either party is irrelevant, overburdensome, repetitious, privileged, or that production would be unlawful.

(c) *Conduct of hearing*. The Board shall provide for the attendance at a hearing of all Board employees approved as witnesses by an administrative judge. Attendance at hearings will be limited to persons determined by the administrative judge to have direct knowledge relating to the complaint. Hearings are part of the investigative process and are thus closed to the public. The administrative judge shall have the power to regulate the conduct of a hearing, limit the number of witnesses where testimony would be repetitious, and exclude any person from the hearing for contumacious conduct or misbehavior that obstructs the hearing. The administrative judge shall receive into evidence information or documents relevant to the complaint. Rules of evidence shall not be applied strictly, but the administrative judge shall exclude irrelevant or repetitious evidence. The administrative judge or the Commission may refer to the Disciplinary Committee of the appropriate Bar Association any attorney or, upon reasonable notice and an opportunity to be heard, suspend or disqualify from representing complainants or agencies in hearings raising claims of discrimination any representative who refuses to follow the orders of an administrative judge, or who otherwise engages in improper conduct. The Board in such circumstances may take whatever action it deems appropriate to suspend or disqualify any such attorney or representative from appearing or practicing before the Board.

(d) *Evidentiary procedures*. The procedures in paragraphs (d)(1) through (3) of this section apply to hearings of complaints:

(1) The complainant, the Board and any employee of the Board shall produce such documentary and testimonial evidence as the administrative judge deems necessary, consistent with applicable laws, regulations and policies of the Board. If documentary or testimonial evidence is needed for the hearing, and such documentary evidence is known to be contained in the files of another federal agency, or if the testimony of an employee of another federal agency is needed, then the administrative judge may seek assistance from appropriate sources in obtaining such documentary or testimonial evidence for the hearing.

(2) Administrative judges are authorized to administer oaths. Statements of witnesses shall be made under oath or affirmation or, alternatively, by written statement under penalty of perjury.

(3) When the complainant, or the Board or its employees fail without good cause shown to respond fully and in timely fashion to requests for documents, records, comparative data, statistics, affidavits, or the attendance of witness(es), the administrative judge may, in appropriate circumstances:

(i) Draw an adverse inference that the requested information, or the testimony of the requested witness, would have reflected unfavorably on the party refusing to provide the requested information;

(ii) Consider the matters to which the requested information or testimony pertains to be established in favor of the opposing party;

(iii) Exclude other evidence offered by the party failing to produce the requested information or witness;

(iv) Issue a finding fully or partially in favor of the opposing party; or

(v) Take such other actions as appropriate.

(e) *Findings and conclusions without hearing*. (1) If a party believes that some or all material facts are not in genuine dispute and there is no genuine issue as to credibility, the party may, at least 15 calendar days prior to the date of the hearing or at such earlier time as required by the administrative judge, file a statement with the administrative judge prior to the hearing setting forth the fact or facts and referring to the parts of the record relied on to support the statement. The statement must demonstrate that there is no genuine issue as to any such material fact. The party shall serve the statement on the opposing party.

(2) The opposing party may file an opposition within 15 calendar days of receipt of the statement in

paragraph (e)(1) of this section. The opposition may refer to the record in the case to rebut the statement that a fact is not in dispute or may file an affidavit stating that the party cannot, for reasons stated, present facts to oppose the request. After considering the submissions, the administrative judge may order that discovery be permitted on the fact or facts involved, limit the hearing to the issues remaining in dispute, issue findings and conclusions without a hearing or make such other ruling as is appropriate.

(3) If the administrative judge determines upon his or her own initiative that some or all facts are not in genuine dispute, he or she may, after giving notice to the parties and providing them an opportunity to respond in writing within 15 calendar days, issue an order limiting the scope of the hearing or issue findings and conclusions without holding a hearing.

(f) *Record of hearing.* The hearing shall be recorded and the Board shall arrange and pay for verbatim transcripts. All documents submitted to, and accepted by, the administrative judge at the hearing shall be made part of the record of the hearing. If the Board submits a document that is accepted, it shall furnish a copy of the document to the complainant. If the complainant submits a document that is accepted, the administrative judge shall make the document available to the Board's representative for reproduction.

(g) *Findings and conclusions.* Unless the administrative judge makes a written determination that good cause exists for extending the time for issuing findings of fact and conclusions of law, within 180 days of a request for a hearing being received by the Commission, an administrative judge shall issue findings of fact and conclusions of law on the merits of the complaint, and shall order appropriate relief where discrimination is found with regard to the matter that gave rise to the complaint. The administrative judge shall send copies of the entire record, including the transcript, and the findings and conclusions to the parties by certified mail, return receipt requested. Within 60 days of receipt of the findings and conclusions, the Board may reject or modify the findings and conclusions or the relief ordered by the administrative judge and issue a final decision in accordance with section 268.209 of this part. If the Board does not, within 60 days of receipt of the findings and conclusions, accept, reject or modify the findings and conclusions of the administrative judge, then the findings and conclusions of the administrative judge and the relief ordered shall become the final decision of the Board and the Board shall notify the complainant of the final decision in accordance with section 268.209 of this part.

Section 268.209—Final decisions.

(a) The EEO Programs Director shall notify the Board of Governors when a complaint is ripe for decision under this section. At the request of any member of the Board of Governors made within 3 business days of such notice, the Board of Governors shall make the decision on the complaint. If no such request is made, the Administrative Governor, or the Staff Director for Management if he or she is delegated the authority to do so under section 268.103(a)(2) of this part, shall make the decision on the complaint.

(b) The Board shall issue a final decision:

(1) Within 60 days of receiving notification that a complainant has requested an immediate decision in accordance with section 268.207(f) of this part;

(2) Within 60 days of the end of the 30-day period for the complainant to request a hearing or an immediate final decision where the complainant has not requested either a hearing or a final decision as provided by section 268.207(f) of this part;

(3) Within 60 days of receiving the findings and conclusions of an administrative judge under section 268.208(g) of this part;

(4) Within 30 days of receiving the written recommendation of an administrative judge to accept or reject the class complaint pursuant to section 268.305(c)(7) of this part;

(5) If it decides to vacate an agreement of resolution upon the selection of a member of the class pursuant to section 268.305(f)(4) of this part;

(6) Within 60 days of receiving findings and recommendations of an administrative judge following a class action hearing pursuant to the procedures stated under section 268.305(i) of this part;

(7) Within 90 days of receipt of a written claim by a class member pursuant to section 268.305(k)(3) of this part; or

(8) Within 30 days of receiving the EEOC decision pursuant to section 268.405(c) of this part.

(c) The final decision of the Board shall consist of findings by the Board on the merits of each issue in the complaint, or following review by the Commission, the reason or reasons for acceptance, modification or rejection of each finding in an EEOC decision. When discrimination is found and indicated in the final decision, appropriate remedies and relief in accordance with subpart E of this part will be addressed in the final decision.

(d) The final decision shall contain information regarding the right to file a request for review with the Commission of final decisions pursuant to paragraphs (b)(1) through (7) of this section and the procedures for filing a request for review with the Commission, the right to file a civil action in a United States District

Court, including the name of the proper defendant in any such lawsuit, and the applicable time limits for reviews and lawsuits. A copy of EEOC Form 573, Notice of Appeal/Petition, shall be attached to the final decision pursuant to paragraphs (b)(1) through (7) of this section.

Subpart C—Provisions Applicable to Particular Complaints

Section 268.301—Age Discrimination in Employment Act.

(a) As an alterative to filing a complaint of discrimination on the basis of age under this part, an aggrieved person may file a civil action in a United States District Court against the Board of Governors. The aggrieved person must give notice of his or her intent to file such action with the Commission, with a copy to the Board's EEO Programs Director, not less than 30 days prior to filing such civil action. The notice must be filed in writing with the Commission: Federal Sector Programs, Equal Employment Opportunity Commission, 1801 L Street, NW, Washington, DC 20507, within 180 days of the occurrence of the alleged unlawful practice.

(b) The Commission may exempt a position from the provisions of the ADEA if the Commission establishes a maximum age requirement for the position on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. The Board may adopt a Commission exemption for inclusion under this section.

(c) When an aggrieved person has filed a complaint under section 268.205 or section 268.305 of this part alleging age discrimination, administrative remedies will be considered to be exhausted for purposes of filing, a civil action:

(1) 180 days after the filing of an individual complaint if the Board has not issued a final decision and the complainant has not filed a request for review by the Commission, or 180 days after the filing of a class complaint if the Board has not issued a final decision;

(2) After the issuance of a final decision under section 268.209 of this part on an individual or class complaint if the individual has not filed a request for review with the Commission; or

(3) After the issuance of a final decision under section 268.209(a)(8) following an EEOC decision under section 268.405 of this part, or 180 days after the filing of a request for review under subpart D of this part if the Commission has not issued an EEOC decision.

Section 268.302—Equal Pay Act.

(a) Any employee who believes he or she has received unequal pay due to discrimination based on sex may seek recovery of withheld wages by filing a complaint of discrimination under subpart B of this part, if a complaint of individual discrimination, or under section 268.305 of this part if a class action, except that civil actions shall be filed pursuant to paragraph (b) of this section.

(b) A complainant, agent of the class or individual class claimant under this section may file a civil action against the Board pursuant to section 268.506 of this part in a United States District Court should the complainant, agent of the class or individual class claimant believe he or she has been denied equal pay.

(c) The Board shall preserve any records that are made in the regular course of business which relate to the payment of wages, wage rates, job evaluations, job descriptions, merit systems, seniority systems, description of practices, or other matters which describe or explain the basis for payment of any wage differential to employees of the opposite sex, and which may be pertinent to the determination of whether such differential is based on a factor other than sex. Such records are to be kept for at least 3 years.

(d) Wages withheld in violation of section 268.202(c) of this part have the status of unpaid minimum wage or unpaid overtime compensation.

Section 268.303—Rehabilitation Act.

(a) *General policy.* The Board shall give full consideration to the hiring, placement and advancement of qualified individuals with a disability who are physically or mentally disabled. The Board shall be a model employer of individuals with a disability. The Board shall not discriminate against individuals with a disability who are physically or mentally disabled.

(b) *Reasonable accommodation.* (1) The Board shall make reasonable accommodation to the known physical or mental limitations of an employee or applicant for employment who is a qualified individual with a disability unless the Board can demonstrate that the accommodation would impose an undue hardship on its operations.

(2) Reasonable accommodation may include, but shall not be limited to:

(i) Making facilities readily accessible to and usable by individuals with a disability; and

(ii) Job restructuring, part-time or modified work schedules, acquisition or modification of equipment or devices, appropriate adjustment or modification of examinations, the provision of readers and interpreters, and other similar actions.

(3) In determining whether, pursuant to paragraph (b)(1) of this section, an accommodation would impose an undue hardship on the operation of the Board, factors to be considered include:

(i) The overall size of the Board's operations with respect to the number of employees, number and type of facilities and size of budget;

(ii) The type of Board operation, including the composition and structure of the Board's work force; and

(iii) The nature and the cost of the accommodation.

(c) *Employment criteria.* (1) The Board shall not make use of any employment test or other selection criterion that screens out or tends to screen out qualified individuals with a disability or any class of individuals with a disability unless:

(i) The test score or other selection criterion is job-related for the position in question and consistent with business necessity; and

(ii) There are no available alterative job-related tests that do not screen out or tend to screen out as many individuals with a disability.

(2) The Board shall select and administer tests concerning employment so as to ensure that, when administered to an employee or applicant for employment who has a disability that impairs sensory, manual, or speaking skills, the test results accurately reflect the employee's or applicant's ability to perform the position or type of position in question rather than reflecting the employee's or applicant's impaired sensory, manual, or speaking skill (except where those skills are the factors that the test purports to measure).

(d) *Pre-employment inquiries.* (1) Except as provided in paragraphs (d)(2) and (3) of this section, the Board shall not conduct a pre-employment medical examination and shall not make pre-employment inquiry of an applicant as to whether the applicant is an individual with a disability or as to the nature or severity of a disability. The Board may, however, make pre-employment inquiry into an applicant's ability to meet the essential functions of the job, or the medical qualification requirements if applicable, with or without reasonable accommodation, of the position in question, *i.e.*, the minimum abilities necessary for safe and efficient performance of the duties of the position in question.

(2) Nothing in this section shall prohibit the Board from conditioning an offer of employment on the results of a medical examination conducted prior to the employee's entrance on duty, provided that:

(i) All entering employees are subjected to such an examination regardless of disability or when the pre-employment medical questionnaire used for positions that do not routinely require medical examination indicates a condition for which further examination is required because of the job-related nature of the condition; and

(ii) The results of such an examination are used only in accordance with the requirements of this part.

(3) Nothing in this section shall be construed to prohibit the gathering of pre-employment medical information for the purpose of hiring individuals with a disability.

(4) To enable and evaluate affirmative action to hire, place or advance individuals with a disability, the Board may invite employees and applicants for employment to indicate whether and to what extent they are disabled, if:

(i) The Board states clearly on any written questionnaire used for this purpose or makes clear orally if no written questionnaire is used, that the information requested is intended for use solely in conjunction with affirmative action; and

(ii) The Board states clearly that the information is being requested on a voluntary basis, that refusal to provide it will not subject the employee or applicant for employment to any adverse treatment, and that it will be used only in accordance with this part.

(5) Information obtained in accordance with this section as to the medical condition or history of the employee or applicant for employment shall be kept confidential except that:

(i) Managers, selecting officials, and others involved in the selection process or responsible for affirmative action may be informed that the employee or applicant for employment is an individual with a disability;

(ii) Supervisors and managers may be informed regarding necessary accommodations;

(iii) First aid and safety personnel may be informed, where appropriate, if the condition might require emergency treatment;

(iv) Government officials investigating compliance with laws, regulations, and instructions relevant to equal employment opportunity and affirmative action for individuals with a disability shall be provided information upon request; and

(v) Statistics generated from information obtained may be used to manage, evaluate, and report on equal employment opportunity and affirmative action programs.

(e) *Physical access to buildings.* (1) The Board shall not discriminate against employees or applicants for employment who are qualified individuals with a disability due to the inaccessibility of its facility.

(2) It shall be the policy of the Board to comply with

the provisions of the Rehabilitation Act, the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*) and the Americans With Disabilities Act of 1990 (42 U.S.C. 12183 and 12204).

(f) *Reassignment.* When a nonprobationary employee becomes unable to perform the essential functions of his or her position even with reasonable accommodation due to a disability, the Board shall offer to reassign the individual to a funded vacant position at the same grade level, the essential functions of which the employee would be able to perform with reasonable accommodation if necessary unless the reassignment would impose an undue hardship on the operation of the Board. In the absence of a position at the same grade level, an offer of reassignment to a vacant position at the highest available grade level below the employee's current grade level shall be made, but availability of such a vacancy shall not affect the employee's entitlement, if any, to disability retirement pursuant to any retirement plan in which the employee is enrolled. If the Board has already posted a notice or announcement seeking applications for a specific vacant position at the time the Board has determined that the nonprobationary employee is unable to perform the essential functions of his or her position even with reasonable accommodation, then the Board does not have an obligation under this section to offer to reassign the individual to that position, but the Board shall consider the individual on an equal basis with those who applied for the position.

(g) *Exclusion from definition of "individual with a disability"*:

(1) *Illegal use of drugs.* (i) The term "individual with a disability" shall not include an individual who is currently engaging in the illegal use of drugs, when the Board acts on the basis of such use. The term "drug" means a controlled substance, as defined in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. 812). The term "illegal use of drugs" means the use of drugs, the possession or distribution of which is unlawful under the Controlled Substances Act, but does not include the use of a drug taken under supervision by a licensed health care professional, or other uses authorized by the Controlled Substances Act or other provisions of federal law. This exclusion, however, does not exclude an individual with a disability who:

(A) Has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of drugs, or has otherwise been rehabilitated successfully and is no longer engaging in such use;

(B) Is participating in a supervised rehabilitation program and is no longer engaging in such use; or

(C) Is erroneously regarded as engaging in such use, but is not engaging in such use.

(ii) Except that the Board may adopt and administer reasonable policies or procedures, including but not limited to drug testing, designed to ensure that an individual described in paragraphs (g)(1)(i) (A) and (B) of this section is no longer engaging in the illegal use of drugs.

(2) *Alcoholism.* The term "individual with a disability" does not include an employee who is an alcoholic whose current use of alcohol prevents the employee from performing the duties of his or her job, or whose employment by reason of such current alcohol use, would constitute a direct threat to the property or safety of others. In this regard, alcoholics shall meet the same performance and conduct standards to which all other Board employees must satisfy, even if an unsatisfactory performance is related to the alcoholism of the employee.

(3) *Infectious and communicable diseases.* If an individual with a disability has one of the listed diseases as determined by the Secretary of Health and Human Services under the Americans with Disabilities Act (42 U.S.C. 12113 (d)(1)) and works in or applies for a position at the Board in food handling, the Board will seek reasonable accommodation under paragraph (b) of this section to eliminate the risk of transmitting the disease through the handling of food. If the individual with a disability is a nonprobationary employee and a reasonable accommodation cannot be made, the provisions contained in paragraph (f) of this section shall apply.

Section 268.304—Employment of noncitizens.

(a) *Definitions.* The definitions contained in this paragraph (a) shall apply only to this section.

(1) *Intending citizen* means a citizen or national of the United States, or a noncitizen who:

(i) Is a protected individual as defined in 8 U.S.C. 1324b(a)(3); and

(ii) Has evidenced an intention to become a United States citizen.

(2) *Noncitizen* means any person who is not a citizen of the United States.

(3) *Sensitive information* means:

(i) (A) Information that is classified for national security purposes under Executive Order No. 10450 (3 C.F.R., 1949-1953 Comp., p. 936), including any amendments or superseding orders that the President of the United States may issue from time to time;

(B) Information that consists of confidential supervisory information of the Board, as defined in 12 C.F.R. 261.2(b); or

(C) Information the disclosure or premature disclosure of which to unauthorized persons may be reasonably likely to impair the formulation or implementation of monetary policy, or cause unnecessary or unwarranted disturbances in securities or other financial markets, such that access to such information must be limited to persons who are loyal to the United States.

(ii) For purposes of paragraph (a)(3)(i)(C) of this section, information may not be deemed sensitive information merely because it would be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552), but sensitive information must be information the unauthorized disclosure or premature disclosure of which may be reasonably likely to impair important functions or operations of the Board.

(4) *Sensitive position* means any position of employment in which the employee will be required to have access to sensitive information.

(b) *Prohibitions* —(1) *Unauthorized aliens.* The Board shall not hire any person unless that person is able to satisfy the requirements of Section 101 of the Immigration Reform and Control Act of 1986.

(2) *Employment in sensitive positions.* The Board shall not hire any person to a sensitive position unless such person is a citizen of the United States or, if a noncitizen, is an intending citizen.

(3) *Preference.* Consistent with the Immigration Reform and Control Act of 1986, and other applicable law, applicants for employment at the Board who are citizens of the United States shall be preferred over equally qualified applicants who are not United States citizens.

(c) *Exception.* The prohibition of paragraph (b)(2) of this section does not apply to hiring for positions for which a security clearance is required under Executive Order No. 10450, including any subsequent amendments or superseding orders that the President of the United States may issue from time to time, where the noncitizen either has or can obtain the necessary security clearance. Any offer of employment authorized by this paragraph (c) shall be contingent upon receipt of the required security clearance in the manner prescribed by law.

(d) *Applicability.* This section applies to employment in all positions at the Board and to employment by Federal Reserve Banks of examiners who must be appointed, or selected and approved by the Board pursuant to 12 U.S.C. 325, 326, 338, or 625.

Section 268.305—Class complaints.

(a) *Pre-complaint processing.* An employee or applicant for employment who wishes to file a class complaint must seek counseling and be counseled in accordance with the procedures under section 268.204 of this part.

(b) *Filing and presentation of a class complaint.* (1) A class complaint must be signed by the agent of the class or representative, and must identify the personnel policy or practice adversely affecting the class as well as the specific action or matter affecting the agent of the class.

(2) The complaint must be filed with the Board not later than 15 calendar days after the agent of the class receives a notice from the EEO Counselor of the right to file a class complaint.

(3) The complaint shall be processed promptly by the Board, and the parties shall cooperate and shall proceed at all times without undue delay.

(c) *Acceptance or dismissal.* (1) Within 30 days of the Board's receipt of a class complaint, the Board shall designate a representative who shall monitor the class complaint on behalf of the Board and who shall be one of the individuals referenced in section 268.202(e)(3) of this part, and forward the class complaint, along with a copy of the EEO Counselor's report and any other information pertaining to timeliness or other relevant circumstances related to the class complaint, to the Commission's Office of Federal Operations. The Commission shall assign the class complaint to an administrative judge or complaints examiner who shall, if required, have a proper security clearance. The administrative judge may require the agent of the class or the Board to submit additional information relevant to the complaint.

(2) The administrative judge may recommend that the Board dismiss the class complaint, or any portion, for any of the reasons listed in section 268.206 of this part, or because it does not meet the prerequisites of a class complaint under section 268.102(g) of this part.

(3) If an allegation of discrimination in the class complaint is not included in the EEO Counselor's report, the administrative judge shall afford the agent of the class 15 calendar days to state whether the matter was discussed with the EEO Counselor and, if not, explain why it was not discussed. If the explanation is not satisfactory, the administrative judge shall recommend that the Board dismiss the allegation under section 268.206 of this part. If the explanation is satisfactory, the administrative judge shall refer the allegation to the Board for further counseling by an EEO Counselor with the agent of

the class. After counseling, the allegation shall be consolidated with the class complaint.

(4) If an allegation of discrimination in the class complaint lacks specificity and detail, the administrative judge shall afford the agent of the class 15 calendar days to provide specific and detailed information. The administrative judge shall recommend that the Board dismiss the class complaint if the agent of the class fails to provide such information within the specified time period. If the information provided contains new allegations outside the scope of the complaint, the administrative judge shall advise the agent of the class how to proceed on an individual or class basis concerning these allegations.

(5) The administrative judge shall recommend that the Board extend the time limits for filing a class complaint and for consulting with an EEO Counselor in accordance with the time limit extension provisions contained in sections 268.204(a)(2) and 268.604 of this part.

(6) When appropriate, the administrative judge may recommend that a class be divided into subclasses and that each subclass be treated as a class, and the provisions of this section shall then be construed and applied accordingly.

(7) The administrative judge's written recommendation to the Board on whether to accept or dismiss a class complaint and the complaint file shall be transmitted to the Board, and notification of that transmittal shall be sent to the agent of the class. The administrative judge's recommendation to accept or dismiss shall become the Board's decision unless the Board accepts, rejects or modifies the recommended decision within 30 days of the receipt of the recommended decision and complaint file pursuant to section 268.209 of this part. The Board shall notify the agent of the class by certified mail, return receipt requested, and the administrative judge of its decision to accept or dismiss a class complaint. At the same time, the Board shall forward to the agent of the class copies of the administrative judge's recommendation and the complaint file. The dismissal of a class complaint shall inform the agent of the class either that the class complaint is being filed on that date as an individual complaint of discrimination and will be processed under subpart B of this part, or that the class complaint is also dismissed as an individual complaint in accordance with section 268.206 of this part. In addition, it shall inform the agent of the class of the right to file a request for review of the dismissal of the class complaint with the Commission pursuant to section 268.401 of this part, or to file a civil action. A copy of EEOC Form 573, Notice of Appeal/Petition, shall be attached to the Board's decision to dismiss a class complaint pursuant to section 268.209(b)(4) of this part.

(d) *Notification.* (1) Within 15 calendar days of accepting a class complaint, the Board shall use reasonable means, such as delivery, mailing to last known address or distribution, to notify all class members of the acceptance of the class complaint.

(2) Such notice shall contain:

(i) The date of acceptance of the class complaint by the Board;

(ii) A description of the issues accepted as part of the class complaint;

(iii) An explanation of the binding nature of the Board's dismissal, final decision or resolution of the class complaint on class members; and

(iv) The name, address and telephone number of the agent of the class or, if represented, the representative.

(e) *Obtaining evidence concerning the complaint.*

(1) Upon the acceptance of a class complaint by the Board, the administrative judge shall notify the agent of the class and the Board's representative of the time period that will be allowed both parties to prepare their case. This time period will include at least 60 days and may be extended by the administrative judge upon the request of either party. Both parties are entitled to reasonable development of evidence on matters relevant to the issues raised in the class complaint. Evidence may be developed through interrogatories, depositions, and requests for admissions, stipulations or production of documents. It shall be grounds for objection to producing evidence that the information sought by either party is irrelevant, overburdensome, repetitious, privileged, or that production would be unlawful.

(2) If mutual cooperation fails, either party may request the administrative judge to rule on a request to develop evidence. If a party fails without good cause shown to respond fully and in timely fashion to a request made or approved by the administrative judge for documents, records, comparative data, statistics or affidavits, and the information is solely in the control of one party, such failure may, in appropriate circumstances, cause the administrative judge:

(i) To draw an adverse inference that the requested information would have reflected unfavorably on the party refusing to provide the requested information;

(ii) To consider the matters to which the requested information pertains to be established in favor of the opposing party;

(iii) To exclude other evidence offered by the party failing to produce the requested information;

(iv) To recommend that a decision be entered in favor of the opposing party; or

(v) To take such other actions as the administrative judge deems appropriate.

(3) During the period for development of evidence, the administrative judge may, in his or her discretion, direct that an investigation of facts relevant to the class complaint or any portion be conducted.

(4) Both parties shall furnish to the administrative judge copies of all materials that they wish to be examined and such other material as may be requested.

(f) *Opportunity for resolution of the class complaint.* (1) The administrative judge shall furnish the agent of the class and the Board's representative a copy of all materials obtained concerning the class complaint and provide opportunity for the agent of the class to discuss the materials with the Board's representative and to attempt resolution of the class complaint.

(2) The class complaint may be resolved by agreement of the Board and the agent of the class at any time as long as the agreement is fair and reasonable.

(3) If the class complaint is resolved, the terms of the resolution shall be reduced to writing and signed by the agent of the class and the Board.

(4) Notice of the agreement of resolution shall be given to all class members in the same manner as notification of the acceptance of the class complaint and shall state the relief, if any, to be granted by the Board. An agreement of resolution shall bind all members of the class. Within 30 days of the date of the notice of the agreement of resolution, any member of the class may petition the Commission to vacate the agreement of resolution because it benefits only the agent of the class or is otherwise not fair and reasonable. Such a petition will be processed in accordance with paragraph (c) of this section and if the administrative judge finds that the agreement of resolution is not fair and reasonable, he or she shall recommend that the agreement of resolution be vacated and that the original agent of the class be replaced by the petitioner or some other class member who is eligible to be the agent of the class during further processing of the class complaint. The Board may determine, with respect to the petition, that the agreement of resolution is not fair and reasonable, which vacates any agreement between the former agent of the class and the Board. The Board's decision to vacate the agreement of resolution shall be communicated to the former agent of the class and to the petitioner, and shall inform them of their right to file a request for review with the Commission under section 268.401 of this part. A copy of EEOC Form 573, Notice of Appeal/Petition, shall be attached to the Board's decision pursuant to section 268.209(b)(5) of this part.

(g) *Hearing.* On expiration of the period allowed for preparation of the case, the administrative judge shall set a date for a hearing. The hearing shall be conducted in accordance with sections 268.208(a) through (f) of this part.

(h) *Report of findings and recommendations.* (1) The administrative judge shall transmit to the Board a report of findings and recommendations on the class complaint, including a recommended decision, systemic relief for the class and any individual relief, where appropriate, with regard to the personnel policy or practice that gave rise to the class complaint.

(2) If the administrative judge finds no class relief appropriate, he or she shall determine if a finding of individual discrimination is warranted and, if so, shall recommend appropriate relief.

(3) The administrative judge shall notify the Board of the date on which the report of findings and recommendations was forwarded to the Board.

(i) *Board decision.* (1) Within 60 days of receipt of the report of findings and recommendations issued under section 268.305(h) of this part, the Board shall issue a final decision pursuant to section 268.209 of this part, which shall accept, reject, or modify the findings and recommendations of the administrative judge.

(2) The final decision of the Board shall be in writing and shall be transmitted to the agent of the class by certified mail, return receipt requested, along with a copy of the report of findings and recommendations of the administrative judge.

(3) When the Board's final decision is to reject or modify the findings and recommendations of the administrative judge, the Board's final decision shall contain specific reasons for the Board's final decision.

(4) If the Board has not issued a final decision within 60 days of its receipt of the administrative judge's report of findings and recommendations, those findings and recommendations of the administrative judge shall become the Board's final decision. The Board shall transmit the final decision to the agent of the class within 5 calendar days of the expiration of the 60-day period.

(5) The final decision of the Board shall require any relief authorized by law and determined to be necessary or desirable to resolve the issue of discrimination.

(6) The final decision of the Board shall, subject to subpart E of this part, be binding on all members of the class and the Board.

(7) The final decision shall inform the class agent of

the right to seek review by the Commission, or to file a civil action, in accordance with subpart E of this part, and of the applicable time limits.

(j) *Notification of decision.* The Board shall notify class members of the Board's final decision and relief awarded, if any, through the same media employed to give notice of the existence of the class complaint. The notice, where appropriate, shall include information concerning the rights of class members to seek individual relief, and of the procedures to be followed. Notice shall be given by the Board within 10 calendar days of the transmittal of the final decision to the agent of the class.

(k) *Relief for individual class members.* (1) When the Board finds class discrimination, the Board shall eliminate or modify the personnel policy or practice out of which the complaint arose and provide individual relief, including an award of attorney's fees and costs, to the agent of the class in accordance with section 268.501(e) of this part.

(2) When class-wide discrimination is not found, but it is found that the agent of the class is a victim of discrimination, section 268.501 of this part shall apply. The Board shall also, within 60 days of the issuance of its final decision finding no class-wide discrimination, issue the acknowledgement of receipt of an individual complaint as required by section 268.205(d) of this part and process in accordance with the provisions of subpart B of this part, each individual complaint that was subsumed into the class complaint.

(3) When class-wide discrimination is found in a final decision of the Board, and a class member believes that he or she is entitled to individual relief, the class member may file a written claim with the Board's EEO Programs Director within 30 days of receipt of notification by the Board of its final decision. The claim must include a specific, detailed showing that the claimant is a class member who was affected by a personnel action or matter resulting from the discriminatory personnel policy or practice, and that this discriminatory action took place within the period of time for which the Board found class-wide discrimination in its final decision. The period of time for which the Board finds class-wide discrimination shall begin not more than 45 days prior to the initial contact by the agent of the class with the EEO Counselor and shall end not later than the date when the Board eliminates the personnel policy or practice found to be discriminatory in the Board's final decision. The Board shall issue a final decision on each such claim within 90 days of filing. Such decision must include a notice of the right to file a request for review with the Commission or a civil action in accordance with subpart E of this part and the applicable time limits. A copy of EEOC Form 573, Notice of Appeal/Petition, shall be attached to the Board's decision pursuant to section 268.209(b)(7) of this part.

Subpart D—Review by the Equal Employment Opportunity Commission

Section 268.401—Review by the Equal Employment Opportunity Commission.

(a) An individual complainant may file a request for review with the Commission of a final decision issued by the Board under section 268.209 of this part, or a dismissal by the Board of all or a portion of an individual complaint under section 268.206 of this part.

(b) An agent of the class may file a request for review with the Commission of a dismissal of all or a portion of a class complaint rendered by the Board under section 268.305(c) of this part, or a final decision of the Board accepting or rejecting all or a portion of a report of findings and recommendations of an administrative judge with regard to a class complaint pursuant to section 268.305(i) of this part. A class member may file a request for review with the Commission of a final decision by the Board on a claim for individual relief under a class complaint pursuant to section 268.305(k) of this part. Both an agent of the class and a class member may file a request for review with the Commission of a final decision of the Board on a petition pursuant to section 268.305(f)(4) of this part.

(c) A complainant, agent of the class or individual class claimant may file a request for review with the Commission of the Board's alleged noncompliance with a settlement agreement or final decision in accordance with section 268.504 of this part.

Section 268.402—Time limits for review by the Equal Employment Opportunity Commission.

(a) Any dismissal of a complaint or a portion of a complaint, or any final decision of the Board, as set forth in paragraphs (b)(1) through (7) of section 268.209 of this part, may be reviewed by the Commission if a request for review is filed with the Commission within 30 days of the complainant's receipt of the dismissal or final decision. In the case of class complaints, any final decision of the Board received by an agent of the class, petitioner or any individual class claimant may be reviewed by the Commission if a request for review is filed with the Commission within 30 days of its receipt. Where a complainant has notified the EEO Programs Director of alleged noncompliance with a settlement agreement in accordance with section 268.504 of this part, the complainant may file a request for review with the Commission within 35 days after notification to the EEO Programs Director under section 268.504(a) of this part of such noncompliance, but the complainant must file a request for review within 30 days of receipt of the Board's determination.

(b) If the complainant is represented by an attorney of record, then the 30-day time period provided in paragraph (a) of this section within which to file a request for review shall be calculated from the receipt of the notification required under section 268.504(a) of this part by the attorney. In all other instances, the time within which to file a request for review with the Commission shall be calculated from the receipt of the notification required under section 268.504(a) of this part by the complainant.

Section 268.403—How to seek review.

(a) The complainant must file a request for review with the Commission by sending EEOC Form 573, Notice of Appeal/Petition, to the Director, Office of Federal Operations, Equal Employment Opportunity Commission, P.O. Box 19848, Washington, DC 20036, or by personal delivery or facsimile. The complainant should indicate what matters he or she is requesting the Commission to review.

(b) The complainant shall furnish a copy of the request for review to the Board's EEO Programs Director at the same time that he or she files the request for review with the Commission. In or attached to the request for review by the Commission, the complainant must certify the date and method by which service was made on the Board.

(c) If a complainant does not file a request for review with the Commission within the time limits of this subpart D, the request for review shall be untimely and shall be dismissed by the Commission.

(d) Any statement or brief in support of the request for review must be submitted to the Director, Office of Federal Operations, Equal Employment Opportunity Commission, and to the Board within 30 days of the filing of the request for review. Following receipt of the request for review, and any brief in support of the request for review, the Director, Office of Federal Operations, Equal Employment Opportunity Commission, shall request the complaint file from the Board. The Board shall submit the complaint file and any Board statement or brief in opposition to the request for review to the Director, Office of Federal Operations, Equal Employment Opportunity Commission, within 30 days of receipt of the Commission's request for the complaint file. A copy of the Board's statement or brief shall be served on the complainant at the same time.

Section 268.404—Procedure on review.

(a) The Commission's Office of Federal Operations shall review the complaint file and all written statements and briefs from either party. The Commission may supplement the record by an exchange of letters or memoranda, investigation, remand to the Board or other procedures.

(b) If the Commission's Office of Federal Operations requests information from one or both of the parties to supplement the record, each party providing information shall send a copy of the information submitted to the Commission to the other party.

Section 268.405—Decisions on review.

(a) The Commission's Office of Federal Operations shall issue a written decision (the EEOC decision) setting forth its reasons for the decision. The Commission shall dismiss requests for review in accordance with sections 268.206, 268.403(c) and 268.507 of this part. The EEOC decision shall be based on the preponderance of the evidence. If the EEOC decision contains a finding of discrimination, appropriate remedy(ies) shall be included and, where appropriate, the entitlement to interest, attorney's fees or costs shall be indicated. The EEOC decision shall reflect the date of its issuance, inform the complainant of his or her civil action rights, and be transmitted to the complainant and to the Board by certified mail, return receipt requested.

(b) The EEOC decision issued under paragraph (a) of this section is final, subject to paragraph (c) of this section, within the meaning of section 268.406(d) of this part unless:

(1) Either party files a timely request for reconsideration pursuant to section 268.406 of this part; or

(2) The Commission on its own motion reconsiders the case.

(c) The Board, within 30 days of receiving the EEOC decision, shall issue final decision pursuant to section 268.209 of this part based upon the EEOC decision.

Section 268.406—Reconsideration.

(a) Within a reasonable period of time, the Commission may, in its discretion, reconsider an EEOC decision issued under section 268.405(a) of this part, notwithstanding any other provisions of this part.

(b) A party may request reconsideration of an EEOC decision issued under section 268.405(a) of this part provided that such request is made within 30 days of receipt of an EEOC decision or within 20 days of receipt of another party's timely request for reconsideration. Such request, along with any supporting statement or brief, shall be submitted to the Commission's Office of Review and Appeals, and to all parties with proof of such submission. All other parties shall have 20 days from the date of service in which to submit to all other parties, with proof of submission, any statement or brief in opposition to the request.

(c) The request for reconsideration or the statement or brief in support of the request shall contain arguments or evidence which tend to establish that:

(1) New and material evidence is available that was not readily available when the EEOC decision was issued;

(2) The EEOC decision involved an erroneous interpretation of law, regulation or material fact, or misapplication of established policy; or

(3) The EEOC decision is of such exceptional nature as to have substantial precedential implications.

(d) A decision on a request for reconsideration by either party is final and there shall be no further right by either party to request reconsideration of an EEOC decision.

Subpart E—Remedies, Enforcement and Civil Actions

Section 268.501—Remedies and relief.

(a) *General procedures.* When the Board finds discrimination when issuing its final decision pursuant to section 268.209 of this part, the Board shall consider the following elements in providing full relief to complainants:

(1) Notification to all employees of the Board of their right to be free of unlawful discrimination and assurance that the particular types of discrimination found will not recur;

(2) Commitment that corrective, curative or preventive action will be taken, or measures adopted, to ensure that violations of law and this part similar to those found unlawful will not recur;

(3) An unconditional offer to each identified victim of discrimination of placement in the position the person would have occupied but for the discrimination suffered by that person, or a substantially equivalent position;

(4) Payment to each identified victim of discrimination on a make whole basis for any loss of earnings the person may have suffered as a result of the discrimination; and

(5) Commitment that the Board shall cease from engaging in the specific unlawful employment practice found in the case.

(b) *Relief for an applicant.* (1) (i) When it is determined in a final decision that an applicant for employment has been discriminated against, the Board shall offer the applicant for employment the position that the applicant for employment would have occupied absent discrimination or, if justified by the circumstances, a substantially equivalent position unless clear and convincing evidence indicates that the applicant for employment would not have been selected even absent the discrimination. The offer to the applicant for employment shall be made in writing. The applicant for employment shall have 15 days from receipt of the offer within which to accept or decline the offer. Failure to accept the offer within the 15-day period will be considered a declination of the offer, unless the applicant for employment can show that circumstances beyond his or her control prevented a response within the time limit.

(ii) If the offer is accepted, appointment shall be retroactive to the date the applicant for employment would have been hired. Back pay, computed in the manner prescribed in 5 C.F.R. 550.805 shall be awarded from the date the applicant for employment would have entered on duty until the date the applicant for employment actually enters on duty unless clear and convincing evidence indicates that the applicant would not have been selected even absent discrimination. Interest on back pay shall be included in the back pay computation where sovereign immunity has been waived. An applicant for employment shall be deemed to have performed service at the Board during such period for all purposes except for meeting service requirements for completion of a required probationary period.

(iii) If the offer of employment is declined, the Board shall award the applicant for employment a sum equal to the back pay he or she would have received, computed in the manner prescribed in 5 C.F.R. 550.805 from the date he or she would have been appointed until the date the offer was declined, subject to the limitation of paragraph (b)(3) of this section. Interest on back pay shall be included in the back pay computation. The Board shall inform the applicant for employment, in its offer of employment, of the right to this award in the event the offer of employment is declined.

(2) When it is determined in a final decision that discrimination existed at the time the applicant for employment was considered for employment but also by clear and convincing evidence that the applicant would not have been hired even absent discrimination, the Board shall nevertheless take all steps necessary to eliminate the discriminatory practice and ensure it does not recur.

(3) Back pay under this paragraph (b) for complaints under Title VII or the Rehabilitation Act may not

extend from a date earlier than two years prior to the date on which the complaint was initially filed by the applicant for employment.

(c) *Relief for an employee.* When it is determined in a final decision that an employee of the Board was discriminated against, the Board shall provide relief, which shall include, but need not be limited to, one or more of the following actions:

(1) Nondiscriminatory placement, with back pay computed in the manner prescribed in 5 C.F.R. 550.805 unless clear and convincing evidence contained in the record demonstrates that the personnel action would have been taken even absent the discrimination. Interest on back pay shall be included in the back pay computation where sovereign immunity has been waived. The back pay liability under Title VII or the Rehabilitation Act is limited to the two years prior to the date the discrimination complaint was filed;

(2) If clear and convincing evidence indicates that, although discrimination existed at the time the personnel action was taken, the personnel action would have been taken even absent discrimination, the Board shall nevertheless eliminate any discriminatory practice and ensure it does not recur;

(3) Cancellation of an unwarranted personnel action and restoration of the employee;

(4) Expunction from the Board's records of any adverse materials relating to the discriminatory practice; and

(5) Full opportunity to participate in the employee benefit denied (*e.g.*, training, preferential work assignments, overtime scheduling).

(d) *Mitigation of damages.* The Board shall not decline to grant relief based upon failure to mitigate damages unless it has clear and convincing evidence that the employee or applicant for employment has failed to mitigate damages. The Board shall have the burden of proving by a preponderance of the evidence that the complainant has failed to mitigate his or her damages.

(e) *Attorney's fees or costs*—(1) *Awards of attorney's fees or costs.* The provisions of this paragraph (e) relating to the award of attorney's fees or costs shall apply to allegations of discrimination prohibited by Title VII and the Rehabilitation Act. In a notice of final action or a decision, the employee or applicant for employment may be awarded reasonable attorney's fees or costs (including expert witness fees) incurred in the processing of the complaint. In this regard:

(i) A finding of discrimination raises a presumption of entitlement to an award of attorney's fees;

(ii) Attorney's fees are allowable only for the services of members of the Bar and law clerks, paralegals or law students under the supervision of members of the Bar, except that no award is allowable for the services of any employee of the Federal Government; and

(iii) Attorney's fees shall be paid only for services performed after the filing of a written complaint and after the complainant has notified the Board that he or she is represented by an attorney, except that fees allowable for a reasonable period of time prior to the notification of representation for any services performed in reaching a determination to represent the complainant. Written submissions to the Board that are signed by the representative shall be deemed to constitute notice of representation.

(2) *Amount of awards.* (i) When the attorney's fees or costs are awarded, the complainant's attorney shall submit a verified statement of costs and attorney's fees (including expert witness fees), as appropriate, to the Board within 30 days of receipt of the final decision, unless a request for review or reconsideration is filed. A statement of attorney's fees shall be accompanied by an affidavit executed by the attorney of record itemizing the attorney's charges for legal services and both the verified statement and the accompanying affidavit shall be made a part of the complaint file. The amount of attorney's fees or costs to be awarded the complainant shall be determined by agreement among the complainant, the complainant's representative and the Board. Such agreement shall immediately be reduced to writing.

(ii) (A) If the complainant, the complainant's representative and the Board cannot reach an agreement on the amount of attorney's fees or costs within 20 days of the Board's receipt of the verified statement and accompanying affidavit, the Board shall issue a decision determining the amount of attorney's fees or costs due within 30 days of receipt of the statement and affidavit. The decision of the Board shall include the specific reasons for determining the amount of the award. The complainant or the complainant's representative may file a request for review with the Commission of the Board's decision, and the Board's notice to the complainant and his or her representative shall include EEOC Form 573, Notice of Appeal/Petition.

(B) The amount of attorney's fees shall be calculated in accordance with existing case law using the following standards: The starting point shall be the number of hours reasonably expended multiplied by a reasonable hourly rate. This amount may be reduced or increased in consideration of the following factors, although ordinarily many of these factors are subsumed within the calculation set forth in this paragraph (e)(2)(ii)(B): The time and labor required, the novelty and difficulty of the questions, the skill requisite to perform the legal service properly, the attorney's preclusion from other employment due to acceptance of the case, the customary fee, whether the fee is fixed or contingent, time limitations imposed by the client or the circumstances, the amount involved and the results obtained, the experience, reputation, and ability of the attorney, the undesirability of the case, the nature and length of the professional relationship with the client, and the awards in similar cases. Only in cases of exceptional success should any of these factors be used to enhance an award computed by the formula set forth in this paragraph (e)(2)(ii)(B).

(C) The costs that may be awarded are those authorized by 28 U.S.C. 1920 to include: Fees of the reporter for all or any of the stenographic transcript necessarily obtained for use in the case; fees and disbursements for printing and witnesses; and fees for exemplification and copies necessarily obtained for use in the case.

(iii) Witness fees shall be awarded in accordance with the provisions of 28 U.S.C. 1821, except that no award shall be made for a federal employee who is in a duty status when made available as a witness.

Section 268.502—Compliance with EEOC decisions.

(a) The relief ordered in an EEOC decision, if accepted pursuant to section 268.209 of this part as a final decision, or not acted upon by the Board within the time periods of section 268.209 of this part, shall be binding upon the Board. Failure to implement its final decision, or the EEOC decision in such circumstances, shall be grounds for the complainant to file a civil action under sections 268.505 and 268.506 of this part.

(b) Notwithstanding paragraph (a) of this section, when the Board requests reconsideration, when the case involves an employee's removal, separation, or suspension continuing beyond the date of the request for reconsideration, and when the EEOC decision recommends retroactive restoration, the Board shall comply with the EEOC decision only to the extent of the temporary or conditional restoration of the employee to duty status in the position recommended by the Commission, pending the outcome of the Board's request for reconsideration.

(1) Service under the temporary or conditional restoration provisions of this paragraph (b) shall be credited toward the completion of a probationary or trial period, or eligibility for a within-grade increase, if the EEOC decision is upheld.

(2) The Board shall notify the Commission and the employee in writing, at the same time it requests reconsideration, that the relief it provides is temporary or conditional.

(c) Relief shall be provided in full no later than 60 days after all administrative proceedings have ended.

Section 268.503—Enforcement of EEOC decisions.

(a) *Petition for enforcement.* As set forth in this section, a complainant may petition the Commission for enforcement of an EEOC decision issued under the review process of this part. The petition shall be submitted to the Office of Federal Operations, Equal Employment Opportunity Commission. The petition shall specifically set forth the reasons that lead the complainant to believe that the Board is not complying with the EEOC decision.

(b) *Compliance.* The Commission's Office of Federal Operations may take appropriate action to ascertain whether the Board should have adopted the EEOC decision pursuant to section 268.209 of this part. If the Commission determines that the Board has failed to comply with the EEOC decision in full, the Commission may undertake the efforts set forth in paragraphs (c) and (d) of this section to obtain compliance by the Board.

(c) *Clarification.* The Commission's Office of Federal Operations may, on its own motion or in response to the petition for enforcement or in connection with a timely request for reconsideration, issue a clarification of an EEOC decision. A clarification may not change the result of a prior EEOC decision or enlarge or diminish the relief contained in the EEOC decision, but it may further explain the meaning or intent of the EEOC decision. The Commission may also send a notice to the Board seeking an explanation why the Board failed to adopt the EEOC decision as its final decision under section 268.209 of this part, and the Board shall respond to such request within 30 days of receipt of the notice addressing the issue raised by the Commission.

(d) *Notification to complainant of completion of administrative efforts.* Where the Commission has determined that the Board has failed to adopt the EEOC decision as its final decision, the Commission may notify the complainant who has petitioned the Commission under paragraph (a) of this section of his or her right to file a civil action under section 268.505 of this part for failure of the Board to adopt the EEOC decision as its final decision.

Section 268.504—Compliance with settlement agreements and final decisions.

(a) Any settlement agreement knowingly and voluntarily agreed to by the Board and a complainant, reached at any stage of the complaint process, shall be binding on both parties. A final decision of the Board that has not been the subject of review by the Commission, or in a civil action, shall nonetheless be binding on the Board. If the complainant believes that the Board has failed to comply with the terms of a settlement agreement or a final decision, the complainant shall notify the EEO Programs Director, in writing, of the alleged noncompliance within 30 days of when the complainant knew or should have known of the alleged noncompliance. The complainant may request that the Board implement the terms of the settlement agreement or final decision or alternatively, that the complaint be reinstated for further processing from the point processing ceased.

(b) The Board shall attempt to resolve the matter brought to the Board's attention by the complainant in paragraph (a) of this section, and respond to the complainant, in writing. If the Board has not responded to the complainant, in writing, or if the complainant is not satisfied with the Board's attempt to resolve the matter, the complainant may request the Commission to review whether the Board has complied with the terms of the settlement agreement or the final decision. The complainant may file such request for review 35 days after he or she has served the Board with the notice of allegations of noncompliance, but must file the request for review with the Commission within 30 days of his or her receipt of a Board's determination. The complainant must serve a copy of the request for review on the Board and the Board may submit a response to the Commission within 30 days of receiving notice of request for review.

(c) Prior to rendering its determination, the Commission may request that the parties submit whatever additional information or documentation they deem necessary, or it may direct that an investigation or hearing on the matter be conducted. If the Commission determines that the Board is not in compliance and the noncompliance is not attributable to acts or conduct of the complainant, it may order that the complaint be reinstated for further processing from the point processing ceased. Allegations that subsequent acts of discrimination violate a settlement agreement shall be processed as separate complaints under sections 268.205 or 268.305 of this part, as appropriate, rather than under this section.

Section 268.505—Civil action: Title VII, Age Discrimination in Employment Act and Rehabilitation Act.

A complainant who has filed an individual complaint, an agent of the class who has filed a class complaint or a claimant who has filed a claim for individual relief pursuant to a class complaint may file a civil action in an appropriate United States District Court alleging violations of Title VII, the ADEA or the Rehabilitation Act:

(a) Within 90 days of receipt of the Board's final decision on an individual or class complaint, whether or not a request for review has been filed with the Commission;

(b) After 180 days from the date of filing an individual or class complaint if a request for review by the Commission has not been filed and a final decision of the Board has not been issued;

(c) Within 90 days of receipt of an EEOC decision; or

(d) After 180 days from the date of filing a request for review with the Commission if an EEOC decision has not been issued by the Commission.

Section 268.506—Civil action: Equal Pay Act.

A complainant may file a civil action under section 16(b) of the Fair Labor Standards Act (29 U.S.C. 216(b)) in a court of competent jurisdiction within two years or, if the violation is willful, three years of the date of the alleged violation of the Equal Pay Act regardless of whether he or she pursued any administrative complaint processing (29 U.S.C. 225). Recovery of back wages under the Equal Pay Act is limited to two years prior to the date of filing suit, or to three years if the violation is deemed willful. Liquidated damages in an equal amount may also be awarded. The filing of a complaint or request for review with the Commission under this part shall not toll the time for filing a civil action.

Section 268.507—Effect of filing a civil action.

Filing a civil action under sections 268.505 or 268.506 of this part shall terminate the Commission's processing of any request for review. If a private suit is filed subsequent to the filing of a request for review, the parties shall notify the Commission of such filing in writing.

Subpart F—Matters of General Applicability

Section 268.601—EEO group statistics.

(a) The Board shall collect and maintain accurate employment information on the race, national origin, sex and disabilities of its employees.
(b) Data on race, national origin and sex shall be collected by voluntary self-identification. If an employee does not voluntarily provide the requested information, the Board shall advise the employee of the importance of the data and of the Board's obligation to report it. If the employee still refuses to provide the information, the Board shall make a visual identification and inform the employee of the data it will be reporting. If the Board believes that information provided by an employee is inaccurate, the Board shall advise the employee that the purpose for which the data is being collected is solely statistical, of the need for accuracy, of the Board's recognition of the sensitivity of the information, and of the existence of procedures to prevent its unauthorized disclosure. If, thereafter, the employee declines to change the apparently inaccurate self identification, the Board shall accept it.
(c) Subject to applicable law, the information collected under paragraph (b) of this section shall be disclosed only in the form of gross statistics. The Board will not collect or maintain any information on the race, national origin, or sex of individual employees except in accordance with applicable law and when an automated data processing system is used in accordance with standards and requirements prescribed by the Commission to ensure individual privacy and the separation of that information from the employee's personnel record.
(d) The Board's system shall incorporate the following controls:
(1) Only those categories of race and national origin approved by the Commission shall be used; and
(2) Only the specific procedures for the collection and maintenance of data that are prescribed or approved by the Commission shall be used.
(e) The Board shall use the data only in studies and analyses that contribute affirmatively to achieving the objectives of the Board's equal employment opportunity program. The Board shall not establish quotas for the employment of persons on the basis of race, color, religion, sex, or national origin.
(f) Data on disabilities shall also be collected by voluntary self-identification. If an employee does not voluntarily provide the requested information, the Board shall advise the employee of the importance of the data and of the Board's obligation to report it. If an employee who has been appointed pursuant to the Board's affirmative action program for hiring individuals with a disability still refuses to provide the requested information, the Board shall identify the employee's disability based upon the records supporting the appointment. If any other employee still refuses to provide the requested information or provides information that the Board believes to be inaccurate, the Board shall report the employee's disability status as unknown.
(g) The Board shall report to the Commission on employment by race, national origin, sex and disability in the form and at such times as the Board and Commission shall agree.

Section 268.602—Reports to the Equal Employment Opportunity Commission.

(a) The Board shall report to the Commission information concerning pre-complaint counseling and the status, processing, and disposition of complaints under this part at such times and in such manner as the Board and Commission shall agree.
(b) The Board shall advise the Commission whenever it is served with a federal court complaint based upon a complaint that is pending review at the Commission.
(c) The Board shall prepare annually equal employment opportunity plans of actions, in the form requested by the Commission, and shall submit such plans for review and advice by the Commission. The plans of action shall include:
(1) Provision for the establishment of training and education programs designed to provide maximum opportunity for employees to advance so as to perform at their highest potential;
(2) Description of the qualifications, in terms of training and experience relating to equal employment opportunity, of the principal and operating officials concerned with administration of the Board's equal employment opportunity program; and
(3) Description of the allocation of personnel and resources proposed by the Board to carry out its equal employment opportunity program.

Section 268.603—Voluntary settlement attempts.

The Board shall make reasonable efforts to settle, voluntarily, complaints of discrimination as early as possible in, and throughout, the administrative processing of complaints, including the pre-complaint counseling stage. Any settlement reached shall be reduced to writing and shall be signed by both parties and shall identify the allegations resolved.

Section 268.604—Filing and computation of time.

(a) All time periods in this part that are stated in terms of days are calendar days unless otherwise stated.
(b) A document shall be deemed timely filed if it is delivered in person, or sent via U.S. mail and postmarked before the expiration of the applicable filing period; or, in the absence of a legible postmark, if it is received via U.S. mail within five days of the expiration of the applicable filing period.
(c) The time limits in this part are subject to waiver, estoppel, and equitable tolling.
(d) The first day counted shall be the day after the event from which the time period began to run and the last day of the period shall be included, unless it falls on a Saturday, Sunday, or Federal holiday, in which case the period shall be extended to include the next business day.

Section 268.605—Representation and official time.

(a) At any stage in the processing of a complaint, including the counseling stage under section 268.204 of this part, the complainant shall have the right to be accompanied, represented and advised by a representative of complainant's choice.
(b) If the complainant is an employee of the Board, he or she shall have a reasonable amount of official time, if otherwise on duty, to prepare the complaint and to respond to Board and Commission requests for information. If the complainant is an employee of the Board and he or she designates another employee of the Board as his or her representative, the representative shall have a reasonable amount of official time, if otherwise on duty, to prepare the complaint and respond to Board and Commission requests for information. The Board is not obligated to change work schedules, incur overtime wages, or pay travel expenses to facilitate the choice of a specific representative or to allow the complainant and representative to confer. The complainant and the representative, if employed by the Board and otherwise in a pay status, shall be on official time, regardless of their tours of duty, when their presence is authorized or required by the Board or the Commission during the investigation, informal adjustment, or hearing on the complaint.
(c) In cases where the representation of a complainant or the Board would conflict with the official or collateral duties of the representative, the Board may, after giving the representative an opportunity to respond, disqualify the representative.
(d) Unless the complainant states otherwise in writing, after the Board has received written notice of the name, address and telephone number of a representative, all official correspondence shall be with the representative with copies to the complainant. When the complainant designates an attorney as representative, service of documents and decisions on the complaint shall be made on the attorney and not on the complainant, and time frames for receipt of materials by the complainant shall be computed from the time of receipt by the attorney. The complainant must serve all official correspondence on the designated representative of the Board.
(e) The complainant shall at all times be responsible for proceeding with the complaint whether or not he or she has designated a representative.
(f) Witnesses who are Board employees shall be in a duty status when their presence is authorized or required in connection with a complaint.

Section 268.606—Joint processing and consolidation of complaints.

Complaints of discrimination filed by two or more complainants consisting of substantially similar allegations of discrimination or relating to the same matter, or two or more complaints of discrimination from the same complainant, may be consolidated by the Board for joint processing after appropriate notification to the parties. The date of the first filed complaint controls the applicable time frames under subpart B of this part.

Subpart G—Prohibition Against Discrimination In Board Programs and Activities Because of a Physical or Mental Disability

Section 268.701—Purpose and application.

(a) *Purpose*. The purpose of this subpart G is to prohibit discrimination on the basis of a disability in programs or activities conducted by the Board.
(b) *Application*. (1) This subpart G applies to all programs and activities conducted by the Board. Such programs and activities include:
  (i) Holding open meetings of the Board or other meetings or public hearings at the Board's office in Washington, DC;
  (ii) Responding to inquiries, filing complaints, or applying for employment at the Board's office;
  (iii) Making available the Board's library facilities; and
  (iv) Any other lawful interaction with the Board or its staff in any official matter with people who are not employees of the Board.
(2) This subpart G does not apply to Federal Reserve Banks or to financial institutions or other companies supervised or regulated by the Board.

Section 268.702—Notice.

The Board shall make available to employees, applicants for employment, participants, beneficiaries, and other interested persons information regarding the provisions of this subpart G and its applicability to the programs and activities conducted by the Board, and make this information available to them in such manner as the Board finds necessary to apprise such persons of the protections against discrimination assured them by this subpart G.

Section 268.703—Prohibition against discrimination.

(a) No qualified individual with a disability shall, on the basis of a disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in any program or activity conducted by the Board.

(b) (1) The Board, in providing any aid, benefit, or service, may not, directly or through contractual, licensing, or other arrangements, on the basis of a disability:

(i) Deny a qualified individual with a disability the opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that provided to others;

(ii) Afford a qualified individual with a disability an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;

(iii) Provide a qualified individual with a disability with an aid, benefit, or service that is not as effective in affording equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as that provided to others;

(iv) Provide different or separate aid, benefits, or services to individuals with a disability or to any class of individuals with a disability than is provided to others unless such action is necessary to provide qualified individuals with a disability with aid, benefits, or services that are as effective as those provided to others;

(v) Deny a qualified individual with a disability the opportunity to participate as a member of planning or advisory boards; or

(vi) Otherwise limit a qualified individual with a disability in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving the aid, benefit, or service.

(2) The Board may not deny a qualified individual with a disability the opportunity to participate in programs or activities that are not separate or different, despite the existence of permissibly separate or different programs or activities.

(3) The Board may not, directly or through contractual or other arrangements, utilize criteria or methods of administration, the purpose or effect of which would:

(i) Subject qualified individuals with a disability to discrimination on the basis of a disability; or

(ii) Defeat or substantially impair accomplishment of the objectives of a program or activity with respect to individuals with a disability.

(4) The Board may not, in determining the site or location of a facility, make selections the purpose or effect of which would:

(i) Exclude individuals with a disability from, deny them the benefits of, or otherwise subject them to discrimination under any program or activity conducted by the Board; or

(ii) Defeat or substantially impair the accomplishment of the objectives or a program or activity with respect to individuals with a disability.

(5) The Board, in the selection of procurement contractors, may not use criteria that subject qualified individuals with a disability to discrimination on the basis of a disability.

(6) The Board may not administer a licensing or certification program in a manner that subjects qualified individuals with a disability to discrimination on the basis of a disability, nor may the Board establish requirements for the programs and activities of licensees or certified entities that subject qualified individuals with a disability to discrimination on the basis of a disability. However, the programs and activities of entities that are licensed or certified by the Board are not, themselves, covered by this subpart G.

(c) The exclusion of individuals who do not have a disability from the benefits of a program limited by Federal statute or Board order to individuals with a disability or the exclusion of a specific class of individuals with a disability from a program limited by Federal statute or Board order to a different class of individuals with a disability is not prohibited by this subpart G.

(d) The Board shall administer programs and activities in the most integrated setting appropriate to the needs of qualified individuals with a disability.

Section 268.704—Employment.

No qualified individual with a disability shall, on the basis of a disability, be subjected to discrimination in employment under any program or activity conducted by the Board. The requirements and procedures of section 268.303 of this part shall apply to discrimination in employment under this subpart G.

Section 268.705—Program accessibility: Discrimination prohibited.

Except as otherwise provided in section 268.706 of this part, no qualified individual with a disability shall, because the Board's facilities are inaccessible to or unusable by individuals with a disability, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity conducted by the Board.

Section 268.706—Program accessibility: Existing facilities.

(a) *General.* The Board shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by individuals with a disability. This paragraph (a) does not:

(1) Necessarily require the Board to make each of its existing facilities accessible to and usable by individuals with a disability; or

(2) Require the Board to take any action that it can determine, based on a written record, would result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens. In those circumstances where the Board believes that the proposed action would fundamentally alter the program or activity or would result in undue financial and administrative burdens, the Board shall establish a written record showing that compliance with this paragraph (a) would result in such alterations or burdens. The decision that compliance would result in such alterations or burdens shall be made by the Board of Governors or their designee after considering all Board resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action would result in such an alteration or such burdens, the Board shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that individuals with a disability receive the benefits and services of the program or activity.

(b) *Methods.* The Board may comply with the requirements of this subpart G through such means as redesign of equipment, reassignment of services to accessible buildings, assignment of aides to individuals with a disability, home visits, delivery of service at alternate accessible sites, alteration of existing facilities and construction of new facilities, use of accessible rolling stock, or any other methods that result in making its programs or activities readily accessible to and usable by individuals with a disability. The Board is not required to make structural changes in existing facilities where other methods are effective in achieving compliance with this subpart G. In choosing among available methods for meeting the requirements of this subpart G, the Board gives priority to those methods that offer programs and activities to qualified individuals with a disability in the most integrated setting appropriate.

(c) *Time period for compliance.* The Board shall comply with any obligations established under this subpart G as expeditiously as possible.

Section 268.707—Program accessibility: New construction and alterations.

Each building or part of a building that is constructed or altered by, on behalf of, or for the use of the Board, shall be designed, constructed, or altered so as to be readily accessible to and usable by individuals with a disability.

Section 268.708—Communications.

(a) The Board shall take appropriate steps to ensure effective communication with applicants for employment, participants, personnel of other Federal entities, and members of the public.

(1) The Board shall furnish appropriate auxiliary aids where necessary to afford an individual with a disability an equal opportunity to participate in, and enjoy the benefits of, a program or activity conducted by the Board.

(i) In determining what type of auxiliary aid is necessary, the Board shall give primary consideration to the requests of the individual with a disability.

(ii) The Board need not provide individually prescribed devices, readers for personal use or study, or other devices of a personal nature.

(2) Where the Board communicates with employees and others by telephone, telecommunication devices for deaf persons (TDD's) or equally effective telecommunication systems shall be used.

(b) The Board shall ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of accessible services, activities, and facilities.

(c) The Board shall provide signs at a primary entrance to any inaccessible facility, directing users to a location at which they can obtain information about accessible facilities. The international symbol for accessibility shall be used at each primary entrance of an accessible facility.

(d) This subpart G does not require the Board to take any action that would result in a fundamental alteration in the nature of a program or activity or in undue financial and administrative burdens. In those circumstances where the Board believes that the proposed action would fundamentally alter the program or activity or would result in undue financial and administrative burdens, the Board shall establish a written record showing compliance with this subpart G would result in such alterations or burdens. The determination that compliance would result in such alterations or burdens shall be made by the Board of Governors or their designee after considering all Board resources available for use in the funding and operation of the conducted program or activity, and must be accompanied by a written statement of the reasons for reaching that conclusion. If an action required to comply with this subpart G would result in such an alteration or such burdens, the Board shall take any other action that would not result in such an alteration or such burdens but would nevertheless ensure that, to the maximum extent possible, individuals with a disability receive the benefits and services of the program or activity.

Section 268.709—Compliance procedures.

(a) *Applicability*. Notwithstanding any other provision of this part, this section, except as provided in paragraph (b) of this section, rather than subpart B and section 268.305 of this part, shall apply to all allegations of discrimination on the basis of a disability in programs or activities conducted by the Board.

(b) *Employment complaints*. The Board shall process complaints alleging discrimination in employment on the basis of a disability in accordance with subpart B and section 268.305 of this part.

(c) *Responsible official*. The EEO Programs Director shall be responsible for coordinating implementation of this section.

(d) *Filing the complaint* — (1) *Who may file*. Any person who believes that he or she has been subjected to discrimination prohibited by this subpart G may, personally or by his or her authorized representative, file a complaint of discrimination with the EEO Programs Director.

(2) *Confidentiality*. The EEO Programs Director shall not reveal the identity of any person submitting a complaint, except when authorized to do so in writing by the complainant, and except to the extent necessary to carry out the purposes of this subpart G, including the conduct of any investigation, hearing, or proceeding under this subpart G.

(3) *When to file*. Complaints shall be filed within 180 days of the alleged act of discrimination. The EEO Programs Director may extend this time limit for good cause shown. For the purpose of determining when a complaint is timely filed under this paragraph (d), a complaint mailed to the Board shall be deemed filed on the date it is postmarked. Any other complaint shall be deemed filed on the date it is received by the Board.

(4) *How to file*. Complaints may be delivered or mailed to the Administrative Governor, the Staff Director for Management, the EEO Programs Director, the Federal Women's Program Manager, the Hispanic Program Coordinator, or the Disabled Persons Program Coordinator. Complaints should be sent to the EEO Programs Director, Board of Governors of the Federal Reserve System, 20th and C Street, NW, Washington, DC 20551. If any Board official other than the EEO Programs Director receives a complaint, he or she shall forward the complaint to the EEO Programs Director.

(e) *Acceptance of complaint* — (1) The EEO Programs Director shall accept a complete complaint that is filed in accordance with paragraph (d) of this section and over which the Board has jurisdiction. The EEO Programs Director shall notify the complainant of receipt and acceptance of the complaint.

(2) If the EEO Programs Director receives a complaint that is not complete, he or she shall notify the complainant, within 30 days of receipt of the incomplete complaint, that additional information is needed. If the complainant fails to complete the complaint within 30 days of receipt of this notice, the EEO Programs Director shall dismiss the complaint without prejudice.

(3) If the EEO Programs Director receives a complaint over which the Board does not have jurisdiction, the EEO Programs Director shall notify the complainant and shall make reasonable efforts to refer the complaint to the appropriate government entity.

(f) *Investigation/conciliation*. (1) Within 180 days of the receipt of a complete complaint, the EEO Programs Director shall complete the investigation of the complaint, attempt informal resolution of the complaint, and if no informal resolution is achieved, the EEO Programs Director shall forward the investigative report to the Staff Director for Management.

(2) The EEO Programs Director may request Board employees to cooperate in the investigation and attempted resolution of complaints. Employees who are requested by the EEO Programs Director to participate in any investigation under this section shall do so as part of their official duties and during the course of regular duty hours.

(3) The EEO Programs Director shall furnish the complainant with a copy of the investigative report promptly after completion of the investigation and provide the complainant with an opportunity for informal resolution of the complaint.

(4) If a complaint is resolved informally, the terms of the agreement shall be reduced to writing and made a part of the complaint file, with a copy of the agreement provided to the complainant. The written agreement may include a finding on the issue of discrimination and shall describe any corrective action to which the complainant has agreed.

(g) *Letter of findings.* (1) If an informal resolution of the complaint is not reached, the EEO Programs Director shall transmit the complaint file to the Staff Director for Management. The Staff Director for Management shall, within 180 days of the receipt of the complete complaint by the EEO Programs Director, notify the complainant of the results of the investigation in a letter sent by certified mail, return receipt requested, containing:

(i) Findings of fact and conclusions of law;

(ii) A description of a remedy for each violation found;

(iii) A notice of right of the complainant to appeal the letter of findings under paragraph (k) of this section; and

(iv) A notice of right of the complainant to request a hearing.

(2) If the complainant does not file a notice of appeal or does not request a hearing within the times prescribed in paragraph (h)(1) and (j)(1) of this section, the EEO Programs Director shall certify that the letter of findings under this paragraph (g) is the final decision of the Board at the expiration of those times.

(h) *Filing an appeal.* (1) Notice of appeal, with or without a request for hearing, shall be filed by the complainant with the EEO Programs Director within 30 days of receipt from the Staff Director for Management of the letter of findings required by paragraph (g) of this section.

(2) If the complainant does not request a hearing, the EEO Programs Director shall notify the Board of Governors of the appeal by the complainant and that a decision must be made under paragraph (k) of this section.

(i) *Acceptance of appeal.* The EEO Programs Director shall accept and process any timely appeal. A complainant may appeal to the Administrative Governor from a decision by the EEO Programs Director that an appeal is untimely. This appeal shall be filed within 15 calendar days of receipt of the decision from the EEO Programs Director.

(j) *Hearing.* (1) Notice of a request for a hearing, with or without a request for an appeal, shall be filed by the complainant with the EEO Programs Director within 30 days of receipt from the Staff Director for Management of the letter of findings required by paragraph (g) of this section. Upon a timely request for a hearing, the EEO Programs Director shall request that the Board of Governors, or its designee, appoint an administrative law judge to conduct the hearing. The administrative law judge shall issue a notice to the complainant and the Board specifying the date, time, and place of the scheduled hearing. The hearing shall be commenced no earlier than 15 calendar days after the notice is issued and no later than 60 days after the request for a hearing is filed, unless all parties agree to a different date.

(2) The hearing, decision, and any administrative review thereof shall be conducted in conformity with 5 U.S.C. 554–557. The administrative law judge shall have the duty to conduct a fair hearing, to take all necessary actions to avoid delay, and to maintain order. He or she shall have all powers necessary to these ends, including (but not limited to) the power to:

(i) Arrange and change the dates, times, and places of hearings and prehearing conferences and to issue notice thereof;

(ii) Hold conferences to settle, simplify, or determine the issues in a hearing, or to consider other matters that may aid in the expeditious disposition of the hearing;

(iii) Require parties to state their positions in writing with respect to the various issues in the hearing and to exchange such statements with all other parties;

(iv) Examine witnesses and direct witnesses to testify;

(v) Receive, rule on, exclude, or limit evidence;

(vi) Rule on procedural items pending before him or her; and

(vii) Take any action permitted to the administrative law judge as authorized by this subpart G or by the provisions of the Administrative Procedure Act (5 U.S.C. 554–557).

(3) Technical rules of evidence shall not apply to hearings conducted pursuant to this paragraph (j), but rules or principles designed to assure production of credible evidence and to subject testimony to cross-examination shall be applied by the administrative law judge wherever reasonably necessary. The administrative law judge may exclude irrelevant, immaterial, or unduly repetitious evidence. All documents and other evidence offered or taken for the record shall be open to examination by the parties, and opportunity shall be given to refute facts and arguments advanced on either side of the issues. A transcript shall be made of the oral evidence except to the extent the substance thereof is stipulated for the record. All decisions shall be based upon the hearing record.

(4) The costs and expenses for the conduct of a hearing shall be allocated as follows:

(i) Employees of the Board shall, upon the request of the administrative law judge, be made available to participate in the hearing and shall be on official duty status for this purpose. They shall not receive witness fees.

(ii) Employees of other Federal agencies called to testify at a hearing, at the request of the administrative law judge and with the approval of the employing agency, shall be on official duty status during any absence from normal duties caused by their testimony, and shall not receive witness fees.

(iii) The fees and expenses of other persons called to testify at a hearing shall be paid by the party requesting their appearance.

(iv) The administrative law judge may require the Board to pay travel expenses necessary for the complainant to attend the hearing.

(v) The Board shall pay the required expenses and charges for the administrative law judge and court reporter.

(vi) All other expenses shall be paid by the parties incurring them.

(5) The administrative law judge shall submit in writing recommended findings of fact, conclusions of law, and remedies to the complainant and the EEO Programs Director within 30 days, after the receipt of the hearing transcripts, or within 30 days after the conclusion of the hearing if no transcripts are made. This time limit may be extended with the permission of the EEO Programs Director.

(6) Within 15 calendar days after receipt of the recommended decision of the administrative law judge, the complainant may file exceptions to the recommended decision with the EEO Programs Director. On behalf of the Board, the EEO Programs Director may, within 15 calendar days after receipt of the recommended decision of the administrative law judge, take exception to the recommended decision of the administrative law judge and shall notify the complainant in writing of the Board's exception. Thereafter, the complainant shall have 10 calendar days to file reply exceptions with the EEO Programs Director. The EEO Programs Director shall retain copies of the exceptions and replies to the Board's exception for consideration by the Board. After the expiration of the time to reply, the recommended decision shall be ripe for a decision under paragraph (k) of this section.

(k) *Decision.* (1) The EEO Programs Director shall notify the Board of Governors when a complaint is ripe for decision under this paragraph (k). At the request of any member of the Board of Governors made within 3 business days of such notice, the Board of Governors shall make the decision on the complaint. If no such request is made, the Administrative Governor, or the Staff Director for Management if he or she is delegated the authority to do so under section 268.103(a)(2) of this part, shall make the decision on the complaint. The decision shall be made based on information in the investigative record and, if a hearing is held, on the hearing record. The decision shall be made within 60 days of the receipt by the EEO Programs Director of the notice of appeal and investigative record pursuant to paragraph (h)(1) of this section or 60 days following the end of the period for filing reply exceptions set forth in paragraph (j)(6) of this section, whichever is applicable. If the decision-maker under this paragraph (k) determines that additional information is needed from any party, the decision-maker shall request the information and provide the other party or parties an opportunity to respond to that information. The decision-maker shall have 60 days from receipt of the additional information to render the decision on the appeal. The decision-maker shall transmit the decision by letter to all parties. The decision shall set forth the findings, any remedial actions required, and the reasons for the decision. If the decision is based on a hearing record, the decision-maker shall consider the recommended decision of the administrative law judge and render a final decision based on the entire record. The decision-maker may also remand the hearing record to the administrative law judge for a fuller development of the record.

(2) The Board shall take any action required under the terms of the decision promptly. The decision-maker may require periodic compliance reports specifying:

(i) The manner in which compliance with the provisions of the decision has been achieved;

(ii) The reasons any action required by the final Board decision has not been taken; and

(iii) The steps being taken to ensure full compliance.

(3) The decision-maker may retain responsibility for resolving disputes that arise between parties over interpretation of the final Board decision, or for specific adjudicatory decisions arising out of implementation.

Orders Issued Under Bank Holding Company Act

Orders Issued Under Section 3 of the Bank Holding Company Act

Banc One Corporation
Columbus, Ohio

Banc One Arizona Corporation
Phoenix, Arizona

Order Approving the Acquisition of a Bank Holding Company

Banc One Corporation, Columbus, Ohio ("Banc One"), and its wholly owned subsidiary, Banc One Arizona Corporation, Phoenix, Arizona ("Banc One Arizona"), bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Capital Bancorp, Salt Lake City, Utah ("Capital"), and thereby indirectly acquire Capital's subsidiary bank, Capital City Bank, South Salt Lake City, Utah ("Capital Bank").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (59 *Federal Register* 3107 (1994)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Banc One, with total deposits of $62.6 billion, controls banking subsidiaries in Ohio, Indiana, Michigan, Wisconsin, Illinois, Texas, Colorado, Kentucky, West Virginia, Arizona, California, Oklahoma, and Utah.

Banc One is the fifth largest commercial banking organization in Utah, controlling $848.3 million in deposits, representing 7 percent of total deposits in commercial banks in Utah.[2] Capital is the 13th largest commercial banking organization in Utah, controlling $107.4 million in deposits, representing less than 1 percent of total deposits in commercial banks in the state. Upon consummation of Banc One's acquisition of Capital, Banc One would become the fourth largest commercial banking organization in the state, controlling $955.7 million in deposits, representing 7.9 percent of the total deposits in commercial banks in Utah.

Douglas Amendment

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication."[3] For purposes of the Douglas Amendment, the home state of Banc One is Ohio.[4] In considering this proposal, the Board has analyzed the interstate banking statutes of Utah and has concluded that Banc One is authorized under the laws of Utah to acquire Capital and Capital Bank.[5] The Utah Commissioner has approved Banc One's proposed acquisition of Capital. In light of all facts of record, the Board concludes that its approval of this proposal is not prohibited by the Douglas Amendment.

Competitive, Financial, Managerial and Supervisory Considerations

Banc One and Capital compete directly in the Salt Lake City banking market.[6] Upon consummation of this proposal, the level of market concentration as measured by the Herfindahl–Hirschman Index ("HHI") for the Salt Lake City banking market would increase by 28 points to 1528.[7] Based on all the facts of record, including the relatively small increase in market concentration and Banc One's market share and the number of competitors remaining in the market, the Board concludes that consummation of this acqui-

1. Banc One Arizona will merge with and into Capital, with Banc One Arizona surviving the merger.

2. State and market deposit data are as of June 30, 1992.

3. 12 U.S.C. § 1842(d).

4. A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

5. The Utah interstate banking statute permits an out-of-state bank holding company to acquire a bank holding company that owns a bank in Utah if the Utah Commissioner approves the acquisition, and the Board has previously determined that an Ohio bank holding company may acquire a bank located in Utah. *See Banc One Corporation*, 79 *Federal Reserve Bulletin* 524 (1993); *see also* Utah Code Ann. § 7-1-702(2).

6. The Salt Lake City banking market is approximated by the Salt Lake City, Utah, RMA.

7. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is below 1000 is considered unconcentrated and a market in which the post-merger HHI is between 1000 and 1800 is moderately concentrated. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anti-competitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anti-competitive effects implicitly recognize the competitive effect of limited purpose lenders and other non-depository financial entities.

sition would not have significantly adverse effects on competition in the Salt Lake City banking market or any relevant banking market.

The Board also concludes that the financial and managerial resources and future prospects of Banc One, Capital, and their respective subsidiaries and the other supervisory factors the Board must consider under section 3 of the BHC Act are consistent with approval of this proposal.

Convenience and Needs Considerations

In acting upon an application to acquire a depository institution under the BHC Act, the Board must consider the convenience and needs of the communities to be served, and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of bank holding company applications.[8]

The Board has received comments from two organizations that raise issues regarding the efforts by Banc One to meet the credit needs of certain low- and moderate-income neighborhoods within the communities served by Bank One Texas, N.A. ("Texas Protestant"), and Bank One Columbus, N.A. ("Columbus Protestant"). The Texas Protestant alleges that Bank One Texas has redlined Dalworth, a low- and moderate-income neighborhood in Grand Prairie, Texas, and similarly situated adjacent banking markets.[9] The Columbus Protestant objects to the activities of Banc One's community development corporation ("Banc One CDC") and Banc One's record of lending in two specific economically depressed areas in Columbus.[10]

The Board has carefully reviewed the CRA performance records of Banc One, Capital, and their respective subsidiary banks, as well as all comments received regarding this application, Banc One's responses to those comments, and all other relevant facts of record in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[11]

Records of Performance Under the CRA

A. CRA Performance Examinations

The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.[12] The Board notes that Banc One's lead subsidiary bank in Ohio, Bank One, Columbus, N.A. ("Bank One-Columbus"), received an "outstanding" rating from the Office of the Comptroller of the Currency ("OCC") at its most recent examination for CRA performance in April 1993. Bank One Texas received a "satisfactory" rating from the OCC at its most recent CRA examination in June 1993. In addition, all but two of Banc One's remaining 79 subsidiary banks received either "outstanding" or "satisfactory" ratings from their primary regulators in the most recent examinations of their CRA performance.[13] The Board also notes that Capital Bank received a "satisfactory" rating from its primary regulator, the Federal Deposit Insurance Corporation, at its most recent examination for CRA performance in July 1992.

B. Performance Record of Bank One Texas

The Board has recently evaluated the CRA record of Bank One Texas in connection with Banc One's

8. 12 U.S.C. § 2903.

9. The Dalworth area is approximated by census tract 0161.00 in Dallas County and census tract 1130.02 in Tarrant County. The Texas Protestant has criticized the marketing and lending efforts of Bank One Texas in the Dalworth area for consumer, small business, and housing-related loans. This commenter also submitted data showing disparities based on race in income, employment, and educational levels in the Dalworth area and alleges that Bank One Texas has failed to develop a plan of action for the Dalworth community and has not implemented outreach efforts with local community-based organizations, including African-American organizations. In addition, the Texas Protestant alleges that Bank One Texas does not have a culturally diverse management staff who are familiar with the Dalworth area.

10. This commenter also requested that the Board conduct a comprehensive review of Banc One CDC's business activities since its formation in 1987.

11. 54 *Federal Register* 13,742 (1989).

12. *Id.* at 13,745 (1989).

13. The OCC assigned a rating of "needs to improve" to Bank One Cleveland. The Board has continued to monitor Bank One Cleveland's progress in addressing the issues raised by this performance rating. Bank One Cleveland has submitted quarterly progress reports to the Federal Reserve Bank of Cleveland and to the OCC. Based on all facts of record, including the steps implemented by Bank One Cleveland and other supervisory information, the Board believes that Bank One Cleveland is addressing the areas of weakness noted by the OCC. The Board will continue to monitor this progress in future applications by Banc One to establish a depository facility.

acquisition of Mid States Bancshares.[14] In the Mid States Order, the Board addressed allegations that Banc One was not complying with the spirit and requirements of various laws and regulations designed to prevent discrimination in bank credit practices, including the CRA, in attempting to meet the credit needs of the African-American and ethnic minorities in several communities, including the community of Grand Prairie, which includes the Dalworth neighborhood. The Board noted that Bank One Texas offers a variety of credit products and services designed to meet the credit needs of low- and moderate-income and minority neighborhoods within its delineated communities and that in 1992 Bank One Texas had made approximately $300 million in loans in low- and moderate-income census tracts. In 1992, the bank introduced and made loans totalling $9.5 million under its American Dream Mortgage Program, which provides flexible underwriting criteria. The bank also made loans totalling $28 million through its Affordable Housing Lenders in Dallas, Austin, Fort Worth, Houston, Midcities, and San Antonio in 1992. The Board also noted that the bank has relationships with several community groups, including the Dallas Affordable Housing Partnership, Voice of Hope, and The Enterprise Foundation, that work predominantly in African-American sections of Dallas.[15]

Bank One Texas also has engaged in numerous outreach efforts in order to ascertain the credit needs of the Dalworth area and advertise its credit products to residents in the Dalworth area. These efforts have included participation in public forums in the Dalworth area, including one that provided counselling to first-time homebuyers. Representatives of Bank One Texas also have met with various local business owners, minority contractors, and representatives of minority business associations, including the president of the MidCities Minority Council, in order to discuss specific credit and other banking products offered by the bank. Bank One Texas officers have also met with groups of small business owners convened by the Grand Prairie chapter of the NAACP.

The most recent examination of Bank One Texas for CRA compliance found no evidence of illegal discrimination or practices that were inconsistent with the substantive provisions of antidiscrimination laws and regulations. The OCC Examiners concluded that the bank affirmatively encourages credit applications from all segments of its delineated community, including low- and moderate-income neighborhoods, for all types of credit. The examiners also noted that the bank is in substantial compliance with laws and regulations that ensure fair lending practices. In addition, Bank One Texas has initiated a "second-look" process whereby all denied secondary mortgage loan applications, portfolio mortgage loan applications, and housing agency mortgage loan applications are reviewed. Bank One Texas intends to increase the scope of its current "second-look" program to cover all small business loan and home improvement loan applications.

Based on all facts of record, and for the reasons more fully discussed in the Mid States Order, the Board concludes that the overall CRA record of Bank One Texas is consistent with approval of this application.

C. Record of Banc One CDC's Activities and Bank One-Columbus

Activities of the CDC. Columbus Protestant believes that Banc One CDC's concentration[16] in equity investments that qualify for low-income tax credits pursuant to section 42 of the Internal Revenue Code ("Section 42") is inconsistent with the Federal Reserve's original approval of the formation of Banc One CDC and demonstrates Banc One's lack of commitment to productive community development.[17] Bank holding companies are authorized under Regulation Y to make equity investments in corporations or projects designed to promote community welfare through, among other activities, development of low-income areas by providing housing.[18] The Board's Policy Statement on community welfare projects specifically identifies projects for the construction or rehabilitation of housing for the benefit of persons of low- or moderate-income as one type of investment that promotes community welfare.[19] The Board has previously stated in

14. *Banc One Corporation*, 79 *Federal Reserve Bulletin* 1152 (1993) (the "Mid States Order").

15. In the Dalworth area, Bank One Texas had 234 loan accounts totalling $3.6 million outstanding in 1993. Banc One acquired and retained a substantial number of these loans through its acquisition of the bank subsidiaries of MCorp, and Bank One Texas has continued to originate loans in the Dalworth area. In addition, in December 1993, Bank One Texas assisted in financing the construction of a church soup kitchen in Dalworth.

16. Banc One CDC estimates that 94 percent of its current investments are in housing projects that qualify for low-income tax credit treatment. These investments represented approximately $32.9 million as of September 1993.

17. Congress enacted Section 42 to increase the supply of low-income rental housing by providing tax credits for investments in qualified low-income housing projects. S. Rep. No. 313, 99th Cong., 2d Sess. 758 (1986). Section 42 generally requires that the developer reserve 20 percent of the units for households that earn under 50 percent of the area median income or 40 percent of the units for households that earn under 60 percent of the area median income. Recipients of the tax credits must agree to maintain the units as affordable housing for at least 15 years.

18. 12 C.F.R. 225.25(b)(6).

19. 12 C.F.R. 225.127(d)(1).

connection with community development activities under Regulation Y that the receipt of modest profits is not inconsistent with the nature of such activities.[20] The financial advantages for a for-profit CDC from tax credits received in such investments is one means of stimulating investments in low-income housing. Thus, while Columbus Protestant expresses a concern that Banc One CDC may make a profit on these investments, the Board does not require that these activities be not-for-profit or eleemosynary.

Columbus Protestant also alleges that the activities of Banc One CDC are inconsistent with the commitments and representations made in Banc One's application to the Federal Reserve System to form Banc One CDC. The application filed by Banc One indicates that Banc One CDC was formed to assist the Banc One affiliate banks in making investments in projects to promote community welfare, and describes the following four types of investments that Banc One CDC proposed to make:

(1) The provision of affordable housing in low-income areas, including making investments that utilize low-income housing tax credits under Section 42;

(2) Economic revitalization of low-income areas;

(3) Projects to aid minority business people in the conduct of their business; and

(4) Projects to provide employment opportunities for target populations.

The Federal Reserve Bank of Cleveland, acting pursuant to authority delegated by the Board, approved the application to form Banc One CDC in 1987.

Banc One CDC is, in fact, engaged primarily in one of the activities proposed in the application to form Banc One CDC—providing affordable housing in low-income areas by making investments that utilize low-income tax credits. Columbus Protestant alleges that Banc One CDC must engage in *all four* activities, and cannot, consistent with its application to the Board, engage in only one type of community development activity. In fact, however, the original application did not commit and the Federal Reserve Bank's approval did not require that Banc One CDC would engage in these other activities. The application listed four types of investments as *examples,* and did not include binding commitments to engage in any particular combination of these activities. In this regard, Banc One CDC could initiate or terminate any or all of the activities identified in the application consistent with this approval. Columbus Protestant also alleges that Banc One CDC has not engaged in economic development projects in two economically depressed areas of Columbus, the Main Street area and the I-670 Corridor. Although the application to form Banc One CDC noted those areas as examples of the types of areas to be considered for economic revitalization projects, the approval was not conditioned upon Banc One CDC's making an investment in a particular place.

Lending in Specific Areas in Columbus. Columbus Protestant generally alleges that Banc One has failed to address the credit needs of the Main Street area and the I-670 Corridor, and has misrepresented the investment efforts of Bank One-Columbus in economically depressed areas of Columbus.

The Board recently reviewed the record of performance by Bank One-Columbus under the CRA.[21] As previously noted, Bank One-Columbus received an "outstanding" rating for CRA performance in its most recent CRA examination by the OCC. To help meet the housing needs of low- and moderate-income residents, Bank One-Columbus offers a number of direct and subsidized home-loan products through the Community Home Buyers Program; the Ohio Housing Finance Agency First Time Homebuyers Program; and a variety of government-sponsored loan programs, including programs through the Federal Housing Authority and the Veterans Administration. In addition, from 1991 through the first quarter of 1993, the bank made 1,627 small business loans totalling $61.5 million, $47 million of which was generated by branches serving low- and moderate-income areas. Furthermore, Bank One-Columbus participates in the Small Business Administration's certified and preferred lender programs.

Columbus Protestant also asserts that Banc One has misrepresented Bank One-Columbus's lending activities in economically depressed areas of Columbus in previous applications submitted to the Board. The Board has carefully reviewed these allegations and does not believe that Banc One's statements were inaccurate in any material respect.[22]

20. 48 *Federal Register* 23,531 (1983); Letter from William Wiles to all Federal Reserve Banks, dated June 25, 1979 (BHC-79-180).

21. *Banc One Corporation,* 79 *Federal Reserve Bulletin* 1168 (1993).

22. Specifically, Columbus Protestant believes that Banc One misrepresented a loan commitment as a completed financing and incorrectly characterized a warehouse used as a transitional housing facility for which Bank One-Columbus provided financing as a mixed-use facility. In addition, this protestant implies that it was misleading for Banc One to state that a nonprofit limited partnership is the owner of the warehouse, because the partnership's limited partners are for-profit entities. Columbus Protestant also claims that Banc One provided an incomplete and misleading description of the financing that Bank One-Columbus provided to the I-670 Corridor Development Corporation ("I-670 CDC") for an acquisition of land in the I-670 Corridor.

D. Conclusion Regarding Convenience and Needs Factors

The Board has carefully considered all of the facts of record, including the comments filed in this case, in reviewing the convenience and needs factors under the BHC Act. Based on a review of the entire record of performance, including information provided by commenters opposing the proposal and the CRA performance examinations by the banks' primary regulators, the Board believes that the efforts of Banc One and Capital to help meet the credit needs of all segments of the communities served by their subsidiary banks, including low- and moderate-income neighborhoods, are consistent with approval, and that the comments submitted in this application do not raise issues that warrant a denial of the application. The Board concludes that convenience and needs considerations, including the CRA performance records of the companies and banks involved in these proposals, are consistent with approval of these applications.

Based on the foregoing, including the commitments by Banc One in this application and in related correspondence, and in light of all the facts of record, the Board has determined that this application should be, and hereby is, approved. The Board's approval is specifically conditioned upon compliance by Banc One with all commitments made in connection with this application as well as the conditions discussed in this order. The commitments and conditions relied on by the Board in reaching this 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. This approval is also conditioned upon Banc One receiving all necessary Federal and state approvals.

This acquisition should not be consummated before the thirtieth calendar day following the effective date of this order, or later than three months following the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

The loan commitment that Banc One characterized as a financing and that Protestant accurately noted was a loan commitment ultimately resulted in a loan being closed by Bank One-Columbus. In addition, the information submitted by Banc One regarding the warehouse identified by Protestant stated that the second floor of the warehouse was being used for transitional housing and that the partnership that owned the structure had been unsuccessful in finding a commercial tenant for the first floor of the warehouse. The record also shows that Banc One accurately characterized a short-term loan and a letter of credit issued in connection with the I-670 CDC's acquisition of land as a "credit relationship designed to facilitate land acquisition and development."

By order of the Board of Governors, effective March 28, 1994.

Voting for this action: Chairman Greenspan and Governors Kelley, LaWare, Lindsey, and Phillips.

WILLIAM W. WILES
Secretary of the Board

Pacific Rim Bancorporation
San Francisco, California

Order Approving Formation of a Bank Holding Company

Pacific Rim Bancorporation, San Francisco, California ("Pacific Rim"), has applied under section 3(a)(1) of the Bank Holding Company Act, 12 U.S.C. § 1842(a)(1) ("BHC Act"), to acquire all of the voting shares of Golden Gate Bank, San Francisco, California ("Bank"), and thereby become a bank holding company.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (58 *Federal Register* 54,359 (1993)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Pacific Rim is a non-operating company formed for the purpose of acquiring Bank. Bank is the 202nd largest commercial banking organization in California, controlling deposits of approximately $76.5 million, representing less than 1 percent of total deposits in commercial banks in the state.[1] Pacific Rim and Bank do not compete directly in any banking market. Accordingly, based on all the facts of record in this case, consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

In reviewing an application under section 3 of the BHC Act, the Board also is required to consider the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the community to be served, and other supervisory factors. The record in this case indicates that Pacific Rim has committed to provide substantial additional capital to Bank, and, upon consummation, Pacific Rim and Bank will meet all applicable regulatory capital requirements. In light of these and other facts of record, including

1. State data are as of June 30, 1992.

commitments made by the principals of Pacific Rim and related parties, the Board concludes that the financial and managerial resources and future prospects of Pacific Rim and Bank, and the convenience and needs and other supervisory factors that the Board is required to consider under section 3 of the BHC Act, are consistent with approval of this proposal.

In considering the factors relating to the convenience and needs of the community to be served, the Board has reviewed Bank's record of performance under the Community Reinvestment Act, 12 U.S.C. § 2901 *et seq.* ("CRA"). Bank received a "needs to improve" rating from its primary federal regulator, the Federal Deposit Insurance Corporation ("FDIC"), at its most recent examination for CRA performance, as of November 1991. The Board notes that Bank will be under new ownership as a result of this proposal and that Pacific Rim has committed to fully implement a number of steps put in place by Bank to address specific deficiencies identified by the FDIC examiners, including expanding Bank's delineated community and increasing outreach efforts through lending to, and other funding of, local community groups. The FDIC has recently reviewed these steps and concluded that Bank has made satisfactory progress in addressing the areas of weaknesses identified in the examination.

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 upon compliance with all the commitments made by Pacific Rim, including commitments made by the principals of Pacific Rim and related parties, in connection with this application. For purposes of this action, the commitments and conditions relied upon 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.

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

By order of the Board of Governors, effective March 30, 1994.

Voting for this action: Chairman Greenspan and Governors Kelley, LaWare, Lindsey, and Phillips.

WILLIAM W. WILES
Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Cardinal Bancshares, Inc.
Lexington, Kentucky

Order Approving an Application to Engage in Securities Brokerage Activities and to Act as "Riskless Principal"

Cardinal Bancshares, Inc., Lexington, Kentucky ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)) to engage through its indirect subsidiary, Mutual Service Corporation, Somerset, Kentucky ("Company"), in securities brokerage activities pursuant to section 225.25(b)(15) of Regulation Y (12 C.F.R. 225.25(b)(15)), and in buying and selling securities on the order of investors as "riskless principal." Applicant proposes that Company enter into a joint venture arrangement with Compulife Investor Services, Inc., Richmond, Virginia ("Compulife"), whereby Company and Compulife will conduct the proposed activities at branches of Applicant's thrift subsidiary, Mutual Federal Savings Bank, Somerset, Kentucky ("Mutual Thrift").[1]

Notice of the application, affording interested persons an opportunity to submit comments, has been published (59 *Federal Register* 8627 (1994)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with approximately $482.1 million in total consolidated assets, operates three subsidiary banks and two savings associations in Kentucky.[2] Applicant also engages directly and through subsidiaries in permissible nonbanking activities. Compulife currently engages in securities brokerage activities and buying and selling securities on the order of investors as a "riskless principal."

The Board previously has determined by regulation that engaging in securities brokerage services is an activity that is closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act.[3] Applicant has committed that Company will conduct these activities in accordance with

1. Company is a direct subsidiary of Mutual Thrift.
2. Asset data are as of December 31, 1993.
3. *See* 12 C.F.R. 225.25(b)(15).

the limitations imposed by section 225.25(b)(15) of Regulation Y.

"Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.[4] "Riskless principal" transactions are understood in the industry to include only transactions in the secondary market. Thus, Applicant proposes that Company would not act as a "riskless principal" in selling securities at the order of a customer that is the issuer of the securities to be sold or in any transaction where Company has a contractual agreement to place the securities as agent of the issuer. Company also would not act as a "riskless principal" in any transaction involving a security for which it makes a market.

The Board previously has determined by Order that, subject to prudential limitations that address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed riskless principal activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.[5] The Board also previously has determined that purchasing and selling securities on the order of investors as a "riskless principal" does not constitute underwriting and dealing in securities for purposes of section 20 of the Glass–Steagall Act, and that revenue derived from this activity is not subject to the 10 percent revenue limitation on bank-ineligible securities underwriting and dealing.[6] Applicant has committed that Company will conduct its "riskless principal" activities using the same methods and procedures, and subject to the same prudential limitations, established by the Board in the *Bankers Trust* Order and the *J.P. Morgan* Order, including the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices, and other adverse effects imposed by the Board in connection with underwriting and dealing in securities.[7]

In prior decisions, the Board has expressed concern that joint ventures could potentially lead to a matrix of relationships between co-venturers and their affiliates that could break down the legally mandated separation of banking and commerce, create the possibility of conflicts of interests and other adverse effects that the BHC Act was designed to prevent, or impair or give the appearance of impairing the ability of the banking organization to function effectively as an independent and impartial provider of credit.[8] Further, joint ventures must be carefully analyzed for any possible adverse effects on competition and on the financial condition of the banking organization involved in the proposal.[9]

Applicant proposes to conduct the proposed activities through a joint venture arrangement with Compulife whereby joint employees of Company and Compulife will conduct the proposed activities at branches of Mutual Thrift.[10] Applicant also has entered into certain commitments previously relied on by the Board to address issues raised by joint venture proposals.[11] Based on these and other commitments made

4. *See* Securities and Exchange Commission Rule 10b-10. 17 C.F.R. 240.10b-10(a)(8)(i).

5. *See Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust* Order"); *J.P. Morgan & Company Incorporated*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan* Order").

6. *See Bankers Trust* Order.

7. *See J.P. Morgan* Order and *Bankers Trust* Order. The prudential limitations detailed more fully in those Orders require, among other things, that in conducting the proposed "riskless principal" activities, Company will maintain specific records that will clearly identify all "riskless principal" transactions, and Company will not engage in any "riskless principal" transactions for any securities carried in its inventory. When acting as a "riskless principal," Company will engage only in transactions in the secondary market, and not at the order of a customer that is the issuer of the securities to be sold, will not act as "riskless principal" in any transaction involving a security for which it makes a market, nor hold itself out as making a market in the securities that it buys and sells as a "riskless principal." Moreover, Company will not engage in "riskless principal" transactions on behalf of any foreign affiliates that engage in securities dealing activities outside the United States, and will not act as "riskless principal" for registered investment company securities. In addition, Company will not act as a "riskless principal" with respect to any securities of investment companies that are advised by Applicant or any of its affiliates.

8. *See, e.g., The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 577 (1989); *Amsterdam-Rotterdam Bank, N.V.*, 70 *Federal Reserve Bulletin* 835 (1984).

9. *See id.*

10. The Board previously has expressed concern over joint ventures involving a bank holding company and a firm engaged in securities activities that are impermissible for a bank holding company because such joint ventures have the potential for the mingling of permissible and impermissible securities activities. *See The Chuo Trust and Banking Company, Limited*, 78 *Federal Reserve Bulletin* 446 (1992). In this case, however, Compulife engages only in activities that are permissible for bank holding companies under the BHC Act and Applicant has committed to cease engaging in the proposed activities if Compulife or its affiliates engage in any securities activity that is impermissible for a state member bank under the Glass–Steagall Act, or any activity that is impermissible under the BHC Act.

11. In particular, Applicant has committed that:

(1) The proposed joint venture will not engage in any additional activities without Applicant's knowledge and consent, as well as prior authorization of the Federal Reserve System;

(2) Applicant will not solicit business on behalf of Compulife; and

(3) Compulife, Applicant, and Company do not currently have or expect to have any other significant relationships other than the proposed joint venture.

Furthermore, Applicant and its subsidiaries will act at all times on an arm's-length basis in deciding whether to extend credit to Compulife or Compulife's competitors, and Applicant and its banking subsidiaries will not take into account the fact that a potential borrower could be a competitor of the joint venture in determining whether to extend credit to that borrower. Applicant also has committed that the proposed joint venture will observe the anti-tying provisions of the by Applicant, the Board believes that the structure of the joint venture in this case is consistent with the provisions of section 4 of the BHC Act and prior Board cases.

In order to approve this application, the Board also is required to determine that the performance of the proposed activities by Applicant can reasonably be expected to produce benefits to the public that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.[12]

Under the framework established in this and prior Board decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as an undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Moreover, the Board has determined that performance of the proposed activities by Applicant can reasonably be expected to produce public benefits that would outweigh any adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of Applicant and its subsidiaries and the effect of the transaction on these resources.[13] Based on the facts of this case, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of Applicant also are consistent with approval.

Based on the foregoing and all the facts of record, the Board has determined to, and hereby does, approve the application subject to the terms and conditions set forth in this order, and in the Board regulations and orders noted above. The Board's determination also is subject to all the terms and conditions set forth in its Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act, and the Board's regulations and orders issued thereunder. The Board's decision is specifically conditioned on compliance with all the commitments made in this application, including the commitments discussed in this order and the conditions set forth in the Board orders noted above.

Bank Holding Company Act Amendments of 1970 and will be treated as an affiliate for purposes of section 23A and section 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1).

12. 12 U.S.C. § 1843(c)(8).

13. *See* 12 C.F.R. 225.25.

These commitments and conditions shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decisions, and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective March 30, 1994.

Voting for this action: Chairman Greenspan and Governors Kelley, LaWare, Lindsey, and Phillips.

William W. Wiles
Secretary of the Board

First Chicago Corporation Chicago, Illinois

Order Approving Application to Engage De Novo in Underwriting and Dealing in All Types of Debt Securities on a Limited Basis, and Certain Other Securities- and Derivatives-Related Activities

First Chicago Corporation, Chicago, Illinois ("First Chicago"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a) of the Board's Regulation Y (12 C.F.R. 225.23(a)) to engage *de novo* through its wholly owned subsidiary, First Chicago Capital Markets, Inc., Chicago, Illinois ("Company"), in the following nonbanking activities:

(1) Underwriting and dealing in, to a limited extent, all types of debt securities, including sovereign debt securities, corporate debt securities, convertible debt securities, and debt securities issued by a trust or other vehicle secured by or representing interests in debt obligations ("bank-ineligible securities");[1]

(2) Acting as agent in the private placement of all types of securities, and providing related advisory services;

(3) Purchasing and selling all types of securities as a "riskless principal" on the order of customers;

1. Company would not underwrite or deal in any securities issued by an open-end investment company. In addition, Company would not underwrite or deal in any convertible debt securities unless, on the date the securities are issued, the conversion price is greater than 115 percent of the market price of the equity security into which the debt security is convertible.

(4) Providing full-service securities brokerage services, pursuant to section 225.25(b)(15) of Regulation Y; and

(5) Providing financial and transaction advice regarding the structuring and arranging of swaps, caps, and similar transactions relating to interest rates, currency exchange rates or prices, and economic and financial indices, and similar transactions, pursuant to section 225.25(b)(4)(vi)(A)(2) of Regulation Y.

First Chicago seeks approval for Company to conduct the proposed activities throughout the United States.

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (59 *Federal Register* 9215, 10,385 (1994)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

First Chicago, with total consolidated assets of $52.6 billion, is the eleventh largest commercial banking organization in the United States.[2] First Chicago operates five bank subsidiaries in Illinois, Wisconsin, and Delaware, and engages through its subsidiaries in a broad range of permissible nonbanking activities in the United States. Company currently is engaged in limited bank-ineligible securities underwriting and dealing activities that are permissible under section 20 of the Glass–Steagall Act (12 U.S.C. § 377).[3] Company is, and will continue to be, a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the National Association of Securities Dealers, Inc. ("NASD"). Accordingly, Company is subject to the record-keeping and reporting obligations, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*), the SEC, and the NASD.

Underwriting and Dealing Activities

The Board has previously determined that, subject to the prudential framework of limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed underwriting and dealing activities involving bank-ineligible securities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[4] First Chicago has committed that Company will conduct the proposed underwriting and dealing activities using the same methods and procedures, and subject to the same prudential limitations, as were established by the Board in the Section 20 Orders and other previous cases.[5]

The Board also has previously determined that the conduct of the proposed underwriting and dealing activities is consistent with section 20 of the Glass–Steagall Act (12 U.S.C. § 377), provided that the company engaged in the underwriting and dealing activities derives no more than 10 percent of its total gross revenue from underwriting and dealing in bank-

2. Asset data are as of December 31, 1993.

3. In particular, Company has authority to underwrite and deal in, to a limited extent, certain municipal revenue bonds, 1–4 family mortgage-related securities, commercial paper, and consumer receivable-related securities. In addition, Company is authorized to underwrite and deal in securities that state member banks are permitted to underwrite and deal in under sections 5(c) and 16 of the Glass–Steagall Act (12 U.S.C. §§ 335 and 24(7)) ("bank-eligible securities"), pursuant to section 225.25(b)(16) of Regulation Y (12 C.F.R. 225.25(b)(16)), and to conduct activities that are necessary incidents to its underwriting and dealing activities. *See First Chicago Corporation*, 74 *Federal Reserve Bulletin* 706 (1988).

4. *See Canadian Imperial Bank of Commerce, et al.*, 76 *Federal Reserve Bulletin* 158 (1990); *J.P. Morgan & Co. Incorporated, et al.*, 75 *Federal Reserve Bulletin* 192 (1989), *aff'd sub nom. Securities Industries Ass'n v. Board of Governors of the Federal Reserve System*, 900 F.2d 360 (D.C. Cir. 1990); *Citicorp, et al.*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988), *cert. den.*, 486 U.S. 1059 (1988) (collectively, "Section 20 Orders").

5. First Chicago has proposed that First Chicago Capital Markets Asia, Limited ("FCCMA"), an indirect foreign subsidiary of The First National Bank of Chicago, be permitted to act as agent for Company, and to engage in marketing activities on behalf of Company, outside the United States, in connection with the purchase and sale of bank-eligible securities. First Chicago has stated that FCCMA is a corporation organized under the laws of Hong Kong that operates in accordance with the Board's Regulation K (12 C.F.R. Part 211).

The proposed agency and marketing activities will be conducted only in connection with securities that state member banks are authorized to underwrite and deal in under sections 5(c) and 16 of the Glass–Steagall Act (12 U.S.C. §§ 335 and 24(7)). In addition, the proposed activities will be conducted in such a manner as not to undermine the operational separation between Company and its banking affiliates. First Chicago has committed that Company will remain separately incorporated, capitalized, and funded, and will be operationally distinct from its bank affiliates, and that there will be no employees in common between Company and any of its bank affiliates or their subsidiaries. First Chicago also has committed that Company's arrangements to sell bank-eligible securities through FCCMA will not be an exclusive arrangement. In other words, Company will sell such securities both directly and through other brokers, and FCCMA will sell such securities underwritten or dealt in by other broker-dealers. The Board also notes that Company's role in underwriting or dealing in the securities brokered by FCCMA would be fully disclosed to FCCMA's brokerage customers, and such brokerage transactions would be conducted on an arm's length basis.

The Board has previously determined that, subject to similar limitations, the conduct of marketing activities with respect to bank-eligible securities by a bank or its subsidiary on behalf of a section 20 affiliate would not contravene the policies underlying the section 20 prudential framework, and would be consistent with the Glass–Steagall Act and the BHC Act. *See Chemical Banking Corporation*, 80 *Federal Reserve Bulletin* 49 (1994); *BankAmerica Corporation*, 79 *Federal Reserve Bulletin* 1163 (1993).

ineligible securities over any two-year period.[6] First Chicago has committed that Company will conduct its underwriting and dealing activities with respect to bank-ineligible securities subject to this 10 percent revenue test.[7]

Private Placement and "Riskless Principal" Activities

Private placement involves the placement of new securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent for the issuer in soliciting purchasers, and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933, and are offered only to financially sophisticated institutions and individuals and not to the public. Company would not privately place registered securities and would only place securities with customers who qualify as accredited investors.

"Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.[8] Riskless principal transactions are understood in the industry to include only transactions in the secondary market. Thus, Company would not act as a riskless principal in selling securities at the order of a customer that is the issuer of the securities to be sold or in any transaction in which Company has a contractual agreement to place the securities as agent of the issuer. Company also would not act as a riskless principal in any transaction involving a security for which it makes a market.

The Board has previously determined that, subject to prudential limitations that address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed private placement and riskless principal activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[9] The Board has also previously determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a riskless principal, do not constitute underwriting or dealing in securities for purposes of section 20 of the Glass–Steagall Act, and, accordingly, that revenue derived from these activities is not subject to the 10 percent revenue limitation on bank-ineligible securities underwriting and dealing.[10] First Chicago has committed that Company will conduct its private placement and riskless principal activities using the same methods and procedures, and subject to the same prudential limitations, as were established by the Board in the *Bankers Trust* Order, the *J.P. Morgan* Order, and other orders approving the conduct of private placement and riskless principal activities.[11] These methods, procedures, and prudential limitations include the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices, and other adverse effects imposed by the Board in connection with underwriting and dealing in securities.

Full-Service Brokerage Activities

The Board has previously determined by regulation that full-service brokerage activities, the provision of

6. *See* Section 20 Orders. Compliance with the 10 percent revenue limitation shall be calculated in accordance with the method stated in the Section 20 Orders, as modified by the *Order Approving Modifications to the Section 20 Orders, 75 Federal Reserve Bulletin* 751 (1989), the *Order Approving Modifications to the Section 20 Orders, 79 Federal Reserve Bulletin* 226 (1993), and the *Supplement to Order Approving Modifications to Section 20 Orders, 79 Federal Reserve Bulletin* 360 (1993) (collectively, "Modification Orders"). In this regard, the Board notes that First Chicago has not adopted the Board's alternative indexed revenue test to measure compliance with the 10 percent limitation on bank-ineligible securities activities, and, absent such election, will continue to employ the Board's original 10 percent revenue standard.

7. First Chicago also has proposed that Company engage in certain hedging and advisory activities in connection with the proposed underwriting and dealing activities. Advice rendered in connection with these activities could include advice to issuers regarding market conditions and the pricing of an issue, as well as advice to potential purchasers consisting of credit and market risk analysis. First Chicago maintains that these additional activities are incidental to the proposed underwriting and dealing activities. In this regard, the Board notes that Company may provide services that are necessary incidents to the proposed underwriting and dealing activities, provided that any such activities are treated as part of the bank-ineligible securities activities unless Company has received specific approval under section 4(c)(8) of the BHC Act to conduct the activities independently. Until such approval is obtained, any revenues from the incidental activities must be counted as ineligible revenues subject to the 10 percent revenue limitation set forth in the Section 20 Orders, as modified by the Modification Orders.

8. *See* 17 C.F.R. 249.10b-10(a)(8)(i).

9. *See J.P. Morgan & Company Incorporated, 76 Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan* Order"); *Bankers Trust New York Corporation, 75 Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust* Order").

10. *See Bankers Trust* Order.

11. With respect to Company's riskless principal activities, First Chicago has proposed that Company be permitted to enter bid or ask quotations, or publish "offering wanted" or "bid wanted" notices, on trading systems other than an exchange or the NASDAQ, provided that Company not enter price quotations on different sides of the market for a particular security without a separation of at least two business days between such quotations. The Board has previously permitted this practice in connection with riskless principal activities. *See Dauphin Deposit Corporation, 77 Federal Reserve Bulletin* 672 (1991).

securities brokerage and investment advisory services on a combined basis, are closely related to banking within the meaning of the BHC Act.[12] First Chicago has committed that Company will conduct these brokerage activities in accordance with the limitations set forth in Regulation Y.[13]

Derivatives Advisory Activities

The Board has previously determined by regulation that the provision to sophisticated customers of "financial and transaction advice regarding the structuring and arranging of swaps, caps, and similar transactions relating to interest rates, currency exchange rates or prices, and economic and financial indices, and similar transactions", is an activity closely related to banking within the meaning of the BHC Act.[14]

Other Considerations

In every case under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on those resources.[15]

The Board has reviewed the capitalization of First Chicago and Company in accordance with the standards set forth in the Section 20 Orders, and finds the capitalization of each to be consistent with approval of this proposal. With respect to the capitalization of Company, this determination is based upon all the facts of record, including First Chicago's projections with respect to Company's equity capital and the volume of Company's underwriting and dealing activities in bank-ineligible securities. On the basis of all the facts of record, including the foregoing, the Board has concluded that financial and managerial considerations are consistent with approval.

In order to approve this application, the Board also must determine that the performance of the proposed activities by Company "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8). Under the framework and conditions established in this and prior decisions, consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Moreover, the Board expects that the *de novo* entry of Company into the market for the proposed services in the United States would provide added convenience to First Chicago's customers, and would increase the level of competition among existing providers of these services. For these reasons, the Board has determined that the performance of the proposed activities by First Chicago can reasonably be expected to produce public benefits that outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Accordingly, and for the reasons set forth in the Section 20 Orders, the Board has concluded that First Chicago's proposal to engage through Company in the proposed activities is consistent with the Glass–Steagall Act, and that the proposed activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act, provided that First Chicago limits Company's activities as specified in this order and the Section 20 Orders, as modified by the Modification Orders.

On the basis of the foregoing and all the facts of record, including the commitments furnished by First Chicago, the Board has determined that the application should be, and hereby is, approved, subject to all the terms and conditions of this order and the Section 20 Orders, as modified by the Modification Orders. The Board's approval of this proposal extends only to activities conducted within the limitations of those orders and this order, including the Board's reservation of authority to establish additional limitations to ensure that Company's activities are consistent with safety and soundness, conflicts of interests, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in this order and the Section 20 Orders is not within the scope of the Board's approval and is not authorized for Company.

Included among these conditions is that Company

12. *See* 12 C.F.R. 225.25(b)(15)(ii).

13. *See* 12 C.F.R. 225.25(b)(4) and (b)(15). In order to address potential conflicts of interests arising from Company's conduct of these brokerage activities together with underwriting and dealing in bank-ineligible securities, First Chicago has committed that whenever Company provides full-service brokerage services with respect to ineligible securities that it holds as principal, Company will inform its customers at the commencement of the relationship that, as a general matter, Company may be a principal or may be engaged in underwriting with respect to, or may purchase from an affiliate, those securities for which brokerage and advisory services are provided. In addition, at the time any brokerage order is taken, the customer will be informed (usually orally) whether Company is acting as agent or principal with respect to a security. Confirmations sent to customers also will state whether Company is acting as agent or principal. *See PNC Financial Corp.*, 75 *Federal Reserve Bulletin* 396 (1989).

14. *See* 12 C.F.R. 225.25(b)(4)(vi)(A)(2). *See also Signet Banking Corporation*, 73 *Federal Reserve Bulletin* 59 (1987).

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

may not commence the proposed underwriting and dealing activities until the Board has determined that First Chicago and Company have established policies and procedures to ensure compliance with the requirements of this order, including computer, audit, and accounting systems, internal risk management controls, and the necessary operational and managerial infrastructure. The Federal Reserve Bank of Chicago has reviewed the operational and managerial infrastructure of Company, including its computer, audit, and accounting systems, and internal risk management procedures and controls. The Reserve Bank has determined that Company has established an operational and managerial infrastructure for underwriting and dealing in all types of debt securities that is adequate to ensure compliance with the requirements of this order and the Section 20 Orders. On the basis of the Reserve Bank's review and all the facts of record, including the steps taken and the policies and procedures implemented by First Chicago and by Company in connection with this application and in response to the infrastructure review, the Board has determined that Company has in place the managerial and operational infrastructure and other policies and procedures necessary to comply with the requirements of the Section 20 Orders and this order. Accordingly, Company may commence underwriting and dealing in all types of debt securities as permitted by, and subject to the conditions of, this order.

The Board's determination also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b) of Regulation Y, and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. The Board's decision is specifically conditioned on compliance with all the commitments made in connection with this application, including the commitments discussed in this order, and the conditions set forth in this order and the above-noted Board regulations and orders. These commitments and conditions 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.

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

By order of the Board of Governors, effective March 25, 1994.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Norwest Corporation
Minneapolis, Minnesota

Order Approving the Acquisition of a Title Insurance Agency

Norwest Corporation, Minneapolis, Minnesota ("Norwest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23(a) of the Board's Regulation Y (12 C.F.R. 225.23(a)) to acquire Double Eagle Financial Corporation, Phoenix, Arizona ("Double Eagle"), and Double Eagle's subsidiary, United Title Agency of Arizona, Phoenix, Arizona ("United Title"), and thereby engage in title insurance agency and real estate settlement activities. These activities will be performed in 36 offices in Arizona.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (59 *Federal Register* 5607 (1994)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Norwest, with total consolidated assets of $50.8 billion, is the largest commercial banking organization in Minnesota.[1] Norwest controls 113 banking subsidiaries that operate in 15 states and owns a number of subsidiaries engaged in nonbanking activities.

The Board previously has determined that Norwest may engage in general insurance agency activities, including the sale as agent of title insurance, pursuant to section 4(c)(8)(G) of the BHC Act ("exemption G").[2] The Board also has concluded that real estate

1. Data are as of December 31, 1993.

2. *Norwest Corporation,* 76 *Federal Reserve Bulletin* 1058 (1990) ("*Norwest/American Land Title*"); *See First Wisconsin Corporation,* 75 *Federal Reserve Bulletin* 31 (1989); aff'd *American Land Title Association v. Board of Governors,* 892 F.2d 1059 (D.C. Cir. 1989). The exemption, one of several specific exemptions (A through G) enacted by Title VI of the Garn–St. Germain Depository Institutions

settlement services are closely related to banking, and Norwest proposes to conduct the same activities previously approved by the Board.[3] Norwest also has committed to conduct these activities under the same terms and subject to the same conditions as in the previous approvals.[4] Accordingly, the Board believes that the proposed real estate settlement services are activities closely related to banking for purposes of section 4 of the BHC Act.

In every case involving a nonbanking acquisition of a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources. Based on the facts of this case, the financial and managerial resources of Norwest and its subsidiaries are consistent with approval.[5]

In order to approve this proposal, the Board also must determine that the performance of the proposed activities by Norwest can reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act. In this regard, the Board has received a comment from National Title Resource Agency ("National Title"), a title insurance and real estate settlement agency in Arizona, alleging that the proposal would have an adverse competitive effect in the markets for these services by eliminating the largest independent title insurance agency in the state.[6]

National Title's comments have been carefully reviewed in light of all facts of record. Initially, the Board notes Norwest does not currently provide title insurance agency and real estate settlement services in Arizona, and that the acquisition of United Title by Norwest will not change the number of competitors in the market for these services, or the concentration in the market. In addition, there are numerous providers of real estate settlement services in the Phoenix area, including both independent firms and firms associated with mortgage providers. Finally, as previously stated, Norwest has committed to advise all customers that they are not required to purchase title insurance services or real estate settlement services from Norwest as a condition of making or fixing the consideration for a loan or of providing any insurance in connection with the real estate transaction. Based on all facts of record, the Board concludes that the

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Act of 1982 to the Garn Act's general prohibition on insurance activities by bank holding companies, authorizes those bank holding companies that engaged in insurance activities prior to 1971 with prior Board approval, to engage, or control a company engaged in insurance agency activities.

3. *Norwest Corporation*, 79 *Federal Reserve Bulletin* 517 (1993) ("*Norwest/Community Guaranty*"); *Norwest/American Land Title, supra*. These real estate settlement services are:

(1) Reviewing the status of the title in the title commitment, resolving any exceptions to the title, and reviewing the purchase agreement to identify any requirements in it in order to ensure compliance with them;

(2) Verifying the payment of existing loans secured by the real estate and verifying the amount of and then calculating the pro rating of special assessments and taxes on the property;

(3) Obtaining an updated title insurance commitment to the date of closing, preparing the required checks, deeds, affidavits, and obtaining any authorization letter needed;

(4) Establishing a time and place for the closing, and ensuring that all parties properly execute all appropriate documents and meet all commitments;

(5) Collecting and disbursing funds for the parties, holding funds in escrow pending satisfaction of certain commitments, preparing the HUD settlement statement, the deed of trust, mortgage notes, the Truth-in-Lending statement, and purchaser's affidavits; and

(6) Recording all these documents as required under law.

4. Norwest has committed to advise its customers that they are not required to purchase its real estate settlement services in connection with the purchase of title insurance in a real estate transaction. Norwest has further committed that it will not require its customers to purchase its real estate settlement services in connection with a loan origination. In addition, section 106 of the Bank Holding Company Act Amendments of 1970 generally would prohibit Norwest from tying extensions of credit to the purchase of services from United Title. *See Norwest/Community Guaranty, supra; Norwest/American Land Title, supra*.

5. The Board received a comment from several organizations (together "Community Forum") expressing concern that Norwest has not complied with its obligations under the Community Reinvestment Act ("CRA"). The Board previously has determined that the CRA by its terms generally does not apply to applications by bank holding companies to acquire nonbanking companies under section 4(c)(8) of the BHC Act. *See The Mitsui Bank, Limited*, 76 *Federal Reserve Bulletin* 381 (1990).

Community Forum also has raised issues regarding the absence of African-Americans and Hispanics in upper level management positions at United Title. United Title disputes that any illegal discrimination has occurred. The Board notes that these allegations are currently under review by the Equal Employment Opportunity Commission ("EEOC"), the federal agency authorized to adjudicate allegations of illegal discrimination in employment to provide appropriate relief if the allegations are substantiated. The EEOC has not determined at this stage of its review whether these allegations are supported by the facts. In connection with this application, Norwest has committed that, upon the acquisition of United Title by Norwest, Norwest will implement its personnel policies and programs at United Title, including its affirmative action and equal opportunity programs. Based on all facts of record, the Board concludes that these comments do not warrant denial of this application.

6. National Title also believes that the proposal would have an adverse effect on smaller mortgage bankers in direct competition with Norwest for mortgage loans in the Phoenix area because Norwest will acquire a database of mortgage customers referred to United Title. United Title has stated that it does not manufacture a database or customer list. Moreover, the title information that United Title generates is from public records and would be identical to information that other title companies in the Phoenix market have available to them. In addition, Norwest has committed to advise all customers that they are not required to purchase title insurance services or real estate settlement services from Norwest as a condition of making or fixing the consideration for a loan or of providing any insurance in connection with the real estate transaction.

National Title also questions whether United Title will comply with Arizona's "controlled insurance" law which places percentage limits on the amount of fees earned by title insurance agents if the agency is providing title insurance for the benefit of a corporation controlling the agency. Ariz. Rev. Stat. Ann. § 20-1587 (1990). Norwest has committed to comply with this provision of Arizona law.

proposal is not likely to have a significantly adverse effect on competition or to permit unfair competition.

For the reasons discussed above, and under the framework and conditions established in this and prior decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. Moreover, consummation of the proposal would provide added convenience to Norwest's customers. Accordingly, the Board has determined that the performance of the proposed activities by Norwest could reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.[7]

Based on the foregoing and all the other facts of record, the Board has determined to, and hereby does, approve the application subject to all of the terms and conditions set forth in this order, and in the above noted Board Orders that relate to these activities. The Board's decision is specifically conditioned on compliance with all of the commitments made in this application, including the commitments discussed in this order and the conditions set forth in the orders discussed herein. The Board's determination is also subject to all of the terms and conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act, and the Board's regulations and orders issued thereunder. For the purpose of this action, all of these commitments and conditions are deemed to be conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective March 30, 1994.

Voting for this action: Chairman Greenspan and Governors Kelley, LaWare, Lindsey, and Phillips.

WILLIAM W. WILES
Secretary of the Board

7. National Title has requested the Board hold public hearings on this application. The Board's rules provide that a hearing is required under section 4 of the BHC Act if there are disputed issues of material fact that cannot be resolved in some other manner. In addition, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e) and 262.25(d). The Board has carefully considered this request. In the Board's view, interested parties have had a sufficient opportunity to present written submissions, and have submitted substantial written comments that have been considered by the Board. On the basis of all facts of record, the Board has determined that a public hearing or public meeting is not necessary to clarify the factual record in this application, or otherwise warranted in this case. Accordingly, the request for a public hearing or public meeting on this application is hereby denied.

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

Norwest Corporation
Minneapolis, Minnesota

Order Approving the Acquisition of a Bank Holding Company

Norwest Corporation, Minneapolis, Minnesota ("Norwest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act") has applied under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all the voting shares of Bank of Montana System ("BMS"), and thereby indirectly acquire Bank of Montana, both of Great Falls, Montana, Montana Bancsystem, Inc., and Montana Bank, both of Billings, Montana.[1] Norwest also has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to acquire a nonbanking subsidiary of BMS, Montana Agencies, Great Falls, Montana, and thereby engage in general insurance agency activities, including the sale of fixed annuities, pursuant to section 4(c)(8)(G) of the BHC Act and section 225.25(b)(8)(vii) of the Board's Regulation Y (12 C.F.R. 225.25 (b)(8)(vii)).

Notice of these applications, affording interested persons an opportunity to submit comments, has been published (58 *Federal Register* 60,025 (1993)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3 and 4 of the BHC Act.

Norwest, with total consolidated assets of $50.8 billion, operates 113 banks in 15 states. Norwest is the second largest commercial banking organization in Montana, controlling approximately $717.2 million in deposits, representing 10.9 percent of the deposits in

1. Norwest will establish a subsidiary, Norwest Merger Co., to merge with and into BMS with BMS as the surviving corporation.

commercial banks in the state.[2] BMS, with total consolidated assets of $797 million, is the third largest commercial banking organization in Montana, controlling approximately $666 million in deposits, representing 10.1 percent of deposits in commercial banks in the state. Upon consummation of the proposal, Norwest would become the largest commercial banking organization in Montana, controlling approximately $1.4 billion in deposits, representing 21.1 percent of total deposits in commercial banks in the state.

Douglas Amendment Analysis

Section 3(d) of the BHC Act ("Douglas Amendment") prohibits a bank holding company from acquiring a bank located outside of its home state "unless the acquisition of . . . a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."[3] For purposes of the Douglas Amendment, the home state of Norwest is Minnesota. Bank of Montana and Montana Bank are located in Montana.

The statute laws of Montana expressly permit a bank holding company located in a defined region that includes Minnesota to acquire banks in Montana on a reciprocal basis.[4] The Montana Commissioner of Financial Institutions has agreed with this conclusion. Based on a review of the relevant statutes, the Board has determined that its approval of this proposal is not prohibited by the Douglas Amendment. Approval of the proposed transaction is conditioned, however, upon Norwest receiving the necessary approval from the Montana bank commissioner.

Competitive Considerations

The BHC Act provides that the Board may not approve a proposal submitted under section 3 of the BHC Act if the proposal would result in a monopoly or the effect of the proposal would be substantially to lessen competition in any relevant market. In this regard, the Board has received comments from the Montana Independent Bankers ("MIB") that assert that the relevant geographic market for analyzing the competitive effects of this proposal should be limited to a 50-mile area around the City of Great Falls ("Great Falls"),[5] and that consummation of this proposal would substantially lessen competition for banking services in this area. In previous cases, the Federal Reserve Bank of Minneapolis ("Reserve Bank") has delineated the relevant banking market to include six counties in northern Montana. MIB criticizes the Reserve Bank's delineated market as including communities well outside any commuting patterns or shopping routines and encompasses an area that is not homogeneous.[6] In this light, MIB contends that banks located in isolated areas of the market as currently delineated would be able to raise the price of services without fear of competition from competitors in Great Falls.[7]

The Great Falls Banking Market

The Board and the courts have found that the relevant banking market for analyzing the competitive effects of a proposal must reflect commercial and banking realities and must consist of the local area where the banks involved offer their services and where local customers can practicably turn for alternatives.[8] The Board has also traditionally recognized that the appro-

2. All banking data are as of December 31, 1993, unless otherwise noted.

3. 12 U.S.C. § 1842(d). A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company whichever is later. The operations of a bank holding company are considered principally conducted in that state in which the total deposits of all its banking subsidiaries are largest.

4. The laws of Minnesota similarly authorize the acquisition of in-state banking organizations by out-of-state holding companies within a defined region (that includes Montana) on a reciprocal basis. *See* Mont. Code Ann. § 32-1-382(9) (1993); Minn. Stat. Ann. § 48.92(7) (Supp. 1993). The bank commissioner of Minnesota has concluded that the interstate statutes of Montana and Minnesota are reciprocal. Montana law also requires that the institution to be acquired has been continuously operated for at least six years, and that the acquisition does not exceed certain aggregate deposit levels for deposits held by all insured Montana depository institutions and out-of-state bank holding companies. *See* Mont. Code Ann. § 32-1-383 (1993). The record indicates that these requirements are met in this proposal.

5. This area would include Cascade County and portions of Choteau, Teton, Lewis and Clark Counties, all in Montana. According to MIB, this area accurately reflects the boundaries of the primary economic activity of Great Falls—grain farming—and takes into account the limited economic and population growth in the area, including the limited expansion by depository institutions over the last several years.

6. MIB argues that banking services are local in nature and that customers would not travel over 100 miles from Great Falls to conduct their banking as the currently delineated geographic market would indicate. MIB also believes that the 1992 Department of Justice's Horizontal Merger Guidelines indicate that small business and individual borrowers are unlikely to seek credit beyond the county in which they are located.

7. MIB also contends that the elimination of a competitor in this area is contrary to the purpose of the Montana interstate banking statute, which was to provide a variety of banking alternatives in Montana. MIB notes that this proposal would result in less variety for Great Falls banking customers in terms of numbers of competitors and type of ownership (in-state or out-of-state) than in other Montana cities, including some cities with smaller populations.

8. *See St. Joseph Valley Bank*, 68 *Federal Reserve Bulletin* 673, 674 (1982).

priate product market for evaluating bank 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.[9]

In 1990, the Reserve Bank conducted an investigation of the Great Falls area that included a field study and interviews with local bankers. The Reserve Bank also conducted telephone surveys of individuals and small business customers for banking services in the Great Falls area. In connection with this application, the Reserve Bank has gathered a variety of updated data, including conducting interviews with representatives of the Great Falls Chamber of Commerce, the University of Montana, and the *Great Falls Tribune*.

The data collected from these investigations and other sources indicate that a number of geographic and commercial factors tie the northern counties of Glacier, Pondera, and Toole together in a Great Falls banking market. For example, Great Falls is the largest population center in the area with a population of 55,097.[10] It is the retail center for the Great Falls region, defined by the Montana Department of Commerce to encompass a six-county area that includes the northern counties of Glacier, Pondera, and Toole.[11] In this regard, access to Great Falls is convenient, and Great Falls has an indoor shopping mall with three large department stores and other establishments as well as large food and retail goods discount stores that attract customers from at least an 80-mile radius. Great Falls also has a variety of restaurants and hotels, medical facilities and an airport servicing major commercial airlines. The Reserve Bank's survey indicates that the typical resident of the outlying areas in the market travels to Great Falls weekly for shopping. Data collected by a Great Falls newspaper indicate that, of the residents in this area living outside of the county in which Great Falls is located, 57 percent travel to Great Falls at least once a month and that, on average, these residents travel to Great Falls approximately three times per month.

Residents of the Great Falls area and the northern counties also are well informed on the practicable alternatives for goods and services through commercial advertising. For example, the circulation for the Great Falls daily and Sunday newspaper extends to over half the households in Glacier, Pondera, and Toole Counties. Businesses also advertise their products on three television channels and several radio stations in Great Falls that reach these northern counties.

Banking data in the Reserve Bank's study indicate that residents in Glacier, Pondera, and Toole Counties rely on providers of banking services throughout the Great Falls banking market as reasonable alternatives to bank services in those counties. For example, 24 percent of the residents in these counties had either a sole deposit account or a second deposit account in a bank outside their county of residence. In addition, bankers interviewed by the Reserve Bank have confirmed that institutions within the Great Falls region, including Glacier, Pondera and Toole Counties, are in competition with each other.[12] These banks also regularly purchase the auto installment loans of individuals from auto dealers in these counties.

After review of these data and the other facts of record including MIB's comments, the Board believes that the record indicates that customers in the Great Falls region, including customers in Glacier, Pondera, and Toole Counties, can turn to providers of banking services in Great Falls. In this light, the Board disagrees with the contention that the geographic market in this case should be limited to a geographic area within a 50 mile radius of the city. Instead, based on all the facts of record, including the comments and information provided by MIB and studies conducted by the Reserve Bank, the Board concludes that the relevant geographic market for evaluating the competitive effects of this proposal in the Great Falls area should be defined as currently delineated: Cascade (which includes the city of Great Falls), Teton, Judith Basin, Glacier, Toole, and Pondera Counties; and Fort Benton and Geraldine Division in Choteau County, all in Montana.

Competitive Effects in The Great Falls Banking Market

Norwest is the third largest banking or thrift organization ("depository institution") in the Great Falls banking market, controlling deposits of $118.8 million, representing 11.9 percent of total deposits in deposi-

9. *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991). As discussed more fully in that order, it is this cluster of products and services that, as a matter of trade reality, makes banking a distinct line of commerce, *United States v. Philadelphia National Bank*, 374 U.S. 321, 357 (1963). This clustering facilitates the convenient access to these products and services, and vests the cluster with economic significance beyond the individual products and services that constitute the cluster. *United States v. Phillipsburg National Bank*, 399 U.S. 350 (1969). The courts have continued to follow this position. *United States v. Central State Bank*, 621 F.Supp. 1276 (W.D. Mich. 1985, *aff'd per curiam*, 817 F.2d 22 (6th Cir. 1987).

10. Population data are based on the 1990 Census.

11. Retail sales data indicate that Great Falls is a significant retail center for the surrounding counties. For example, although data show comparable levels of per capita income in the six county Great Falls region, a significantly higher number of sales per capita occur in Cascade County, where Great Falls is located, than in the other counties.

12. Three bankers from Great Falls indicated that their customers include residents from Glacier, Pondera, and Toole Counties.

tory institutions in the market ("market deposits").[13] BMS is the second largest depository institution in the market, controlling deposits of $160.1 million representing 16.1 percent of market deposits. Upon consummation of their proposal, Norwest would become the largest depository institution in the market, controlling total deposits of $248.3 million, representing 25.4 percent of market deposits. The Herfindahl-Hirschman Index ("HHI") would increase 270 points to a level of 1522.[14] Seventeen competitors would remain in the market after consummation, including the second largest regional out-of-state bank holding company in Montana, which would control approximately 24 percent of market deposits in the Great Falls banking market. In addition, the Board has considered the competitive influence of thrifts and credit unions.

As in other cases, the Board also sought comments from the United States Attorney General's Office, the Office of the Comptroller of the Currency ("OCC"), and the Federal Deposit Insurance Corporation ("FDIC") on the competitive effects of this proposal. The Attorney General, OCC, and FDIC have not objected to consummation of the proposal or indicated that the proposal would have any significantly adverse competitive effects in the Great Falls market or any relevant banking market in which Norwest and BMS compete. In light of the moderately concentrated nature of the market as measured by the HHI, the number of competitors remaining in the market, and other facts of record, the Board concludes that consummation of the proposal is not likely to result in any significantly adverse effect on competition in the Great Falls banking market.[15]

Competitive Effects in Other Montana Banking Markets

Norwest and BMS also compete directly in the Helena, Billings, Butte and Lewistown banking markets, all in Montana. In the Helena banking market, Norwest is the second largest depository institution, controlling deposits of $108.6 million, representing 25 percent of market deposits. BMS is the eighth largest depository institution in the market, controlling deposits of $19.6 million, representing 4.5 percent of market deposits. Upon consummation of this proposal, Norwest would become the largest depository institution in the Helena banking market, controlling deposits of $128.2 million, representing 29.6 percent in market deposits. The HHI would increase by 226 points to a level of 1805 points. In light of the facts of record, including the number of competitors remaining in the market, and the significant competitive presence of credit unions in the market, which control approximately 14.4 percent of market deposits, the Board concludes that the proposal would not result in significantly adverse competitive effects in this market.

In order to mitigate the potential anticompetitive effects in the Lewistown and Butte banking markets, Norwest has committed to divest the Bank of Montana branches located in Lewistown and Anaconda, and the Montana Bank branch located in Butte. Norwest also has committed that consummation of these divestitures would not exceed the levels of concentration provided for in the Department of Justice Merger Guidelines.[16] Consummation of the proposal in the

13. Market data are as of June 30, 1992. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *See Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). 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., supra.*

14. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated, and a market in which the post-merger HHI is above 1800 is considered to be highly concentrated. In such highly concentrated markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anti-competitive effects) unless the post-merger HHI is at least 1800 and the merger or acquisition increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal threshold for an increase in the HHI when screening bank mergers and acquisitions for anticompetitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other non-depository financial entities.

15. Even under MIB's proposed definition of the market, the Board does not believe that consummation of this proposal would have a significantly adverse effect on competition in that market. Norwest would become the second largest depository institution in the proposed market, controlling $176.1 million in deposits upon consummation of the proposal. The HHI would increase by 289 points to 2038 on the basis of June 30, 1993, market data. A number of factors indicate, however, that this increase in market concentration as measured by the HHI tends to overstate the competitive effects of this proposal in this area. For example, the number of competitors remaining in the market would remain unchanged at 11 institutions because Norwest is not acquiring BMS's thrift subsidiary, Heritage Bank. This institution maintains a level of its assets in commercial and industrial loans of approximately 6 percent, which is higher than the national average for thrifts and accordingly exerts a greater competitive influence in the area than other savings associations. The Board also has considered the significant competitive presence of credit unions in the area which controlling approximately 17 percent of market deposits, more than double the nationwide average, as of September 30, 1993, of 6.1 percent. Based on all the facts of record, the Board concludes that consummation of this proposal would not result in a significantly adverse competitive effect in the area proposed by MIB as the relevant geographic banking market.

16. In this regard, Norwest has committed to execute sales agreements prior to consummation of this proposal, and to complete these divestitures within 180 days of consummation of the transaction. Norwest also has committed that, in the event it is unsuccessful in completing these divestitures within 180 days of consummation of the proposal, Norwest will transfer the relevant office or offices to an independent trustee that has been instructed to sell the office or offices promptly. *See BankAmerica Corporation*, 78 *Federal Reserve Bulletin*

Billings banking market also would not exceed the levels of concentration in the Department of Justice guidelines, and the Billings banking market would remain moderately concentrated.

On the basis of all the facts of record, the Board has concluded that the proposal would not result in a significantly adverse effect on competition or the concentration of banking resources in any of the relevant banking markets in which Norwest and BMS compete.

Other Considerations

The Board also has determined that the financial and managerial resources and future prospects of Norwest, BMS, and their respective subsidiaries, as well as considerations relating to the convenience and needs of the communities to be served, and the other supervisory factors the Board must consider under section 3 of the BHC Act, also are consistent with approval.

Norwest also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire Montana Agencies, a nonbanking subsidiary of BMS, that engages in general insurance agency activities, including the sale of fixed annuities.[17] The record in this case indicates that there are numerous providers of these nonbanking services, and the record does not indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that would outweigh the public benefits of this proposal. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of Norwest's application to acquire Montana Agencies.

Conclusion

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The Board's approval is expressly conditioned upon compliance with all the commitments made by Norwest in connection with these applications and the conditions stated in this order. The determination as to the nonbanking activities are subject to all of the conditions in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasions of, the provision and purposes of the BHC Act and the Board's regulation and orders issued thereunder. The commitments and conditions relied on by the Board in reaching this 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 BMS's subsidiary banks shall not be consummated before the thirtieth calendar day following the effective date of this order, and the acquisition of BMS's bank and nonbank subsidiaries shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Reserve Bank, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 14, 1994.

Voting for this action: Chairman Greenspan and Governors Kelley, LaWare, Lindsey, and Phillips.

JENNIFER J. JOHNSON
Associate Secretary of the Board

337, 340 (1992); *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484, 485 (1991).

17. The Board previously has determined that Norwest may engage in general insurance agency activities, including the sale as agent of annuities, pursuant to section 4(c)(8)(G) of the BHC Act ("Exemption G"). *Norwest Corporation*, 76 *Federal Reserve Bulletin* 873 (1990). This exemption, one of seven specific exemptions (A through G) enacted by Title VI of the Garn–St Germain Depository Institutions Act of 1982 to the Garn Act's general prohibition on insurance activities by bank holding companies, authorizes those bank holding companies that engaged in insurance agency activities prior to 1971 with prior Board approval, to engage, or control a company engaged in insurance agency activities.

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

By the Secretary of the Board

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

Bank Holding Company	Acquired Thrift	Acquiring Bank(s)	Approval Date
First Citizens BancShares, Inc., Raleigh, North Carolina	Home Savings Bank, SSB, Kings Mountain, North Carolina	First Citizens Bank and Trust Company, Raleigh, North Carolina	March 25, 1994
Keystone Financial, Inc., Harrisburg, Pennsylvania	Elmwood Federal Savings Bank, Media, Pennsylvania	National Bank of the Main Line, Harrisburg, Pennsylvania	March 31, 1994

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

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

Bank Holding Company	Acquired Thrift	Acquiring Bank(s)	Approval Date
AmSouth Bancorporation, Birmingham, Alabama	Fortune Bank, A Savings Bank, Clearwater, Florida	AmSouth Bank of Florida, Pensacola, Florida	February 25, 1994
Dickinson Financial Corporation, Kansas City, Missouri	United Savings Bank, Lebanon, Missouri	Bank Midwest, N.A., Maryville, Missouri	March 28, 1994
KSB Bancorp, Inc., Kingfield, Maine	First Federal Savings Association, Lewiston, Maine	KSB Bank, Kingfield, Maine	March 18, 1994
Norwest Corporation, Minneapolis, Minnesota	First Nationwide Bank, FSB, San Francisco, California	Norwest Bank Arizona, N.A., Phoenix, Arizona	March 4, 1994
Republic Bancorp Co., Orland Park, Illinois	First Cook Community Bank, FSB, Chicago, Illinois	Republic Bank of Chicago, Chicago, Illinois	March 4, 1994

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

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

Section 3

Applicant(s)	Bank(s)	Effective Date
Compass Bancshares, Inc., Birmingham, Alabama	Security Bank, National Association, Houston, Texas	March 17, 1994
First Bank System, Inc., Minneapolis, Minnesota	First Financial Investors, Inc., New York, New York	March 25, 1994
First United Bancshares, Inc., El Dorado, Arkansas	InvestArk Bankshares, Inc., Stuttgart, Arkansas First Stuttgart Bank & Trust Company, Stuttgart, Arkansas The Bank of North Arkansas, Melbourne, Arkansas	March 15, 1994
Liberty National Bancorp, Inc., Louisville, Kentucky	Liberty National Bank and Trust Company of Western Kentucky, Hopkinsville, Kentucky	March 8, 1994
Michigan Financial Corporation, Marquette, Michigan	Houghton Financial, Inc., Houghton, Michigan	March 1, 1994

Section 4

Applicant(s)	Bank(s)	Effective Date
First Banks, Inc., Clayton, Missouri	Heartland Savings Bank, F.S.B., St. Louis, Missouri	March 11, 1994
Union Planters Corporation, Memphis, Tennessee	Liberty Bancshares, Inc., Paris, Tennessee	March 25, 1994

Sections 3 and 4

Applicant(s)	Bank(s)	Effective Date
Trans Financial Bancorp, Inc., Bowling Green, Kentucky	Peoples Financial Services, Inc., Cookeville, Tenessee Peoples Bank and Trust of the Cumberlands, Cookeville, Tennessee Citizens Federal Savings Bank, Rockwood, Tennessee	March 21, 1994

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
1st United Bancorp, Boca Raton, Florida	Suburban Bank, Lake Worth, Florida	Atlanta	March 9, 1994
Aumanchester, Inc., Rochester, Minnesota	Rochester Bank and Trust Company, Rochester, Minnesota Security State Bank of Hammond, Hammond, Minnesota	Minneapolis	March 4, 1994
Bank Corporation of Georgia, Macon, Georgia	AmeriCorp, Inc., Savannah, Georgia	Atlanta	March 18, 1994
Excelsior Financial Services, Inc., Excelsior, Minnesota	First State Bank of Excelsior, Excelsior, Minnesota	Minneapolis	March 7, 1994
ExTraCo Bankshares, Inc., Waco, Texas	Guaranty Bank and Trust Company, Gatesville, Texas	Dallas	March 4, 1994
FF Bancorp, Inc., New Smyrna Beach, Florida	Key Bancshares, Inc., Tampa, Florida	Atlanta	March 1, 1994
Firstbank of Illinois Co., Springfield, Illinois	Colonial Bancshares, Inc., Des Peres, Missouri	Chicago	March 22, 1994
First Banks, Inc., St. Louis, Missouri	Farmers Bancshares, Inc., Breese, Illinois	St. Louis	March 22, 1994
First Bankshares of West Point, Inc., West Point, Georgia	First Peoples Bank, Pine Mountain, Georgia	Atlanta	March 31, 1994
First Integrity Bancorporation, Inc., Staples, Minnesota	Barrett Bancorporation, Inc., Barrett, Minnesota	Minneapolis	March 9, 1994
First Union Corporation, Charlotte, North Carolina	First Union Home Equity Bank, National Association, Charlotte, North Carolina	Richmond	March 25, 1994
Harleysville National Corporation, Harleysville, Pennsylvania	Security National Bank, Pottstown, Pennsylvania	Philadelphia	March 29, 1994
Huckabay Enterprises A Limited Partnership, Mustang, Oklahoma	Southwest State Corporation, Sentinel, Oklahoma Wichita Bancshares, Inc., Snyder, Oklahoma First Mustang Corporation, Mustang, Oklahoma	Kansas City	March 3, 1994

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Independent Southern Bancshares, Inc. Employee Stock Ownership Trust, Brownsville, Tennessee	Independent Southern Bancshares, Inc., Brownsville, Tennessee	St. Louis	March 10, 1994
Kelliher Bancshares, Inc., Kelliher, Minnesota	Citizens State Bank of Kelliher, Kelliher, Minnesota	Minneapolis	March 22, 1994
Kermit State Bancshares, Inc., Kermit, Texas	Bank of the West, N.A., Odessa, Texas	Dallas	February 28, 1994
Leeds Holding Company, Leeds, North Dakota	Bankers Financial Corporation, Drake, North Dakota	Minneapolis	March 15, 1994
Limestone Bancshares, Inc., Mexia, Texas	First National Bank of Mexia, Mexia, Texas	Dallas	March 4, 1994
Old Kent Financial Corporation, Grand Rapids, Michigan Old Kent—Illinois, Inc., Elmhurst, Illinois	EdgeMark Financial Corporation, Chicago, Illinois	Chicago	March 25, 1994
Palmer Bancshares, Inc., Palmer, Texas	Palmer Bancshares of Delaware, Inc., Wilmington, Delaware Commercial State Bank, Palmer, Texas	Dallas	March 30, 1994
Palmer Bancshares of Delaware, Inc., Wilmington, Delaware	Commercial State Bank, Palmer, Texas	Dallas	March 30, 1994
Peoples Bancshares, Inc., Clay Center, Kansas	The Peoples National Bank, Clay Center, Kansas	Kansas City	March 24, 1994
Republic Bancorp Co., Orland Park, Illinois	MAH Bancorp, Inc., Orland Park, Illinois	Chicago	March 4, 1994
Sack Family Partnership, York, Nebraska	York State Company, York, Nebraska	Kansas City	February 28, 1994
SBT Bankshares, Inc., Colorado Springs, Colorado	State Bank and Trust of Colorado Springs, Colorado Springs, Colorado	Kansas City	March 14, 1994
The Shorebank Corporation, Chicago, Illinois	Potters State Bank, East Liverpool, Ohio	Chicago	March 24, 1994
Southern Bancshares, Inc., Houston, Texas	First State Bank Brazoria, Brazoria, Texas	Dallas	March 10, 1994
Southwest Bancshares, Inc., Jonesboro, Arkansas	FirstBank of Arkansas, Kensett, Arkansas	St. Louis	March 3, 1994
Stockmens Management Company, Rushville, Nebraska	Black Pipe State Bank, Martin, South Dakota	Kansas City	March 29, 1994

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Western Commerce Bancshares of Carlsbad, Inc., Carlsbad, New Mexico	Western Bancshares of Clovis, Inc., Carlsbad, New Mexico	Dallas	March 16, 1994
Zions Bancorporation, Salt Lake City, Utah	Rio Salado Bancorp, Inc., Tempe, Arizona	San Francisco	March 23, 1994

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Baylor Bancshares, Inc., Seymour, Texas	Baylor Mortgage Company, Inc., Seymour, Texas	Dallas	March 23, 1994
Boatmen's Bancshares, Inc., St. Louis, Missouri	Eagle Management & Trust Company, Houston, Texas	St. Louis	March 4, 1994
Cass Commercial Corporation, St. Louis, Missouri	to engage *de novo* in acquiring, holding, and disposing of loans or other extensions of credit and providing necessary servicing activities	St. Louis	March 16, 1994
First Bancorporation of Ohio, Akron, Ohio	Life Federal Savings Bank, Clearwater, Florida	Cleveland	March 11, 1994
Firstbank of Illinois Co., Springfield, Illinois	Rowe, Henry & Deal, Inc., Jacksonville, Illinois	Chicago	March 2, 1994
First Community Bancshares, Inc., Winnfield, Louisiana	to engage *de novo* in credit life insurance activities	Dallas	March 21, 1994
Lake Park Bancshares, Inc., Lake Park, Minnesota	to engage *de novo* in making loans for its own account	Minneapolis	March 30, 1994
Norwest Corporation, Minneapolis, Minnesota	First National Bank of Detroit Lakes, Detroit Lakes, Minnesota	Minneapolis	March 30, 1994
Norwest Corporation, Minneapolis, Minnesota	FN Investment Center, Phoenix, Arizona	Minneapolis	March 4, 1994
Republic Bancorp Co., Orland Park, Illinois	Ziebell Water Service Products, Inc., Chicago, Illinois	Chicago	March 4, 1994

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Republic Bancorp Company, Orland Park, Illinois	MAH Financial, Inc., Chicago, Illinois First Cook Community Bank, FSB, Chicago, Illinois	Chicago	March 4, 1994

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.

Sections 3 and 4

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
1st United Bank, Boca Raton, Florida	Suburban Bank, Lake Worth, Florida	Atlanta	March 9, 1994
First Community Bank, Forest, Virginia	First Union National Bank of Virginia, Roanoke, Virginia	Richmond	March 31, 1994
OMNIBANK Southeast, Denver, Colorado	OMNIBANK Denver, Denver, Colorado OMNIBANK Leetsdale, Denver, Colorado	Kansas City	March 18, 1994
WesBanco Bank Wheeling, Wheeling, West Virginia	WesBanco Bank Wellsburg, Inc., Wellsburg, West Virginia	Cleveland	March 2, 1994

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.

DLG Financial Corp. v. Board of Governors, No. 94–10078 (5th Cir., filed January 20, 1994). Appeal of district court dismissal of appellants' action to enjoin the Board and the Federal Reserve Bank of Dallas from taking certain enforcement actions, and for money damages on a variety of tort and contract theories. The case has been consolidated on appeal with *Board of Governors v. DLG Financial Corp.*, Nos. 93–2944 and 94–20013 (5th Cir., filed December 14, 1993 and December 31, 1993), an appeal of a temporary restraining order and a preliminary injunction obtained by the Board freezing assets of a corporation and an individual pending administrative adjudication of civil money penalty assessments by the Board. Appellants' brief was filed on March 21, 1994.

Board of Governors v. Oppegard, No. 93–3706 (8th Cir., filed November 1, 1993). Appeal of district court order ordering appellant Oppegard to comply with prior order requiring compliance with Board removal, prohibition, and civil money penalty order. The Board's brief was filed on January 20, 1994.

Scott v. Board of Governors, No. 930905843CV (Dist. Ct., Salt Lake County, Utah, filed October 8, 1993). Action against Board and others for damages and injunctive relief for alleged constitutional and statutory violations caused by issuance of Federal Reserve notes.

Richardson v. Board of Governors, et al., No. 93-C 836A (D. Utah, filed August 30, 1993). Action against Board and others for damages and injunctive relief for alleged constitutional and statutory violations caused by issuance of Federal Reserve notes. On December 16, 1993, the District Court granted the Board's motion to dismiss. On January 14, 1994, plaintiff filed a notice of appeal.

Jackson v. Board of Governors, No. CV-N-93-401-ECR (D. Nev., filed June 14, 1993). Pro se action for violation of a prisoner's civil rights. On November 26, 1993, the Board filed a motion to dismiss.

First National Bank of Bellaire v. Board of Governors, No. H-93-1708 (S.D. Texas, filed June 8, 1993). Action to enjoin possible enforcement actions by Board of Governors and other bank regulatory agencies. On September 23, 1993, the agencies filed a motion to dismiss.

Kubany v. Board of Governors, et al., No. 93–1428 (D. D.C., filed July 9, 1993). Action challenging Board determination under the Freedom of Information Act. The Board's motion to dismiss was filed on October 15, 1993.

Bennett v. Greenspan, No. 93–1813 (D. D.C., filed April 20, 1993). Employment discrimination action.

Amann v. Prudential Home Mortgage Co., et al., No. 93–10320 WD (D. Massachusetts, filed February 12, 1993). Action for fraud and breach of contract arising out of a home mortgage. On April 17, 1993, the Board filed a motion to dismiss.

Adams v. Greenspan, No. 93–0167 (D. D.C., filed January 27, 1993). Action by former employee under the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 concerning termination of employment. The Board's motion for partial summary judgment was filed on January 4, 1994.

CBC, Inc. v. Board of Governors, No. 93–1458 (U.S. Supreme Court, filed March 17, 1994). Petition for review of civil money penalty assessment against a bank holding company and three of its officers and directors for failure to comply with reporting requirements. On November 30, 1993, the Court of Appeals for the 10th Circuit denied the petition for review. On March 17, 1994, CBC filed a petition for *certiorari.*

Zemel v. Board of Governors, No. 92–1056 (D. D.C., filed May 4, 1992). Age Discrimination in Employment Act case. The parties' cross-motions for summary judgment are pending.

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

Final Enforcement Orders Issued by the Board of Governors

Mount Vernon Bankshares, Inc.
Mount Vernon, Kentucky

The Federal Reserve Board announced on March 16, 1994, the issuance of a Cease and Desist Order against Mount Vernon Bancshares, Inc., Mount Vernon, Kentucky, and Jerry Ikerd and Brenda Ikerd, the principal shareholders and sole directors of Mount Vernon Bancshares, Inc.

Pacific Western Bank
San Jose, California

The Federal Reserve Board announced on March 2, 1994, the issuance of a combined Order to Cease and Desist and Order of Assessment of a Civil Money Penalty against the Pacific Western Bank, San Jose, California, a state member bank.

Gary L. Parker
New York, New York

The Federal Reserve Board announced on March 16, 1994, the issuance of an Order of Prohibition against Gary L. Parker, a former officer of the New York Branch of Dresdner Bank AG, Frankfurt, Germany.

Written Agreements Approved by Federal Reserve Banks

First FSB Bancshares, Inc.
Mount Calm, Texas

The Federal Reserve Board announced on March 7, 1994, the execution of a Written Agreement between the Federal Reserve Bank of Dallas and First FSB Bancshares, Inc., Mount Calm, Texas.

Directors of Federal Reserve Banks and Branches

Regional decentralization and a combination of governmental and private characteristics are important hallmarks of the uniqueness of the Federal Reserve System. Under the Federal Reserve Act, decentralization was achieved by the division of the country into twelve regions called Federal Reserve Districts and the establishment in each District of a separately incorporated Federal Reserve Bank with its own board of directors. The blending of governmental and private characteristics is provided through ownership of the stock of the Reserve Bank by member banks in its District, who also elect the majority of the board of directors, and by the general supervision of the Reserve Banks by the Board of Governors, an agency of the federal government. The Board also appoints a minority of each board of directors. Thus, there are essential elements of regional participation and counsel in the conduct of the System's affairs for which the Federal Reserve relies importantly on the contributions of the directors of the Federal Reserve Banks and Branches.

The following list of directors of Federal Reserve Banks and Branches shows for each director the class of directorship, the principal business affiliation, and the date the current term expires. Each Federal Reserve Bank has nine members on its board of directors: three Class A and three Class B directors, who are elected by the stockholding member banks, and three Class C directors, who are appointed by the Board of Governors of the Federal Reserve System. Directors are chosen without discrimination as to race, creed, color, sex, or national origin.

Class A directors represent the stockholding member banks of the Federal Reserve District. Class B and Class C directors represent the public and are chosen with due, but not exclusive, consideration given to the interests of agriculture, commerce, industry, services, labor, and consumers; they may not be officers, directors, or employees of any bank or bank holding company. Also, Class C directors may not be stockholders of any bank or bank holding company. The Board of Governors designates annually one Class C director as chairman of the board of directors of each District Bank and another Class C director as deputy chairman.

Each of the twenty-five Branches of the Federal Reserve Banks has a board of either seven or five directors, a majority of whom are appointed by the parent Federal Reserve Bank; the others are appointed by the Board of Governors. One of the Board's appointees is designated annually as chairman of the board of that Branch in a manner prescribed by the parent Federal Reserve Bank.

The names of the chairman and deputy chairman of the board of directors of each Reserve Bank and of the chairman of each Branch are published monthly in the *Federal Reserve Bulletin*.[1]

1. The current list appears on page A92 of this *Bulletin*.

DISTRICT 1—BOSTON

		Term expires December 31
Class A		
Robert M. Silva	President, Chief Executive Officer, and Director, The Citizens National Bank, Putnam, Connecticut	1994
Ira Stepanian	Chairman and Chief Executive Officer, The Bank of Boston Corporation, Boston, Massachusetts	1995
David A. Page	President and Chief Executive Officer, Ocean National Bank of Kennebunk, Kennebunk, Maine	1996

DISTRICT 1—Continued — *Term expires December 31*

Class B

Edward H. Ladd	Chairman and Chief Executive Officer, Standish, Ayer and Wood, Inc., Boston, Massachusetts	1994
Joan T. Bok	Chairman, New England Electric System, Westborough, Massachusetts	1995
Stephen L. Brown	Chairman and Chief Executive Officer, John Hancock Mutual Life Insurance Company, Boston, Massachusetts	1996

Class C

Jerome H. Grossman	Chairman and Chief Executive Officer, New England Medical Center, Inc., Boston, Massachusetts	1994
Warren B. Rudman, Esq.	Sheehan, Phinney, Bass, and Green, Manchester, New Hampshire	1995
John E. Flynn	Executive Director, The Quality Connection, East Dennis, Massachusetts	1996

DISTRICT 2—NEW YORK

Class A

Thomas G. Labrecque	Chairman and Chief Executive Officer, The Chase Manhattan Bank, N.A., New York, New York	1994
Robert G. Wilmers	Chairman, President, and Chief Executive Officer, Manufacturers and Traders Trust Company, Buffalo, New York	1995
J. William Johnson	Chairman and Chief Executive Officer, The First National Bank of Long Island, Glen Head, New York	1996

Class B

Robert E. Allen	Chairman and Chief Executive Officer, AT&T, Basking Ridge, New Jersey	1994
William C. Steere, Jr.	Chairman and Chief Executive Officer, Pfizer Inc., New York, New York	1995
Sandra Feldman	President, United Federation of Teachers, New York, New York	1996

Class C

Maurice R. Greenberg	Chairman and Chief Executive Officer, American International Group, Inc., New York, New York	1994
Herbert L. Washington	Owner, HLW Fast Track, Inc., Rochester, New York	1995
David A. Hamburg	President, Carnegie Corporation, New York, New York	1996

BUFFALO BRANCH

Appointed by the Federal Reserve Bank

Charles M. Mitschow	Chairman, Western Region, Marine Midland Bank, Buffalo, New York	1994
Richard H. Popp	Operating Partner, Southview Farm, Castile, New York	1994
George W. Hamlin IV	President and Chief Executive Officer, The Canandaigua National Bank and Trust Company, Canandaigua, New York	1995
Louise C. Woerner	Chairman and Chief Executive Officer, HCR Home Health Agency, Rochester, New York	1996

		Term expires December 31
DISTRICT 2—Continued		
Buffalo Branch—Continued		
Appointed by the Board of Governors		
Donald L. Rust	Plant Manager, Tonawanda Engine Plant, General Motors Powertrain Division, General Motors Corporation, Buffalo, New York	1994
F. C. Richardson	President, Buffalo State College, Buffalo, New York	1995
Joseph J. Castiglia	President and Chief Executive Officer, Pratt & Lambert, Inc., Buffalo, New York	1996
DISTRICT 3—PHILADELPHIA		
Class A		
H. Bernard Lynch	President and Chief Executive Officer, The First National Bank of Wyoming, Wyoming, Delaware	1994
Carl L. Campbell	President and Chief Executive Officer, Keystone Financial, Inc., Harrisburg, Pennsylvania	1995
Terry K. Dunkle	Chairman, United States National Bank, Johnstown, Pennsylvania	1996
Class B		
James A. Hagen	Chairman, President, and Chief Executive Officer, Consolidated Rail Corporation (CONRAIL), Philadelphia, Pennsylvania	1994
David W. Huggins	President and Chief Executive Officer, R M S Technologies, Inc., Marlton, New Jersey	1995
J. Richard Jones	President and Chief Executive Officer, Jackson–Cross Company, Philadelphia, Pennsylvania	1996
Class C		
Donald J. Kennedy	Business Manager, International Brotherhood of Electrical Workers, Local Union No. 269, Trenton, New Jersey	1994
James M. Mead	President and Chief Executive Officer, Capital Blue Cross, Harrisburg, Pennsylvania	1995
Joan Carter	President and Chief Operating Officer, United Medical Corporation, Haddonfield, New Jersey	1996
DISTRICT 4—CLEVELAND		
Class A		
William T. McConnell	Chairman and Chief Executive Officer, The Park National Bank, Newark, Ohio	1994
Edward B. Brandon	Chairman and Chief Executive Officer, National City Corporation, Cleveland, Ohio	1995
Alfred C. Leist	Chairman, President, and Chief Executive Officer, Apple Creek Banking Company, Apple Creek, Ohio	1996
Class B		
Douglas E. Olesen	President and Chief Executive Officer, Battelle Memorial Institute, Columbus, Ohio	1994
I. N. Rendall Harper, Jr.	President and Chief Executive Officer, American Micrographics Company, Inc., Monroeville, Pennsylvania	1995
Thomas M. Nies	President, Cincom Systems, Inc., Cincinnati, Ohio	1996

DISTRICT 4—Continued

		Term expires December 31
Class C		
G. Watts Humphrey, Jr.	President, GWH Holdings, Inc., Pittsburgh, Pennsylvania	1994
A. William Reynolds	Chairman and Chief Executive Officer, GenCorp, Fairlawn, Ohio	1995
Robert Y. Farrington	Executive Secretary–Treasurer, Ohio State Building and Construction Trades Council, Columbus, Ohio	1996

CINCINNATI BRANCH

Appointed by the Federal Reserve Bank

Marvin J. Stammen	President and Chief Executive Officer, Second National Bank, Greenville, Ohio	1994
Jerry W. Carey	President and Chief Executive Officer, Union National Bank and Trust Company, Barbourville, Kentucky	1995
Phillip R. Cox	President, Cox Financial Corporation, Cincinnati, Ohio	1996
C. Wayne Shumate	Chairman and Chief Executive Officer, Kentucky Textiles, Inc., Paris, Kentucky	1996

Appointed by the Board of Governors

Raymond A. Bradbury	Chairman (Retired), Martin County Coal Corporation, Prestonburg, Kentucky	1994
Eleanor Hicks	President, M.I.N.D.S. International, Cincinnati, Ohio	1995
John N. Taylor, Jr.	Chairman and Chief Executive Officer, Kurz-Kasch, Inc., Dayton, Ohio	1996

PITTSBURGH BRANCH

Appointed by the Federal Reserve Bank

David S. Dahlmann	President and Chief Executive Officer, Southwest National Corporation, Greensburg, Pennsylvania	1994
Helen J. Clark	Chairman, President, and Chief Executive Officer, Apollo Trust Company, Apollo, Pennsylvania	1995
Randall L. C. Russell	President and Chief Executive Officer, Ranbar Technology, Inc., Glenshaw, Pennsylvania	1996
Wesley W. von Schack	Chairman, President, and Chief Executive Officer, DQE, Pittsburgh, Pennsylvania	1996

Appointed by the Board of Governors

Jack B. Piatt	Chairman and President, Millcraft Industries, Inc., Washington, Pennsylvania	1994
Robert P. Bozzone	President and Chief Executive Officer, Allegheny Ludlum Corporation, Pittsburgh, Pennsylvania	1995
Sandra L. Phillips	Executive Director, Pittsburgh Partnership for Neighborhood Development, Pittsburgh, Pennsylvania	1996

DISTRICT 5—RICHMOND

		Term expires December 31
Class A		
Webb C. Hayes IV	Chairman, The Palmer National Bancorp, Inc. and President. Palmer National Bank, Washington, D.C.	1994
Charles E. Weller	President, Elkridge National Bank and ENB Financial Corporation, Elkridge, Maryland	1995
Robert M. Freeman	Chairman and Chief Executive Officer, Signet Banking Corporation, Richmond, Virginia	1996
Class B		
L. Newton Thomas, Jr.	Senior Vice President (Retired), ITT/Carbon Industries, Inc., Charleston, West Virginia	1994
R. E. Atkinson, Jr.	Chairman, Dilmar Oil Company, Inc., Florence, South Carolina	1995
Paul A. DelaCourt	Chairman, The North Carolina Enterprise Corporation, Raleigh, North Carolina	1996
Class C		
Claudine B. Malone	President, Financial & Management Consulting, Inc., McLean, Virginia	1994
Henry J. Faison	President, Faison Associates, Charlotte, North Carolina	1995
Stephen Brobeck	Executive Director, Consumer Federation of America, Washington, D.C.	1996

BALTIMORE BRANCH

Appointed by the Federal Reserve Bank		
Thomas J. Hughes	President/Chief Executive Officer, Navy Federal Credit Union, Vienna, Virginia	1994
F. Levi Ruark	Chairman and President, The National Bank of Cambridge, Cambridge, Maryland	1994
Richard M. Adams	Chairman and Chief Executive Officer, United Bankshares, Inc., Parkersburg, West Virginia	1995
Morton I. Rapoport, M.D.	President and Chief Executive Officer, University of Maryland Medical System, Baltimore, Maryland	1996
Appointed by the Board of Governors		
Rebecca Hahn Windsor	Chairman and Chief Executive Officer, Hahn Transportation, Inc., New Market, Maryland	1994
Daniel R. Baker	President and Chief Executive Officer, Tate Access Floors, Inc., Jessup, Maryland	1995
Michael R. Watson	President, Association of Maryland Pilots, Baltimore, Maryland	1996

CHARLOTTE BRANCH

Appointed by the Federal Reserve Bank		
Dorothy H. Aranda	President, Dohara Associates, Inc., Hilton Head Island, South Carolina	1994
Vacancy		1994
David B. Jordan	Vice Chairman, Chief Executive Officer, and Director, Security Capital Bancorp, Salisbury, North Carolina	1995
Jim M. Cherry, Jr.	President and Chief Executive Officer, Williamsburg First National Bank, Kingstree, South Carolina	1996

DISTRICT 5—Continued

Charlotte Branch—Continued

Appointed by the Board of Governors

		Term expires December 31
Harold D. Kingsmore	President and Chief Operating Officer, Graniteville Company, Graniteville, South Carolina	1994
James O. Roberson	President/Chief Executive Officer, Research Triangle Foundation of North Carolina, Research Triangle Park, North Carolina	1995
Dennis Lowery	Chief Executive Officer and Chairman, Continental Ltd., Charlotte, North Carolina	1996

DISTRICT 6—ATLANTA

Class A

D. Paul Jones, Jr.	Chairman and Chief Executive Officer, Compass Bancshares, Inc., Birmingham, Alabama	1994
W. H. Swain	Chairman, First National Bank, Oneida, Tennessee	1995
James B. Williams	Chairman and Chief Executive Officer, SunTrust Banks, Inc., Atlanta, Georgia	1996

Class B

Victoria B. Jackson	President, DSS/ProDiesel, Nashville, Tennessee	1994
J. Thomas Holton	Chairman and President, Sherman International Corporation, Birmingham, Alabama	1995
Andre M. Rubenstein	Chairman and Chief Executive Officer, Rubenstein Brothers, Inc., New Orleans, Louisiana	1996

Class C

Hugh M. Brown	President and Chief Executive Officer, BAMSI, Inc., Titusville, Florida	1994
Leo Benatar	Chairman and President, Engraph, Inc., Atlanta, Georgia	1995
Daniel E. Sweat, Jr.	Program Director, The Atlanta Project, Atlanta, Georgia	1996

BIRMINGHAM BRANCH

Appointed by the Federal Reserve Bank

Marlin D. Moore, Jr.	Chairman, Pritchett-Moore, Inc., Tuscaloosa, Alabama	1994
Columbus Sanders	President, Consolidated Industries, Inc., Huntsville, Alabama	1994
J. Stephen Nelson	President and Chief Executive Officer, First National Bank, Brewton, Alabama	1995
Julian W. Banton	Chairman, President, and Chief Executive Officer, SouthTrust Bank of Alabama, N.A., Birmingham, Alabama	1996

Appointed by the Board of Governors

Shelton E. Allred	Chairman, President, and Chief Executive Officer, Frit Incorporated, Ozark, Alabama	1994
Patricia B. Compton	President, Patco, Inc., Georgiana, Alabama	1995
Donald E. Boomershine	President, Better Business Bureau of Central Alabama, Inc., Birmingham, Alabama	1996

DISTRICT 6—Continued

		Term expires December 31
JACKSONVILLE BRANCH		
Appointed by the Federal Reserve Bank		
Perry M. Dawson	President and Chief Executive Officer, Suncoast Schools Federal Credit Union, Tampa, Florida	1994
Arnold A. Heggestad	William H. Dial Professor and Director, College of Business Administration, University of Florida, Gainesville, Florida	1994
Royce B. Walden	Vice President, Ward Bradford & Company, Orlando, Florida	1995
William G. Smith, Jr.	President, Capital City First National Bank, Tallahassee, Florida	1996
Appointed by the Board of Governors		
Samuel H. Vickers	President, Chairman, and Chief Executive Officer, Design Containers, Inc., Jacksonville, Florida	1994
Lana Jane Lewis-Brent	President, Paul Brent Designer, Inc., Panama City, Florida	1995
Joan Dial Ruffier	General Partner, Sunshine Cafes, Orlando, Florida	1996
MIAMI BRANCH		
Appointed by the Federal Reserve Bank		
Roberto G. Blanco	Vice Chairman and Chief Financial Officer, Republic National Bank of Miami, Miami, Florida	1994
E. Anthony Newton	President, Island National Bank of Palm Beach, Palm Beach, Florida	1995
Steven C. Shimp	President, O-A-K/Florida, Inc., Fort Myers, Florida	1996
Pat L. Tornillo, Jr.	Executive Vice President, United Teachers of Dade, Miami, Florida	1996
Appointed by the Board of Governors		
Dorothy C. Weaver	Executive Vice President, Intercap Investments, Inc., Coral Gables, Florida	1994
R. Kirk Landon	Chairman and Chief Executive Officer, American Bankers Insurance Group, Miami, Florida	1995
Michael T. Wilson	President, Vinegar Bend Farms, Inc., Belle Glade, Florida	1996
NASHVILLE BRANCH		
Appointed by the Federal Reserve Bank		
William Baxter Lee III	Chairman and President, Southeast Services Corporation, Knoxville, Tennessee	1994
Vacancy		1994
James D. Harris	President and Chief Executive Officer, Brentwood National Bank, Brentwood, Tennessee	1995
Williams E. Arant, Jr.	President and Chief Executive Officer, First National Bank of Knoxville, Knoxville, Tennessee	1996
Appointed by the Board of Governors		
Vacancy		1994
Harold A. Black	James F. Smith Jr. Professor of Financial Institutions, College of Business Administration, University of Tennessee, Knoxville, Tennessee	1995
Paula Lovell	President, Lovell Communications, Inc., Nashville, Tennessee	1996

DISTRICT 6—Continued

Term expires December 31

NEW ORLEANS BRANCH

Appointed by the Federal Reserve Bank

Angus R. Cooper	Chairman and Chief Executive Officer, Cooper/T. Smith Corporation, Mobile, Alabama	1994
Kay L. Nelson	Managing Director, Nelson Capital Corporation, New Orleans, Louisiana	1994
Thomas E. Walker	President and Chief Executive Officer, Bank of Forest, Forest, Mississippi	1995
Howard C. Gaines	Chairman and Chief Executive Officer, First National Bank of Commerce, New Orleans, Louisiana	1996

Appointed by the Board of Governors

Jo Ann Slaydon	President, Slaydon Consultants and Insight Productions and Advertising, Baton Rouge, Louisiana	1994
Lucimarian Tolliver Roberts	President, Mississippi Coast Coliseum Commission, Pass Christian, Mississippi	1995
Victor Bussie	President, Louisiana AFL–CIO, Baton Rouge, Louisiana	1996

DISTRICT 7—CHICAGO

Class A

Stefan S. Anderson	Chairman, President, and Chief Executive Officer, First Merchants Corporation, Muncie, Indiana	1994
Arnold C. Schultz	Chairman and President, Grundy National Bank, Grundy Center, Iowa	1995
David W. Fox	Chairman and Chief Executive Officer, The Northern Trust Corporation and The Northern Trust Company, Chicago, Illinois	1996

Class B

Thomas C. Dorr	President and Chief Executive Officer, Dorr's Pine Grove Farm Co., Marcus, Iowa	1994
Donald J. Schneider	President, Schneider National, Inc., Green Bay, Wisconsin	1995
A. Charlene Sullivan	Associate Professor of Management, Krannert Graduate School of Management, Purdue University, West Lafayette, Indiana	1996

Class C

Duane L. Burnham	Chairman and Chief Executive Officer, Abbott Laboratories, Abbott Park, Illinois	1994
Richard G. Cline	Chairman and Chief Executive Officer, NICOR Inc., Naperville, Illinois	1995
Robert M. Healey	President, Chicago Federation of Labor and Industrial Union Council, AFL–CIO, Chicago, Illinois	1996

DISTRICT 7—Continued

Term expires December 31

DETROIT BRANCH

Appointed by the Federal Reserve Bank

Charles R. Weeks	President and Chief Executive Officer, Citizens Banking Corporation, Flint, Michigan	1994
Norman F. Rodgers	President and Chief Executive Officer, Hillsdale County National Bank, Hillsdale, Michigan	1995
Charles E. Allen	President and Chief Executive Officer, Graimark Realty Advisors, Inc., Detroit, Michigan	1996
William E. Odom	Chairman, Ford Motor Credit Company, Dearborn, Michigan	1996

Appointed by the Board of Governors

John D. Forsyth	Executive Director, University of Michigan Hospitals, Ann Arbor, Michigan	1994
J. Michael Moore	Chairman and Chief Executive Officer, Invetech Company, Detroit, Michigan	1995
Florine Mark	President and Chief Executive Officer, WW Group, Farmington Hills, Michigan	1996

DISTRICT 8—ST. LOUIS

Class A

Henry G. River, Jr.	President and Chief Executive Officer, First National Bank in Pinckneyville, Pinckneyville, Illinois	1994
Douglas M. Lester	Chairman and President, Trans Financial Bancorp, Inc., Bowling Green, Kentucky	1995
W. D. Glover	Chairman and Chief Executive Officer, First National Bank of Eastern Arkansas, Forrest City, Arkansas	1996

Class B

Sandra B. Sanderson-Chesnut	President and Chief Executive Officer, Sanderson Plumbing Products, Inc., Columbus, Mississippi	1994
Richard E. Bell	President and Chief Executive Officer, Riceland Foods, Inc., Stuttgart, Arkansas	1995
Warren R. Lee	President, W. R. Lee & Associates, Inc.. Louisville, Kentucky	1996

Class C

Robert H. Quenon	Mining Consultant, St. Louis, Missouri	1994
John F. McDonnell	Chairman and Chief Executive Officer, McDonnell Douglas Corporation, St. Louis, Missouri	1995
Veo Peoples, Jr.	Partner, Peoples, Hale & Coleman, St. Louis, Missouri	1996

LITTLE ROCK BRANCH

Appointed by the Federal Reserve Bank

Barnett Grace	Chairman and Chief Executive Officer, First Commercial Bank, N.A., Little Rock, Arkansas	1994
Mark A. Shelton III	President, M. A. Shelton Farming Company, Altheimer, Arkansas	1995
James V. Kelley	Chairman, President, and Chief Executive Officer, First United Bancshares, Inc., El Dorado, Arkansas	1996
Mahlon A. Martin	President, Winthrop Rockefeller Foundation, Little Rock, Arkansas	1996

DISTRICT 8—Continued

Term expires December 31

Little Rock Branch—Continued

Appointed by the Board of Governors

Robert Daniel Nabholz, Jr.	Chief Executive Officer, Nabholz Construction Corporation, Conway, Arkansas	1994
Betta Carney	President and Chief Executive Officer, World Wide Travel Service, Inc., Little Rock, Arkansas	1995
Janet M. Jones	President, The Janet Jones Company, Little Rock, Arkansas	1996

LOUISVILLE BRANCH

Appointed by the Federal Reserve Bank

Thomas E. Spragens, Jr.	President, The Farmers National Bank of Lebanon, Kentucky, Lebanon, Kentucky	1994
Malcolm B. Chancey, Jr.	Chairman and Chief Executive Officer, Liberty National Bank & Trust Company of Louisville, Kentucky, Louisville, Kentucky	1995
Robert M. Hall	Owner, Family Farm, Seymour, Indiana	1996
Charles D. Storms	President and Chief Executive Officer, Red Spot Paint and Varnish Company, Inc., Evansville, Indiana	1996

Appointed by the Board of Governors

Laura M. Douglas	Legal Director, Louisville and Jefferson County, Metropolitan Sewer District, Louisville, Kentucky	1994
Daniel L. Ash	Consultant, Wenz–Neely Company, Louisville, Kentucky	1995
John A. Williams	Chairman and Chief Executive Officer, Computer Services, Inc., Paducah, Kentucky	1996

MEMPHIS BRANCH

Appointed by the Federal Reserve Bank

Lewis F. Mallory, Jr.	Chairman and Chief Executive Officer, National Bank of Commerce of Mississippi, Starkville, Mississippi	1994
Anthony M. Rampley	President, Chief Executive Officer, and Director, Arkansas Glass Container Corporation, Jonesboro, Arkansas	1995
Benjamin W. Rawlins, Jr.	Chairman and Chief Executive Officer, Union Planters Corporation, Memphis, Tennessee	1996
Katie S. Winchester	President and Director, First Citizens National Bank, Dyersburg, Tennessee	1996

Appointed by the Board of Governors

Sidney Wilson, Jr.	Owner, Wilson Automotive Group Inc., Jackson, Tennessee	1994
John V. Myers	President, Better Business Bureau, Memphis, Tennessee	1995
Woods E. Eastland	President and Chief Executive Officer, Staple Cotton Cooperative Association, Greenwood, Mississippi	1996

DISTRICT 9—MINNEAPOLIS

Class A

		Term expires December 31
William W. Strausburg	Chairman and Chief Executive Officer, First Bank Montana, N.A., and General Manager, First Bank–Regional Banking Group, Billings, Montana	1994
Susanne V. Boxer	President and Chief Executive Officer, Houghton National Bank, Houghton, Michigan	1995
Jerry B. Melby	President, First National Bank, Bowbells, North Dakota	1996

Class B

Duane E. Dingmann	President, Trubilt Auto Body, Inc., Eau Claire, Wisconsin	1994
Dennis W. Johnson	President, TMI Systems Design Corporation/TMI Transport Corporation, Dickinson, North Dakota	1995
Clarence D. Mortenson	President, M/C Professional Associates, Inc., Pierre, South Dakota	1996

Class C

Jean D. Kinsey	Professor of Consumption and Consumer Economics, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, Minnesota	1994
Gerald A. Rauenhorst	Chairman and Chief Executive Officer, Opus Corporation, Minneapolis, Minnesota	1995
David A. Koch	Chairman and Chief Executive Officer, Graco, Inc., Golden Valley, Minnesota	1996

HELENA BRANCH

Appointed by the Federal Reserve Bank

Donald E. Olsson, Jr.	Executive Vice President, Ronan State Bank, Ronan, Montana	1994
Nancy M. Stephenson	Executive Director, Neighborhood Housing Services, Great Falls, Montana	1994
Ronald D. Scott	President and Chief Executive Officer, The First State Bank of Malta, Malta, Montana	1995

Appointed by the Board of Governors

Lane W. Basso	President, Deaconess Medical Center of Billings, Inc., Billings, Montana	1994
Matthew J. Quinn	President, Carroll College, Helena, Montana	1995

DISTRICT 10—KANSAS CITY

Class A

Charles I. Moyer	Chairman and Chief Executive Officer, First National Bank of Phillipsburg, Phillipsburg, Kansas	1994
William L. McQuillan	President, Chief Executive Officer, and Director, City National Bank, Greeley, Nebraska	1995
Lawrence W. Menefee	Chairman and Chief Executive Officer, Union Colony Bank, Greeley, Colorado	1996

DISTRICT 10—Continued

		Term expires December 31
Class B		
Frank J. Yaklich, Jr.	Deputy Project Manager, Manufacturing Sciences Corporation, Denver, Colorado	1994
W. W. Allen	Chairman and Chief Executive Officer, Phillips Petroleum Company, Bartlesville, Oklahoma	1995
Charles W. Nichols	Managing Partner, Davison & Sons Cattle Company, Arnett, Oklahoma	1996
Class C		
Burton A. Dole, Jr.	Chairman and President, Puritan-Bennett Corporation, Overland Park, Kansas	1994
Herman Cain	President and Chief Executive Officer, Godfather's Pizza, Inc., Omaha, Nebraska	1995
Colleen D. Hernandez	Executive Director, Kansas City Neighborhood Alliance, Kansas City, Missouri	1996

DENVER BRANCH

Appointed by the Federal Reserve Bank		
Clifford E. Kirk	President and Chief Executive Officer, First National Bank of Gillette, Gillette, Wyoming	1994
Richard I. Ledbetter	President and Chief Executive Officer, First National Bank of Farmington, Farmington, New Mexico	1994
Peter I. Wold	Partner, Wold Oil & Gas Company, Casper, Wyoming	1995
Peter R. Decker	President, Peter R. Decker & Associates, Denver, Colorado	1996
Appointed by the Board of Governors		
Barbara B. Grogan	President, Western Industrial Contractors, Inc., Denver, Colorado	1994
Sandra K. Woods	Vice President, Adolph Coors Company, Golden, Colorado	1995
Floyd R. Correa	President, Correa Enterprises, Inc., Albuquerque, New Mexico	1996

OKLAHOMA CITY BRANCH

Appointed by the Federal Reserve Bank		
John Wm. Laisle	President and Chief Executive Officer, MidFirst Bank, SSB, Oklahoma City, Oklahoma	1994
C. Kendric Fergeson	Chairman and Chief Executive Officer, The National Bank of Commerce, Altus, Oklahoma	1995
Dennis M. Mitchell	President, Citizens Bank of Ardmore, Ardmore, Oklahoma	1995
Gordona Duca	President/Owner, Gordona Duca, Inc., Realtors, Tulsa, Oklahoma	1996
Appointed by the Board of Governors		
Victor R. Schock	President and Chief Executive Officer, Credit Counseling Centers, Tulsa, Oklahoma	1994
Barry L. Eller	Sr. Vice President and General Manager, MerCruiser, Mercury Marine Business Unit, Division of Brunswick Corp., Stillwater, Oklahoma	1995
Ernest L. Holloway	President, Langston University, Langston, Oklahoma	1996

DISTRICT 10—Continued

Term expires December 31

OMAHA BRANCH

Appointed by the Federal Reserve Bank

Donald A. Leu	President and Chief Executive Officer, Consumer Credit Counseling Service, Omaha, Nebraska	1994
Thomas H. Olson	Chairman, First National Bank, Sidney, Nebraska	1994
Robert L. Peterson	Chairman, President, and Chief Executive Officer, IBP, Inc., Dakota City, Nebraska	1995
Bruce R. Lauritzen	President, First National Bank of Omaha, Omaha, Nebraska	1996

Appointed by the Board of Governors

Arthur L. Shoener	Executive Vice President–Operations, Union Pacific Railroad, Omaha, Nebraska	1994
Sheila Griffin	Special Advisor to the Governor of the State of Nebraska for International Trade, Lincoln, Nebraska	1995
LeRoy W. Thom	President, T-L Irrigation Company, Hastings, Nebraska	1996

DISTRICT 11—DALLAS

Class A

Eugene M. Phillips	Chairman and President, The First National Bank of Panhandle, Panhandle, Texas	1994
Vacancy		1995
Gayle M. Earls	President and Chief Executive Officer, Texas Independent Bank, Dallas, Texas	1996

Class B

Peyton Yates	President, Yates Drilling Company and Executive Vice President, Yates Petroleum Corporation, Artesia, New Mexico	1994
Milton Carroll	Chairman and Chief Executive Officer, Instrument Products, Inc., Houston, Texas	1995
J. B. Cooper, Jr.	Farmer, Roscoe, Texas	1996

Class C

Cece Smith	General Partner, Phillips-Smith Specialty Retail Group, Dallas, Texas	1994
Roger R. Hemminghaus	Chairman, President, and Chief Executive Officer, Diamond Inc., San Antonio, Texas	1995
James A. Martin	Third General Vice President, International Association of Bridge, Structural and Ornamental Iron Workers, Austin, Texas	1996

EL PASO BRANCH

Appointed by the Federal Reserve Bank

Hugo Bustamante, Jr.	Owner and Chief Executive Officer, ProntoLube, Inc. and CarLube, Inc., El Paso, Texas	1994
Wayne Merritt	Chairman and President, Texas National Bank of Midland, Midland, Texas	1995
Veronica K. Callaghan	Vice President and Principal, KASCO Ventures, Inc., El Paso, Texas	1996
Ben H. Haines, Jr.	President and Chief Operating Officer, First National Bank of Dona Ana County, Las Cruces, New Mexico	1996

DISTRICT 11—Continued

Term expires December 31

El Paso Branch—Continued

Appointed by the Board of Governors

Alvin T. Johnson	President, Management Assistance Corporation of America, El Paso, Texas	1994
W. Thomas Beard III	President, Leoncita Cattle Company, Alpine, Texas	1995
Patricia Z. Holland-Branch	President, PZH Contract Design, Inc., El Paso, Texas	1996

HOUSTON BRANCH

Appointed by the Federal Reserve Bank

Tieman H. Dippel, Jr.	Chairman and President, Brenham Bancshares, Inc., Brenham, Texas	1994
J. Michael Solar	President, Solar & Ellis L.L.P., Houston, Texas	1995
Judith B. Craven	President, United Way of the Texas Gulf Coast, Houston, Texas	1996
Walter E. Johnson	President and Chief Executive Officer, Southwest Bank of Texas, Houston, Texas	1996

Appointed by the Board of Governors

Isaac H. Kempner III	Chairman, Imperial Holly Corporation, Sugar Land, Texas	1994
Judy Ley Allen	Partner and Administrator, Allen Investments, Houston, Texas	1995
Robert C. McNair	Chairman and Chief Executive Officer, Cogen Technologies, Inc., Houston, Texas	1996

SAN ANTONIO BRANCH

Appointed by the Federal Reserve Bank

T. Jack Moore III	Owner and Manager, T. J. Moore Lumber Inc., Ingram, Texas	1994
Gregory W. Crane	President and Chief Executive Officer, Broadway National Bank, San Antonio, Texas	1995
Juliet V. Garcia	President, University of Texas at Brownsville, Brownsville, Texas	1996
Douglas G. Macdonald	President, South Texas National Bank, Laredo, Texas	1996

Appointed by the Board of Governors

H. B. Zachry, Jr.	Chairman and Chief Executive Officer, H. B. Zachry Company, San Antonio, Texas	1994
Carol L. Thompson	Consultant and President, The Thompson Group, Austin, Texas	1995
Erich Wendl	President and Chief Executive Officer, Maverick Markets, Inc., Corpus Christi, Texas	1996

DISTRICT 12—SAN FRANCISCO

Class A

William E. B. Siart	President, First Interstate Bancorp, Los Angeles, California	1994
Carl J. Schmitt	Chairman and Chief Executive Officer, University National Bank & Trust Company, Palo Alto, California	1995
Richard L. Mount	Chairman, President, and Chief Executive Officer, Saratoga Bancorp, Saratoga, California	1996

DISTRICT 12—Continued		*Term expires December 31*
Class B		
William L. Tooley	Chairman, Tooley & Company, Investment Builders, Los Angeles, California	1994
E. Kay Stepp	Former President and Chief Operating Officer, Portland General Electric Company, Portland, Oregon	1995
Gary G. Michael	Chairman and Chief Executive Officer, Albertson's, Inc., Boise, Idaho	1996
Class C		
Judith M. Runstad	Partner, Foster Pepper and Shefelman, Seattle, Washington	1994
Cynthia A. Parker	Executive Director, Anchorage Neighborhood Housing Services, Inc., Anchorage, Alaska	1995
James A. Vohs	Chairman and Chief Executive Officer (Retired), Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals, Oakland, California	1996

LOS ANGELES BRANCH

Appointed by the Federal Reserve Bank		
Antonia Hernandez	President and General Counsel, Mexican American Legal Defense and Educational Fund, Los Angeles, California	1994
William S. Randall	Chief Executive Officer, Southwest Region, First Interstate Bank, Phoenix, Arizona	1994
Steven R. Sensenbach	President and Chief Executive Officer, Vineyard National Bank, Rancho Cucamonga, California	1995
Thomas L. Stevens, Jr.	President, Los Angeles Trade-Technical College, Los Angeles, California	1996
Appointed by the Board of Governors		
David L. Moore	President, Western Growers Association, Newport Beach, California	1994
Anne L. Evans	Chairman, Evans Hotels, San Diego, California	1995
Anita Landecker	Western Regional Vice President, Local Initiatives Support Corporation, Los Angeles, California	1996

PORTLAND BRANCH

Appointed by the Federal Reserve Bank		
Stuart H. Compton	Chairman, Pioneer Trust Bank, N.A., Salem, Oregon	1994
Elizabeth K. Johnson	President, TransWestern, Inc., Scappoose, Oregon	1995
Gerry B. Cameron	Vice Chairman and Chief Executive Officer, U.S. Bancorp, Portland, Oregon	1996
Cecil W. Drinkward	President and Chief Executive Officer, Hoffman Construction Company, Portland, Oregon	1996
Appointed by the Board of Governors		
William A. Hilliard	Editor, *The Oregonian*, Portland, Oregon	1994
Carol A. Whipple	Owner–Manager, Rocking C Ranch, Elkton, Oregon	1995
Ross R. Runkel	Professor of Law, Willamette University, Salem, Oregon	1996

DISTRICT 12—Continued

Term expires December 31

SALT LAKE CITY BRANCH

Appointed by the Federal Reserve Bank

June M. Morris	Chief Executive Officer, Morris Air Corporation, Salt Lake City, Utah	1994
Roy C. Nelson	President, Bank of Utah, Ogden, Utah	1995
Nancy Mortensen	Vice President–Marketing, ZCMI, Salt Lake City, Utah	1996
Daniel R. Nelson	Chairman and Chief Executive Officer, West One Bancorp, Boise, Idaho	1996

Appointed by the Board of Governors

Gerald R. Sherratt	President, Southern Utah University, Cedar City, Utah	1994
Richard E. Davis	President and Chief Executive Officer, Salt Lake Convention & Visitors Bureau, Salt Lake City, Utah	1995
Constance G. Hogland	Executive Director, Boise Neighborhood Housing Services, Inc., Boise, Idaho	1996

SEATTLE BRANCH

Appointed by the Federal Reserve Bank

Thomas E. Cleveland	Chairman and Chief Executive Officer, Enterprise Bank of Bellevue, Bellevue, Washington	1994
Constance L. Proctor	Partner, Alston, Courtnage, MacAulay & Proctor, Seattle, Washington	1995
Tomio Moriguchi	President, Uwajimaya, Inc., Seattle, Washington	1996
John V. Rindlaub	Chairman and Chief Executive Officer, Seafirst Bank, Seattle, Washington	1996

Appointed by the Board of Governors

William R. Wiley	Senior Vice President, Battelle Memorial Institute; Director, Battelle/Pacific Northwest Division; and Director, U.S. Department of Energy, Pacific Northwest Laboratory, Richland, Washington	1994
Emilie A. Adams	President and Chief Executive Officer, Better Business Bureau Foundation, Seattle, Washington	1995
George F. Russell, Jr.	Chairman, Frank Russell Company, Tacoma, Washington	1996

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SYMBOLS AND ABBREVIATIONS

c	Corrected
e	Estimated
n.a.	Not available
n.e.c.	Not elsewhere classified
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
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GDP	Gross domestic product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
MSA	Metropolitan statistical area
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SCO	Securitized credit obligation
SDR	Special drawing right
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.

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

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	1993[r]				1993[r]			1994	
	Q1	Q2	Q3	Q4	Oct.	Nov.	Dec.	Jan.	Feb.
Reserves of depository institutions[2]									
1 Total	9.3	10.8	12.4	14.6	20.0	12.8	1.5	.4	3.6
2 Required	8.7	12.4	12.3	14.6	20.4	12.9	2.3	−7.4	9.9
3 Nonborrowed	9.5	10.6	10.9	16.0	23.1	16.9	1.7	.5	3.7
4 Monetary base[3]	9.5	10.2	10.6	9.9	10.6	8.5	5.5	11.4	13.3
Concepts of money, liquid assets, and debt[4]									
5 M1	8.3	10.7	12.0	9.4	9.0	9.7	6.5	5.4	5.3
6 M2	−1.3	2.2	2.4	2.0	.7	3.9	2.4	2.3	−1.1
7 M3	−3.2	2.1	1.0	2.3	1.7	3.7	3.6	1.2	−7.8
8 L	−1.7	3.1	.9	1.5	1.8	2.7	4.4	5.0	n.a.
9 Debt	4.0	4.5	5.7	5.2	3.5	6.2	7.5	5.0	n.a.
Nontransaction components									
10 In M2[5]	−5.3	−1.4	−1.7	−1.3	−3.1	1.2	.6	.8	−4.1
11 In M3 only[6]	−12.9	1.6	−6.6	4.0	7.5	2.6	9.7	−4.9	−44.4
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	3.0	5.1	4.9	3.6	.6	6.2	4.4	7.3	1.5
13 Small time[7]	−8.3	−9.2	−10.6	−7.4	−7.6	−7.4	−2.3	−7.9	−3.9
14 Large time[8,9]	−18.1	−.6	−7.5	−.2	6.1	−8.2	5.2	9.1	−24.0
Thrift institutions									
15 Savings, including MMDAs	−.2	.7	2.3	−.4	.0	−2.5	2.0	.0	−.8
16 Small time[7]	−20.0	−11.9	−14.4	−11.9	−11.1	−9.3	−16.2	−8.0	−11.9
17 Large time[8,9]	−14.2	−8.5	−4.5	−6.9	−1.9	−3.8	−34.0	3.9	−7.8
Money market mutual funds									
18 General purpose and broker–dealer	−7.8	.2	−1.8	2.1	−.7	10.4	7.2	−3.4	−13.1
19 Institution-only	−17.6	−2.2	−10.5	8.8	22.0	3.1	13.6	−26.2	−98.4
Debt components[4]									
20 Federal	7.6	10.4	9.2	5.5	−1.8	9.2	13.3	2.8	n.a.
21 Nonfederal	2.7	2.4	4.5	5.1	5.5	5.1	5.4	5.8	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) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

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

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

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

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

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

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

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

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

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						
	1993	1994		1994						
	Dec.	Jan.	Feb.	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Supplying Reserve Funds										
1 Reserve Bank credit outstanding	374,694	374,433	373,197	372,716	373,899	371,042	377,235	371,477	371,529	372,725
U.S. government securities[2]										
2 Bought outright—System account	332,413	332,463	332,397	333,022	332,673	332,094	331,832	332,868	331,708	332,277
3 Held under repurchase agreements	4,060	2,429	2,565	1,487	1,577	0	4,508	0	886	3,364
Federal agency obligations										
4 Bought outright	4,706	4,510	4,401	4,522	4,522	4,497	4,437	4,437	4,413	4,382
5 Held under repurchase agreements	265	267	214	186	186	0	607	0	95	275
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	22	86	56	9	115	19	35	31	130	31
8 Seasonal credit	30	14	15	9	13	20	16	14	15	15
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	829	1,963	1,227	1,106	2,223	1,683	2,516	1,270	1,692	853
11 Other Federal Reserve assets	32,369	32,702	32,323	32,376	32,591	32,729	33,285	32,857	32,589	31,528
12 Gold stock	11,054	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	22,060[r]	22,130	22,191	22,116	22,130	22,145	22,160	22,174	22,188	22,202
Absorbing Reserve Funds										
15 Currency in circulation	362,551[r]	362,849	363,787	363,762	362,758	361,780	360,874	362,426	363,957	364,905
16 Treasury cash holdings	375	401	372	470	383	383	377	375	372	373
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,469	7,523	6,263	4,035	5,647	8,778	13,224	5,960	4,691	5,985
18 Foreign	238	252	260	191	368	204	223	263	307	261
19 Service-related balances and adjustments	6,630[r]	6,859	6,988	6,957	7,095	6,844	6,697	7,150	7,183	6,544
20 Other	293	288	313	239	297	290	288	309	315	312
21 Other Federal Reserve liabilities and capital	9,628	9,629	9,784	9,552	9,737	9,742	9,686	9,601	9,860	9,826
22 Reserve balances with Federal Reserve Banks[3]	29,644[r]	27,834	26,692	28,697	28,815	24,236	27,096	26,638	26,103	25,792
	End-of-month figures			Wednesday figures						
	Dec.	Jan.	Feb.	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
Supplying Reserve Funds										
1 Reserve Bank credit outstanding	384,226[r]	382,176	375,264	370,834	385,967	375,518	385,430	374,978	370,332	378,367
U.S. government securities[2]										
2 Bought outright—System account	332,015	331,995	333,404	332,913	332,301	334,706	332,102	332,508	331,286	335,098
3 Held under repurchase agreements	12,187	8,657	4,925	0	7,790	0	11,601	0	2,698	3,449
Federal agency obligations										
4 Bought outright	4,638	4,437	4,335	4,522	4,522	4,437	4,437	4,437	4,382	4,382
5 Held under repurchase agreements	1,025	519	160	0	859	0	2,050	0	452	230
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	84	109	34	3	19	9	30	22	31	9
8 Seasonal credit	10	12	14	11	17	19	14	15	15	16
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	909[r]	2,453	384	942	7,450	3,504	1,168	4,994	146	3,735
11 Other Federal Reserve assets	33,358	33,993	32,008	32,444	33,010	32,843	34,029	33,003	31,322	31,448
12 Gold stock	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	22,101[r]	22,160	22,216	22,116	22,130	22,145	22,160	22,174	22,188	22,202
Absorbing Reserve Funds										
15 Currency in circulation	365,277[r]	360,919	364,931	363,703	363,219	361,558	361,969	364,082	364,753	365,815
16 Treasury cash holdings	377	378	365	384	377	378	375	374	374	365
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	14,809	21,541	4,886	4,093	7,450	9,184	20,148	5,053	2,953	4,920
18 Foreign	386	257	191	171	235	327	301	242	385	189
19 Service-related balances and adjustments	6,571[r]	6,697	7,226	6,957	7,095	6,844	6,697	7,150	7,183	6,544
20 Other	397	255	373	299	297	287	310	319	324	307
21 Other Federal Reserve liabilities and capital	9,292	9,759	10,337	9,459	9,752	9,597	9,481	9,548	9,697	9,705
22 Reserve balances with Federal Reserve Banks[3]	28,289[r]	23,601	28,243	26,955	38,744	28,560	27,380	29,455	25,922	31,795

1. For amounts of cash held as reserves, see table 1.12.
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. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	1991	1992	1993	1993					1994	
	Prorated monthly averages of biweekly averages									
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 Reserve balances with Reserve Banks[2]	26,659	25,368	29,374[r]	26,564	27,274	28,297	29,018	29,374[r]	27,817	26,923
2 Total vault cash[3]	32,509[r]	34,542[r]	36,812	34,516	35,220[r]	35,184	35,655	36,812	37,907	36,295
3 Applied vault cash[4]	28,872	31,172	33,484	31,203	31,863	31,739	32,278	33,484	34,254	32,671
4 Surplus vault cash[5]	3,637[r]	3,370[r]	3,328	3,313	3,357[r]	3,445	3,377[r]	3,328	3,653	3,624
5 Total reserves[6]	55,532	56,540	62,858[r]	57,767	59,136	60,036	61,296	62,858[r]	62,072	59,594
6 Required reserves	54,553	55,385	61,795[r]	56,815	58,046	58,947	60,195	61,795[r]	60,624	58,453
7 Excess reserve balances at Reserve Banks[7]	979	1,155	1,063[r]	952	1,090	1,089	1,101	1,063[r]	1,448	1,141
8 Total borrowings at Reserve Banks[8]	192	124	82	352	428	285	89	82	73	70
9 Seasonal borrowings	38	18	31	234	236	192	75	31	15	15
10 Extended credit[9]	1	1	0	0	0	0	0	0	0	0
	Biweekly averages of daily figures for weeks ending on date indicated									
	1993					1994				
	Oct. 27	Nov. 10	Nov. 24	Dec. 8	Dec. 22	Jan. 5	Jan. 19	Feb. 2	Feb. 16	Mar. 2
1 Reserve balances with Reserve Banks[2]	28,798	28,017	29,742	28,999	28,950	30,367[r]	28,745	25,672	26,339	27,812
2 Total vault cash[3]	34,313	36,217[r]	34,894	36,494	37,202	36,489	38,241	38,108	37,475	34,617
3 Applied vault cash[4]	30,946	32,767	31,566	33,125	33,821	33,279	34,691	34,152	33,651	31,282
4 Surplus vault cash[5]	3,368	3,450[r]	3,328	3,369	3,381	3,210	3,550	3,957	3,824	3,335
5 Total reserves[6]	59,744	60,784	61,308	62,124	62,771	63,646[r]	63,435	59,824	59,989	59,094
6 Required reserves	58,692	59,722	60,205	60,962	61,880	62,405[r]	61,759	58,557	58,878	57,940
7 Excess reserve balances at Reserve Banks[7]	1,052	1,062	1,102	1,162	891	1,241[r]	1,676	1,267	1,112	1,154
8 Total borrowings at Reserve Banks[8]	205	132	74	56	59	142	74	45	95	45
9 Seasonal borrowings	189	105	68	43	34	16	11	18	15	15
10 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.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. The maintenance period for weekly reporters ends sixteen days after the lagged computation period during which the vault cash is held. Before Nov. 25, 1992, the maintenance period ended thirty days after the lagged computation period.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Also includes adjustment credit.
9. 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 impact of extended credit is similar to that of nonborrowed reserves.

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

Millions of dollars, averages of daily figures

	Source and maturity	1994, week ending Monday								
		Jan. 3	Jan. 10	Jan. 17	Jan. 24	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
	Federal funds purchased, repurchase agreements, and other selected borrowings									
	From commercial banks in the United States									
1	For one day or under continuing contract	71,013	72,206	69,412	69,901	68,093	70,698	68,647	69,380	67,817
2	For all other maturities	14,689	13,159	13,339	14,008	13,283	13,412	13,216	12,394	12,273
	From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3	For one day or under continuing contract	15,197	14,680	15,997	22,299	18,438	21,005	19,805	21,562	22,806
4	For all other maturities	22,201	20,858	19,981	19,147	17,826	17,033	17,192	16,883	17,384
	Repurchase agreements on U.S. government and federal agency securities									
	Brokers and nonbank dealers in securities									
5	For one day or under continuing contract	18,065	18,506	17,572	18,277	16,634	17,903	21,082	19,800	19,883
6	For all other maturities	33,334	34,745	33,997	32,358	32,764	30,461	31,191	29,355	31,065
	All other customers									
7	For one day or under continuing contract	30,785	30,371	30,158	31,539	33,268	30,489	29,660	30,076	30,743
8	For all other maturities	17,948	15,758	16,372	16,307	16,856	16,281	17,279	18,224	17,615
	MEMO									
	Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9	To commercial banks in the United States	47,233	44,243	42,538	46,578	46,844	47,399	44,030	43,221	41,945
10	To all other specified customers[2]	26,497	24,657	26,425	28,110	28,735	29,225	24,482	24,542	24,834

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 4/1/94	Effective date	Previous rate	On 4/1/94	Effective date	Previous rate	On 4/1/94	Effective date	Previous rate
Boston	3	7/2/92	3.5	3.6	3/30/94	3.5	4.1	3/30/94	4.0
New York		7/2/92			3/30/94			3/30/94	
Philadelphia		7/2/92			3/30/94			3/30/94	
Cleveland		7/6/92			3/30/94			3/30/94	
Richmond		7/2/92			3/30/94			3/30/94	
Atlanta		7/2/92			3/30/94			3/30/94	
Chicago		7/2/92			3/30/94			3/30/94	
St. Louis		7/7/92			3/30/94			3/30/94	
Minneapolis		7/2/92			3/30/94			3/30/94	
Kansas City		7/2/92			3/30/94			3/30/94	
Dallas		7/2/92			3/30/94			3/30/94	
San Francisco	3	7/2/92	3.5	3.6	3/30/94	3.5	4.1	3/30/94	4.0

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

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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
July 11	6	6

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
1986—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
In effect Apr. 1, 1994	3	3

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 on market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

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

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

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Type of deposit[2]	Requirement	
	Percentage of deposits	Effective date
Net transaction accounts[3]		
1 $0 million–$51.9 million	3	12/21/93
2 More than $51.9 million[4]	10	12/21/93
3 Nonpersonal time deposits[5]	0	12/27/90
4 Eurocurrency liabilities[6]	0	12/27/90

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

2. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97–320) requires that $2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 21, 1993, the exemption was raised from $3.8 million to $4.0 million. The exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

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

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 21, 1993, for institutions reporting quarterly and weekly, the amount was increased from $46.8 million to $51.9 million.

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	1991	1992	1993	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.	1993 Dec.	1994 Jan.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	20,158	14,714	17,717	0	902	366	1,396	5,911[r]	1,394	0
2 Gross sales	120	1,628	0	0	0	0	0	0	0	0
3 Exchanges	277,314	308,699	332,229	35,943	27,775	31,128	25,783	27,641	33,536	28,986
4 Redemptions	1,000	1,600	468	0	0	0	468	0	0	0
Others within one year										
5 Gross purchases	3,043	1,096	1,223	0	100	411	0	0	189	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	24,454	36,662	0	0	1,497	3,074	913	5,158	2,910	0
8 Exchanges	−28,090	−30,543	0	0	−5,491	−1,861	−1,566	−7,641	−2,910	0
9 Redemptions	1,000	0	0	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	6,583	13,118	10,350	200	1,100	2,400	0	100	2,619	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shifts	−21,211	−34,478	−27,140	666	−834	−3,074	−31	−4,689	−2,910	0
13 Exchanges	24,594	25,811	0	0	3,866	1,861	1,566	5,341	2,910	0
Five to ten years										
14 Gross purchases	1,280	2,818	4,168	0	500	797	0	0	1,008	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shifts	−2,037	−1,915	0	−666	−432	0	−882	−272	0	0
17 Exchanges	2,894	3,532	0	0	1,100	0	0	2,300	0	0
More than ten years										
18 Gross purchases	375	2,333	3,457	0	100	717	0	0	826	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	−1,209	−269	0	0	−231	0	0	−197	0	0
21 Exchanges	600	1,200	0	0	525	0	0	0	0	0
All maturities										
22 Gross purchases	31,439	34,079	36,915	200	2,702	4,691	1,396	6,011[r]	6,035	0
23 Gross sales	120	1,628	0	0	0	0	0	0	0	0
24 Redemptions	1,000	1,600	468	0	0	0	468	0	0	616
Matched transactions										
25 Gross sales	1,570,456	1,482,467	1,475,085	115,504	136,037	124,898	115,160	109,941	137,645	132,872
26 Gross purchases	1,571,534	1,480,140	1,475,941	117,074	135,705	122,578	112,837	112,772	136,821	133,468
Repurchase agreements										
27 Gross purchases	310,084	378,374	475,447	41,190	53,053	62,905	27,693	38,493	33,751	25,818
28 Gross sales	311,752	386,257	470,723	56,246	48,263	61,399	30,397	34,072	29,577	29,348
29 Net change in U.S. Treasury securities	29,729	20,642	42,027	−13,286	7,160	3,878	−4,099	13,263[r]	9,386	−3,550
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	5	0	0	0	0	0	0	0	0	0
32 Redemptions	292	632	1,072	366	125	35	70	15	81	202
Repurchase agreements										
33 Gross purchases	22,807	14,565	35,063	3,479	2,485	9,810	3,812	2,841	2,211	2,600
34 Gross sales	23,595	14,486	34,669	4,428	2,415	7,734	5,509	2,861	1,615	3,106
35 Net change in federal agency obligations	−1,085	−554	−678	−1,315	−55	2,041	−1,767	−35	515	−708
36 **Total net change in System Open Market Account**	**28,644**	**20,089**	**41,348**	**−14,601**	**7,105**	**5,919**	**−5,866**	**13,228[r]**	**9,901**	**−4,258**

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

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

Millions of dollars

Account	Wednesday					End of month		
	1994					1993	1994	
	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23	Dec. 31	Jan. 31	Feb. 28
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053
2 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
3 Coin	418	439	457	453	444	372	439	446
Loans								
4 To depository institutions	28	44	36	46	25	94	122	48
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	4,437	4,437	4,437	4,382	4,382	4,638	4,437	4,335
8 Held under repurchase agreements	0	2,050	0	452	230	1,025	519	160
9 **Total U.S. Treasury securities**	**334,706**	**343,703**	**332,508**	**333,984**	**338,547**	**344,202**	**340,652**	**338,329**
10 Bought outright[2]	334,706	332,102	332,508	331,286	335,098	332,015	331,995	333,404
11 Bills	163,674	161,070	161,476	160,254	164,066	160,368	160,963	162,372
12 Notes	131,460	131,460	131,460	131,311	131,311	132,076	131,460	131,311
13 Bonds	39,572	39,572	39,572	39,721	39,721	39,572	39,572	39,721
14 Held under repurchase agreements	0	11,601	0	2,698	3,449	12,187	8,657	4,925
15 **Total loans and securities**	**339,171**	**350,233**	**336,981**	**338,864**	**343,184**	**349,960**	**345,729**	**342,872**
16 Items in process of collection	8,593	7,005	10,076	6,121	11,995	6,454	4,326	2,435
17 Bank premises	1,054	1,054	1,054	1,054	1,055	1,055	1,054	1,053
Other assets								
18 Denominated in foreign currencies[3]	22,391	22,342	22,355	22,368	22,279	22,340	22,336	22,769
19 All other[4]	9,360	10,615	9,569	7,876	8,157	9,999	10,550	8,209
20 **Total assets**	**400,059**	**410,760**	**399,564**	**395,806**	**406,184**	**409,251**	**403,505**	**396,855**
LIABILITIES								
21 Federal Reserve notes	340,209	340,623	342,739	343,392	344,422	343,925	339,575	343,526
22 **Total deposits**	**45,010**	**54,797**	**42,235**	**37,247**	**44,006**	**50,543**	**52,284**	**41,244**
23 Depository institutions	35,210	34,038	36,620	33,585	38,590	34,951	30,232	35,794
24 U.S. Treasury—General account	9,184	20,148	5,053	2,953	4,920	14,809	21,541	4,886
25 Foreign—Official accounts	327	301	242	385	189	386	257	191
26 Other	287	310	319	324	307	397	255	373
27 Deferred credit items	5,243	5,859	5,042	5,470	8,051	5,491	1,887	1,748
28 Other liabilities and accrued dividends[5]	2,450	2,448	2,388	2,517	2,515	2,489	2,462	2,514
29 **Total liabilities**	**392,912**	**403,727**	**392,404**	**388,626**	**398,994**	**402,449**	**396,208**	**389,031**
CAPITAL ACCOUNTS								
30 Capital paid in	3,403	3,410	3,426	3,429	3,437	3,401	3,404	3,437
31 Surplus	3,401	3,401	3,401	3,401	3,401	3,401	3,401	3,401
32 Other capital accounts	342	222	333	350	353	0	492	985
33 **Total liabilities and capital accounts**	**400,059**	**410,760**	**399,564**	**395,806**	**406,184**	**409,251**	**403,505**	**396,855**
MEMO								
34 Marketable U.S. Treasury securities held in custody for foreign and international accounts	356,660	360,213	363,257	359,498	360,084	350,906	358,003	364,104
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Banks)	410,524	410,175	410,825	410,888	411,490	409,265	410,368	411,834
36 LESS: Held by Federal Reserve Banks	70,316	69,552	68,086	67,496	67,069	65,339	70,793	68,308
37 Federal Reserve notes, net	340,209	340,623	342,739	343,392	344,422	343,925	339,575	343,526
Collateral held against notes, net:								
38 Gold certificate account	11,053	11,053	11,053	11,053	11,053	11,053	11,053	11,053
39 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	321,138	321,552	323,668	324,321	325,351	324,854	320,504	324,455
42 **Total collateral**	**340,209**	**340,623**	**342,739**	**343,392**	**344,422**	**343,925**	**339,575**	**343,526**

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. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	1994					1993	1994	
	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23	Dec. 31	Jan. 31	Feb. 28
1 **Total loans**	**28**	**44**	**36**	**46**	**25**	**94**	**122**	**48**
2 Within fifteen days[1]	28	36	31	46	24	93	121	45
3 Sixteen days to ninety days	0	8	5	0	1	1	1	3
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 **Total acceptances**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6 Within fifteen days[1]	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 **Total U.S. Treasury securities**	**334,706**	**332,113**	**332,508**	**333,984**	**338,547**	**332,015**	**331,995**	**333,404**
10 Within fifteen days[1]	19,139	18,041	18,200	14,160	21,749	9,262	12,028	9,168
11 Sixteen days to ninety days	74,237	73,792	77,478	81,054	78,246	81,344	79,687	84,699
12 Ninety-one days to one year	105,617	104,666	101,216	104,851	104,634	105,184	104,666	106,001
13 One year to five years	80,091	79,992	79,992	78,037	78,037	79,826	79,992	77,654
14 Five years to ten years	22,384	23,884	23,884	23,818	23,818	24,659	23,884	23,818
15 More than ten years	31,739	31,739	31,739	32,064	32,064	31,739	31,739	32,064
16 **Total federal agency obligations**	**4,437**	**4,439**	**4,437**	**4,834**	**4,612**	**4,638**	**4,437**	**4,335**
17 Within fifteen days[1]	105	2	0	817	595	180	105	318
18 Sixteen days to ninety days	754	859	884	520	520	565	754	565
19 Ninety-one days to one year	969	969	944	944	944	1,078	969	954
20 One year to five years	2,016	2,016	2,016	1,976	1,976	2,105	2,016	1,921
21 Five years to ten years	567	567	567	552	552	569	567	552
22 More than ten years	25	25	25	25	25	142	25	25

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

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

Billions of dollars, averages of daily figures

Item	1990 Dec.	1991 Dec.	1992 Dec.	1993 Dec.[r]	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.	1993 Dec.[r]	1994 Jan.	1994 Feb.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	41.77	45.53	54.35	60.54	57.57	58.03	58.84	59.82	60.46	60.54	60.55	60.74
2 Nonborrowed reserves[4]	41.44	45.34	54.23	60.45	57.32	57.68	58.41	59.53	60.37	60.45	60.48	60.67
3 Nonborrowed reserves plus extended credit[5]	41.46	45.34	54.23	60.45	57.32	57.68	58.41	59.53	60.37	60.45	60.48	60.67
4 Required reserves	40.10	44.56	53.20	59.47	56.48	57.08	57.75	58.73	59.36	59.47	59.11	59.60
5 Monetary base[6]	293.16[r]	317.12[r]	350.63[r]	385.90	371.32[r]	374.37[r]	378.08[r]	381.44[r]	384.16[r]	385.90	389.56	393.89
	Not seasonally adjusted											
6 Total reserves[7]	43.07	46.98	56.06	62.41	57.42	57.38	58.69	59.53	60.73	62.41	62.03	59.49
7 Nonborrowed reserves	42.74	46.78	55.93	62.33	57.17	57.03	58.26	59.24	60.64	62.33	61.96	59.42
8 Nonborrowed reserves plus extended credit[5]	42.77	46.78	55.93	62.33	57.17	57.03	58.26	59.24	60.64	62.33	61.96	59.42
9 Required reserves[8]	41.40	46.00	54.90	61.35	56.33	56.43	57.60	58.44	59.62	61.35	60.59	58.35
10 Monetary base[9]	296.68	321.07	354.55	390.62	372.02	374.10	377.75	380.83[r]	384.32[r]	390.62	391.00	390.82
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	59.12	55.53	56.54	62.86	57.75	57.77	59.14	60.04	61.30	62.86	62.07	59.59
12 Nonborrowed reserves	58.80	55.34	56.42	62.78	57.51	57.42	58.71	59.75	61.21	62.78	62.00	59.52
13 Nonborrowed reserves plus extended credit[5]	58.82	55.34	56.42	62.78	57.51	57.42	58.71	59.75	61.21	62.78	62.00	59.52
14 Required reserves	57.46	54.55	55.39	61.80	56.66	56.82	58.05	58.95	60.20	61.80	60.62	58.45
15 Monetary base[12]	313.70	333.61	360.90	397.62	378.48	380.53	384.25	387.51	391.14[r]	397.62	397.89	397.92
16 Excess reserves[13]	1.66	.98	1.16	1.06	1.09	.95	1.09	1.09	1.10	1.06	1.45	1.14
17 Borrowings from the Federal Reserve	.33	.19	.12	.08	.24	.35	.43	.29	.09	.08	.07	.07

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

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

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

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

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all 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 changes in reserve requirements.

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

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

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

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

Billions of dollars, averages of daily figures

Item	1990 Dec.[r]	1991 Dec.[r]	1992 Dec.[r]	1993 Dec.[r]	1993[r] Nov.	1993[r] Dec.	1994 Jan.	1994 Feb.
	Seasonally adjusted							
Measures[2]								
1 M1	826.4	897.7	1,024.8	1,128.5	1,122.4	1,128.5	1,133.6	1,138.6
2 M2	3,353.0	3,455.3	3,509.0	3,564.2	3,557.0	3,564.2	3,571.0	3,567.8
3 M3	4,125.7	4,180.4	4,183.0	4,226.7	4,214.2	4,226.7	4,230.9	4,203.3
4 L	4,974.8	4,992.9	5,057.1	5,124.7	5,105.9	5,124.7	5,146.0	n.a.
5 Debt	10,670.1	11,147.3	11,721.5	12,321.5	12,244.5	12,321.5	12,373.0	n.a.
M1 components								
6 Currency[3]	246.7	267.1	292.2	321.4	319.5	321.4	325.3	329.2
7 Travelers checks[4]	7.8	7.7	8.1	7.9	7.9	7.9	7.9	7.9
8 Demand deposits[5]	277.9	290.0	339.6	384.9	383.2	384.9	388.5	390.5
9 Other checkable deposits[6]	294.0	332.8	384.9	414.3	411.8	414.3	412.0	411.1
Nontransaction components								
10 In M2[7]	2,526.6	2,557.6	2,484.3	2,435.7	2,434.5	2,435.7	2,437.4	2,429.1
11 In M3[8]	772.7	725.2	674.0	662.6	657.3	662.6	659.9	635.5
Commercial banks								
12 Savings deposits, including MMDAs	582.1	665.5	754.6	785.3	782.4	785.3	790.1	791.1
13 Small time deposits[9]	611.3	602.9	508.7	468.6	469.5	468.6	465.5	464.0
14 Large time deposits[10, 11]	368.6	342.4	292.8	277.5	276.3	277.5	279.6	274.0
Thrift institutions								
15 Savings deposits, including MMDAs	338.3	375.6	429.0	430.2	429.5	430.2	430.2	429.9
16 Small time deposits[9]	563.2	464.5	361.8	314.2	318.5	314.2	312.1	309.0
17 Large time deposits[10]	120.9	83.4	67.5	61.7	63.5	61.7	61.9	61.5
Money market mutual funds								
18 General purpose and broker–dealer	355.5	370.4	352.0	349.9	347.8	349.9	348.9	345.1
19 Institution-only	135.0	181.0	201.5	197.0	194.8	197.0	192.7	176.9
Debt components								
20 Federal debt	2,490.7	2,763.8	3,068.4	3,327.9	3,291.4	3,327.9	3,335.6	n.a.
21 Nonfederal debt	8,179.4	8,383.5	8,653.1	8,993.6	8,953.1	8,993.6	9,037.4	n.a.
	Not seasonally adjusted							
Measures[2]								
22 M1	843.8	916.7	1,046.7	1,153.9	1,129.6	1,153.9	1,142.9	1,124.7
23 M2	3,366.0	3,470.4	3,527.6	3,586.8	3,565.7	3,586.8	3,577.7	3,555.7
24 M3	4,135.5	4,191.9	4,198.2	4,246.1	4,225.8	4,246.1	4,231.8	4,194.1
25 L	4,997.2	5,018.0	5,087.6	5,159.5	5,127.0	5,159.5	5,160.3	n.a.
26 Debt	10,667.7	11,144.6	11,723.3	12,321.4	12,231.4	12,321.4	12,358.6	n.a.
M1 components								
27 Currency[3]	249.5	269.9	295.0	324.9	319.8	324.9	324.0	327.3
28 Travelers checks[4]	7.4	7.4	7.8	7.6	7.7	7.6	7.7	7.7
29 Demand deposits[5]	289.9	303.1	355.1	402.7	391.2	402.7	393.3	380.8
30 Other checkable deposits[6]	297.0	336.3	388.9	418.6	410.9	418.6	417.9	409.0
Nontransaction components								
31 In M2[7]	2,522.3	2,553.7	2,480.9	2,432.9	2,436.0	2,432.9	2,434.8	2,430.9
32 In M3[8]	769.5	721.6	670.5	659.3	660.2	659.3	654.1	638.4
Commercial banks								
33 Savings deposits, including MMDAs	580.8	664.0	752.9	783.8	784.0	783.8	786.1	787.7
34 Small time deposits[9]	610.5	601.9	507.8	467.6	468.8	467.6	465.6	463.9
35 Large time deposits[10, 11]	367.7	341.3	291.7	276.4	276.6	276.4	276.6	272.3
Thrift institutions								
36 Savings deposits, including MMDAs	337.6	374.8	428.1	429.3	430.4	429.3	428.0	428.0
37 Small time deposits[9]	562.4	463.8	361.2	313.6	318.0	313.6	312.1	308.8
38 Large time deposits[10]	120.6	83.1	67.2	61.4	63.5	61.4	61.2	61.2
Money market mutual funds								
39 General purpose and broker–dealer	353.8	368.5	350.2	348.3	345.8	348.3	349.3	350.8
40 Institution-only	134.7	180.4	200.4	195.8	194.0	195.8	196.2	186.1
Repurchase agreements and Eurodollars								
41 Overnight	77.3	80.6	80.7	90.3	89.1	90.3	93.6	91.7
42 Term	158.3	130.1	126.7	141.4	142.8	141.4	135.4	134.4
Debt components								
43 Federal debt	2,491.3	2,765.0	3,069.8	3,329.5	3,287.0	3,329.5	3,333.0	n.a.
44 Nonfederal debt	8,176.3	8,379.7	8,653.5	8,992.0	8,944.4	8,992.0	9,025.6	n.a.

Footnotes appear on following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data are available from the Money and Reserves Projection 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) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions, and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

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

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

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

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

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

5. Demand deposits at commercial banks and foreign-related institutions other than those 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) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker–dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

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

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

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

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

1.22 DEPOSIT INTEREST RATES AND AMOUNTS OUTSTANDING Commercial and BIF-insured saving banks[1]

Item	1991 Dec.	1992 Dec.	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.	1993 Dec.[r]	1994 Jan.	1994 Feb.
	Interest rates (annual effective yields)										
INSURED COMMERCIAL BANKS											
1 Negotiable order of withdrawal accounts	3.76	2.33	2.09	2.06	2.01	1.96	1.92	1.89	1.86	1.84	1.82
2 Savings deposits[2]	4.30	2.88	2.61	2.59	2.55	2.51	2.49	2.48	2.46	2.46	2.43
Interest-bearing time deposits with balances of less than $100,000, by maturity											
3 7 to 91 days	4.18	2.90	2.68	2.67	2.66	2.63	2.63	2.64	2.65	2.65	2.68
4 92 to 182 days	4.41	3.16	2.97	2.97	2.96	2.92	2.91	2.92	2.91	2.90	2.93
5 183 days to 1 year	4.59	3.37	3.19	3.18	3.17	3.13	3.11	3.13	3.13	3.14	3.18
6 More than 1 year to 2½ years	4.95	3.88	3.65	3.64	3.63	3.55	3.54	3.54	3.55	3.56	3.61
7 More than 2½ years	5.52	4.77	4.44	4.43	4.40	4.28	4.27	4.28	4.29	4.31	4.35
BIF-INSURED SAVINGS BANKS[3]											
8 Negotiable order of withdrawal accounts	4.44	2.45	2.13	2.09	2.07	2.01	1.98	1.95	1.87	1.89	1.88
9 Savings deposits[2]	4.97	3.20	2.88	2.83	2.80	2.73	2.68	2.65	2.63	2.62	2.64
Interest-bearing time deposits with balances of less than $100,000, by maturity											
10 7 to 91 days	4.68	3.13	2.86	2.80	2.79	2.76	2.75	2.73	2.70	2.69	2.69
11 92 to 182 days	4.92	3.44	3.17	3.15	3.12	3.05	3.05	3.03	3.02	3.03	3.04
12 183 days to 1 year	4.99	3.61	3.44	3.40	3.37	3.33	3.34	3.32	3.31	3.33	3.34
13 More than 1 year to 2½ years	5.23	4.02	3.79	3.72	3.73	3.69	3.68	3.69	3.66	3.72	3.76
14 More than 2½ years	5.98	5.00	4.75	4.73	4.73	4.62	4.57	4.60	4.62	4.61	4.66
	Amounts outstanding (millions of dollars)										
INSURED COMMERCIAL BANKS											
15 Negotiable order of withdrawal accounts	244,637	286,541	287,555	284,496	287,675	286,056	289,813	297,329	305,223	293,806	295,573
16 Savings deposits[2]	652,058	738,253	754,790	757,716	761,919	758,835	765,372	770,609	766,413	771,559	776,218
17 Personal	508,191	578,757	592,545	593,448	593,318	592,028	595,715	598,200	597,838	606,615	611,767
18 Nonpersonal	143,867	159,496	162,245	164,268	168,601	166,807	169,657	172,408	168,575	164,944	164,451
Interest-bearing time deposits with balances of less than $100,000, by maturity											
19 7 to 91 days	47,094	38,474	31,743	30,803	30,017	30,384	30,022	29,730	29,455	29,312	29,572
20 92 to 182 days	158,605	127,831	114,846	112,497	109,603	108,574	108,504	109,228	110,069	109,110	109,274
21 183 days to 1 year	209,672	163,098	156,549	156,431	155,074	152,501	149,758	147,334	146,565	144,037	143,507
22 More than 1 year to 2½ years	171,721	152,977	144,804	143,605	141,377	139,406	139,042	139,315	141,223	141,204	140,918
23 More than 2½ years	158,078	169,708	179,297	180,983	181,762	184,414	183,790	180,972	181,528	182,193	181,221
24 IRA/Keogh Plan deposits	147,266	147,350	146,523	146,196	145,955	145,636	144,776	145,002	143,985	143,875	143,409
BIF-INSURED SAVINGS BANKS[3]											
25 Negotiable order of withdrawal accounts	9,624	10,871	10,313	10,457	10,468	10,471	10,548	10,852	11,151	10,796	10,913
26 Savings deposits[2]	71,215	81,786	77,495	78,390	78,387	78,182	77,995	77,948	80,115	78,660	78,247
27 Personal	68,638	78,695	74,569	75,049	75,153	74,978	74,737	74,664	77,035	75,445	74,972
28 Nonpersonal	2,577	3,091	2,926	3,341	3,234	3,204	3,258	3,284	3,079	3,215	3,276
Interest-bearing time deposits with balances of less than $100,000, by maturity											
29 7 to 91 days	4,146	3,867	3,022	2,871	2,928	2,886	2,839	2,778	2,793	2,737	2,739
30 92 to 182 days	21,686	17,345	13,808	13,773	13,525	13,261	13,131	12,926	12,946	13,094	13,202
31 183 days to 1 year	29,715	21,780	18,427	18,454	18,143	17,798	17,441	17,178	17,426	17,418	17,491
32 More than 1 year to 2½ years	25,379	18,442	15,972	16,250	16,200	16,161	16,124	15,995	16,546	16,281	16,390
33 More than 2½ years	18,665	18,845	18,989	19,229	19,331	19,610	19,657	19,645	20,464	20,630	20,991
34 IRA/Keogh Plan accounts	23,007	21,713	19,855	19,920	19,802	19,766	19,601	19,382	19,356	19,395	19,522

1. BIF, Bank Insurance Fund. Data in this table also appear in the Board's H.6 (508) Special Supplementary Table monthly statistical release. For ordering address, see inside front cover. Estimates are based on data collected by the Federal Reserve System from a stratified random sample of about 460 commercial banks and 80 savings banks on the last Wednesday of each period. Data are not seasonally adjusted and include IRA/Keogh deposits and foriegn currency denominated deposits. Data exclude retail repurchase agreements and deposits held in U.S. branches and agencies of foreign banks.

2. Includes personal and nonpersonal money market deposits.

3. BIF-insured savings banks include both mutual and federal savings banks.

1.23 BANK DEBITS AND DEPOSIT TURNOVER[1]

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

Bank group, or type of customer	1991[2]	1992[2]	1993[2]	1993 July[r]	1993 Aug.[r]	1993 Sept.[r]	1993 Oct.[r]	1993 Nov.	1993 Dec.
DEBITS	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	277,763.7[r]	315,812.2[r]	334,165.1	330,668.5	333,750.6	360,304.3	327,497.9	360,492.1	368,461.0
2 Major New York City banks	137,352.9[r]	165,573.5[r]	171,418.8	166,663.8	169,093.8	185,675.0	166,671.1	187,185.5	190,076.8
3 Other banks	140,410.8[r]	150,238.7[r]	162,746.4	164,004.7	164,656.8	174,629.3	160,826.8	173,306.7	178,384.2
4 Other checkable deposits[4]	3,645.5	3,788.1	3,480.3	3,365.4	3,441.4	3,490.8	3,302.4	3,590.9	3,679.1
5 Savings deposits (including MMDAs)[5]	3,266.1	3,331.5[r]	3,536.0	3,634.3	3,500.3	3,734.0	3,398.3	3,782.3	3,855.9
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	803.5	832.4	784.3	777.7	769.0	824.3	729.8	796.3	833.9
7 Major New York City banks	4,270.7[r]	4,797.6[r]	4,201.0	4,293.9	4,040.3	4,254.4	3,907.6	4,249.4	4,672.6
8 Other banks	447.9	435.9	422.4	424.5	419.9	443.8	396.0	424.1	444.6
9 Other checkable deposits[4]	16.2	14.4	11.9	11.4	11.6	11.7	11.0	11.9	12.1
10 Savings deposits (including MMDAs)[5]	5.3	4.7	4.6	4.7	4.5	4.8	4.4	4.9	5.0
DEBITS	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	277,715.4	315,808.2	333,956.4	332,888.4	342,539.4	347,849.8	335,861.9	344,003.5	380,135.5
12 Major New York City banks	137,307.2	165,595.0	171,283.5	168,018.4	174,674.7	179,869.7	172,675.6	180,990.2	194,541.0
13 Other banks	140,408.3	150,213.3	162,672.9	164,870.1	167,864.7	167,980.2	163,186.3	163,013.3	185,594.5
14 Other checkable deposits[4]	3,645.6	3,788.1	3,478.5	3,290.8	3,369.1	3,493.3	3,293.5	3,335.8	3,848.1
15 Savings deposits (including MMDAs)[5]	3,267.7	3,329.0	3,532.8	3,643.7	3,529.6	3,536.4	3,328.6	3,497.3	4,055.7
DEPOSIT TURNOVER									
Demand deposits[3]									
16 All insured banks	803.4	832.5	784.0	778.0	802.5	798.5	748.5	753.2	819.2
17 Major New York City banks	4,274.3	4,803.5	4,197.2	4,280.6	4,307.8	4,196.6	4,059.2	4,129.6	4,387.7
18 Other banks	447.9	436.0	422.4	424.3	434.6	427.7	401.8	394.8	442.2
19 Other checkable deposits[4]	16.2	14.4	11.9	11.3	11.5	11.8	11.1	11.1	12.5
20 Savings deposits (including MMDAs)[5]	5.3	4.7	4.6	4.8	4.6	4.6	4.3	4.5	5.2

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

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

2. Annual averages of monthly figures.
3. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).
5. Money market deposit accounts.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures

Billions of dollars

Account	1993	1993[r]					1994[r]		1994[r]			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
All Commercial Banking Institutions[2]	Seasonally adjusted											
Assets												
1 Bank credit	2,970.6	3,065.9[r]	3,073.6	3,075.2	3,090.1	3,102.8	3,122.7	3,136.5	3,128.6[r]	3,138.9[r]	3,138.5[r]	3,125.4[r]
2 Securities in bank credit	857.1	902.6[r]	904.8	901.2	905.7	915.1	928.8	934.0	929.7[r]	932.1[r]	932.8[r]	929.7[r]
3 U.S. government securities	679.5	717.9	720.0	717.9	722.3	730.2	735.1	734.8	728.8	732.1	733.5	734.0[r]
4 Other securities	177.7	184.7[r]	184.8	183.2	183.4	184.9	193.7	199.1	200.9[r]	199.9[r]	199.3[r]	195.8[r]
5 Loans and leases in bank credit[2]	2,113.5	2,163.3	2,168.9	2,174.1	2,184.4	2,187.7	2,193.9	2,202.5	2,198.9[r]	2,206.8	2,205.7	2,195.7
6 Commercial and industrial	595.3	589.1[r]	586.9	586.5	585.3	584.8	589.9	592.0	591.3[r]	593.0[r]	593.0[r]	591.2[r]
7 Real estate	901.6	920.2[r]	923.4	925.7	929.7	934.2	936.2	935.1	937.0[r]	936.5[r]	935.4[r]	932.7[r]
8 Revolving home equity	73.9	74.7	74.4	73.8	73.4	73.1	72.8	72.9	72.9	73.0	72.8	72.8
9 Other	827.8	845.6[r]	849.0	851.9	856.3	861.1	863.5	862.2	864.1[r]	863.6[r]	862.6[r]	859.9[r]
10 Consumer	363.6	378.2[r]	380.4	384.4	387.5	389.7	392.3	395.7	394.3[r]	395.7[r]	395.7[r]	394.9[r]
11 Security[3]	62.6	80.2	82.1	81.3	87.1	86.1	79.3	80.7	81.5	81.5	83.3	76.4
12 Other	190.3	195.6[r]	196.1	196.2	194.8	192.8	196.0	199.1	194.8[r]	200.1[r]	198.2[r]	200.4[r]
13 Interbank loans[4]	152.3	155.0	152.1	151.8	154.9	154.3	155.3	156.0	158.5	154.6	156.2	158.1
14 Cash assets[5]	212.1	219.9	225.5	220.2	218.4	218.6	219.0	224.7	221.0	233.4	206.1	235.3
15 Other assets[6]	215.0	218.7[r]	220.9	218.5	217.7	215.6	221.3	224.4	224.0[r]	226.7[r]	221.3[r]	226.4[r]
16 **Total assets**[7]	**3,489.0**	**3,599.4[r]**	**3,612.3**	**3,606.4**	**3,622.0**	**3,632.5**	**3,659.9**	**3,683.6**	**3,674.1[r]**	**3,695.8[r]**	**3,664.2[r]**	**3,687.4[r]**
Liabilities												
17 Deposits	2,499.0	2,520.0	2,524.2	2,524.2	2,533.3	2,537.8	2,537.4	2,531.3	2,527.3	2,540.4	2,522.2	2,534.3
18 Transaction	748.9	799.1	808.7	810.0	815.9	818.0	814.7	816.9	812.7	823.5	803.6	822.8
19 Nontransaction	1,750.0	1,720.9	1,715.5	1,714.2	1,717.4	1,719.7	1,722.6	1,714.4	1,714.6	1,716.9	1,718.7	1,711.6
20 Large time	371.1	346.8	344.2	346.3	347.6	350.1	348.5	340.2	341.4	342.5	342.0	339.0
21 Other	1,378.9	1,374.1	1,371.3	1,367.9	1,369.8	1,369.6	1,374.1	1,374.2	1,373.2	1,374.4	1,376.7	1,372.5
22 Borrowings	492.8	516.7[r]	530.1	515.5	514.9	546.1	572.6	549.4	591.9	564.0	532.2	543.2
23 From banks in the U.S.	151.8	156.4	150.9	154.1	155.6	155.3	153.4	153.5	152.4	153.1	154.9	154.5
24 From nonbanks in the U.S.	340.9	360.3[r]	379.2	361.4	359.2	390.8	419.3	395.9	439.5	411.0	377.3	388.7
25 Net due to related foreign offices	73.5	118.3	126.1	123.8	121.6	119.1	115.9	135.9	129.0	136.4	136.0	133.3
26 Other liabilities[8]	147.0	149.0	146.0	144.4	143.6	142.0	154.2	161.1	160.3[r]	161.2[r]	162.8[r]	159.3[r]
27 **Total liabilities**	**3,212.2**	**3,304.0[r]**	**3,326.4**	**3,307.9**	**3,313.3**	**3,345.0**	**3,380.1**	**3,377.7**	**3,408.4[r]**	**3,401.9[r]**	**3353.2[r]**	**3,370.0[r]**
28 Residual (assets less liabilities)[9]	276.8	295.4[r]	285.9	298.5	308.7	287.6	279.8	306.0	265.7[r]	293.8[r]	311.0[r]	317.3[r]
	Not seasonally adjusted											
Assets												
29 Bank credit	2,967.8	3,058.1[r]	3,074.5	3,077.9	3,101.0	3,118.6	3,123.8	3,135.0	3,135.7[r]	3,138.2[r]	3,139.6[r]	3,114.7[r]
30 Securities in bank credit	856.7	901.2[r]	906.4	903.3	911.1	914.6	924.8	933.8	930.2[r]	931.9[r]	934.8[r]	927.0[r]
31 U.S. government securities	678.3	717.0	721.7	719.5	726.4	729.7	731.2	733.5	728.7	731.1	733.6	731.1[r]
32 Other securities	178.4	184.2[r]	184.8	183.8	184.7	184.9	193.6	200.3	201.4[r]	200.8[r]	201.2[r]	195.9[r]
33 Loans and leases in bank credit[2]	2,111.1	2,156.9	2,168.1	2,174.5	2,189.9	2,204.0	2,199.0	2,201.2	2,205.5	2,206.4	2,204.8	2,187.7
34 Commercial and industrial	594.4	585.8[r]	583.4	584.5	586.1	586.8	589.2	591.2	590.7[r]	590.7[r]	592.2[r]	589.3[r]
35 Real estate	898.0	920.4[r]	923.9	928.1	932.1	937.4	934.7	931.7	934.1[r]	935.0[r]	932.3[r]	927.7[r]
36 Revolving home equity	73.6	74.7	74.7	74.4	73.8	73.3	72.9	72.6	72.7	72.8	72.7	72.5
37 Other	824.3	845.8[r]	849.2	853.6	858.3	864.1	861.8	859.0	861.2[r]	862.3[r]	859.6[r]	855.1[r]
38 Consumer	364.6	377.6[r]	381.5	384.4	387.7	394.1	396.8	396.9	397.1[r]	397.8[r]	397.3[r]	396.0[r]
39 Security[3]	66.0	77.6	81.5	80.1	87.1	88.0	81.6	85.2	87.1	86.1	86.4	80.9
40 Other	188.1	195.5[r]	197.7	197.5	196.8	197.7	196.7	196.1	196.5[r]	196.7[r]	196.6[r]	193.8[r]
41 Interbank loans[3]	153.7	152.1	150.2	150.8	156.4	162.8	159.4	156.6	162.5	155.2	159.2	154.4
42 Cash assets[2]	207.7	214.2	227.4	219.5	225.9	231.8	223.9	219.3	219.9	207.9	214.9	229.5
43 Other assets[6]	214.6	217.0[r]	222.1	221.0	220.6	219.8	223.7	223.9	228.0[r]	225.6[r]	221.2[r]	223.6[r]
44 **Total assets**[7]	3,482.3	3,581.6[r]	3,614.3	3,610.1	3,644.4	3,673.7	3,672.7	3,676.4	3,688.0[r]	3,668.6[r]	3,676.5[r]	3,663.9[r]
Liabilities												
45 Deposits	2,490.3	2,509.0	2,522.8	2,516.1	2,544.0	2,566.5	2,540.7	2,521.1	2,525.7	2,513.7	2,529.1	2,509.2
46 Transaction	741.3	784.2	806.9	804.1	827.5	852.5	824.3	807.8	815.9	796.6	812.0	799.5
47 Nontransaction	1,749.0	1,724.8	1,715.9	1,712.0	1,716.5	1,714.0	1,716.3	1,713.3	1,709.8	1,717.1	1,717.1	1,709.7
48 Large time	371.5	348.5	343.7	342.4	344.5	346.3	345.0	340.6	339.6	343.2	341.4	339.8
49 Other	1,377.5	1,376.3	1,372.1	1,369.6	1,372.1	1,367.8	1,371.4	1,372.7	1,370.3	1,373.9	1,375.7	1,369.9
50 Borrowings	497.9	519.8[r]	530.0	526.4	528.4	535.3	548.2	548.6	564.6	555.0	540.8	543.8
51 From banks in the U.S.	154.4	152.6	150.7	151.4	156.9	163.2	159.7	156.7	162.7	155.3	159.3	154.5
52 From nonbanks in the U.S.	343.4	367.2[r]	379.3	375.1	371.5	372.1	388.5	391.9	401.9	399.7	381.5	389.3
53 Net due to related foreign offices	75.0	110.6	118.6	124.3	124.4	126.4	124.0	138.8	128.6	133.5	136.5	145.1
54 Other liabilities[8]	147.2	148.6	146.6	147.1	149.5	145.5	156.4	161.2	162.1[r]	161.1[r]	162.8[r]	158.9[r]
55 **Total liabilities**	**3,210.4**	**3,288.0[r]**	**3317.9**	**3,314.0**	**3,346.3**	**3,373.6**	**3,369.3**	**3,369.7**	**3,381.0[r]**	**3,363.2[r]**	**3,369.2[r]**	**3,357.0[r]**
56 Residual (assets less liabilities)[9]	271.9	293.6[r]	296.4	296.0	298.2	300.1	303.5	306.8	307.0[r]	305.4[r]	307.4[r]	306.9[r]

Footnotes appear on last page.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures—Continued

Billions of dollars

Account	1993	1993[r]					1994[r]		1994[r]			
	Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Feb. 2	Feb. 9	Feb. 16	Feb. 23
DOMESTICALLY CHARTERED COMMERCIAL BANKS[4]	Seasonally adjusted											
Assets												
57 Bank credit	2,644.3	2,721.6[r]	2,732.3	2,736.9	2,751.2	2,764.0	2,784.2	2,792.4	2,789.1[r]	2,790.0[r]	2,792.8[r]	2,781.7[r]
58 Securities in bank credit	791.3	824.5[r]	826.9	822.8	826.5	834.3	846.2	849.9	847.6[r]	848.2[r]	848.5[r]	844.4[r]
59 U.S. government securities	635.9	664.6	667.2	665.0	668.2	673.6	677.5	675.7	671.5	673.0	674.2[r]	674.1
60 Other securities	155.4	159.8[r]	159.8	157.8	158.4	160.6	168.7	174.2	176.1[r]	175.2	174.4[r]	170.3[r]
61 Loans and leases in bank credit[2]	1,853.1	1,897.2	1,905.3	1,914.1	1,924.7	1,929.7	1,938.0	1,942.6	1,941.5	1,941.8	1,944.3	1,937.3
62 Commercial and industrial	440.6	434.3[r]	433.8	433.6	433.7	434.7	439.1	441.2	441.5[r]	440.8[r]	441.8[r]	440.5[r]
63 Real estate	850.1	872.1[r]	875.5	878.4	882.8	888.3	891.7	891.0	892.7[r]	892.2[r]	891.2[r]	888.7[r]
64 Revolving home equity	73.8	74.7	74.3	73.8	73.4	73.0	72.7	72.8	72.9	73.0	72.8	72.8
65 Other	776.3	797.4[r]	801.2	804.6	809.5	815.2	819.0	818.1	819.8[r]	819.2[r]	818.4[r]	815.9[r]
66 Consumer	363.6	378.2[r]	380.4	384.4	387.5	389.7	392.3	395.7	394.3[r]	395.7[r]	395.7[r]	394.9[r]
67 Security[3]	43.1	54.6	56.4	56.5	59.6	57.3	53.7	53.8	53.5	53.0	55.0	51.5
68 Other	155.6	158.0	159.3	161.2	161.0	159.7	161.1	161.0	159.5[r]	160.1	160.6[r]	161.6[r]
69 Interbank loans[4]	132.9	134.0	130.5	130.0	133.4	134.3	136.1	131.1	132.6	131.3	133.2	130.1
70 Cash assets[5]	185.4	193.1	198.5	193.5	192.9	193.2	193.9	200.4	195.3	209.1	180.3	212.1
71 Other assets[6]	170.2	172.5[r]	173.7	172.8	172.2	171.9	175.0	175.9	177.0[r]	177.3[r]	172.1[r]	179.2[r]
72 **Total assets**[7]	**3,071.7**	**3,161.1[r]**	**3,175.1**	**3,173.8**	**3,190.6**	**3,204.6**	**3,231.0**	**3,242.2**	**3,236.2[r]**	**3,250.4[r]**	**3,220.6[r]**	**3,245.3[r]**
Liabilities												
73 Deposits	2,339.5	2,368.7	2,372.3	2,370.5	2,376.0	2,374.8	2,376.5	2,376.3	2,374.7	2,383.4	2,363.9	2,379.9
74 Transaction	738.3	787.4	795.9	797.4	803.4	805.9	802.3	804.0	799.7	810.6	790.7	809.7
75 Nontransaction	1,601.2	1,581.2	1,576.4	1,573.1	1,572.6	1,568.9	1,574.2	1,572.3	1,575.0	1,572.9	1,573.1	1,570.1
76 Large time	228.9	214.5	212.3	211.7	210.6	208.5	210.0	208.3	209.8	208.2	208.0	207.6
77 Other	1,372.2	1,366.7	1,364.1	1,361.4	1,362.0	1,360.4	1,364.2	1,364.1	1,365.2	1,364.6	1,365.1	1,362.5
78 Borrowings	367.3	403.0[r]	418.8	408.5	406.0	434.9	459.8	442.2	470.2	452.5	429.3	437.3
79 From banks in the U.S.	109.7	119.3	116.7	119.3	118.4	116.9	113.6	115.6	107.0	112.7	117.9	118.2
80 From nonbanks in the U.S.	257.6	283.7[r]	302.1	289.2	287.6	317.9	346.2	326.6	363.2	339.8	311.4	319.1
81 Net due to related foreign offices	−11.6	−12.4	−7.6	−6.2	−2.7	1.5	3.4	3.3	4.6	3.4	−0.3	3.1
82 Other liabilities[8]	103.2	107.9	105.6	105.9	105.5	105.3	114.2	120.1	119.3[r]	120.8[r]	121.2[r]	118.7[r]
83 **Total liabilities**	**2,798.1**	**2,867.1**	**2,889.1**	**2,878.7**	**2,884.8**	**2,916.6**	**2,953.9**	**2,941.9**	**2,968.7[r]**	**2,960.2[r]**	**2,914.1[r]**	**2,938.9[r]**
84 Residual (assets less liabilities)[9]	273.7	294.0[r]	286.0	295.2	305.8	288.0	277.1	300.3	267.5[r]	290.2[r]	306.5[r]	306.3[r]
	Not seasonally adjusted											
Assets												
85 Bank credit	2,639.6	2,717.8[r]	2,736.7	2,741.9	2,759.9	2,770.6	2,777.2	2,788.6	2,787.5[r]	2,786.6[r]	2,792.4[r]	2,771.6[r]
86 Securities in bank credit	790.3	824.6[r]	829.9	825.6	830.6	831.5	839.8	849.1	845.2[r]	847.7[r]	849.3[r]	842.0[r]
87 U.S. government securities	634.7	664.9[r]	669.9	666.7	670.8	670.8	671.4	674.5	668.8	672.3	673.9	672.2
88 Other securities	155.6	159.7[r]	160.1	158.9	159.8	160.7	168.4	174.6	176.3[r]	175.4[r]	175.4[r]	169.8[r]
89 Loans and leases in bank credit[2]	1,849.3	1,893.3	1,906.7	1,916.3	1,929.3	1,939.1	1,937.5	1,939.6	1,942.3	1,938.9	1,943.1	1,929.6
90 Commercial and industrial	439.8	431.7[r]	431.5	433.1	434.4	434.7	436.6	440.5	439.9[r]	439.1[r]	441.0[r]	439.4[r]
91 Real estate	846.2	872.2[r]	876.0	880.7	885.2	891.6	890.3	887.4	889.6[r]	890.4[r]	887.9[r]	883.7[r]
92 Revolving home equity	73.6	74.7	74.7	74.4	73.9	73.3	72.9	72.6	72.9	72.8	72.7	72.5
93 Other	772.6	797.6[r]	801.3	806.2	811.3	818.3	817.5	814.8	816.8[r]	817.6[r]	815.2[r]	811.2[r]
94 Consumer	364.6	377.6[r]	381.5	384.4	387.7	394.1	396.8	396.9	397.1[r]	397.8[r]	397.3[r]	396.0[r]
95 Security[3]	44.9	53.4	56.6	55.6	59.4	56.6	53.2	55.9	56.0	54.3	57.1	53.4
96 Other	153.7	158.3	161.2	162.6	162.5	162.2	160.5	158.8	159.7[r]	157.3[r]	159.8[r]	157.1[r]
97 Interbank loans[3]	135.2	132.2	128.2	128.5	135.1	139.6	139.2	133.5	138.6	135.0	137.6	126.6
98 Cash assets[2]	181.4	186.7	199.3	191.8	200.2	206.3	199.1	195.4	194.7	183.6	190.3	206.8
99 Other assets[6]	169.5	171.0[r]	175.1	175.1	173.6	173.9	176.1	175.1	179.7[r]	175.0[r]	171.9[r]	177.0[r]
100 **Total assets**[7]	3,064.3	3,148.1[r]	3,179.5	3,178.3	3,209.4	3,231.2	3,233.6	3,234.4	3,242.5[r]	3,221.9[r]	3,234.0[r]	3,223.8[r]
Liabilities												
101 Deposits	2,329.9	2,357.5	2,372.1	2,368.1	2,391.1	2,406.7	2,381.4	2,365.2	2,372.2	2,355.8	2,370.9	2,353.2
102 Transaction	730.6	772.8	793.6	791.3	815.0	840.1	811.7	794.9	802.4	783.7	799.2	786.5
103 Nontransaction	1,599.2	1,584.7	1,578.5	1,576.9	1,576.1	1,566.6	1,569.8	1,570.3	1,569.7	1,572.1	1,571.7	1,566.7
104 Large time	229.0	215.9	213.4	212.8	211.1	207.2	208.5	208.3	208.6	208.6	208.1	207.7
105 Other	1,370.2	1,368.7	1,365.1	1,364.0	1,365.0	1,359.5	1,361.3	1,362.0	1,361.1	1,363.5	1,363.6	1,359.0
106 Borrowings	372.8	406.1[r]	418.1	416.4	417.6	422.6	434.5	441.6	442.4	443.4	437.5	441.0
107 From banks in the U.S.	113.2	115.5	115.4	116.4	118.1	121.6	118.3	119.4	115.3	115.7	122.2	120.5
108 From nonbanks in the U.S.	259.6	290.7[r]	302.6	300.0	299.5	300.9	316.2	322.3	327.1	327.7	315.3	320.5
109 Net due to related foreign offices	−10.3	−12.8	−8.9	−6.6	−3.3	−1.8	3.0	5.4	4.8	2.1	1.5	9.0
110 Other liabilities[8]	102.8	107.6	106.3	108.9	110.3	108.0	115.5	119.6	564.6	555.0	540.8	543.8
111 **Total liabilities**	**2,795.3**	**2,858.4[r]**	**2,887.5**	**2,886.8**	**2,915.7**	**2,935.5**	**2,934.4**	**2,931.9**	**2,939.6[r]**	**2,920.7[r]**	**2,930.8[r]**	**2,921.2[r]**
112 Residual (assets less liabilities)[9]	269.1	289.7[r]	292.0	291.5	293.7	295.7	299.2	302.5	302.9[r]	301.1[r]	303.1[r]	302.6[r]

Footnotes appear on following page.

NOTES TO TABLE 1.26

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; New York State investment companies, 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; small domestic and foreign-related institutions are estimated based on weekly samples and on quarter-end condition reports. Data are adjusted for breaks caused by reclassifications of assets and liabilities.

2. Excludes federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

3. Consists of reserve repurchase agreements with broker–dealers and loans to purchase and carry securities.

4. Consists of federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

5. Includes vault cash, cash items in process of collection, demand balances due from depository institutions in the United States, balances due from Federal Reserve Banks, and other cash assets.

6. Excludes the due-from position with related foreign offices, which is included in lines 25, 53, 81, and 109.

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

8. Excludes the due-to position with related foreign offices, which is included in lines 25, 53, 81, and 109.

9. Assets and liabilities. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1993	1994							
	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
ASSETS									
1 Cash and balances due from depository institutions	127,680	119,847	114,463	139,888	114,346	117,027	112,452	115,217	127,359
2 U.S. Treasury and government securities	302,868	308,747	308,056	306,256	300,318	303,996	303,462	306,414	303,615
3 Trading account	20,962	24,052	23,436	27,414	24,538	24,428	24,145	26,645	24,452
4 Investment account	281,905	284,695	284,620	278,842	275,780	279,567	279,317	279,769	279,163
5 Mortgage-backed securities[1]	90,589	89,948	89,908	88,635	87,890	88,372	87,940	88,478	89,291
All others, by maturity									
6 One year or less	52,226	52,877	51,255	50,756	49,974	49,222	48,277	47,918	47,666
7 One year through five years	72,841	73,707	74,596	72,477	72,210	73,288	74,001	75,410	73,956
8 More than five years	66,250	68,162	68,862	66,975	65,706	68,685	69,099	67,963	68,249
9 Other securities	70,194	78,606	77,162	76,766	77,680	87,922	87,057	87,321	81,764
10 Trading account	1,883	1,949	1,860	1,767	1,707	1,824	1,833	1,669	1,790
11 Investment account	55,352	56,872	56,865	57,210	56,876	57,144	57,267	57,142	57,291
12 State and political subdivisions, by maturity	21,078	21,057	21,138	21,100	21,125	21,078	21,195	21,279	21,397
13 One year or less	4,136	3,931	3,874	3,908	3,952	3,981	4,005	4,088	4,143
14 More than one year	16,942	17,126	17,264	17,193	17,173	17,098	17,189	17,192	17,254
15 Other bonds, corporate stocks, and securities	34,273	35,815	35,727	36,110	35,751	36,065	36,073	35,863	35,894
16 Other trading account assets	12,960	19,785	18,438	17,789	19,096	28,954	27,956	28,510	22,683
17 Federal funds sold[2]	90,604	93,589	92,790	100,424	90,526	99,395	92,193	98,952	87,741
18 To commercial banks in the United States	57,756	59,910	59,226	64,902	57,702	63,870	58,021	61,020	53,694
19 To nonbank brokers and dealers	29,504	28,340	28,887	29,062	26,787	29,652	28,142	30,431	27,308
20 To others[3]	3,343	5,339	4,677	6,461	6,036	5,873	6,030	7,500	6,739
21 Other loans and leases, gross	1,045,434	1,046,937	1,042,006	1,040,506	1,033,981	1,040,683	1,039,164	1,036,932	1,030,277
22 Commercial and industrial	278,536	278,919	277,124	278,844	278,876	282,046	281,116	282,809	281,014
23 Bankers acceptances and commercial paper	3,108	2,883	2,922	2,903	3,220	3,105	3,197	3,227	3,160
24 All other	275,428	276,036	274,203	275,942	275,656	278,941	277,919	279,582	277,854
25 U.S. addressees	273,932	274,484	272,515	274,286	274,006	277,270	276,024	277,589	275,835
26 Non-U.S. addressees	1,496	1,552	1,688	1,655	1,650	1,672	1,896	1,993	2,018
27 Real estate loans	421,211	422,479	424,262	420,112	417,726	420,072	421,098	417,938	414,578
28 Revolving, home equity	44,004	43,906	43,812	43,815	43,826	43,835	43,733	43,709	43,634
29 All other	377,207	378,573	380,450	376,297	373,900	376,237	377,365	374,229	370,944
30 To individuals for personal expenditures	211,434	211,305	210,534	210,294	209,821	209,509	209,642	208,761	208,172
31 To financial institutions	42,873	44,174	42,088	41,182	39,155	38,811	38,606	37,740	37,346
32 Commercial banks in the United States	18,090	18,670	18,269	18,511	17,227	16,275	16,685	15,809	16,540
33 Banks in foreign countries	2,405	3,397	2,649	2,660	2,652	2,577	2,645	3,124	2,677
34 Nonbank financial institutions	22,379	22,107	21,171	20,012	19,276	19,958	19,275	18,807	18,128
35 For purchasing and carrying securities	19,157	18,289	18,317	18,174	17,634	19,009	19,127	19,670	19,482
36 To finance agricultural production	5,947	6,117	5,970	5,916	5,933	5,911	5,901	5,858	5,777
37 To states and political subdivisions	12,620	12,330	12,223	12,233	12,219	12,253	12,139	12,198	12,170
38 To foreign governments and official institutions	1,414	1,165	1,135	1,217	1,066	1,171	1,042	1,127	1,222
39 All other loans[4]	26,183	25,688	23,773	25,954	24,998	25,319	23,906	24,210	23,865
40 Lease-financing receivables	26,059	26,470	26,578	26,580	26,554	26,584	26,587	26,622	26,653
41 LESS: Unearned income	2,082	1,918	1,919	1,916	1,898	1,873	1,868	1,866	1,884
42 Loan and lease reserve[5]	35,570	35,029	34,893	34,869	34,907	34,846	35,140	35,101	35,060
43 Other loans and leases, net	1,007,782	1,009,990	1,005,193	1,003,720	997,176	1,003,964	1,002,156	999,965	993,333
44 Other assets	170,240	178,002	175,725	171,232	168,418	171,381	169,914	168,823	168,838
45 **Total assets**	**1,769,368**	**1,788,781**	**1,773,391**	**1,798,286**	**1,748,464**	**1,783,685**	**1,767,234**	**1,776,692**	**1,762,650**

Footnotes appear on the following page.

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

Millions of dollars, Wednesday figures

Account	1993	1994							
	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
LIABILITIES									
46 Deposits	1,162,363	1,172,440	1,159,192	1,167,393	1,127,382	1,146,990	1,133,752	1,147,382	1,130,613
47 Demand deposits	322,219	317,193	303,384	320,512	289,692	302,683	289,944	303,115	292,725
48 Individuals, partnerships, and corporations	265,822	263,590	254,696	260,721	238,298	249,081	241,327	250,516	241,183
49 Other holders	56,397	53,602	48,687	59,791	51,394	53,602	48,617	52,599	51,542
50 States and political subdivisions	10,413	10,008	8,658	9,799	9,659	9,810	8,931	9,355	9,362
51 U.S. government	3,003	2,786	2,535	4,675	2,531	2,920	2,126	3,562	1,686
52 Depository institutions in the United States	22,935	22,531	21,194	27,874	22,631	22,643	20,290	21,830	23,966
53 Banks in foreign countries	5,716	5,991	5,705	5,748	5,202	5,783	4,681	5,600	5,764
54 Foreign governments and official institutions	860	881	605	796	637	679	607	590	541
55 Certified and officers' checks	13,471	11,405	9,990	10,898	10,735	11,766	11,982	11,661	10,224
56 Transaction balances other than demand deposits[4]	130,366	137,169	126,942	126,536	121,240	124,127	123,307	123,215	122,070
57 Nontransaction balances	709,778	718,079	728,867	720,344	716,449	720,180	720,501	721,051	715,818
58 Individuals, partnerships, and corporations	688,977	698,360	706,658	697,946	693,898	697,636	697,627	698,010	692,986
59 Other holders	20,801	19,719	22,209	22,397	22,551	22,544	22,874	23,041	22,832
60 States and political subdivisions	16,925	17,305	18,223	18,331	18,496	18,457	18,806	18,894	18,731
61 U.S. government	1,847	464	2,024	2,063	2,056	2,090	2,114	2,120	2,114
62 Depository institutions in the United States	1,713	1,623	1,653	1,695	1,691	1,689	1,647	1,727	1,691
63 Foreign governments, official institutions, and banks	316	326	309	309	308	308	307	301	296
64 Liabilities for borrowed money[5]	330,514	327,215	323,063	336,944	328,586	336,522	337,061	330,637	334,111
65 Borrowings from Federal Reserve Banks	0	1,220	0	0	0	0	0	0	0
66 Treasury tax and loan notes	29,559	15,996	19,531	23,302	28,843	30,901	28,796	24,591	22,927
67 Other liabilities for borrowed money[6]	300,955	309,999	303,532	313,642	299,743	305,621	308,265	306,047	311,185
68 Other liabilities (including subordinated notes and debentures)	116,428	126,762	127,931	131,190	129,005	136,164	133,658	134,722	134,768
69 **Total liabilities**	**1,609,305**	**1,626,418**	**1,610,185**	**1,635,527**	**1,584,972**	**1,619,676**	**1,604,471**	**1,612,740**	**1,599,492**
70 Residual (total assets less total liabilities)[7]	160,063	162,363	163,205	162,760	163,491	164,008	162,763	163,952	163,158
MEMO									
71 Total loans and leases, gross, adjusted, plus securities[8]	1,433,254	1,449,298	1,442,520	1,440,539	1,427,575	1,451,850	1,447,169	1,452,790	1,433,163
72 Time deposits in amounts of $100,000 or more	93,886	95,134	98,967	98,897	97,581	97,652	97,259	96,805	96,302
73 Loans sold outright to affiliates[9]	796	793	785	774	770	768	768	762	757
74 Commercial and industrial	392	389	389	384	383	383	382	382	377
75 Other	404	404	396	390	387	385	386	381	380
76 Foreign branch credit extended to U.S. residents[10]	21,885	21,889	21,936	21,979	21,721	21,325	21,141	20,710	20,551
77 Net owed to related institutions abroad	−5,279	−11,197	−3,384	5,413	5,361	2,282	−68	−1,170	6,163

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

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

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

Millions of dollars, Wednesday figures

Account	1993	1994							
	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
ASSETS									
1 Cash and balances due from depository institutions	17,544	17,203	16,728	16,920	16,038	16,959	16,334	16,694	15,446
2 U.S. Treasury and government agency securities	38,062	36,390	36,338	36,749	36,629	36,558	35,720	36,427	36,116
3 Other securities	7,916	8,805	8,629	8,346	8,535	8,496	8,566	8,741	8,890
4 Federal funds sold[1]	31,712	23,862	23,467	29,344	25,529	31,106	29,627	27,315	29,092
5 To commercial banks in the United States	8,717	6,296	2,513	6,753	5,184	7,377	5,922	6,476	9,688
6 To others[2]	22,994	17,566	20,954	22,591	20,345	23,729	23,705	20,839	19,403
7 Other loans and leases, gross	160,008	157,761	157,339	155,978	154,374	154,089	156,013	155,529	154,955
8 Commercial and industrial	95,925[r]	96,274	96,267	96,044	95,331	94,374	94,498	94,684	94,386
9 Bankers acceptances and commercial paper	3,134	3,353	3,282	3,304	3,154	3,112	3,142	3,427	2,977
10 All other	92,791[r]	92,920	92,985	92,739	92,177	91,262	91,356	91,257	91,409
11 U.S. addressees	89,610[r]	89,702	89,758	89,489	88,844	87,958	88,036	87,966	88,078
12 Non-U.S. addressees	3,182	3,219	3,227	3,250	3,334	3,304	3,321	3,291	3,332
13 Loans secured by real estate	29,686	29,328	29,331	29,317	29,466	29,353	29,394	29,409	29,207
14 To financial institutions	23,124[r]	22,821	22,369	22,054	21,124	21,282	22,359	20,981	20,928
15 Commercial banks in the United States	5,363	5,436	5,575	5,483	5,099	5,142	4,632	4,874	4,658
16 Banks in foreign countries	1,644	1,539	1,538	1,510	1,451	1,361	1,456	1,619	1,557
17 Nonbank financial institutions	16,117[r]	15,847	15,256	15,061	14,573	14,778	16,270	14,489	14,714
18 For purchasing and carrying securities	6,863[r]	5,163	5,105	4,157	4,030	4,452	5,177	6,089	5,950
19 To foreign governments and official institutions	468	529	525	585	634	797	895	594	619
20 All other	3,943	3,646	3,742	3,820	3,790	3,832	3,690	3,771	3,864
21 Other assets (claims on nonrelated parties)	30,093	33,337	33,400	31,827	32,539	33,133	34,900	34,121	32,318
22 **Total assets**[3]	**314,422**	**304,398**	**305,527**	**305,496**	**297,933**	**304,913**	**301,563**	**298,285**	**295,378**
LIABILITIES									
23 Deposits or credit balances owed to other than directly-related institutions	99,470	97,946	97,429	96,047	98,113	92,671	94,964	94,284	93,399
24 Demand deposits[4]	5,125	4,567	4,498	4,644	4,889	5,183	4,802	4,760	4,900
25 Individuals, partnerships, and corporations	3,963	3,722	3,515	3,770	3,636	3,762	3,631	3,680	3,813
26 Other	1,162	846	983	874	1,253	1,421	1,171	1,080	1,087
27 Nontransaction accounts	94,345	93,379	92,931	91,403	93,224	87,488	90,162	89,524	88,499
28 Individuals, partnerships, and corporations	65,181	63,928	64,235	63,339	65,748	61,925	62,623	61,808	61,662
29 Other	29,164	29,450	28,696	28,064	27,476	25,563	27,539	27,716	26,836
30 Borrowings from other than directly-related institutions	78,684	72,808	75,186	78,008	70,659	82,102	73,471	67,450	67,781
31 Federal funds purchased[5]	43,179	37,537	40,556	42,848	38,339	47,574	39,235	34,260	33,641
32 From commercial banks in the United States	14,121	10,152	10,889	10,415	10,002	15,878	9,708	9,766	7,430
33 From others	29,058	27,385	29,667	32,433	28,337	31,696	29,527	24,494	26,211
34 Other liabilities for borrowed money	78,684[r]	72,808	75,186	78,008	70,659	82,102	73,471	67,450	67,781
35 To commercial banks in the United States	6,003	6,437	6,172	6,346	5,816	6,015	6,227	5,514	5,639
36 To others	29,502	28,834	28,458	28,814	26,504	28,513	28,009	27,676	28,501
37 Other liabilities to nonrelated parties	27,470	29,864	30,191	28,671	30,239	30,509	30,251	30,239	29,759
38 **Total liabilities**[6]	**314,422**	**304,398**	**305,527**	**305,496**	**297,933**	**304,913**	**301,563**	**298,285**	**295,378**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	223,618	215,087	217,684	218,180	214,784	217,730	219,371	216,662	214,708
40 Net owed to related institutions abroad	79,711	76,740	73,093	76,439	74,632	75,059	82,473	86,855	85,879

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Item	Year ending December					1993					1993
	1989	1990	1991	1992	1993	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**525,831**	**562,656**	**531,724**	**549,520**^{r}	**559,259**	**545,423**^{r}	**541,676**^{r}	**550,947**^{r}	**550,506**	**559,259**	
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	183,622	214,706	213,823	227,550^{r}	220,004	216,259^{r}	215,209^{r}	223,372^{r}	218,428	220,004	
3 Bank-related (not seasonally adjusted)[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	210,930	200,036	183,379	172,813	181,658	172,093	169,932^{r}	171,461^{r}	177,622	181,658	
5 Bank-related (not seasonally adjusted)[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
6 Nonfinancial companies[5]	131,279	147,914	134,522	149,157^{r}	157,597	157,071^{r}	156,535^{r}	156,114^{r}	154,456	157,597	
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**62,972**	**54,771**	**43,770**	**38,194**	**32,348**	**32,572**	**33,041**	**33,069**	**31,997**	**32,348**	**31,701**
By holder											
8 Accepting banks	9,433	9,017	11,017	10,555	12,325	12,416	12,522	12,332	12,475^{r}	12,325	11,275
9 Own bills	8,510	7,930	9,347	9,097	10,611	10,709	10,679	10,886	10,853^{r}	10,611	9,818
10 Bills bought from other banks	924	1,087	1,670	1,458	1,714	1,707	1,843	1,446	1,622	1,714	1,457
Federal Reserve Banks[7]											
11 Foreign correspondents	1,066	918	1,739	1,276	725	635	637	582	650	725	869
12 Others	52,473	44,836	31,014	26,364	19,298	19,521	19,882	20,155	18,872^{r}	19,298	19,557
By basis											
13 Imports into United States	15,651	13,095	12,843	12,209	10,217	10,422	10,773	10,810	10,368	10,217	10,588
14 Exports from United States	13,683	12,703	10,351	8,096	7,293	7,534	7,460	7,101	7,054	7,293	7,119
15 All other	33,638	28,973	20,577	17,890	14,838	14,616	14,808	15,158	14,575	14,838	13,994

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. Series were discontinued in January 1989.
4. As reported by financial companies that place their paper directly with investors.
5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
6. Data on bankers dollar acceptances are gathered from approximately 100 institutions. The reporting group is revised every January.
7. In 1977 the Federal Reserve discontinued operations in bankers dollar acceptances for its own account.

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

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1991— Jan. 1	10.00	1991	8.46	1992— Jan.	6.50	1993— Jan.	6.00
2	9.50	1992	6.25	Feb.	6.50	Feb.	6.00
Feb. 4	9.00	1993	6.00	Mar.	6.50	Mar.	6.00
May 1	8.50			Apr.	6.50	Apr.	6.00
Sept. 13	8.00	1991— Jan.	9.52	May	6.50	May	6.00
Nov. 6	7.50	Feb.	9.05	June	6.50	June	6.00
Dec. 23	6.50	Mar.	9.00	July	6.02	July	6.00
		Apr.	9.00	Aug.	6.00	Aug.	6.00
1992— July 2	6.00	May	8.50	Sept.	6.00	Sept.	6.00
		June	8.50	Oct.	6.00	Oct.	6.00
1994— Mar. 24	6.25	July	8.50	Nov.	6.00	Nov.	6.00
		Aug.	8.50	Dec.	6.00	Dec.	6.00
		Sept.	8.20				
		Oct.	8.00			1994— Jan.	6.00
		Nov.	7.58			Feb.	6.00
		Dec.	7.21			Mar.	6.06

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

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

Item	1991	1992	1993	1993 Nov.	1993 Dec.	1994 Jan.	1994 Feb.	1994, week ending Jan. 28	Feb. 4	Feb. 11	Feb. 18	Feb. 25
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	5.69	3.52	3.02	3.02	2.96	3.05	3.25	2.97	3.17	3.20	3.25	3.25
2 Discount window borrowing[2,4]	5.45	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Commercial paper[3,5,6]												
3 1-month	5.89	3.71	3.17	3.15	3.35	3.14	3.39	3.11	3.14	3.41	3.46	3.47
4 3-month	5.87	3.75	3.22	3.40	3.36	3.19	3.49	3.15	3.20	3.50	3.54	3.63
5 6-month	5.85	3.80	3.30	3.43	3.40	3.30	3.62	3.26	3.32	3.63	3.66	3.79
Finance paper, directly placed[3,5,7]												
6 1-month	5.73	3.62	3.12	3.08	3.21	3.07	3.30	3.03	3.08	3.34	3.36	3.37
7 3-month	5.71	3.65	3.16	3.25	3.19	3.11	3.40	3.07	3.13	3.42	3.45	3.51
8 6-month	5.60	3.63	3.15	3.19	3.18	3.15	3.39	3.13	3.16	3.39	3.44	3.50
Bankers acceptances[3,5,8]												
9 3-month	5.70	3.62	3.13	3.29	3.23	3.10	3.40	3.07	3.19	3.40	3.43	3.53
10 6-month	5.67	3.67	3.21	3.32	3.30	3.21	3.56	3.17	3.32	3.54	3.58	3.73
Certificates of deposit, secondary market[3,9]												
11 1-month	5.82	3.64	3.11	3.11	3.26	3.08	3.31	3.06	3.10	3.32	3.35	3.41
12 3-month	5.83	3.68	3.17	3.35	3.26	3.15	3.43	3.12	3.20	3.43	3.47	3.57
13 6-month	5.91	3.76	3.28	3.39	3.35	3.29	3.62	3.26	3.36	3.60	3.64	3.81
14 Eurodollar deposits, 3-month[3,10]	5.86	3.70	3.18	3.36	3.26	3.15	3.43	3.13	3.20	3.43	3.44	3.55
U.S. Treasury bills[5]												
Secondary market[3,5]												
15 3-month	5.38	3.43	3.00	3.10	3.06	2.98	3.25	2.93	3.08	3.25	3.27	3.35
16 6-month	5.44	3.54	3.12	3.26	3.23	3.15	3.43	3.13	3.24	3.40	3.43	3.58
17 1-year	5.52	3.71	3.29	3.42	3.45	3.39	3.69	3.35	3.49	3.69	3.70	3.82
Auction average[3,5,11]												
18 3-month	5.42	3.45	3.02	3.12	3.08	3.02	3.21	2.96	2.99	3.24	3.28	3.33
19 6-month	5.49	3.57	3.14	3.27	3.25	3.19	3.38	3.14	3.16	3.40	3.43	3.53
20 1-year	5.54	3.75	3.33	3.43	3.47	3.52	3.59	n.a.	n.a.	3.59	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	5.86	3.89	3.43	3.58	3.61	3.54	3.87	3.51	3.66	3.85	3.88	4.01
22 2-year	6.49	4.77	4.05	4.16	4.21	4.14	4.47	4.10	4.24	4.43	4.48	4.67
23 3-year	6.82	5.30	4.44	4.50	4.54	4.48	4.83	4.44	4.57	4.81	4.85	5.03
24 5-year	7.37	6.19	5.14	5.06	5.15	5.09	5.40	5.05	5.14	5.36	5.40	5.60
25 7-year	7.68	6.63	5.54	5.45	5.48	5.43	5.72	5.38	5.46	5.67	5.73	5.94
26 10-year	7.86	7.01	5.87	5.72	5.77	5.75	5.97	5.74	5.80	5.94	5.95	6.15
27 20-year	n.a.	n.a.	6.29	6.38	6.40	6.39	6.57	6.35	6.38	6.52	6.58	6.76
28 30-year	8.14	7.67	6.59	6.21	6.25	6.29	6.49	6.29	6.30	6.42	6.51	6.68
Composite												
29 More than 10 years (long-term)	8.16	7.52	6.45	6.25	6.27	6.24	6.44	6.21	6.23	6.39	6.45	6.63
STATE AND LOCAL NOTES AND BONDS												
Moody's series[13]												
30 Aaa	6.56	6.09	5.38	5.10	5.18	5.14	n.a.	5.10	5.04	5.05	5.06	5.12
31 Baa	6.99	6.48	5.82	5.61	5.69	5.60	n.a.	5.53	5.20	5.25	5.27	5.37
32 *Bond Buyer* series[14]	6.92	6.44	5.60	5.47	5.35	5.31	5.40	5.28	5.25	5.36	5.42	5.58
CORPORATE BONDS												
33 Seasoned issues, all industries[15]	9.23	8.55	7.54	7.25	7.26	7.25	7.39	7.23	7.24	7.35	7.39	7.54
Rating group												
34 Aaa	8.77	8.14	7.22	6.93	6.93	6.92	7.08	6.91	6.93	7.03	7.06	7.23
35 Aa	9.05	8.46	7.40	7.12	7.12	7.12	7.29	7.11	7.13	7.24	7.30	7.45
36 A	9.30	8.62	7.58	7.29	7.31	7.30	7.44	7.29	7.29	7.39	7.44	7.60
37 Baa	9.80	8.98	7.93	7.66	7.69	7.65	7.76	7.62	7.61	7.72	7.76	7.92
38 A-rated, recently offered utility bonds[16]	9.32	8.52	7.46	7.25	7.28	7.24	7.45	7.16	7.35	7.40	7.54	7.62
MEMO												
Dividend–price ratio[17]												
39 Preferred stocks	8.17	7.46	6.89	6.87	7.01	6.97	7.00	6.97	6.96	6.93	7.03	7.07
40 Common stocks	3.24	2.99	2.78	2.72	2.72	2.69	2.70	2.69	2.63	2.71	2.71	2.72

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. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest-rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11:00 a.m. London time. Data are for indication purposes only.
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. General obligations based on Thursday figures; Moody's Investors Service.
14. General obligations only, with twenty years to maturity, issued by twenty state and local governmental units of mixed quality. Based on figures for Thursday.
15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
16. Compilation of the Federal Reserve. This series is an estimate of the yield on recently offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.
17. Standard & Poor's corporate series. Preferred stock ratio is based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratio is based on the 500 stocks in the price index.

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.

1.36 STOCK MARKET Selected Statistics

Indicator	1991	1992	1993	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.	1993 Dec.	1994 Jan.	1994 Feb.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	206.35	229.00	249.71	247.16	247.85	251.93	254.86	257.53	255.93	257.73	262.11	261.97
2 Industrial	258.16	284.26	300.10	298.78	295.34	298.83	300.92	306.61	310.84	313.22	320.92	322.41
3 Transportation	173.97	201.02	242.68	234.30	238.30	250.82	247.74	254.04	262.96	268.11	278.29	276.67
4 Utility	92.64	99.48	114.55	113.27	116.27	118.72	122.32	120.49	115.08	114.97	112.67	116.22
5 Finance	150.84	179.29	216.55	209.75	218.89	224.96	229.35	228.18	214.08	216.00	218.71	217.12
6 Standard & Poor's Corporation (1941–43 = 10)[1]	376.20	415.75	451.63	448.06	447.29	454.13	459.24	463.90	462.89	465.95	472.99	471.58
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	360.32	391.28	438.77	436.13	434.99	444.75	454.91	472.73	472.41	465.95	481.14	476.25
Volume of trading (thousands of shares)												
8 New York Stock Exchange	179,411	202,558	263,374	250,230	247,574	247,324	261,770	280,503	277,886	259,457	313,223	307,269
9 American Stock Exchange	12,486	14,171	n.a.	17,753	17,744	19,352	18,889	21,279	18,436	17,461	19,211	19,630
	Customer financing (millions of dollars, end-of-period balances)											
10 Margin credit at broker–dealers[3]	**36,660**	**43,990**	**60,310**	**49,550**	**49,080**	**52,760**	**53,700**	**56,690**	**59,760**	**60,310**	**61,250**	**62,020**
Free credit balances at brokers[4]												
11 Margin accounts[5]	8,290	8,970	12,360	9,820	9,585	9,480	10,030	10,270	10,940	12,360	12,125	12,890
12 Cash accounts	19,255	22,510	27,715	22,625	21,475	21,915	23,170	22,450	23,560	27,715	26,020	25,665

Indicator	Margin requirements (percent of market value and effective date)[5]					
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
13 Margin stocks	70	80	65	55	65	50
14 Convertible bonds	50	60	50	50	50	50
15 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.
3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through 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. New series since June 1984.
6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
				1993				1994	
	1991	1992	1993	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
U.S. budget[1]									
1 Receipts, total	1,054,264	1,090,453	1,153,209[r]	127,485[r]	78,668	83,107	125,416	122,968	72,940
2 On-budget	760,380	788,027	841,275[r]	98,625[r]	55,864	58,700	99,722	94,398	46,945
3 Off-budget	293,885	302,426	311,934	28,860	22,804	24,407	25,694	28,570	25,995
4 Outlays, total	1,323,785	1,380,794	1,407,892[r]	118,921[r]	124,090	121,488	133,667	107,355	114,573
5 On-budget	1,082,098	1,128,455	1,141,880[r]	90,790[r]	100,568	96,724	121,985	83,164	88,655
6 Off-budget	241,687	252,339	266,012	28,130	23,523	24,764	11,682	24,191	25,918
7 Surplus or deficit (−), total	−269,521	−290,340	−254,684	8,565	−45,422	−38,381	−8,252	15,613	−41,633
8 On-budget	−321,719	−340,428	−300,606	7,835	−44,704	−38,024	−22,263	11,234	−41,710
9 Off-budget	52,198	50,087	45,922	730	−719	−357	14,012	4,379	77
Source of financing (total)									
10 Borrowing from the public	276,802	310,918	248,619	−9,346	4,255	71,028	13,995	−6,933	31,633
11 Operating cash (decrease, or increase (−))	−1,329	−17,305	6,283	−11,713	33,646	−13,450	−17,413	−8,089	19,666
12 Other[2]	−5,952	−3,273	−218	12,494	7,521	−19,197	11,670	−591	−9,666
MEMO									
13 Treasury operating balance (level, end of period)	41,484	58,789	52,506	52,506	18,860	32,310	49,723	57,812	38,146
14 Federal Reserve Banks	7,928	24,586	17,289	17,289	6,032	6,334	14,809	21,541	4,886
15 Tax and loan accounts	33,556	34,203	35,217	35,217	12,828	25,977	34,914	36,271	33,259

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

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.

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

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

Millions of dollars

Source or type	Fiscal year 1992	Fiscal year 1993	Calendar year 1992 H1	Calendar year 1992 H2	Calendar year 1993 H1	Calendar year 1993 H2	Calendar year 1993 Dec.	Calendar year 1994 Jan.	Calendar year 1994 Feb.
RECEIPTS									
1 **All sources**	**1,090,453**	**1,153,209[r]**	**560,318**	**540,484[r]**	**593,212[r]**	**582,044[r]**	**125,416**	**122,968**	**72,940**
2 Individual income taxes, net	475,964	509,680	236,576	246,938	255,556	262,073	54,183	74,167	28,107
3 Withheld	408,352	430,427	198,868	215,584	209,908[r]	228,429	51,184	36,838	37,335
4 Presidential Election Campaign Fund	30	28	20	10	25	2	0	1	10
5 Nonwithheld	149,342	154,772	110,995	39,288	113,488[r]	41,765	3,501	37,798	1,151
6 Refunds	81,760	75,546	73,308	7,942	67,468	8,114	502	470	10,388
Corporation income taxes									
7 Gross receipts	117,951	131,548	61,682	58,022	69,044	68,266	28,963	4,761	2,888
8 Refunds	17,680	14,027	9,403	7,219	7,198	6,514	725	844	1,294
9 Social insurance taxes and contributions, net	413,689	428,300	224,569	192,599	227,177	206,174	33,954	36,983	35,989
10 Employment taxes and contributions[2]	385,491	396,939	208,110	180,758	208,776	192,749	33,273	35,831	32,957
11 Self-employment taxes and contributions[3]	24,421	20,604	20,434	3,988	16,270	4,335	0	−1,589	1,577
12 Unemployment insurance	23,410	26,556	14,070	9,397	16,074	11,010	259	794	2,664
13 Other net receipts[4]	4,788	4,805	2,389	2,445	2,326	2,417	423	358	367
14 Excise taxes	45,569	48,057	22,389	23,456	23,398	25,994	4,695	4,011	3,249
15 Customs deposits	17,359	18,802	8,146	9,497	8,860	10,215	1,584	1,526	1,419
16 Estate and gift taxes	11,143	12,577	5,701	5,733	6,494	6,617	1,179	1,105	1,093
17 Miscellaneous receipts[5]	26,459	18,273[r]	10,658	11,458[r]	9,879[r]	9,216[r]	1,582	1,260	1,491
OUTLAYS									
18 **All types**	**1,380,794[r]**	**1,407,892[r]**	**704,266**	**723,527[r]**	**673,340[r]**	**728,189[r]**	**133,667**	**107,355**	**114,573**
19 National defense	298,350	290,590	147,065	155,231	140,535	146,177	26,809	18,861	21,996
20 International affairs	16,107	17,175	8,540	9,916	6,565	10,534	548	1,103	948
21 General science, space, and technology	16,409	17,055	7,951	8,521	7,996	8,904	1,496	1,299	1,269
22 Energy	4,499	4,445	1,442	3,109	2,462	1,641	385	465	159
23 Natural resources and environment	20,025	20,088	8,594	11,467	8,588	11,077	1,567	1,447	1,449
24 Agriculture	15,205	20,257	7,526	8,852	11,824	7,335	3,074	1,122	1,817
25 Commerce and housing credit	10,118	−23,532	15,615	−7,697	−15,112	−1,724	1,126	−1,124	−4,608
26 Transportation	33,333	35,238	15,651	18,425	16,077	20,375	3,714	2,503	2,784
27 Community and regional development	6,838	10,395	3,903	4,464	4,935	5,606	772	906	445
28 Education, training, employment, and social services	45,250	48,857[r]	23,767	21,241	24,042[r]	25,515	4,455	2,693	2,666
29 Health	89,497	99,249	44,164	47,232	49,882	52,631	8,906	7,665	8,229
30 Social security and Medicare	406,569	435,137	205,500	232,109	195,933	223,735	39,720	36,009	37,222
31 Income security	196,891	207,788[r]	104,537	98,382	108,342[r]	103,163	19,771	16,196	22,466
32 Veterans benefits and services	34,133	35,715	15,597	18,561	16,385	19,848	4,469	2,151	3,135
33 Administration of justice	14,426	15,001[r]	7,435	7,238	7,481[r]	7,448	1,244	1,210	1,105
34 General government	12,945	13,039	5,050	8,223	5,205	6,565	1,708	669	782
35 Net interest[6]	199,439	198,870	100,161	98,692	99,635	99,963	16,638	17,095	15,524
36 Undistributed offsetting receipts[7]	−39,280	−37,386	−18,229	−20,628	−17,035	−20,407	−2,737	−2,914	−2,815

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

SOURCES. U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1994*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1991	1992				1993			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 **Federal debt outstanding**	**3,820**	**3,897**	**4,001**	**4,083**	**4,196**	**4,250**	**4,373**	**4,436**	n.a.
2 Public debt securities	3,802	3,881	3,985	4,065	4,177	4,231	4,352	4,412	4,536
3 Held by public	2,833	2,918	2,977	3,048	3,129	3,188	3,252	3,295	n.a.
4 Held by agencies	969	964	1,008	1,016	1,048	1,043	1,100	1,117	n.a.
5 Agency securities	19	16	16	18	19	20	21	25	n.a.
6 Held by public	19	16	16	18	19	20	21	25	n.a.
7 Held by agencies	0	0	0	0	0	0	0	0	n.a.
8 **Debt subject to statutory limit**	**3,707**	**3,784**	**3,891**	**3,973**	**4,086**	**4,140**	**4,256**	**4,316**	**4,446**
9 Public debt securities	3,706	3,783	3,890	3,972	4,085	4,139	4,256	4,315	4,445
10 Other debt[1]	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	4,145	4,145	4,145	4,145	4,145	4,145	4,370	4,900	4,900

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.

SOURCES. 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	1990	1991	1992	1993	1993			
					Q1	Q2	Q3	Q4
1 **Total gross public debt**	**3,364.8**	**3,801.7**	**4,177.0**	**4,535.7**	**4,230.6**	**4,352.0**	**4,411.5**	**4,535.7**
By type								
2 Interest-bearing	3,362.0	3,798.9	4,173.9	4,532.3	4,227.6	4,349.0	4,408.6	4,532.3
3 Marketable	2,195.8	2,471.6	2,754.1	2,989.5	2,807.1	2,860.6	2,904.9	2,989.5
4 Bills	527.4	590.4	657.7	714.6	659.9	659.3	658.4	714.6
5 Notes	1,265.2	1,430.8	1,608.9	1,764.0	1,652.1	1,698.7	1,734.2	1,764.0
6 Bonds	388.2	435.5	472.5	495.9	480.2	487.6	497.4	495.9
7 Nonmarketable[1]	1,166.2	1,327.2	1,419.8	1,542.9	1,420.5	1,488.4	1,503.7	1,542.9
8 State and local government series	160.8	159.7	153.5	149.5	151.6	152.8	149.5	149.5
9 Foreign issues[2]	43.5	41.9	37.4	43.5	37.0	43.0	42.5	43.5
10 Government	43.5	41.9	37.4	43.5	37.0	43.0	42.5	43.5
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	124.1	135.9	155.0	169.4	161.4	164.4	167.0	169.4
13 Government account series[3]	813.8	959.2	1,043.5	1,150.0	1,040.0	1,097.8	1,114.3	1,150.0
14 Non-interest-bearing	2.8	2.8	3.1	3.4	3.0	2.9	2.9	3.4
By holder[4]								
15 U.S. Treasury and other federal agencies and trust funds	828.3	968.7	1,047.8		1,043.2	1,099.8	1,116.7	
16 Federal Reserve Banks	259.8	281.8	302.5		305.2	328.2	325.7	
17 Private investors	2,288.3	2,563.2	2,839.9		2,895.0	2,938.4	2,983.0	
18 Commercial banks	171.5	233.4	294.0		310.0	305.9	306.0	
19 Money market funds	45.4	80.0	79.4		77.7	76.2	75.2	
20 Insurance companies	142.0	168.7	197.5		205.0	208.1	210.0	
21 Other companies	108.9	150.8	192.5	n.a.	199.3	206.1	215.6	n.a.
22 State and local treasuries	490.4	520.3	534.8		541.0	553.9	558.0	
Individuals								
23 Savings bonds	126.2	138.1	157.3		163.6	166.5	169.1	
24 Other securities	107.6	125.8	131.9		134.1	136.4	136.7	
25 Foreign and international[5]	458.4	491.8	549.7		565.5	568.2	592.3	
26 Other miscellaneous investors[6]	637.7	651.3	702.4		698.8	717.0	720.0	

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

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

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

Millions of dollars, daily averages

Item	1993 Nov.	1993 Dec.r	1994 Jan.	1993, week ending Dec. 29	1994, week ending Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16	Feb. 23
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. Treasury securities												
1 Bills	47,256	42,139	51,655	31,220	43,782	56,310	50,809	49,149	57,354	65,174	44,202	50,294
Coupon securities, by maturity												
2 Less than 3.5 years	52,959	37,291	52,519	22,716	33,911	56,702	49,813	58,268	59,084	95,688	50,708	66,889
3 3.5 to 7.5 years	45,242	29,891	41,480	16,731	23,403	47,976	42,262	42,305	46,051	55,514	38,295	52,094
4 7.5 to 15 years	26,974r	16,803	26,382	9,275	15,890	28,728	27,118	24,580	34,738	44,273	29,713	31,114
5 15 years or more	17,995	13,247	18,752	7,553	13,235	23,445	15,676	17,682	23,359	21,878	24,767	21,965
Federal agency securities												
Debt, by maturity												
6 Less than 3.5 years	9,971	9,999	11,346	10,248	11,056	11,091	10,457	12,454	11,695	12,040	9,213	11,248
7 3.5 to 7.5 years	718	531	715	303	326	1,359	536	587	540	575	845	781
8 7.5 years or more	396	466	558	212	447	530	642	617	480	607	581	414
Mortgage-backed												
9 Pass-throughs	22,489	19,332	25,595	12,334r	22,071	33,727	26,544	22,339	19,409	23,529	27,212	18,991
10 All others[3]	3,064	2,771	3,657	1,523	2,878	4,423	2,730	4,493	3,308	3,414	3,669	4,361
By type of counterparty												
Primary dealers and brokers												
11 U.S. Treasury securities	120,636	84,926	117,681	50,896	77,673	130,373	114,528	120,495	137,100	180,207	118,517	139,745
Federal agency securities												
12 Debt	1,623	1,308	1,763	915	1,939	1,675	1,477	2,054	1,723	1,711	1,285	1,753
13 Mortgage-backed	10,965	9,057	12,881	6,459r	11,032	16,293	12,281	13,400	9,178	9,532	12,938	10,895
Customers												
14 U.S. Treasury securities	69,791r	54,446	73,107	36,599	52,549	82,787	71,150	71,490	83,486	102,320	69,168	82,611
Federal agency securities												
15 Debt	9,461	9,688	10,856	9,848	9,890	11,304	10,158	11,604	10,992	11,511	9,353	10,691
16 Mortgage-backed	14,589	13,045	16,370	7,399r	13,917	21,857	16,992	13,432	13,539	17,411	17,943	12,457
FUTURES AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. Treasury securities												
17 Bills	2,746	1,740	2,250	792	2,414	2,611	1,348	1,327	4,523	3,007	1,827	2,357
Coupon securities, by maturity												
18 Less than 3.5 years	2,276	1,756	2,229	1,200	1,626	2,800	1,899	2,022	2,774	3,071	2,306	3,806
19 3.5 to 7.5 years	2,158	1,809	1,905	858	1,373	2,184	1,465	2,540	1,647	2,540	2,217	3,593
20 7.5 to 15 years	4,192	2,930	3,238	1,540	2,590	3,509	3,390	2,984	3,604	5,151	3,562	6,043
21 15 years or more	12,704	8,686	11,933	4,355r	9,460	13,298	10,953	11,814	13,964	14,807	11,021	14,876
Federal agency securities												
Debt, by maturity												
22 Less than 3.5 years	77	29	123	49	139	84	105	148	159	86	247	418
23 3.5 to 7.5 years	93	49	127	66	33	98	93	77	411	142	185	236
24 7.5 years or more	29	83	70	9	269	9	30	73	32	11	287	439
Mortgage-backed												
25 Pass-throughs	26,164	17,807	26,040	7,002r	18,660	35,613	25,260	20,949	27,249	36,883	25,163	13,190
26 Others[3]	1,919r	1,746	1,885	1,893	1,573	1,454	1,457	2,365	2,826	3,281	1,871	1,718
OPTIONS TRANSACTIONS[5]												
By type of underlying security												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	2,182r	1,662	2,216	1,258	1,900	3,004	1,991	1,751	2,370	3,343	2,578	4,679
28 3.5 to 7.5 years	724r	360	808	561r	417	1,338	767	460	961	743	848	1,116
29 7.5 to 15 years	870r	768	1,262	712r	710	1,257	2,097	821	1,168	1,145	1,633	2,450
30 15 years or more	2,408r	1,372	2,086	715r	2,642	2,265	1,799	2,158	1,589	2,370	2,522	3,421
Federal agency, mortgage-backed securities												
31 Pass-throughs	941r	548	954	199	923	1,510	735	761	742	1,212	674	821

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages are based on the number of trading days in the period. 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. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed 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.

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

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

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

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

Data for several types of options transactions—U.S. Treasury securities, bills; Federal agency securities, debt; and federal agency securities, mortgage-backed, other than pass-throughs—are no longer available because activity is insufficient.

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

Millions of dollars

Item	1993		1994	1993, week ending	1994, week ending						
	Nov.	Dec.	Jan.	Dec. 29	Jan. 5	Jan. 12	Jan. 19	Jan. 26	Feb. 2	Feb. 9	Feb. 16
	Positions[2]										
NET IMMEDIATE POSITIONS[3]											
By type of security											
U.S. Treasury securities											
1 Bills	16,062	15,015	6,758	9,657	8,922	8,475	10,200	5,127	−343	7,416	5,718
Coupon securities, by maturity											
2 Less than 3.5 years	−3,830	−7,939	−4,873	−4,592	−7,904	−3,562	−7,940	−100	−6,068	−6,720	−8,940
3 3.5 to 7.5 years	−24,582	−18,634	−17,706	−16,051	−14,691	−16,990	−17,198	−18,475	−21,360	−23,617	−22,428
4 7.5 to 15 years	−890	−1,907	−2,197	−1,895	−3,227	−2,241	−2,803	108	−3,481	1,617	−3,004
5 15 years or more	3,050	777	173	3,421	−560	1,090	−817	−2,748	5,100	3,133	6,983
Federal agency securities											
Debt, by maturity											
6 Less than 3.5 years	9,381	8,277	10,274	6,996	7,348	7,648	9,206	12,135	15,768	12,975	11,561
7 3.5 to 7.5 years	3,189	3,368	2,877	3,197	2,763	3,247	2,684	2,600	3,129	2,857	2,958
8 7.5 years or more	4,089	4,550	4,975	4,738	4,657	5,365	5,683	4,415	4,539	4,185	3,551
Mortgage-backed											
9 Pass-throughs	44,808[r]	39,223	48,652	39,905	36,295	51,597	51,938	51,163	48,771	54,981	52,310
10 All others[4]	34,467[r]	29,892	31,249	28,108	33,083	32,235	31,241	30,616	28,932	28,439	27,052
Other money market instruments											
11 Certificates of deposit	3,428	3,490	3,675	3,557	4,167	3,028	4,216	3,274	3,894	4,161	4,250
12 Commercial paper	7,595	7,584	6,263	6,758	5,667	4,591	6,612	5,959	9,135	8,248	7,683
13 Bankers acceptances	1,432	1,186	984	1,132	944	918	1,241	837	964	817	946
FUTURES AND FORWARD POSITIONS[5]											
By type of deliverable security											
U.S. Treasury securities											
14 Bills	4,475	205	−2,769	2,149	2,409	−3,743	−3,429	−3,939	−4,021	−2,527	−2,479
Coupon securities, by maturity											
15 Less than 3.5 years	−952	−1,448	−1,037	−802	328	−1,709	−2,041	−1,194	166	−2,104	−1,270
16 3.5 to 7.5 years	1,646	556	1,618	−446	2,298	1,248	1,933	2,583	−335	942	2,879
17 7.5 to 15 years	10,952	8,422	5,843	7,855	9,690	5,906	6,081	4,466	3,504	7,821	7,695
18 15 years or more	−1,670	−3,984	−3,580	−5,745	−607	−5,716	−4,584	−1,605	−4,924	−6,042	−6,411
Federal agency securities											
Debt, by maturity											
19 Less than 3.5 years	15	34	247	41	358	291	419	70	80	2	16
20 3.5 to 7.5 years	68	90	303	354	309	245	541	240	134	71	169
21 7.5 years or more	−8	48	−93	80	6	29	−549	78	38	6	621
Mortgage-backed											
22 Pass-throughs	−21,894[r]	−10,903	−27,318	−8,965	−10,830	−29,710	−29,595	−30,468	−32,860	−40,939	−38,723
23 All others[4]	2,508[r]	1,636	2,063	3,526	−198	770	354	2,160	8,394	8,614	8,795
24 Certificates of deposit	−226,180	−227,414	−225,011	−228,009	−215,709	−216,323	−205,719	−254,569	−232,103	−258,194	−243,572
	Financing[6]										
Reverse repurchase agreements											
25 Overnight and continuing	228,498[r]	226,529	250,861	214,327	233,887	253,989	255,207	243,717	267,375	265,299	280,878
26 Term	407,032[r]	392,777[r]	401,867	389,968[r]	364,009	406,009	407,166	424,640	394,628	449,254	396,888
Repurchase agreements											
27 Overnight and continuing	435,112[r]	441,518	461,215	416,722	438,703	449,875	478,024	454,918	484,886	455,818	503,188
28 Term	378,740[r]	368,885	372,657	382,284[r]	313,183	372,708	378,689	413,175	366,891	423,858	374,698
Securities borrowed											
29 Overnight and continuing	135,983[r]	139,232[r]	142,400	133,929	139,167	140,740	143,646	144,950	142,645	143,019	144,816
30 Term	47,183[r]	47,034	50,216	46,039	46,990	49,881	49,870	54,346	48,611	47,102	45,470
Securities loaned											
31 Overnight and continuing	6,075	5,564[r]	6,217	6,623	5,694	5,904	6,608	6,336	6,467	6,143	7,131
32 Term	2,556	2,386	1,535	1,701	1,428	1,349	1,392	1,731	1,826	1,527	1,882
Collateralized loans											
33 Overnight and continuing	13,409[r]	16,326[r]	16,169	18,403	20,109	19,519	14,661	11,939	15,574	16,176	17,752
MEMO: Matched book[7]											
Reverse repurchase agreements											
34 Overnight and continuing	156,898[r]	153,280	175,650	141,053	163,828	175,255	176,176	173,928	189,701	174,113	188,274
35 Term	361,656[r]	345,268	361,748	339,550	324,300	365,598	368,183	385,707	351,253	395,473	347,635
Repurchase agreements											
36 Overnight and continuing	220,125[r]	210,901	238,867	195,575	228,655	236,862	243,076	239,476	245,142	232,060	240,016
37 Term	285,299[r]	275,439	281,109	282,924	234,808	285,927	284,351	306,251	280,929	331,767	283,985

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data.
2. Securities positions are reported at market value.
3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions of 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.
4. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).
5. Futures positions reflect standardized agreements arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and 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.
6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day.
7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or different types of collateralization.

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1989	1990	1991	1992	1993				
					Aug.	Sept.	Oct.	Nov.	Dec.
1 **Federal and federally sponsored agencies**	**411,805**	**434,668**	**442,772**	**483,970**	**544,642**	**0**	**0**	**0**	**0**
2 Federal agencies	35,664	42,159	41,035	41,829	44,816	43,753	43,796	44,055	45,194
3 Defense Department[1]	7	7	7	7	7	7	7	7	7
4 Export-Import Bank[2,3]	10,985	11,376	9,809	7,208	6,258	5,801	5,801	5,801	5,315
5 Federal Housing Administration[4]	328	393	397	374	154	213	243[r]	255	255
6 Government National Mortgage Association certificates of participation[5]	0	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,445	6,948	8,421	10,660	10,182	9,732	9,732	9,732	9,732
8 Tennessee Valley Authority	17,899	23,435	22,401	23,580	28,215	28,000	28,016	28,260	29,885
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	375,428	392,509	401,737	442,141	499,826	0	0	0	0
11 Federal Home Loan Banks	136,108	117,895	107,543	114,733	129,808	132,651	133,365	139,364	141,577
12 Federal Home Loan Mortgage Corporation	26,148	30,941	30,262	29,631	55,421	52,702	63,427	56,809	49,993
13 Federal National Mortgage Association	116,064	123,403	133,937	166,300	184,924	195,786	193,925	195,165	201,112
14 Farm Credit Banks[8]	54,864	53,590	52,199	51,910	51,406	51,636	51,759	51,861	53,123
15 Student Loan Marketing Association[9]	28,705	34,194	38,319	39,650	38,397	38,795	38,790	40,840	39,784
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]	847	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	4,522	23,055	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt**[13]	**134,873**	**179,083**	**185,576**	**154,994**	**128,616**	**129,329**	**127,348**	**126,490**	**128,187**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	10,979	11,370	9,803	7,202	6,252	5,795	5,795	5,795	5,309
21 Postal Service[6]	6,195	6,698	8,201	10,440	10,182	9,732	9,732	9,732	9,732
22 Student Loan Marketing Association	4,880	4,850	4,820	4,790	4,790	4,790	4,760	4,760	4,760
23 Tennessee Valley Authority	16,519	14,055	10,725	6,975	6,325	6,325	6,325	6,325	6,325
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other lending[14]									
25 Farmers Home Administration	53,311	52,324	48,534	42,979	38,619	38,619	38,619	38,619	38,619
26 Rural Electrification Administration	19,265	18,890	18,562	18,172	17,897	17,653	17,561	17,561	17,578
27 Other	23,724	70,896	84,931	64,436	44,551	46,415	44,556	43,698	45,864

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. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, 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 in order to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1991	1992	1993	1993						1994	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 **All issues, new and refunding**[1]	**154,402**	**215,191**	**279,945**	**24,087**	**24,438**	**23,504**	**21,900**	**18,094**	**24,520**	**16,102**	**12,918**
By type of issue											
2 General obligation	55,100	78,611	90,599	8,537	6,414	5,884	7,495	6,422	6,542	4,622	4,365
3 Revenue	99,302	136,580	189,346	15,550	18,024	17,620	14,405	11,672	17,978	11,000	8,553
By type of issuer											
4 State	24,939	25,295	n.a.	2,944	2,319	2,758	3,216	885	1,265	1,235	921
5 Special district or statutory authority[2]	80,614	129,686	n.a.	12,398	13,769	13,113	9,875	10,992	16,485	10,025	10,263
6 Municipality, county, or township	48,849	60,210	n.a.	8,616	8,307	7,476	8,418	4,528	6,770	4,362	3,514
7 **Issues for new capital**	**116,953**	**120,272**	**91,434**	**8,751**	**8,001**	**8,759**	**7,261**	**6,734**	**9,543**	**5,418**	**8,268**
By use of proceeds											
8 Education	21,121	22,071	17,098	1,723	1,883	1,886	547	1,416	1,227	1,634	2,232
9 Transportation	13,395	17,334	9,571	653	1,062	789	304	979	429	305	1,111
10 Utilities and conservation	21,039	20,058	11,802	922	1,646	1,255	593	687	1,454	325	1,281
11 Social welfare	25,648	21,796	n.a.	1,555	681	2,199	1,764	n.a.	2,171	n.a.	1,685
12 Industrial aid	8,376	5,424	6,381	429	212	329	518	673	1,272	488	226
13 Other purposes	30,275	33,589	29,519	3,453	2,544	2,362	3,737	1,820	2,990	1,644	1,733

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

SOURCES. Securities Data Company beginning January 1993; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1991	1992	1993	1993							1994
				June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.	Jan.
1 **All issues**[1]	**465,246[r]**	**559,729[r]**	**n.a.**	**66,164[r]**	**49,661[r]**	**53,513[r]**	**64,875**	**56,491**	**54,907**	**45,135**	**50,331**
2 **Bonds**[2]	**389,822**	**471,404[r]**	**n.a.**	**56,370[r]**	**40,065[r]**	**44,246[r]**	**54,182**	**45,956**	**43,313**	**34,604**	**44,500**
By type of offering											
3 Public, domestic	286,930	377,960[r]	488,895	51,943[r]	37,392[r]	40,447[r]	49,281	42,805	39,519	32,947	40,000
4 Private placement, domestic[3]	74,930	65,853	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	27,962	27,591	41,533	4,427[r]	2,673	3,799	4,900	3,151	3,794	1,657	4,500
By industry group											
6 Manufacturing	86,628	82,058[r]	67,411	8,707[r]	2,498[r]	6,132	4,095	3,273	3,364	3,068	3,954
7 Commercial and miscellaneous	36,666	43,043[r]	37,873	2,530[r]	5,452[r]	2,331	2,288	6,466	3,078	2,348	3,294
8 Transportation	13,598	9,979	8,234	948	611	723	288	1,416	687	1,045	693
9 Public utility	23,944[r]	48,055	52,742	5,874	5,797[r]	3,474[r]	5,163	2,585	1,763	2,336	2,726
10 Communication	9,431	15,394	29,040	2,473	2,331	2,979	2,237	2,991	1,015	2,001	2,592
11 Real estate and financial	219,555[r]	272,875[r]	335,127	35,838[r]	23,376[r]	28,607	40,110	29,227	33,407	23,806	31,241
12 **Stocks**[2]	**75,424**	**88,325**	**110,647**	**9,794**	**9,596[r]**	**9,267**	**10,693**	**10,535**	**11,594**	**10,531**	**5,831**
By type of offering											
13 Public preferred	17,085	21,339	20,533	876	1,913[r]	3,319	1,358	2,549	1,385	650	1,592
14 Common	48,230	57,118	90,559	8,918	7,683	5,948	9,336	7,987	10,209	9,881	4,239
15 Private placement[3]	10,109	9,867	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	24,111	22,723	22,271	1,982	1,618[r]	1,961	2,274	2,121	2,169	2,267	1,556
17 Commercial and miscellaneous	19,418	20,231	25,761	2,025	2,525	1,457	2,242	1,842	3,061	1,970	1,484
18 Transportation	2,439	2,595	2,237	168	114	466	153	128	221	162	68
19 Public utility	3,474	6,532	7,050	893	495	582	908	1,103	371	129	293
20 Communication	475	2,366	3,439	65	n.a.	115	248	18	1,074	1,603	n.a.
21 Real estate and financial	25,507	33,879	49,889	4,660	4,844	4,675	4,666	5,323	4,486	4,381	2,430

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

SOURCES. IDD Information Services, Inc., Securities Data Company, and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets[1]

Millions of dollars

Item	1992	1993	1993							1994
			June	July	Aug.	Sept.	Oct.	Nov.[r]	Dec.	Jan.
1 **Sales of own shares**[2]	**647,055**	n.a.	**68,373**	**72,503**	**73,032**	**69,938**	**74,490**	**72,865**	**89,775**	**98,630**
2 Redemptions of own shares	447,140	n.a.	46,923	44,922	46,382	49,270	47,168	51,306	62,764	61,944
3 Net sales[3]	199,915	n.a.	21,650	27,581	26,650	20,667	27,322	21,559	27,011	36,686
4 **Assets**[4]	**1,056,310**	n.a.	**1,255,377**	**1,284,842**	**1,343,920**	**1,370,654**	**1,411,628**	**1,416,841**	**1,510,047**	**1,572,044**
5 Cash[5]	73,999	n.a.	84,177	93,345	92,771	96,848	104,301	103,352	100,209	109,780
6 Other	982,311	n.a.	1,171,200	1,191,497	1,251,149	1,273,807	1,307,327	1,303,489	1,409,838	1,462,264

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.
2. Includes reinvestment of net income dividends. Excludes reinvestment of 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 new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1991	1992	1993	1992				1993			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits with inventory valuation and capital consumption adjustment	369.5	407.2	n.a.	409.9	411.7	367.5	439.5	432.1	458.1	468.5	510.5
2 Profits before taxes	362.3	395.4	n.a.	404.3	409.5	357.9	409.9	419.8	445.6	443.8	491.0
3 Profits tax liability	129.8	146.3	n.a.	147.0	153.0	130.1	155.0	160.9	173.3	169.5	193.6
4 Profits after taxes	232.5	249.1	n.a.	257.3	256.5	227.8	254.9	258.9	272.3	274.3	297.4
5 Dividends	137.4	150.5	169.0	138.0	146.1	155.2	162.9	167.5	168.5	169.7	170.3
6 Undistributed profits	95.2	98.6	n.a.	119.3	110.4	72.7	92.0	91.4	103.9	104.6	127.3
7 Inventory valuation	4.9	−5.3	−7.2	−4.6	−13.7	−7.8	4.9	−12.7	−12.2	1.0	−4.3
8 Capital consumption adjustment	2.2	17.1	24.3	10.2	16.0	17.4	24.7	25.1	24.7	23.8	23.9

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

1.50 NONFARM BUSINESS EXPENDITURES New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1992	1993	1994[1]	1992			1993				1994
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 **Total nonfarm business**	**546.60**	**584.64**	**616.50**	**541.41**	**547.40**	**559.24**	**564.13**	**579.79**	**594.11**	**600.53**	**616.38**
Manufacturing											
2 Durable goods industries	73.32	81.49	84.93	74.07	72.09	73.30	79.11	80.88	81.99	83.99	87.50
3 Nondurable goods industries	100.69	97.97	101.34	97.91	100.77	103.56	95.94	96.21	100.18	99.53	98.72
Nonmanufacturing											
4 Mining	8.88	10.13	10.84	9.20	8.98	8.47	8.89	9.10	11.14	11.37	10.83
Transportation											
5 Railroad	6.67	6.20	6.21	6.32	6.70	7.04	6.00	6.00	5.91	6.90	6.32
6 Air	8.93	6.83	4.45	9.65	9.69	7.60	7.30	6.54	6.92	6.57	4.64
7 Other	7.04	9.34	10.25	7.19	7.52	6.97	9.17	9.04	8.88	10.26	10.53
Public utilities											
8 Electric	48.22	51.82	57.00	48.35	48.17	49.57	49.92	50.51	52.74	54.11	54.16
9 Gas and other	23.99	23.17	24.42	24.29	24.01	24.50	23.59	24.04	22.88	22.19	23.62
10 Commercial and other[2]	268.84	297.69	317.05	264.46	269.46	278.24	284.21	297.46	303.47	305.61	320.06

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

SOURCE. 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	1990	1991	1992	1992				1993		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3[r]
Assets										
1 Accounts receivable, gross[2]	492.3	480.6	482.1	475.6	476.7	473.9	482.1	469.6	469.3	467.6
2 Consumer	133.3	121.9	117.1	118.4	116.7	116.7	117.1	111.9	111.3	112.6
3 Business	293.6	292.9	296.5	290.8	293.2	288.5	296.5	289.6	290.7	287.8
4 Real estate	65.5	65.8	68.4	66.4	66.8	68.8	68.4	68.1	67.2	67.2
5 Less: Reserves for unearned income	57.6	55.1	50.8	53.6	51.2	50.8	50.8	47.4	47.5	47.9
6 Reserves for losses	9.6	12.9	15.8	13.0	12.3	12.0	15.8	15.5	13.8	11.1
7 Accounts receivable, net	425.1	412.6	415.5	409.0	413.2	411.1	415.5	406.6	408.0	408.6
8 All other	113.9	149.0	150.6	145.5	139.4	146.5	150.6	155.0	156.6	169.7
9 **Total assets**	**539.0**	**561.6**	**566.1**	**554.5**	**552.6**	**557.6**	**566.1**	**561.6**	**564.6**	**578.3**
Liabilities and Capital										
10 Bank loans	31.0	42.3	37.6	38.0	37.8	38.1	37.6	34.1	29.5	25.8
11 Commercial paper	165.3	159.5	156.4	154.4	147.7	153.2	156.4	149.8	144.5	149.9
Debt										
12 Other short-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Owed to parent	37.5	34.5	37.8	34.5	34.8	34.9	37.8	41.9	46.4	47.9
15 Not elsewhere classified	178.2	191.3	195.3	189.8	191.9	191.4	195.3	195.1	195.8	198.1
16 All other liabilities	63.9	69.0	71.2	72.0	73.4	73.7	71.2	74.2	81.3	87.6
17 Capital, surplus, and undivided profits	63.7	64.8	67.8	66.0	67.1	68.1	67.8	66.6	67.1	68.9
18 **Total liabilities and capital**	**539.6**	**561.2**	**566.1**	**554.6**	**552.7**	**559.4**	**566.1**	**561.7**	**564.6**	**578.3**

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.

1.52 DOMESTIC FINANCE COMPANIES Consumer, Real Estate, and Business Credit[1]

Millions of dollars, amounts outstanding, end of period

Type of credit	1991	1992	1993	1993					1994
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
	Seasonally adjusted								
1 **Total**	**519,910**	**534,845**	**532,828**	**525,744**	**527,819**	**529,310**	**532,687[r]**	**532,828**	**535,567**
2 Consumer	154,822	157,707	159,791	153,420	154,707	155,700	157,438[r]	159,791	159,313
3 Real estate[2]	65,383	68,011	68,174	67,216	66,871	67,983	68,540	68,174	69,441
4 Business	299,705	309,127	304,863	305,108	306,241	305,627	306,709[r]	304,863	306,813
	Not seasonally adjusted								
5 **Total**	**523,192**	**538,158**	**536,124**	**521,094**	**524,937**	**528,869**	**532,354[r]**	**536,124**	**535,138**
6 Consumer	155,713	158,631	160,734	154,218	155,496	156,712	157,848[r]	160,734	159,186
7 Motor vehicles	63,415	57,605	55,274	55,247	55,057	54,324	55,337	55,274	56,509
8 Other consumer[3]	58,522	59,522	62,189	56,616	57,588	58,278	59,463	62,189	61,427
9 Securitized motor vehicles[4]	23,166	29,775	34,659	32,856	33,549	35,212	34,301[r]	34,659	32,924
10 Securitized other consumer[4]	10,610	11,729	8,611	9,498	9,302	8,898	8,747	8,611	8,325
11 Real estate[2]	65,760	68,410	68,577	67,565	67,212	68,425	68,718	68,577	69,385
12 Business	301,719	311,118	306,814	299,311	302,229	303,732	305,788[r]	306,814	306,568
13 Motor vehicles	90,613	87,456	90,172	84,920	86,019	86,129	88,510	90,172	88,377
14 Retail[5]	22,957	19,303	16,024	17,264	18,365	16,599	16,723	16,024	16,965
15 Wholesale[6]	31,216	29,962	31,067	25,136	25,458	27,144	29,260	31,067	27,975
16 Leasing	36,440	38,191	43,081	42,520	42,196	42,386	42,526	43,081	43,437
17 Equipment	141,399	151,607	148,858	146,404	147,905	148,357	146,703[r]	148,858	147,915
18 Retail	30,962	32,212	33,266	33,676	33,789	33,357	32,360[r]	33,266	33,109
19 Wholesale[6]	9,671	8,669	8,007	8,059	8,113	8,091	7,802	8,007	7,996
20 Leasing	100,766	110,726	107,585	104,669	106,004	106,909	106,541	107,585	106,810
21 Other business[7]	60,900	57,464	51,054	53,536	53,861	53,969	53,886	51,054	50,821
22 Securitized business assets[4]	8,807	14,590	16,730	14,451	14,444	15,277	16,690[r]	16,730	19,456
23 Retail	576	1,118	1,830	1,220	1,168	1,690	1,953[r]	1,830	1,696
24 Wholesale	5,285	8,756	9,697	8,329	8,529	8,785	9,407	9,697	12,358
25 Leasing	2,946	4,716	5,203	4,902	4,747	4,802	5,330	5,203	5,402

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

2. Includes all loans secured by liens on any type of real estate, for example, first and junior mortgages and home equity loans.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods such as appliances, apparel, general merchandise, 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. Passenger car fleets and commercial land vehicles for which licenses are required.

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

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1991	1992	1993	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.	1993 Dec.	1994 Jan.	1994 Feb.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	155.0	158.1	163.1	158.1	155.3	169.2	174.4	167.9	168.1	157.9
2 Amount of loan (thousands of dollars)	114.0	118.1	123.0	122.2	120.8	128.4	134.0	128.7	127.9	124.1
3 Loan-to-price ratio (percent)	75.0	76.6	78.0	78.4	78.5	78.0	79.1	79.2	78.0	80.2
4 Maturity (years)	26.8	25.6	26.1	26.4	26.5	26.7	26.9	26.8	27.2	27.0
5 Fees and charges (percent of loan amount)[2]	1.71	1.60	1.30	1.21	1.13	1.23	1.23	1.10	1.18	1.16
Yield (percent per year)										
6 Contract rate[1]	9.02	7.98	7.02	6.86	6.76	6.61	6.61	6.74	6.77	6.67
7 Effective rate[1,3]	9.30	8.25	7.24	7.05	6.95	6.80	6.80	6.92	6.95	6.85
8 Contract rate (HUD series)[4]	9.20	8.43	7.37	6.89	6.94	7.05	7.38	7.26	7.13	7.54
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203)[5]	9.25	8.46	7.46	7.02	7.03	7.08	7.51	7.52	7.05	7.59
10 GNMA securities[6]	8.59	7.71	6.65[r]	6.42	6.15	6.11	6.61[r]	6.58[r]	6.45	6.72
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	122,837	142,833	172,791	177,992	180,057	182,524	185,463	190,861	194,441	196,078
12 FHA/VA insured	21,702	22,168	22,876	22,834	22,810	22,978	23,334	23,857	23,796	23,789
13 Conventional	101,135	120,664	149,914	155,158	157,247	159,546	162,129	167,004	170,645	172,289
Mortgage transactions (during period)										
14 Purchases	37,202	75,905	92,037	8,176	8,866	8,780	8,979	12,123	7,919	5,427
Mortgage commitments (during period)										
15 Issued[7]	40,010	74,970	92,537	8,581	9,814	7,515	11,144	8,461	6,159	4,858
16 To sell[8]	7,608	10,493	5,097	2,585	0	0	0	209	664	525
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	24,131	29,959	42,789	44,396	46,858	50,108	52,933	55,012	56,067	n.a.
18 FHA/VA insured	484	408	327	324	323	321	324	321	319	n.a.
19 Conventional	23,283	29,552	42,462	44,072	46,536	49,787	52,610	54,691	55,747	n.a.
Mortgage transactions (during period)										
20 Purchases	99,965	191,125	229,242	19,636	18,372	18,658	27,062	29,396	22,611	n.a.
21 Sales	92,478	179,208	208,723	18,008	16,230	15,985	24,028	26,607	21,253	n.a.
Mortgage commitments (during period)[9]										
22 Contracted	114,031	261,637	274,599	17,085	16,495	24,614	39,977	24,176	31,393	n.a.

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.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1990	1991	1992	1992	1993			
				Q4	Q1	Q2	Q3r	Q4p
1 All holders	**3,761,525**	**3,923,371**	**4,042,645r**	**4,042,645r**	**4,059,199r**	**4,099,591r**	**4,155,690**	**4,218,693**
By type of property								
2 One- to four-family residences	2,615,435	2,778,803	2,953,527	2,953,527	2,975,134r	3,024,789r	3,085,698	3,146,381
3 Multifamily residences	309,369	306,410	294,976	294,976	294,042r	291,178r	290,679	292,052
4 Commercial	758,313	759,023	713,701	713,701	708,966r	702,210r	698,299	699,488
5 Farm	78,408	79,136	80,441r	80,441r	81,057r	81,414r	81,014	80,772
By type of holder								
6 Major financial institutions	1,914,315	1,846,726	1,769,187	1,769,187	1,753,045	1,765,176r	1,768,931	1,777,772
7 Commercial banks[2]	844,826	876,100	894,513	894,513	891,755	910,989r	922,492	940,547
8 One- to four-family	455,931	483,623	507,780	507,780	507,497	526,817r	538,906	556,778
9 Multifamily	37,015	36,935	38,024	38,024	37,425	38,058r	37,621	38,150
10 Commercial	334,648	337,095	328,826	328,826	326,853	325,519r	325,124	324,749
11 Farm	17,231	18,447	19,882	19,882	19,980	20,595	20,841	20,870
12 Savings institutions[3]	801,628	705,367	627,972	627,972	617,163	612,458r	609,584	603,559
13 One- to four-family	600,154	538,358	489,622	489,622	480,415	480,722r	478,297	472,492
14 Multifamily	91,806	79,881	69,791	69,791	70,608	68,303r	68,649	68,533
15 Commercial	109,168	86,741	68,235	68,235	65,808	63,111r	62,318	62,214
16 Farm	500	388	324	324	332	322	320	319
17 Life insurance companies	267,861	265,258	246,702	246,702	244,128	241,729	236,855	233,667
18 One- to four-family	13,005	11,547	11,441	11,441	11,316	11,195	10,967	10,814
19 Multifamily	28,979	29,562	27,770	27,770	27,466	27,174	26,620	26,248
20 Commercial	215,121	214,105	198,269	198,269	196,100	194,012	190,061	187,403
21 Farm	10,756	10,044	9,222	9,222	9,246	9,348	9,206	9,201
22 Federal and related agencies	239,003	266,146	286,263	286,263	287,081r	298,991r	309,579	321,907
23 Government National Mortgage Association	20	19	30	30	45	45	43	43
24 One- to four-family	20	19	30	30	37	38	37	37
25 Multifamily	0	0	0	0	8	7	7	7
26 Farmers Home Administration[4]	41,439	41,713	41,695	41,695	41,529r	41,446r	41,424	41,386
27 One- to four-family	18,527	18,496	16,912	16,912	16,536r	16,133r	15,714	15,303
28 Multifamily	9,640	10,141	10,575	10,575	10,650r	10,739r	10,830	10,940
29 Commercial	4,690	4,905	5,158	5,158	5,187r	5,250r	5,347	5,406
30 Farm	8,582	8,171	9,050	9,050	9,156r	9,324r	9,533	9,739
31 Federal Housing and Veterans' Administrations	8,801	10,733	12,581	12,581	13,027	12,945	11,797	12,215
32 One- to four-family	3,593	4,036	5,153	5,153	5,631	5,635	4,850	5,364
33 Multifamily	5,208	6,697	7,428	7,428	7,396	7,311	6,947	6,851
34 Resolution Trust Corporation	32,600	45,822	32,045	32,045	27,331	21,973	19,925	17,284
35 One- to four-family	15,800	14,535	12,960	12,960	11,375	8,955	8,381	7,202
36 Multifamily	8,064	15,018	9,621	9,621	8,070	6,743	6,002	5,284
37 Commercial	8,736	16,269	9,464	9,464	7,886	6,275	5,543	4,797
38 Farm	0	0	0	0	0	0	0	0
39 Federal National Mortgage Association	104,870	112,283	137,584	137,584	141,192	151,513	160,721	166,642
40 One- to four-family	94,323	100,387	124,016	124,016	127,252	137,340	146,009	151,310
41 Multifamily	10,547	11,896	13,568	13,568	13,940	14,173	14,712	15,332
42 Federal Land Banks	29,416	28,767	28,664	28,664	28,536	28,592	28,810	28,860
43 One- to four-family	1,838	1,693	1,687	1,687	1,679	1,682	1,695	1,698
44 Farm	27,577	27,074	26,977	26,977	26,857	26,909	27,115	27,162
45 Federal Home Loan Mortgage Corporation	21,857	26,809	33,665	33,665	35,421	42,477	46,859	55,476
46 One- to four-family	19,185	24,125	31,032	31,032	32,831	39,905	44,315	52,929
47 Multifamily	2,672	2,684	2,633	2,633	2,589	2,572	2,544	2,547
48 Mortgage pools or trusts[5]	1,079,103	1,250,666	1,425,546	1,425,546	1,462,181r	1,473,323r	1,514,002	1,546,818
49 Government National Mortgage Association	403,613	425,295	419,516	419,516	421,514	413,166	415,076	414,066
50 One- to four-family	391,505	415,767	410,675	410,675	412,798	404,425	405,963	404,864
51 Multifamily	12,108	9,528	8,841	8,841	8,716	8,741	9,113	9,202
52 Federal Home Loan Mortgage Corporation	316,359	359,163	407,514	407,514	420,932	422,882	430,089	439,029
53 One- to four-family	308,369	351,906	401,525	401,525	415,279	417,646	425,154	434,494
54 Multifamily	7,990	7,257	5,989	5,989	5,654	5,236	4,935	4,535
55 Federal National Mortgage Association	299,833	371,984	444,979	444,979	457,316	465,220	481,880	495,525
56 One- to four-family	291,194	362,667	435,979	435,979	448,483	456,645	473,599	486,804
57 Multifamily	8,639	9,317	9,000	9,000	8,833	8,575	8,281	8,721
58 Farmers Home Administration[4]	66	47	38	38	34r	32r	30	28
59 One- to four-family	17	11	8	8	7r	6r	6	5
60 Multifamily	0	0	0	0	0	0	0	0
61 Commercial	24	19	17	17	16r	15r	14	13
62 Farm	26	17	13	13	11r	11r	10	10
63 Private mortgage conduits	59,232	94,177	153,499	153,499	162,385r	172,023r	186,927	198,171
64 One- to four-family	53,335	84,000	132,000	132,000	137,000	145,000	158,000	164,000
65 Multifamily	731	3,698	6,305	6,305	6,665r	7,407r	7,991	8,701
66 Commercial	5,166	6,479	15,194	15,194	18,720r	19,616r	20,936	25,469
67 Farm	0	0	0	0	0	0	0	0
68 Individuals and others[6]	529,104	559,833	561,649r	561,649r	556,892r	562,101r	563,178	572,196
69 One- to four-family	348,638	367,633	372,708	372,708	366,998r	372,645r	373,805	382,288
70 Multifamily	85,969	83,796	85,430	85,430	86,023r	86,140r	86,428	87,000
71 Commercial	80,761	93,410	88,538	88,538	88,396r	88,412r	88,956	89,438
72 Farm	13,737	14,994	14,973r	14,973r	15,474r	14,904r	13,990	13,471

1. Based on data from various institutional and governmental sources; figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.
2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
3. Includes savings banks and savings and loan associations.
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. 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.

SOURCES. 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, are estimated mainly by the Federal Reserve. Line 64, from Inside Mortgage Securities.

1.55 CONSUMER INSTALLMENT CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1991	1992	1993	1993 Aug.	Sept.	Oct.	Nov.	Dec.	1994 Jan.
				Seasonally adjusted					
1 **Total**	**733,510**	**741,093**	**790,082**	**762,503**	**768,573**	**775,620r**	**782,561r**	**790,082**	**796,086**
2 Automobile	260,898	259,627	278,321	268,784	270,650	273,822r	276,853r	278,321	278,956
3 Revolving	243,564	254,299	281,474	270,753	273,703	277,125	279,273	281,474	284,802
4 Other	229,048	227,167	230,288	222,967	224,220	224,673r	226,435r	230,288	232,328
				Not seasonally adjusted					
5 **Total**	**749,052**	**756,944**	**807,298**	**763,268**	**770,384**	**776,101r**	**784,148r**	**807,298**	**801,509**
By major holder									
6 Commercial banks	340,713	331,869	367,140	345,449	349,699	352,559	358,429	367,140	365,233
7 Finance companies	121,937	117,127	117,464	111,864	112,645	112,602r	114,800r	117,464	117,937
8 Credit unions	92,681	97,641	114,451	108,095	109,687	110,830	112,342	114,451	115,055
9 Retailers	39,832	42,079	47,382	39,688	39,842	40,310	42,047	47,382	44,986
10 Savings institutions	45,965	43,461	33,000	35,919	34,985	34,251	33,500	33,000	32,500
11 Gasoline companies	4,362	4,365	4,212	4,728	4,574	4,599	4,507	4,212	4,189
12 Pools of securitized assets[2]	103,562	120,402	123,649	117,525	118,952	120,950	118,523r	123,649	121,609
By major type of credit[3]									
13 Automobile	261,219	259,964	278,690	270,495	273,291	275,882r	277,060r	278,690	278,175
14 Commercial banks	112,666	109,743	123,734	118,535	120,574	122,162	122,989	123,734	123,826
15 Finance companies	63,415	57,605	55,274	55,247	55,057	54,324r	55,337r	55,274	56,509
16 Pools of securitized assets[2]	28,915	33,878	36,781	35,569	36,123	37,630	36,569r	36,781	34,947
17 Revolving	256,876	267,949	296,445	269,663	272,579	275,109	280,080	296,445	290,099
18 Commercial banks	138,005	132,582	148,698	135,466	136,738	137,844	142,382	148,698	144,776
19 Retailers	34,712	36,629	41,378	34,099	34,214	34,668	36,319	41,378	39,057
20 Gasoline companies	4,362	4,365	4,212	4,728	4,574	4,599	4,507	4,212	4,189
21 Pools of securitized assets[2]	63,595	74,243	77,416	71,562	72,646	73,556	72,357	77,416	77,280
22 Other	230,957	229,031	232,162	223,109	224,514	225,110r	227,008r	232,162	233,234
23 Commercial banks	90,042	89,544	94,708	91,448	92,387	92,553	93,058	94,708	96,631
24 Finance companies	58,522	59,522	62,189	56,616	57,588	58,278r	59,463r	62,189	61,427
25 Retailers	5,120	5,450	6,004	5,589	5,628	5,642	5,728	6,004	5,929
26 Pools of securitized assets[2]	11,052	12,281	9,452	10,394	10,183	9,764	9,597	9,452	9,382

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.
Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.
2. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.
3. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year except as noted

Item	1991	1992	1993	1993 July	Aug.	Sept.	Oct.	Nov.	Dec.	1994 Jan.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	11.14	9.29	8.09	n.a.	7.98	n.a.	n.a.	7.63	n.a.	n.a.
2 24-month personal	15.18	14.04	13.47	n.a.	13.45	n.a.	n.a.	13.22	n.a.	n.a.
3 120-month mobile home	13.70	12.67	11.87	n.a.	11.53	n.a.	n.a.	11.55	n.a.	n.a.
4 Credit card	18.23	17.78	16.83	n.a.	16.59	n.a.	n.a.	16.30	n.a.	n.a.
Auto finance companies										
5 New car	12.41	9.93	9.48	9.37	9.21	9.21	9.25	8.96	8.80	7.55
6 Used car	15.60	13.80	12.79	12.46	12.48	12.52	12.58	12.41	12.33	12.02
OTHER TERMS[3]										
Maturity (months)										
7 New car	55.1	54.0	54.5	54.7	54.9	54.7	55.0	54.5	54.0	52.9
8 Used car	47.2	47.9	48.8	49.0	49.0	48.8	48.2	48.4	48.3	50.0
Loan-to-value ratio										
9 New car	88	89	91	91	91	91	90	91	90	91
10 Used car	96	97	98	98	99	98	98	98	98	98
Amount financed (dollars)										
11 New car	12,494	13,584	14,332	14,430	14,324	14,348	14,650	14,839	15,097	15,330
12 Used car	8,884	9,119	9,875	9,996	10,104	9,808	9,969	10,230	10,349	10,434

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.
2. Data are available for only the second month of each quarter.
3. At auto finance companies.

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1988	1989	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993r Q1	1993r Q2	1993r Q3
	Nonfinancial sectors											
1 Total net borrowing by domestic nonfinancial sectors	**752.6**	**723.0**	**631.0**	**475.5**	**582.4**	**602.6r**	**586.2**	**611.1r**	**529.5r**	**404.5**	**677.6**	**577.0**
By sector and instrument												
2 U.S. government	155.1	146.4	246.9	278.2	304.0	323.8	352.9	299.1	240.1	229.6	348.2	177.2
3 Treasury securities	137.7	144.7	238.7	292.0	303.8	335.0	352.5	290.1	237.4	226.4	344.1	160.9
4 Budget agency issues and mortgages	17.4	1.6	8.2	−13.8	.2	−11.2	.4	9.0	2.7	3.2	4.1	16.2
5 Private	597.5	576.6	384.1	197.3	278.4	278.8r	233.3r	312.0r	289.4r	175.0	329.3	399.8
By instrument												
6 Tax-exempt obligations	53.7	65.3	57.3	69.6	65.7	68.0	76.6	75.8	42.4	62.4	67.2	48.3
7 Corporate bonds	103.1	73.8	47.1	78.8	67.5r	76.5r	77.8	61.7r	54.0r	82.0	72.0	68.0
8 Mortgages	279.6	269.1	188.7	165.1	120.8r	184.7r	69.6r	134.8r	94.0r	101.3	134.4	201.5
9 Home mortgages	219.6	212.5	177.2	166.0	176.0	216.5	111.6	203.3	172.8	121.8	174.2	226.9
10 Multifamily residential	16.1	12.0	3.4	−2.5	−11.1	11.6	−16.9	−11.2	−27.8r	−4.7	−12.4	−4.0
11 Commercial	48.5	47.3	8.9	.9	−45.5	−46.9	−25.7	−57.8r	−51.5r	−18.2	−28.9	−19.8
12 Farm	−4.6	−2.7	−.8	.7	1.3r	3.5r	.6r	.6r	.5r	2.5	1.4	−1.6
13 Consumer credit	50.1	49.5	13.4	−13.1	9.3	−9.8	−14.7	13.5	48.3r	19.2	22.9	60.7
14 Bank loans n.e.c.	44.7	36.4	4.2	−46.8	−5.6	−47.3	27.7	−24.0r	21.3r	−39.7	31.7	7.3
15 Commercial paper	11.9	21.4	9.7	−18.4	8.6	2.5	−2.6	9.3	25.4	−27.1	33.7	23.8
16 Other loans	54.3	61.0	63.6	−37.8	12.1r	4.3r	−1.0r	40.8	4.1r	−23.1	−32.5	−9.8
By borrowing sector												
17 Household	300.1	276.7	207.7	168.4	215.0	199.2	176.5	217.9r	266.5r	130.8	213.7	321.7
18 Nonfinancial business	248.4	236.3	121.9	−33.4	4.0	17.5r	−10.1	20.6r	−12.2r	−27.6	46.6	26.0
19 Farm	−10.0	.5	1.8	2.4	1.2r	3.6r	3.5r	−.2r	−1.9r	−.3	3.8	2.0
20 Nonfarm noncorporate	57.2	49.4	19.4	−24.5	−39.4	−21.8	−47.4	−37.3	−51.0	−32.7	−31.4	−23.1
21 Corporate	201.3	186.5	100.7	−11.3	42.1r	35.8r	33.8r	58.2r	40.7r	5.4	74.3	47.1
22 State and local government	48.9	63.5	54.5	62.3	59.4	62.1	66.9	73.5	35.1	71.7	69.1	52.1
23 Foreign net borrowing in United States	6.4	10.2	23.9	13.9	24.2	1.9	57.7	37.8	−.6	50.3	40.1	81.8
24 Bonds	6.9	4.9	21.4	14.1	17.3	4.9	21.9	20.3	22.2	75.6	42.4	83.7
25 Bank loans n.e.c.	−1.8	−.1	−2.9	3.1	2.3	1.5	14.1	3.9	−10.3	1.6	6.5	1.0
26 Commercial paper	8.7	13.1	12.3	6.4	5.2	−8.0	27.8	13.1	−12.1	−21.7	−.6	−1.6
27 U.S. government and other loans	−7.5	−7.6	−7.0	−9.8	−.6	3.6	−6.1	.5	−.4	−5.3	−8.2	−1.3
28 Total domestic plus foreign	**759.0**	**733.1**	**654.9**	**489.4**	**606.6**	**604.6r**	**643.9r**	**649.0r**	**528.8r**	**454.8**	**717.6**	**658.8**
	Financial sectors											
29 Total net borrowing by financial sectors	**239.9**	**213.7**	**193.5**	**150.4**	**216.4r**	**175.0r**	**211.6r**	**304.1r**	**174.8r**	**146.1**	**131.6**	**386.1**
By instrument												
30 U.S. government-related	119.8	149.5	167.4	145.7	155.8	126.8	195.2	169.3	131.8	165.8	62.7	273.7
31 Government-sponsored enterprises securities	44.9	25.2	17.1	9.2	40.3	11.5	48.3	67.7	33.6	32.2	68.8	167.8
32 Mortgage pool securities	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.5	−6.1	105.9
33 Loans from U.S. government	.0	.0	−.1	.0	.0	.0	.0	.0	−.1	.0	.0	.0
34 Private	120.1	64.2	26.1	4.6	60.6r	48.2r	16.3r	134.8r	42.9r	−19.6	68.9	112.4
35 Corporate bonds	49.0	37.3	40.8	56.8	65.3r	36.0r	64.4r	81.2r	79.4r	55.3	55.8	97.7
36 Mortgages	.3	.5	.4	.8	.0	−.4	.1	.4r	.0r	.9	2.7	6.2
37 Bank loans n.e.c.	−3.8	6.0	1.1	17.1	−4.8	22.0	−39.1	17.5r	−19.8r	−21.2	−5.9	−14.0
38 Open market paper	54.8	31.3	8.6	−32.0	−.7	1.1	−14.8	17.5	−6.5	−73.1	−17.3	−9.7
39 Loans from Federal Home Loan Banks	19.7	−11.0	−24.7	−38.0	.8	−10.4	5.8	18.1	−10.1	18.6	33.5	32.3
By borrowing sector												
40 Government sponsored enterprises	44.9	25.2	17.0	9.1	40.2	11.5	48.3	67.7	33.5	32.2	68.8	167.8
41 Federally related mortgage pools	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.5	−6.1	105.9
42 Private	120.1	64.2	26.1	4.6	60.6r	48.2r	16.3r	134.8r	42.9r	−19.6	68.9	112.4
43 Commercial banks	−3.0	−1.4	−.7	−11.7	8.8	3.2	5.5	12.1	14.5	5.4	10.1	6.2
44 Bank holding companies	5.2	6.2	−27.7	−2.5	2.3	10.9	−9.2	6.6	.8	21.1	1.3	−2.1
45 Funding corporations	39.1	13.8	12.5	−13.6	1.6	16.1	29.2	−7.7	−31.1	−51.9	8.2	−13.2
46 Savings institutions	21.7	−15.1	−30.2	−44.5	−6.7	−18.3	−5.4	11.2	−14.4	7.9	17.7	18.4
47 Credit unions	.0	.0	.0	.0	.0	.0	.0	.0	.1	.0	.3	.3
48 Life insurance companies	.0	.0	.0	.0	.0	.0	.0	.2	−.2	.1	.6	−.1
49 Finance companies	23.9	27.4	24.0	18.6	−3.6	−35.6	−20.1	21.2	19.9	−33.1	−38.6	16.0
50 Mortgage companies	−6.2	3.0	−4.0	5.7	.1	27.5	−35.3	14.4	−6.4	−10.4	15.9	2.4
51 Real estate investment trusts (REITs)	1.8	1.3	1.0	1.6	.1	1.7	1.3	2.3r	−5.1r	−1.4	2.5	6.1
52 Issuers of asset-backed securities (ABSs)	37.6	28.9	51.1	51.0	58.0r	42.7r	50.3r	74.3r	64.8r	42.6	50.8	78.4

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

Transaction category or sector	1988	1989	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993r Q1	1993r Q2	1993r Q3
	All sectors											
53 **Total net borrowing, all sectors**	**998.8**	**946.8**	**848.4**	**639.8**	**822.9r**	**779.5r**	**855.5r**	**953.1r**	**703.6r**	**600.9**	**849.2**	**1,044.9**
54 U.S. government securities	274.9	295.8	414.4	424.0	459.8	450.6	548.1	468.5	372.0	395.3	410.9	450.9
55 Tax-exempt securities	53.7	65.3	57.3	69.6	65.7	68.0	76.6	75.8	42.4	62.4	67.2	48.3
56 Corporate and foreign bonds	159.0	116.0	109.2	149.6	150.1r	117.3r	164.1r	163.3r	155.6r	212.9	170.2	249.4
57 Mortgages	280.0	269.6	189.1	165.8	120.8r	184.3r	69.7r	135.3r	93.9r	102.2	137.1	207.7
58 Consumer credit	50.1	49.5	13.4	−13.1	9.3	−9.8	−14.7	13.5	48.3r	19.2	22.9	60.7
59 Bank loans n.e.c.	39.2	42.3	2.4	−26.6	−8.1	−23.9	2.8	−2.5	−8.8	−59.3	32.3	−5.8
60 Open market paper	75.4	65.9	30.7	−44.0	13.1	−4.5	10.3	39.9	6.8	−121.9	15.7	12.5
61 Other loans	66.6	42.4	31.8	−85.6	12.2	−2.5r	−1.3r	59.3	−6.6r	−9.9	−7.2	21.2
	Funds raised through mutual funds and corporate equities											
62 **Total net share issues**	**−98.6**	**−59.6**	**22.2**	**210.6**	**284.0r**	**273.8r**	**264.1**	**297.7r**	**300.3r**	**300.7**	**470.7**	**502.1**
63 Mutual funds	6.1	38.5	67.9	150.5	206.7	174.4	199.5	235.2	217.7	240.9	357.5	337.6
64 Corporate equities	−104.7	−98.1	−45.7	60.1	77.3r	99.5r	64.5r	62.5r	82.6r	59.7	113.2	164.5
65 Nonfinancial corporations	−129.5	−124.2	−63.0	18.3	27.0r	46.0	36.0	12.0r	14.0	9.0	25.0	30.0
66 Financial corporations	23.9	8.8	9.9	11.2	19.6r	24.4r	17.4	15.7r	21.1r	18.8	34.2	37.1
67 Foreign shares purchased in United States	.9	17.2	7.4	30.7	30.6	29.1	11.2	34.8	47.5	31.9	54.0	97.5

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.5. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

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

Transaction category or sector	1988	1989	1990	1991	1992	1992				1993		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3r
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**998.8**	**946.8**	**848.4**	**639.8**	**822.9r**	**779.5r**	**855.5r**	**953.1r**	**703.6r**	**600.9r**	**849.2**	**1,044.9**
2 Private domestic nonfinancial sectors	196.1	122.6	162.8	−16.1	65.3r	134.0r	145.6r	−105.4r	87.0r	−93.1r	−95.8	−126.2
3 Households	170.3	78.6	140.1	−49.7	37.0r	117.5r	99.8r	−135.7r	66.6r	−88.6r	−91.9	−139.6
4 Nonfarm noncorporate business	3.1	−.7	−1.7	−4.2	−2.4	−3.9	−2.7	−2.0	−1.0	−3.7	−3.0	−2.2
5 Nonfinancial corporate business	5.7	13.6	−5.3	4.3	36.3	25.1	36.8	46.5	36.9	−12.6r	6.7	40.1
6 State and local governments	17.1	31.1	29.6	33.5	−5.7r	−4.7r	11.7r	−14.1r	−15.5r	11.8r	−7.5	−24.6
7 U.S. government	−10.6	−3.1	33.7	10.5	−12.0r	15.2	−23.0	−26.7	−13.3r	−24.7r	−27.8	−15.2
8 Foreign	108.6	84.4	82.1	25.6	100.8r	96.4r	140.8r	78.1	87.8r	73.2	92.6	140.8
9 Financial sectors	704.8	742.9	569.9	619.8	668.8r	534.0r	592.1r	1,006.9r	542.1r	645.6r	880.1	1,045.5
10 Government sponsored enterprises	33.2	−4.1	16.4	14.2	69.0	92.7	38.6	73.0	71.7	14.6	134.1	157.7
11 Federally related mortgage pools	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.5r	−6.1	105.9
12 Monetary authority	10.5	−7.3	8.1	31.1	27.9	28.5	19.0	15.7	48.3	44.5	32.6	28.2
13 Commercial banking	156.5	177.2	125.1	84.3	94.8	85.1	72.7	148.0	73.3	86.4	153.4	131.9
14 U.S. commercial banks	126.4	146.1	94.9	39.2	69.8	76.3	13.3	123.5	66.0	100.4	142.0	147.0
15 Foreign banking offices	29.4	26.7	28.4	48.5	16.5	−.5	56.7	5.2	4.8	−12.5	−.7	−17.2
16 Bank holding companies	−.1	2.8	−2.8	−1.5	5.6	7.1	−.4	16.4	−.6	−4.3	9.5	−.4
17 Banks in U.S. affiliated areas	.8	1.6	4.5	−1.9	2.9	2.2	3.2	3.0	3.0	2.9	2.6	2.5
18 Private nonbank finance	429.7	452.9	270.0	353.7	361.6r	212.5r	314.9r	668.6r	250.4r	366.5r	566.0	621.8
19 Thrift institutions	114.8	−86.6	−153.3	−123.0	−59.5r	−104.8r	−75.7r	−42.6	−15.0r	−33.3r	−5.2	12.2
20 Insurance	199.0	257.4	181.6	234.3	177.9r	98.0r	190.4r	261.4r	161.6r	257.0r	172.9	261.6
21 Life insurance companies	104.0	101.8	94.4	83.2	82.4	73.7	66.9	85.1	103.7	122.1	108.0	117.1
22 Other insurance companies	29.2	29.7	26.5	32.3	12.7	28.8	16.4	−2.8	8.3	8.9	10.6	8.6
23 Private pension funds	29.2	81.1	17.2	85.3	37.3	−33.2	74.1	99.9	8.4	118.0	11.1	91.9
24 State and local government retirement funds	36.6	44.7	43.5	33.5	45.5r	28.7r	33.0r	79.2r	41.2r	8.0r	43.2	44.0
25 Finance n.e.c.	115.9	282.2	241.7	242.3	243.2r	219.3r	200.2r	449.7r	103.8r	142.8r	398.3	347.9
26 Finance companies	38.1	32.0	28.4	−12.1	1.7	−5.3	−16.0	4.0	24.0	−34.0	−22.8	8.1
27 Mortgage companies	−7.4	6.1	−8.0	11.4	.1	23.0	−38.5	28.9	−12.8	−20.8	31.7	−1.9
28 Mutual funds	11.9	23.8	41.4	90.3	123.7	95.1	123.7	156.9	119.2	130.2	193.4	168.4
29 Closed-end funds	19.8	6.3	.0	15.2	12.3	17.9	9.4	8.7	13.1	8.9	13.0	11.0
30 Money market funds	10.7	67.1	80.9	30.1	1.3	19.1	3.8	8.5	−26.1	−65.0	51.5	11.5
31 Real estate investment trusts (REITs)	.9	.5	−.7	−1.0	.4	−.7	2.6	−.3	−.1	2.9	.8	1.0
32 Brokers and dealers	−8.2	96.3	34.9	49.0	40.2	−2.4	73.0	180.3	−90.2	79.5	66.7	69.0
33 Asset-backed securities issuers (ABSs)	35.9	27.7	49.9	49.0	55.5r	40.4r	50.5r	72.0r	59.2r	42.1r	49.7	81.3
34 Bank personal trusts	14.3	22.4	14.8	10.4	8.0	32.2	−8.4	−9.3	17.3	−.9	14.4	−.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
35 **Net flows through credit markets**	**998.8**	**946.8**	**848.4**	**639.8**	**822.9r**	**779.5r**	**855.5r**	**953.1r**	**703.6r**	**600.9r**	**849.2**	**1,044.9**
Other financial sources												
36 Official foreign exchange	4.0	24.8	2.0	−5.9	−1.6	3.5	−6.5	−8.5	5.1	3.4	−4.0	1.7
37 Treasury currency and special drawing rights certificates	.5	4.1	2.5	.0	−1.8	.1	.3	.2	−7.7	.3	.4	.4
38 Life insurance reserves	25.3	28.8	25.7	25.7	27.3r	25.6r	15.6r	41.5r	26.3r	53.6r	39.5	59.5
39 Pension fund reserves	140.1	309.7	158.1	358.8	227.8r	144.5r	208.0r	291.7r	267.0r	325.2r	223.0	296.1
40 Interbank claims	2.9	−16.5	34.2	−3.7	48.1r	25.7	36.9	79.8r	50.0r	19.8r	49.5	−19.8
41 Deposits at financial institutions	278.6	284.8	98.1	48.2	9.3	−.7	6.3	174.1	−142.7	−.4r	219.6	−5.3
42 Checkable deposits and currency	43.2	6.1	44.2	75.8	122.8	86.4	110.8	200.4	93.5	25.0	232.2	96.3
43 Small time and savings deposits	121.6	100.4	59.0	16.7	−60.8	−40.1	−81.8	−83.6	−37.8	−155.9r	−57.3	−72.6
44 Large time deposits	53.1	13.9	−65.7	−60.8	−80.0	−72.9	−109.9	−52.9	−84.2	1.9	−17.5	−57.3
45 Money market fund shares	21.9	90.1	70.3	41.2	3.9	44.4	26.7	−22.4	−32.9	−37.7	66.5	−15.8
46 Security repurchase agreements	23.7	77.8	−24.2	−16.5	33.6	8.1	103.7	89.6	−67.1	180.3	17.6	78.7
47 Foreign deposits	15.2	−3.6	14.6	−8.2	−10.2	−26.6	−43.2	43.0	−14.2	−13.9r	−21.9	−34.6
48 Mutual fund shares	6.1	38.5	67.9	150.5	206.7	174.4	199.5	235.2	217.7	240.9	357.5	337.6
49 Corporate equities	−104.7	−98.1	−45.7	60.1	77.3r	99.5r	64.5r	62.5r	82.6r	59.7r	113.2	164.5
50 Security credit	3.0	15.6	3.5	51.4	4.2	−66.7	−4.9	82.8	5.5	39.7	38.3	77.2
51 Trade debt	89.6	59.4	32.1	−2.2	54.9r	78.0r	54.7r	54.0r	33.0r	26.9r	37.4	47.8
52 Taxes payable	5.3	2.0	−4.5	−8.5	7.9r	8.6r	6.2r	6.7r	10.3r	7.6r	2.2	4.2
53 Noncorporate proprietors' equity	−24.0	−31.1	−35.5	−12.5	−5.7r	−21.9r	15.9r	−27.5r	10.5r	−12.5r	−21.0	−6.7
54 Investment in bank personal trusts	7.2	23.1	21.5	29.8	−7.5	40.2	20.2	−55.4	−35.2	−10.1	35.8	−23.0
55 Miscellaneous	199.2	292.1	98.2	169.9	195.7r	94.9r	273.5r	202.6r	211.8r	213.4r	385.1	93.5
56 **Total financial sources**	**1,632.0**	**1,883.8**	**1,306.5**	**1,501.3**	**1,665.5r**	**1,385.3r**	**1,745.8r**	**2,092.8r**	**1,437.9r**	**1,568.5r**	**2,325.7**	**2,072.7**
Floats not included in assets (−)												
57 U.S. government checkable deposits	1.6	8.4	3.3	−13.1	.7	11.3	−9.5	4.4	−3.6	.1	6.2	−6.4
58 Other checkable deposits	.8	−3.2	2.5	2.0	1.6	13.8	2.0	−11.7	2.3	−1.8	−1.4	−5.6
59 Trade credit	−6.2	−1.9	2.5	8.1	18.5r	23.2r	9.5r	40.2r	1.2r	−20.1r	5.1	10.4
Liabilities not identified as assets (−)												
60 Treasury currency	−.1	−.2	.2	−.6	−.2	−.3	−.2	−.2	−.1	−.2	−.2	−.2
61 Interbank claims	−3.0	−4.4	1.6	26.2	−4.9r	8.2	−18.2	−7.8r	−1.7r	11.4r	−5.7	−16.5
62 Security repurchase agreements	−29.6	32.4	−31.5	5.2	31.1	−26.7	84.1	43.5	23.4	155.2	16.5	67.7
63 Taxes payable	6.3	2.3	.5	.4	6.9r	−7.5r	7.1r	24.1r	4.0r	−13.2r	14.1	8.3
64 Miscellaneous	47.3	−77.8	−23.6	−32.1	−21.1r	−69.0r	−65.9r	1.2r	49.3r	−7.8r	−36.1	−34.9
65 **Total identified to sectors as assets**	**1,614.8**	**1,928.2**	**1,351.0**	**1,505.2**	**1,632.8r**	**1,432.3r**	**1,736.9r**	**1,999.2r**	**1,363.1r**	**1,444.9r**	**2,327.3**	**2,049.9**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.6 and F.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1989	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2[r]	1993 Q3[r]
					Nonfinancial sectors						
1 **Total credit market debt owed by domestic nonfinancial sectors**	**10,054.3**	**10,692.0**	**11,160.6**	**11,747.2[r]**	**11,289.4[r]**	**11,427.2[r]**	**11,580.6[r]**	**11,747.2[r]**	**11,824.7[r]**	**11,983.4**	**12,128.9**
By lending sector and instrument											
2 U.S. government	2,251.2	2,498.1	2,776.4	3,080.3	2,859.7	2,923.3	2,998.9	3,080.3	3,140.2	3,201.2	3,247.3
3 Treasury securities	2,227.0	2,465.8	2,757.8	3,061.6	2,844.0	2,907.4	2,980.7	3,061.6	3,120.6	3,180.6	3,222.6
4 Budget agency issues and mortgages	24.2	32.4	18.6	18.8	15.8	15.9	18.1	18.8	19.6	20.6	24.7
5 Private	7,803.1	8,193.9	8,384.3	8,666.9[r]	8,429.6[r]	8,503.9[r]	8,581.7[r]	8,666.9[r]	8,684.5[r]	8,782.1	8,881.7
By instrument											
6 Tax-exempt obligations	1,004.7	1,062.1	1,131.6	1,197.3	1,145.5	1,163.7	1,186.4	1,197.3	1,210.0	1,225.7	1,241.8
7 Corporate bonds	961.1	1,008.2	1,086.9	1,154.4[r]	1,106.1[r]	1,125.5[r]	1,140.9[r]	1,154.4[r]	1,174.9[r]	1,192.9	1,209.9
8 Mortgages	3,512.8	3,715.4	3,880.4	4,001.6[r]	3,917.9[r]	3,941.3[r]	3,979.4[r]	4,001.6[r]	4,017.9	4,057.6	4,112.2
9 Home mortgages	2,380.5	2,580.6	2,746.6	2,922.7	2,791.8	2,825.6	2,880.8	2,922.7	2,944.1[r]	2,993.8	3,054.7
10 Multifamily residential	304.3	305.5	303.0	291.9	305.9	301.7	298.9	291.9	290.7[r]	287.6	286.6
11 Commercial	747.6	750.8	751.7	706.5	740.3	733.8	719.4	706.5	702.0[r]	694.8	689.8
12 Farm	80.5	78.4	79.1	80.4[r]	80.0[r]	80.2[r]	80.3[r]	80.4[r]	81.1[r]	81.4	81.0
13 Consumer credit	799.5	813.0	799.9	809.2	777.6	776.9	784.5	809.2	793.7	802.3	821.7
14 Bank loans n.e.c.	750.8	747.8	701.0	695.6	685.5	694.0	686.2	695.6	683.0	691.8	691.6
15 Commercial paper	107.1	116.9	98.5	107.1	110.4	112.0	108.2	107.1	113.9[r]	124.0	123.2
16 Other loans	667.0	730.6	685.9	701.6[r]	686.5[r]	690.5[r]	696.1[r]	701.6[r]	691.1[r]	687.7	681.2
By borrowing sector											
17 Household	3,371.4	3,594.8	3,762.7	3,978.0	3,782.6	3,837.3	3,900.1[r]	3,978.0	3,980.6[r]	4,044.6	4,132.7
18 Nonfinancial business	3,615.7	3,728.5	3,688.7	3,696.7[r]	3,701.7[r]	3,705.6[r]	3,698.6[r]	3,696.7[r]	3,696.7[r]	3,714.2	3,708.5
19 Farm	134.4	134.9	134.8	136.0[r]	133.4[r]	136.8[r]	137.6[r]	136.0[r]	133.7[r]	137.1	138.5
20 Nonfarm noncorporate	1,199.6	1,219.0	1,192.3	1,154.5	1,187.6	1,177.3	1,165.1	1,154.5	1,145.3[r]	1,139.3	1,130.8
21 Corporate	2,281.7	2,374.6	2,361.6	2,406.1[r]	2,380.7[r]	2,391.5[r]	2,395.8[r]	2,406.1[r]	2,417.8[r]	2,437.8	2,439.2
22 State and local government	816.1	870.5	932.8	992.2	945.3	961.0	983.1	992.2	1,007.2[r]	1,023.4	1,040.5
23 **Foreign credit market debt held in United States**	**261.2**	**285.1**	**298.9**	**313.8**	**288.7**	**304.7**	**312.9**	**313.8**	**324.8**	**336.5**	**355.6**
24 Bonds	94.1	115.4	129.5	146.9	130.8	136.2	141.3	146.9	165.8	176.4	197.3
25 Bank loans n.e.c.	21.4	18.5	21.6	23.9	22.0	25.5	26.5	23.9	24.3	25.9	26.2
26 Commercial paper	63.0	75.3	81.8	77.7	70.5	77.4	80.7	77.7	72.3	72.1	71.7
27 U.S. government and other loans	82.7	75.8	66.0	65.4	65.5	65.6	64.4	65.4	62.5	62.0	60.4
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**10,315.5**	**10,977.1**	**11,459.5**	**12,061.0[r]**	**11,578.1[r]**	**11,732.0[r]**	**11,893.5[r]**	**12,061.0[r]**	**12,149.5[r]**	**12,319.8**	**12,484.5**
					Financial sectors						
29 **Total credit market debt owed by financial sectors**	**2,362.7**	**2,559.4**	**2,709.7**	**2,941.7[r]**	**2,759.4[r]**	**2,815.2[r]**	**2,889.3[r]**	**2,941.7[r]**	**2,974.3[r]**	**3,010.3**	**3,104.7**
By instrument											
30 U.S. government-related	1,247.8	1,418.4	1,564.2	1,720.0	1,590.3	1,641.6	1,683.5	1,720.0	1,755.8	1,774.5	1,842.2
31 Government-sponsored enterprises securities	373.3	393.7	402.9	443.1	405.7	417.8	434.7	443.1	451.2	468.4	510.3
32 Mortgage pool securities	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
33 Loans from U.S. government	5.0	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
34 Private	1,114.8	1,140.9	1,145.6	1,221.7[r]	1,169.1[r]	1,173.6[r]	1,205.8[r]	1,221.7[r]	1,218.5[r]	1,235.8	1,262.5
35 Corporate bonds	509.1	549.9	606.6	678.2[r]	621.9[r]	638.0[r]	658.3[r]	678.2[r]	692.0[r]	706.0	730.4
36 Mortgages	4.0	4.3	5.1	5.1	5.0	5.0	5.1	5.1	5.4	6.0	7.6
37 Bank loans n.e.c.	50.9	52.0	69.1	64.2	72.7	63.1	67.5	64.2	56.9	55.8	52.4
38 Open market paper	409.1	417.7	385.7	394.3	393.2	390.5	394.6	394.3	379.2[r]	375.9	373.2
39 Loans from Federal Home Loan Banks	141.8	117.1	79.1	79.9	76.3	76.9	80.2	79.9	85.0	92.1	98.9
By borrowing sector											
40 Government-sponsored enterprises	378.3	398.5	407.7	447.9	410.5	422.6	439.5	447.9	456.0	473.2	515.1
41 Federally related mortgage pools	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
42 Private financial sectors	1,114.8	1,140.9	1,145.6	1,221.7[r]	1,169.1[r]	1,173.6[r]	1,205.8[r]	1,221.7[r]	1,218.5[r]	1,235.8	1,262.5
43 Commercial banks	77.4	76.7	65.0	73.8	63.8	66.2	69.0	73.8	73.1	76.6	77.9
44 Bank holding companies	142.5	114.8	112.3	114.6	115.0	112.7	114.4	114.6	119.9	120.2	119.7
45 Funding corporations	125.4	137.9	124.3	135.2	137.6	144.9	143.0	135.2	127.6[r]	129.7	126.4
46 Savings institutions	169.2	139.1	94.6	87.8	89.8	87.6	89.2	87.8	90.3	93.4	96.8
47 Credit unions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.1	.2
48 Life insurance companies	.0	.0	.0	.0	.0	.0	.0	.0	.0	.2	.1
49 Finance companies	350.4	374.4	393.0	389.4	382.2	377.4	382.7	389.4	379.1	369.8	373.9
50 Mortgage companies	11.3	7.3	13.0	13.0	19.8	11.0	14.6	13.0	10.4	14.4	15.0
51 Real estate investment trusts (REITs)	11.4	12.4	14.0	14.1	14.4	14.8	15.3	14.1	13.7	14.4	15.9
52 Issuers of asset-backed securities (ABSs)	227.3	278.3	329.4	393.7[r]	346.3[r]	358.9[r]	377.5[r]	393.7[r]	404.3[r]	417.1	436.7
					All sectors						
53 **Total credit market debt, domestic and foreign**	**12,678.2**	**13,536.5**	**14,169.3**	**15,002.7[r]**	**14,337.4[r]**	**14,547.1[r]**	**14,782.8[r]**	**15,002.7[r]**	**15,123.8[r]**	**15,330.1**	**15,589.3**
54 U.S. government securities	3,494.1	3,911.7	4,335.7	4,795.5	4,445.2	4,560.1	4,677.6	4,795.5	4,891.2	4,970.9	5,084.7
55 Tax-exempt securities	1,004.7	1,062.1	1,131.6	1,197.3	1,145.5	1,163.7	1,186.4	1,197.3	1,210.0	1,225.7	1,241.8
56 Corporate and foreign bonds	1,564.3	1,673.5	1,823.1	1,979.5[r]	1,858.7[r]	1,899.8[r]	1,940.6[r]	1,979.5[r]	2,032.7[r]	2,075.3	2,137.6
57 Mortgages	3,516.8	3,719.7	3,885.5	4,006.7[r]	3,923.0[r]	3,946.3[r]	3,984.5[r]	4,006.7[r]	4,023.3	4,063.7	4,119.7
58 Consumer credit	799.5	813.0	799.9	809.2	777.6	776.9	784.5	809.2	793.7	802.3	821.7
59 Bank loans n.e.c.	823.0	818.3	791.7	783.7	780.2	782.7	780.2	783.7	764.3	773.5	770.2
60 Open market paper	579.2	609.9	565.9	579.0	574.1	579.9	583.6	579.0	565.4[r]	572.0	568.2
61 Other loans	896.5	928.4	835.8	851.7[r]	833.1[r]	837.7[r]	845.5[r]	851.7[r]	843.4[r]	846.7	845.3

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.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1989	1990	1991	1992	1992				1993		
					Q1	Q2	Q3	Q4	Q1	Q2[r]	Q3[r]
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**12,678.2**	**13,536.5**	**14,169.3**	**15,002.7[r]**	**14,337.4[r]**	**14,547.1[r]**	**14,782.8[r]**	**15,002.7[r]**	**15,123.8[r]**	**15,330.1**	**15,589.3**
2 Private domestic nonfinancial sectors	2,096.4	2,246.8	2,205.8	2,288.3[r]	2,211.0[r]	2,231.4[r]	2,209.1[r]	2,288.3[r]	2,257.0[r]	2,215.3	2,187.7
3 Households	1,326.8	1,454.6	1,380.0	1,434.2[r]	1,388.6[r]	1,392.5[r]	1,369.4[r]	1,434.2[r]	1,412.7[r]	1,365.9	1,341.7
4 Nonfarm noncorporate business	56.5	54.9	50.7	48.3	49.3	48.7	48.1	48.3	47.0	46.3	45.6
5 Nonfinancial corporate business	181.2	175.8	180.1	216.4	180.0	192.6	199.5	216.4	205.9[r]	211.7	217.1
6 State and local governments	531.9	561.5	595.1	589.4[r]	593.1[r]	597.5[r]	592.1[r]	589.4[r]	591.5[r]	591.4	583.4
7 U.S. government	205.4	239.1	247.0	235.0[r]	251.2	246.3	239.2	235.0[r]	229.2[r]	223.2	218.9
8 Foreign	778.7	897.5	936.2	1,031.6[r]	960.7[r]	995.9[r]	1,015.5[r]	1,031.6[r]	1,041.3[r]	1,064.5	1,099.7
9 Financial sectors	9,597.7	10,153.1	10,780.3	11,447.8[r]	10,914.4[r]	11,073.5[r]	11,319.0[r]	11,447.8[r]	11,596.2[r]	11,827.1	12,083.0
10 Government-sponsored enterprises	355.4	371.8	397.7	466.7	419.9	429.0	446.3	466.7	464.1	496.7	535.1
11 Federally related mortgage pools	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
12 Monetary authority	233.3	241.4	272.5	300.4	271.8	282.6	285.2	300.4	303.6	318.2	324.2
13 Commercial banking	2,647.4	2,772.5	2,856.8	2,951.6	2,864.5	2,887.6	2,928.2	2,951.6	2,960.9	3,003.2	3,040.2
14 U.S. commercial banks	2,371.9	2,466.7	2,506.0	2,575.7	2,517.3	2,525.2	2,560.0	2,575.7	2,594.6	2,633.8	2,674.7
15 Foreign banking offices	242.3	270.8	319.2	335.8	313.3	328.2	328.9	335.8	326.7	327.1	322.3
16 Bank holding companies	16.2	13.4	11.9	17.5	13.6	13.1	17.5	17.5	16.4	18.4	18.6
17 Banks in U.S. affiliated areas	17.1	21.6	19.7	22.5	20.2	21.0	21.8	22.5	23.3	23.9	24.5
18 Private nonbank finance	5,491.9	5,747.4	6,096.7	6,457.1[r]	6,178.6[r]	6,255.4[r]	6,415.3[r]	6,457.1[r]	6,567.7[r]	6,707.8	6,856.4
19 Thrift institutions	1,475.4	1,324.6	1,197.3	1,140.9	1,171.7[r]	1,153.8[r]	1,144.9[r]	1,140.9	1,130.0[r]	1,129.8	1,134.4
20 Insurance	2,320.7	2,473.7	2,708.0	2,874.9[r]	2,737.2[r]	2,789.3[r]	2,854.5[r]	2,874.9[r]	2,943.9[r]	2,992.3	3,057.5
21 Life insurance companies	1,022.0	1,116.5	1,199.6	1,282.0	1,222.3	1,243.6	1,264.7	1,282.0	1,317.3	1,349.5	1,378.6
22 Other insurance companies	317.5	344.0	376.3	389.0	383.5	387.6	386.9	389.0	391.2	393.8	396.0
23 Private pension funds	590.2	607.4	692.7	719.0[r]	684.7[r]	703.3[r]	728.2[r]	719.0[r]	748.5[r]	751.3	774.3
24 State and local government retirement funds	390.9	405.9	439.4	484.9[r]	446.6[r]	454.8[r]	474.6[r]	484.9[r]	486.9[r]	497.7	508.7
25 Finance n.e.c.	1,695.9	1,949.1	2,191.5	2,441.2[r]	2,269.7[r]	2,312.3[r]	2,415.9[r]	2,441.2[r]	2,493.8[r]	2,585.7	2,664.4
26 Finance companies	468.6	497.0	484.9	486.6	479.5	480.5	477.8	486.6	473.7	473.5	472.0
27 Mortgage companies	22.6	14.6	25.9	26.1	31.7	22.1	29.3	26.1	20.9	28.8	28.3
28 Mutual funds	307.2	360.2	450.5	574.2	478.8	510.2	550.2	574.2	611.4	659.9	703.6
29 Closed-end funds	37.1	37.1	52.4	64.6	56.8	59.2	61.3	64.6	66.9	70.1	72.8
30 Money market funds	291.8	372.7	402.7	404.1	424.0	412.0	408.2	404.1	404.5	403.9	400.6
31 Real estate investment trusts (REITs)	8.4	7.7	6.8	7.4	6.8	7.5	7.4	7.4	8.1	8.3	8.6
32 Brokers and dealers	142.9	177.9	226.9	267.1	226.3	244.6	289.6	267.1	287.0	303.6	320.9
33 Asset-backed securities issuers (ABSs)	219.3	269.1	318.1	379.9[r]	334.5[r]	347.1[r]	365.1[r]	379.9[r]	390.4[r]	402.8	423.1
34 Bank personal trusts	198.0	212.9	223.3	231.2	231.3	229.2	226.9	231.2	231.0	234.6	234.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
35 **Total credit market debt**	**12,678.2**	**13,536.5**	**14,169.3**	**15,002.7[r]**	**14,337.4[r]**	**14,547.1[r]**	**14,782.8[r]**	**15,002.7[r]**	**15,123.8[r]**	**15,330.1**	**15,589.3**
Other liabilities											
36 Official foreign exchange	53.6	61.3	55.4	51.8	52.7	54.4	55.4	51.8	54.5	53.9	55.6
37 Treasury currency and special drawing rights certificates	23.8	26.3	26.3	24.5	26.3	26.4	26.5	24.5	24.6	24.7	24.8
38 Life insurance reserves	354.3	380.0	405.7	433.0[r]	412.1[r]	416.0[r]	426.4[r]	433.0[r]	446.4[r]	456.2	471.1
39 Pension fund reserves	3,356.1	3,400.3	4,056.5	4,357.8[r]	4,052.5[r]	4,115.0[r]	4,250.0[r]	4,357.8[r]	4,492.2[r]	4,555.3	4,701.7
40 Interbank claims	32.4	64.0	65.2	113.1[r]	63.0	68.5	100.7[r]	113.1[r]	109.5[r]	116.8	127.7
41 Deposits at financial institutions	4,736.7	4,836.8	4,885.2	4,892.1	4,878.6	4,870.6	4,909.3	4,892.1	4,887.8[r]	4,930.0	4,926.1
42 Checkable deposits and currency	888.6	932.8	1,008.5	1,131.0	984.3	1,032.9	1,072.0	1,131.0	1,092.2	1,169.1	1,182.6
43 Small time and savings deposits	2,277.4	2,336.3	2,353.0	2,292.2	2,351.3	2,325.8	2,303.7	2,292.2	2,262.0[r]	2,242.2	2,223.1
44 Large time deposits	603.4	537.7	476.9	397.2	459.2	427.5	418.4	397.2	398.3	389.9	379.7
45 Money market fund shares	428.1	498.4	539.6	543.6	572.0	556.9	552.9	543.6	556.6	549.8	547.9
46 Security repurchase agreements	396.5	372.3	355.8	389.4	367.0	393.5	417.6	389.4	443.5	448.4	470.9
47 Foreign deposits	142.8	159.4	151.3	138.8	144.7	133.9	144.6	138.8	135.3[r]	130.5	121.9
48 Mutual fund shares	566.2	602.1	813.9	1,042.1	860.4	924.4	965.6	1,042.1	1,134.6	1,225.8	1,342.4
49 Security credit	133.9	137.4	188.9	217.3	194.6	193.3	214.5	217.3	225.1	234.7	254.5
50 Trade debt	904.2	936.4	926.7	978.1[r]	934.0[r]	945.5[r]	965.1[r]	978.1[r]	975.8[r]	984.5	1,002.8
51 Taxes payable	81.8	77.4	68.9	76.8[r]	73.2[r]	70.7	74.6[r]	76.8[r]	81.0[r]	77.2	80.7
52 Investment in bank personal trusts	503.2	509.9	596.7	619.1	612.9	612.7	610.9	619.1	625.0	635.6	643.6
53 Miscellaneous	2,591.1	2,732.4	2,884.3	3,053.7[r]	2,900.1[r]	2,958.0[r]	3,026.7[r]	3,053.7[r]	3,074.7[r]	3,153.0	3,193.8
54 **Total liabilities**	**26,015.5**	**27,300.7**	**29,143.0**	**30,862.1[r]**	**29,397.8[r]**	**29,802.8[r]**	**30,408.2[r]**	**30,862.1[r]**	**31,255.0[r]**	**31,777.7**	**32,413.9**
Financial assets not included in liabilities (+)											
55 Gold and special drawing rights	21.0	22.0	22.3	19.6	22.0	22.7	23.2	19.6	19.8	20.0	20.3
56 Corporate equities	3,812.9	3,543.7	4,869.4	5,540.6	4,925.6	4,837.0	4,995.4	5,540.6	5,721.3	5,741.9	6,006.6
57 Household equity in noncorporate business	2,508.1	2,440.6	2,344.6	2,274.5[r]	2,355.6[r]	2,340.3[r]	2,320.3[r]	2,274.5[r]	2,259.2[r]	2,260.3	2,252.2
Floats not included in assets (−)											
58 U.S. government checkable deposits	6.1	15.0	3.8	6.8	.9	1.4	4.0	6.8	3.4	3.5	2.2
59 Other checkable deposits	26.5	28.9	30.9	32.5	29.5	32.6	23.3	32.5	27.2	29.6	21.7
60 Trade credit	−148.6	−146.0	−144.1	−128.5[r]	−146.7[r]	−155.6[r]	−149.6[r]	−128.5[r]	−138.1[r]	−148.1	−149.3
Liabilities not identified as assets (−)											
61 Treasury currency	−4.3	−4.1	−4.8	−4.9	−4.8	−4.9	−4.9	−4.9	−5.0	−5.0	−5.1
62 Interbank claims	−31.0	−32.0	−4.2	−9.3[r]	−1.8	−4.0	−5.0[r]	−9.3[r]	−5.6[r]	−5.7	−7.8
63 Security repurchase agreements	13.7	−17.7	−12.5	18.6	−4.8	19.6	33.1	18.6	71.8	79.5	101.6
64 Taxes payable	20.6	17.8	15.5	22.4[r]	7.3	13.1	18.2[r]	22.4[r]	12.2[r]	19.4	20.3
65 Miscellaneous	−210.7	−213.4	−254.6	−254.9[r]	−282.7[r]	−285.0[r]	−273.2[r]	−254.9[r]	−300.7[r]	−294.5	−329.7
66 **Total identified to sectors as assets**	**32,685.1**	**33,658.6**	**36,749.2**	**39,014.1[r]**	**37,104.1[r]**	**37,385.4[r]**	**38,101.2[r]**	**39,014.1[r]**	**39,590.2[r]**	**40,121.3**	**41,039.1**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.6 and L.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1991	1992[r]	1993	1993 June	1993 July	1993 Aug.	1993 Sept.[r]	1993 Oct.[r]	1993 Nov.[r]	1993 Dec.[r]	1994 Jan.	1994 Feb.
1 **Industrial production**[1]	**104.1**	**106.5**	**110.9[r]**	**110.4[r]**	**110.9[r]**	**111.1[r]**	**111.3**	**111.9**	**112.8**	**114.0**	**114.6**	**115.1**
Market groupings												
2 Products, total	103.2[r]	105.7[r]	110.2	109.6[r]	110.4[r]	110.4[r]	110.6	111.2	112.1	113.0	113.6	114.0
3 Final, total	105.3	108.0[r]	112.7[r]	112.1[r]	112.8[r]	112.7[r]	113.1	113.8	114.6	115.5	116.1	116.8
4 Consumer goods	102.8	105.7[r]	108.7[r]	108.1[r]	108.9[r]	108.6[r]	108.5	109.2	109.7	110.1	110.5	111.0
5 Equipment	108.9	111.2[r]	118.5[r]	118.0[r]	118.5[r]	118.6[r]	119.8	120.4	121.8	123.3	124.1	125.2
6 Intermediate	96.8[r]	99.0[r]	102.6[r]	101.8[r]	102.9[r]	103.3[r]	103.0	103.5	104.3	105.4	105.9	105.5
7 Materials	105.4[r]	107.7[r]	111.9[r]	111.7[r]	111.7[r]	112.1[r]	112.2	112.8	113.9	115.5	116.1	116.7
Industry groupings												
8 Manufacturing	103.7	106.8[r]	111.7[r]	111.2[r]	111.6	111.8[r]	112.1	112.9	114.0	115.4	115.6	116.3
9 Capacity utilization, manufacturing (percent)[2]	77.8	78.6[r]	80.6[r]	80.1[r]	80.3[r]	80.3[r]	80.4	80.8	81.5	82.3	82.3	82.6
10 Construction contracts[3]	89.7	97.7	99.4[r]	104.0	98.0	99.0	101.0	103.0	105.0	102.0	103.0	107.0
11 Nonagricultural employment, total[4]	106.2	106.4	108.1	108.0	108.2	108.2	108.4	108.5	108.8	109.0	109.0	109.2
12 Goods-producing, total	96.6	94.9	93.1	93.0	93.0	92.8	92.8	93.0	93.2	93.3	93.3	93.2
13 Manufacturing, total	97.1	95.8	93.7	93.5	93.5	93.3	93.2	93.2	93.4	93.4	93.5	93.6
14 Manufacturing, production workers	96.0[r]	94.5[r]	93.7	93.5	93.5	93.2	93.2	93.3	93.6	93.7	94.0	94.2
15 Service-producing	109.4[r]	110.5[r]	112.8	112.8	113.1	113.1	113.4	113.5	113.7	114.0	114.0	114.3
16 Personal income, total	127.6	135.3	141.7	141.3	141.1	142.9	143.1	144.2	145.0	146.0	145.6	n.a.
17 Wages and salary disbursements	124.5	131.5	136.2	136.5	137.2	138.2	138.0	138.8	139.2	139.8	141.3	n.a.
18 Manufacturing	113.7	117.8	117.8	118.0	118.2	118.6	119.1	119.1	119.9	120.7	120.7	n.a.
19 Disposable personal income[5]	128.6	136.8	143.1	142.6	142.3	144.1	144.4	145.5	146.4	147.3	146.6	n.a.
20 Retail sales[6]	121.1[r]	126.9[r]	135.2[r]	134.4[r]	135.0[r]	136.0[r]	136.0	138.7	139.6	141.1	139.1	141.2
Prices[7]												
21 Consumer (1982–84=100)	136.2	140.3	144.5	144.4	144.4	144.8	145.1	145.7	145.8	145.8	146.2	146.7
22 Producer finished goods (1982=100)	121.7	123.2	124.7	125.5	125.3	124.2	123.8	124.6	124.4	124.1	124.4	124.8

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F.W. Dodge Division.
4. Based on data from 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 from U.S. Department of Commerce, *Survey of Current Business*.
7. 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, 5,and 6, and indexes for series mentioned in notes 3 and 7 can also be found in the *Survey of Current Business*.

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35. See also "Industrial Production Capacity and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79, (June 1993), pp. 590–605.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted except as noted

Category	1991[r]	1992[r]	1993[r]	1993[r] July	1993[r] Aug.	1993[r] Sept.	1993[r] Oct.	1993[r] Nov.	1993[r] Dec.	1994 Jan.	1994 Feb.
HOUSEHOLD SURVEY DATA[1]											
1 Civilian labor force[1]	125,303	126,982	128,040	128,102	128,334	128,108	128,580	128,662	128,898	130,667	130,776
Employment											
2 Nonagricultural industries[3]	114,644	114,391	116,232	116,327	116,687	116,475	116,920	117,218	117,565	118,639	118,867
3 Agriculture	3,233	3,207	3,074	3,043	3,005	3,093	3,021	3,114	3,096	3,331	3,391
Unemployment											
4 Number	8,426	9,384	8,734	8,732	8,642	8,540	8,639	8,330	8,237	8,696	8,518
5 Rate (percent of civilian labor force)	6.7	7.4	6.8	6.8	6.7	6.7	6.7	6.5	6.4	6.7	6.5
ESTABLISHMENT SURVEY DATA											
6 **Nonagricultural payroll employment**[4]	**108,256**	**108,519**	**110,171**	**110,338**	**110,305**	**110,502**	**110,664**	**110,880**	**111,110**	**111,108**	**111,325**
7 Manufacturing	18,455	18,192	17,804	17,760	17,718	17,698	17,709	17,735	17,738	17,768	17,780
8 Mining	689	631	599	595	592	596	596	595	605	602	602
9 Contract construction	4,650	4,471	4,571	4,593	4,593	4,592	4,629	4,664	4,665	4,645	4,623
10 Transportation and public utilities	5,762	5,709	5,710	5,709	5,690	5,692	5,693	5,700	5,697	5,705	5,717
11 Trade	25,365	25,391	25,849	25,916	25,902	25,953	25,968	25,982	26,082	26,097	26,169
12 Finance	6,646	6,571	6,605	6,604	6,602	6,616	6,632	6,651	6,660	6,666	6,681
13 Service	28,336	29,053	30,193	30,320	30,381	30,433	30,534	30,649	30,709	30,688	30,809
14 Government	18,402	18,653	18,841	18,841	18,827	18,922	18,903	18,904	18,954	18,937	18,944

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

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

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1993[r]				1993[r]				1993[r]			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)[2]			
1 **Total industry**	**109.7**	**110.3**	**111.1**	**112.9**	**135.3**	**135.9**	**136.5**	**137.2**	**81.1**	**81.2**	**81.4**	**82.3**
2 Manufacturing	110.3	111.2	111.8	114.1	137.7	138.4	139.2	140.0	80.1	80.3	80.3	81.5
3 Primary processing[3]	106.1	107.0	107.7	109.9	127.6	127.9	128.3	128.6	83.1	83.6	83.9	85.5
4 Advanced processing[4]	112.3	113.2	113.8	116.1	142.5	143.4	144.4	145.4	78.8	78.9	78.8	79.9
5 Durable goods	112.0	113.2	114.2	118.1	143.5	144.5	145.4	146.3	78.1	78.4	78.5	80.7
6 Lumber and products	99.8	98.0	100.8	105.1	114.6	114.8	115.0	115.2	87.1	85.4	87.6	91.2
7 Primary metals	105.1	105.2	106.7	109.6	123.7	123.3	123.0	122.6	85.0	85.3	86.8	89.4
8 Iron and steel	109.3	109.7	112.3	115.5	128.0	127.4	126.9	126.3	85.4	86.1	88.6	91.5
9 Nonferrous	99.4	99.0	98.9	101.4	117.7	117.6	117.6	117.6	84.4	84.1	84.1	86.2
10 Nonelectrical machinery	134.8	141.7	147.2	152.7	170.6	173.1	175.7	178.2	79.0	81.8	83.8	85.7
11 Electrical machinery	122.8	125.9	129.7	132.6	151.8	153.8	155.7	157.7	80.9	81.9	83.2	84.0
12 Motor vehicles and parts	121.7	118.1	112.0	131.7	152.1	153.4	154.8	156.1	80.0	76.9	72.3	84.4
13 Aerospace and miscellaneous transportation equipment	92.7	90.3	87.4	85.3	134.1	133.7	133.2	132.8	69.1	67.6	65.6	64.2
14 Nondurable goods	108.1	108.7	108.9	109.1	130.5	131.0	131.6	132.1	82.8	83.0	82.8	82.6
15 Textile mill products	107.2	108.4	108.0	107.6	118.3	118.8	119.4	119.9	90.6	91.3	90.5	89.7
16 Paper and products	110.5	113.2	111.7	114.3	123.8	124.3	124.8	125.3	89.2	91.1	89.6	91.3
17 Chemicals and products	116.2	117.7	118.6	118.6	144.3	145.1	145.9	146.8	80.5	81.2	81.2	80.8
18 Plastics materials	111.5	112.8	111.5	113.9	129.2	130.1	131.1	132.0	86.3	86.7	85.1	86.3
19 Petroleum products	103.9	104.0	104.0	107.6	115.9	115.8	115.7	115.6	89.6	89.8	89.9	93.1
20 Mining	97.4	97.5	96.8	97.4	111.7	111.4	111.1	110.8	87.2	87.5	87.1	87.9
21 Utilities	116.0	114.1	117.5	115.8	133.3	133.6	134.0	134.3	87.0	85.4	87.8	86.2
22 Electric	115.2	114.8	118.0	114.8	130.4	130.8	131.2	131.7	88.4	87.7	89.9	87.2

Series	1973	1975	Previous cycle[2]		Latest cycle[3]		1993	1993				1994	
	High	Low	High	Low	High	Low	Feb.	Sept.	Oct.	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[p]
	Capacity utilization rate (percent)[2]												
1 **Total industry**	**99.0**	**82.7**	**87.3**	**71.8**	**84.8**	**78.3**	**81.2**	**81.4[r]**	**81.7[r]**	**82.2**	**83.0**	**83.3**	**83.4**
2 Manufacturing	99.0	82.7	87.3	70.0	85.1	76.6	80.2	80.4[r]	80.8[r]	81.5	82.3	82.3	82.6
3 Primary processing[3]	99.0	82.7	89.7	66.8	89.1	77.9	83.4	83.9[r]	84.4[r]	85.5	86.4	86.0	86.1
4 Advanced processing[4]	99.0	82.7	86.3	71.4	83.3	76.1	78.8	78.9[r]	79.3[r]	79.8	80.5	80.7	81.1
5 Durable goods	99.0	82.7	86.9	65.0	83.9	73.8	78.1	79.0[r]	79.6[r]	80.6	81.9	82.1	82.6
6 Lumber and products	99.0	82.7	87.6	60.9	93.3	76.8	88.4	88.4[r]	90.9[r]	91.0	91.7	91.4	90.4
7 Primary metals	99.0	82.7	102.4	46.8	92.9	74.3	86.6	87.3[r]	86.5[r]	89.5	92.1	90.6	91.0
8 Iron and steel	99.0	82.7	110.4	38.3	95.7	72.3	87.0	88.7[r]	89.6[r]	90.6	94.3	91.0	91.7
9 Nonferrous	99.0	82.7	90.5	62.2	88.9	75.9	86.1	85.3[r]	81.8[r]	88.0	88.8	90.0	89.8
10 Nonelectrical machinery	99.0	82.7	92.1	64.9	83.7	73.0	78.6	84.1[r]	84.7[r]	85.3	87.0	87.5	87.9
11 Electrical machinery	99.0	82.7	89.4	71.1	84.9	76.8	81.0	83.7[r]	83.6[r]	83.7	84.7	84.9	85.1
12 Motor vehicles and parts	99.0	82.7	93.0	44.5	84.5	57.9	80.1	74.2[r]	79.7[r]	84.8	88.5	90.0	94.5
13 Aerospace and miscellaneous transportation equipment	99.0	82.7	81.1	66.9	88.3	78.1	69.4	65.1[r]	64.3[r]	64.5	63.9	63.0	62.4
14 Nondurable goods	99.0	82.7	87.0	76.9	86.8	80.4	82.9	82.4[r]	82.5[r]	82.6	82.8	82.6	82.6
15 Textile mill products	99.0	82.7	91.7	73.8	92.1	78.7	90.6	89.2[r]	90.0[r]	90.0	89.1	89.3	88.6
16 Paper and products	99.0	82.7	94.2	82.0	94.9	86.0	89.3	89.2[r]	90.1[r]	91.4	92.3	90.5	92.3
17 Chemicals and products	99.0	82.7	85.1	70.1	85.9	78.5	80.0	80.9[r]	80.4	81.0	81.1	81.3	80.8
18 Plastics materials	99.0	82.7	90.9	63.4	97.0	75.5	85.6	84.6[r]	84.4[r]	85.2	89.2	...	...
19 Petroleum products	99.0	82.7	89.5	68.2	88.5	84.2	89.8	91.0[r]	93.6	93.3	92.3	92.5	92.6
20 Mining	99.0	82.7	96.6	80.6	87.0	86.8	86.9	87.7[r]	88.4	87.5	87.8	88.6	89.4
21 Utilities	99.0	82.7	88.3	76.2	92.6	83.4	88.1	86.7	85.6[r]	86.4	86.7	89.7	88.4
22 Electric	99.0	82.7	88.3	78.7	94.8	87.4	89.4	88.1[r]	86.5[r]	87.5	87.6	90.3	89.0

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35. See also "Industrial Production Capacity and Capacity Utilization Since 1987," *Federal Reserve Bulletin*, vol. 79, (June 1993), pp. 590–605.
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; petroleum refining; rubber and plastics; stone, clay, and glass; and primary and fabricated metals.
4. Advanced processing includes food, tobacco, apparel, furniture, printing, chemical products such as drugs and toiletries, leather and products, machinery, transportation equipment, instruments, miscellaneous manufacturing, and ordnance.
5. Monthly highs, 1978 through 1980; monthly lows, 1982.
6. Monthly highs, 1988–89; monthly lows, 1990–91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1987 pro-portion	1993 avg.	1992 Dec.	1993 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
			Index (1987 = 100)												
Major Markets															
1 **Total index**	**100.0**	**111.0**	**108.9**	**109.3**	**109.9**	**110.1**	**110.4**	**110.2**	**110.5**	**110.8**	**111.0**	**111.4**	**112.1**	**113.2**	**114.0**
2 Products	60.8	110.2	108.2	108.5	109.2	109.5	109.6	109.3	109.4	110.0	110.3	110.5	111.4	112.4	113.0
3 Final products	46.0	113.5	111.5	111.9	112.4	112.7	112.8	112.5	112.7	113.2	113.5	113.8	114.8	115.9	116.6
4 Consumer goods, total	26.0	108.1	107.5	107.6	108.5	108.6	108.1	107.3	107.3	107.7	107.8	107.4	108.6	109.6	109.8
5 Durable consumer goods	5.6	111.3	107.9	110.9	111.3	111.5	112.2	110.8	107.9	108.6	107.9	109.3	113.4	117.0	118.6
6 Automotive products	2.5	110.6	108.7	112.7	111.9	111.2	112.1	109.7	105.3	103.3	103.0	105.6	112.9	119.5	123.4
7 Autos and trucks	1.5	112.2	111.7	116.8	114.6	113.4	114.3	110.1	105.0	100.3	99.2	104.1	114.9	124.9	131.5
8 Autos, consumer	.9	86.1	86.9	86.6	90.2	90.5	90.2	86.5	83.5	78.2	71.8	75.4	85.2	95.4	98.8
9 Trucks, consumer	.6	157.3	154.6	169.1	156.9	153.1	155.9	150.9	142.3	138.6	146.7	153.9	166.4	176.0	188.0
10 Auto parts and allied goods	1.0	108.0	103.8	105.8	107.4	107.5	108.5	109.1	105.8	108.4	109.3	108.1	109.5	110.4	109.9
11 Other	3.1	111.9	107.2	109.3	110.7	111.7	112.3	111.8	110.2	113.2	112.2	112.5	113.8	114.9	114.4
12 Appliances, A/C, and TV	.8	122.9	110.5	116.0	117.6	125.0	124.3	121.1	116.1	127.3	123.8	125.9	129.6	131.9	128.5
13 Carpeting and furniture	.9	107.8	105.4	105.5	106.7	104.5	106.2	108.9	109.1	109.9	108.3	107.3	109.0	108.6	109.4
14 Miscellaneous home goods	1.4	108.3	106.6	108.0	109.5	108.9	109.6	108.4	107.6	107.4	108.1	108.2	108.0	109.3	109.6
15 Nondurable consumer goods	20.4	107.2	107.4	106.7	107.7	107.7	106.9	106.3	107.2	107.4	107.8	106.9	107.3	107.4	107.2
16 Foods and tobacco	9.1	104.5	104.8	104.6	105.5	104.3	103.9	104.3	104.7	104.9	105.5	104.2	104.8	104.5	104.4
17 Clothing	2.6	93.7	96.0	95.7	95.0	94.6	94.9	94.2	94.6	93.6	93.3	92.6	92.6	92.9	92.5
18 Chemical products	3.5	123.3	121.7	122.4	121.1	123.7	123.1	122.6	123.0	124.0	123.8	124.0	123.0	124.2	124.3
19 Paper products	2.5	100.9	100.9	100.2	101.8	102.1	101.7	101.8	102.6	101.3	100.8	100.8	101.3	100.6	99.4
20 Energy	2.7	114.0	114.4	109.5	115.5	116.0	111.5	107.4	110.4	112.9	114.7	112.9	114.6	115.4	115.7
21 Fuels	.7	108.3	106.1	106.5	108.9	107.1	106.6	106.5	105.8	105.0	104.0	108.2	113.1	114.6	112.0
22 Residential utilities	2.0	116.2	117.5	110.7	118.0	119.5	113.4	107.7	112.2	116.0	118.9	114.7	115.1	115.7	117.1
23 Equipment	20.0	121.2	117.2	118.1	118.0	118.7	119.7	119.9	120.4	121.2	121.6	122.9	123.8	125.2	126.6
24 Business equipment	13.9	137.0	129.6	131.2	131.7	133.4	134.8	135.4	136.1	137.1	137.6	139.4	140.8	142.9	144.9
25 Information processing and related	5.6	156.2	143.2	144.4	146.1	149.1	150.6	153.5	155.7	158.2	158.8	161.5	162.3	164.9	168.2
26 Office and computing	1.9	223.6	186.4	192.0	198.0	203.3	209.5	216.5	221.0	226.5	232.0	237.1	241.8	247.9	255.0
27 Industrial	4.0	115.8	112.3	113.1	112.2	113.7	115.0	115.0	115.6	117.2	117.3	117.8	117.6	118.5	119.5
28 Transit	2.5	141.2	144.1	146.7	146.5	145.0	145.0	142.5	138.0	133.2	132.5	135.3	141.3	145.7	147.7
29 Autos and trucks	1.2	134.5	131.4	136.7	136.8	135.8	136.2	133.1	127.2	118.9	119.6	126.5	139.6	150.5	154.9
30 Other	1.9	119.1	109.2	112.6	113.4	114.9	117.5	116.2	117.6	119.6	121.9	123.1	124.5	125.0	125.5
31 Defense and space equipment	5.4	78.7	82.5	82.0	81.5	80.7	80.5	79.5	78.6	78.6	78.0	77.5	76.9	76.6	76.1
32 Oil and gas well drilling	.6	82.5	91.2	89.0	77.9	71.1	72.4	75.1	82.4	81.0	87.8	90.5	88.9	85.7	85.0
33 Manufactured homes	.2	...	128.6	129.4	127.1	116.2	114.9	112.1	113.6	118.5	116.2	120.6	127.7	138.4	...
34 Intermediate products, total	14.7	100.1	98.3	98.2	99.3	99.6	100.0	99.7	99.4	100.4	100.6	100.4	101.0	101.8	101.9
35 Construction supplies	6.0	98.1	94.5	94.8	97.5	96.4	96.4	97.7	96.8	98.4	98.7	99.3	99.9	100.7	101.3
36 Business supplies	8.7	101.5	100.8	100.5	100.5	101.8	102.5	101.0	101.1	101.7	101.8	101.2	101.6	102.5	102.2
37 Materials	39.2	112.2	110.0	110.4	110.9	110.9	111.5	111.6	112.1	112.0	112.2	112.7	113.2	114.3	115.5
38 Durable goods materials	19.4	116.0	111.9	113.3	114.2	114.1	114.9	114.8	114.9	115.4	115.8	117.2	118.2	119.7	121.7
39 Durable consumer parts	4.2	112.7	107.5	110.8	111.8	112.2	112.6	111.6	110.2	109.8	110.3	112.0	114.2	118.6	123.6
40 Equipment parts	7.3	125.1	119.7	120.4	121.0	121.3	122.7	123.5	124.1	124.9	126.2	128.0	129.2	129.6	131.5
41 Other	7.9	109.9	107.5	108.6	109.7	108.9	109.5	109.2	109.4	110.2	109.7	110.6	110.8	111.9	112.8
42 Basic metal materials	2.8	111.4	108.8	110.4	113.2	109.9	110.3	111.1	111.3	111.3	109.7	110.8	112.2	112.8	114.3
43 Nondurable goods materials	9.0	114.0	111.5	112.4	112.1	112.8	113.8	114.1	114.8	114.2	115.2	113.8	114.4	115.5	115.3
44 Textile materials	1.2	104.0	102.9	104.2	103.2	104.2	102.7	104.3	104.9	105.9	105.6	102.9	103.9	104.1	104.2
45 Pulp and paper materials	1.9	113.3	110.7	110.7	111.9	112.8	115.3	114.1	115.9	113.4	113.5	112.6	112.1	114.2	113.1
46 Chemical materials	3.8	117.5	114.6	114.9	114.6	115.6	116.1	117.2	118.6	117.3	119.5	117.9	118.0	119.1	119.8
47 Other	2.1	113.8	111.3	114.1	112.5	112.6	114.2	113.6	112.3	114.0	114.2	113.3	115.8	116.7	115.6
48 Energy materials	10.9	103.5	105.1	103.4	103.8	103.5	103.4	103.4	104.6	103.7	102.8	103.3	102.9	103.0	103.9
49 Primary energy	7.2	98.8	101.3	100.4	98.3	97.4	99.9	101.6	100.9	98.2	96.7	98.7	97.9	97.6	98.5
50 Converted fuel materials	3.7	112.6	112.4	109.1	114.6	115.4	110.3	106.8	111.7	114.5	114.9	112.4	112.7	113.8	114.4
Special Aggregates															
51 Total excluding autos and trucks	97.3	110.7	108.6	108.9	109.5	109.7	110.1	110.0	110.4	110.9	111.1	111.3	111.8	112.6	113.2
52 Total excluding motor vehicles and parts	95.3	110.5	108.6	108.7	109.3	109.6	109.9	109.8	110.3	110.9	111.1	111.2	111.5	112.2	112.7
53 Total excluding office and computing machines	97.5	108.3	107.1	107.3	107.8	107.8	108.0	107.7	107.8	108.1	108.1	108.4	109.0	110.0	110.6
54 Consumer goods excluding autos and trucks	24.5	107.8	107.3	107.0	108.1	108.2	107.6	107.1	107.5	108.2	108.4	107.7	108.2	108.5	108.2
55 Consumer goods excluding energy	23.3	107.5	106.8	107.4	107.7	107.7	107.6	107.3	107.0	107.1	107.0	106.8	108.0	108.9	109.1
56 Business equipment excluding autos and trucks	12.7	137.2	129.5	130.7	131.3	133.2	134.6	135.6	136.8	138.7	139.1	140.6	140.9	142.2	144.1
57 Business equipment excluding office and computing equipment	12.0	122.4	120.1	121.0	120.6	121.6	122.2	121.8	121.8	122.1	121.7	123.0	123.8	125.2	126.4
58 Materials excluding energy	28.4	115.4	111.8	113.0	113.6	113.7	114.6	114.6	114.9	115.1	115.6	116.1	117.0	118.4	119.8

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

Group	SIC code[2]	1987 proportion	1993 avg.	1992 Dec.	1993 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
				Index (1987 = 100)												
Major Industries																
59 **Total index**	...	**100.0**	**111.0**	**108.9**	**109.3**	**109.9**	**110.1**	**110.4**	**110.2**	**110.5**	**110.8**	**111.0**	**111.4**	**112.1**	**113.2**	**114.0**
60 Manufacturing	...	84.3	111.9	109.2	109.9	110.5	110.8	111.4	111.3	111.3	111.6	111.9	112.3	113.2	114.5	115.3
61 Primary processing	...	27.1	107.5	105.0	105.8	106.9	106.4	107.1	107.1	107.5	107.6	108.0	107.6	108.2	109.5	109.9
62 Advanced processing	...	57.1	113.9	111.3	111.9	112.2	112.9	113.4	113.3	113.0	113.5	113.7	114.5	115.6	116.8	117.8
63 Durable goods	...	46.5	115.9	111.8	112.9	113.8	114.1	115.0	114.9	114.6	115.4	115.7	117.0	118.3	120.1	121.7
64 Lumber and products	24	2.1	100.0	98.0	99.3	101.8	98.0	98.1	97.4	96.5	99.1	99.9	100.7	104.0	104.2	104.6
65 Furniture and fixtures	25	1.5	109.4	103.9	105.2	106.0	107.3	108.8	108.4	109.5	111.1	111.1	111.3	111.4	111.5	110.9
66 Clay, glass, and stone products	32	2.4	100.5	98.0	97.0	98.9	98.6	99.8	99.6	100.5	100.8	100.9	102.4	101.4	102.9	103.0
67 Primary metals	33	3.3	105.5	102.4	102.8	108.0	104.2	104.4	104.2	105.7	105.3	106.2	106.0	105.0	107.1	109.1
68 Iron and steel	331,2	1.9	110.5	107.4	107.0	112.9	107.6	108.4	108.1	110.9	111.9	112.1	111.1	112.4	111.1	114.6
69 Raw steel	...	.1	...	104.6	103.4	105.9	102.0	102.6	105.1	106.8	108.2	106.2	105.3	106.7	106.8	...
70 Nonferrous	333–6,9	1.4	98.6	95.7	97.1	101.4	99.4	98.9	98.9	98.5	96.3	98.0	98.9	94.9	101.6	101.6
71 Fabricated metal products	34	5.4	100.9	97.8	99.8	99.7	100.3	101.4	100.6	100.1	101.2	101.0	100.9	101.6	102.7	103.3
72 Industrial and commercial machinery and computer equipment	35	8.5	146.8	133.8	135.0	136.7	139.6	142.8	144.2	145.4	148.5	149.9	152.1	153.7	156.2	158.8
73 Office and computing machines	357	2.3	223.6	186.4	192.0	198.0	203.3	209.5	216.5	221.0	226.5	232.0	237.1	241.8	247.9	255.0
74 Electrical machinery	36	6.9	131.7	124.8	125.8	127.1	128.5	129.0	129.7	130.1	132.3	133.5	135.2	136.0	137.2	138.7
75 Transportation equipment	37	9.9	105.6	106.3	108.4	107.8	106.9	106.9	105.5	102.6	100.8	100.4	102.4	106.3	110.0	112.7
76 Motor vehicles and parts	371	4.8	120.1	116.2	120.9	120.7	120.1	120.4	118.1	114.3	110.1	110.0	115.0	124.1	132.3	138.8
77 Autos and light trucks	...	2.2	114.9	114.4	118.2	117.8	116.9	117.5	113.1	108.2	102.8	104.0	104.8	116.3	127.3	133.5
78 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	92.0	97.1	96.7	95.8	94.6	94.2	93.7	91.8	92.0	91.3	90.5	89.5	89.0	88.2
79 Instruments	38	5.1	102.2	103.3	103.0	102.2	103.3	102.6	102.5	102.5	102.8	101.3	102.0	101.7	101.5	102.1
80 Miscellaneous	39	1.3	113.1	111.8	110.9	111.9	112.6	114.3	113.1	112.1	112.3	112.5	114.3	113.7	114.3	115.1
81 Nondurable goods	...	37.8	106.8	106.0	106.4	106.4	106.6	106.9	106.9	107.2	107.0	107.3	106.5	107.0	107.6	107.4
82 Foods	20	8.8	106.9	106.2	105.9	106.9	106.7	106.7	106.7	107.1	107.2	107.8	107.3	107.8	107.2	107.0
83 Tobacco products	21	1.0	91.1	96.1	100.5	99.3	92.4	90.2	92.1	89.1	91.5	92.7	85.8	88.2	89.1	88.7
84 Textile mill products	22	1.8	106.3	106.0	106.9	106.2	105.4	104.2	106.9	107.1	107.7	107.4	105.4	106.6	106.3	106.8
85 Apparel products	23	2.3	90.8	92.7	93.1	92.5	92.1	92.0	91.2	91.1	90.7	90.6	89.6	89.4	90.0	89.7
86 Paper and products	26	3.6	112.0	108.3	108.6	110.4	111.1	113.1	112.1	114.2	112.0	113.1	111.2	111.8	113.8	112.8
87 Printing and publishing	27	6.5	94.1	94.7	94.7	94.0	94.7	95.6	94.7	94.5	93.8	93.4	93.8	94.3	94.4	93.3
88 Chemicals and products	28	8.8	118.3	116.7	116.8	116.2	117.6	117.8	118.1	119.1	118.7	119.1	118.5	118.1	119.6	120.0
89 Petroleum products	29	1.3	104.8	103.4	103.2	104.7	104.7	104.3	103.6	103.9	102.5	102.4	104.3	107.9	108.2	107.1
90 Rubber and plastic products	30	3.2	113.7	111.3	113.6	112.7	112.9	113.6	113.8	112.8	114.7	114.8	113.9	113.9	115.4	116.4
91 Leather and products	31	.3	98.1	96.7	97.1	99.0	99.1	100.1	98.2	97.0	96.8	97.0	98.2	99.1	99.3	99.4
92 Mining	...	8.0	97.0	98.2	98.3	95.9	95.3	96.4	97.3	98.0	96.4	95.5	97.7	98.2	97.4	97.9
93 Metal	10	.3	165.5	158.1	167.7	163.0	158.2	162.5	169.3	164.4	167.7	148.2	161.5	178.5	172.0	172.8
94 Coal	11,12	1.2	103.6	107.9	108.2	101.7	102.3	108.2	106.4	106.7	101.0	95.9	103.9	104.7	100.7	104.0
95 Oil and gas extraction	13	5.8	92.0	93.4	92.7	90.9	90.4	90.5	91.6	93.1	91.6	92.4	93.0	92.7	92.6	92.6
96 Stone and earth minerals	14	.7	93.9	92.6	93.8	95.2	93.4	92.3	94.0	91.7	93.2	94.7	95.0	94.3	95.9	94.5
97 Utilities	...	7.7	116.0	116.8	112.8	117.5	117.8	114.4	112.1	114.9	116.9	117.7	115.3	114.6	115.4	116.6
98 Electric	491,3PT	6.1	115.7	116.4	112.9	116.5	116.3	114.5	114.0	115.6	118.1	118.9	115.1	113.6	114.8	116.1
99 Gas	492,3PT	1.6	116.9	118.2	112.4	121.4	123.3	113.9	104.9	112.2	112.4	113.3	116.0	118.2	117.8	118.6
Special Aggregates																
100 Manufacturing excluding motor vehicles and parts	...	79.5	111.4	108.8	109.3	109.8	110.2	110.8	110.9	111.1	111.7	112.0	112.1	112.6	113.4	113.8
101 Manufacturing excluding office and computing machines	...	81.9	108.7	107.0	107.6	108.0	108.1	108.6	108.3	108.1	108.3	108.5	108.7	109.5	110.7	111.3
		Gross value (billions of 1987 dollars, annual rates)														
Major Markets																
102 **Products, total**	...	**1,707.0**	**1,890.0**	**1,857.5**	**1,864.9**	**1,880.2**	**1,880.3**	**1,882.8**	**1,872.6**	**1,873.2**	**1,877.4**	**1,879.3**	**1,887.2**	**1,914.3**	**1,938.2**	**1,947.2**
103 Final	...	1,314.6	1,492.5	1,466.8	1,476.4	1,485.7	1,484.3	1,485.6	1,477.9	1,477.5	1,479.0	1,480.5	1,489.1	1,513.4	1,534.3	1,542.1
104 Consumer goods	...	866.6	944.8	936.3	940.0	949.4	946.1	943.6	936.1	935.5	935.5	935.6	936.7	953.8	965.7	966.6
105 Equipment	...	448.0	547.6	530.5	536.5	536.3	538.2	541.9	541.8	541.9	543.4	544.9	552.4	559.6	568.7	575.5
106 Intermediate	...	392.5	397.6	390.7	388.4	394.5	396.0	397.3	394.7	395.7	398.4	398.8	398.1	401.0	403.9	405.1

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover.
A revision of the industrial production index and the capacity utilization rates was released in May 1993. See "Industrial Production, Capacity, and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79 (June 1993), pp. 590–605.
2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1991	1992	1993	1993 Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.[r]	Dec.	1994 Jan.
	Private residential real estate activity (thousands of units except as noted)												
NEW UNITS													
1 Permits authorized	949	1,095	1,206	1,101	1,121	1,115	1,162	1,242	1,271	1,304	1,374	1,476	1,358
2 One-family	754	911	998	925	919	925	977	1,015	1,047	1,097	1,145	1,198	1,115
3 Two-or-more-family	195	184	208	176	202	190	185	227	224	207	229	278	243
4 Started	1,014	1,200	1,288	1,232[r]	1,241[r]	1,238[r]	1,245[r]	1,319[r]	1,359[r]	1,409	1,406	1,612	1,258
5 One-family	840	1,030	1,126	1,082[r]	1,100[r]	1,067[r]	1,076[r]	1,178[r]	1,160[r]	1,231	1,248	1,383	1,110
6 Two-or-more-family	174	169	162	150[r]	141	171[r]	169[r]	141[r]	199[r]	178	158	229	148
7 Under construction at end of period[1]	606	612	681	637	646[r]	649	658	662	678	686	699	713	722
8 One-family	434	473	544	506	515	518[r]	526[r]	534	544[r]	551	564	575	582
9 Two-or-more-family	173	140	137	131	131[r]	131[r]	132[r]	128	134[r]	135	135	138	140
10 Completed	1,091	1,158	1,193	1,212[r]	1,137[r]	1,168[r]	1,097[r]	1,248[r]	1,172[r]	1,248	1,248	1,291	1,193
11 One-family	838	964	1,040	1,064[r]	992[r]	997[r]	955[r]	1,068[r]	1,041[r]	1,081	1,107	1,141	1,057
12 Two-or-more-family	253	194	153	148[r]	145[r]	171	142[r]	180[r]	131[r]	167	141	150	136
13 Mobile homes shipped	171	210	254	240[r]	235[r]	238[r]	246[r]	247[r]	254[r]	260	283	308	316
Merchant builder activity in one-family units													
14 Number sold	507	610	666	685[r]	635[r]	641	647	645[r]	738[r]	723	766	822	637
15 Number for sale at end of period[1]	284	266	296	271	273[r]	274	277[r]	286	288[r]	291	294	296	300
Price of units sold (thousands of dollars)[2]													
16 Median	120.0	121.3	126.1	127.0	129.9	124.5	123.9	126.6	129.4	125.0	130.0	125.0	126.5
17 Average	147.0	144.9	147.6	148.4	152.3	145.7	143.4	150.6	150.1[r]	146.9	152.5	145.8	154.4
EXISTING UNITS (one-family)													
18 Number sold	3,219	3,520	3,800	3,460[r]	3,610[r]	3,700[r]	3,850[r]	3,860[r]	3,990[r]	4,030	4,120	4,350	4,250
Price of units sold (thousands of dollars)[2]													
19 Median	99.7	103.6	106.5	105.5[r]	106.5	109.2[r]	108.4[r]	108.8[r]	107.2	106.6	107.1	107.4	107.9
20 Average	127.4	130.8	133.1	132.7[r]	132.6[r]	137.3[r]	135.8[r]	135.4[r]	133.6[r]	133.0	133.1	133.7	134.6
	Value of new construction (millions of dollars)[3]												
CONSTRUCTION													
21 Total put in place	**403,439**	**436,043**	**470,420**	**449,054**	**453,256**	**460,680**	**466,593**	**468,547**	**477,125**	**489,660**	**499,765**	**511,678**	**505,486**
22 Private	293,536	317,256	342,953	328,150	332,231	335,028	337,909	341,351	345,572	354,102	364,962	372,138	369,023
23 Residential	157,837	187,820	208,092	197,317	198,380	200,496	204,631	206,594	209,520	215,198	223,183	229,645	230,664
24 Nonresidential	135,699	129,436	134,861	130,833	133,851	134,532	133,278	134,757	136,052	138,904	141,779	142,493	138,359
25 Industrial buildings	22,281	20,720	20,654	19,458	20,091	19,316	19,799	20,126	21,346	21,311	22,216	21,974	22,180
26 Commercial buildings	48,482	41,523	43,145	42,426	42,428	42,723	41,524	42,342	42,225	44,405	46,008	48,157	46,158
27 Other buildings	20,797	21,494	23,405	22,568	23,293	23,849	23,817	25,047	24,487	24,737	24,036	24,243	23,820
28 Public utilities and other	44,139	45,699	47,657	46,381	48,039	48,644	48,138	47,242	47,994	48,451	49,519	48,119	46,201
29 Public	109,900	118,784	127,469	120,904	121,025	125,652	128,684	127,196	131,553	135,558	134,803	139,540	136,463
30 Military	1,837	2,502	2,493	2,533	2,393	2,234	2,493	2,583	2,492	2,550	2,369	2,468	2,972
31 Highway	32,026	34,929	37,299	34,534	34,320	37,649	37,376	35,148	39,147	40,551	41,539	41,458	42,817
32 Conservation and development	4,861	5,918	6,126	5,875	6,019	6,103	5,661	5,620	6,307	5,940	6,362	6,360	6,830
33 Other	71,176	75,435	81,551	77,962	78,293	79,666	83,154	83,845	83,607	86,517	84,533	89,254	83,844

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 17,000 jurisdictions beginning in 1984.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Feb. 1994[1]
	1993 Feb.	1994 Feb.	1993[r]				1993			1994[1]		
			Mar.	June	Sept.	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**3.2**	**2.5**	**3.1**	**2.5**	**2.0**	**3.3**	**.3[r]**	**.3[r]**	**.2**	**.0**	**.3**	**146.7**
2 Food	1.7	2.1	2.0	2.3	2.6	4.9	.5[r]	.2[r]	.5	−.1	−.3	142.9
3 Energy items	3.2	−.2	1.2	−3.8	−4.2	1.2	1.9	−.9[r]	−.7[r]	−.8	1.6	102.0
4 All items less food and energy	3.6	2.8	3.8	3.2	2.1	3.4	.3	.4[r]	.2[r]	.1	.3	155.0
5 Commodities	2.8	.8	3.0	.9	.0	2.4	.2[r]	.3[r]	.1[r]	.0	−.1	135.8
6 Services	4.0	3.7	4.1	4.1	3.5	3.7	.2[r]	.4[r]	.3[r]	.2	.4	166.0
PRODUCER PRICES (1982=100)												
7 Finished goods	2.0	.2	3.9	.0	−2.5	−.3	−.1[r]	.1[r]	−.1	.2	.5	124.8
8 Consumer foods	.9	1.8	.0	1.3	3.2	5.2	−.2[r]	.9[r]	.6[r]	−.3	−.4	126.7
9 Consumer energy	3.5	−2.6	14.1	−5.4	−7.4	−14.6	.8[r]	−2.1[r]	−2.6[r]	.8	2.8	74.9
10 Other consumer goods	2.2	−.5	2.9	.6	−6.4	1.2	−.2[r]	.4[r]	.1[r]	.3	.2	138.7
11 Capital equipment	1.9	1.8	4.1	.6	2.2	.9	−.4	.3[r]	.3	.6	.1	133.4
Intermediate materials												
12 Excluding foods and feeds	2.0	.6	4.2	.3	−1.0	−.7	.1[r]	.0[r]	−.3	.2	.4	116.6
13 Excluding energy	1.7	1.1	4.0	.0	1.0	1.6	.0	.2[r]	.2	.2	.0	124.8
Crude materials												
14 Foods	.0	6.4	1.9	−3.0	13.1	15.5	−1.4[r]	4.1[r]	1.0[r]	−.9	1.2	112.8
15 Energy	2.6	−13.7	−10.1	17.5	−28.1	−26.8	6.6[r]	−4.8[r]	−8.9	3.8	−6.4	66.9
16 Other	9.7	10.2	22.1	11.2	−4.5	19.6	1.3[r]	.9[r]	2.3[r]	1.6	2.0	151.4

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

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

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1991	1992	1993	1992	1993			
				Q4	Q1	Q2	Q3	Q4
GROSS DOMESTIC PRODUCT								
1 **Total**	**5,722.9**	**6,038.5**	**6,379.4**	**6,194.4**	**6,261.6**	**6,327.6**	**6,395.9**	**6,532.4**
By source								
2 Personal consumption expenditures	3,906.4	4,139.9	4,391.9	4,256.2	4,296.2	4,359.9	4,419.1	4,492.5
3 Durable goods	457.8	497.3	537.9	516.6	515.3	531.6	541.9	562.6
4 Nondurable goods	1,257.9	1,300.9	1,351.0	1,331.7	1,335.3	1,344.8	1,352.4	1,371.5
5 Services	2,190.7	2,341.6	2,503.0	2,407.9	2,445.5	2,483.4	2,524.8	2,558.4
6 Gross private domestic investment	736.9	796.5	892.8	833.3	874.1	874.1	884.0	939.0
7 Fixed investment	745.5	789.1	875.8	821.3	839.5	861.0	876.3	926.4
8 Nonresidential	555.9	565.5	623.4	579.5	594.7	619.1	624.9	655.0
9 Structures	182.6	172.6	178.9	171.1	172.4	177.6	179.1	186.5
10 Producers' durable equipment	373.3	392.9	444.5	408.3	422.2	441.6	445.8	468.5
11 Residential structures	189.6	223.6	252.4	241.8	244.9	241.9	251.3	271.4
12 Change in business inventories	−8.6	7.3	17.0	12.0	34.6	13.1	7.7	12.6
13 Nonfarm	−8.6	2.3	22.5	9.5	33.0	16.8	22.6	17.6
14 Net exports of goods and services	−19.6	−29.6	−63.2	−38.8	−48.3	−65.1	−71.9	−67.6
15 Exports	601.5	640.5	661.7	654.7	651.3	660.0	653.2	682.2
16 Imports	621.1	670.1	724.9	693.5	699.6	725.0	725.1	749.7
17 Government purchases of goods and services	1,099.3	1,131.8	1,157.9	1,143.8	1,139.7	1,158.6	1,164.8	1,168.5
18 Federal	445.9	448.8	443.6	452.4	442.7	447.5	443.6	440.5
19 State and local	653.4	683.0	714.3	691.4	697.0	711.1	721.2	728.0
By major type of product								
20 Final sales, total	5,731.6	6,031.2	6,362.4	6,182.5	6,227.1	6,314.5	6,388.2	6,519.8
21 Goods	2,227.0	2,305.5	2,407.3	2,365.6	2,362.9	2,395.0	2,401.7	2,469.4
22 Durable	934.3	975.8	1,036.8	1,008.3	1,003.5	1,037.8	1,032.9	1,073.1
23 Nondurable	1,292.8	1,329.6	1,370.4	1,357.3	1,359.3	1,357.1	1,368.8	1,396.3
24 Services	3,032.7	3,221.1	3,409.6	3,296.1	3,341.8	3,388.1	3,437.8	3,470.5
25 Structures	471.9	504.7	545.6	520.8	522.4	531.5	548.7	579.9
26 Change in business inventories	−8.6	7.3	17.0	12.0	34.6	13.1	7.7	12.6
27 Durable goods	−12.9	2.1	11.9	−1.2	15.0	2.7	14.8	15.0
28 Nondurable goods	4.3	5.3	5.1	13.2	19.5	10.4	−7.2	−2.4
MEMO								
29 **Total GDP in 1987 dollars**	**4,861.4**	**4,986.3**	**5,137.7**	**5,068.3**	**5,078.2**	**5,102.1**	**5,138.3**	**5,232.1**
NATIONAL INCOME								
30 **Total**	**4,598.3**	**4,836.6**	n.a.	**4,975.8**	**5,038.9**	**5,104.0**	**5,143.2**	n.a.
31 Compensation of employees	3,402.4	3,582.0	3,772.0	3,658.6	3,705.1	3,750.6	3,793.9	3,838.4
32 Wages and salaries	2,814.9	2,953.1	3,100.3	3,015.8	3,054.3	3,082.7	3,115.4	3,148.8
33 Government and government enterprises	545.3	567.5	589.7	574.2	584.1	586.3	592.8	595.5
34 Other	2,269.6	2,385.6	2,510.6	2,441.6	2,470.2	2,496.3	2,522.6	2,553.4
35 Supplement to wages and salaries	587.5	629.0	671.7	642.8	650.7	668.0	678.5	689.6
36 Employer contributions for social insurance	290.6	306.3	321.0	311.3	312.2	321.4	323.8	326.6
37 Other labor income	296.9	322.7	350.7	331.5	338.5	346.6	354.7	362.9
38 Proprietors' income[1]	376.4	414.3	443.2	431.2	444.1	439.4	422.5	467.0
39 Business and professional[1]	339.5	370.6	397.3	383.6	388.4	392.4	397.6	410.5
40 Farm[1]	36.8	43.7	46.0	47.6	55.7	47.0	24.8	56.4
41 Rental income of persons[2]	−12.8	−8.9	12.8	−1.2	7.5	12.7	13.7	17.4
42 Corporate profits[1]	369.5	407.2	n.a.	439.5	432.1	458.1	468.5	n.a.
43 Profits before tax[3]	362.3	395.4	n.a.	409.9	419.8	445.6	443.8	n.a.
44 Inventory valuation adjustment	4.9	−5.3	−7.2	4.9	−12.7	−12.2	1.0	−4.8
45 Capital consumption adjustment	2.2	17.1	24.3	24.7	25.1	24.7	23.8	23.9
46 Net interest	462.8	442.0	n.a.	447.7	450.1	443.2	444.6	n.a.

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

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1991	1992	1993	1992	1993			
				Q4	Q1	Q2	Q3	Q4
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,850.9**	**5,144.9**	**5,388.9**	**5,328.3**	**5,254.7**	**5,373.2**	**5,412.7**	**5,515.1**
2 Wage and salary disbursements	2,815.0	2,973.1	3,080.3	3,095.8	2,974.3	3,082.7	3,115.4	3,148.8
3 Commodity-producing industries	738.1	756.5	763.6	783.3	740.7	765.1	769.4	779.3
4 Manufacturing	557.2	577.6	577.3	602.0	559.7	580.3	581.5	587.7
5 Distributive industries	648.0	682.0	706.5	709.9	682.9	709.1	714.4	719.4
6 Service industries	883.5	967.0	1,020.6	1,028.4	966.6	1,022.2	1,038.8	1,054.7
7 Government and government enterprises	545.4	567.5	589.7	574.2	584.1	586.3	592.8	595.5
8 Other labor income	296.9	322.7	350.7	331.5	338.5	346.6	354.7	362.9
9 Proprietors' income[1]	376.4	414.3	443.2	431.2	444.1	439.4	422.5	467.0
10 Business and professional[1]	339.5	370.6	397.3	383.6	388.4	392.4	397.6	410.5
11 Farm[1]	36.8	43.7	46.0	47.6	55.7	47.0	24.8	56.4
12 Rental income of persons[2]	−12.8	−8.9	12.8	−1.2	7.5	12.7	13.7	17.4
13 Dividends	127.9	140.4	158.3	152.3	157.0	157.8	159.0	159.4
14 Personal interest income	715.6	694.3	695.8	694.5	695.4	693.1	695.7	699.2
15 Transfer payments	769.9	858.4	912.0	877.4	894.4	905.5	918.5	929.5
16 Old-age survivors, disability, and health insurance benefits	382.3	413.9	438.4	420.8	433.1	435.0	439.4	446.1
17 LESS: Personal contributions for social insurance	237.8	249.3	264.3	253.3	256.6	264.5	266.8	269.1
18 EQUALS: Personal income	4,850.9	5,144.9	5,388.9	5,328.3	5,254.7	5,373.2	5,412.7	5,515.1
19 LESS: Personal tax and nontax payments	620.4	644.8	681.6	670.7	657.1	681.0	689.0	699.1
20 EQUALS: Disposable personal income	4,230.5	4,500.2	4,707.4	4,657.6	4,597.5	4,692.2	4,723.7	4,816.0
21 LESS: Personal outlays	4,029.0	4,261.5	4,517.0	4,377.9	4,419.7	4,483.6	4,544.0	4,620.6
22 EQUALS: Personal saving	201.5	238.7	190.4	279.7	177.9	208.7	179.7	195.4
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,237.9	19,518.0	19,894.0	19,754.1	19,744.4	19,785.4	19,868.8	20,175.1
24 Personal consumption expenditures	12,895.2	13,080.9	13,373.3	13,240.9	13,234.2	13,311.6	13,416.2	13,529.3
25 Disposable personal income	13,965.0	14,219.0	14,329.0	14,490.0	14,163.0	14,326.0	14,341.0	14,504.0
26 Saving rate (percent)	4.8	5.3	4.0	6.0	3.9	4.4	3.8	4.1
GROSS SAVING								
27 **Gross saving**	**733.7**	**717.8**	n.a.	**718.8**	**762.0**	**766.7**	**774.3**	n.a.
28 Gross private saving	929.9	986.9	n.a.	969.4	1,024.8	988.3	988.7	n.a.
29 Personal saving	201.5	238.7	190.4	279.7	177.9	208.7	179.7	195.4
30 Undistributed corporate profits[1]	102.3	110.4	n.a.	121.7	103.7	116.3	129.3	n.a.
31 Corporate inventory valuation adjustment	4.9	−5.3	−7.2	4.9	−12.7	−12.2	1.0	−4.8
Capital consumption allowances								
32 Corporate	383.2	396.6	408.8	396.5	402.2	405.2	414.0	413.9
33 Noncorporate	242.8	261.3	262.3	251.5	261.0	258.1	265.7	264.5
34 Government surplus, or deficit (−), national income and product accounts	−196.2	−269.1	−224.7	−250.6	−262.8	−221.5	−214.4	n.a.
35 Federal	−203.4	−276.3	−226.4	−264.2	−263.5	−222.6	−212.7	n.a.
36 State and local	7.3	7.2	1.7	13.5	.8	1.1	−1.7	n.a.
37 **Gross investment**	**743.3**	**741.4**	n.a.	**750.9**	**796.5**	**778.7**	**787.6**	n.a.
38 Gross private domestic	736.9	796.5	892.8	833.3	874.1	874.1	884.0	939.0
39 Net foreign	6.4	−55.1	n.a.	−82.4	−77.6	−95.4	−96.4	n.a.
40 **Statistical discrepancy**	**9.6**	**23.6**	n.a.	**32.1**	**34.4**	**12.0**	**13.3**	n.a.

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

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

Item credits or debits	1990	1991	1992	1992		1993		
				Q3	Q4	Q1	Q2	Q3[p]
1 Balance on current account	−91,861	−8,324	−66,400	−17,775	−23,687	−22,308	−27,172	−27,986
2 Merchandise trade balance[2]	−109,033	−73,802	−96,138	−27,612	−25,962	−29,309	−34,384	−36,279
3 Merchandise exports	389,303	416,937	440,138	109,493	113,992	111,530	113,118	111,912
4 Merchandise imports	−498,336	−490,739	−536,276	−137,105	−139,954	−140,839	−147,502	−148,191
5 Military transactions, net	−7,834	−5,851	−2,751	−617	−836	−145	−226	−341
6 Other service transactions, net	38,485	51,733	59,163	15,898	14,265	14,769	14,685	14,448
7 Investment income, net	20,348	13,021	6,222	1,703	−806	−37	47	1,748
8 U.S. government grants	−17,434	24,073	−14,688	−2,783	−5,883	−3,242	−2,730	−2,970
9 U.S. government pensions and other transfers	−2,934	−3,461	−3,735	−940	−846	−978	−979	−976
10 Private remittances and other transfers	−13,459	−14,037	−14,473	−3,424	−3,619	−3,366	−3,585	−3,616
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	2,307	2,905	−1,609	−305	−737	535	−275	−86
12 Change in U.S. official reserve assets (increase, −)	−2,158	5,763	3,901	1,952	1,542	−983	822	−544
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−192	−177	2,316	−173	2,829	−140	−166	−118
15 Reserve position in International Monetary Fund	731	−367	−2,692	−118	−2,685	−228	313	−48
16 Foreign currencies	−2,697	6,307	4,277	2,243	1,398	−615	675	−378
17 Change in U.S. private assets abroad (increase, −)	−44,280	−68,643	−53,253	−12,445	−31,243	−11,910	−29,888	−43,331
18 Bank-reported claims[3]	16,027	3,278	24,948	6,584	−3,481	28,055	5,317	7,547
19 Nonbank-reported claims	−4,433	1,932	4,551	−3,214	1,132	−4,774	443	...
20 U.S. purchases of foreign securities, net	−28,765	−44,740	−47,961	−13,787	−17,405	−26,889	−24,098	−45,290
21 U.S. direct investments abroad, net	−27,109	−29,113	−34,791	−2,028	−11,489	−8,302	−11,550	−5,588
22 Change in foreign official assets in United States (increase, +)	34,198	17,564	40,684	−7,378	5,931	10,929	17,699	19,646
23 U.S. Treasury securities	29,576	14,846	18,454	−323	−7,379	1,039	5,668	18,808
24 Other U.S. government obligations	667	1,301	3,949	912	874	710	1,082	1,545
25 Other U.S. government liabilities[4]	2,156	1,541	2,542	864	943	−395	396	1,322
26 Other U.S. liabilities reported by U.S. banks[3]	3,385	−1,484	16,427	−7,831	11,219	8,171	9,454	−2,213
27 Other foreign official assets[5]	−1,586	1,359	−688	−1,000	274	1,404	1,099	184
28 Change in foreign private assets in United States (increase, +)	70,976	65,875	88,895	33,828	32,914	14,789	24,681	46,806
29 U.S. bank-reported liabilities[3]	16,370	−11,371	18,609	23,647	−1,171	−18,862	−1,381	23,525
30 U.S. nonbank-reported liabilities	7,533	−699	741	1,553	−2,717	2,057	1,361	...
31 Foreign private purchases of U.S. Treasury securities, net	−2,534	18,826	36,893	4,870	21,232	13,599	−623	3,995
32 Foreign purchases of other U.S. securities, net	1,592	35,144	30,274	2,730	12,478	9,394	15,025	17,411
33 Foreign direct investments in United States, net	48,015	23,975	2,378	1,028	3,092	8,601	10,299	1,875
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	30,820	−15,140	−12,218	2,123	15,280	8,948	14,133	5,495
36 Due to seasonal adjustment	...	...	...	−6,754	1,222	5,814	681	−7,605
37 Before seasonal adjustment	30,820	−15,140	−12,218	8,877	14,058	3,134	13,452	13,100
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, −)	−2,158	5,763	3,901	1,952	1,542	−983	822	−544
39 Foreign official assets in United States, excluding line 25 (increase, +)	32,042	16,022	38,142	−8,242	4,988	11,324	17,303	18,324
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	1,707	−4,882	5,857	3,051	2,336	463	−916	−3,043

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

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

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

Item	1991	1992	1993	1993						1994
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Goods and services, balance	−27,920	−39,727	−76,799	−6,891	−7,044	−8,183	−8,460	−7,455	−4,148	−6,298
2 Merchandise	−73,802	−96,138	−132,478	−11,757	−11,647	−12,568	−12,644	−11,351	−8,748	−11,028
3 Services	45,882	56,411	55,679	4,866	4,603	4,385	4,184	3,896	4,600	4,730
4 Goods and services, exports	581,197	619,848	643,558	52,399	52,731	53,660	54,957	54,735	57,250	54,488
5 Merchandise	416,937	440,138	456,766	36,577	37,224	38,134	39,371	39,451	41,469	38,734
6 Services	164,260	179,710	186,792	15,822	15,507	15,526	15,586	15,284	15,781	15,754
7 Goods and services, imports	609,117	659,575	720,358	59,290	59,775	61,843	63,417	62,190	61,398	60,786
8 Merchandise	490,739	536,276	589,244	48,334	48,871	50,702	52,015	50,802	50,217	49,762
9 Services	118,378	123,299	131,114	10,956	10,904	11,141	11,402	11,388	11,181	11,024
MEMO										
10 **Balance on merchandise trade, Census basis**	**−66,723**	**−84,501**	**−115,738**	**−10,425**	**−10,047**	**−10,621**	**−10,897**	**−9,679**	**−7,367**	**−9,849**

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	1990	1991	1992	1993					1994	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.[p]
1 **Total**	**83,316**	**77,719**	**71,323**	**75,231**	**75,835**	**74,550**	**74,042**	**73,442**	**74,243**	**75,766**
2 Gold stock, including Exchange Stabilization Fund[1]	11,058	11,057	11,056	11,057	11,057	11,056	11,054	11,053	11,053	11,053
3 Special drawing rights[2,3]	10,989	11,240	8,503	9,133	9,203	9,038	9,091	9,039	9,070	9,295
4 Reserve position in International Monetary Fund[2]	9,076	9,488	11,759	12,118	12,101	11,908	11,827	11,818	11,906	11,974
5 Foreign currencies[4]	52,193	45,934	40,005	42,923	43,474	42,548	42,070	41,532	42,214	43,444

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	1990	1991	1992	1993					1994	
				Aug.	Sept.	Oct.	Nov.	Dec.[r]	Jan.	Feb.[p]
1 Deposits	369	968	205	357	501	390	596	386	257	190
Held in custody										
2 U.S. Treasury securities[2]	278,499	281,107	314,481	356,671	358,860	358,975	373,864	379,394	388,065	393,238
3 Earmarked gold[3]	13,387	13,303	13,686	12,686	12,562	12,464	12,381	12,327	12,302	12,238

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

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1991	1992	1993						1994
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.p
1 **Total**[1]	**360,530**	**398,816**	**427,036r**	**436,969r**	**445,693r**	**444,107**	**457,129r**	**468,825**	**477,525**
By type									
2 Liabilities reported by banks in the United States[2]	38,396	54,967	67,461r	68,824r	70,220r	65,668	67,964r	69,633	77,363
3 U.S. Treasury bills and certificates[3]	92,692	104,596	128,837	136,488	139,638	140,525	144,865	150,900	146,940
U.S. Treasury bonds and notes									
4 Marketable	203,677	210,553	196,441	197,165	200,346	201,965	208,188r	211,825	216,209
5 Nonmarketable[4]	4,858	4,532	5,488	5,508	5,542	5,579	5,615	5,652	5,689
6 U.S. securities other than U.S. Treasury securities[5]	20,907	24,168	28,809	28,894	29,947	30,370	30,497	30,815	31,324
By area									
7 Europe[1]	171,317	191,708	188,981	191,890	198,254	193,676	208,790r	209,229	215,611
8 Canada	7,460	7,920	8,808	8,075	8,260	9,441	8,657	9,505	10,084
9 Latin America and Caribbean	33,554	40,025	53,802r	55,340r	54,704r	54,275	50,410	57,950	57,761
10 Asia	139,465	152,276	169,080	174,901	177,164	178,889	182,437r	185,289	187,337
11 Africa	2,092	3,565	2,844	3,109	3,888	3,665	3,650	3,894	3,681
12 Other countries[6]	6,640	3,320	3,519	3,652	3,421	4,159	3,183	2,956	3,049

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

SOURCE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

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

Millions of dollars, end of period

Item	1990	1991	1992	1993			
				Mar.	June	Sept.r	Dec.
1 Banks' liabilities	70,477	75,129	72,796	80,999	74,697	81,045	77,415
2 Banks' claims	66,796	73,195	62,799	64,057	55,161	59,116	60,221
3 Deposits	29,672	26,192	24,240	24,928	23,449	22,724	19,379
4 Other claims	37,124	47,003	38,559	39,129	31,712	36,392	40,842
5 Claims of banks' domestic customers[2]	6,309	3,398	4,432	2,625	3,234	2,640	3,145

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

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

Millions of dollars, end of period

Item	1991	1992	1993	1993						1994
				July	Aug.	Sept.	Oct.	Nov.[r]	Dec.	Jan.[p]
HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**756,066**	**810,259**	**895,430**	**821,788**	**846,626**	**862,147**	**867,083[r]**	**887,138**	**895,430**	**875,814**
2 Banks' own liabilities	575,374	606,444	620,393	589,281	606,529	614,608	608,979[r]	616,879	620,393	605,813
3 Demand deposits	20,321	21,828	21,572	21,818	21,503	25,445	22,035	25,462	21,572	23,525
4 Time deposits[2]	159,649	160,385	174,786	151,293	152,967	153,607	158,845[r]	155,931	174,786	158,406
5 Other[3]	66,305	93,237	109,843	106,962	116,406	113,063	129,438[r]	128,578	109,843	126,842
6 Own foreign offices[4]	329,099	330,994	314,192	309,208	315,653	322,493	298,661[r]	306,908	314,192	297,040
7 Banks' custodial liabilities[5]	180,692	203,815	275,037	232,507	240,097	247,539	258,104[r]	270,259	275,037	270,001
8 U.S. Treasury bills and certificates[6]	110,734	127,644	176,430	153,359	161,827	165,151	164,365	169,729	176,430	170,694
9 Other negotiable and readily transferable instruments[7]	18,664	21,974	36,078	26,477	27,643	30,879	37,562[r]	38,555	36,078	37,329
10 Other	51,294	54,197	62,529	52,671	50,627	51,509	56,177[r]	61,975	62,529	61,978
11 Nonmonetary international and regional organizations[8]	8,981	9,350	10,836	9,587	12,365	11,409	10,984	12,955	10,836	10,834
12 Banks' own liabilities	6,827	6,951	5,540	6,397	8,671	7,995	6,780	9,081	5,540	6,820
13 Demand deposits	43	46	15	29	37	72	71	34	15	21
14 Time deposits[2]	2,714	3,214	2,770	2,920	2,882	4,062	2,968	2,853	2,770	3,270
15 Other[3]	4,070	3,691	2,755	3,448	5,752	3,861	3,741	6,194	2,755	3,529
16 Banks' custodial liabilities[5]	2,154	2,399	5,296	3,190	3,694	3,414	4,204	3,874	5,296	4,014
17 U.S. Treasury bills and certificates[6]	1,730	1,908	4,275	2,635	3,418	3,199	3,566	3,201	4,275	3,497
18 Other negotiable and readily transferable instruments[7]	424	486	1,021	549	276	215	638	672	1,021	517
19 Other	0	5	0	6	0	0	0	1	0	0
20 Official institutions[9]	131,088	159,563	220,352	196,301	205,315	209,857	206,193	212,789	220,352	221,693
21 Banks' own liabilities	34,411	51,202	63,875	62,062	62,255	63,618	60,995	62,128	63,875	67,738
22 Demand deposits	2,626	1,302	1,601	1,583	1,321	1,951	2,121	2,089	1,601	1,668
23 Time deposits[2]	16,504	17,939	21,443	18,935	18,110	20,552	14,885	16,938	21,443	19,849
24 Other[3]	15,281	31,961	40,831	41,544	42,824	41,115	43,989	43,101	40,831	46,221
25 Banks' custodial liabilities[5]	96,677	108,361	156,477	134,239	143,060	146,239	145,198	150,661	156,477	153,955
26 U.S. Treasury bills and certificates[6]	92,692	104,596	150,900	128,837	136,488	139,638	140,525	144,865	150,900	146,940
27 Other negotiable and readily transferable instruments[7]	3,879	3,726	5,482	5,297	6,514	6,149	4,491	5,614	5,482	6,855
28 Other	106	39	95	105	58	452	182	182	95	160
29 Banks[10]	522,265	547,320	563,550	521,266	531,961	544,176	543,385[r]	555,596	563,550	539,226
30 Banks' own liabilities	459,335	476,117	474,545	450,361	462,736	470,133	460,075[r]	468,566	474,545	451,950
31 Unaffiliated foreign banks	130,236	145,123	160,353	141,153	147,083	147,640	161,414[r]	161,658	160,353	154,910
32 Demand deposits	8,648	10,170	9,713	10,677	10,478	12,808	9,948	13,369	9,713	11,025
33 Time deposits[2]	82,857	90,296	105,204	84,567	85,965	83,070	95,208[r]	91,462	105,204	87,670
34 Other[3]	38,731	44,657	45,436	45,909	50,640	51,762	56,258	56,827	45,436	56,215
35 Own foreign offices[4]	329,099	330,994	314,192	309,208	315,653	322,493	298,661[r]	306,908	314,192	297,040
36 Banks' custodial liabilities[5]	62,930	71,203	89,005	70,905	69,225	74,043	83,310[r]	87,030	89,005	87,276
37 U.S. Treasury bills and certificates[6]	7,471	11,087	10,707	10,627	11,327	11,794	10,046	10,539	10,707	9,832
38 Other negotiable and readily transferable instruments[7]	5,694	7,555	16,810	9,049	8,760	12,688	19,106[r]	17,124	16,810	17,136
39 Other	49,765	52,561	61,488	51,229	49,138	49,561	54,158[r]	59,367	61,488	60,308
40 Other foreigners	93,732	94,026	100,692	94,634	96,985	96,705	106,521[r]	105,798	100,692	104,061
41 Banks' own liabilities	74,801	72,174	76,433	70,461	72,867	72,862	81,129[r]	77,104	76,433	79,305
42 Demand deposits	9,004	10,310	10,243	9,529	9,667	10,614	9,895	9,970	10,243	10,811
43 Time deposits[2]	57,574	48,936	45,369	44,871	46,010	45,923	45,784	44,678	45,369	47,617
44 Other[3]	8,223	12,928	20,821	16,061	17,190	16,325	25,450[r]	22,456	20,821	20,877
45 Banks' custodial liabilities[5]	18,931	21,852	24,259	24,173	24,118	23,843	25,392	28,694	24,259	24,756
46 U.S. Treasury bills and certificates[6]	8,841	10,053	10,548	11,260	10,594	10,520	10,228	11,124	10,548	10,425
47 Other negotiable and readily transferable instruments[7]	8,667	10,207	12,765	11,582	12,093	11,827	13,327	15,145	12,765	12,821
48 Other	1,423	1,592	946	1,331	1,431	1,496	1,837	2,425	946	1,510
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	7,456	9,111	17,567	9,389	9,481	11,264	17,533	17,089	17,567	17,509

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

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

Item	1991[r]	1992[r]	1993	1993 July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.	1994 Jan.[p]
AREA										
1 **Total, all foreigners**	**756,066**	**810,259**	**895,430**	**821,788**	**846,626**	**862,147**	**867,083**	**887,138**	**895,430**	**875,814**
2 **Foreign countries**	**747,085**	**800,909**	**884,594**	**812,201**	**834,261**	**850,738**	**856,099**	**874,183**	**884,594**	**864,980**
3 Europe	249,097	307,670	376,289	321,005	335,460	340,374	357,847	369,534	376,289	365,949
4 Austria	1,193	1,611	1,857	1,415	1,614	1,672	1,808	1,797	1,857	2,567
5 Belgium and Luxembourg	13,337	20,567	28,650	20,805	23,345	23,635	24,641	27,541	28,650	29,312
6 Denmark	937	3,060	4,517	3,983	3,023	3,135	5,084	4,151	4,517	5,089
7 Finland	1,341	1,299	1,872	2,873	2,667	2,347	2,712	2,250	1,872	1,843
8 France	31,808	41,411	39,704	33,963	36,517	40,622	43,034	36,623	39,704	32,244
9 Germany	8,619	18,630	26,617	24,498	22,199	22,530	22,820	27,025	26,617	27,576
10 Greece	765	913	1,530	1,078	1,122	1,378	1,366	1,704	1,530	1,361
11 Italy	13,541	10,041	11,561	10,721	11,426	11,285	10,466	10,734	11,561	10,702
12 Netherlands	7,161	7,365	15,981	10,465	10,854	11,429	13,368	14,737	15,981	17,532
13 Norway	1,866	3,314	2,975	2,757	2,833	2,901	2,796	3,199	2,975	2,533
14 Portugal	2,184	2,465	3,366	2,894	3,015	3,180	3,215	3,229	3,366	3,131
15 Russia	241	577	2,511	1,406	2,254	2,229	2,623	2,530	2,511	2,208
16 Spain	11,391	9,793	20,484	16,644	17,207	20,495	20,181	19,705	20,484	19,652
17 Sweden	2,222	2,953	2,573	2,210	1,460	3,474	2,355	2,672	2,573	2,301
18 Switzerland	37,238	39,440	41,588	40,494	40,987	41,909	43,195	42,506	41,588	41,800
19 Turkey	1,598	2,666	3,228	2,882	2,618	2,553	2,897	2,947	3,228	3,120
20 United Kingdom	100,292	111,805	133,738	113,171	118,793	116,205	130,941	135,712	133,738	130,775
21 Yugoslavia[11]	622	504	570	501	511	524	541	546	570	549
22 Other Europe and former U.S.S.R.[12]	12,741	29,256	32,967	28,245	33,015	28,871	23,804	29,926	32,967	31,654
23 Canada	21,605	22,420	20,227	22,264	23,917	25,147	27,452	24,152	20,227	20,588
24 Latin America and Caribbean	345,529	317,228	332,537	315,885	316,747	326,346	317,698	325,059	332,537	327,562
25 Argentina	7,753	9,477	14,493	14,120	14,579	14,051	14,319	13,695	14,493	14,495
26 Bahamas	100,622	82,284	73,077	73,414	73,790	77,896	76,557	78,354	73,077	71,683
27 Bermuda	3,178	7,079	7,873	6,969	6,931	7,239	8,021	7,287	7,873	7,791
28 Brazil	5,704	5,584	5,309	5,425	5,299	5,268	5,057	5,069	5,309	5,163
29 British West Indies	163,620	153,033	165,417	151,519	149,897	156,953	149,468	159,821	165,417	161,028
30 Chile	3,283	3,035	3,203	3,934	3,596	3,867	3,952	3,455	3,203	3,504
31 Colombia	4,661	4,580	3,172	4,464	4,383	3,988	3,025	3,101	3,172	3,587
32 Cuba	2	3	33	5	5	6	7	7	33	34
33 Ecuador	1,232	993	881	889	860	819	868	851	881	891
34 Guatemala	1,594	1,377	1,207	1,304	1,315	1,278	1,275	1,243	1,207	1,258
35 Jamaica	231	371	410	341	364	375	376	401	410	387
36 Mexico	19,957	19,454	28,064	24,138	24,833	24,414	24,248	21,947	28,064	27,667
37 Netherlands Antilles	5,592	5,205	4,206	4,159	5,413	4,695	5,283	4,725	4,206	5,084
38 Panama	4,695	4,177	3,625	3,747	3,657	3,743	3,567	3,468	3,625	3,592
39 Peru	1,249	1,080	931	891	898	903	873	890	931	880
40 Uruguay	2,096	1,955	1,622	1,775	1,822	1,734	1,716	1,643	1,622	1,727
41 Venezuela	13,181	11,387	12,807	12,373	12,782	12,868	12,903	13,076	12,807	12,460
42 Other	6,879	6,154	6,207	6,418	6,323	6,249	6,183	6,026	6,207	6,331
43 Asia	120,462	143,540	144,643	143,132	147,517	147,648	141,363	144,476	144,643	140,090
China										
44 People's Republic of China	2,626	3,202	4,011	2,728	3,292	3,261	3,280	3,187	4,011	4,075
45 Republic of China (Taiwan)	11,491	8,408	10,634	9,999	9,483	9,969	9,804	10,960	10,634	9,960
46 Hong Kong	14,269	18,499	17,233	16,193	15,621	16,388	16,389	18,673	17,233	18,675
47 India	2,418	1,399	1,113	1,053	1,211	1,288	1,251	1,425	1,113	1,436
48 Indonesia	1,463	1,480	1,986	1,688	1,582	1,715	1,504	1,674	1,986	1,807
49 Israel	2,015	3,773	4,436	2,790	2,729	3,241	5,450	4,582	4,436	4,138
50 Japan	47,069	58,435	61,483	62,233	67,999	65,626	60,171	58,866	61,483	58,606
51 Korea (South)	2,587	3,337	4,904	4,298	3,873	4,356	3,889	4,409	4,904	4,712
52 Philippines	2,449	2,275	2,035	3,196	2,648	2,735	2,192	1,902	2,035	1,912
53 Thailand	2,252	5,582	6,137	5,830	6,058	5,846	6,446	6,231	6,137	6,156
54 Middle Eastern oil-exporting countries[13]	15,752	21,437	15,825	18,409	19,141	17,255	14,681	15,489	15,825	13,134
55 Other	16,071	15,713	14,846	14,715	13,880	15,968	16,306	17,078	14,846	15,479
56 Africa	4,825	5,884	6,627	5,680	5,649	6,127	6,179	5,762	6,627	5,823
57 Egypt	1,621	2,472	2,209	1,880	2,018	2,457	2,220	2,089	2,209	1,961
58 Morocco	79	76	99	138	78	86	87	110	99	94
59 South Africa	228	190	451	172	233	275	367	272	451	214
60 Zaire	31	19	12	25	20	16	15	10	12	13
61 Oil-exporting countries[14]	1,082	1,346	1,303	1,417	1,279	1,281	1,271	1,446	1,303	1,186
62 Other	1,784	1,781	2,553	2,048	2,021	2,012	2,219	1,835	2,553	2,355
63 Other	5,567	4,167	4,271	4,235	4,971	5,096	5,560	5,200	4,271	4,968
64 Australia	4,464	3,043	3,308	3,253	3,890	4,045	4,434	3,853	3,308	3,810
65 Other	1,103	1,124	963	982	1,081	1,051	1,126	1,347	963	1,158
66 Nonmonetary international and regional organizations	8,981	9,350	10,836	9,587	12,365	11,409	10,984	12,955	10,836	10,834
67 International[15]	6,485	7,434	6,751	6,028	8,367	7,679	7,340	9,084	6,751	6,322
68 Latin American regional[16]	1,181	1,415	3,218	2,077	2,737	2,448	2,539	3,050	3,218	3,402
69 Other regional[17]	1,315	501	867	1,482	1,261	1,282	1,105	821	867	1,110

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
12. Includes the Bank for International Settlements. Since December 1992, includes 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 Western Europe."

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

Millions of dollars, end of period

Area and country	1991[r]	1992[r]	1993	1993[r] July	Aug.	Sept.	Oct.	Nov.	Dec.	1994 Jan.[p]
1 **Total, all foreigners**	**514,339**	**499,437**	**482,505**	**472,877**	**461,191**	**477,233**	**465,986**	**468,771**	**482,505**	**469,158**
2 **Foreign countries**	**508,056**	**494,355**	**480,100**	**471,570**	**459,239**	**474,854**	**464,743**	**466,570**	**480,100**	**466,321**
3 Europe	114,310	123,377	120,823	125,094	116,836	124,253	124,616	120,673	120,823	113,604
4 Austria	327	331	413	1,094	691	457	568	501	413	725
5 Belgium and Luxembourg	6,158	6,404	6,420	6,127	6,515	6,589	5,500	5,911	6,420	5,155
6 Denmark	686	707	382	835	693	631	1,056	1,261	382	483
7 Finland	1,907	1,418	598	1,007	705	594	730	606	598	699
8 France	15,112	14,723	11,490	11,847	11,500	10,963	11,516	11,622	11,490	11,705
9 Germany	3,371	4,222	7,683	7,746	6,766	7,994	7,570	6,961	7,683	7,386
10 Greece	553	717	679	509	508	629	592	684	679	657
11 Italy	8,242	9,047	8,891	8,153	8,839	8,985	8,050	8,417	8,891	8,974
12 Netherlands	2,546	2,468	3,064	3,260	3,081	3,383	3,163	3,607	3,064	3,035
13 Norway	669	355	396	876	941	841	779	598	396	738
14 Portugal	344	325	720	710	803	787	826	787	720	807
15 Russia	1,970	3,147	2,295	2,799	2,591	2,547	2,581	2,295	2,295	2,142
16 Spain	1,881	2,755	2,763	5,117	4,184	3,652	4,747	4,388	2,763	3,267
17 Sweden	2,335	4,923	4,100	5,131	4,278	4,619	4,111	3,531	4,100	3,704
18 Switzerland	4,540	4,717	6,567	5,193	5,634	5,216	4,647	5,946	6,567	7,177
19 Turkey	1,063	962	1,287	1,492	1,549	1,418	1,638	1,790	1,287	1,118
20 United Kingdom	60,395	63,430	60,817	60,772	55,118	62,510	64,052	59,411	60,817	53,217
21 Yugoslavia[2]	825	569	536	547	547	542	535	549	536	539
22 Other Europe and former U.S.S.R.[3]	1,386	2,157	1,722	1,879	1,893	1,896	1,955	1,808	1,722	2,076
23 Canada	15,113	13,845	18,311	17,776	17,373	19,009	15,756	15,478	18,311	19,102
24 Latin America and Caribbean	246,137	218,078	223,678	208,294	207,554	215,634	212,031	216,687	223,678	225,671
25 Argentina	5,869	4,958	4,425	4,841	4,740	4,715	4,390	4,518	4,425	4,561
26 Bahamas	87,138	60,835	65,045	56,843	56,276	60,906	60,350	63,242	65,045	66,411
27 Bermuda	2,270	5,935	8,032	8,578	7,122	5,550	8,915	7,565	8,032	10,234
28 Brazil	11,894	10,773	11,803	10,842	10,927	11,294	11,675	11,677	11,803	12,705
29 British West Indies	107,846	101,507	97,484	91,246	93,116	97,409	90,041	92,621	97,484	93,852
30 Chile	2,805	3,397	3,614	3,898	3,796	3,832	3,857	3,728	3,614	3,546
31 Colombia	2,425	2,750	3,179	2,886	2,916	2,921	2,957	3,040	3,179	3,241
32 Cuba	0	0	0	0	0	0	0	0	0	0
33 Ecuador	1,053	884	673	732	739	701	707	704	673	677
34 Guatemala	228	262	286	240	256	244	269	286	286	313
35 Jamaica	158	162	194	182	181	183	175	186	194	179
36 Mexico	16,567	14,991	15,831	15,738	15,652	15,724	16,155	16,073	15,831	16,462
37 Netherlands Antilles	1,207	1,379	2,367	3,172	3,153	3,155	3,339	3,048	2,367	3,111
38 Panama	1,560	4,654	2,911	2,532	2,361	2,370	2,491	2,625	2,911	2,841
39 Peru	739	730	651	651	667	617	636	620	651	695
40 Uruguay	599	936	951	807	816	926	926	918	951	793
41 Venezuela	2,516	2,525	3,070	3,001	2,876	2,835	2,815	3,054	3,070	2,929
42 Other	1,263	1,400	3,162	2,105	1,960	2,252	2,333	2,782	3,162	3,121
43 Asia	125,262	131,789	110,661	113,182	111,196	109,095	105,511	107,519	110,661	101,341
China										
44 People's Republic of China	747	906	2,299	871	638	699	773	706	2,299	881
45 Republic of China (Taiwan)	2,087	2,046	2,617	1,549	1,585	1,594	1,674	2,003	2,617	2,611
46 Hong Kong	9,617	9,642	10,864	10,654	9,390	11,153	9,640	10,449	10,864	10,221
47 India	441	529	589	473	442	572	623	645	589	620
48 Indonesia	952	1,189	1,522	1,282	1,289	1,330	1,268	1,474	1,522	1,556
49 Israel	860	820	826	733	775	747	752	787	826	932
50 Japan	84,807	79,172	59,575	62,726	64,890	60,263	60,308	59,934	59,575	54,164
51 Korea (South)	6,048	6,179	7,551	7,587	7,245	7,098	7,133	7,138	7,551	7,374
52 Philippines	1,910	2,145	1,408	1,357	1,250	1,143	1,168	1,265	1,408	1,132
53 Thailand	1,713	1,867	2,154	2,006	2,018	2,143	2,146	2,110	2,154	2,373
54 Middle Eastern oil-exporting countries[4]	8,284	18,540	14,398	16,976	15,912	14,251	13,580	13,853	14,398	12,876
55 Other	7,796	8,754	6,858	6,968	5,762	8,102	6,446	7,155	6,858	6,601
56 Africa	4,928	4,279	3,818	3,856	3,902	4,023	3,919	3,799	3,818	3,746
57 Egypt	294	186	196	148	168	176	160	218	196	198
58 Morocco	575	441	444	437	443	454	433	437	444	489
59 South Africa	1,235	1,041	633	742	705	713	663	664	633	581
60 Zaire	4	4	4	4	4	3	3	4	4	4
61 Oil-exporting countries[5]	1,298	1,002	1,128	1,232	1,224	1,206	1,187	1,119	1,128	1,169
62 Other	1,522	1,605	1,413	1,293	1,358	1,471	1,473	1,357	1,413	1,305
63 Other	2,306	2,987	2,809	3,368	2,378	2,840	2,910	2,414	2,809	2,857
64 Australia	1,665	2,243	2,072	2,443	1,847	2,414	2,401	1,873	2,072	2,030
65 Other	641	744	737	925	531	426	509	541	737	827
66 Nonmonetary international and regional organizations[6]	6,283	5,082	2,405	1,307	1,952	2,379	1,243	2,201	2,405	2,837

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, includes 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 Western Europe."

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

Millions of dollars, end of period

Claim	1991	1992^{r}	1993	1993						1994
				July^{r}	Aug.^{r}	Sept.^{r}	Oct.^{r}	Nov.^{r}	Dec.^{r}	Jan.^{p}
1 **Total**	**579,683^{r}**	**559,495**	**522,915**	...	...	**518,514**	...	...	**522,915**	...
2 Banks' claims	514,339	499,437	482,505	472,877	461,191	477,233	465,986	468,771	482,505	469,158
3 Foreign public borrowers	37,126	31,367	28,995	32,788	30,310	31,940	31,335	29,776	28,995	30,575
4 Own foreign offices[2]	318,800	303,991	286,233	280,100	275,295	286,604	269,956	279,864	286,233	274,114
5 Unaffiliated foreign banks	116,602	109,342	97,907	93,101	94,009	96,146	91,921	92,028	97,907	90,911
6 Deposits	69,018	61,550	46,786	44,812	45,473	44,664	43,785	43,995	46,786	40,301
7 Other	47,584	47,792	51,121	48,289	48,536	51,482	48,136	48,033	51,121	50,610
8 All other foreigners	41,811	54,737	69,370	66,888	61,577	62,543	72,774	67,103	69,370	73,558
9 Claims of banks' domestic customers[3]	65,344	60,058	40,410	...	...	41,281	...	...	40,410	...
10 Deposits	15,280	15,452	9,619	...	...	9,343	...	...	9,619	...
11 Negotiable and readily transferable instruments[4]	37,125	31,474	17,155	...	...	18,475	...	...	17,155	...
12 Outstanding collections and other claims	12,939	13,132	13,636	...	...	13,463	...	...	13,636	...
MEMO										
13 Customer liability on acceptances	8,974	8,655	7,871	...	...	8,190	...	...	7,871	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	43,024^{r}	36,163	22,825	29,316	28,395	24,516	26,931	21,847	22,825	n.a.

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are quarterly.
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 Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
3. Assets held by reporting banks in the accounts of their domestic customers.
4. Principally negotiable time certificates of deposit and bankers acceptances.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see *Federal Reserve Bulletin*, vol. 65 (July 1979), p. 550.

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

Millions of dollars, end of period

Maturity, by borrower and area[2]	1990	1991	1992	1993			
				Mar.^{r}	June^{r}	Sept.^{r}	Dec.^{p}
1 **Total**	**206,903**	**195,302**	**195,119**	**182,445**	**183,312**	**189,900**	**194,599**
By borrower							
2 Maturity of one year or less	165,985	162,573	163,325	152,226	154,648	162,195	165,897
3 Foreign public borrowers	19,305	21,050	17,813	21,239	17,962	21,226	17,308
4 All other foreigners	146,680	141,523	145,512	130,987	136,686	140,969	148,589
5 Maturity of more than one year	40,918	32,729	31,794	30,219	28,664	27,705	28,702
6 Foreign public borrowers	22,269	15,859	13,266	12,214	11,255	10,507	10,994
7 All other foreigners	18,649	16,870	18,528	18,005	17,409	17,198	17,708
By area							
Maturity of one year or less							
8 Europe	49,184	51,835	53,300	54,871	54,405	57,252	56,087
9 Canada	5,450	6,444	6,091	7,884	7,979	9,835	7,538
10 Latin America and Caribbean	49,782	43,597	50,376	45,148	48,619	51,683	56,672
11 Asia	53,258	51,059	45,709	37,871	38,803	37,725	40,263
12 Africa	3,040	2,549	1,784	1,677	1,712	1,916	1,783
13 All other[3]	5,272	7,089	6,065	4,775	3,130	3,784	3,554
Maturity of more than one year							
14 Europe	3,859	3,878	5,367	4,896	4,579	4,423	4,317
15 Canada	3,290	3,595	3,287	3,120	2,909	2,549	2,553
16 Latin America and Caribbean	25,774	18,277	15,312	14,574	13,828	13,519	14,049
17 Asia	5,165	4,459	5,038	5,063	4,809	4,736	5,403
18 Africa	2,374	2,335	2,380	2,130	2,050	2,049	1,933
19 All other[3]	456	185	410	436	489	429	447

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

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

Billions of dollars, end of period

Area or country	1989	1990	1991	1992				1993			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.[p]
1 **Total**	**340.9**	**320.1**	**343.6**	**351.7**	**358.7**	**344.5**	**346.5**	**361.0[r]**	**377.1[r]**	**388.1[r]**	**403.3**
2 G-10 countries and Switzerland	152.9	132.2	137.6	130.9	135.6	136.0	132.9	142.4	150.1[r]	153.4[r]	160.9
3 Belgium and Luxembourg	6.3	5.9	6.0	5.3	6.2	6.2	5.6	6.1	7.0	7.1	7.4
4 France	11.7	10.4	11.0	10.0	11.9	15.3	15.3	13.5	14.0	12.3[r]	11.7
5 Germany	10.5	10.6	8.3	8.4	8.8	10.9	9.3	9.9	10.8	12.4	12.6
6 Italy	7.4	5.0	5.6	5.4	8.0	6.4	6.5	6.7	7.9[r]	8.7[r]	7.6
7 Netherlands	3.1	3.0	4.7	4.3	3.3	3.7	2.8	3.6	3.7	3.7	4.7
8 Sweden	2.0	2.2	1.9	2.0	1.9	2.2	2.3	3.0	2.5	2.5	2.5
9 Switzerland	7.1	4.4	3.4	3.2	4.6	5.2	4.8	5.3	4.7	5.6	5.9
10 United Kingdom	67.2	60.9	68.5	64.7	65.6	61.0	60.8	65.7	73.5	74.7[r]	84.4
11 Canada	5.4	5.9	5.8	6.5	6.5	6.3	6.3	8.2	8.1	9.7	6.6
12 Japan	32.3	24.0	22.6	21.1	18.7	18.9	19.3	20.4	17.9	16.9	17.4
13 Other industrialized countries	21.0	22.9	22.8	21.4	25.5	25.0	24.0	25.4	27.2	26.0	24.6
14 Austria	1.5	1.4	.6	.8	.8	.7	1.2	1.2	1.3	.6	.4
15 Denmark	1.1	1.1	.9	.8	1.3	1.5	.9	.8	1.0	1.1	1.0
16 Finland	1.0	.7	.7	.8	.8	1.0	.7	.7	.9	.6	.4
17 Greece	2.5	2.7	2.6	2.3	2.8	3.0	3.0	2.7	3.1	3.2	3.2
18 Norway	1.4	1.6	1.4	1.5	1.7	1.6	1.2	1.8	1.8	2.1	1.7
19 Portugal	.4	.6	.6	.5	.5	.5	.4	.7	.9	1.0	.8
20 Spain	7.1	8.3	8.3	7.7	10.1	9.7	8.9	9.5	10.5	9.3	8.9
21 Turkey	1.2	1.7	1.4	1.2	1.5	1.5	1.3	1.4	2.1	2.1	2.1
22 Other Western Europe	1.0	1.2	1.8	1.5	2.0	1.5	1.7	2.0	1.7	2.2	2.6
23 South Africa	2.0	1.8	1.9	1.8	1.7	1.7	1.7	1.6	1.3	1.2	1.1
24 Australia	1.6	1.8	2.7	2.3	2.2	2.3	2.9	2.9	2.5	2.8	2.3
25 OPEC[2]	17.1	12.8	14.5	15.8	16.2	15.9	16.1	16.8	15.9	14.9	16.9
26 Ecuador	1.3	1.0	.7	.7	.7	.7	.6	.6	.6	.5	.5
27 Venezuela	7.0	5.0	5.4	5.4	5.3	5.4	5.2	5.3	5.6	5.6	5.3
28 Indonesia	2.0	2.7	2.7	3.0	3.0	3.0	3.0	3.1	3.1	2.8	3.2
29 Middle East countries	5.0	2.5	4.2	5.3	5.9	5.4	6.2	6.6	5.4	4.9	6.7
30 African countries	1.7	1.7	1.5	1.4	1.4	1.4	1.1	1.1	1.1	1.1	1.2
31 Non-OPEC developing countries	77.5	65.4	63.9	69.7	68.1	72.8	72.1	74.4	76.6	76.9	82.5
Latin America											
32 Argentina	6.3	5.0	4.8	5.0	5.1	6.2	6.6	7.0	6.6	7.2	7.7
33 Brazil	19.0	14.4	9.6	10.8	10.6	10.8	10.8	11.6	12.3	11.6	12.0
34 Chile	4.6	3.5	3.6	3.9	4.0	4.2	4.4	4.6	4.6	4.7	4.7
35 Colombia	1.8	1.8	1.7	1.6	1.6	1.7	1.8	1.9	1.9	2.0	2.1
36 Mexico	17.7	13.0	15.5	17.7	16.3	17.1	16.0	16.8	16.8	17.5	17.7
37 Peru	.6	.5	.4	.4	.4	.5	.5	.4	.4	.3	.4
38 Other	2.8	2.3	2.1	2.2	2.2	2.5	2.6	2.6	2.7	2.6	3.0
Asia											
China											
39 Peoples Republic of China	.3	.2	.3	.3	.3	.3	.7	.6	1.6	.5	2.0
40 Republic of China (Taiwan)	4.5	3.5	4.1	4.8	4.6	5.0	5.2	5.3	5.9	6.4	7.3
41 India	3.1	3.3	3.0	3.6	3.8	3.6	3.2	3.1	3.1	2.9	3.2
42 Israel	.7	.5	.5	.4	.4	.4	.4	.5	.4	.4	.5
43 Korea (South)	5.9	6.2	6.8	6.9	6.9	7.4	6.6	6.5	6.9	6.5	6.7
44 Malaysia	1.7	1.9	2.3	2.5	2.7	3.0	3.1	3.4[r]	3.7	4.1	4.4
45 Philippines	4.1	3.8	3.7	3.6	3.1	3.6	3.6	3.4	2.9	2.6	3.1
46 Thailand	1.3	1.5	1.7	1.7	1.9	2.2	2.2	2.2	2.4	2.8	3.1
47 Other Asia[3]	1.0	1.7	2.0	2.3	2.5	2.7	2.7	2.7	2.6	3.0	2.9
Africa											
48 Egypt	.4	.4	.4	.3	.5	.3	.2	.2	.2	.2	.4
49 Morocco	.9	.8	.7	.7	.7	.6	.6	.5	.6	.6	.6
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	1.0	1.0	.7	.7	.6	.9	1.0	.8	.9	.8	.8
52 Eastern Europe	3.5	2.3	2.4	2.9	3.0	3.1	3.1	2.9	3.2	3.0	3.0
53 Russia	.7	.2	.9	1.4	1.7	1.8	1.9	1.7	1.9	1.7	1.6
54 Yugoslavia	1.6	1.2	.9	.8	.7	.7	.6	.6	.6	.6	.6
55 Other	1.3	.9	.7	.6	.6	.7	.6	.7	.7	.7	.9
56 Offshore banking centers	38.4	44.7	54.2	63.0	61.4	54.5	58.3	60.1[r]	57.8[r]	67.5[r]	72.0
57 Bahamas	5.5	2.9	11.9	15.3	12.9	8.9	6.9	9.6	6.9	12.4	12.6
58 Bermuda	1.7	4.4	2.3	3.9	5.1	3.8	6.2	4.1	4.5	5.5	8.1
59 Cayman Islands and other British West Indies	9.0	11.7	15.8	18.6	19.3	16.9	21.8	17.6[r]	15.6	15.1	16.5
60 Netherlands Antilles	2.3	7.9	1.2	1.0	.8	.7	1.1	1.6	2.5	2.8	2.3
61 Panama[4]	1.4	1.4	1.4	1.6	1.9	2.0	1.9	2.0	2.1	2.1	2.4
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.3	9.7	14.4	14.0	14.9	15.2	13.8	16.7[r]	16.9[r]	19.1[r]	18.7
64 Singapore	7.0	6.6	7.1	8.5	6.4	6.8	6.5	8.4	9.3	10.4	11.2
65 Other[5]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.1
66 Miscellaneous and unallocated[6]	30.5	39.9	48.0	47.8	48.6	36.8	39.7	38.8[r]	46.2[r]	46.3[r]	43.3

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

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

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

3. Excludes Liberia.

4. Includes Canal Zone.

5. Foreign branch claims only.

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

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

Millions of dollars, end of period

Type of liability and area or country	1989	1990	1991	1992 June	1992 Sept.	1992 Dec.	1993 Mar.	1993 June	1993 Sept.
1 **Total**	**38,764**	**46,043**	**44,549**	**46,122**	**46,981**	**45,218**	**45,776**	**45,881**	**48,218**
2 Payable in dollars	33,973	40,786	38,893	39,270	38,286	37,159	37,501	36,558	38,518
3 Payable in foreign currencies	4,791	5,257	5,656	6,852	8,695	8,059	8,275	9,323	9,700
By type									
4 Financial liabilities	17,879	21,066	22,344	23,178	24,417	23,244	23,610	24,175	25,939
5 Payable in dollars	14,035	16,979	17,968	17,777	17,417	16,587	16,785	16,434	18,189
6 Payable in foreign currencies	3,844	4,087	4,376	5,401	7,000	6,657	6,825	7,741	7,750
7 Commercial liabilities	20,885	24,977	22,205	22,944	22,564	21,974	22,166	21,706	22,279
8 Trade payables	8,070	10,683	9,267	10,285	10,227	9,893	10,005	9,683	9,140
9 Advance receipts and other liabilities	12,815	14,294	12,938	12,659	12,337	12,081	12,161	12,023	13,139
10 Payable in dollars	19,938	23,807	20,925	21,493	20,869	20,572	20,716	20,124	20,329
11 Payable in foreign currencies	947	1,170	1,280	1,451	1,695	1,402	1,450	1,582	1,950
By area or country									
Financial liabilities									
12 Europe	11,660	10,978	11,858	13,470	14,262	13,034	13,397	13,997	16,255
13 Belgium and Luxembourg	340	394	216	193	256	414	306	268	278
14 France	258	975	2,106	2,324	2,785	1,608	1,610	2,216	2,074
15 Germany	464	621	682	634	738	810	820	787	779
16 Netherlands	941	1,081	1,056	979	980	606	639	585	573
17 Switzerland	541	545	408	490	627	569	503	491	378
18 United Kingdom	8,818	6,357	6,383	7,963	8,074	8,357	8,965	8,995	11,583
19 Canada	610	229	292	362	345	516	576	492	663
20 Latin America and Caribbean	1,357	4,153	4,784	3,908	3,997	4,053	4,099	3,799	3,319
21 Bahamas	157	371	537	353	230	369	521	426	1,301
22 Bermuda	17	0	114	114	115	114	114	124	114
23 Brazil	0	0	6	10	18	19	18	18	18
24 British West Indies	724	3,160	3,524	2,757	2,933	2,860	2,770	2,551	1,200
25 Mexico	6	5	7	8	12	12	13	11	15
26 Venezuela	0	4	4	4	5	6	5	5	5
27 Asia	4,151	5,295	5,352	5,349	5,723	5,607	5,477	5,717	5,552
28 Japan	3,299	4,065	4,116	4,245	4,678	4,568	4,495	4,564	4,552
29 Middle East oil-exporting countries[2]	2	5	13	10	17	19	24	19	23
30 Africa	2	2	6	0	5	6	6	130	132
31 Oil-exporting countries[3]	0	0	4	0	0	0	0	123	124
32 All other[4]	100	409	52	89	85	28	55	40	18
Commercial liabilities									
33 Europe	9,071	10,310	8,715	7,848	7,492	7,555	6,930	6,810	6,973
34 Belgium and Luxembourg	175	275	248	240	173	296	262	267	255
35 France	877	1,218	1,039	724	756	750	705	773	640
36 Germany	1,392	1,270	1,052	799	851	717	643	603	565
37 Netherlands	710	844	710	605	601	567	537	577	601
38 Switzerland	693	775	575	461	482	349	469	440	535
39 United Kingdom	2,620	2,792	2,311	2,405	2,282	2,526	2,118	2,198	2,304
40 Canada	1,124	1,261	1,014	1,109	1,114	1,001	991	933	831
41 Latin America and Caribbean	1,224	1,672	1,355	1,814	1,493	1,495	1,776	1,820	1,762
42 Bahamas	41	12	3	8	3	3	11	6	4
43 Bermuda	308	538	310	409	325	307	429	356	340
44 Brazil	100	145	219	218	121	209	236	226	214
45 British West Indies	27	30	107	73	85	24	34	16	36
46 Mexico	323	475	307	480	326	447	553	659	570
47 Venezuela	164	130	94	279	125	124	171	172	183
48 Asia	7,550	9,483	9,335	10,445	11,026	10,791	11,067	10,823	11,575
49 Japan	2,914	3,651	3,722	3,538	3,918	3,953	4,035	3,715	4,534
50 Middle Eastern oil-exporting countries[2,5]	1,632	2,016	1,498	1,778	1,813	1,791	1,796	1,815	1,816
51 Africa	886	844	715	777	675	556	675	665	558
52 Oil-exporting countries[3]	339	422	327	389	335	295	322	378	279
53 Other[4]	1,030	1,406	1,071	951	764	576	727	655	580

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65, (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

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

Millions of dollars, end of period

Type, and area or country	1989	1990	1991	1992[r]			1993		
				June	Sept.	Dec.	Mar.[r]	June[r]	Sept.
1 **Total**	**33,173**	**35,348**	**45,121**	**46,517**	**46,192**	**41,637**	**45,569**	**41,174**	**41,805**
2 Payable in dollars	30,773	32,760	42,548	43,492	43,218	39,047	42,704	38,093	38,575
3 Payable in foreign currencies	2,400	2,589	2,573	3,025	2,974	2,590	2,865	3,081	3,230
By type									
4 Financial claims	19,297	19,874	27,744	28,977	28,573	23,532	26,073	21,791	23,331
5 Deposits	12,353	13,577	19,946	19,813	19,524	15,100	16,527	11,646	13,296
6 Payable in dollars	11,364	12,552	19,071	18,456	18,387	14,302	15,469	10,728	12,317
7 Payable in foreign currencies	989	1,025	875	1,357	1,137	798	1,058	918	979
8 Other financial claims	6,944	6,297	7,798	9,164	9,049	8,432	9,546	10,145	10,035
9 Payable in dollars	6,190	5,280	6,906	8,433	8,028	7,667	8,793	9,221	9,276
10 Payable in foreign currencies	754	1,017	892	731	1,021	765	753	924	759
11 Commercial claims	13,876	15,475	17,377	17,540	17,619	18,105	19,496	19,383	18,474
12 Trade receivables	12,253	13,657	14,465	14,846	14,676	15,547	17,140	16,953	15,548
13 Advance payments and other claims	1,624	1,817	2,912	2,694	2,943	2,558	2,356	2,430	2,926
14 Payable in dollars	13,219	14,927	16,571	16,603	16,803	17,078	18,442	18,144	16,982
15 Payable in foreign currencies	657	548	806	937	816	1,027	1,054	1,239	1,492
By area or country									
Financial claims									
16 Europe	8,463	9,645	13,316	12,906	11,301	9,310	10,330	9,623	8,261
17 Belgium and Luxembourg	28	76	13	25	16	8	6	13	9
18 France	153	371	269	777	768	762	905	774	688
19 Germany	152	367	283	354	292	326	378	373	361
20 Netherlands	238	265	334	715	750	515	544	499	485
21 Switzerland	153	357	581	765	587	490	478	460	454
22 United Kingdom	7,496	7,971	11,409	8,731	8,078	6,234	6,987	6,570	5,257
23 Canada	1,904	2,934	2,642	2,545	2,281	1,709	2,007	1,761	1,573
24 Latin America and Caribbean	8,020	6,201	10,704	12,160	13,837	11,122	9,718	6,704	10,067
25 Bahamas	1,890	1,090	814	568	1,248	658	320	697	494
26 Bermuda	7	3	8	12	65	40	79	258	197
27 Brazil	224	68	351	331	589	686	592	590	590
28 British West Indies	5,486	4,635	9,056	10,828	11,492	9,266	8,266	4,650	8,109
29 Mexico	94	177	212	244	239	286	235	270	385
30 Venezuela	20	25	40	32	26	29	23	24	25
31 Asia	590	860	640	952	717	807	3,263	2,961	2,726
32 Japan	213	523	350	705	471	643	3,066	2,444	2,199
33 Middle East oil-exporting countries[2]	8	8	5	4	4	3	3	10	5
34 Africa	140	37	57	57	71	79	128	125	88
35 Oil-exporting countries[3]	12	0	1	0	1	9	1	1	1
36 All other[4]	180	195	385	357	366	505	627	617	616
Commercial claims									
37 Europe	6,209	7,044	8,192	8,480	8,146	8,287	8,650	8,777	7,921
38 Belgium and Luxembourg	242	212	194	255	173	188	169	170	163
39 France	964	1,240	1,585	1,685	1,824	1,519	1,468	1,453	1,391
40 Germany	696	807	954	922	895	916	961	968	863
41 Netherlands	479	555	645	666	588	546	724	556	395
42 Switzerland	313	301	295	394	305	352	425	441	375
43 United Kingdom	1,575	1,775	2,086	2,172	2,004	2,068	2,312	2,502	2,223
44 Canada	1,091	1,074	1,114	1,066	1,143	1,226	1,270	1,290	1,307
45 Latin America and Caribbean	2,184	2,375	2,655	2,737	3,222	2,997	3,401	3,379	2,980
46 Bahamas	58	14	13	12	12	27	18	16	19
47 Bermuda	323	246	264	291	256	255	195	239	225
48 Brazil	297	326	427	450	409	352	829	782	401
49 British West Indies	36	40	41	32	43	40	17	43	39
50 Mexico	508	661	840	861	975	907	974	880	832
51 Venezuela	147	192	203	253	307	340	336	310	268
52 Asia	3,570	4,127	4,594	4,500	4,322	4,695	5,310	5,028	5,343
53 Japan	1,199	1,460	1,900	1,798	1,776	1,842	2,127	1,824	2,447
54 Middle Eastern oil-exporting countries[2]	518	460	621	609	513	682	760	659	446
55 Africa	429	488	429	428	439	549	456	507	497
56 Oil-exporting countries[3]	108	67	95	73	60	78	75	97	107
57 Other[4]	393	367	393	329	347	351	409	402	426

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65, (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1992	1993	1994	1993						1994
			Jan.–Jan.	July	Aug.	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[r]	Jan.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	221,367	319,449	32,238	24,441[r]	26,133[r]	23,892	32,350	31,924	32,843	32,238
2 Foreign sales	226,503	297,913	28,965	25,046[r]	23,693[r]	23,023	27,840	28,755	28,362	28,965
3 **Net purchases or sales (−)**	**−5,136**	**21,536**	**3,273**	**−605[r]**	**2,440[r]**	**869**	**4,510**	**3,169**	**4,481**	**3,273**
4 **Foreign countries**	**−5,169**	**21,264**	**3,273**	**−652[r]**	**2,413[r]**	**951**	**4,598**	**3,099**	**4,457**	**3,273**
5 Europe	−4,927	10,615	2,951	−185[r]	670[r]	434	3,095	1,407	2,415	2,951
6 France	−1,350	−103	119	45[r]	−9[r]	−152	198	45	61	119
7 Germany	−80	1,647	1,170	76[r]	202[r]	112	328	130	266	1,170
8 Netherlands	−262	−603	169	−452[r]	133[r]	69	134	−767	183	169
9 Switzerland	168	2,986	254	369[r]	354[r]	−259	409	205	338	254
10 United Kingdom	−3,301	4,510	614	−73[r]	−204[r]	570	1,709	1,470	1,078	614
11 Canada	1,407	−3,213	314	−1,400[r]	−128[r]	−596	−300	11	−110	314
12 Latin America and Caribbean	2,203	5,709	948	413[r]	613[r]	139	1,245	941	1,058	948
13 Middle East[1]	−88	−311	−100	−135	−44	10	−77	53	11	−100
14 Other Asia	−3,943	8,199	−911	632	1,204	977	602	601	965	−911
15 Japan	−3,598	3,826	−800	626	860	1,016	349	488	681	−800
16 Africa	10	63	10	−49	63	3	5	6	20	10
17 Other countries	169	202	61	72	35	−16	28	80	98	61
18 **Nonmonetary international and regional organizations**	**33**	**272**	**0**	**47**	**27**	**−82**	**−88**	**70**	**24**	**0**
BONDS[2]										
19 Foreign purchases	214,922	283,651	25,445	22,738	22,288	24,845	27,565	28,947	28,395	25,445
20 Foreign sales	175,842	217,637	19,643	20,730	16,481	16,294	19,000	21,545	17,427	19,643
21 **Net purchases or sales (−)**	**39,080**	**66,014**	**5,802**	**2,008**	**5,807**	**8,551**	**8,565**	**7,402**	**10,968**	**5,802**
22 **Foreign countries**	**37,964**	**65,476**	**5,818**	**2,018**	**5,801**	**7,865**	**8,426**	**7,375**	**10,901**	**5,818**
23 Europe	17,435	21,805	2,868	−1,001	2,102	3,913	3,911	1,534	3,118	2,868
24 France	1,203	2,346	215	−76	64	13	512	110	145	215
25 Germany	2,480	883	−100	2	−207	−419	913	−231	−62	−100
26 Netherlands	540	−290	75	11	317	219	−518	49	95	75
27 Switzerland	−579	−627	176	172	−327	−204	203	−80	28	176
28 United Kingdom	12,421	18,970	1,626	−1,214	1,847	4,059	2,666	2,300	2,853	1,626
29 Canada	237	1,653	23	218	164	249	95	54	319	23
30 Latin America and Caribbean	9,300	16,493	1,909	901	1,678	846	1,727	2,650	3,681	1,909
31 Middle East[1]	3,166	3,257	360	147	158	171	375	432	383	360
32 Other Asia	7,545	20,846	687	1,382	1,432	2,373	2,256	2,765	3,137	687
33 Japan	−450	11,569	−104	890	919	993	1,574	1,478	2,477	−104
34 Africa	354	1,149	−51	224	317	236	47	−2	119	−51
35 Other countries	−73	273	22	147	−50	77	15	−58	144	22
36 **Nonmonetary international and regional organizations**	**1,116**	**538**	**−16**	**−10**	**6**	**686**	**139**	**27**	**67**	**−16**
	Foreign securities									
37 Stocks, net purchases or sales (−)[3]	−32,259	−69,063	−5,907	−7,992	−12,229	−5,176	−7,474	−6,931	−6,502	−5,907
38 Foreign purchases	150,051	245,571	32,928	19,607	20,737	21,475	24,740	28,408	31,128	32,928
39 Foreign sales[3]	182,310	314,634	38,835	27,599	32,966	26,651	32,214	35,339	37,630	38,835
40 Bonds, net purchases or sales (−)	−15,605	−61,268	−8,981	−10,661	−1,046	−9,903	−2,446	−54	−8,090	−8,981
41 Foreign purchases	513,589	834,502	87,940	68,741	75,850	80,145	76,034	87,459	79,334	87,940
42 Foreign sales	529,194	895,770	96,921	79,402	76,896	90,048	78,480	87,513	87,424	96,921
43 **Net purchases or sales (−), of stocks and bonds**	**−47,864**	**−130,331**	**−14,888**	**−18,653**	**−13,275**	**−15,079**	**−9,920**	**−6,985**	**−14,592**	**−14,888**
44 **Foreign countries**	**−51,274**	**−130,492**	**−14,931**	**−18,763**	**−13,329**	**−15,155**	**−10,269**	**−6,994**	**−14,622**	**−14,931**
45 Europe	−31,350	−87,556	−5,406	−15,516	−10,544	−13,207	−5,004	−4,530	−4,347	−5,406
46 Canada	−6,893	−14,580	−2,511	−2,557	1,635	−1,394	−916	709	−1,718	−2,511
47 Latin America and Caribbean	−4,340	−9,324	−2,997	−633	−1,127	1,945	−1,280	−2,248	−4,518	−2,997
48 Asia	−7,923	−14,941	−3,179	121	−2,644	−2,221	−2,002	−502	−3,553	−3,179
49 Africa	−13	−185	−60	4	7	14	14	0	13	−60
50 Other countries	−755	−3,906	−778	−182	−656	−292	−1,081	−423	−499	−778
51 **Nonmonetary international and regional organizations**	**3,410**	**161**	**43**	**110**	**54**	**76**	**349**	**9**	**30**	**43**

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

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

Millions of dollars

Country or area	1992	1993	1994	1993[r]						1994
			Jan.–Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[p]
	Transactions, net purchases or sales (−) during period[1]									
1 **Estimated total**	**39,288**	**24,285**	**−425**	**−1,531**	**13,980**	**−10,890**	**3,925**	**15,194**	**507**	**−425**
2 Foreign countries	37,935	24,116	−546	−1,144	14,368	−10,748	5,055	14,609	696	−546
3 Europe	19,625	−2,311	−1,909	−1,539	3,547	−5,917	3,500	−841	499	−1,909
4 Belgium and Luxembourg	1,985	1,218	−63	505	−218	207	−205	22	−65	−63
5 Germany	2,076	−9,977	2,327	−2,918	305	1,209	1,176	−750	571	2,327
6 Netherlands	−2,959	−515	52	524	−167	137	−506	206	−189	52
7 Sweden	−804	1,421	−4	32	293	53	47	141	−31	−4
8 Switzerland	488	−1,501	26	−223	−74	−209	448	573	−70	26
9 United Kingdom	24,184	6,266	−3,372	1,455	3,787	−8,201	833	−1,900	−412	−3,372
10 Other Europe and former U.S.S.R.	−5,345	777	−875	−914	−379	887	1,707	867	695	−875
11 Canada	562	11,252	32	2,270	324	−1,119	−342	1,358	846	32
12 Latin America and Caribbean	−3,222	−4,692	3,669	−333	6,917	−3,311	3,701	2,070	−4,830	3,669
13 Venezuela	539	389	−208	2	−7	32	−102	19	56	−208
14 Other Latin America and Caribbean	−1,956	−5,925	2,960	510	1,178	−1,700	676	−36	−1,061	2,960
15 Netherlands Antilles	−1,805	844	917	−845	5,746	−1,643	3,127	2,087	−3,825	917
16 Asia	23,517	20,557	−2,259	−2,587	3,755	−574	−2,034	11,796	4,029	−2,259
17 Japan	9,817	17,070	−3,074	−980	3,561	−1,809	156	5,661	649	−3,074
18 Africa	1,103	1,156	−135	116	292	616	74	35	115	−135
19 Other	−3,650	−1,846	56	929	−467	−443	156	191	37	56
20 Nonmonetary international and regional organizations	1,353	169	121	−387	−388	−142	−1,130	585	−189	121
21 International	1,018	−336	315	−321	−698	−99	−874	821	124	315
22 Latin American regional	533	654	7	−21	30	18	−23	40	−1	7
MEMO										
23 Foreign countries	37,935	24,116	−546	−1,144	14,368	−10,748	5,055	14,609	696	−546
24 Official institutions	6,876	1,297	4,117	−4,677	724	3,181	1,619	6,248	3,637	4,117
25 Other foreign[2]	31,059	22,819	−4,663	3,533	13,644	−13,929	3,436	8,361	−2,941	−4,663
Oil-exporting countries										
26 Middle East[2]	4,317	−8,836	−1,518	−1,261	−1,172	−980	−820	−6	84	−1,518
27 Africa[3]	11	−5	0	0	0	0	0	0	−9	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.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS[1]

Percent per year

Country	Rate on Mar. 31, 1994		Country	Rate on Mar. 31, 1994		Country	Rate on Mar. 31, 1994	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	5.0	Feb. 1994	Germany	5.25	Feb. 1994	Norway	4.75	Feb. 1994
Belgium	5.0	Feb. 1994	Italy	7.5	Feb. 1994	Switzerland	4.0	Dec. 1993
Canada	5.64	Mar. 1994	Japan	1.75	Sept. 1993	United Kingdom	12.0	Sept. 1992
Denmark	5.50	Feb. 1994	Netherlands	5.0	Dec. 1993			
France[2]	5.90	Mar. 1994						

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

2. Since February 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

3.27 FOREIGN SHORT-TERM INTEREST RATES[1]

Percent per year, averages of daily figures

Type or country	1991	1992	1993	1993				1994		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Eurodollars	5.86	3.70	3.18	3.08	3.26	3.36	3.26	3.15	3.43	3.75
2 United Kingdom	11.47	9.56	5.88	5.88	5.74	5.52	5.29	5.34	5.15	5.12
3 Canada	9.07	6.76	5.14	4.90	4.76	4.34	4.09	3.89	3.89	4.45
4 Germany	9.15	9.42	7.17	6.52	6.53	6.20	5.99	5.76	5.78	5.73
5 Switzerland	8.01	7.67	4.79	4.61	4.44	4.44	4.10	3.90	4.04	3.99
6 Netherlands	9.19	9.25	6.73	6.26	6.20	5.85	5.50	5.12	5.19	5.23
7 France	9.49	10.14	8.30	7.07	6.85	6.56	6.39	6.19	6.18	6.11
8 Italy	12.04	13.91	10.09	9.05	8.69	8.94	8.56	8.38	8.42	8.36
9 Belgium	9.30	9.31	8.10	9.82	9.05	7.93	7.03	6.88	6.39	6.10
10 Japan	7.33	4.39	2.96	2.59	2.44	2.31	2.06	2.13	2.21	2.26

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

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar except as noted

Country/currency unit	1991	1992	1993	1993 Oct.	1993 Nov.	1993 Dec.	1994 Jan.	1994 Feb.	1994 Mar.
1 Australia/dollar[2]	77.872	73.521	67.993	66.100	66.465	67.364	69.608	71.611	71.087
2 Austria/schilling	11.686	10.992	11.639	11.540	11.958	12.025	12.252	12.200	11.896
3 Belgium/franc	34.195	32.148	34.581	35.674	36.227	35.694	36.206	35.768	34.862
4 Canada/dollar	1.1460	1.2085	1.2902	1.3263	1.3174	1.3308	1.3173	1.3424	1.3644
5 China, P.R./yuan	5.3337	5.5206	5.7795	5.8013	5.8086	5.8210	8.7219	8.7249	8.7241
6 Denmark/krone	6.4038	6.0372	6.4863	6.6379	6.7667	6.7042	6.7697	6.7668	6.6296
7 Finland/markka	4.0521	4.4865	5.7251	5.7554	5.8143	5.7602	5.7004	5.5930	5.5436
8 France/franc	5.6468	5.2935	5.6669	5.7541	5.9069	5.8477	5.9207	5.8955	5.7647
9 Germany/deutsche mark	1.6610	1.5618	1.6545	1.6405	1.7005	1.7105	1.7426	1.7355	1.6909
10 Greece/drachma	182.63	190.81	229.64	237.93	243.43	245.51	250.29	250.48	246.71
11 Hong Kong/dollar	7.7712	7.7402	7.7357	7.7307	7.7272	7.7245	7.7251	7.7353	7.7268
12 India/rupee	22.712	28.156	31.291	31.505	31.434	31.440	31.440	31.449	31.415
13 Ireland/pound[2]	161.39	170.42	146.47	143.19	140.31	141.82	143.03	141.91	143.40
14 Italy/lira	1,241.28	1,232.17	1,573.41	1,600.93	1,666.31	1,687.17	1,699.45	1,685.96	1,666.63
15 Japan/yen	134.59	126.78	111.08	107.02	107.88	109.91	111.44	106.30	105.10
16 Malaysia/ringgit	2.7503	2.5463	2.5738	2.5478	2.5548	2.5737	2.7160	2.7624	2.7171
17 Netherlands/guilder	1.8720	1.7587	1.8585	1.8438	1.9084	1.9162	1.9516	1.9464	1.9006
18 New Zealand/dollar[2]	57.832	53.792	54.127	55.260	54.787	55.631	56.263	57.436	57.093
19 Norway/krone	6.4912	6.2142	7.0979	7.1755	7.3882	7.4211	7.5064	7.4885	7.3419
20 Portugal/escudo	144.77	135.07	161.08	169.60	173.93	174.58	176.04	175.15	174.00
21 Singapore/dollar	1.7283	1.6294	1.6158	1.5735	1.5950	1.5975	1.6037	1.5873	1.5819
22 South Africa/rand	2.7633	2.8524	3.2729	3.3924	3.3680	3.3788	3.4107	3.4520	3.4586
23 South Korea/won	736.73	784.58	805.75	813.45	809.79	812.57	813.55	812.24	810.69
24 Spain/peseta	104.01	102.38	127.48	132.18	137.27	140.42	143.04	141.08	138.78
25 Sri Lanka/rupee	41.200	44.013	48.205	48.954	49.187	49.322	49.460	49.113	48.931
26 Sweden/krona	6.0521	5.8258	7.7956	8.0195	8.2660	8.3501	8.1184	7.9869	7.9156
27 Switzerland/franc	1.4356	1.4064	1.4781	1.4432	1.4969	1.4634	1.4716	1.4565	1.4292
28 Taiwan/dollar	26.759	25.160	26.416	26.865	26.884	26.768	26.495	26.440	26.414
29 Thailand/baht	25.528	25.411	25.333	25.269	25.382	25.460	25.543	25.382	25.325
30 United Kingdom/pound[2]	176.74	176.63	150.16	150.23	148.08	149.13	149.23	147.92	149.19
MEMO									
31 United States/dollar[3]	89.84	86.61	93.18	93.29	95.47	95.73	96.54	95.79	94.35

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

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest Bulletin *Reference*

SPECIAL TABLES—Quarterly Data Published Irregularly, with Latest Bulletin *Reference*

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities[1]
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Banks with foreign offices[2]			Banks with domestic offices only[3]	
		Total	Foreign	Domestic	Over 100	Under 100
1 **Total assets**[4]	**3,674,733**	**2,072,839**	**489,039**	**1,679,827**	**1,250,244**	**351,649**
2 Cash and balances due from depository institutions	271,401	185,962	74,309	111,653	65,378	20,061
3 Cash items in process of collection, unposted debits, and currency and coin		79,070	2,110	76,960	34,385	
4 Cash items in process of collection and unposted debits		n.a.	n.a.	58,876	22,314	
5 Currency and coin		n.a.	n.a.	18,083	12,071	
6 Balances due from depository institutions in the United States	n.a.	27,346	17,892	9,453	16,121	n.a.
7 Balances due from banks in foreign countries and foreign central banks		59,194	54,215	4,979	2,489	
8 Balances due from Federal Reserve Banks		20,353	92	20,262	12,382	
MEMO						
9 Non-interest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	n.a.	n.a.	n.a.	7,248	13,143	8,274
10 **Total securities, loans- and lease-financing receivables, net**	**3,055,995**	**1,609,283**	n.a.	n.a.	**1,128,337**	**318,376**
11 Total securities, book value	826,378	354,172	34,436	319,735	353,872	118,335
12 U.S. Treasury securities and U.S. government agency and corporation obligations	652,811	269,545	5,876	263,668	288,772	94,494
13 U.S. Treasury securities	n.a.	101,193	2,383	98,810	120,421	n.a.
14 U.S. government agency and corporation obligations	n.a.	168,352	3,494	164,859	168,351	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	176,342	88,351	3,418	84,933	70,234	17,757
16 All other	n.a.	80,001	76	79,925	98,116	n.a.
17 Securities issued by states and political subdivisions in the United States	77,217	21,343	580	20,762	38,023	17,851
18 Other domestic debt securities	n.a.	27,736	204	27,531	20,393	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	4,706	2,378	0	2,378	2,241	88
20 All other domestic debt securities	47,771	25,358	204	25,154	18,152	4,261
21 Foreign debt securities	n.a.	28,194	26,546	1,648	378	n.a.
22 Equity securities	15,302	7,354	1,230	6,125	6,306	1,641
23 Marketable	6,710	2,338	357	1,981	3,312	1,060
24 Investments in mutual funds	3,882	757	23	734	2,180	945
25 Other	2,866	1,581	334	1,248	1,149	135
26 LESS: Net unrealized loss	37	0	0	0	17	20
27 Other equity securities	8,592	5,017	873	4,144	2,994	581
28 Federal funds sold and securities purchased under agreements to resell	149,657	88,564	413	88,151	43,770	17,322
29 Federal funds sold	122,662	64,754	n.a.	n.a.	40,765	17,143
30 Securities purchased under agreements to resell	26,995	23,810	n.a.	n.a.	3,006	180
31 Total loans- and lease-financing receivables, gross	2,138,794	1,202,798	215,411	987,387	749,051	186,946
32 LESS: Unearned income on loans	6,475	2,498	876	1,622	2,884	1,092
33 Total loans and leases (net of unearned income)	2,132,320	1,200,300	214,535	985,764	746,167	185,853
34 LESS: Allowance for loan and lease losses	52,187	33,587	n.a.	n.a.	15,465	3,134
35 LESS: Allocated transfer risk reserves	172	166	n.a.	n.a.	7	0
36 EQUALS: Total loans and leases, net	2,079,961	1,166,547	n.a.	n.a.	730,695	182,719
Total loans, gross, by category						
37 Loans secured by real estate	911,394	419,998	22,337	397,660	387,761	103,636
38 Construction and land development				32,666	26,655	6,468
39 Farmland				2,182	7,731	10,934
40 One- to four-family residential properties				237,430	214,380	55,976
41 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	39,968	29,803	2,787
42 All other loans				197,463	184,577	53,190
43 Multifamily (five or more) residential properties				13,124	13,890	2,344
44 Nonfarm nonresidential properties				112,258	125,105	27,913
45 Loans to depository institutions	44,982	38,664	18,717	19,946	6,013	306
46 Commercial banks in the United States	n.a.	17,484	582	16,901	5,426	n.a.
47 Other depository institutions in the United States	n.a.	383	34	348	293	n.a.
48 Banks in foreign countries	n.a.	20,797	18,100	2,697	294	n.a.
49 Loans to finance agricultural production and other loans to farmers	36,987	5,676	212	5,465	11,924	19,386
50 Commercial and industrial loans	536,078	381,266	95,673	285,593	124,342	30,470
51 U.S. addressees (domicile)	n.a.	302,990	20,327	282,662	123,892	n.a.
52 Non-U.S. addressees (domicile)	n.a.	78,276	75,345	2,931	450	n.a.
53 Acceptances of other banks	2,147	1,628	1,261	367	368	151
54 U.S. banks	n.a.	377	158	219	n.a.	n.a.
55 Foreign banks	n.a.	1,250	1,103	148	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	416,697	193,131	21,555	171,576	193,399	30,167
57 Credit cards and related plans	153,811	79,366	n.a.	n.a.	72,608	1,837
58 Other (includes single payment and installment)	262,885	113,765	n.a.	n.a.	120,791	28,329
59 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	21,210	11,176	275	10,901	8,880	1,154
60 Taxable	1,954	1,324	155	1,169	584	45
61 Tax-exempt	19,256	9,852	120	9,732	8,296	1,108
62 All other loans	132,049	121,419	52,083	69,336	9,481	1,150
63 Loans to foreign governments and official institutions	n.a.	20,117	19,311	806	32	n.a.
64 Other loans	n.a.	101,302	32,772	68,530	9,449	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	20,818	2,076	n.a.
66 All other loans	n.a.	n.a.	n.a.	47,712	7,373	n.a.
67 Lease-financing receivables	37,251	29,840	3,297	26,543	6,884	527
68 Assets held in trading accounts	122,390	120,542	82,478	37,897	1,698	150
69 Premises and fixed assets (including capitalized leases)	54,966	30,108		n.a.	19,066	5,793
70 Other real estate owned	16,736	10,662		n.a.	4,924	1,149
71 Investments in unconsolidated subsidiaries and associated companies	3,559	3,237		n.a.	290	31
72 Customers' liability on acceptances outstanding	13,308	12,871	n.a.	n.a.	419	18
73 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.		55,301	n.a.	n.a.
74 Intangible assets	17,669	11,018		n.a.	6,200	451
75 Other assets	118,710	89,157		n.a.	23,933	5,620

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities[1]—Continued
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Banks with foreign offices[2]			Banks with domestic offices only[3]	
		Total	Foreign	Domestic	Over 100	Under 100
76 **Total liabilities, limited-life preferred stock, and equity capital**	**3,674,733**	**2,072,839**	n.a.	n.a.	**1,250,244**	**351,649**
77 **Total liabilities**[5]	**3,380,280**	**1,918,663**	**489,035**	**1,525,654**	**1,144,213**	**317,404**
78 Limited-life preferred stock	4	0	n.a.	n.a.	1	2
79 Total deposits	2,730,266	1,416,605	329,906	1,086,698	1,004,967	308,695
80 Individuals, partnerships, and corporations			202,884	1,010,118	937,943	283,170
81 U.S. government				5,344	2,583	548
82 States and political subdivisions in the United States				30,377	44,342	20,192
83 Commercial banks in the United States	n.a.	n.a.	n.a.	20,438	8,050	1,171
84 Other depository institutions in the United States				3,435	4,533	1,358
85 Banks in foreign countries				5,998	226	n.a.
86 Foreign governments and official institutions		28,805	27,738	1,066	53	n.a.
87 Certified and official checks	20,179	10,737	814	9,922	7,236	2,206
88 All other[6]	n.a.	n.a.	98,469	n.a.	n.a.	50
89 Total transaction accounts				430,297	322,772	95,910
90 Individuals, partnerships, and corporations				372,202	288,772	84,651
91 U.S. government				4,993	2,242	433
92 States and political subdivisions in the United States				14,833	17,382	7,862
93 Commercial banks in the United States				19,330	5,644	555
94 Other depository institutions in the United States				2,562	1,280	166
95 Banks in foreign countries				5,706	199	n.a.
96 Foreign governments and official institutions				749	17	n.a.
97 Certified and official checks				9,922	7,236	2,206
98 All other				n.a.	n.a.	36
99 Demand deposits (included in total transaction accounts)				309,182	180,591	46,541
100 Individuals, partnerships, and corporations				257,604	157,873	41,300
101 U.S. government				4,702	2,208	416
102 States and political subdivisions in the United States				8,613	6,180	1,874
103 Commercial banks in the United States				19,330	5,607	550
104 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,561	1,270	163
105 Banks in foreign countries				5,702	199	n.a.
106 Foreign governments and official institutions				748	17	n.a.
107 Certified and official checks				9,922	7,236	2,206
108 All other				n.a.	n.a.	31
109 Total nontransaction accounts				656,401	682,194	212,784
110 Individuals, partnerships, and corporations				637,917	649,171	198,519
111 U.S. government				351	341	114
112 States and political subdivisions in the United States				15,544	26,961	12,329
113 Commercial banks in the United States				1,107	2,407	616
114 U.S. branches and agencies of foreign banks				90	452	n.a.
115 Other commercial banks in the United States				1,017	1,954	n.a.
116 Other depository institutions in the United States				873	3,253	1,192
117 Banks in foreign countries				291	26	n.a.
118 Foreign branches of other U.S. banks				7	0	n.a.
119 Other banks in foreign countries				285	26	n.a.
120 Foreign governments and official institutions				318	36	n.a.
121 All other				n.a.	n.a.	14
122 Federal funds purchased and securities sold under agreements to repurchase	272,100	196,473	277	196,195	72,088	3,540
123 Federal funds purchased	176,989	136,172	n.a.	n.a.	39,438	1,379
124 Securities sold under agreements to repurchase	95,112	60,301	n.a.	n.a.	32,650	2,161
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	28,520	6,096	333
126 Other borrowed money	184,551	140,269	59,228	81,041	42,298	1,985
127 Banks' liability on acceptances executed and outstanding	13,402	12,965	3,177	9,789	419	18
128 Notes and debentures subordinated to deposits	37,139	34,760	n.a.	n.a.	2,340	39
129 Net owed to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	40,725	n.a.	n.a.
130 All other liabilities	107,872	89,072	n.a.	n.a.	16,006	2,794
131 Total equity capital[7]	294,449	154,176	n.a.	n.a.	106,030	34,243
MEMO						
132 Holdings of commercial paper included in total loans, gross		575	119	456	878	n.a.
133 Total individual retirement (IRA) and Keogh plan accounts				62,794	64,877	17,039
134 Total brokered deposits				22,443	15,847	634
135 Total brokered retail deposits				16,172	13,143	608
136 Issued in denominations of $100,000 or less				1,116	3,265	549
137 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less				15,057	9,877	59
138 Money market deposit accounts (savings deposits; MMDAs)				244,439	173,211	38,161
139 Other savings deposits (excluding MMDAs)				135,624	135,858	40,603
140 Total time deposits of less than $100,000				190,260	288	107,633
141 Time certificates of deposit of $100,000 or more				73,388	82,385	25,464
142 Open-account time deposits of $100,000 or more				12,691	2,695	925
143 All negotiable order of withdrawal (NOW) accounts (including Super NOWs)				120,225	139,686	48,085
144 Total time and savings deposits	n.a.	n.a.	n.a.	777,516	824,376	262,154
Quarterly averages						
145 Total loans				942,546	724,883	182,682
146 Obligations (other than securities) of states and political subdivisions in the United States				11,607	8,957	n.a.
147 Transaction accounts in domestic offices (NOW accounts, automated transfer service (ATS) accounts, and telephone and preauthorized transfer accounts)				116,582	136,898	47,884
Nontransaction accounts in domestic offices						
148 Money market deposit accounts				248,052	175,332	38,179
149 Other savings deposits				133,704	134,088	40,098
150 Time certificates of deposit of $100,000 or more				78,765	82,330	25,010
151 All other time deposits				211,480	294,051	109,189
152 Number of banks	10,922	210	n.a.	n.a.	2,807	7,905

Footnotes appear at the end of table 4.22

4.21 DOMESTIC OFFICES Insured Commercial Banks with Assets of $100 Million or More or With Foreign Offices[1]
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Members			Nonmembers
		Total	National	State	
1 **Total assets**[4]	**2,930,071**	**2,295,573**	**1,769,915**	**525,658**	**634,498**
2 Cash and balances due from depository institutions	177,031	147,900	116,935	30,965	29,130
3 Cash items in process of collection and unposted debits	81,191	72,589	57,845	14,745	8,601
4 Currency and coin	30,154	24,944	19,903	5,040	5,210
5 Balances due from depository institutions in the United States	25,575	16,986	13,817	3,170	8,588
6 Balances due from banks in foreign countries and foreign central banks	7,468	6,896	6,388	508	572
7 Balances due from Federal Reserve Banks	32,644	26,485	18,982	7,503	6,159
8 **Total securities, loans- and lease-financing receivables (net of unearned income)**	**2,537,460**	**1,960,177**	**1,536,992**	**423,185**	**577,283**
9 Total securities, book value	673,607	510,692	380,202	130,490	162,915
10 U.S. Treasury securities	219,231	161,799	124,546	37,253	57,431
11 U.S. government agency and corporation obligations	333,209	259,891	192,112	67,779	73,319
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	155,167	127,340	92,433	34,907	27,827
13 All other	178,042	132,550	99,678	32,872	45,491
14 Securities issued by states and political subdivisions in the United States	58,785	40,920	29,010	11,910	17,865
15 Other domestic debt securities	47,924	37,479	26,462	11,017	10,446
16 All holdings of private certificates of participation in pools of residential mortgages	4,618	3,863	3,039	824	756
17 All other domestic debt securities	43,306	33,616	23,423	10,193	9,690
18 Foreign debt securities	2,026	1,550	1,223	327	476
19 Equity securities	12,431	9,053	6,849	2,203	3,379
20 Marketable	5,294	2,929	1,978	951	2,365
21 Investments in mutual funds	2,914	1,423	1,246	177	1,491
22 Other	2,397	1,511	736	775	886
23 LESS: Net unrealized loss	17	5	4	1	12
24 Other equity securities	7,138	6,124	4,871	1,253	1,014
25 Federal funds sold and securities purchased under agreements to resell[8]	131,921	109,446	82,319	27,128	22,475
26 Federal funds sold	40,765	25,678	21,027	4,650	15,087
27 Securities purchased under agreements to resell	3,006	1,969	1,704	265	1,036
28 Total loans and lease-financing receivables, gross	1,736,438	1,342,931	1,076,705	266,226	393,507
29 LESS: Unearned income on loans	4,507	2,893	2,234	659	1,614
30 Total loans and leases (net of unearned income)	1,731,931	1,340,038	1,074,471	265,567	391,893
Total loans, gross, by category					
31 Loans secured by real estate	785,421	586,819	475,045	111,774	198,602
32 Construction and land development	59,321	43,983	35,268	8,715	15,337
33 Farmland	9,913	5,904	4,940	965	4,009
34 One- to four-family residential properties	451,811	348,022	282,484	65,538	103,789
35 Revolving, open-end and extended under lines of credit	69,771	54,382	43,633	10,749	15,389
36 All other loans	382,040	293,640	238,851	54,789	88,400
37 Multifamily (five or more) residential properties	27,013	19,026	15,435	3,591	7,988
38 Nonfarm nonresidential properties	237,363	169,884	136,919	32,965	67,479
39 Commercial banks in the United States	22,328	18,527	15,230	3,297	3,801
40 Other depository institutions in the United States	641	370	287	83	271
41 Banks in foreign countries	2,991	2,744	1,348	1,396	247
42 Loans to finance agricultural production and other loans to farmers	17,389	12,004	10,360	1,644	5,385
43 Commercial and industrial loans	409,935	334,694	267,876	66,818	75,241
44 U.S. addressees (domicile)	406,554	331,622	265,331	66,291	74,932
45 Non-U.S. addressees (domicile)	3,381	3,072	2,545	527	309
46 Acceptances of other banks[9]	735	401	329	72	334
47 U.S. banks	372	183	134	49	189
48 Foreign banks	232	198	183	15	34
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	364,975	270,644	221,353	49,291	94,331
50 Credit cards and related plans	72,608	49,904	46,240	3,664	22,704
51 Other (includes single-payment and installment loans)	120,791	74,594	59,649	14,945	46,197
52 Loans to foreign governments and official institutions	838	829	739	90	9
53 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	19,781	16,082	11,900	4,183	3,699
54 Taxable	1,753	1,489	982	507	264
55 Tax-exempt	18,028	14,593	10,917	3,676	3,436
56 Other loans	77,979	71,694	49,763	21,931	6,285
57 Loans for purchasing and carrying securities	22,894	20,799	12,301	8,499	2,095
58 All other loans	55,085	50,894	37,462	13,432	4,191
59 Lease-financing receivables	33,427	28,125	22,477	5,648	5,302
60 Customers' liability on acceptances outstanding	10,123	9,480	7,010	2,470	644
61 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	55,301	48,682	17,692	30,989	6,620
62 Remaining assets	205,457	178,016	108,977	69,039	27,441

4.21 DOMESTIC OFFICES Insured Commercial Banks with Assets of $100 Million or More or With Foreign Offices[1]—Continued
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Members			Nonmembers
		Total	National	State	
63 **Total liabilities and equity capital**	**2,930,071**	**2,295,573**	**1,769,915**	**525,658**	**634,498**
64 **Total liabilities**[5]	**2,669,867**	**2,091,925**	**1,615,055**	**476,869**	**577,943**
65 Total deposits	2,091,665	1,613,722	1,271,759	341,963	477,943
66 Individuals, partnerships, and corporations	1,948,061	1,502,351	1,186,112	316,239	445,711
67 U.S. government	7,928	6,753	5,425	1,328	1,175
68 States and political subdivisions in the United States	74,719	54,128	42,210	11,918	20,591
69 Commercial banks in the United States	28,488	25,170	20,011	5,159	3,318
70 Other depository institutions in the United States	7,968	5,070	4,097	973	2,898
71 Banks in foreign countries	6,223	5,746	3,277	2,469	477
72 Foreign governments and official institutions	1,120	916	532	384	204
73 Certified and official checks	17,158	13,589	10,095	3,494	3,569
74 Total transaction accounts	753,069	603,790	472,469	131,321	149,279
75 Individuals, partnerships, and corporations	660,974	526,534	413,126	113,408	134,440
76 U.S. government	7,235	6,188	4,977	1,211	1,047
77 States and political subdivisions in the United States	32,214	24,605	19,284	5,321	7,609
78 Commercial banks in the United States	24,974	23,553	19,027	4,526	1,421
79 Other depository institutions in the United States	3,842	3,053	2,374	679	788
80 Banks in foreign countries	5,906	5,553	3,182	2,371	353
81 Foreign governments and official institutions	766	713	403	310	53
82 Certified and official checks	17,158	13,589	10,095	3,494	3,569
83 Demand deposits (included in total transaction accounts)	489,773	401,476	307,823	93,653	88,297
84 Individuals, partnerships, and corporations	415,477	337,049	259,086	77,963	78,428
85 U.S. government	6,910	5,876	4,671	1,205	1,034
86 States and political subdivisions in the United States	14,794	12,105	8,999	3,106	2,689
87 Commercial banks in the United States	24,936	23,542	19,017	4,525	1,394
88 Other depository institutions in the United States	3,831	3,049	2,370	679	782
89 Banks in foreign countries	5,902	5,553	3,182	2,371	349
90 Foreign governments and official institutions	765	713	403	310	52
91 Certified and official checks	17,158	13,589	10,095	3,494	3,569
92 Total nontransaction accounts	1,338,596	1,009,933	799,290	210,642	328,663
93 Individuals, partnerships, and corporations	1,287,088	975,816	772,986	202,831	311,271
94 U.S. government	692	565	448	117	127
95 States and political subdivisions in the United States	42,505	29,523	22,926	6,597	12,982
96 Commercial banks in the United States	3,514	1,616	984	633	1,898
97 U.S. branches and agencies of foreign banks	542	88	62	26	454
98 Other commercial banks in the United States	2,972	1,528	922	607	1,443
99 Other depository institutions in the United States	4,126	2,017	1,722	294	2,110
100 Banks in foreign countries	317	193	96	97	124
101 Foreign branches of other U.S. banks	7	3	3	0	3
102 Other banks in foreign countries	311	190	93	97	121
103 Foreign governments and official institutions	354	203	129	74	151
104 Federal funds purchased and securities sold under agreements to repurchase[10]	268,283	223,446	160,624	62,823	44,836
105 Federal funds purchased	39,438	29,919	25,497	4,421	9,519
106 Securities sold under agreements to repurchase	32,650	20,658	16,177	4,481	11,991
107 Demand notes issued to the U.S. Treasury	34,617	31,750	20,387	11,363	2,866
108 Other borrowed money	123,339	93,231	68,600	24,631	30,108
109 Banks liability on acceptances executed and outstanding	10,207	9,563	7,058	2,505	644
110 Notes and debentures subordinated to deposits	2,340	1,717	1,541	176	623
111 Net owed to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	40,725	30,365	26,733	3,632	10,361
112 Remaining liabilities	139,417	118,494	85,086	33,408	20,923
113 **Total equity capital**[7]	**260,204**	**203,648**	**154,860**	**48,789**	**56,555**
MEMO					
114 Holdings of commercial paper included in total loans, gross	1,334	330	320	10	1,004
115 Total individual retirement (IRA) and Keogh plan accounts	127,671	99,040	80,161	18,878	28,631
116 Total brokered deposits	38,289	26,140	20,914	5,227	12,149
117 Total brokered retail deposits	29,315	19,833	16,379	3,454	9,482
118 Issued in denominations of $100,000 or less	4,381	3,048	2,822	226	1,333
119 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	24,934	16,785	13,557	3,228	8,149
120 Money market deposit accounts (savings deposits; MMDAs)	417,651	331,552	262,412	69,140	86,098
121 Other savings accounts	271,482	205,222	151,264	53,958	66,260
122 Total time deposits of less than $100,000	478,305	352,703	289,236	63,466	125,602
123 Time certificates of deposit of $100,000 or more	155,772	107,902	89,631	18,271	47,870
124 Open-account time deposits of $100,000 or more	15,386	12,554	6,746	5,808	2,832
125 All negotiable order of withdrawal (NOW) accounts (including Super NOWs)	259,911	200,443	163,025	37,417	59,468
126 Total time and savings deposits	1,601,891	1,212,246	963,936	248,311	389,645
Quarterly averages					
127 Total loans	1,667,429	1,289,382	1,032,191	257,191	378,047
128 Obligations (other than securities) of states and political subdivisions in the United States	20,564	16,784	12,160	4,624	3,780
129 Transaction accounts (NOW accounts, automated transfer service (ATS) accounts, and telephone preauthorized transfer accounts)	253,480	194,595	157,505	37,090	58,885
Nontransaction accounts					
130 Money market deposit accounts	423,384	336,059	265,164	70,896	87,324
131 Other savings deposits	267,793	202,261	148,494	53,768	65,531
132 Time certificates of deposits of $100,000 or more	161,095	113,675	94,504	19,171	47,419
133 All other time deposits	505,530	376,419	304,163	72,256	129,111
134 Number of banks	3,017	1,592	1,292	300	1,425

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities[1]
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Members			Nonmembers
		Total	National	State	
1 **Total assets**[4]	**3,281,720**	**2,428,820**	**1,870,612**	**558,208**	**852,900**
2 Cash and balances due from depository institutions	197,092	155,708	122,954	32,753	41,384
3 Currency and coin	33,272	26,127	20,814	5,312	7,145
4 Non-interest-bearing balances due from commercial banks	28,664	16,470	13,147	3,323	12,194
5 Other	135,156	113,111	88,993	24,118	22,045
6 **Total securities, loans, and lease-financing receivables (net of unearned income)**	**2,858,969**	**2,081,544**	**1,628,457**	**453,087**	**777,425**
7 Total securities, book value	791,941	556,376	415,829	140,548	235,565
8 U.S. Treasury securities and U.S. government agency and corporation obligations	646,934	458,859	345,833	113,026	188,075
9 Securities issued by states and political subdivisions in the United States	76,637	47,170	33,781	13,389	29,466
10 Other debt securities	54,299	40,557	28,781	11,776	13,742
11 All holdings of private certificates of participation in pools of residential mortgages	4,706	3,891	3,056	835	815
12 All other	49,593	36,666	25,725	10,941	12,926
13 Equity securities	14,072	9,790	7,434	2,356	4,282
14 Marketable	6,353	3,332	2,312	1,019	3,022
15 Investments in mutual funds	3,859	1,798	1,559	239	2,061
16 Other	2,532	1,546	763	783	986
17 LESS: Net unrealized loss	37	12	10	2	25
18 Other equity securities	7,719	6,458	5,121	1,337	1,260
19 Federal funds sold and securities purchased under agreements to resell[8]	149,243	116,494	87,447	29,046	32,750
20 Federal funds sold	57,907	32,679	26,121	6,559	25,228
21 Securities purchased under agreements to resell	3,185	2,015	1,740	275	1,171
22 Total loans and lease financing receivables, gross	1,923,384	1,411,992	1,127,728	284,265	511,391
23 LESS: Unearned income on loans	5,599	3,318	2,547	771	2,281
24 Total loans and leases (net of unearned income)	1,917,785	1,408,674	1,125,181	283,494	509,110
Total loans, gross, by category					
25 Loans secured by real estate	889,057	624,927	502,959	121,968	264,130
26 Construction and land development	65,789	46,409	37,007	9,402	19,380
27 Farmland	20,847	9,333	7,604	1,729	11,514
28 One- to four-family residential properties	507,787	368,960	297,663	71,297	138,827
29 Revolving, open-end loans, and extended under lines of credit	72,557	55,525	44,380	11,145	17,032
30 All other loans	435,229	313,435	253,283	60,152	121,794
31 Multifamily (five or more) residential properties	29,358	19,916	16,108	3,808	9,442
32 Nonfarm nonresidential properties	265,276	180,308	144,577	35,731	84,968
33 Loans to depository institutions	26,265	21,850	17,029	4,821	4,416
34 Loans to finance agricultural production and other loans to farmers	36,775	18,501	15,417	3,085	18,273
35 Commercial and industrial loans	440,405	346,528	276,438	70,090	93,877
36 Acceptances of other banks	885	435	359	77	450
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	395,142	281,952	229,865	52,087	113,190
38 Credit cards and related plans	74,445	50,631	46,843	3,787	23,814
39 Other (includes single payment installment)	149,120	85,175	67,558	17,617	63,945
40 Obligations (other than securities) of states and political subdivisions in the United States	20,935	16,476	12,206	4,270	4,459
41 Taxable	1,798	1,505	993	512	293
42 Tax-exempt	19,137	14,971	11,212	3,759	4,166
43 All other loans	79,966	73,024	50,837	22,186	6,943
44 Lease-financing receivables	33,954	28,300	22,619	5,682	5,654
45 Customers' liability on acceptances outstanding	10,142	9,493	7,021	2,472	649
46 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	55,301	48,682	17,692	30,989	6,620
47 Remaining assets	215,517	182,075	112,180	69,895	33,442
48 **Total liabilities and equity capital**	**3,281,720**	**2,428,820**	**1,870,612**	**558,208**	**852,900**
49 **Total liabilities**[5]	**2,987,272**	**2,212,349**	**1,706,025**	**506,324**	**774,923**
50 Total deposits	2,400,360	1,730,525	1,360,009	370,516	669,835
51 Individuals, partnerships, and corporations	2,231,231	1,609,916	1,267,550	342,366	621,316
52 U.S. government	8,475	6,991	5,605	1,386	1,484
53 States and political subdivisions in the United States	94,911	61,154	47,720	13,434	33,757
54 Commercial banks in the United States	29,659	25,867	20,221	5,646	3,792
55 Other depository institutions in the United States	9,326	5,444	4,346	1,098	3,882
56 Certified and official checks	19,364	14,466	10,751	3,715	4,898
57 All other	7,393	6,687	3,816	2,871	706
58 Total transaction accounts	848,979	641,349	501,048	140,301	207,630
59 Individuals, partnerships, and corporations	745,625	559,681	438,546	121,136	185,943
60 U.S. government	7,669	6,366	5,115	1,251	1,303
61 States and political subdivisions in the United States	40,077	27,375	21,519	5,856	12,701
62 Commercial banks in the United States	25,529	24,046	19,094	4,953	1,483
63 Other depository institutions in the United States	4,008	3,125	2,432	693	883
64 Certified and official checks	19,364	14,466	10,751	3,715	4,898
65 All other	6,708	6,290	3,591	2,698	418
66 Demand deposits (included in total transaction accounts)	536,315	420,140	321,711	98,429	116,175
67 Individuals, partnerships, and corporations	456,777	353,437	271,518	81,919	103,341
68 U.S. government	7,326	6,052	4,807	1,245	1,275
69 States and political subdivisions in the United States	16,668	12,750	9,538	3,213	3,917
70 Commercial banks in the United States	25,487	24,031	19,080	4,951	1,456
71 Other depository institutions in the United States	3,994	3,120	2,427	692	874
72 Certified and official checks	19,364	14,466	10,751	3,715	4,898
73 All other	6,698	6,285	3,591	2,694	414
74 Total nontransaction accounts	1,551,380	1,089,175	858,961	230,215	462,205
75 Individuals, partnerships, and corporations	1,485,606	1,050,234	829,004	221,230	435,372
76 U.S. government	806	625	490	135	181
77 States and political subdivisions in the United States	54,834	33,778	26,201	7,577	21,055
78 Commercial banks in the United States	4,130	1,821	1,127	694	2,309
79 Other depository institutions in the United States	5,318	2,319	1,914	405	2,999
80 All other	686	397	224	173	288

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities[1]—Continued
Consolidated Report of Condition, December 31, 1993

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
81 Federal funds purchased and securities sold under agreements to repurchase[10]	271,823	225,033	161,699	63,335	46,790
82 Federal funds purchased	40,817	30,550	25,844	4,707	10,266
83 Securities sold under agreements to repurchase	34,811	21,614	16,906	4,708	13,198
84 Demand notes issued to the U.S. Treasury	34,950	31,868	20,477	11,391	3,081
85 Other borrowed money	125,323	93,892	69,128	24,764	31,431
86 Banks liability on acceptances executed and outstanding	10,226	9,577	7,069	2,507	649
87 Notes and debentures subordinated to deposits	2,379	1,729	1,547	181	651
88 Net owed to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	40,725	30,365	26,733	3,632	10,361
89 Remaining liabilities	142,211	119,726	86,096	33,629	22,486
90 Total equity capital[7]	**294,449**	**216,471**	**164,587**	**51,884**	**77,978**
MEMO					
91 Assets held in trading accounts[11]	39,744	38,587	25,270	13,317	1,158
92 U.S. Treasury securities	16,597	16,409	11,494	4,915	188
93 U.S. government agency corporation obligations	6,361	6,199	4,325	1,874	161
94 Securities issued by states and political subdivisions in the United States	1,138	1,095	569	526	42
95 Other bonds, notes, and debentures	1,463	1,440	852	588	23
96 Certificates of deposit	1,790	1,655	1,166	489	135
97 Commercial paper	97	97	97	0	0
98 Bankers acceptances	2,548	2,439	1,636	803	109
99 Other	9,035	9,032	4,945	4,087	3
100 Total individual retirement (IRA) and Keogh plan accounts	144,710	105,215	84,869	20,346	39,495
101 Total brokered deposits	38,924	26,327	21,059	5,269	12,596
102 Total brokered retail deposits	29,922	20,008	16,518	3,491	9,914
103 Issued in denominations of $100,000 or less	4,929	3,205	2,945	259	1,725
104 Issued in denominations greater than $100,000 and participated out by the broker in shares of $100,000 or less	24,993	16,804	13,572	3,231	8,189
Savings deposits					
105 Money market deposit accounts (savings deposits; MMDAs)	455,812	346,852	273,861	72,991	108,959
106 Other savings deposits	312,085	221,256	163,153	58,103	90,828
107 Total time deposits of less than $100,000	585,937	390,819	318,133	72,686	195,118
108 Time certificates of deposit of $100,000 or more	181,236	117,409	96,846	20,563	63,827
109 Open-account time deposits of $100,000 or more	16,311	12,838	6,967	5,872	3,473
110 All negotiable order of withdrawal (NOW) accounts (including Super NOWs)	307,996	218,869	177,393	41,476	89,127
111 Total time and savings deposits	1,864,045	1,310,384	1,038,297	272,087	553,661
Quarterly averages					
112 Total loans	1,850,111	1,356,769	1,082,035	274,735	493,341
113 Transaction accounts (NOW accounts, automated transfer service (ATS) accounts, and telephone and preauthorized transfer accounts)	301,364	212,886	171,728	41,158	88,478
Nontransaction accounts					
114 Money market deposit accounts	461,563	351,412	276,698	74,714	110,151
115 Other savings deposits	307,890	218,125	160,278	57,847	89,766
116 Time certificates of deposit of $100,000 or more	186,105	123,057	101,638	21,420	63,047
117 All other time deposits	614,719	414,994	333,439	81,554	199,726
118 Number of banks	10,922	4,281	3,315	966	6,641

1. Effective March 31, 1984, the report of condition for commercial banks was substantially revised. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the March 31, 1984, Call Report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition. (2) Banks with assets of more than $1 billion report additional items. (3) The domestic offices of banks with foreign offices report far less detail. (4) Banks with assets of less than $25 million are excused from reporting certain detail items.

The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively of the domestic and foreign offices.

2. Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

3. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were $100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than $100 million. (These banks file the FFIEC 034 Call Report.)

4. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

5. Because the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) do not sum to the actual total (foreign).

6. The definition of "all other" varies by report form and therefore by column in this table.

7. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

8. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here; therefore, the components do not sum to totals.

9. Acceptances of other banks is not reported by domestic banks having less than $300 million in total assets; therefore the components do not sum to totals.

10. Only the domestic portion of federal funds purchased and securities sold under agreements to repurchase are reported here; therefore the components do not sum to totals.

11. Components are reported only for banks with total assets of $1 billion or more; therefore, components do not sum to totals.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 7–11, 1994[1]

Commercial and Industrial Loans

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days	Weighted average effective[3]	Standard error[4]				
ALL BANKS									
1 Overnight[6]	9,723,522	5,197	*	3.86	.26	7.9	54.8	3.8	Fed funds
2 One month or less (excluding overnight)	9,712,303	1,301	20	4.13	.18	16.7	71.2	10.1	Foreign
3 Fixed rate	7,193,796	1,977	20	3.99	.22	13.3	68.5	11.2	Fed funds
4 Floating rate	2,518,507	659	20	4.52	.26	26.5	79.1	7.0	Foreign
5 More than one month and less than one year	8,860,720	177	157	5.20	.17	40.7	80.2	3.2	Prime
6 Fixed rate	3,306,361	163	127	4.58	.28	32.8	75.7	4.1	Other
7 Floating rate	5,554,359	186	175	5.58	.19	45.4	82.9	2.7	Prime
8 Demand[7]	14,664,521	296	*	5.22	.17	61.3	62.4	4.1	Prime
9 Fixed rate	4,155,700	803	*	4.08	.28	23.3	73.8	6.0	Other
10 Floating rate	10,508,821	237	*	5.67	.14	76.3	57.9	3.3	Prime
11 Total short-term	**42,961,066**	**394**	**57**	**4.66**	**.16**	**34.9**	**66.4**	**5.2**	**Fed funds**
12 Fixed rate (thousands of dollars)	24,379,379	788	28	4.03	.25	15.5	64.9	6.4	Other
13 1–99	383,527	15	140	7.96	.27	87.0	45.1	.7	Other
14 100–499	409,646	218	118	6.01	.19	73.0	53.4	4.6	Other
15 500–999	406,331	687	57	5.15	.13	56.8	78.6	7.8	Other
16 1,000–4,999	3,567,810	2,365	32	4.42	.07	26.4	76.8	8.6	Other
17 5,000–9,999	3,801,297	6,521	26	4.09	.03	16.3	66.3	8.6	Other
18 10,000 or more	15,810,767	20,676	23	3.75	.04	8.6	62.3	5.5	Other
19 Floating rate (thousands of dollars)	18,581,687	238	127	5.49	.17	60.3	68.3	3.6	Prime
20 1–99	1,491,128	25	160	7.49	.05	83.9	84.7	1.6	Prime
21 100–499	2,780,629	199	159	6.92	.03	78.3	89.2	3.5	Prime
22 500–999	1,215,746	666	171	6.42	.04	72.9	88.0	7.3	Prime
23 1,000–4,999	3,368,769	2,010	136	5.91	.17	62.4	84.2	7.9	Prime
24 5,000–9,999	1,735,765	6,714	102	5.23	.23	48.2	70.7	4.2	Prime
25 10,000 or more	7,989,649	25,484	111	4.35	.24	49.5	47.7	1.6	Fed funds
			Months						
26 Total long-term	**4,605,265**	**197**	**38**	**5.85**	**.17**	**57.1**	**81.4**	**7.8**	**Prime**
27 Fixed rate (thousands of dollars)	1,093,082	101	43	5.41	.27	59.0	67.7	1.8	Other
28 1–99	177,348	18	47	7.35	.40	93.9	24.7	.1	Other
29 100–499	119,421	206	60	6.88	.25	87.5	45.4	1.9	Other
30 500–999	84,362	705	45	6.14	.58	46.8	44.7	4.9	Other
31 1,000 or more	711,951	4,628	39	4.60	.33	47.0	84.8	1.9	Foreign
32 Floating rate (thousands of dollars)	3,512,183	278	37	5.98	.20	56.5	85.7	9.7	Prime
33 1–99	243,334	28	36	7.64	.26	87.4	55.9	4.8	Prime
34 100–499	608,197	222	38	7.15	.15	78.9	77.0	9.4	Prime
35 500–999	429,622	681	29	6.59	.11	57.6	85.3	13.6	Prime
36 1,000 or more	2,231,029	4,007	38	5.37	.33	46.7	91.4	9.5	Prime
			Days	Loan rate (percent)					Prime rate[9]
				Effective[3]	Nominal[8]				
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	9,389,738	8,662	*	3.77	3.75	5.9	53.9	4.0	6.00
38 One month or less (excluding overnight)	9,193,051	4,096	20	3.97	3.95	13.7	70.4	10.0	5.98
39 More than one month and less than one year	5,496,596	692	144	4.09	4.07	22.4	84.0	3.2	6.08
40 Demand[7]	8,676,195	3,129	*	4.00	3.96	50.2	44.7	3.4	6.01
41 Total short-term	**32,755,579**	**2,333**	**41**	**3.94**	**3.92**	**22.6**	**61.1**	**5.4**	**6.01**
42 Fixed rate	23,205,600	3,156	26	3.88	3.86	12.5	65.0	6.5	6.00
43 Floating rate	9,549,979	1,428	103	4.09	4.05	47.3	51.7	2.6	6.04
			Months						
44 Total long-term	**2,023,276**	**700**	**37**	**4.35**	**4.30**	**31.3**	**89.8**	**5.1**	**6.10**
45 Fixed rate	668,527	398	39	4.27	4.23	39.8	85.8	2.7	6.09
46 Floating rate	1,354,749	1,122	36	4.39	4.33	27.2	91.8	6.4	6.10

Footnotes appear at the end of the table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 7–11, 1994—Continued

Commercial and industrial loans—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days	Weighted average effective[3]	Standard error[4]				
LARGE BANKS									
1 Overnight[6]	7,351,768	6,875	*	3.91	.21	8.9	56.0	3.8	Other
2 One month or less (excluding overnight)	6,004,688	3,862	19	4.13	.15	20.2	84.9	14.9	Foreign
3 Fixed rate	4,635,075	5,209	18	4.02	.15	15.6	83.0	16.6	Other
4 Floating rate	1,369,612	2,060	22	4.51	.24	35.7	91.3	9.2	Foreign
5 More than one month and less than one year	4,860,269	917	147	4.78	.14	34.5	87.9	4.9	Other
6 Fixed rate	2,106,497	2,646	127	4.08	.20	26.1	90.6	5.7	Other
7 Floating rate	2,753,772	611	163	5.32	.17	40.9	85.9	4.4	Prime
8 Demand[7]	9,868,749	562	*	4.96	.16	62.9	54.0	3.3	Fed funds
9 Fixed rate	2,835,429	2,792	*	4.05	.28	21.2	76.8	6.8	Domestic
10 Floating rate	7,033,320	425	*	5.33	.14	79.7	44.8	1.9	Fed funds
11 Total short-term	**28,085,473**	**1,102**	**46**	**4.48**	**.13**	**34.7**	**67.0**	**6.2**	**Fed funds**
12 Fixed rate (thousands of dollars)	16,928,769	4,490	25	3.98	.17	14.9	71.2	8.0	Other
13 1–99	24,791	31	87	6.54	.22	73.8	68.2	1.5	Prime
14 100–499	136,284	252	48	5.34	.21	56.8	78.3	6.2	Other
15 500–999	271,656	695	36	5.14	.11	56.8	83.4	10.1	Other
16 1,000–4,999	2,499,143	2,410	30	4.51	.09	30.6	81.5	9.6	Other
17 5,000–9,999	2,764,191	6,602	22	4.12	.07	14.4	65.4	9.1	Other
18 10,000 or more	11,232,703	19,246	25	3.78	.04	9.9	69.9	7.4	Other
19 Floating rate (thousands of dollars)	11,156,705	514	116	5.23	.15	64.7	60.6	3.4	Prime
20 1–99	451,282	33	145	7.17	.06	85.1	92.9	1.6	Prime
21 100–499	1,144,661	202	155	6.78	.05	76.3	93.4	3.7	Prime
22 500–999	589,462	655	160	6.37	.08	70.1	90.0	8.0	Prime
23 1,000–4,999	1,808,557	1,991	118	5.74	.20	54.2	83.3	8.7	Prime
24 5,000–9,999	1,324,233	6,783	104	5.18	.32	48.4	69.4	2.3	Prime
25 10,000 or more	5,838,509	25,868	108	4.51	.34	67.3	39.7	1.6	Fed funds
			Months						
26 Total long-term	**2,706,300**	**738**	**36**	**5.41**	**.16**	**49.8**	**92.8**	**7.5**	**Prime**
27 Fixed rate (thousands of dollars)	523,464	1,133	39	4.71	.30	59.9	88.2	2.1	Foreign
28 1–99	5,435	27	44	7.54	.22	74.7	59.1	.0	Other
29 100–499	27,190	230	39	5.83	.37	71.1	86.7	4.6	Domestic
30 500–999	31,899	666	42	5.16	.49	49.8	91.6	2.9	Domestic
31 1,000 or more	458,939	4,979	39	4.58	.19	59.8	88.4	2.0	Foreign
32 Floating rate (thousands of dollars)	2,182,836	681	36	5.58	.15	47.4	94.0	8.8	Prime
33 1–99	47,942	34	30	6.80	.13	84.8	90.8	3.3	Prime
34 100–499	243,739	226	33	6.77	.09	74.3	87.9	8.5	Prime
35 500–999	204,858	644	31	6.45	.07	66.8	89.6	8.3	Prime
36 1,000 or more	1,686,297	4,459	37	5.27	.39	40.0	95.4	9.0	Prime
			Days	Loan rate (percent) Effective[3]	Loan rate (percent) Nominal[8]				Prime rate[9]
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	7,075,889	8,794	*	3.82	3.79	7.0	54.6	4.0	6.00
38 One month or less (excluding overnight)	5,755,804	5,528	19	4.03	4.02	17.6	84.6	15.3	6.00
39 More than one month and less than one year	3,442,019	3,551	137	3.99	3.97	23.9	89.5	4.7	5.99
40 Demand[7]	6,673,181	5,415	*	4.00	3.96	58.8	38.6	3.2	6.00
41 Total short-term	**22,946,893**	**5,669**	**36**	**3.95**	**3.93**	**27.3**	**62.7**	**6.7**	**6.00**
42 Fixed rate	16,346,979	6,049	25	3.90	3.88	13.1	70.7	8.1	6.00
43 Floating rate	6,599,914	4,907	93	4.08	4.03	62.4	42.9	3.4	6.00
			Months						
44 Total long-term	**1,424,879**	**3,128**	**36**	**4.19**	**4.13**	**27.7**	**97.1**	**5.1**	**6.00**
45 Fixed rate	393,333	2,484	36	4.12	4.10	50.0	91.3	2.3	6.00
46 Floating rate	1,031,546	3,471	36	4.22	4.15	19.2	99.3	6.2	6.00

Footnotes appear at the end of the table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 7–11, 1994[1]—Continued

Commercial and industrial loans—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity[2]	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate[5]
			Days	Weighted average effective[3]	Standard error[4]				
OTHER BANKS									
1 Overnight[6]	2,371,755	2,959	*	3.70	.53	4.9	51.0	3.9	Fed funds
2 One month or less (excluding overnight)	3,707,616	628	23	4.12	.21	11.2	49.1	2.4	Fed funds
3 Fixed rate	2,558,721	931	25	3.93	.28	9.2	42.2	1.6	Fed funds
4 Floating rate	1,148,894	364	18	4.54	.30	15.4	64.6	4.4	Domestic
5 More than one month and less than one year	4,000,450	89	169	5.72	.19	48.3	70.9	1.2	Prime
6 Fixed rate	1,199,864	62	127	5.45	.31	44.5	49.4	1.5	Other
7 Floating rate	2,800,586	110	188	5.83	.21	49.9	80.0	1.0	Prime
8 Demand[7]	4,795,772	150	*	5.75	.20	58.0	79.9	5.6	Prime
9 Fixed rate	1,320,271	317	*	4.13	.34	27.9	67.4	4.2	Other
10 Floating rate	3,475,501	125	*	6.37	.18	69.4	84.6	6.1	Prime
11 **Total short-term**	**14,875,593**	**178**	**76**	**5.01**	**.18**	**35.2**	**65.2**	**3.3**	**Prime**
12 Fixed rate (thousands of dollars)	7,450,611	274	36	4.14	.28	16.9	50.6	2.7	Fed funds
13 1–99	358,736	14	142	8.06	.26	87.9	43.5	.6	Other
14 100–499	273,362	204	146	6.34	.40	81.1	41.1	3.9	Other
15 500–999	134,675	670	99	5.17	.24	56.8	69.0	3.2	Other
16 1,000–4,999	1,068,668	2,267	36	4.20	.25	16.7	65.9	6.3	Fed funds
17 5,000–9,999	1,037,106	6,316	37	3.99	.06	21.3	68.5	7.4	Fed funds
18 10,000 or more	4,578,064	25,289	19	3.68	.25	5.3	43.6	1.0	Fed funds
19 Floating rate (thousands of dollars)	7,424,982	132	138	5.88	.20	53.7	79.8	3.9	Prime
20 1–99	1,039,846	23	162	7.63	.09	83.4	81.1	1.6	Prime
21 100–499	1,635,968	198	161	7.02	.07	79.7	86.3	3.4	Prime
22 500–999	626,284	676	179	6.47	.15	75.6	86.2	6.6	Prime
23 1,000–4,999	1,560,212	2,032	160	6.10	.17	71.9	85.2	6.9	Prime
24 5,000–9,999	411,532	6,504	96	5.40	.30	47.7	74.6	10.0	Prime
25 10,000 or more	2,151,140	24,497	114	3.93	.31	1.1	69.4	1.3	Domestic
			Months						
26 **Total long-term**	**1,898,966**	**96**	**41**	**6.47**	**.18**	**67.5**	**65.2**	**8.2**	**Prime**
27 Fixed rate (thousands of dollars)	569,618	55	46	6.06	.31	58.3	48.7	1.6	Other
28 1–99	171,912	18	47	7.35	.41	94.5	23.6	.1	Other
29 100–499	92,231	201	67	7.19	.24	92.3	33.2	1.1	Other
30 500–999	52,463	731	47	6.74	.81	45.0	16.2	6.2	Other
31 1,000 or more	253,012	4,103	37	4.63	.66	23.9	78.2	1.8	Foreign
32 Floating rate (thousands of dollars)	1,329,347	141	38	6.64	.20	71.4	72.2	11.1	Prime
33 1–99	195,392	27	37	7.84	.29	88.0	47.3	5.2	Prime
34 100–499	364,458	219	41	7.40	.22	82.0	69.8	9.9	Prime
35 500–999	224,765	719	27	6.72	.12	49.2	81.4	18.4	Prime
36 1,000 or more	544,733	3,051	42	5.68	.31	67.5	79.0	10.9	Prime
			Days	Loan rate (percent)					Prime rate[9]
				Effective[3]	Nominal[8]				
LOANS MADE BELOW PRIME[10]									
37 Overnight[6]	2,313,848	8,282	*	3.64	3.61	2.6	51.8	4.0	6.00
38 One month or less (excluding overnight)	3,437,247	2,857	23	3.88	3.83	7.2	46.6	1.2	5.96
39 More than one month and less than one year	2,054,577	295	157	4.25	4.22	19.8	74.9	.7	6.22
40 Demand[7]	2,003,014	1,301	*	3.98	3.97	21.7	64.9	4.1	6.04
41 **Total short-term**	**9,808,686**	**982**	**52**	**3.92**	**3.89**	**11.7**	**57.5**	**2.3**	**6.04**
42 Fixed rate	6,858,621	1,475	27	3.83	3.80	11.0	51.5	2.9	6.00
43 Floating rate	2,950,065	552	115	4.12	4.10	13.4	71.3	1.0	6.14
			Months						
44 **Total long-term**	**598,397**	**246**	**40**	**4.74**	**4.70**	**40.1**	**72.5**	**5.2**	**6.33**
45 Fixed rate	275,194	181	42	4.48	4.43	25.2	77.8	3.3	6.23
46 Floating rate	323,202	355	37	4.96	4.93	52.8	67.9	6.9	6.41

Footnotes appear at the end of the table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 7–11, 1994—Continued

NOTES

1. The survey of terms of bank lending to business collects data on gross loan extensions made during the first full business week in the mid-month of each quarter by a sample of 340 commercial banks of all sizes. A sample of 250 banks reports loans to farmers. The sample data are blown up to estimate the lending terms at all insured commercial banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or residing in the portfolios of those banks. Construction and land development loans include both unsecure loans and loans secured by real estate. Thus, some of the construction and land development loans would be reported on the statement of condition as real estate loans and the remainder as business loans. Mortgage loans, purchased loans, foreign loans, and loans of less that $1,000 are excluded from the survey. As of September 30, assets of most of the large banks were at least $7.0 billion. For all insured banks, total assets averaged $275 million.
2. Average maturities are weighted by loan size; excludes demand loans.
3. Effective (compounded) annual interest rate calculated from the stated rate and other terms of the loans and weighted by loan size.
4. The chances are about two out of three that the average rate shown would differ by less than the amount of the standard error from the average rate that would be found by a complete survey of lending at all banks.
5. The rate used to price the largest dollar volume of loans. Base pricing rates include the *prime* rate (sometimes referred to as a bank's "basic" or "reference" rate); the *federal funds* rate; *domestic* money market rates other than the *federal funds* rate; *foreign* money market rates; and *other* base rates not included in the foregoing classifications.
6. Overnight loans mature on the following business day.
7. Demand loans have no stated date of maturity.
8. Nominal (not compounded) annual interest rate calculated from the stated rate and other terms of the loans and weighted by loan size.
9. Calculated by weighting the prime rate reported by each bank by the volume of loans reported by that bank, summing the results, and then averaging over all reporting banks.
10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1993[1]

Millions of dollars, except as noted

Item	All states[2]		New York		California		Illinois	
	Total including IBFs[3]	IBFs only[3]	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 **Total assets**[4]	**695,677**	**312,276**	**533,634**	**247,705**	**72,199**	**35,244**	**53,136**	**21,578**
2 Claims on nonrelated parties	614,784	178,670	466,022	145,832	66,495	15,658	52,990	12,286
3 Cash and balances due from depository institutions	136,932	111,525	117,757	94,080	7,334	6,741	10,384	9,889
4 Cash items in process of collection and unposted debits	2,494	0	2,374	0	17	0	87	0
5 Currency and coin (U.S. and foreign)	23	n.a.	16	n.a.	2	n.a.	1	n.a.
6 Balances with depository institutions in United States	86,898	66,158	74,119	54,565	5,071	4,527	6,999	6,773
7 U.S. branches and agencies of other foreign banks (including IBFs)	82,313	64,153	70,244	52,677	4,750	4,431	6,813	6,763
8 Other depository institutions in United States (including IBFs)	4,585	2,005	3,876	1,889	322	97	187	10
9 Balances with banks in foreign countries and with foreign central banks	46,671	45,367	40,493	39,514	2,222	2,214	3,288	3,116
10 Foreign branches of U.S. banks	893	761	709	578	77	77	78	78
11 Other banks in foreign countries and foreign central banks	45,778	44,606	39,783	38,936	2,145	2,137	3,210	3,038
12 Balances with Federal Reserve Banks	845	n.a.	755	n.a.	22	n.a.	7	n.a.
13 **Total securities and loans**	**382,819**	**57,420**	**265,614**	**43,272**	**54,275**	**8,262**	**36,669**	**1,994**
14 Total securities, book value	94,168	14,153	86,901	13,000	3,861	703	2,871	434
15 U.S. Treasury	35,413	n.a.	34,818	n.a.	171	n.a.	353	n.a.
16 Obligations of U.S. government agencies and corporations	21,402	n.a.	20,696	n.a.	476	n.a.	124	n.a.
17 Other bonds, notes, debentures, and corporate stock (including state and local securities)	37,353	14,153	31,388	13,000	3,214	703	2,394	434
18 Federal funds sold and securities purchased under agreements to resell	49,529	4,545	46,566	4,058	676	170	1,662	200
19 U.S. branches and agencies of other foreign banks	11,528	3,863	9,394	3,458	501	170	1,312	200
20 Commercial banks in United States	7,716	82	7,178	22	102	0	176	0
21 Other	30,285	601	29,994	579	73	0	174	0
22 Total loans, gross	288,765	43,273	178,788	30,276	50,433	7,559	33,807	1,560
23 Less: Unearned income on loans	114	6	76	4	19	0	10	0
24 Equals: Loans, net	288,651	43,268	178,713	30,272	50,414	7,558	33,797	1,560
Total loans, gross, by category								
25 Real estate loans	44,774	351	24,109	135	13,847	177	4,127	38
26 Loans to depository institutions	43,700	28,636	30,634	19,504	7,448	5,770	2,318	1,059
27 Commercial banks in United States (including IBFs)	19,828	9,984	12,967	6,090	4,810	3,264	1,791	587
28 U.S. branches and agencies of other foreign banks	17,145	9,677	11,164	5,902	4,561	3,170	1,243	587
29 Other commercial banks in United States	2,683	307	1,803	188	249	94	549	0
30 Other depository institutions in United States (including IBFs)	144	0	134	0	0	0	10	0
31 Banks in foreign countries	23,728	18,652	17,534	13,414	2,639	2,506	517	472
32 Foreign branches of U.S. banks	646	614	593	564	50	50	0	0
33 Other banks in foreign countries	23,083	18,039	16,941	12,851	2,589	2,456	517	472
34 Loans to other financial institutions	21,810	751	18,655	631	1,204	15	1,360	34
35 Commercial and industrial loans	158,521	10,272	89,272	7,210	27,343	1,521	23,911	373
36 U.S. addressees (domicile)	140,481	186	76,679	159	25,000	12	23,201	0
37 Non-U.S. addressees (domicile)	18,040	10,087	12,592	7,051	2,343	1,510	710	373
38 Acceptances of other banks	1,126	40	847	33	54	0	30	0
39 U.S. banks	450	5	414	5	5	0	2	0
40 Foreign banks	676	35	433	28	49	0	28	0
41 Loans to foreign governments and official institutions (including foreign central banks)	4,495	2,975	3,352	2,552	158	77	252	57
42 Loans for purchasing or carrying securities (secured and unsecured)	9,617	43	9,218	43	207	0	119	0
43 All other loans	4,722	205	2,702	168	171	0	1,690	0
44 All other assets	45,504	5,179	36,085	4,422	4,210	485	4,276	202
45 Customers' liabilities on acceptances outstanding	14,620	n.a.	10,676	n.a.	2,675	n.a.	730	n.a.
46 U.S. addressees (domicile)	10,800	n.a.	7,460	n.a.	2,410	n.a.	648	n.a.
47 Non-U.S. addressees (domicile)	3,820	n.a.	3,216	n.a.	265	n.a.	83	n.a.
48 Other assets including other claims on nonrelated parties	30,884	5,179	25,409	4,422	1,535	485	3,545	202
49 Net due from related depository institutions[5]	80,893	133,606	67,613	101,874	5,703	19,586	146	9,293
50 Net due from head office and other related depository institutions[5]	80,893	n.a.	67,613	n.a.	5,703	n.a.	146	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions[5]	n.a.	133,606	n.a.	101,874	n.a.	19,586	n.a.	9,293
52 **Total liabilities**[4]	**695,677**	**312,276**	**533,634**	**247,705**	**72,199**	**35,244**	**53,136**	**21,578**
53 Liabilities to nonrelated parties	583,541	288,703	478,360	230,535	56,365	34,639	31,570	17,635

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1993[1]—Continued

Millions of dollars, except as noted

Item	All states[2]		New York		California		Illinois	
	Total excluding IBFs[3]	IBFs only[3]	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
54 Total deposits and credit balances	148,907	216,961	131,536	196,230	4,570	6,437	3,675	9,229
55 Individuals, partnerships, and corporations	104,426	12,165	89,316	7,827	4,229	441	3,236	32
56 U.S. addressees (domicile)	90,973	181	81,631	181	2,601	0	2,248	0
57 Non-U.S. addressees (domicile)	13,453	11,984	7,685	7,647	1,627	441	987	32
58 Commercial banks in United States (including IBFs)	27,601	64,170	26,179	59,645	68	2,171	372	2,102
59 U.S. branches and agencies of other foreign banks	14,853	57,506	14,063	53,557	61	1,971	226	1,769
60 Other commercial banks in United States	12,748	6,664	12,115	6,089	7	200	146	333
61 Banks in foreign countries	7,694	122,212	7,436	111,597	46	2,991	1	6,951
62 Foreign branches of U.S. banks	3,650	3,925	3,650	3,726	0	36	0	163
63 Other banks in foreign countries	4,044	118,287	3,787	107,871	46	2,955	1	6,789
64 Foreign governments and official institutions (including foreign central banks)	3,256	18,214	2,952	17,040	182	835	2	64
65 All other deposits and credit balances	5,564	200	5,357	120	20	0	55	80
66 Certified and official checks	365		296		26		9	
67 Transaction accounts and credit balances (excluding IBFs)	8,256		6,682		318		314	
68 Individuals, partnerships, and corporations	6,171		4,918		230		300	
69 U.S. addressees (domicile)	4,327		3,721		180		295	
70 Non-U.S. addressees (domicile)	1,843		1,196		50		5	
71 Commercial banks in United States (including IBFs)	99		93		2		0	
72 U.S. branches and agencies of other foreign banks	9		7		1		0	
73 Other commercial banks in United States	90		87		1		0	
74 Banks in foreign countries	1,067		895		37		1	
75 Foreign branches of U.S. banks	1		1		0		0	
76 Other banks in foreign countries	1,066		894		37		1	
77 Foreign governments and official institutions (including foreign central banks)	387		339		4		2	
78 All other deposits and credit balances	168		141		20		1	
79 Certified and official checks	365		296		26		9	
80 Demand deposits (included in transaction accounts and credit balances)	7,730		6,487		260		299	
81 Individuals, partnerships, and corporations	5,739		4,785		189		286	
82 U.S. addressees (domicile)	4,173		3,671		152		281	
83 Non-U.S. addressees (domicile)	1,566		1,114		37		5	
84 Commercial banks in United States (including IBFs)	98	n.a.	93	n.a.	1	n.a.	0	n.a.
85 U.S. branches and agencies of other foreign banks	9		7		1		0	
86 Other commercial banks in United States	89		87		0		0	
87 Banks in foreign countries	1,032		863		36		1	
88 Foreign branches of U.S. banks	1		1		0		0	
89 Other banks in foreign countries	1,031		862		36		1	
90 Foreign governments and official institutions (including foreign central banks)	356		321		4		2	
91 All other deposits and credit balances	138		129		4		1	
92 Certified and official checks	365		296		26		9	
93 Nontransaction accounts (including MMDAs, excluding IBFs)	140,651		124,854		4,253		3,361	
94 Individuals, partnerships, and corporations	98,255		84,398		3,999		2,936	
95 U.S. addressees (domicile)	86,646		77,910		2,422		1,953	
96 Non-U.S. addressees (domicile)	11,609		6,488		1,577		983	
97 Commercial banks in United States (including IBFs)	27,502		26,085		67		372	
98 U.S. branches and agencies of other foreign banks	14,844		14,057		60		226	
99 Other commercial banks in United States	12,659		12,029		6		145	
100 Banks in foreign countries	6,627		6,541		9		0	
101 Foreign branches of U.S. banks	3,649		3,649		0		0	
102 Other banks in foreign countries	2,979		2,893		9		0	
103 Foreign governments and official institutions (including foreign central banks)	2,870		2,613		178		0	
104 All other deposits and credit balances	5,397		5,216		0		54	
105 IBF deposit liabilities		216,961		196,230		6,437		9,229
106 Individuals, partnerships, and corporations		12,165		7,827		441		32
107 U.S. addressees (domicile)		181		181		0		0
108 Non-U.S. addressees (domicile)		11,984		7,647		441		32
109 Commercial banks in United States (including IBFs)		64,170		59,645		2,171		2,102
110 U.S. branches and agencies of other foreign banks	n.a.	57,506	n.a.	53,557	n.a.	1,971	n.a.	1,769
111 Other commercial banks in United States		6,664		6,089		200		333
112 Banks in foreign countries		122,212		111,597		2,991		6,951
113 Foreign branches of U.S. banks		3,925		3,726		36		163
114 Other banks in foreign countries		118,287		107,871		2,955		6,789
115 Foreign governments and official institutions (including foreign central banks)		18,214		17,040		835		64
116 All other deposits and credit balances		200		120		0		80

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1993[1]—Continued

Millions of dollars, except as noted

Item	All states[2]		New York		California		Illinois	
	Total including IBFs[3]	IBFs only[3]	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
117 Federal funds purchased and securities sold under agreements to repurchase	60,741	9,240	52,469	6,555	4,842	1,369	3,066	1,219
118 U.S. branches and agencies of other foreign banks	11,440	2,275	8,367	1,234	1,823	520	1,113	495
119 Other commercial banks in United States	8,122	507	5,478	291	1,817	191	782	25
120 Other	41,180	6,459	38,624	5,030	1,202	659	1,172	699
121 Other borrowed money	115,557	57,741	65,470	23,647	36,827	26,358	11,386	7,034
122 Owed to nonrelated commercial banks in United States (including IBFs)	40,745	21,576	16,583	5,092	18,636	13,342	4,145	2,715
123 Owed to U.S. offices of nonrelated U.S. banks	11,465	2,711	6,375	633	3,754	1,649	999	407
124 Owed to U.S. branches and agencies of nonrelated foreign banks	29,280	18,866	10,208	4,459	14,881	11,693	3,146	2,308
125 Owed to nonrelated banks in foreign countries	36,341	33,926	19,087	16,846	12,841	12,725	4,080	4,080
126 Owed to foreign branches of nonrelated U.S. banks	944	904	444	428	368	363	102	102
127 Owed to foreign offices of nonrelated foreign banks	35,398	33,022	18,642	16,418	12,473	12,362	3,978	3,978
128 Owed to others	38,471	2,238	29,800	1,708	5,351	291	3,161	239
129 All other liabilities	41,375	4,761	32,654	4,103	3,687	475	4,214	152
130 Branch or agency liability on acceptances executed and outstanding	15,544	n.a.	11,570	n.a.	2,648	n.a.	748	n.a.
131 Other liabilities to nonrelated parties	25,831	4,761	21,085	4,103	1,040	475	3,466	152
132 Net due to related depository institutions[5]	112,136	23,573	55,275	17,170	15,834	605	21,566	3,943
133 Net owed to head office and other related depository institutions[5]	112,136	n.a.	55,275	n.a.	15,834	n.a.	21,566	n.a.
134 Net owed to establishing entity, head office, and other related depository institutions[5]	n.a.	23,573	n.a.	17,170	n.a.	605	n.a.	3,943
MEMO								
135 Non-interest-bearing balances with commercial banks in United States	1,178	0	869	0	125	0	61	0
136 Holding of commercial paper included in total loans	1,280		1,252		11		5	
137 Holding of own acceptances included in commercial and industrial loans	2,626		1,981		451		36	
138 Commercial and industrial loans with remaining maturity of one year or less	96,593		53,462		15,987		15,480	
139 Predetermined interest rates	60,418	n.a.	32,849	n.a.	9,767	n.a.	11,197	n.a.
140 Floating interest rates	36,175		20,613		6,220		4,283	
141 Commercial and industrial loans with remaining maturity of more than one year	61,928		35,810		11,356		8,431	
142 Predetermined interest rates	20,968		12,250		4,204		3,386	
143 Floating interest rates	40,960		23,560		7,152		5,045	

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1993[1]—Continued

Millions of dollars, except as noted

Item	All states[2]		New York		California		Illinois	
	Total excluding IBFs[3]	IBFs only[3]	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
144 Components of total nontransaction accounts, included in total deposits and credit balances of nontransaction accounts, including IBFs	145,877	↑	130,440	↑	5,162	↑	3,567	↑
145 Time CDs in denominations of $100,000 or more	109,109		98,182		3,098		1,825	
146 Other time deposits in denominations of $100,000 or more	25,771	n.a.	23,088	n.a.	776	n.a.	1,295	n.a.
147 Time CDs in denominations of $100,000 or more with remaining maturity of more than 12 months	10,996	↓	9,169	↓	1,287	↓	448	↓

Item	All states[2]		New York		California		Illinois	
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
148 Market value of securities held	94,511	14,696	87,267	13,508	3,905	722	2,802	450
149 Immediately available funds with a maturity greater than one day included in other borrowed money	74,233	n.a.	37,197	n.a.	28,367	n.a.	7,325	n.a.
150 Number of reports filed[5]	555	0	261	0	127	0	50	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items. IBF, international banking facility.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate international banking facilities (IBFs). Since December 31, 1985, data for IBFs have been reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates that no IBF data have been reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. Related depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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WELCOME TO THE FEDERAL RESERVE. March 1989. 14 pp.

INDUSTRIAL PRODUCTION—1986 EDITION. December 1986. 440 pp. $9.00 each.

FINANCIAL FUTURES AND OPTIONS IN THE U.S. ECONOMY. December 1986. 264 pp. $10.00 each.

FINANCIAL SECTORS IN OPEN ECONOMIES: EMPIRICAL ANALYSIS AND POLICY ISSUES. August 1990. 608 pp. $25.00 each.

CONSUMER EDUCATION PAMPHLETS

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
How to File A Consumer Credit Complaint
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
Organization and Advisory Committees
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
Making Deposits: When Will Your Money Be Available?
Making Sense of Savings
When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit

STAFF STUDIES: Only Summaries Printed in the BULLETIN

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Staff Studies 1–145 are out of print.

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160. BANKING MARKETS AND THE USE OF FINANCIAL SERVICES BY SMALL AND MEDIUM-SIZED BUSINESSES, by Gregory E. Elliehausen and John D. Wolken. September 1990. 35 pp.
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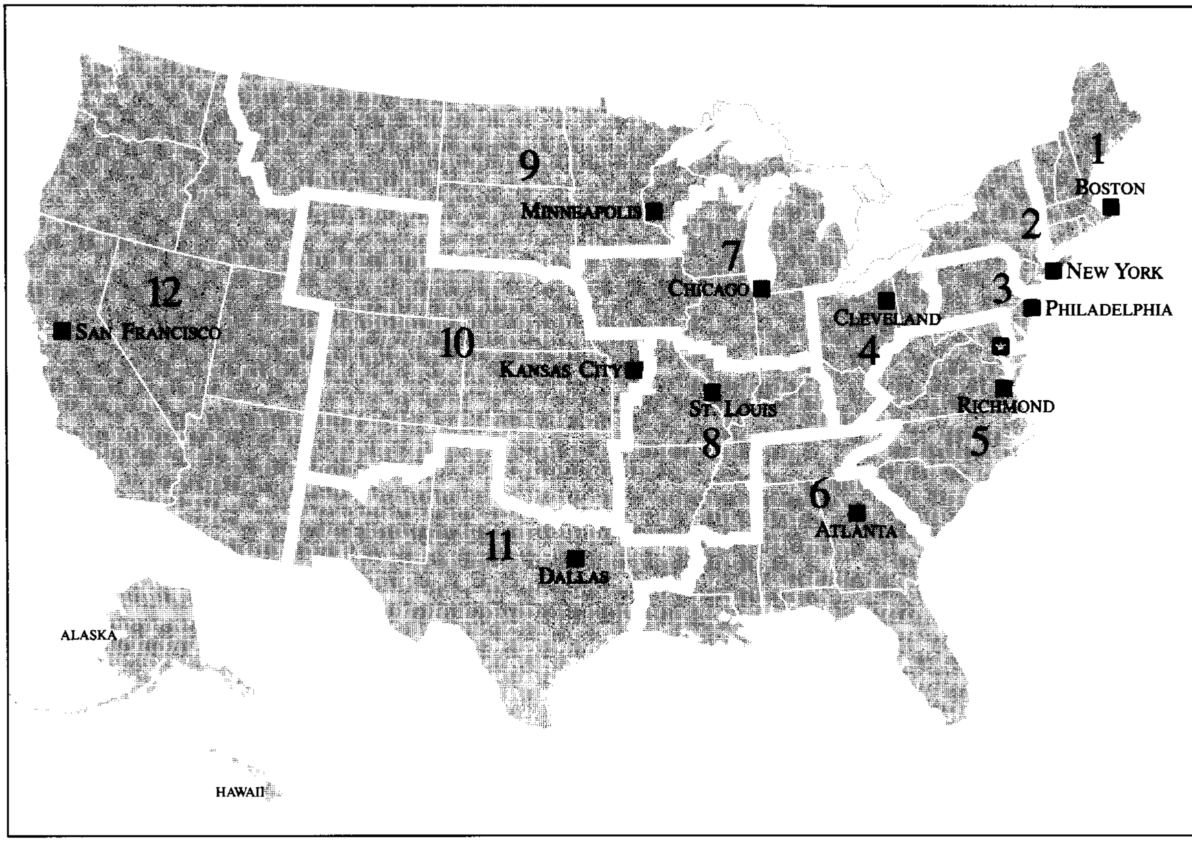
165. THE DEMAND FOR TRADE CREDIT: AN INVESTIGATION OF MOTIVES FOR TRADE CREDIT USE BY SMALL BUSINESSES, by Gregory E. Elliehausen and John D. Wolken. September 1993. 18 pp.
166. THE ECONOMICS OF THE PRIVATE PLACEMENT MARKET, by Mark Carey, Stephen Prowse, John Rea, and Gregory Udell. January 1994. 111 pp.

REPRINTS OF BULLETIN *ARTICLES*

A limited number of reprints of Bulletin *articles are available. One reprint of an article will be sent on request to Publications Services.*

Maps of the Federal Reserve System



LEGEND

Both pages

■ Federal Reserve Bank city

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

Facing page

• Federal Reserve Branch city

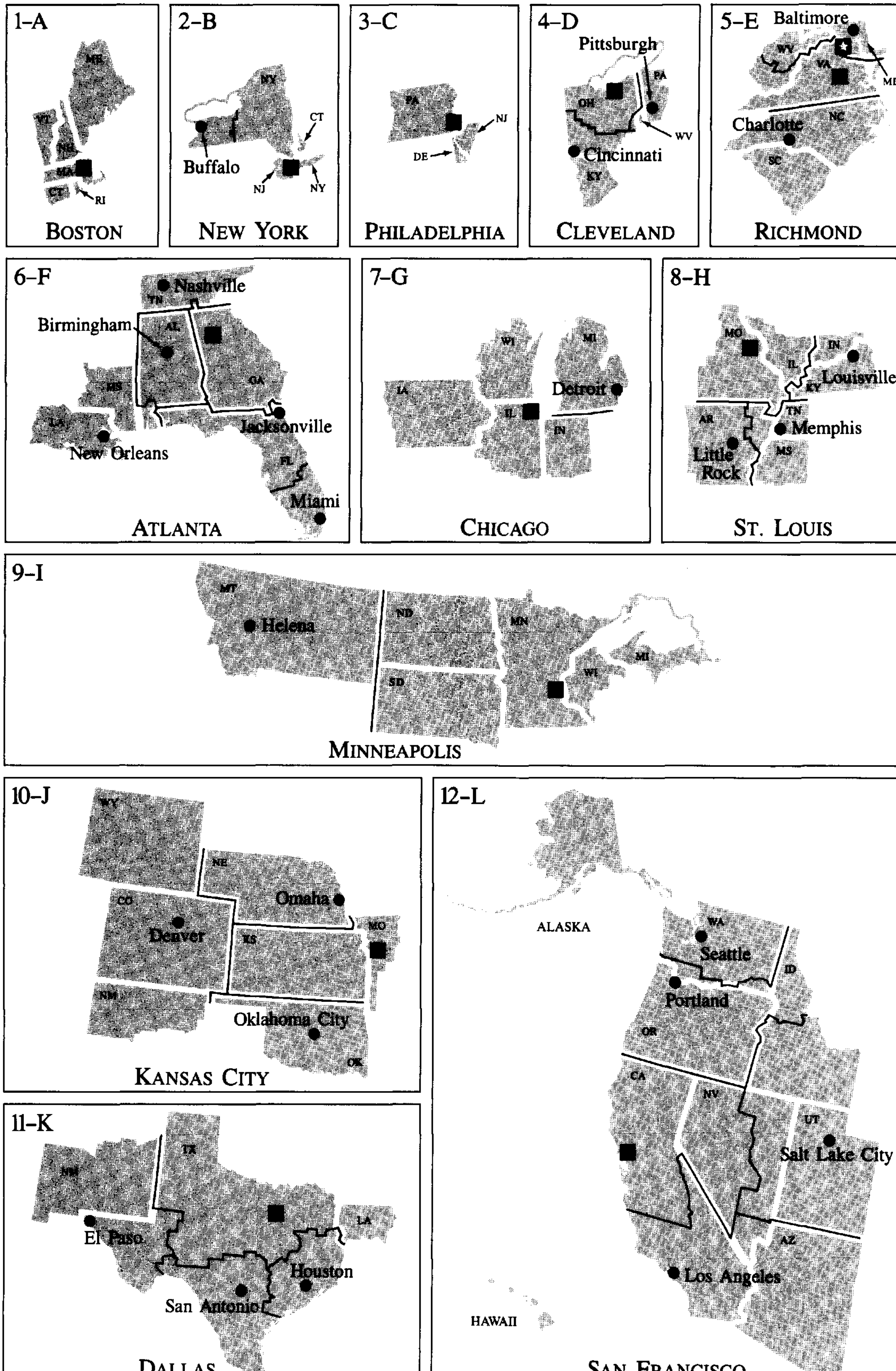
— Branch boundary

NOTE

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

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

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


1-A
BOSTON
2-B
Buffalo
NEW YORK
3-C
PHILADELPHIA
4-D
Pittsburgh
Cincinnati
CLEVELAND
5-E
Baltimore
Charlotte
RICHMOND
6-F
Nashville
Birmingham
Jacksonville
New Orleans
Miami
ATLANTA
7-G
Detroit
CHICAGO
8-H
Louisville
Memphis
Little Rock
ST. LOUIS
9-I
Helena
MINNEAPOLIS
10-J
Omaha
Denver
Oklahoma City
KANSAS CITY
11-K
El Paso
Houston
San Antonio
DALLAS
12-L
ALASKA
Seattle
Portland
Salt Lake City
Los Angeles
HAWAII
SAN FRANCISCO

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK branch, or *facility*	Zip	Chairman / Deputy Chairman	President / First Vice President	Vice President in charge of branch
BOSTON*	02106	Jerome H. Grossman Warren B. Rudman	Richard F. Syron Cathy E. Minehan	
NEW YORK*	10045	Maurice R. Greenberg David A. Hamburg	William J. McDonough James H. Oltman	
Buffalo	14240	Joseph J. Castiglia		Carl W. Turnipseed[1]
PHILADELPHIA	19105	James M. Mead Donald J. Kennedy	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	A. William Reynolds G. Watts Humphrey, Jr.	Jerry L. Jordan Sandra Pianalto	
Cincinnati	45201	John N. Taylor, Jr.		Charles A. Cerino[1]
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart[1]
RICHMOND*	23219	Henry J. Faison Claudine B. Malone	J. Alfred Broaddus, Jr. Jimmie R. Monhollon	
Baltimore	21203	Rebecca Hahn Windsor		Ronald B. Duncan[1]
Charlotte	28230	Harold D. Kingsmore		Walter A. Varvel[1]
Culpeper Communications and Records Center	*22701*			John G. Stoides[1]
ATLANTA	30303	Leo Benatar Hugh M. Brown	Robert P. Forrestal Jack Guynn	Donald E. Nelson[1]
Birmingham	35283	Shelton E. Allred		Fred R. Herr[1]
Jacksonville	32231	Samuel H. Vickers		James D. Hawkins[1]
Miami	33152	Dorothy C. Weaver		James T. Curry III
Nashville	37203	Paula Lovell		Melvyn K. Purcell
New Orleans	70161	Jo Ann Slaydon		Robert J. Musso
CHICAGO*	60690	Richard G. Cline Robert M. Healey	Silas Keehn William C. Conrad	
Detroit	48231	J. Michael Moore		Roby L. Sloan[1]
ST. LOUIS	63166	Robert H. Quenon John F. McDonnell	Thomas C. Melzer James R. Bowen	
Little Rock	72203	Robert D. Nabholz, Jr.		Karl W. Ashman
Louisville	40232	Laura M. Douglas		Howard Wells
Memphis	38101	Sidney Wilson, Jr.		John P. Baumgartner
MINNEAPOLIS	55480	Gerald A. Rauenhorst Jean D. Kinsey	Gary H. Stern Colleen K. Strand	
Helena	59601	Lane Basso		John D. Johnson
KANSAS CITY	64198	Burton A. Dole, Jr. Herman Cain	Thomas M. Hoenig Richard K. Rasdall	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75201	Cece Smith Roger R. Hemminghaus	Robert D. McTeer, Jr. Tony J. Salvaggio	
El Paso	79999	Alvin T. Johnson		Sammie C. Clay
Houston	77252	Judy Ley Allen		Robert Smith, III[1]
San Antonio	78295	Erich Wendl		Thomas H. Robertson
SAN FRANCISCO	94120	James A. Vohs Judith M. Runstad	Robert T. Parry Patrick K. Barron	
Los Angeles	90051	Anita E. Landecker		John F. Moore[1]
Portland	97208	William A. Hilliard		E. Ronald Liggett[1]
Salt Lake City	84125	Gerald R. Sherratt		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gordon Werkema[1]

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

1. Senior Vice President.

Publications of Interest

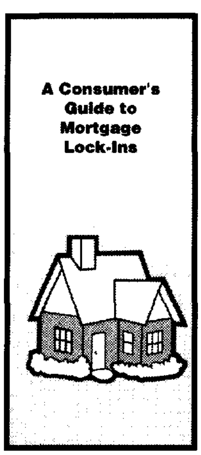
FEDERAL RESERVE CONSUMER CREDIT PUBLICATIONS

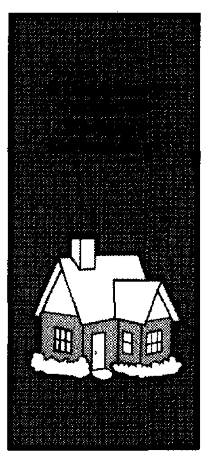
The Federal Reserve Board publishes a series of pamphlets covering individual credit laws and topics, as pictured below. The series includes such subjects as how the Equal Credit Opportunity Act protects women against discrimination in their credit dealings, how to use a credit card, and how to resolve a billing error.

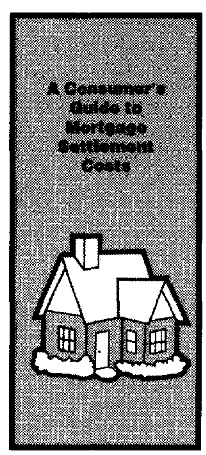
The Board also publishes the *Consumer Handbook to Credit Protection Laws*, a complete guide to consumer credit protections. This forty-four-page booklet explains how to shop and obtain credit, how to maintain a good credit rating, and how to dispute unfair credit transactions.

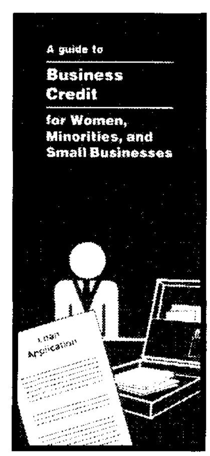
Three booklets on the mortgage process are also available: *A Consumer's Guide to Mortgage Lock-Ins*, *A Consumer's Guide to Mortgage Refinancings*, and *A Consumer's Guide to Mortgage Settlement Costs*. These booklets were prepared in conjunction with the Federal Home Loan Bank Board and in consultation with other federal agencies and trade and consumer groups.

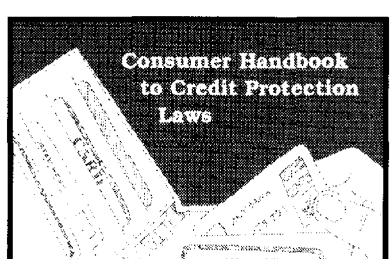
Copies of consumer publications are available free of charge from Publications Services, mail stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. Multiple copies for classroom use are also available free of charge.











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 G, 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 are the Board's list of marginable OTC stocks and its 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. 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 recent Federal Reserve publication, *Guide to the Flow of Funds Accounts*, explains in detail how the U.S. financial flow accounts are prepared. The accounts, which are compiled by the Division of Research and Statistics, are published in the Board's quarterly Z.1 statistical release, "Flow of Funds Accounts, Flows and Outstandings." The *Guide* updates and replaces *Introduction to Flow of Funds*, published in 1980.

The 670-page *Guide* begins with an explanation of the organization and uses of the flow of funds accounts and their relationship to the national income and product accounts prepared by the U.S. Department of Commerce. Also discussed are the individual data series that make up the accounts and such procedures as seasonal adjustment, extrapolation, and interpolation.

The balance of the *Guide* contains explanatory tables corresponding to the tables of financial flows data that appeared in the September 1992 Z.1 release. These tables give, for each data series, the source of the data or the methods of calculation, along with annual data for 1991 that were published in the September 1992 release.

Guide to the Flow of Funds Accounts is available for $8.50 per copy from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551. Orders must include a check or money order, in U.S. dollars, made payable to the Board of Governors of the Federal Reserve System.