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This report features a brief review of major developments at the Federal Reserve Bank of Atlanta in 1987. Following these highlights is an essay which forecasts that, despite the October stock market crash and continuing market uncertainty, 1988 will become the sixth consecutive year of U.S. economic expansion. Notwithstanding these promising prospects, we run the risk as a nation of a lower standard of living unless we begin to reduce the huge foreign debt burden we have amassed. To do so demands that we rely not on a falling dollar nor on protectionism, but rather that we enhance the international competitiveness of American products.

Besides the highlights and economic essay, this report presents consolidated financial statements of the Federal Reserve Bank of Atlanta and its Branches in Birmingham, Jacksonville, Miami, Nashville, and New Orleans. Included is a year-end statement of condition as compared with 1986; earnings and expenses figures for the two years; and a summary of operations for the same period. A list of directors and officers who served during 1987 completes the report.

In closing, I would like to thank the directors of the Sixth District for the valuable counsel they provided throughout the year. My special appreciation is extended to Jane C. Cousins and Horatio C. Thompson, directors who completed six years of service to the head office in 1987.

Robert P. Forrestal
President and Chief Executive Officer
FINANCIAL SERVICES

Prices and Volumes. In 1987, the Atlanta Fed maintained or reduced selected prices in locally-priced service areas, including checks, definitive safekeeping, noncash collection, and nonautomated electronic payments. Service volume growth and cost-effective operations enabled the Bank to achieve this price stability while continuing to provide quality service.

Volumes increased in all service areas except definitive safekeeping and noncash collection. The Bank sorted and processed over 2.5 billion checks in 1987, far more than any other Reserve Bank and about 5 percent above its 1986 level. In the electronic payments area, wire transfer volume grew 2.3 percent from 1986, and total automated clearinghouse (ACH) volume jumped about 26 percent. In the securities services area, bookentry transfer volume expanded 3 percent. Definitive and noncash volumes declined by 6.3 and 10.9 percent, respectively. These decreases were expected as a result of 1983 tax law changes.

New Products. The Atlanta Fed developed and introduced 15 new products last year as part of its “Quality Service” program, which promotes productivity with consistently high standards. One new product, Accounting Information Services (AIS), was implemented to provide depository institutions with up-to-date—and in some cases up-to-the-minute—account information delivered either on-line or off-line. The Sixth District was one of the first in the Federal Reserve System to offer AIS. Also, the Bank began piloting an extended MICR (magnetic ink character recognition) capture program in the check services area. The program gives payor institutions electronic access to check information before the checks are actually delivered.

Cash

Second Generation Automated Currency Processing System. From 1985 to 1987, the Atlanta Bank served as one of three prototype test sites for second-generation systems, which are designed to improve accountability, security, and production. The equipment tested in Atlanta was ultimately selected by the Federal Reserve System to be used nationwide.

Custody Control. Last year the Bank implemented new custody control standards for the handling of valuables in its safekeeping. These controls help protect the Bank, its employees, and its assets from possible harm or loss. In addition, the Atlanta Fed created and began running a custody controls training program that emphasizes ongoing instruction for all employees who handle valuables. The program’s success has led to its adoption by several other District Banks.

Checks

Automated Check Adjustments. During the early part of the year, the Branches continued the effort begun in 1986 to achieve substantial reductions in the average number of outstanding check adjustment cases. The Bank developed a proposal and accepted bids for an automated adjustments system, which allows it to track down unidentified errors made during the check collection process. The Atlanta and Birmingham Branches
installed two vendors’ products and the other Branches will make the conversion in 1988.

**Competitive Equality Banking Act of 1987.** To help the Federal Reserve System meet the Act’s expedited funds availability provisions, the Atlanta Bank undertook a study of ways to improve check processing methods. However, operational changes to accommodate the Act will not be made until 1988.

### Electronic Payments

**Encryption.** Electronic payments network security is a concern for the financial community and the Federal Reserve alike. The System’s objective is to protect both the integrity and privacy of electronic data flowing between Reserve Banks and depository institutions. Therefore, in 1986 the Bank began a phased approach to encrypting all electronic connections between depository institutions and local Reserve Bank offices. At the end of 1987, virtually all connections had been encrypted.

**EFT.** Last year the Atlanta Fed prepared for its January 1, 1988, assumption of product management for the System’s Electronic Funds Transfer (EFT) services. A ten-person staff was assembled to coordinate electronic payments services, new product development, and pricing for the System.

### Securities Services

**Savings Bond Consolidation.** In accordance with the U.S. Treasury Department’s move toward nationwide centralization, the Bank consolidated selected savings bond activities at the Atlanta office during 1987. Original issues, reissues, redemptions, and exchanges for the various series (EE, E/EE, and H/HH) are now processed at the Atlanta Branch, instead of at the individual Branches. Consolidation permits more efficient and cost-effective handling of savings bond transactions for the Treasury as well as the Federal Reserve. In response to consolidation, the Bank developed an automated savings bonds system, whereby customers can still initiate savings bond transactions at local Fed offices even though processing takes place in Atlanta.

### SUPERVISION AND REGULATION

**Changing Constituency.** The Sixth District’s constituency continues to change, mainly because of interstate banking. The District now includes 4 of the 50 largest banking institutions in the United States. While several larger state member banks have merged or been acquired, the number of state members has grown to 120, up 6 from 1986. Seventy-five of these, typically small de novo banks in south Florida, have joined the System within the last five years.

Atlanta Fed examiners are responding to these changes with increased automated management information systems and continued off-site surveillance. Through research and training, they also are preparing for the possible expansion of banks into traditionally nonbank activities.

**Discount Rate.** The discount rate was changed once in 1987, when it was increased from 5.5 to 6 percent on September 4.
RESEARCH AND STATISTICS

Research

In 1987 the Atlanta Fed concluded a three-year redirection of its Research Department, moving toward more policy-related research on macroeconomic, financial, and regional development issues. Economists completed important studies on foreign exchange rate determination and influences, international determinants of real interest rates, and monetary policy effectiveness. Other work dealt with important aspects of financial behavior, including forecasts of stock market volatility, the operation of futures markets in foreign exchange and oil, and risk exposure in interest rate swaps.

The Bank also expanded its efforts to promote research exchange with other economists. Besides its monthly seminar for Atlanta area economists, the Atlanta Fed initiated a workshop series on money, banking, and finance with Emory University. In this ongoing program, economists of national stature are invited to present papers on topics such as securitization of loans, greenmail, and bank failures, and to respond to critiques.

Public Information

The Bank revamped its major publication, the Economic Review, to provide more in-depth coverage of serious economic research. The Atlanta Fed also increased media outreach and garnered coverage in such nationally prominent publications as Forbes, Fortune, the Wall Street Journal, and the Christian Science Monitor. A monthly press update on the Atlanta Fed Dollar Index proved to be particularly successful. With the continuing assistance of the Branches, the Bank also expanded its educational outreach beyond existing programs (tours, responses to telephone inquiries, and speeches to school and business groups) as it participated in teacher workshops around the District. The Atlanta Fed also distributed a videotape that structures a discussion of money’s history and economic role around the exhibits in the Bank’s Monetary Museum.

Statistical Reports

Statistical Reports, which handles financial data from the District’s depository institutions, completed a major conversion of its report processing application in 1987. The conversion was part of a Federal Reserve System project to develop and implement generalized software for editing high-quality data and for transmitting the information quickly from Reserve Banks to the Board. The software also allows the Banks to enact changes in reporting requirements on short notice without compromising data integrity or timeliness.

Corporate and Community Relations

Advisory Groups. The Atlanta Fed’s Advisory Council on Agriculture, Small Business, and Labor met twice in 1987, as did its seven-year-old Financial Institutions Advisory Committee. Both groups were formed to improve communication between the Fed and the economic and financial sectors the members represent. President Robert P.
Forrestal also continued to meet with business and financial leaders in cities around the District to poll views on current issues and problems.

Last year the Atlanta Fed participated in several business/education partnership programs, which offered assistance to job-seeking minority youths, and in organizations such as the Chamber of Commerce and United Way.

**CORPORATE SERVICES**

**New Jacksonville Facility.** The Jacksonville Branch’s new building was dedicated on September 9 with newly appointed Federal Reserve Chairman Alan Greenspan among those officiating at the ceremony. Completion of the $22.3 million, 200,000-square-foot facility capped a nine-year project to replace the 90,000-square-foot building that had housed the Branch for 34 years.

**Atlanta Building Addition Project.** Construction began on a 58,000-square-foot addition to the Atlanta Bank in early February. By year’s end it had reached 60 percent completion. The project is scheduled for completion in September 1988.

**Early Retirement Program.** Last year the Bank offered an early retirement program to employees who were at least 50 years of age in 1987 and whose age plus years of service equaled 75. Fifty percent of the 224 eligible employees in the District accepted the opportunity.
This being an election year, the economy will doubtless receive a great deal of attention from the candidates and the public alike. Such a focus on economic issues is timely at this moment since the favorable prospects for continued U.S. growth could mask several signals of long-term problems. Chief among these is our nation’s apparently waning global competitiveness and its potential impact on our future standard of living.

National Outlook

The basis for such optimism becomes evident as we look at how the major economic indicators performed over the past year and forecast their course for 1988. Real gross national product (GNP)—the total output of goods and services expressed in inflation-adjusted terms—grew 2.9 percent on average in 1987, pushing the jobless rate down to 5.8 percent by year’s end from its 7.0 percent average in 1986. Although consumer prices at this time stood 4.4 percent above their December 1986 level, much of this acceleration was due to higher import prices and to offset most inflationary pressures during 1986.

Looking ahead through 1988, the current expansion seems likely to continue, albeit at a slower pace of 2 percent or slightly higher. As output growth decelerates, unemployment should hover around the 6 percent mark or rise somewhat. Inflation, however, probably will not differ much from last year’s pace. This forecast for ongoing growth rests on three areas of strength: continued modest advances in consumption, further gains in capital spending on new equipment, and a fairly significant upswing in foreign trade.

Despite last October’s market crash, consumer spending should advance modestly in 1988. However, the mainspring for growth will not be consumption but rather net exports. In price-adjusted terms, net exports have been trending upward since late 1986 in response to the dollar’s substantial drop in value against foreign currencies (see Chart I). This devaluation has made U.S. goods more
attractive to foreigners, thereby boosting manufacturing production and employment. In addition, West Germany and Japan have recently begun to stimulate their economies, a move that should further bolster demand for American goods. Thus, U.S. export growth is likely to continue to stoke expansion in the manufacturing sector, in turn spurring investment, especially in equipment. Early surveys of capital spending plans suggest respectable gains in this area.

The economy’s weakest sector during 1988 will probably be commercial and residential construction. Substantial amounts of office, condominium, and apartment space remain to be absorbed. Another potential drag on the economy is that businesses could find it more difficult to raise capital for major new products as a result of the stock market’s plunge. Furthermore, since “Black Monday” brought the budget deficit into sharper focus, fiscal stimulus from government spending will abate somewhat in comparison with recent years. All the same, the fact that last year's reductions were achieved in part through one-time measures such as asset sales means that the federal budget deficit is likely to widen moderately in 1988. This mix of economic pluses and minuses—international trade, construction, and consumer and government spending—suggests continuing GNP growth during the course of 1988.

As for inflation, oil prices are likely to keep within their present range, OPEC’s recurrent discord notwithstanding. Last year’s further slide in the dollar, however, should push non-oil import prices up even more. As these prices rise, the dollar-related increase in domestic manufacturing could exert upward pressure on labor costs, especially since capacity utilization has been growing and unemployment is close to the “natural rate” (that is, the point at which further efforts to stimulate growth result in more wage pressures than job gains). Hence, prices will probably advance at about a 4.5 to 5 percent rate, much the same as they did during 1987. Overall, with slackened yet still moderate GNP growth and no acceleration of inflation

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**Chart I.**

Real Net Exports and the Atlanta Fed Dollar Index
(Quarterly Data, 1980.1-1987.4)

Sources: Federal Reserve Bank of Atlanta and the U.S. Department of Commerce.
in the offing, we can anticipate another year of reasonably good economic performance.

**Prospects for the Southeast**

In its diversity, the southeastern economy tends to reflect the strengths and weaknesses of the entire nation. Hence, the auspicious outlook for manufacturing associated with the dollar’s decline should bolster output and employment in the region’s factories, especially those that have modernized their operations. Unfortunately, many parts of the Southeast remain oriented toward the kind of low-wage, labor-intensive production that has characterized the region since its labor force shifted out of farming (see Chart II).

The fact that last year the dollar finally began to depreciate against the currencies of the Pacific basin’s developing countries should give some relief to the many southeastern industries, like apparel, that are sensitive to import competition from those developing nations. Still, the amount of currency realignment with such countries has been quite small compared with the dollar’s fall against the yen, deutsche mark, and currencies of other advanced economies. Moreover, cost structures in many of the developing countries are more favorable than the Southeast’s, which puts the region at a further competitive disadvantage. Fortunately, the rebound anticipated for the region’s retooled traditional industries as well as for its newer industries should be reinforced as worldwide supply

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**Chart II.**  
Distribution of Manufacturing Employment, Southeast vs. U.S. 
(Percent, 1987)

Source: Computed by the Federal Reserve Bank of Atlanta from data released by various state labor departments and the U.S. Department of Labor.
and demand for agriculture and natural resources move closer toward a balance.

In terms of specific states, those in the region's eastern portion—Georgia, Florida, and Tennessee—can expect to register continued good performance. These states' more technologically advanced manufacturing and burgeoning service sectors are helping to offset weaknesses, whether in import-battered industries like apparel or in the production of phosphates and many other commodities whose prices remain depressed worldwide. Rapid population growth is also a boon, especially to the states of Florida and Georgia.

Vigorous cotton prices are helping Mississippi's large farming sector. However, the national upturn in manufacturing may largely bypass Mississippi since much of its factory output is concentrated in the low-wage sector, where developing countries have a decided advantage. Louisiana may fare worse than Mississippi because its economy is so skewed, with even its small manufacturing sector being tied to energy. If oil prices remain fairly stable, though, the modest recovery in the state's drilling activity should gain force in 1988.

Alabama occupies the middle ground, both geographically and economically. Manufacturing growth should help this state further the advances begun last year, since industrial production holds sway over its economy, despite the widening role of health and educational services, especially in Birmingham. In addition, somewhat brighter prospects for farming and energy should foster improvements in Alabama's still important natural resources sector. Indeed, the state's coal production had already begun to notch upward last fall. On balance, the southeastern economy should outperform the nation's again in 1988, drawing strength from the same international forces that will boost U.S. manufacturing generally.

**Competitiveness—The Only Answer to Our Deficits**

On the surface this outlook seems to suggest "business as usual." After all, the United States has enjoyed more than five years of continuous growth, and economic indicators point to further expansion in the near term. Yet a number of signals—the stock market crash, slow progress in narrowing the trade deficit, and, perhaps most important, a rising level of debt—clearly indicate that all is not well. In the same period that our nation has experienced its longest postwar economic expansion, it also has reversed its once paramount role in the world's credit markets. In 1981, the United States was owed about $140 billion, a record figure; by the end of 1987, however, we had become the world's foremost debtor nation, owing foreigners nearly $400 billion—another unprecedented amount. More significantly, this debt was accrued not to finance expansion of American productive capacity but rather to pay for current spending, especially by the government.

The turnaround from creditor to debtor helps explain the pervasive feeling of uneasiness amidst today's seeming prosperity. Americans have begun to question whether we can repay these obligations without either changing the way we do business or accepting reduced living standards. The bull market's abrupt halt in October starkly reflected investor concern over the future's uncertainty.

For at least the past five years, the United States has been exporting IOUs in the form of Treasury securities in order to finance its massive federal budget deficits. To service and ultimately retire this enormous debt, the nation must begin running substantial export surpluses. The longer this process is delayed, the more painful it will be, for as the debt service burden escalates over time it causes
erosion in the American living standard. Faced with a growing burden of U.S. debt, future generations will have to earmark a higher portion of their incomes to interest payments abroad and less to personal consumption.

This critical problem cannot be resolved by either of the strategies that have command-
Increased investment must not be guided by narrow thinking, however. Aside from spending more heavily on equipment, research, and so on, America also needs to expand investment in roads, mass transit, and other public infrastructure. In particular, we must focus on building up human capital even though, in an accounting sense, such government expenditures are considered consumption. Unless U.S. workers are better educated, they will lack the flexibility and expertise needed to adjust not only to new production- and service-related technologies but also to another emerging workplace demand—higher quality.

Americans traditionally have made standard, mass-produced goods especially for the large domestic market, leaving others to turn out specialized, high-quality products. Certainly, we can no longer hope to survive by concentrating on low-end goods. As the nation rethinks its production objectives and moves into the higher value-added markets, U.S. business leaders and workers alike must change established thought patterns. We need managers who can think analytically and creatively, and who can see market opportunities in the far corners of the world. The sad irony is that our schools are hard put to teach students to become print- and computer-literate, or even to master the basics of science, history, and geography. The urgent shift toward higher quality, and hence improved competitiveness, will demand a better educated work force at all levels.

Policy Directions and Personal Responsibilities

Clearly, the United States must look to productivity and quality if we are to retire our external debt and maintain our living standard by prevailing in world markets. The first step in that direction is to increase investment in our nation’s human and physical capital. Like many heavily indebted less-developed countries, however, we cannot easily secure new capital, and so must consider alternatives much like the austerity programs LDCs implement periodically.

On one hand, Americans must learn to consume less and save more, particularly to save at a level consistent with the position we hope to maintain in the world economy. We also need to pressure policymakers to continue reducing the gap between revenues and outlays. At the same time, though, we must recognize that many budgeted funds—estimates range from 40 to 80 percent—have already become locked into place. For example, entitlements, which are indexed to inflation, place unrelenting stress on spending priorities; lessening these entitlements requires more resolve than either politicians or we who vote for them seem able to muster. Other large portions of the budget that cannot readily be reduced are interest payments on the funds borrowed in the past and appropriations to maintain an acceptable level of defense. Cutting more in the remaining areas could result in even lower investment in public infrastructure or a smaller commitment to education. Either strategy would be obviously shortsighted.

A starting point for meaningful progress might be to consider a truly neutral tax system that discourages consumption relative to saving. Another meaningful step would be to support local and state policymakers who are attempting to upgrade our nation’s schools even though their efforts entail higher property, sales, or other taxes. Of course, these measures mean that a smaller portion of our income will be available for personal consumption. In the long run, though, they are the sole means for the United States to work toward preserving the living standard that has come to be the envy of the world.
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<table>
<thead>
<tr>
<th>Assets</th>
<th>December 31, 1986</th>
<th>December 31, 1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Certificate Account</td>
<td>$507,000,000</td>
<td>$596,000,000</td>
</tr>
<tr>
<td>Special Drawing Rights Certificate Account</td>
<td>203,000,000</td>
<td>203,000,000</td>
</tr>
<tr>
<td>Coin</td>
<td>47,038,197</td>
<td>37,488,805</td>
</tr>
<tr>
<td>Loans and Securities</td>
<td>8,270,686,431</td>
<td>10,096,047,692</td>
</tr>
<tr>
<td>Cash Items in Process of Collection</td>
<td>815,521,091</td>
<td>615,387,846</td>
</tr>
<tr>
<td>Bank Premises</td>
<td>50,621,153</td>
<td>56,429,657</td>
</tr>
<tr>
<td>Other Assets</td>
<td>934,871,757</td>
<td>934,861,629</td>
</tr>
<tr>
<td>Interdistrict Settlement Account</td>
<td>1,489,467,707</td>
<td>1,741,988,624</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$12,318,206,336</strong></td>
<td><strong>$14,281,204,253</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Reserve Notes</td>
<td>$7,557,146,124</td>
<td>$9,206,344,818</td>
</tr>
<tr>
<td>Deposits*</td>
<td>3,471,077,051</td>
<td>3,987,980,230</td>
</tr>
<tr>
<td>Deferred Availability Cash Items</td>
<td>866,824,034</td>
<td>604,453,529</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>86,639,427</td>
<td>120,846,676</td>
</tr>
<tr>
<td>Interdistrict Settlement Account</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$11,981,686,636</strong></td>
<td><strong>$13,919,625,253</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Accounts</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Paid In</td>
<td>$168,259,850</td>
<td>$180,789,500</td>
</tr>
<tr>
<td>Surplus</td>
<td>168,259,850</td>
<td>180,789,500</td>
</tr>
<tr>
<td><strong>Total Capital Accounts</strong></td>
<td><strong>336,519,700</strong></td>
<td><strong>361,579,000</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Capital Accounts</strong></td>
<td><strong>$12,318,206,336</strong></td>
<td><strong>$14,281,204,253</strong></td>
</tr>
</tbody>
</table>

*Includes Depository Institution Accounts, Collected Funds Due to Other Federal Reserve Banks, U.S. Treasurer - General Account.*
# Statement of Earnings

<table>
<thead>
<tr>
<th>Earnings and Expenses</th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current Income</td>
<td>$688,218,944</td>
<td>$807,940,405</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(97,345,901)</td>
<td>(101,185,342)</td>
</tr>
<tr>
<td>Cost of Earnings Credit (Deduct)</td>
<td>(11,555,130)</td>
<td>(11,524,717)</td>
</tr>
<tr>
<td>Current Net Income</td>
<td>$579,317,913</td>
<td>$695,230,346</td>
</tr>
<tr>
<td>Net Additions (+) Deductions (-)*</td>
<td>+158,834,539</td>
<td>+166,060,797</td>
</tr>
<tr>
<td>Assessment for Expenses of Board of Governors</td>
<td>(8,066,900)</td>
<td>(7,318,500)</td>
</tr>
<tr>
<td>Federal Reserve Currency Cost</td>
<td>(7,312,579)</td>
<td>(6,603,187)</td>
</tr>
<tr>
<td>Cost of Unreimbursed Treasury Services**</td>
<td>—</td>
<td>(3,418,707)</td>
</tr>
<tr>
<td>Net Income Before Payment to U.S. Treasury</td>
<td>$722,772,973</td>
<td>$843,950,749</td>
</tr>
</tbody>
</table>

## Distribution of Net Earnings

<table>
<thead>
<tr>
<th>Distribution</th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends Paid</td>
<td>$9,472,564</td>
<td>$10,391,773</td>
</tr>
<tr>
<td>Payments to U.S. Treasury</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Interest on Federal Reserve Notes)</td>
<td>691,586,059</td>
<td>821,029,326</td>
</tr>
<tr>
<td>Transferred to Surplus Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Additions (+) Deductions (-)</td>
<td>+21,714,350</td>
<td>+12,529,650</td>
</tr>
<tr>
<td>Total Income Distributed</td>
<td>$722,772,973</td>
<td>$843,950,749</td>
</tr>
</tbody>
</table>

## Surplus Account

<table>
<thead>
<tr>
<th>Surplus Account</th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus January 1</td>
<td>$146,545,500</td>
<td>$168,259,850</td>
</tr>
<tr>
<td>Transferred to Surplus - as above</td>
<td>21,714,350</td>
<td>12,529,650</td>
</tr>
<tr>
<td>Surplus December 31</td>
<td>$168,259,850</td>
<td>$180,789,500</td>
</tr>
</tbody>
</table>


**Prior to 1987, amounts unreimbursed by the U.S. Treasury were included in the line entitled "Net Additions (+) and Deductions (-)."
## Summary of Operations

<table>
<thead>
<tr>
<th>Services to Depository Institutions</th>
<th>1986</th>
<th></th>
<th>1987</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (millions)</td>
<td>items (thousands)</td>
<td>$ (millions)</td>
<td>items (thousands)</td>
</tr>
<tr>
<td>Clearing and Collection Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checks handled:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Government checks</td>
<td>61,483</td>
<td>80,000</td>
<td>59,531</td>
<td>74,389</td>
</tr>
<tr>
<td>Commercial checks</td>
<td>1,490,030</td>
<td>2,452,505</td>
<td>1,569,288</td>
<td>2,581,640</td>
</tr>
<tr>
<td>ACH payments processed</td>
<td>569,311</td>
<td>107,676</td>
<td>733,226</td>
<td>136,145</td>
</tr>
<tr>
<td>Wire transfers of funds</td>
<td>8,554,889</td>
<td>6,353</td>
<td>7,599,552</td>
<td>6,500</td>
</tr>
<tr>
<td>Cash Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash receipts</td>
<td>26,315</td>
<td>5,349,564</td>
<td>28,201</td>
<td>5,732,968</td>
</tr>
<tr>
<td>Total cash payments</td>
<td>19,794</td>
<td>7,102,613</td>
<td>25,610</td>
<td>7,144,199</td>
</tr>
<tr>
<td>Currency processed</td>
<td>-</td>
<td>1,864,956</td>
<td>-</td>
<td>1,531,066</td>
</tr>
<tr>
<td>Coin processed</td>
<td>-</td>
<td>3,501,505</td>
<td>-</td>
<td>3,396,916</td>
</tr>
<tr>
<td>Loans to depository institutions, Daily average</td>
<td>26</td>
<td>-</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td>Securities Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wire transfer of securities</td>
<td>1,484,362</td>
<td>328</td>
<td>1,496,184</td>
<td>337</td>
</tr>
<tr>
<td>Noncash collection</td>
<td>1,452</td>
<td>1,347</td>
<td>1,368</td>
<td>1,200</td>
</tr>
</tbody>
</table>

### Services to U.S. Treasury

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th></th>
<th>1987</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. savings bonds issued, redeemed by Federal Reserve Bank</td>
<td>481</td>
<td>3,111</td>
<td>540</td>
<td>3,200</td>
</tr>
<tr>
<td>U.S. savings bonds issued and redeemed by qualified issuing and paying agents</td>
<td>1,841</td>
<td>11,342</td>
<td>1,826</td>
<td>10,785</td>
</tr>
<tr>
<td>Other Treasury securities issued, serviced, and redeemed</td>
<td>43,318</td>
<td>100</td>
<td>42,451</td>
<td>98</td>
</tr>
<tr>
<td>Deposits to Treasury Tax and Loan accounts</td>
<td>40,114</td>
<td>735</td>
<td>43,721</td>
<td>738</td>
</tr>
<tr>
<td>Food coupons destroyed</td>
<td>1,513</td>
<td>322,708</td>
<td>1,511</td>
<td>321,800</td>
</tr>
</tbody>
</table>
For additional copies contact:
Public Information Department
Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303-2713
404/521-8788

Branches:

Birmingham Branch
1801 Fifth Avenue, North
Birmingham, Alabama 35202

Jacksonville Branch
800 West Water Street
Jacksonville, Florida 32204

Miami Branch
9100 N.W. 36th Street Extension
Miami, Florida 33178

Nashville Branch
301 Eighth Avenue, North
Nashville, Tennessee 37203-4407

New Orleans Branch
525 St. Charles Avenue
New Orleans, Louisiana 70161-1630