

Figure 1
Exports and Imports of Goods and Services
as a Share of GDP

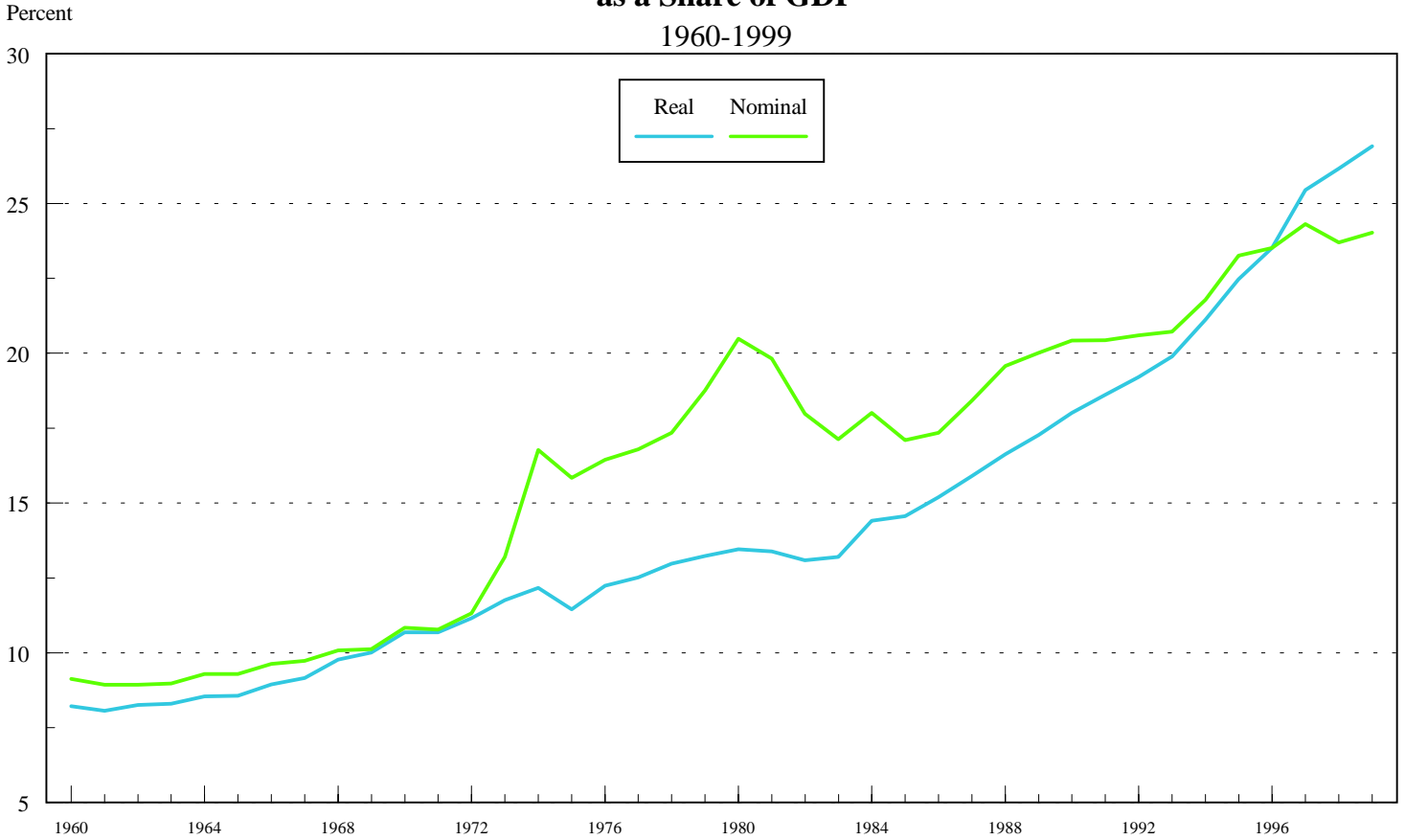
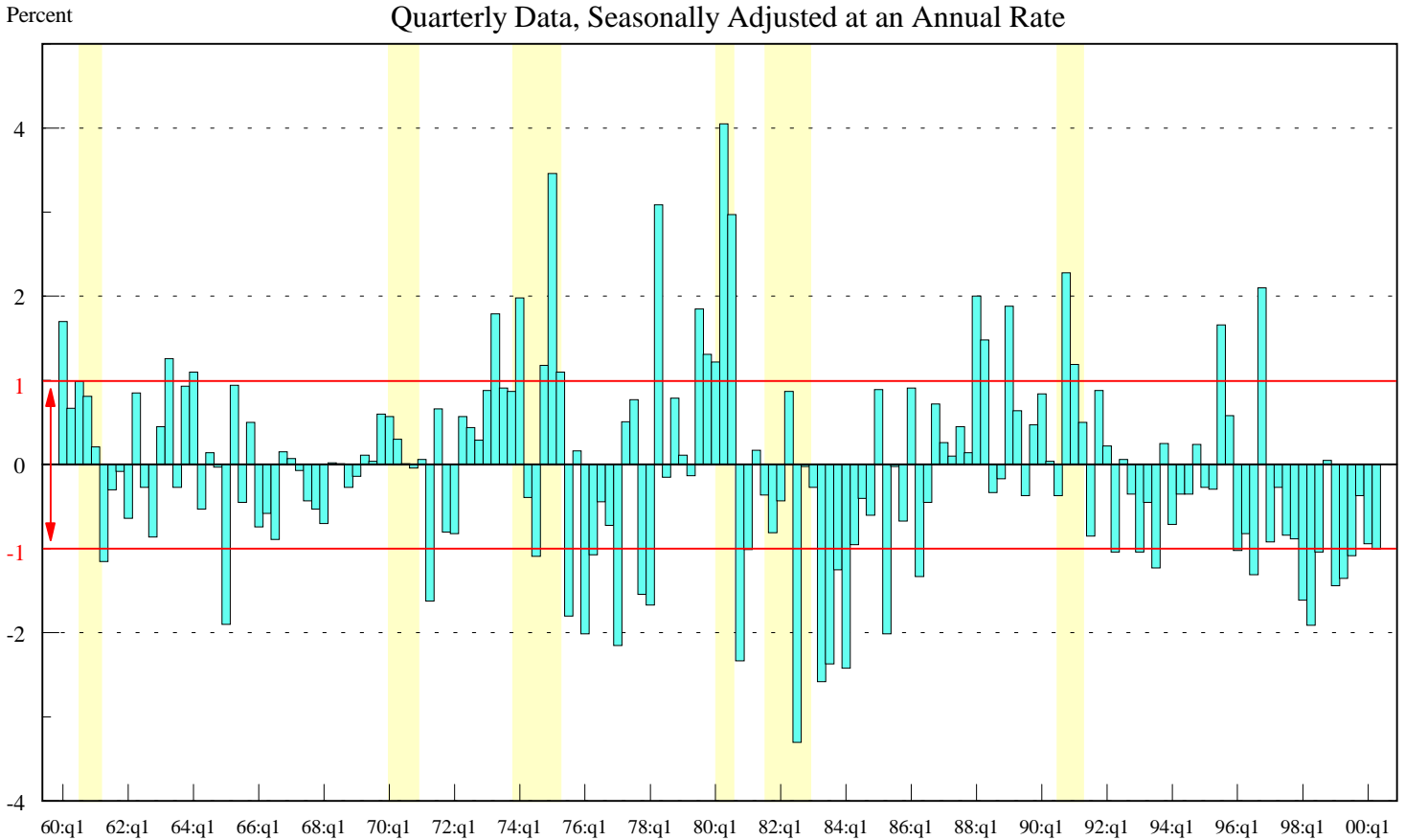


Figure 2
Contribution of Real Net Exports to Changes in Real U.S. GDP
 Quarterly Data, Seasonally Adjusted at an Annual Rate



Source: U.S. Bureau of Economic Analysis.

Figure 3
U.S. Trade in Goods and Services
and Gross International Transactions in Securities

Billions of dollars

1988-1999, nominal dollars

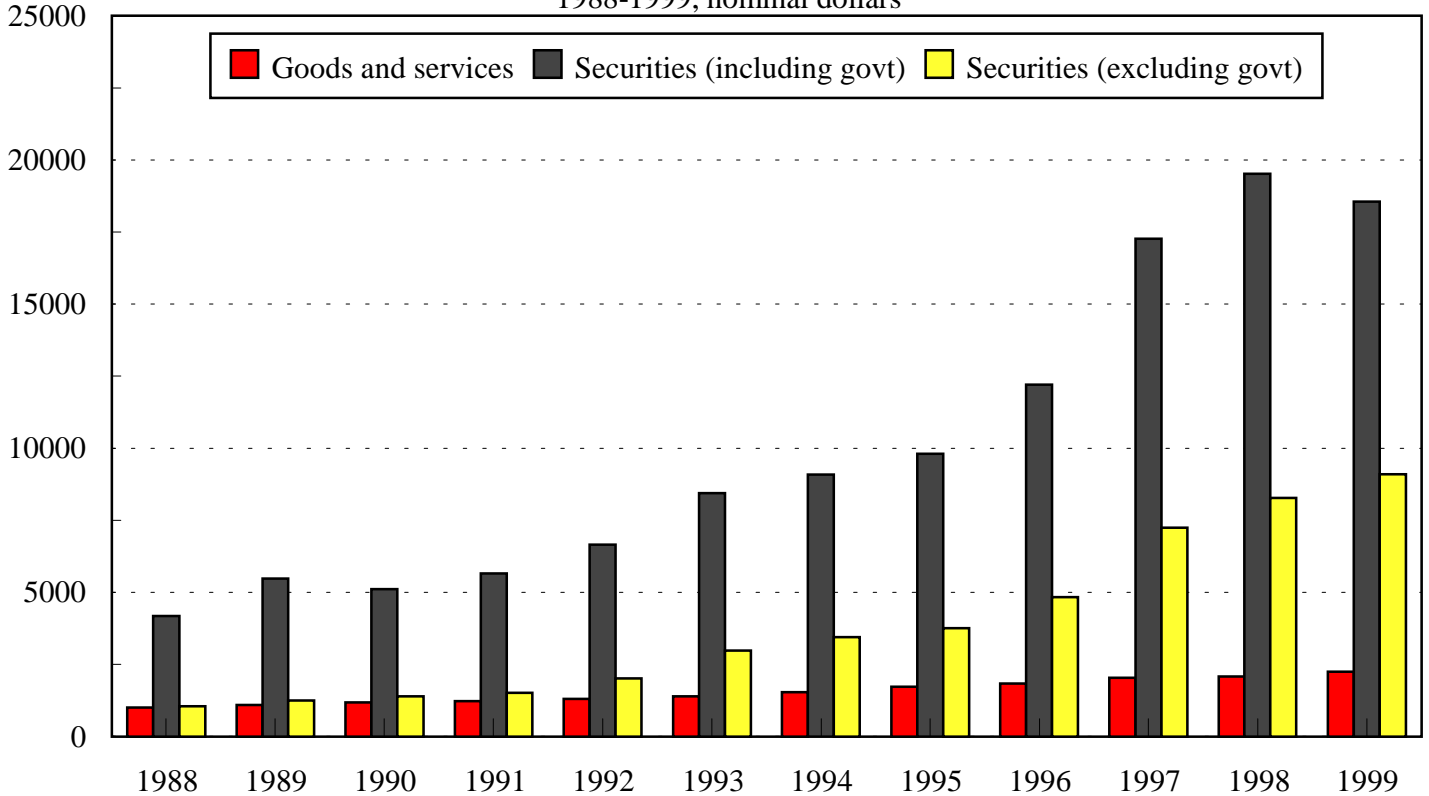
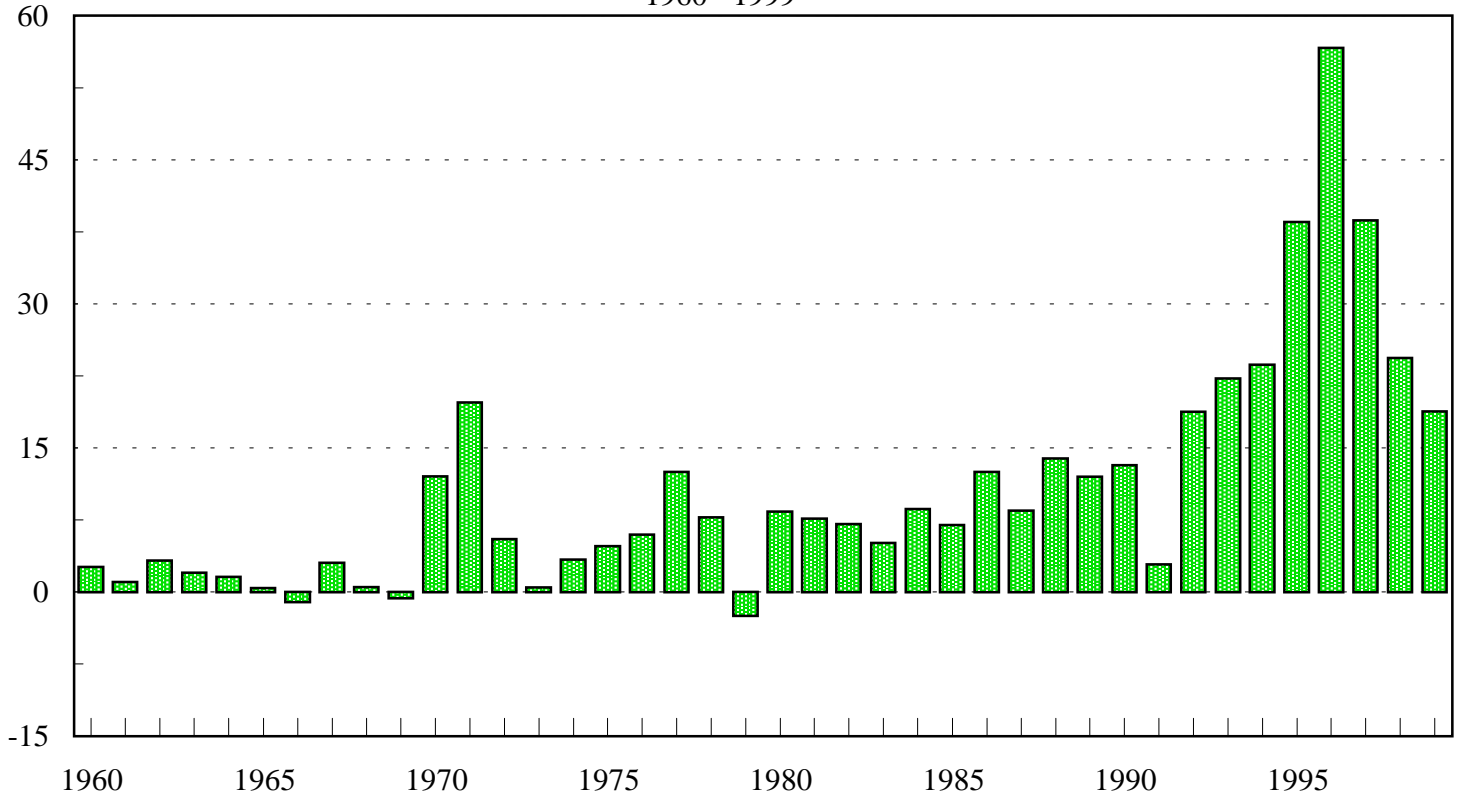


Figure 4

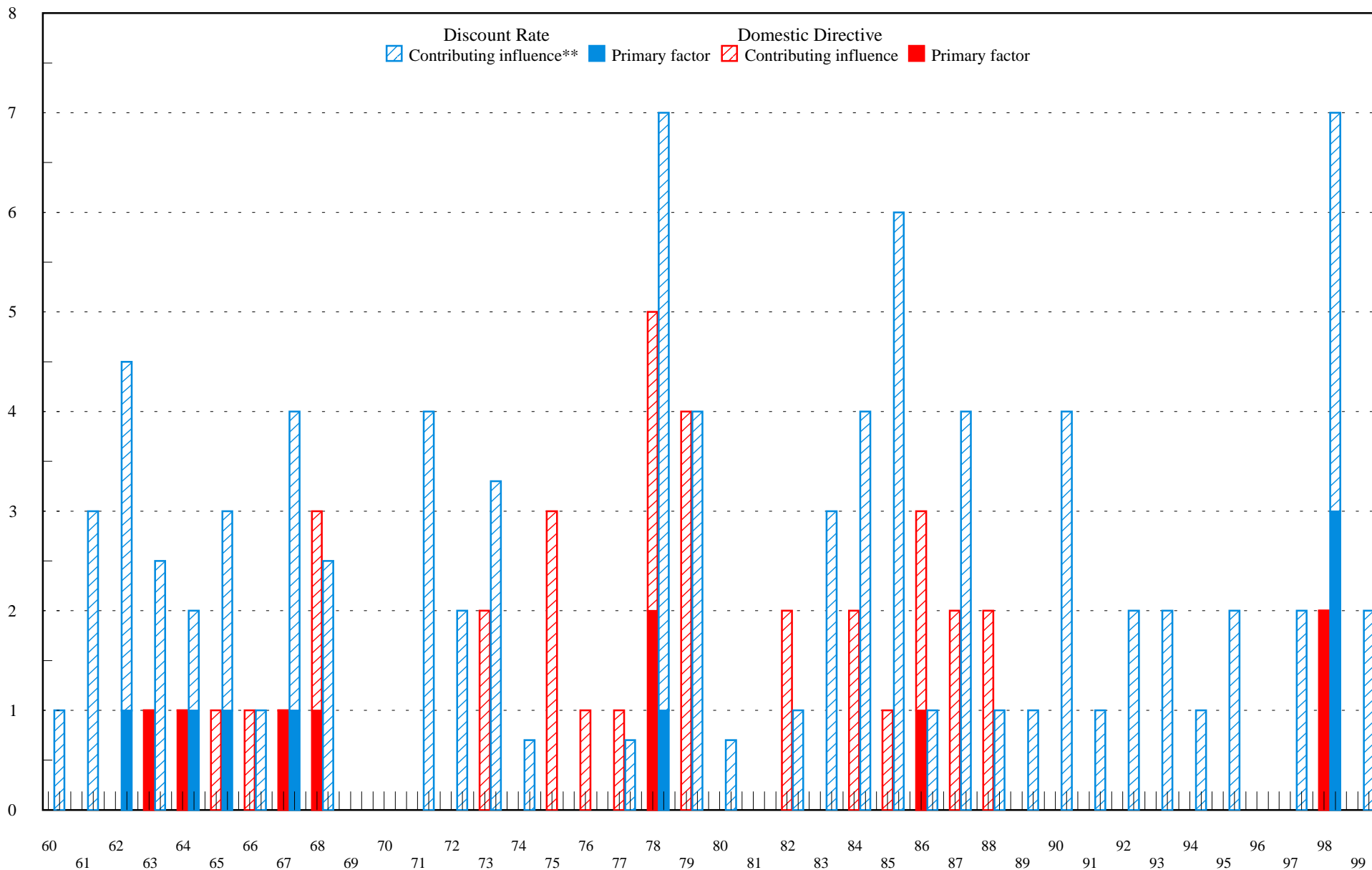
Foreign Net Lending as a Share of Total Net Borrowing by the U.S. Nonfinancial Sector

1960 - 1999



Sources: U.S. Treasury International Capital Reporting System, U.S. Bureau of Economic Analysis, Board of Governors of the Federal Reserve System.

Figure 5
Incidence* of International Influence on Federal Reserve Decisions
Concerning the Discount Rate and Domestic Directive

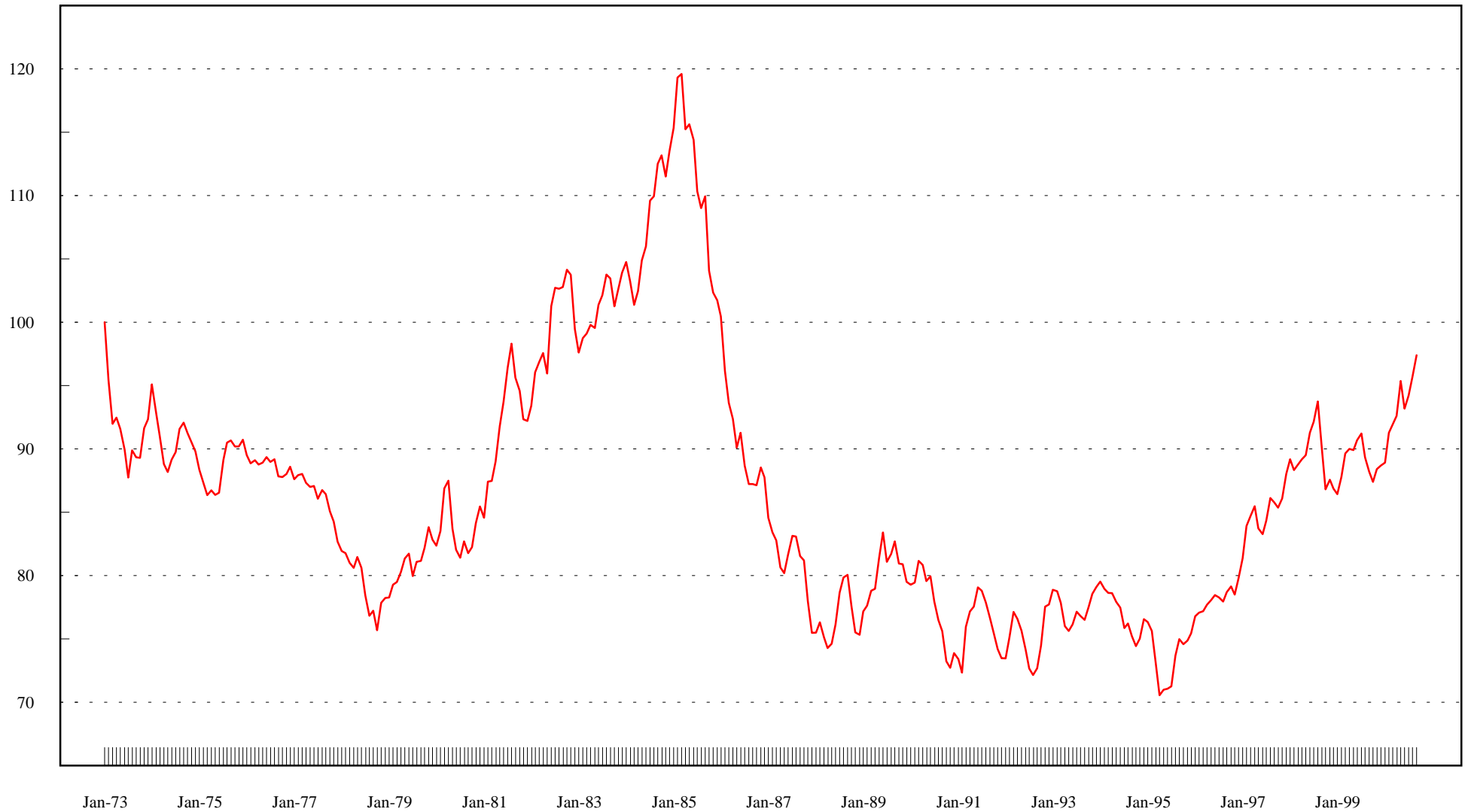


* Number of decisions on the discount rate and the FOMC directive for domestic open market operations that were influenced by international considerations beyond those incorporated in the domestic outlook.

** Adjusted for frequency of FOMC meetings.

Figure 6
U.S. Trade-Weighted Foreign Exchange Value of the U.S. Dollar*
1973 - 2000, monthly data

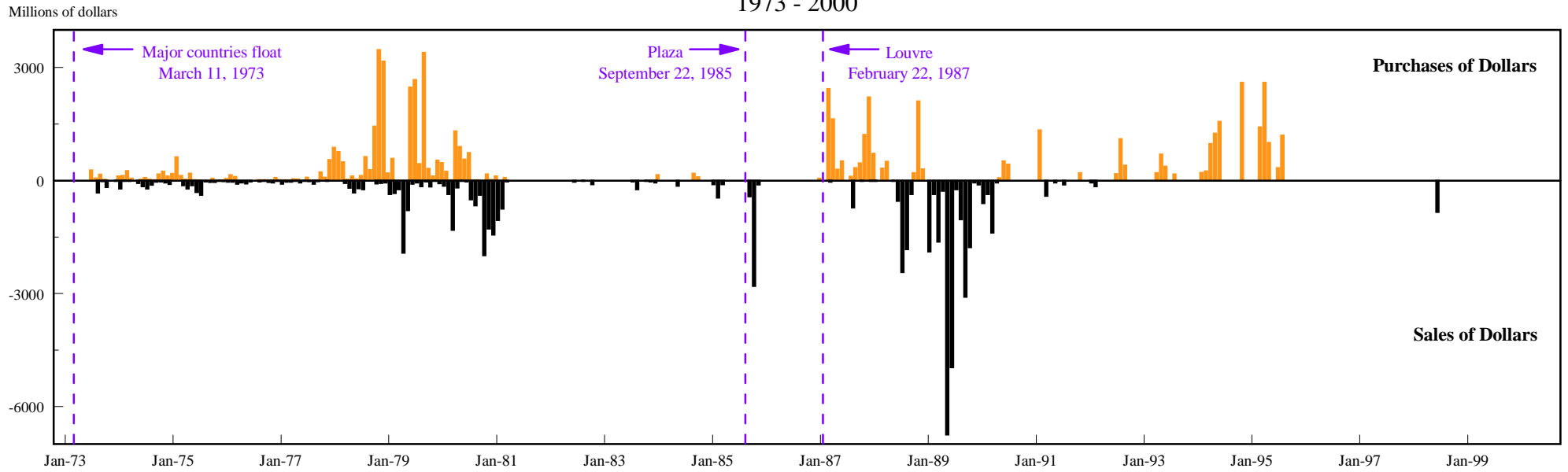
Index, January 1973=100



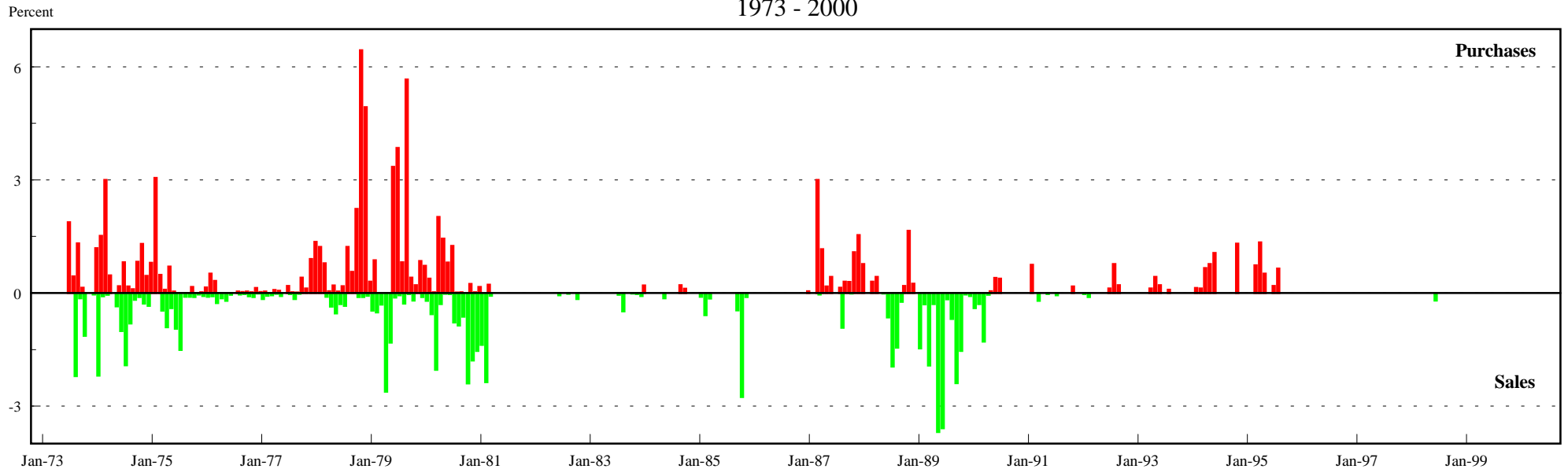
* 17 country / 7-currency (Euro area, Canada, Japan, United Kingdom, Switzerland, Australia, Sweden) weighted-average exchange rate using USIT-constructed weights based on 1/2 U.S. non-oil imports, 1/2 non-agricultural exports combined with third party competition. CPI price-adjusted.

Source: Board of Governors of the Federal Reserve System.

Figure 7
U.S. Official Foreign Exchange Intervention*
 1973 - 2000



U.S. Official Purchases and Sales of Dollars as a Share of
Gross Purchases and Sales of U.S. Treasury and Agency Securities for the System Open Market Account
 1973 - 2000

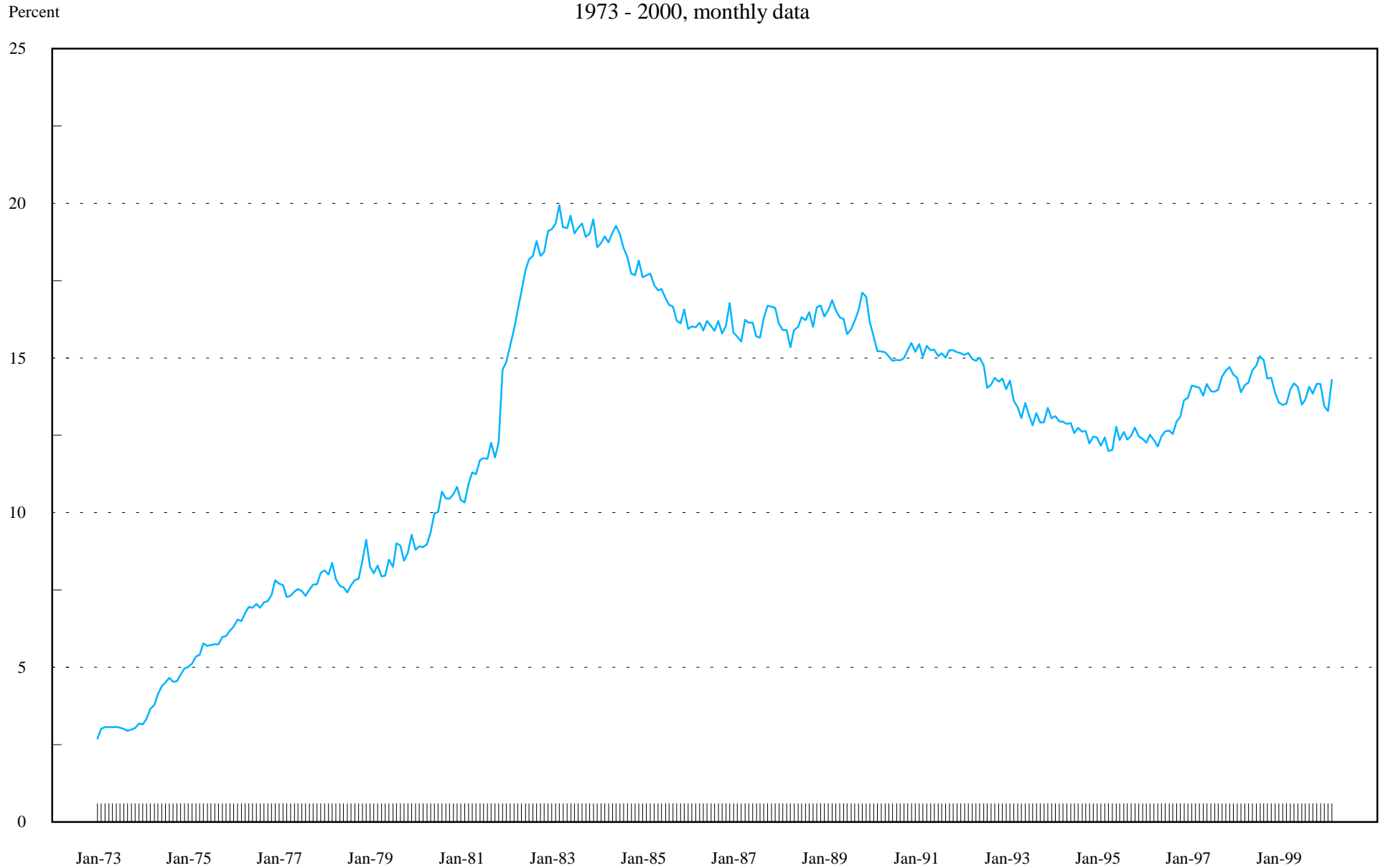


* Against German DM, Japanese Yen, Swiss Francs, Netherlands Guilders, Belgian Francs, British Pounds, French Francs.

Source: Board of Governors of the Federal Reserve System.

Figure 8
Claims on Foreigners Reported by Banks in the U.S. as a Share
of Total Assets at All Commercial Banks in the U.S.

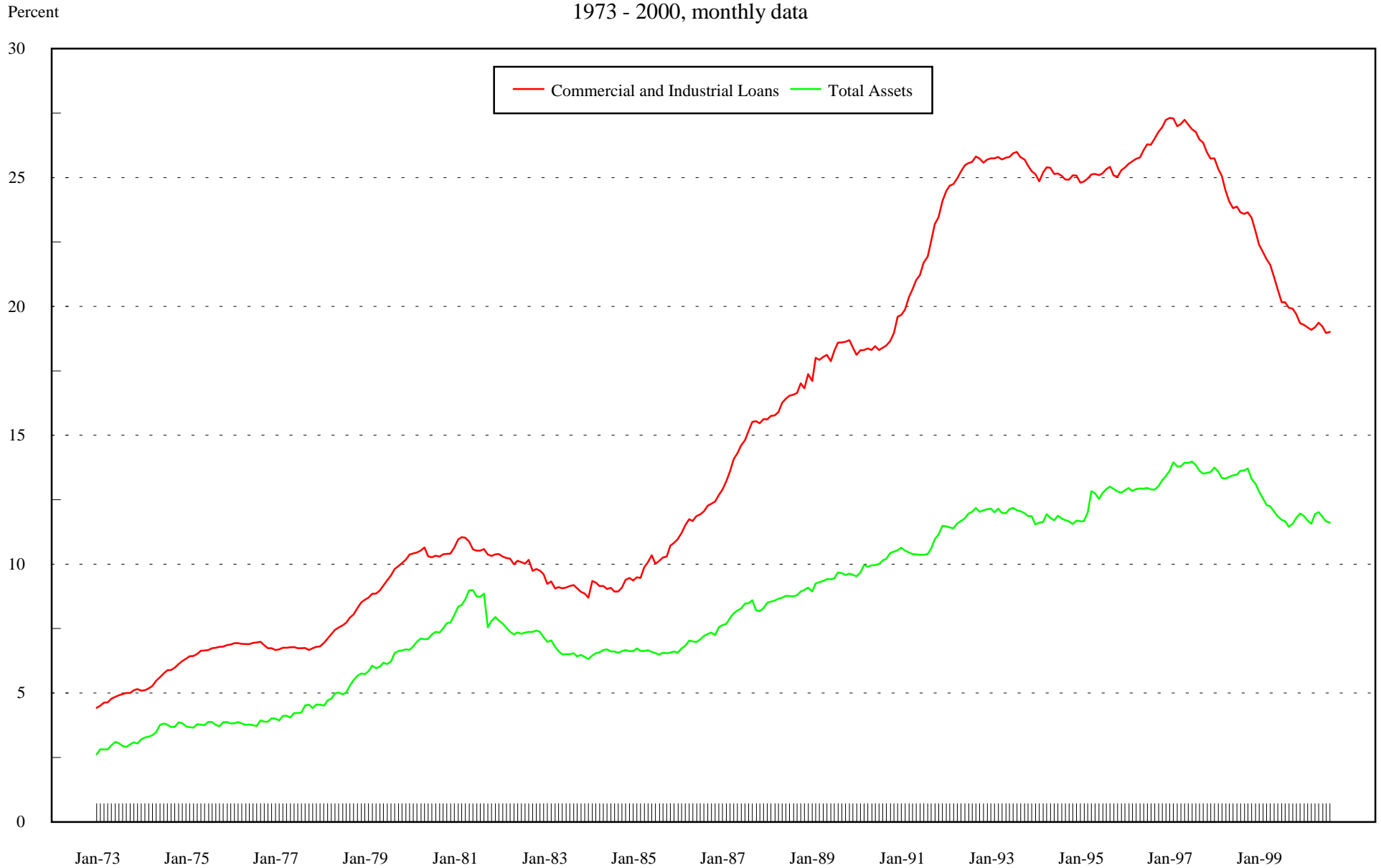
1973 - 2000, monthly data



Source: Board of Governors of the Federal Reserve System.

Figure 10
Selected Assets at Foreign-Related Institutions* as a Share of
Same Assets at All Commercial Banks in the U.S.

1973 - 2000, monthly data



* Includes branches and agencies of foreign banks, and Edge Act and Agreement Corporations.
 Excludes International Banking Facilities.

Appendix Table 1
FOMC Voting and Reaction Functions

	Logit Estimations of FOMC Voting			Reaction Functions		
	(1) Original Equation	(2) Original Equation with Dollar Purchases	(3) Original Equation with Dollar Sales	(4) Original Equation	(5) Original Equation with Dollar Purchases	(6) Original Equation with Dollar Sales
Dependent Variable: Vote for Tightening				Dependent Variable: Change in Federal Funds Rate		
C	-0.02 (-0.04)	-0.26 (-0.69)	-0.05 (-0.13)	-0.10 (-0.62)	0.08 (-0.41)	-0.04 (-0.20)
QH1	0.07 (2.24)	0.07 (2.48)	0.09 (3.08)	0.01 (0.87)	0.01 (0.87)	0.009 (0.73)
QH2	0.11 (2.68)	0.13 (3.02)	0.05 (1.18)	0.05 (2.49)	0.06 (2.70)	0.05 (2.59)
PH1	0.12 (1.57)	0.18 (2.39)	0.16 (2.16)	0.002 (0.06)	0.02 (0.38)	0.006 (0.14)
PH2	0.11 (1.31)	-0.0008 (-0.009)	0.11 (1.34)	0.04 (0.94)	0.02 (0.37)	0.03 (0.73)
URF	-0.46 (-8.40)	-0.41 (-7.54)	-0.46 (-8.43)	-0.5 (-2.31)	-0.06 (-2.14)	-0.06 (-2.38)
M	0.04 (3.70)	0.04 (3.47)	0.05 (3.99)	0.009 (1.58)	0.009 (1.63)	0.01 (1.63)
RBUY		0.03 (5.27)			0.005 (1.87)	
RSELL			0.05 (5.44)			-0.000004 (0.002)
Dependent Variable: Vote for Loosening						
C	1.56 (3.82)	1.76 (4.27)	1.52 (3.71)			
QH1	-0.31 (-10.81)	-0.33 (-11.22)	-0.31 (-10.88)			
QH2	-0.04 (-0.93)	-0.04 (-0.84)	-0.05 (-1.12)			
PH1	0.13 (1.55)	0.07 (0.80)	0.16 (1.85)			
PH2	-0.41 (-4.35)	-0.35 (-3.57)	-0.45 (-4.63)			
URF	-0.08 (-1.50)	0.09 (-1.66)	-0.07 (-1.33)			
M	-0.05 (-4.22)	-0.06 (-4.55)	-0.05 (-4.02)			
RBUY		-0.03 (-3.17)				
RSELL			-0.006 (-1.42)			
Observations	2406	2406	2406	237	211	211
Log-Likelihood	-2002.7	-1977.8	-1979.4	-116.8	-108.1	-109.9

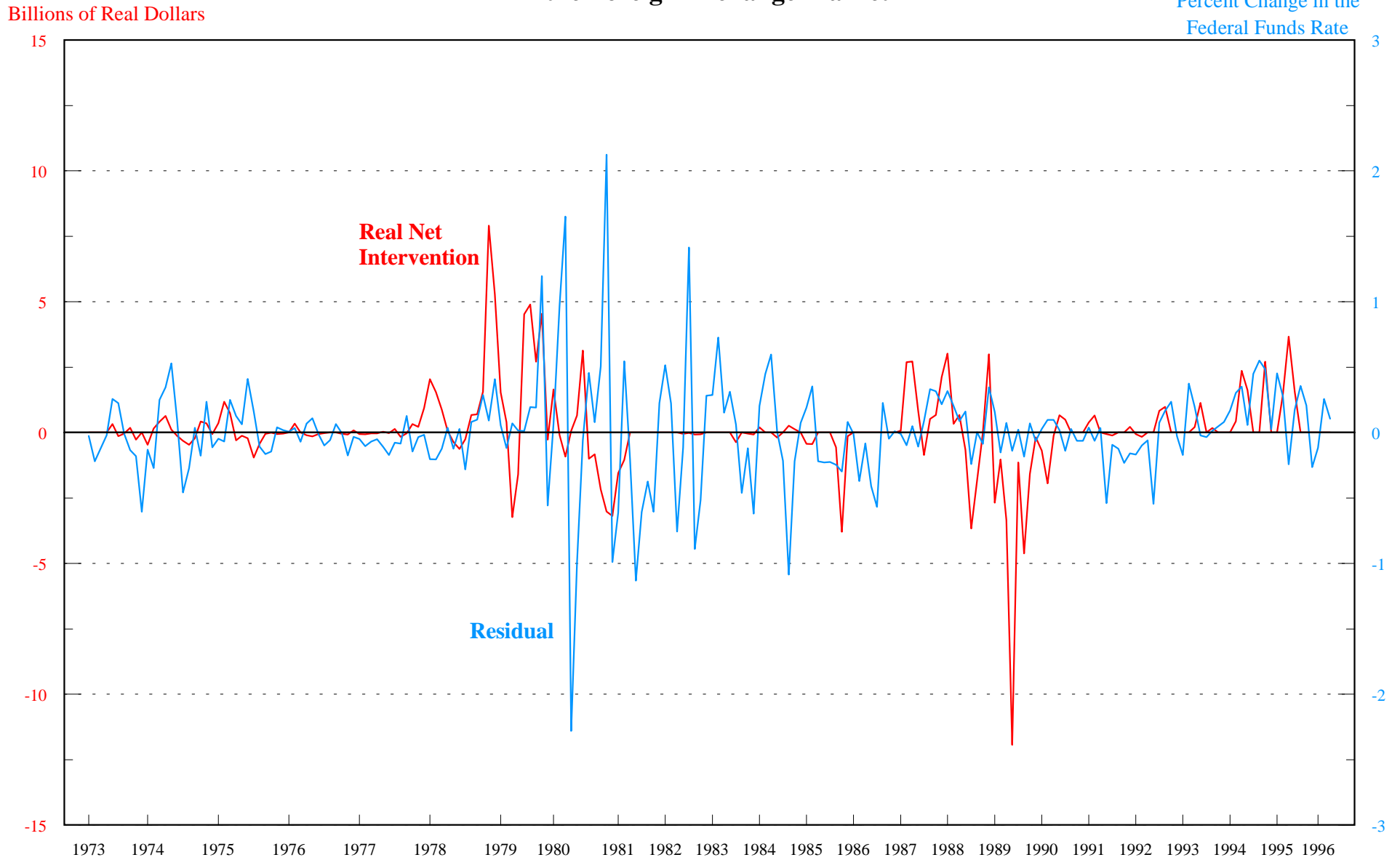
Appendix Table 1 (continued)
Definitions of Variables

QH1	Forecast of real GDP growth over the next 6 months
QH2	Forecast of real GDP growth over the 6 months starting 6 months from now
PH1	Forecast of inflation over the next 6 months
PH2	Forecast of inflation over the 6 months starting 6 months from now
URF	1-quarter-ahead civilian unemployment forecast
M	Lagged 3-month moving average of M1 growth
RBUY	U.S. official purchases of dollars (deflated by GDP deflator) in intermeeting period just past, millions of dollars
RSELL	U.S. official sales of dollars, i.e., negative purchases, (deflated by GDP deflator) in intermeeting period just past, millions of dollars

The Green Book was used for all the forecasts.

Appendix Chart 1

Reaction Function Residuals and Real Net Intervention in the Foreign Exchange Market



Note: The real net intervention was calculated by dividing the nominal intervention by the Implicit price deflator (1996=1) for the year in which the FOMC meeting occurred.