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Mr. Thompson
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Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY -7 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

May 6, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from April 28, 1932 to May 4, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

For CIP...
Gov. Meyer
Mr. Hamlin
Mr. James
Mr. Magee
Mr. Miller
Mr. Pole
Mr.
Mr.
Please note - initial and
Return to Secretary's Office

CONFIDENTIAL

May 6, 1932.

File

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from April 28, 1932 to May 4, 1932 inclusive, together with data received from Federal reserve banks.

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W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MAY 4, 1932

Holdings of Earning Assets of Federal Reserve Banks from May 6, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
May 6	\$ 943,522	\$ 598,351	\$ 0	\$161,460	\$32,409	\$ 150,202
" 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 4	1,842,133	1,286,881	0	44,522	0	505,801

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 4, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 4	Net Change	Balance May 4	Net Change	Balance May 4	Net Change
Boston	\$ 66,155	\$ 1-	\$ 4	\$ 53-	\$ 31,632	\$ 872-
New York	658,466	74,610+	3,724	99-	104,232	607-
Philadelphia	97,692	4,479+	209	2-	61,774	6,032-
Cleveland	107,920	4,198+	0	0	63,199	6,920-
Richmond	22,831	0	950	188-	23,742	1,611-
Atlanta	12,624	108-	1,035	425-	29,960	4,297-
Chicago	155,427	12,639+	928	319-	38,363	628-
St. Louis	30,974	0	514	27-	14,138	283-
Minneapolis	27,608	168-	199	47-	10,454	258+
Kansas City	24,936	0	577	24-	29,737	910-
Dallas	27,864	0	573	127-	11,152	3,104-
San Francisco	54,384	0	4,458	661-	87,418	1,017-
N. Y. holdovers and other bills			31,351	620+		
Totals	\$1,286,881	\$95,649+	\$44,522	\$1,352-	\$505,801	\$26,023-

COMMENT ON CHANGES WEEK ENDED MAY 4, 1932

Total earning assets of the System showed an increase of \$68,388,000 for the current statement week. The changes by classification consisted of an increase of \$95,649,000 in outright purchases of government securities and decreases of \$1,352,000 in outright purchases of bankers acceptances and \$26,023,000 in bills discounted.

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Money
Market

The excess reserves held by the New York City banks increased further during the first part of the past reporting week to a figure of \$191,000,000. Subsequently the surplus was reduced somewhat, chiefly as a result of payments to other districts for Government securities delivered in New York, and by the close of the week the excess reserves amounted to \$143,000,000, as compared with \$166,000,000 on the preceding Wednesday.

During the past statement week, further purchases of \$89,000,000 of Government securities were made in the New York market for the System Special Investment Account out of a total of \$99,000,000 acquired for the Account. The funds placed in the market by security purchases together with a comparatively small part of the excess reserves held by the New York City banks at the beginning of the week were absorbed by a number of movements including principally an aggregate distribution of funds to other centers. In more detail, the movement of funds to other parts of the country was accomplished by payments to other districts for Government securities sold and delivered in New York, and by an excess of Treasury withdrawals from depositaries in this district and cash sales of the new Treasury issues over disbursements in this market (the funds realized being utilized by the Treasury in making payments in other districts); these two elements considerably exceeded the New York market's favorable balance arising from check settlements and wire transfers of banking and commercial funds. Other losses of funds to the New York market during the week were in month-end currency requirements and in a reduction in the monetary gold stock due to exports and earmarkings for foreign account.

No material change occurred in the New York money market from the condition of ease prevailing in immediately preceding weeks. Nominal rates for stock exchange time loans were reduced to 1 1/2 per cent flat for the 30 day maturity and to 1 3/4 per cent bid, 2 per cent asked for longer dates up to 6 months. There was a limited amount of business reported in 30 day loans at 1 1/2 per cent and in 90 day money at 1 3/4 per cent. Call money was again available in the outside market at as low as 1 1/2 per cent, and on the Stock Exchange at the official 2 1/2 per cent rate. Open market commercial paper rates tended lower with more paper being sold at 3 per cent, and other sales at 3 1/4 and 3 1/2 per cent. Yields on short term United States Government securities moved very slightly higher, while federal funds continued in abundant supply at 1/8 of 1 per cent. Late Thursday afternoon, all the bill dealers but one increased their rates 1/4 per cent, returning their quotations to the level prevailing before the last 1/4 per cent was made on April 21. Although the dealers' portfolios still remain at a low figure, they have recently increased slightly due to the withdrawal from the bill market of one of the principal foreign buyers.

Government
Security
Market

During the early part of the statement week the market for both the short and long-term issues of United States Government securities was strong and active. During the latter part of the week, however, the market turned weak, especially for the long-term Treasury bonds. Prices of the latter declined sharply from about 1 1/4 to 3 3/4 points, while prices for the short-term issues (which received some support due to System purchases) declined only from 1/32 to 3/32. Prices were stronger May 5. The new issues of certificates and notes, dated May 2, were well received and after allotment was made, sold at a premium of 13/32 for the certificates to 30/32 for the notes, the notes selling as high as 101 1/32 during the week. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices was about .79% as compared with

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.50% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 101.04 and the Treasury bonds 97.70 as compared with the previous week's average closing price of 101.82 and 99.86 respectively.

Dealers' Offering Prices at the Close of the Current Statement Week and Net Changes from the Close of the Previous Statement Week

	Issue	Price	Net Change	Approx. Yield
2	3/4% Cert. of Ind. due June 15, 1932	100 9/32	- 2/32	0.17%
3	1/8% " " " " Aug. 1, 1932	100 21/32	- 2/32	0.57%
1	1/8% " " " " Sept. 15, 1932	100 5/32	- 1/32	0.68%
3	% " " " " Sept. 15, 1932	100 28/32	- 2/32	0.55%
3	1/8% " " " " Oct. 15, 1932	101 3/32	- 2/32	0.65%
3	1/4% Treasury Notes " Dec. 15, 1932	101 11/32	- 2/32	1.03%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 31/32	- 2/32	1.06%
3	3/4% " " " " Mar. 15, 1933	101 31/32	- 3/32	1.43%
2	% " " " " May 2, 1933	100 10/32	+10/32	1.67%
3	% Treasury Notes " May 2, 1934	100 30/32	+30/32	2.51%
	Treasury Bills maturing May 11 to July 20, 1932	- 0.75% discount bid, 0.50% asked		
	" " " July 27, 1932	- 0.75% " " 0.60%		

Closing Prices on the New York Stock Exchange at the Close of the Current Statement Week and Net Changes from Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 8/32	-25/32	Treas. 4 1/4s 1947-52	104 18/32	-1.20/32
1st 4 1/4s	100 28/32	-28/32	" 4s 1944-54	101 22/32	-1.14/32
4th 4 1/4s	102	-22/32	" 3 3/4s 1946-56	99 22/32	-1.10/32
			" 3 3/8s 1943-47	97	-2. 4/32
			" 3 3/8s 1940-43	97	-2. 5/32
			" 3 3/8s 1941-43	97	-2. 4/32
			" 3 1/8s 1946-49	92 20/32	-3.24/32
			" 3s 1951-55	92	-2.26/32

Bankers Acceptances Dealers' offering of unendorsed bankers acceptances continued at the following rates during the current statement week: 7/8 per cent for 30s, 60s and 90s, 1 per cent for 120s and 1 1/4 per cent for 180-day bills.

Reports week ending May 4 Boston reported that the supply of bills in its district showed a fair increase during the past week over the previous period, while the demand continued small, and dealers continued to forward their excess supply to their offices in other cities. In New York the bill market continued quiet with dealers' purchases being in about the same volume as they have been for the past few weeks. Their sales fell off considerably, especially to the reserve bank for the account of foreign correspondents. The outside demand was for a few choice names, of which very few were available in the market. Dealers' aggregate portfolios increased by about \$8,000,000 to \$20,000,000. Philadelphia reported that its acceptance market was without change. The demand was fair for prime names with practically no supply. Chicago reported that there was a fair demand for bills in its district with practically no supply. Dallas reported that there was no demand for bills in its district and no offerings were made to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated during the current statement week under Treasury authorization (exclusive of Treasury financing operations) consisted of

Sales of \$195,200 - Fourth 4 1/4% Liberty Loan bonds, account
Alien Property Custodian

and purchase of 187,000 - 3 1/8% certificates of indebtedness due Aug. 1, 1932,
account Alien Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$99,130,000 aggregate amount of short-term government securities were made for System Account, under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, as follows:

\$15,000,000	- Treasury Bills	due July 27, 1932
16,000,000	- 3 1/8% certificates	" Aug. 1, 1932
3,750,000	- 1 1/8% "	" Sept. 15, 1932
4,000,000	- 3 1/8% "	" Oct. 15, 1932
4,355,000	- 3 3/4% "	" Mar. 15, 1933
40,250,000	- 2 % "	" May 2, 1933
9,525,000	- 3 1/4% Treasury notes	" Dec. 15, 1932
<u>6,250,000</u>	- 3 % " "	" May 2, 1934

\$99,130,000

These purchases were made in the following markets:

Boston	\$ 2,150,000	Philadelphia	\$3,205,000 (F.R.B. portfolio)
New York	88,775,000	Chicago	5,000,000

Also, an exchange was effected in the market at advantageous rates of

for	\$1,000,000	- 2 3/4% certificates	due June 15, 1932
	1,000,000	- 2 % "	" May 2, 1933

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The purchase of \$99,130,000 short-term government securities referred to in the foregoing statement increased the amount of total holdings in the Account to \$1,116,946,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, May 4, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 65,404,000	May 11, 1932-Treasury Bills	\$ 18,355,000
New York	552,627,000	" 18, 1932- "	" 16,111,000
Philadelphia	94,285,500	" 25, 1932- "	" 14,907,000
Cleveland	107,919,500	June 1, 1932- "	" 49,087,000
Richmond	22,830,500	" 29, 1932- "	" 36,550,000
Atlanta	12,478,000	July 13, 1932- "	" 75,500,000
Chicago	133,828,500	" 20, 1932- "	" 40,475,000
St. Louis	30,474,000	" 27, 1932- "	" 43,150,000
Minneapolis	20,003,000	June 15, 1932- 2 3/4% C/I	44,550,000
Kansas City	24,849,000	Aug. 1, 1932- 3 1/8% "	53,900,000
Dallas	17,863,500	Sept. 15, 1932- 1 1/8% "	72,693,000
San Francisco	54,383,500	" 15, 1932- 3 % "	77,001,500
		Oct. 15, 1932- 3 1/8% "	78,381,500
		Dec. 15, 1932- 3 1/4% T/N	100,475,000
		Feb. 1, 1933- 3 3/4% C/I	5,275,000
		Mar. 15, 1933- 3 3/4% "	103,775,000
		May 2, 1933- 2 % "	41,250,000
		" 2, 1934- 3 % T/N	6,250,000
		June 15, 1947- 3 1/2% 1st L/L	79,025,000
		" 15, 1947- 4 1/4% 1st "	20,250,000
		Oct. 15, 1938- 4 1/4% 4th "	139,985,000
			<hr/>
Totals	<u>\$1,116,946,000</u>		<u>\$1,116,946,000</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM APRIL 28 TO MAY 4, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 62,000	\$ 62,000	\$ 0
New York	75,069,000	459,000	74,610,000
Philadelphia	7,767,500	84,500	7,683,000
Cleveland	4,300,000	102,000	4,198,000
Richmond	21,500	21,500	0
Atlanta	11,500	11,500	0
Chicago	12,758,500	119,500	12,639,000
St. Louis	29,000	29,000	0
Minneapolis	19,000	19,000	0
Kansas City	23,500	23,500	0
Dallas	17,000	17,000	0
San Francisco	51,500	51,500	0
Totals	\$100,130,000	\$1,000,000	\$99,130,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

<p>N O N E</p>	<p>Net Change From Previous Week</p>
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OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	\$ 0	-	\$3,205,000*	Mar. 15, 1933 C/I
Atlanta	137,750	Misc. Gov't Sec.	246,200	Misc. Gov't Sec.
Minneapolis	621,900	" " "	789,500	" " "
Totals	\$759,650		\$4,240,700	

*Sold from portfolio to System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Maturities and Sales</u>			<u>Other Holdings</u>				
	<u>Holdings</u>	<u>Purchased</u>	<u>By Allot-</u>	<u>Held</u>	<u>Else-</u>	<u>Holdings</u>	<u>Other</u>	
	<u>Apr. 27</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>in</u>	<u>where</u>	<u>May 4</u>	<u>Sales</u>	<u>Other</u>
Boston	\$ 57	\$ 0	0	\$ 0	\$ 53	\$ 4	0	\$ 2,345
New York	3,823	0	0	99	0	3,724	0	10,142
Phila.	211	0	0	0	2	209	0	3,178
Cleve.	0	0	0	0	0	0	0	3,104
Richmond	1,138	300R.	0	288	200	950	0	1,229
Atlanta	1,460	0	0	294	131	1,035	0	1,137
Chicago	1,247	0	0	0	319	928	0	4,134
St. Louis	541	0	0	27	0	514	0	1,005
Minn.	246	0	0	47	0	199	0	632
Kan. City	601	0	0	24	0	577	0	891
Dallas	700	0	0	18	109	573	0	861
San Fran.	5,119	808R.	0	48	1,421	4,458	0	2,121
Totals	\$15,143	\$1,108	0	\$845	\$2,235	\$13,171	0	\$30,779
Bills held over night by New York in Foreign Suspense Account								572
Total								\$31,351

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MAY 4, 1932
(000 Omitted)

	1-30 days -	31-60 days 2 1/2%	61-90 days 2 1/2%	Over 90-days 2 1/2%	Total
Richmond	0	\$125	\$175	\$ 0	\$ 300
San Francisco	0	195*	0	613	808
Totals	0	\$320	\$175	\$613	\$1,108

*Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MAY 4, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$100,890	\$1,108	\$101,998
Sold	5,241	0	5,241
Matured	0	3,080	3,080
		\$1,972-	\$ 93,677+
		620+(Net Change 1-day holdover & other bills)	620+(Net Change 1-day holdover & other bills)
Totals	\$ 95,649+	\$1,352-	\$ 94,297+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MAY 4, 1932
(000 Omitted)

(Including Sales Contracts)

	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 Months	Total
Gov't Securities	\$50,966	\$80,980	\$81,100	\$213,025	\$242,848	\$617,962	\$1,286,881
Bills Purchased	11,160	6,583	9,584	16,928	267	0	44,522
Totals	\$62,126	\$87,563	\$90,684	\$229,953	\$243,115	\$617,962	\$1,331,403

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FEDERAL RESERVE BANK
OF NEW YORK

Mr. Thompson
Mr. Riefler
Mr. Smead
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April 29, 1932

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,

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Assistant Deputy Governor

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For CIRCULATION

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OF NEW YORK

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Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED APRIL 27, 1932

Holdings of Earning Assets of Federal Reserve Banks from April 29, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Apr. 29	\$ 923,572	\$ 598,306	\$ 0	\$133,949	\$35,816	\$ 155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 20	1,695,701	1,078,130	0	48,042	505	564,523
" 27	1,773,745	1,191,232	0	45,874	0	531,824

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 27, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance April 27	Net Change	Balance April 27	Net Change	Balance April 27	Change
Boston	\$ 66,156	\$ 0	\$ 57	\$ 3-	\$ 32,504	\$ 582+
New York	583,856	87,005+	3,823	311+	104,839	2,970-
Philadelphia	93,213	8,757+	211	0	67,806	2,053-
Cleveland	103,722	10,468+	0	0	70,119	8,696-
Richmond	22,831	1+	1,138	1-	25,353	1,768-
Atlanta	12,732	125+	1,460	106-	34,257	5,872-
Chicago	142,788	14,408+	1,247	1,072-	38,991	3,204-
St. Louis	30,974	0	541	136-	14,421	792-
Minneapolis	27,776	25-	246	47-	10,196	242+
Kansas City	24,936	0	601	33-	30,647	509+
Dallas	27,864	0	700	47-	14,256	125+
San Francisco	54,384	7,637-	5,119	164-	88,435	8,802-
N. Y. holdovers and other bills			30,731	870-		
Totals	\$1,191,232	\$113,102+	\$45,874	\$2,168-	\$531,824	\$32,699-

COMMENT ON CHANGES WEEK ENDED APRIL 27, 1932

Total earning assets of the System showed an increase of \$78,044,000 for the current statement week. The changes by classification consisted of an increase of \$113,102,000 in outright purchases of government securities and decreases of \$2,168,000 in outright purchases of bankers acceptances, \$505,000 in bankers acceptances held under sales contract and \$32,699,000 in bills discounted.

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Money
Market

The excess reserves of the New York money market banks increased steadily during the past week to \$166,000,000, as compared with \$43,000,000 on the previous Wednesday. The New York City banks' reserve requirements rose \$9,000,000, accompanying an increase in their deposits, while reserve balances maintained at the Reserve Bank showed an advance of \$132,000,000. The acquisition of an additional \$113,000,000 of Government securities for the System Special Investment Account, all being purchased in the New York market, was the principal element in this large accretion of reserve funds on the part of the money market banks.

Although there were several movements of funds during the week which resulted in losses to this market, these were somewhat exceeded by gains in certain other types of transactions, leaving a net amount of about \$19,000,000 to be added to the \$113,000,000 going into the market through Federal Reserve security purchases. The largest loss occurred in Treasury transactions, and resulted from an excess of withdrawals from depositaries in this district and a sale of Treasury bills over Treasury bill maturities and other disbursements in this market; smaller losses were payments to other districts for Government securities delivered in New York and a net reduction of about \$9,000,000 in the monetary gold stock. The transactions which more than offset the aforementioned absorption of funds were a considerable inflow of funds to this market on balance of wire transfers and check settlements with other districts, a return of currency to the Reserve Bank, and a reduction in the National Credit Corporation balance held at the Reserve Bank which placed funds in the market.

Reflecting the large excess reserves held by the City banks, money rates have continued easy in New York. Time money quotations have been reduced to 2 per cent flat during the week from the 2 per cent bid, 2 1/4 per cent asked level of a week ago. Offerings of mid-September funds at 2 per cent have been made rather freely during the last few days and a small volume of business has been transacted for that maturity. Yields on short term United States Government securities have declined an additional 1/8 to 1/4 per cent also. Outside the Stock Exchange call loans have been arranged daily at 1 1/2 per cent, although on the Stock Exchange the 2 1/2 per cent rate has continued to prevail. Federal funds have remained at 1/8 per cent, and bill rates have held at the low levels to which they were reduced a week ago. Commercial paper dealers continue to report the prevailing range of rates for prime 4 to 6 month open market material at 3 1/4 - 1/2 per cent.

Government
Security
Market

The market for United States Government securities continued strong and active during the current statement week. The demand for long-term issues of Treasury bonds, which had lessened toward the close of the previous week, increased considerably and prices advanced from 13/32 to 1.18/32. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.50% as compared with 0.70% at the close of the previous period, and the average selling price for the Liberty Loan bonds was 101.82 and of Treasury bonds 99.86 as compared with the previous week's average closing prices of 101.59 and 99.07 respectively.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

Issue		Price	Net Change	Approx. Yield
2 3/4%	Cert. of Ind. due June 15, 1932	100 11/32	- - -	0.07%
3 1/8%	" " " " Aug. 1, 1932	100 23/32	- - -	0.33%
1 1/8%	" " " " Sept. 15, 1932	100 6/32	+1/32	0.62%
3 1/2%	" " " " Sept. 15, 1932	100 30/32	+1/32	0.51%
3 1/8%	" " " " Oct. 15, 1932	101 5/32	+1/32	0.61%
3 1/4%	Treasury Notes " Dec. 15, 1932	101 13/32	+2/32	0.99%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	102 1/32	+7/32	1.05%
3 3/4%	" " " " Mar. 15, 1933	102 2/32	+8/32	1.37%
Treasury Bills maturing May 11, May 18 and				
	" " " " May 25, 1932	0.65% discount bid, 0.25% asked		
	" " " " June 1, June 29 and			
	" " " " July 13, 1932	0.65%	" "	0.35%
	" " " " July 20, 1932	0.65%	" "	0.50%
	" " " " " 27, 1932	0.65%	" "	0.55%

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	101 1/32	+13/32	Treasury 4 1/4s 1947-52	106 6/32	+ 20/32
1st 4 1/4s	101 24/32	+ 5/32	" 4s 1944-54	103 4/32	+ 21/32
4th 4 1/4s	102 22/32	+ 5/32	" 3 3/4s 1946-56	101	+ 13/32
			" 3 3/8s 1943-47	99 4/32	+ 18/32
			" 3 3/8s 1940-43	99 5/32	+ 22/32
			" 3 3/8s 1941-45	99 4/32	+ 25/32
			" 3 1/8s 1946-49	96 12/32	+1.18/32
			" 3s 1951-55	94 26/32	+ 31/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 7/8 per cent for 30s, 60s and 90s, 1% per 120s and 1 1/4% per 180-day bills. This represents a reduction of 1/4% on all maturities over the previous week's offering rates.

Reports
week
ending
April 27

Boston reported that although the volume of transactions in the local bill market showed a good increase during the past week, this was due primarily to the transactions of one dealer. There was little local demand for bills and dealers continued to forward their excess supply to dealers in other cities. In New York the bill market continued inactive. The reduction in dealers' rates on the 21st did not result in any material increase in their purchases, or slackening in the demand, which continued to exceed the supply. Dealers' aggregate portfolios at the close of the week had declined further to the extremely low figure of \$12,000,000. Philadelphia reported that its acceptance market showed no change from the last few weeks. The demand for bills continued fair with no supply. Chicago reported that the demand for bills in its district was good with the supply very small. Dallas reported that there was no demand for bills during the past week and no offerings were made to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Exclusive of Treasury financing operations, there were no purchases or sales of United States Government securities consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$113,000,000 aggregate amount of short-term government securities were made for System Account, under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, as follows:

\$ 1,530,000	- Treasury Bills	due May 11, 1932
4,000,000	- " "	" " 18, 1932
4,000,000	- " "	" " 25, 1932
1,500,000	- " "	" June 29, 1932
18,300,000	- " "	" July 20, 1932
24,350,000	- " "	" " 27, 1932
15,750,000	- 3 1/8% certificates	" Aug. 1, 1932
2,500,000	- 1 1/8%	" Sept. 15, 1932
15,800,000	- 3 %	" " 15, 1932
10,250,000	- 3 1/8%	" Oct. 15, 1932
10,000,000	- 3 1/4% Treasury notes	" Dec. 15, 1932
5,020,000	- 3 3/4% certificates	" Mar. 15, 1933
<hr/>		
\$113,000,000		

Of this amount \$10,000 was purchased in Atlanta and the balance in New York. Other transactions effected in the holdings in the System Account during the week consisted of the Redemption on April 17 of \$3,800,000 maturing Treasury Bills which were replaced by purchase in the market of \$3,800,000 Treasury Bills due July 27, 1932.

The purchase of \$113,000,000 short-term government securities referred to in the foregoing statement increased the amount of total holdings in the Account to \$1,017,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, April 27, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 65,404,000	May 11, 1932-Treasury Bills	\$ 18,355,000
New York	458,017,000	" 18, 1932-	" " 16,111,000
Philadelphia	86,602,500	" 25, 1932-	" " 14,907,000
Cleveland	103,721,500	June 1, 1932-	" " 49,087,000
Richmond	22,830,500	" 29, 1932-	" " 36,550,000
Atlanta	12,478,000	July 13, 1932-	" " 75,500,000
Chicago	121,189,500	" 20, 1932-	" " 40,475,000
St. Louis	30,474,000	" 27, 1932-	" " 28,150,000
Minneapolis	20,003,000	June 15, 1932-	2 3/4% C/I 45,550,000
Kansas City	24,849,000	Aug. 1, 1932-	3 1/8% " 37,900,000
Dallas	17,863,500	Sept. 15, 1932-	1 1/8% " 68,943,000
San Francisco	54,383,500	" 15, 1932-	3 % " 77,001,500
		Oct. 15, 1932-	3 1/8% " 74,381,500
		Dec. 15, 1932-	3 1/4% T/N 90,950,000
		Feb. 1, 1933-	3 3/4% C/I 5,275,000
		Mar. 15, 1933-	3 3/4% " 99,420,000
		June 15, 1947-	3 1/2% 1st L/L 79,025,000
		" 15, 1947-	4 1/4% 1st " 20,250,000
		Oct. 15, 1938-	4 1/4% 4th " 139,985,000
	<hr/>		
	\$1,017,816,000		\$1,017,816,000

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM APRIL 21 TO APRIL 27, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Redemption and Sale	Net Increase	Net Decrease
Boston	\$ 250,000	\$ 250,000	\$ 0	\$ 0
New York	88,692,000	1,687,500	87,004,500	0
Philadelphia	9,081,500	324,000	8,757,500	0
Cleveland	10,854,500	387,000	10,467,500	0
Richmond	87,500	87,500	0	0
Atlanta	48,000	48,000	0	0
Chicago	14,859,000	451,500	14,407,500	0
St. Louis	116,500	116,500	0	0
Minneapolis	76,500	76,500	0	0
Kansas City	95,000	95,000	0	0
Dallas	68,500	68,500	0	0
San Francisco	2,571,000	10,208,000	0	7,637,000
Totals	<u>\$126,800,000</u>	<u>\$13,800,000</u>	<u>\$120,637,000</u>	<u>\$7,637,000</u>

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Atlanta	\$ 192,950	Misc. Gov't Sec.	\$ 67,400	Misc. Gov't Sec.
Minneapolis	1,035,800	" " "	1,060,200	" " "
Totals	<u>\$1,228,750</u>		<u>\$1,127,600</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Apr. 20	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Apr. 27	Other Holdings Close April 27/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 60	\$ 0	0	\$ 0	\$ 3	\$ 57	0	\$ 2,358
New York	3,512	522 R.	0	211*	0	3,823	0	9,977
Phila.	211	0	0	0	0	211	0	3,196
Cleve.	0	0	0	0	0	0	0	3,122
Richmond	1,139	0	0	1	0	1,138	0	1,236
Atlanta	1,566	0	0	17	89	1,460	0	1,144
Chicago	2,319	0	0	0	1,072	1,247	0	4,157
St. Louis	677	0	0	0	136	541	0	1,011
Minn.	293	0	0	47	0	246	0	636
Kan. City	634	0	0	33	0	601	0	895
Dallas	747	0	0	40	7	700	0	866
San Fran.	5,283	696	0	144	716	5,119	0	2,133
Totals	<u>\$16,441</u>	<u>\$1,218</u>	<u>0</u>	<u>\$493</u>	<u>\$2,023</u>	<u>\$15,143</u>	<u>0</u>	<u>\$30,731</u>

NOTE: R. indicates Retained in above statement.

*Includes \$38 sold.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED APRIL 27, 1932
(OOO Omitted)

	1-30 days <u>2 1/2-3 1/2%</u>	31-60 days <u>3%</u>	61-90 days <u>2 1/2-3 1/2%</u>	Over 90-days <u>-</u>	Total
New York	\$ 0	\$522	\$ 0	0	\$ 522
San Francisco	<u>92</u>	<u>55*</u>	<u>549</u>	<u>0</u>	<u>696</u>
Totals	<u>\$92</u>	<u>\$577</u>	<u>\$549</u>	<u>0</u>	<u>\$1,218</u>

*Purchased at 2 1/2 to 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED APRIL 27, 1932
(OOO Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$128,028	\$1,218	\$129,246
Sold	11,127	38	11,165
Matured	3,800	<u>2,478</u>	<u>6,278</u>
		\$1,298-	\$111,803+
		870-(Net Change	870-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$113,100+</u>	<u>\$2,168-</u>	<u>\$110,933+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED APRIL 27, 1932
(OOO Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$24,855	\$53,591	\$ 99,050	\$152,525	\$301,172	\$560,039	\$1,191,232
Bills Purchased	<u>8,567</u>	<u>10,769</u>	<u>6,988</u>	<u>19,280</u>	<u>270</u>	<u>0</u>	<u>45,874</u>
Totals	<u>\$33,422</u>	<u>\$64,360</u>	<u>\$106,038</u>	<u>\$171,805</u>	<u>\$301,442</u>	<u>\$560,039</u>	<u>\$1,237,106</u>

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Mr. Thompson
Mr. Riefler
Mr. Lued
Mr. Thompson

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APR 23 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

April 22, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from April 14, 1932 to April 20, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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For Circulation

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magce ✓
- Mr. Miller ✓
- Mr. Pole ✓
- Mr.
- Mr.

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
Return to Secretary's Office
File

CONFIDENTIAL

April 22, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from April 14, 1932 to April 20, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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APR 22 1932
OFFICE OF
THE GOVERNOR

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED APRIL 20, 1932

Holdings of Earning Assets of Federal Reserve Banks from April 22, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Apr. 22	\$ 885,391	\$598,530	\$ 0	\$134,165	\$17,446	\$135,250
" 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	155,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 13	1,669,911	985,024	0	51,809	0	628,602
" 20	1,695,701	1,078,130	0	48,042	505	564,523

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 20, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 20	Net Change	Balance Apr. 20	Net Change	Balance Apr. 20	Net Change
Boston	\$ 66,156	\$10,000+	\$ 60	\$ 0	\$ 31,922	\$ 866-
New York	496,851	40,453+	3,512	279-	107,809	14,368-
Philadelphia	84,456	13,020+	211	0	69,859	4,791-
Cleveland	93,254	9,765+	0	0	78,815	19,614-
Richmond	22,830	1-	1,139	329-	27,121	525-
Atlanta	12,607	3+	1,566	802-	40,129	3,817+
Chicago	128,380	11,857+	2,319	803-	42,195	6,373-
St. Louis	30,974	0	677	459-	15,213	1,789-
Minneapolis	27,801	104+	295	143-	9,954	368+
Kansas City	24,936	0	634	763-	30,138	2,987-
Dallas	27,864	0	747	488-	14,131	2,116+
San Francisco	62,021	7,905+	5,283	463-	97,237	19,067-
N. Y. holdovers and other bills			31,601	762+		
Totals	\$1,078,130	\$93,106+	\$48,042	\$3,767-	\$564,523	\$64,079-

COMMENT ON CHANGES WEEK ENDED APRIL 20, 1932

Total earning assets of the System showed an increase of \$25,790,000 for the current statement week. The changes by classification consisted of increases of \$93,106,000 in outright purchases of government securities and \$505,000 in bankers acceptances held under sales contract and decreases of \$3,767,000 in outright purchases of bankers acceptances and \$64,079,000 in bills discounted.

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2

Money
Market

The New York City banks began the past reporting week with their reserve balances \$108,000,000 above requirements, but by the close of the period this excess had been reduced to \$43,000,000, despite the acquisition in New York of an additional \$81,000,000 of Government securities for the System Special Investment Account out of a total of \$93,000,000 purchased for the Account during this week. The City banks' reserve requirements rose \$13,000,000 during the week, while their reserve balances were reduced \$52,000,000, these two factors accounting for the \$65,000,000 drop in surplus reserves.

The gain of funds to the market resulting from Federal Reserve security purchases and a small net inflow of funds to New York from other centers were exceeded by a substantial amount by losses of funds in several other types of transactions. The principal loss resulted from a sale of \$76,000,000 of new Treasury bills on April 20, a day when there was no Treasury Bill maturity. Other Treasury operations of the week on balance also took a small amount of funds out of the market, as withdrawals from Government depositaries in New York were somewhat larger than the funds disbursed in this market for April 15 interest and other payments. There was also a substantial loss of funds due to payments to other districts for Government securities delivered in the New York market, and smaller losses occurred through mid-month currency requirements and some further exports of gold to France and Holland.

New York money market rates have declined further. On Thursday, April 21, another general reduction of 1/4 per cent was effected in open market bill rates, so that the dealers' offering schedule became: for bills of 1 to 90 day maturity, 7/8 per cent; 4 month bills, 1 per cent; 5 and 6 month bills, 1 1/4 per cent. Open market bill rates are now at the same level as prevailed between May and September of 1931. During the past week, further declines of 1/4 to 3/8 per cent have also occurred in yields on short-term Government securities, and the prevailing range for prime commercial paper has been reduced to 3 1/4 - 3 1/2 per cent, as compared with 3 1/2 - 3 3/4 per cent previously. Call loans against Stock Exchange collateral have frequently been arranged at 1 1/2 per cent in the outside market, though the official rate remains at 2 1/2 per cent, and call loans against bills and United States Government securities have been available at 3/4 per cent. Nominal quotations for Stock Exchange collateral time loans have been reduced 1/2 to 3/4 per cent. Today's quotation for 60 and 90 day loans of 2 per cent bid, 2 1/4 per cent asked is 1/2 per cent lower than a week ago, and the same quotation is made for 4 to 6 month accommodation, or a decline of 3/4 per cent. Meanwhile, federal funds have been quoted at 1/8 to 1/4 per cent.

Government
Security
Market

The market for United States Government securities continued active and strong for the greater part of the current statement week with prices advancing moderately. There was an increase of offerings in the market, however, during the last two days of the period consisting principally of Liberty Loan and Treasury bonds, and prices dipped fractionally from the high level for the week. This movement appeared to be in part a natural reaction from a very rapid rise and in part a reflection of uncertainty as to banking legislation. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.70% as compared with 0.86% at the close of the previous period, and the average selling price for the Liberty Loan bonds was 101.59 and of Treasury bonds 99.07 as compared with the previous week's average closing prices of 101.40 and 98.14 respectively.

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Dealers' Offering Prices at the Close of the Current Statement Week and
 Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2	3/4% Cert. of Ind. due June 15, 1932	100 11/32	-2/32	0.41%
3	1/8% " " " " Aug. 1, 1932	100 23/32	- - -	0.52%
1	1/8% " " " " Sept. 15, 1932	100 5/32	+1/32	0.72%
3	% " " " " Sept. 15, 1932	100 29/32	+1/32	0.70%
3	1/8% " " " " Oct. 15, 1932	101 4/32	+6/32	0.78%
3	1/4% Treasury Notes " Dec. 15, 1932	101 11/32	+4/32	1.15%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 26/32	+5/32	1.39%
3	3/4% " " " " Mar. 15, 1933	101 26/32	+5/32	1.70%
Treasury Bills maturing April 27, May 11, May 18 and				
		May 25, 1932 - 0.65% discount bid,	0.25% asked	
"	"	June 1 & 29, 1932 0.65%	"	0.35% "
"	"	July 13, 1932 0.65%	"	none offered
"	"	July 20, 1932 0.65%	"	0.50% asked

Closing Prices on the New York Stock Exchange at the Close
 of the Current Statement Week and Net Change from
 Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 20/32	- 6/32	Treasury 4 1/4s 1947-52	105 18/32	+ 12/32
1st 4 1/4s	101 19/32	+ 9/32	" 4s 1944-54	102 15/32	+ 8/32
4th 4 1/4s	102 17/32	+16/32	" 3 3/4s 1946-56	100 19/32	+ 23/32
			" 3 3/8s 1943-47	98 18/32	+1.24/32
			" 3 3/8s 1940-43	98 15/32	+ 31/32
			" 3 3/8s 1941-43	98 11/32	+ 27/32
			" 3 1/8s 1946-49	94 26/32	+1.10/32
			" 3s 1951-55	93 27/32	+1.12/32

Bankers
 Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1 1/8 per cent for 30s, 60s and 90s, 1 1/4 per cent for 120s and 1 1/2 per cent for 180-day bills.

Reports
 week
 ending
 April 20

Boston reported that the supply of bills continued small with the local demand only fair. The reduction in dealers' rates made during the previous week did not bring out many new bills. Bills of 30 and 60 day maturities moved best. In New York conditions in the bill market were unchanged with dealers not being very successful in their endeavors to obtain bills to meet the continued good demand. On April 21 dealers made a further reduction in their rates of 1/4 per cent on all maturities. Their rates now are for unendorsed bills maturing up to 90 days 1 per cent bid, 7/8 asked, 120 days 1 1/8 bid, 1 per cent asked, 5 and 6 months' 1 3/8 bid, 1 1/4 asked; endorsed bills 1/8 less. Market rates are now at the same levels as prevailed from May 19 to September 22 of last year. Philadelphia reported that its acceptance market continued unchanged. The demand for bills was fair with the supply nil, and no new bills coming into the market. In Chicago dealers reported a good demand for bills but few offered. Dallas reported that the demand for bills was light in its district and offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Exclusive of Treasury financing operations there were no purchases or sales of United States Government securities consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$93,000,000 aggregate amount of short-term government securities were made for System Account under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, as follows:

\$ 1,000,000 - Treasury Bills due	May 18, 1932
1,000,000 - " " "	" 25, 1932
10,500,000 - " " "	June 1, 1932
6,300,000 - " " "	" 29, 1932
500,000 - " " "	July 13, 1932
22,175,000 - " " "	" 20, 1932
2,100,000 -3 1/8% certificates due	Aug. 1, 1932
4,400,000 -3 % " "	Sept. 15, 1932
8,080,000 -1 1/8% " "	" 15, 1932
9,500,000 -3 1/8% " "	Oct. 15, 1932
900,000 -3 3/4% " "	Feb. 1, 1933
1,600,000 -3 3/4% " "	Mar. 15, 1933
<u>24,945,000</u> -4 1/4% Fourth L/L Bds"	Oct. 15, 1933-38
<u>\$93,000,000</u>	

These securities were purchased in the following markets:

New York	\$81,320,000	Chicago	\$10,850,000
Philadelphia	500,000	Dallas	350,000

and increased the amount of total holdings in the Account to \$904,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, April 20, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 65,404,000	April 27, 1932 - Treasury Bills	\$ 3,800,000
New York	371,012,500	May 11, 1932 - " "	16,825,000
Philadelphia	77,845,000	" 18, 1932 - " "	12,111,000
Cleveland	93,254,000	" 25, 1932 - " "	10,907,000
Richmond	22,830,500	June 1, 1932 - " "	49,087,000
Atlanta	12,478,000	" 29, 1932 - " "	35,050,000
Chicago	106,782,000	July 13, 1932 - " "	75,500,000
St. Louis	30,474,000	" 20, 1932 - " "	22,175,000
Minneapolis	20,003,000	June 15, 1932 - 2 3/4% C/I	45,550,000
Kansas City	24,849,000	Aug. 1, 1932 - 3 1/8% "	22,150,000
Dallas	17,863,500	Sept. 15, 1932 - 1 1/8% "	66,443,000
San Francisco	62,020,500	" 15, 1932 - 3 % "	61,201,500
		Oct. 15, 1932 - 3 1/8% "	64,131,500
		Dec. 15, 1932 - 3 1/4% T/N	80,950,000
		Feb. 1, 1933 - 3 3/4% C/I	5,275,000
		Mar. 15, 1933 - 3 3/4% "	94,400,000
		June 15, 1947 - 3 1/2% 1st L/L	79,025,000
		" 15, 1947 - 4 1/4% 1st "	20,250,000
		Oct. 15, 1938 - 4 1/4% 4th "	139,985,000
Totals	<u><u>\$904,816,000</u></u>		<u><u>\$904,816,000</u></u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM APRIL 14 TO APRIL 20, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales	Net Increase
Boston	\$10,000,000	\$ 0	\$10,000,000
New York	47,390,500	6,937,500	40,453,000
Philadelphia	13,020,000	0	13,020,000
Cleveland	9,765,000	0	9,765,000
Richmond	0	0	0
Atlanta	0	0	0
Chicago	11,857,500	0	11,857,500
St. Louis	0	0	0
Minneapolis	0	0	0
Kansas City	0	0	0
Dallas	0	0	0
San Francisco	7,904,500	0	7,904,500
Totals	\$99,937,500	\$6,937,500	\$93,000,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

NONE Net Change From
Previous Week
-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Atlanta	\$ 171,850	Misc. Gov't Sec.	\$ 169,800	Misc. Gov't Sec.
Minneapolis	1,446,200	" " "	1,341,900	" " "
Totals	\$1,618,050		\$1,511,700	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Apr. 13	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Apr. 20	Other Holdings Close Apr. 20/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 60	\$ 0	0	\$ 0	\$ 0	\$ 60	\$ 0	\$ 2,358
New York	3,791	351 R	0	630	0	3,512	0	10,086
Phila.	211	0	0	0	0	211	0	3,196
Cleve.	0	0	0	0	0	0	0	3,122
Richmond	1,468	0	0	329	0	1,139	0	1,236
Atlanta	2,368	100 R	0	216	686	1,566	0	1,144
Chicago	3,122	0	0	0	803*	2,319	0	4,157
St. Louis	1,136	0	0	459	0	677	0	1,011
Minn.	436	0	0	143	0	293	0	636
Kan. City	1,397	0	0	763	0	634	0	896
Dallas	1,235	0	0	455	33	747	0	866
San Fran.	5,746	49 R	0	298	214	5,283	505	2,133
Totals	\$20,970	\$500	0	\$3,293	\$1,736	\$16,441	\$505	\$30,841
Bills held over night by New York in Foreign Suspense Account - - - - -								760
Total - - - - -								\$31,601

*Includes \$100 sold.

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED APRIL 20, 1932
(OCO Omitted)

	1-30 days 2 1/2-2 5/8%	31-60 days 2 1/2-3%	61-90 days 2 1/2-2 5/8%	Over 90-days 2 1/2-2 5/8%	Total
New York	\$30	\$300	\$ 18	\$3	\$351
Atlanta	0	0	100	0	100
San Francisco	0	0	49*	0	49
Totals	<u>\$30</u>	<u>\$300</u>	<u>\$167</u>	<u>\$3</u>	<u>\$500</u>

*Purchased at 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED APRIL 20, 1932
(OOO Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$101,555	\$ 500	\$102,055
Sold	8,449	100	8,549
Matured	0	4,929	4,929
		<u>\$4,529-</u>	<u>\$ 88,577+</u>
		762+(Net Change 1-day holdover & other bills)	762+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 93,106+</u>	<u>\$3,767-</u>	<u>\$ 89,339+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED APRIL 20, 1932
(OOO Omitted)

(Including Sales Contracts)

	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 3,800	\$45,436	\$122,530	\$110,550	\$250,876	\$544,938	\$1,078,130
Bills Purchased	8,336	8,277	9,272	22,375	287	0	48,547
Totals	<u>\$12,136</u>	<u>\$53,713</u>	<u>\$131,802</u>	<u>\$132,925</u>	<u>\$251,163</u>	<u>\$544,938</u>	<u>\$1,126,677</u>

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Mr. Thompson
Mr. Linnard
Mr. Riebler
Mr. Johnson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
APR 16 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

April 15, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from April 7, 1932 to April 13, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Enc.

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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Megee ✓
Mr. Miller ✓
Mr. Pole ✓

Mr.
Mr.
Please note - initial and
return to Secretary's Office
File

CONFIDENTIAL

April 15, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from April 7, 1932 to April 13, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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APR 15 1932
OFFICE OF
THE GOVERNOR

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED APRIL 13, 1932

Holdings of Earning Assets of Federal Reserve Banks from April 15, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
Apr. 15	\$ 862,118	\$598,635	\$ 0	\$127,220	\$ 4,259	\$ 132,004
" 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 6	1,582,555	885,014	0	56,832	1,114	635,274
" 13	1,669,911	985,024	0	51,809	0	628,602

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 13, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 13	Net Change	Balance Apr. 13	Net Change	Balance Apr. 13	Net Change
Boston	\$ 56,156	\$ 0	\$ 60	\$ 2-	\$ 32,788	\$ 806-
New York	456,398	71,062+	3,791	1,041-	122,177	9,071-
Philadelphia	71,436	1,938+	211	0	74,650	123+
Cleveland	83,489	2,625+	0	0	98,429	4,436+
Richmond	22,831	3,750+	1,468	187-	27,646	3,278-
Atlanta	12,604	2+	2,368	155-	36,312	1,826+
Chicago	116,523	9,563+	3,122	1,044-	48,568	619-
St. Louis	30,974	3,187+	1,136	155-	17,002	1,158-
Minneapolis	27,697	8+	436	98-	9,586	338+
Kansas City	24,936	1,000+	1,397	158-	33,125	309-
Dallas	27,664	500+	1,235	91-	12,015	897+
San Francisco	54,116	6,375+	5,746	728-	116,304	879+
N. Y. holdovers and other bills			30,839	1,364-		
Totals	\$985,024	\$100,010+	\$51,809	\$5,023-	\$628,602	\$6,672-

COMMENT ON CHANGES WEEK ENDED APRIL 13, 1932

Total earning assets of the System showed an increase of \$87,356,000 for the current statement week. The changes by classification, consisted of an increase of \$100,010,000 in outright purchases of government securities, and decreases of \$5,023,000 in outright purchases of bankers acceptances, \$1,114,000 in bankers acceptances held under sales contracts and \$6,672,000 in bills discounted.

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Money
Market

The reserve balances of the New York money market banks rose about \$58,000,000 during the week ended April 13, and the increase was only slightly offset by a net advance in their reserve requirements due to a moderate increase in deposits during the week. Consequently, the excess reserves held by these banks increased yesterday to \$108,000,000, which, except for one day near the year-end, was the largest excess in several months.

This substantial increase in excess reserves held by the New York banks resulted primarily from a further purchase of \$100,000,000 of Government securities for the System Special Investment Account. There was also a considerable inflow of commercial and banking funds to New York and a small net return of currency, but Treasury operations continued to take a large amount of funds from the New York money market, and, in addition, there was a net loss of gold amounting to about \$17,000,000, chiefly as the result of a renewed export movement to France. A number of the foreign exchanges have been above the gold point since the publication of erroneous statements about New York banks a few days ago in Paris. Trading has been quiet, however. Treasury operations during the week included the sale of a new issue of Treasury bills and withdrawals of Government deposits, which together took approximately \$107,000,000 from the New York banks, less than half of which was disbursed in this market through the redemption of maturing Treasury bills and other payments.

The accumulation of excess reserves in New York was accompanied by successive reductions in open market bill rates aggregating 1 per cent. On Saturday a cut of 1/4 per cent was announced; late on Tuesday a further 1/4 per cent decrease occurred; and on Wednesday a reduction of 1/2 per cent was effected. Rates on unindorsed acceptances now are: up to 90 days, 1 1/8 per cent; 4 months, 1 1/4 per cent; and 5 and 6 months 1 1/2 per cent. These rates now stand only 1/4 per cent above the low levels prevailing between May and September of last year. Yields on short-term United States Government securities are quoted 1 per cent below the level of a week ago. Call loans against bills were reported as low as 1 per cent, with loans against stock exchange collateral in the outside market offered at 2 per cent with no takers. Call loans on the Stock Exchange, however, continued to be maintained at 2 1/2 per cent. The rates for time loans remained at 2 3/4 per cent bid, 3 per cent asked, for the longer dates, but 60 and 90 day loans today were reported at 2 1/2 per cent bid, 2 3/4 per cent asked. Commercial paper was steady at 3 1/2 to 3 3/4 per cent.

Government
Security
Market

The market for United States Government securities was active and very strong during the entire week, and prices of all issues registered substantial gains. In addition to System purchases, there has been an increasing demand for all issues of governments. For the first time since last fall, the interior banks have become purchasers of government securities in rather large amounts, confined principally, however, to the shorter issues. Corporate buying has also continued in large volume. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.86% as compared with 1.80% at the close of the previous period, and the average selling price for the Liberty Loan bonds was 101.40 and of Treasury bonds 98.14 as compared with the previous week's average closing prices of 100.46 and 95.82 respectively.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

Issue		Price	Net Change	Approx. Yield
2 3/4%	Cert. of Ind. due June 15, 1932	100 13/32	+ 4/32	0.30%
3 1/8%	" " " " Aug. 1, 1932	100 23/32	+ 9/32	0.69%
1 1/8%	" " " " Sept. 15, 1932	100 4/32	+16/32	0.82%
3 %	" " " " " 15, 1932	100 28/32	+13/32	0.88%
3 1/8%	" " " " Oct. 15, 1932	100 30/32	+14/32	1.24%
3 1/4%	Treasury Notes " Dec. 15, 1932	101 7/32	+19/32	1.40%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	101 21/32	+26/32	1.64%
3 3/4%	" " " " Mar. 15, 1933	101 21/32	+26/32	1.91%
Treasury Bills maturing April 27, May 11 and				
		May 18, 1932	- 0.80%	discount bid, 0.40% asked
		" 25, June 1 and		
		June 29, 1932	- 0.90%	" " 0.60% "
		" July 13, 1932	- 1.00%	" " none offered

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 26/32	+ 23/32	Treasury 4 1/4s 1947-52	105 6/32	+2. 3/32
1st 4 1/4s	101 10/32	+ 31/32	" 4 s 1944-54	102 7/32	+1.25/32
4th 4 1/4s	102 1/32	+1. 3/32	" 3 3/4s 1946-56	99 28/32	+2.14/32
			" 5 3/8s 1943-47	96.26/32	+2. 8/32
			" 3 3/8s 1940-43	97 16/32	+2. 8/32
			" 3 3/8s 1941-43	97 16/32	+2. 6/32
			" 3 1/8s 1946-49	93 16/32	+2.12/32
			" 3 s 1951-55	92 15/32	+3. 6/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 1 1/8 per cent for 30s, 60s and 90s, 1 1/4 per cent for 120s and 1 1/2 per cent for 180-day bills. This represents a reduction of 1 per cent on all maturities over the previous week's offering rates.

Reports
week
ending
April 13

Boston reported that the demand continued good for acceptances in its district during the past period with the supply small and dealers' portfolios were practically depleted. Dealers lowered their rates toward the end of the period to 1 1/4 per cent bid, 1 1/8 per cent offered for 90-day maturities. In New York the good demand continued throughout the week with dealers unable to fill orders. With portfolios practically depleted, dealers made three reductions in their rates during the week, 1/4 per cent on April 9, 1/4 per cent on April 12, 1/2 per cent on April 13, making a total reduction of 1 per cent. Their rates now are for unendorsed bills, 1 1/4 bid up to 90 days, 1 1/8 asked, 4 months' 1 3/8 bid, 1 1/4 asked, 5 and 6 months' 1 5/8 bid, 1 1/2 asked; endorsed bills 1/8 lower, which is the lowest they have been since September 23, 1931. Philadelphia reported that its acceptance market continued unchanged. A further reduction of 1/4 of 1 per cent produced no new bills. The demand for bills was stronger. In Chicago, brokers reported a good demand but very few bills coming out. Dallas reported that the demand for bills was light in its district during the past week and that offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Exclusive of Treasury financing operations, there were no purchases or sales of United States Government securities consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$100,000,000 aggregate amount of short-term issues of government securities were made for System Account, of which amount \$25,000,000 was purchased under authority vested in the executive committee of the Open Market Policy Conference at the meeting held in Washington on February 24, and \$75,000,000 was purchased under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, as follows:

\$ 1,600,000	- 1 1/8%	certificates	due Sept. 15, 1932
15,000,000	- 3 %	"	" " 15, 1932
1,650,000	- 3 1/8%	"	" Oct. 15, 1932
1,250,000	- 3 1/4%	Treasury Notes	" Dec. 15, 1932
400,000	- 3 3/4%	certificates	" Feb. 1, 1933
2,600,000	- 3 3/4%	"	" Mar. 15, 1933
2,500,000	- 4 1/4%	1st L/L Bds 1932-47	
<u>75,000,000</u>	-	Treasury Bills	due July 13, 1932
<u>\$100,000,000</u>			

Of this amount, \$3,350,000 was purchased in the Chicago market and the balance was purchased in New York. Other transactions effected in the holdings in the System Account during the week consisted of

Redemption on April 13 of \$3,500,000 maturing Treasury Bills, which were replaced by purchase in the market

of	775,000	- 1 1/8%	certificates	due Sept. 15, 1932
	250,000	- 3 %	"	" " 15, 1932
	250,000	- 3 1/8%	"	" Oct. 15, 1932
	500,000	- 3 1/4%	Treasury Notes	" Dec. 15, 1932
	475,000	- 3 3/4%	certificates	" Feb. 1, 1933
	<u>1,250,000</u>	- 3 3/4%	"	" Mar. 15, 1933
	<u>\$3,500,000</u>			

Exchange in the market,

at advantageous rates, of	\$ 500,000	- 3 1/8%	certificates	due Aug. 1, 1932
	<u>700,000</u>	- 3 1/4%	Treasury Notes	" Dec. 15, 1932

a total of \$1,200,000

for	\$ 500,000	- 3 %	certificates	due Sept. 15, 1932
	<u>700,000</u>	- 3 3/4%	"	" Mar. 15, 1933

\$1,200,000

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The purchase of \$100,000,000 short-term government securities referred to in the foregoing statement made a total of \$245,000,000 purchased to date under recent authorizations and increased the amount of total holdings in the System Account to \$811,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, April 13, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,404,000
New York	330,559,500
Philadelphia	64,825,000
Cleveland	83,489,000
Richmond	22,830,500
Atlanta	12,478,000
Chicago	94,924,500
St. Louis	30,474,000
Minneapolis	20,003,000
Kansas City	24,849,000
Dallas	17,863,500
San Francisco	54,116,000

Totals \$811,816,000

RECAPITULATION OF HOLDINGS BY MATURITIES

April 27, 1932-Treasury Bills	\$	3,800,000
May 11, 1932-	" "	16,825,000
" 18, 1932-	" "	11,111,000
" 25, 1932-	" "	9,907,000
June 1, 1932-	" "	38,587,000
" 29, 1932-	" "	28,750,000
July 13, 1932-	" "	75,000,000
June 15, 1932-	2 3/4% C/I	45,550,000
Aug. 1, 1932-	3 1/8% "	20,050,000
Sept. 15, 1932-	1 1/8% "	58,363,000
" 15, 1932-	3 % "	56,801,500
Oct. 15, 1932-	3 1/8% "	54,631,500
Dec. 15, 1932-	3 1/4% T/N	80,950,000
Feb. 1, 1933-	5 3/4% C/I	4,375,000
Mar. 15, 1933-	3 3/4% "	92,800,000
June 15, 1947-	3 1/2% 1st L/L	79,025,000
June 15, 1947-	4 1/4% " "	20,250,000
Oct. 15, 1938-	4 1/4% 4th "	115,040,000

\$811,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM APRIL 7 TO APRIL 13, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 355,000	\$ 355,000	\$ 0
New York	72,838,500	1,776,000	71,062,500
Philadelphia	2,381,500	413,500	1,968,000
Cleveland	3,157,500	533,000	2,624,500
Richmond	3,872,500	122,500	3,750,000
Atlanta	80,500	80,500	0
Chicago	10,110,000	547,500	9,562,500
St. Louis	3,362,000	174,500	3,187,500
Minneapolis	128,000	128,000	0
Kansas City	1,132,500	132,500	1,000,000
Dallas	611,000	111,000	500,000
San Francisco	6,681,000	306,000	6,375,000
Totals	\$104,700,000	\$4,700,000	\$100,000,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change from
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
		Misc. Gov't Sec.		Misc. Gov't Sec.
Atlanta	\$110,050		\$107,700	
Minneapolis	772,050	" " "	764,200	" " "
Totals	\$882,100		\$871,900	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Apr. 6	Purchased Own Mkt.	<u>Maturities & Sales</u>			Holdings Apr. 13	<u>Other Holdings</u> Close Apr. 13/32	
			By Allot-	Held	Held		Sales Con-	Other Bills
			ment from New York	in N. Y.	Else- where			
Boston	\$ 62	\$ 0	0	\$ 0	2	\$ 60	0	\$ 2,358
New York	4,832	29 R.	0	1,070	0	3,791	0	10,084
Phila.	211	0	0	0	0	211	0	3,196
Cleve.	0	0	0	0	0	0	0	3,132
Richmond	1,655	0	0	187	0	1,468	0	1,236
Atlanta	2,523	172 R.	0	383	41	2,368	0	1,144
Chicago	4,166	0	0	0	1,044*	3,122	0	4,157
St. Louis	1,291	0	0	155	0	1,136	0	1,011
Minn.	534	0	0	98	0	436	0	656
Kan. City	1,555	0	0	158	0	1,397	0	896
Dallas	1,326	55 R.	0	103	21	1,235	0	866
San Fran.	6,474	0	0	3	725	5,746	0	2,133
Totals	\$24,629	\$234	0	\$2,060	\$1,833	\$20,970	0	\$30,839

*Includes \$199 sold.

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED APRIL 13, 1932
 (000 Omitted)

	1-30 days <u>2 1/2%</u>	31-60 days <u>2 1/2%</u>	61-90 days <u>2 1/2%</u>	Over 90-days <u>2 1/2%</u>	Total
New York	0	0	\$15	\$14	\$ 29
Atlanta	21	125	25	0	171
Dallas	0	0	0	35	35
Totals	<u>\$21</u>	<u>\$125</u>	<u>\$41</u>	<u>\$47</u>	<u>\$234</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDED APRIL 13, 1932
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$105,582	\$ 234	\$105,816
Sold	2,072	199	2,271
Matured	3,500	3,894	7,394
		<u>\$3,859-</u>	<u>\$ 96,351+</u>
		1,364- (Net Change	1,364- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$100,010+</u>	<u>\$5,023-</u>	<u>\$ 94,987+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED APRIL 13, 1932
 (000 Omitted)

(Including Sales Contracts)

	Within <u>15-days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91 days- <u>6 months</u>	Over 6 <u>months</u>	Total
Gov't Securities	\$ 3,800	\$23,325	\$ 86,591	\$74,300	\$224,992	\$572,016	\$ 985,024
Bills Purchased	<u>15,188</u>	<u>7,688</u>	<u>14,890</u>	<u>15,759</u>	<u>285</u>	<u>0</u>	<u>51,809</u>
TOTALS	<u>\$18,988</u>	<u>\$31,013</u>	<u>\$101,481</u>	<u>\$88,058</u>	<u>\$225,277</u>	<u>\$572,016</u>	<u>\$1,036,853</u>

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DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

Mr Thompson
Mr Pfeiffer
Mr Lincoln
Mr Thompson

CONFIDENTIAL

April 8, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from March 31, 1932 to April 6, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole ✓
- Mr.
- Mr.

RECEIVED
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OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
Return to Secretary's Office ✓

File

CONFIDENTIAL

April 8, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from March 31, 1932 to April 6, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED APRIL 6, 1932

Holdings of Earning Assets of Federal Reserve Banks from April 8, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Apr. 8	\$ 912,969	\$598,655	\$ 0	\$142,801	\$28,928	\$ 142,585
" 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	185,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,233	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	636,401
Dec. 30	2,185,216	764,933	33,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	855,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 6	1,582,555	865,014	0	56,832	1,114	635,274

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 6, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 6	Net Change	Balance Apr. 6	Net Change	Balance Apr. 6	Net Change
Boston	\$ 56,156	0	\$ 62	\$ 252-	\$ 53,594	\$3,629-
New York	385,336	20,437+	4,832	610-	131,248	6,930-
Philadelphia	69,498	1,938+	211	165-	74,457	2,800-
Cleveland	80,864	2,624+	0	115-	93,993	9,199+
Richmond	19,081	1+	1,655	247-	30,924	1,152-
Atlanta	12,602	12-	2,523	518-	34,486	2,505+
Chicago	106,960	0	4,166	1,542-	49,187	4,031+
St. Louis	27,787	0	1,291	373-	18,160	305-
Minneapolis	27,689	31-	534	500-	9,248	39-
Kansas City	23,936	1+	1,555	618-	33,434	1,217+
Dallas	27,364	0	1,326	499-	11,118	875+
San Francisco	47,741	0	6,474	145+	115,425	953-
N. Y. holdovers and other bills			32,203	155-		
Totals	\$885,014	\$24,958+	\$56,832	\$5,449-	\$635,274	\$2,019+

COMMENT ON CHANGES WEEK ENDED APRIL 6, 1932

Total earning assets of the System showed an increase of \$4,409,000 for the current statement week. The changes, by classification, consisted of increases of \$24,958,000 in outright purchases of Government securities and \$2,019,000 in bills discounted and decreases of \$5,449,000 in outright purchases of bankers acceptances, \$2,590,000 in holdings of other securities and \$14,529,000 in investments under sales contract. The latter item consisted of \$11,562,000 in Government securities and \$2,967,000 in bankers acceptances.

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Money
Market

The reserve balances of the New York City banks were maintained during the past week at figures which showed an average excess above requirements of \$36,000,000, or about the same as in the previous week. Reserve balances rose \$13,000,000 during the period just completed, but as the required reserves of the banks showed a further net increase of \$6,000,000, the overage at the close of the week, at \$54,000,000, was only \$7,000,000 larger than on the preceding Wednesday. Although receding somewhat from the peak of the first part of the month, the reserve requirements of the New York banks have tended to remain higher than they were prior to the end of March because of a continued tendency for funds to move toward New York, contrary to the usual experience in the first week of a month. This favorable balance of wire transfers and check settlements between New York and other districts was the principal factor contributing to the rise in reserve balances for the week.

Other smaller gains occurred as a result of an increase in the monetary gold stock, and through the purchase of \$19,250,000 of Government securities in the New York market for the System Special Investment Account out of a total of \$25,000,000 purchased for the Account, which somewhat exceeded the loss to this market occasioned by a further decline in Federal Reserve bill holdings. At the same time that the inter-district commercial and banking movement was placing funds in the New York market, however, the Treasury was withdrawing from banks here a considerably larger volume of funds than was disbursed in this district on ordinary account and for the Reconstruction Finance Corporation, and, in addition, the month-end currency requirements were a drain on bank reserves.

No change occurred in the call money market during the past week. New call loans were placed in the outside market at 2 and 2 1/4 per cent, while the official Stock Exchange rate remained at 2 1/2 per cent. Likewise quotations for time loans were unchanged at 2 3/4 per cent bid, 3 per cent asked for all maturities. A small amount of 90 day money was reported to have been loaned at 3 per cent. In the bill and short-term Government security markets, however, further easing occurred. The bill dealers on Friday, April 1, reduced all maturities by 1/4 per cent, decreasing the 90 day offering rate to 2 1/8 per cent, the lowest since last October, and yields on short-term Government's declined about 1/8 per cent further. The quotation for federal funds worked as low as 1/8 - 1/4 per cent, indicating practically no demand for this type of funds. Although the rate for prime commercial paper remained at 3 1/2 - 3 3/4 per cent, banking interest in the dealers' offerings has been enhanced somewhat.

Government
Security
Market

The market for the short-term issues of United States Government securities was firm throughout the current statement week. There was a good demand and prices advanced to slightly higher levels. While the market for Liberty Loan and Treasury Bonds early in the week reflected a fairly large volume of offerings with slight price recessions, the tone of the market for the week as a whole was fairly good and prices advanced fractionally toward the end of the period. At the close of the current reporting period the average yield on short-term issues, at dealers' offering prices, was about 1.80%, as compared with 1.95% at the close of the previous period, and the average selling price for the Liberty Loan Bonds was 100.46 and of Treasury Bonds 95.82, as compared with the previous week's average closing prices of 100.24 and 95.59 respectively.

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Dealers' Offering Prices at the Close of the Currency Statement Week and
Net Changes from the Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2 3/4% Cert. of Ind. due June 15, 1932	100 9/32	-1/32	1.22%
3 1/8% " " " " Aug. 1, 1932	100 14/32	+1/32	1.72%
1 1/8% " " " " Sept. 15, 1932	99 20/32	-	1.99%
3 % " " " " " 15, 1932	100 15/32	+2/32	1.90%
3 1/8% " " " " Oct. 15, 1932	100 16/32	+2/32	2.14%
3 1/4% Treasury Notes " Dec. 15, 1932	100 20/32	+5/32	2.32%
3 3/4% Cert. of Ind. " Feb. 1, 1933	100 27/32	+2/32	2.69%
3 3/4% " " " " Mar. 15, 1933	100 27/32	+3/32	2.82%

Treasury Bills maturing April 27 and

May 11, 1932	- 1.50% discount bid,	1.25% asked
" 18, 1932	- 1.60% " "	1.35% "
" 25, 1932	- 1.65% " "	1.45% "
June 1, 1932	- 1.75% " "	1.50% "
" 29, 1932	- 1.80% " "	1.60% "

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 3/32	+2/32	Treasury 4 1/4s 1947-52	103 3/32	+ 7/32
1st 4 1/4s	100 11/32	+8/32	" 4 s 1944-54	100 14/32	+14/32
4th 4 1/4s	100 30/32	+11/32	" 3 3/4s 1946-56	97 14/32	+ 2/32
			" 3 3/8s 1943-47	94 18/32	+ 2/32
			" 3 3/8s 1940-43	95 8/32	+ 3/32
			" 3 3/8s 1941-43	95 10/32	+10/32
			" 3 1/8s 1946-49	91 4/32	+ 7/32
			" 3 s 1951-55	89 9/32	+15/32

acceptances

Bankers Dealers' offerings of unendorsed bankers/were at the follow-
Acceptances ing rates at the close of the current statement week: 2 1/8 per cent for 30's, 60's and 90's, 2 1/4 per cent for 120's and 2 1/2 per cent for 180-day bills. This represents a reduction of 1/4 per cent on all maturities from the previous week's offering rates.

Reports
week
ending
April 6

Boston reported that, with money conditions somewhat easier during the past period, and with short-term securities offering best yields in demand, a few local banks were good buyers of acceptances. To fill these orders, dealers were obliged to import bills from their offices in other cities. In New York dealers' purchases increased slightly as compared with last week but continued to be considerably less than the demand and aggregate portfolios remained extremely low. On the first of the month dealers made a further reduction in their rates of 1/4 per cent. Their rates now are for unendorsed bills maturing up to 90 days 2 1/4 bid and 2 1/8 per cent asked, 4 months 2 3/8 bid and 2 1/4 per cent asked, 5 and 6 months 2 5/8 bid, 2 1/2 per cent asked. Endorsed bills 1/8 per cent less. Philadelphia reported that the acceptance market was very dull during the past week. Practically no new bills came out, which resulted in a further reduction in dealers rates of 1/4 per cent. The demand for bills was fair. Chicago reported that bills were in fair demand in its district with the supply small. Dallas reported that the demand for bills was light and that there were few offerings to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction consummated under Treasury authorization during the current statement week was a purchase of \$100,000 - 3 3/4% certificates of indebtedness due March 15, 1933, for account of the German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority vested in the Executive Committee of the Open Market Policy Conference at the meeting held in Washington on February 24, further purchases of \$25,000,000 Government securities were made during the current statement week as follows:

\$ 5,000,000	- 3	%	certificates due September 15, 1932
1,500,000	- 1	1/8%	" " " 15, 1932
2,750,000	- 3	1/8%	" " October 15, 1932
<u>15,750,000</u>	- 3	3/4%	" " March 15, 1933
\$25,000,000			

Of this amount \$5,750,000 was purchased in the Chicago market and the balance in the New York market. Other transactions effected in the holdings in the System Account during the week consisted of

Sale to Foreign

Correspondent of	\$10,000,000	- 3	1/8%	certificates due August 1, 1932
	<u>10,000,000</u>	- 3	%	" " September 15, 1932

a total of \$20,000,000 which was replaced by purchase of

\$10,000,000	- 3	1/4%	Treasury Notes due December 15, 1932
<u>10,000,000</u>	- 3	3/4%	certificates " March 15, 1933
\$20,000,000			

Exchanges in the market at advantageous rates of

\$ 1,000,000	- 2	3/4%	certificates due June 15, 1932
500,000	- 3	1/8%	" " August 1, 1932
<u>10,000,000</u>	- 3	%	" " September 15, 1932

a total of \$11,500,000

for	\$ 1,000,000	- Treasury Bills	" June 29, 1932
	500,000	- 3 % certificates	" September 15, 1932
	<u>10,000,000</u>	- 3 3/4%	" March 15, 1933
	\$11,500,000		

The purchase of \$25,000,000 short-term Government securities referred to in the foregoing statement made a total of \$145,000,000 purchased to date under the present authorization and increased the amount of total holdings in the Account to \$711,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, April 6, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,404,000
New York	259,497,000
Philadelphia	62,887,000
Cleveland	80,864,500
Richmond	19,080,500
Atlanta	12,478,000
Chicago	85,362,000
St. Louis	27,286,500
Minneapolis	20,003,000
Kansas City	23,849,000
Dallas	17,363,500
San Francisco	47,741,000

Totals \$711,816,000

RECAPITULATION OF HOLDINGS BY MATURITIES

April 13, 1932	- Treas. Bills	\$ 3,500,000
" 27, 1932	- " "	3,800,000
May 11, 1932	- " "	16,825,000
" 18, 1932	- " "	11,111,000
" 25, 1932	- " "	9,907,000
June 1, 1932	- " "	38,587,000
" 29, 1932	- " "	28,750,000
" 15, 1932	- 2 3/4% C/I	45,550,000
Aug. 1, 1932	- 3 1/8% "	20,550,000
Sept. 15, 1932	- 1 1/8% "	55,988,000
" 15, 1932	- 3 % "	41,051,500
Oct. 15, 1932	- 3 1/8% "	52,731,500
Dec. 15, 1932	- 3 1/4% T/N	79,900,000
Feb. 1, 1933	- 3 3/4% C/I	3,500,000
Mar. 15, 1933	- 3 3/4% "	88,250,000
June 15, 1947	- 5 1/2% 1st L/L	79,025,000
" 15, 1947	- 4 1/4% " "	17,750,000
Oct. 15, 1938	- 4 1/4% 4th "	<u>115,040,000</u>

\$711,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MARCH 31 TO APRIL 6, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,500,000	\$ 2,500,000	\$ 0
New York	31,226,500	10,789,500	20,437,000
Philadelphia	4,689,500	2,751,500	1,938,000
Cleveland	6,156,000	3,531,000	2,625,000
Richmond	862,000	862,000	0
Atlanta	562,500	562,500	0
Chicago	3,853,500	3,853,500	0
St. Louis	1,232,000	1,232,000	0
Minneapolis	902,000	902,000	0
Kansas City	1,077,000	1,077,000	0
Dallas	784,500	784,500	0
San Francisco	2,154,500	2,154,500	0
Totals	\$56,000,000	\$31,000,000	\$25,000,000

HOLDINGS OF GOVERNMENT SECURITIES - SALES CONTRACTS

	<u>Net Change From Previous Week</u>
N O N E	\$11,562,050-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$10,000,000	3 3/4% Mar. 15/33 C/I	\$10,000,000	Dec. 15/32 T/N
Atlanta	94,750	Misc. Gov't Sec.	106,200	Misc. Gov't Sec.
Minneapolis	889,000	" " "	921,050	" " "
Totals	\$10,983,750		\$11,027,250	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Mar. 30	Purchased Own Mkt.	By Allot- ment from New York	Maturities & Sales		Holdings Apr. 6	Other Holdings Close Apr. 6/32	
				Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 314	\$ 53 R.	0	\$ 0	\$ 305	\$ 62	\$ 117	\$ 2,358
New York	5,442	192 " 376 A.	0	802	0	4,832	0	10,044
Phila.	376	0	0	163	2	211	0	3,196
Cleveland	115	0	0	0	115	0	0	3,122
Richmond	1,902	25 R.	38	285	25	1,655	0	1,236
Atlanta	3,041	24 "	39	301	280	2,523	0	1,144
Chicago	5,708	420 "	98	0	2,060	4,166	0	4,157
St. Louis	1,664	0	34	407	0	1,291	0	1,011
Minn.	1,034	0	24	324	200	534	0	636
Kan. City	2,173	0	46	664	0	1,555	0	896
Dallas	1,825	40 "	30	545	26	1,326	0	866
San Fran.	6,329	618 "	67	370	170	6,474	997	2,133
Totals	\$29,923	\$1,748	\$376	\$3,859	\$3,185	\$24,629	\$1,114	\$30,799
Bills held over night by New York in Foreign Suspense Account								1,395
" " " " " " " for distribution to other F. R. Bks.								9
Total								\$32,203

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED APRIL 6, 1932
(000 Omitted)

	1-30 days <u>2 1/2%</u>	31-60 days <u>2 1/2%</u>	61-90 days <u>2 1/2%</u>	Over 90-days <u>-</u>	<u>Total</u>
Boston	\$ 53*	0	0	0	\$ 53
New York	568	0	0	0	568
Richmond	0	25	0	0	25
Atlanta	9	15	0	0	24
Chicago	70	250	100	0	420
Dallas	40	0	0	0	40
San Francisco	<u>30</u>	<u>418**</u>	<u>170</u>	<u>0</u>	<u>618</u>
Totals	<u>\$770</u>	<u>\$708</u>	<u>\$270</u>	<u>0</u>	<u>\$1,748</u>

*Purchased at 3%, **Purchased at 2 1/2 to 3%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED APRIL 6, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$66,985	\$1,748	\$68,733
Sold	42,027	0	42,027
Matured	0	7,042	7,042
		\$5,294	\$19,664+
		155- (Net Change	155- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$24,958+</u>	<u>\$5,449-</u>	<u>\$19,509+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED APRIL 6, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 3,500	\$ 3,800	\$109,916	\$74,300	\$132,361	\$561,137	\$885,014
Bills Purchased	<u>26,913</u>	<u>8,349</u>	<u>12,871</u>	<u>9,574</u>	<u>239</u>	<u>0</u>	<u>57,946</u>
Totals	<u>\$30,413</u>	<u>\$12,149</u>	<u>\$122,787</u>	<u>\$83,874</u>	<u>\$132,600</u>	<u>\$561,137</u>	<u>\$942,960</u>

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7A

Mr. Thompson ✓
Mr. [unclear] ✓
Mr. [unclear] ✓
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

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DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

April 1, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from March 24, 1932 to March 30, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. [unclear]

RECEIVED
APR 2 1932
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. [unclear]

CONFIDENTIAL

April 1, 1932.

Mr.
Mr.
Please note - initial and
return to Secretary's Office

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from March 24, 1932 to March 30, 1932 inclusive, together with data received from Federal reserve banks.

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W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MARCH 30, 1932

Holdings of Earning Assets of Federal Reserve Banks from April 1, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
		Purchases	Contracts	Purchases	Contracts	
-1931-						
Apr. 1	\$ 928,615	\$598,363	\$ 0	\$133,286	\$33,336	\$163,630
" 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 23	1,589,268	834,998	0	80,122	1,574	665,583
" 30	1,578,146	860,056	11,562	62,281	4,081	633,255

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 30, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 30	Change	Mar. 30	Change	Mar. 30	Change
Boston	\$ 56,156	\$ 0	\$ 314	\$ 1,920-	\$ 37,223	\$ 1,285+
New York	364,899	20,438+	5,442	3,388-	138,178	5,322+
Philadelphia	67,560	1,938+	376	2,055-	77,257	12,557-
Cleveland	78,240	2,626+	115	1,027-	84,794	18,914-
Richmond	19,080	1-	1,902	1,182-	32,076	509-
Atlanta	12,614	14+	3,041	244-	31,981	293-
Chicago	106,960	0	5,708	3,164-	45,156	3,708-
St. Louis	27,787	0	1,664	877-	18,465	359-
Minneapolis	27,720	34+	1,034	951-	9,287	255+
Kansas City	23,935	9+	2,173	926-	32,217	579+
Dallas	27,364	0	1,825	794-	10,243	366-
San Francisco	47,741	0	6,329	2,617-	116,378	3,063-
N. Y. holdovers and other bills			32,358	1,304+		
Totals	\$860,056	\$25,058+	\$62,281	\$17,841-	\$633,255	\$32,328-

COMMENT ON CHANGES WEEK ENDED MARCH 30, 1932

Total earning assets of the System showed a decrease of \$11,122,000 for the current statement week. The changes by classification consisted of decreases of \$17,841,000 in outright purchases of bankers acceptances and \$32,328,000 in bills discounted and increases of \$25,058,000 in outright purchases of government securities and \$14,069,000 in investments held under sales contracts. The latter item consisted of \$11,562,000 in government securities and \$2,507,000 in bankers acceptances.

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2

Money
Market

Throughout the entire past week, the New York City banks have been in possession of moderately large excess reserves; at the close of the week the surplus amounted to \$47,000,000, as compared with \$32,000,000 on the preceding Wednesday. This net increase in excess reserves has been the result of a rise of \$28,000,000 in reserve balances, partly offset by an increase of \$13,000,000 in the reserve requirements of the New York banks as the month-end approached. The largest gain of funds to the New York market during the week was through a consistently favorable balance of wire transfers and check settlements with other districts, which, together with some gain resulting from gold imports and releases from earmark, was only partly offset by a net loss of funds in Treasury operations in this district, an increase in foreign balances maintained at the Reserve Banks, payments to other districts for securities delivered in this market, and also some net withdrawal of currency from the Reserve Bank for this period. This small increase in currency demands was contrary to the tendency for the country as a whole, as is indicated by the figures for total money in circulation which declined \$44,000,000 during the reporting week just ended. Meanwhile, the purchase in the New York market of an additional \$25,000,000 of Government securities for the System Special Investment Account somewhat exceeded the loss to the market arising from a net decrease of \$15,000,000 in Federal Reserve bill holdings.

Call loans continued to be arranged in the outside market at 2 and 2 1/4 per cent, though the official Stock Exchange rate remained at 2 1/2 per cent. In fact, it was reported that a major part of the new loans being arranged were handled in the outside market at concessions from the Exchange quotation. Time money was again quoted at 2 3/4 per cent bid, 3 per cent offered for all maturities. A fair volume of 90 day money was on offer at 3 per cent, but few loans were contracted. Following the general reduction of 1/8 per cent effected on March 22, one dealer reduced 1 to 90 day bills 1/8 per cent further on March 31, but other dealers did not take similar action by the close of business on that day. Yields on short-term United States Government securities showed further declines ranging up to 1/4 of one per cent, and federal funds were quoted at 1/4 per cent with few takers in the last few days of the week. Commercial paper was unchanged at 3 1/2 - 3 3/4 per cent for prime names.

Government
Security
Market

Due to the unsettled condition of all markets during the early part of the statement week, prices of both long and short-term government securities declined sharply, the losses being fractional on the short issues but from one to two points on the Treasury bonds. On March 29 the market turned and, due to the encouraging reports on the action taken by Congress with respect to the new tax bill, prices advanced sharply to levels slightly higher than those ruling at the close of the previous week on the shorter issues, while prices for the longer term Treasury bonds recovered a large part of the losses recorded earlier in the week. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 1.95% as compared with 2.10% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 100.24 and of Treasury bonds 95.59 as compared with the previous week's average closing prices of 100.33 and 96.18 respectively.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2 3/4%	Cert. of Ind. due June 15, 1932	100 10/32	+1/32	1.21%
3 1/8%	" " " " Aug. 1, 1932	100 13/32	+2/32	1.89%
1 1/8%	" " " " Sept. 15, 1932	99 20/32	+5/32	1.95%
3 %	" " " " " 15, 1932	100 13/32	+3/32	2.09%
3 1/8%	" " " " Oct. 15, 1932	100 14/32	+3/32	2.30%
3 1/4%	Treasury Notes " Dec. 15, 1932	100 15/32	+3/32	2.56%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	100 25/32	+3/32	2.79%
3 3/4%	" " " " Mar. 15, 1933	100 24/32	+4/32	2.91%
Treasury Bills maturing Apr. 13, 27 &				
		May 11, 1932 - 1.90% discount bid, 1.50% asked		
	" " " " 18 & 25	- 1.90% " " 1.70%	" "	" "
	" " " June 1, 1932	- 1.95% " " 1.75%	" "	" "
	" " " June 29, 1932	- 2.00% " " 1.80%	" "	" "

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 1/32	+5/32	Treasury 4 1/4s 1947-52	102 23/32	- - - -
1st 4 1/4s	100 3/32	-8/32	" 4 s 1944-54	100	- 18/32
4th 4 1/4s	100 19/32	-6/32	" 3 3/4s 1946-56	97 12/32	- 13/32
			" 3 3/8s 1943-47	94 16/32	- 14/32
			" 3 3/8s 1940-43	95 5/32	- 11/32
			" 3 3/8s 1941-43	95	- 16/32
			" 3 1/8s 1946-49	90 29/32	-1. 7/32
			" 3 s 1951-55	88 26/32	-1.11/32

BankersAcceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates during the current statement week: 2 3/8 per cent for 30s, 60s and 90s, 2 1/2 per cent for 120s and 2 3/4 per cent for 180-day bills.

Reportsweek
ending
March 30

Boston reported that there was very little change in the local condition in its bill market during the past week. Some demand was noted for short maturities and in order for dealers to fill these orders they were obliged to import bills from their offices in other cities. There was very little demand for long maturities and dealers were obliged to forward them to their offices in other cities where there was a better market. In New York the supply of bills was very limited and dealers were unable to meet the demand which continued good throughout the week. Dealers' aggregate portfolios declined by about \$21,000,000 to approximately \$18,000,000 which is the lowest they have been since the close of the week of November 18, 1931. This condition would normally result in lower rates but no action has been taken, except by one of the smaller dealers, as it is not generally felt that with investment funds in plentiful supply that a reduction of 1/8 per cent would affect any material increase in dealers' purchases.

Philadelphia reported that its acceptance market was moderately active with a fair demand which exceeded the supply. There were no new bills in the market and portfolios were reduced to a minimum. Chicago reported that bills were in fair demand during the past week and that very few were offered. Dallas reported that the demand for bills in its district was light and that there were few offerings to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of United States Government securities consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority vested in the executive committee of the Open Market Policy Conference at the meeting held in Washington on February 24, further purchases of government securities were made during the current statement week amounting to \$25,000,000, consisting of Treasury Bills due June 29, 1932. Other transactions effected in the holdings in the System Account during the week consisted of

Redemption on March 30 of \$5,250,000 maturing Treasury Bills

which were replaced by

purchase in the market of	250,000 Treasury Bills maturing	June 29, 1932	
	5,000,000 - 3 3/4% certificates due	March 15, 1933	

Exchanges in the market

at advantageous rates, of	10,000,000 - Treasury Bills maturing	June 1, 1932	
	7,500,000 - 2 3/4% certificates due	June 15, 1932	
	500,000 - 3 % " "	Sept. 15, 1932	

a total of

\$18,000,000

for

2,500,000 - Treasury Bills due	June 29, 1932	
1,000,000 - 3 % certificates due	Sept. 15, 1932	
3,000,000 - 3 1/8% certificates	Oct. 15, 1932	
500,000 - 3 1/4% Treasury Notes	Dec. 15, 1932	
<u>11,000,000 - 3 3/4% certificates</u>	<u>March 15, 1933</u>	
	<u>\$18,000,000</u>	

The purchase of \$25,000,000 short-term government securities referred to in the foregoing statement made a total of \$120,000,000 purchased to date under the present authorization and increased the amount of total holdings in the Account to \$686,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, March 30, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,404,000
New York	239,060,000
Philadelphia	60,949,000
Cleveland	78,239,500
Richmond	19,080,500
Atlanta	12,478,000
Chicago	85,362,000
St. Louis	27,286,500
Minneapolis	20,003,000
Kansas City	23,849,000
Dallas	17,363,500
San Francisco	47,741,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Apr.	13, 1932	-	Treas. Bills	\$	3,500,000
"	27, 1932	-	" "		3,800,000
May	11, 1932	-	" "		16,825,000
"	18, 1932	-	" "		11,111,000
"	25, 1932	-	" "		9,907,000
June	1, 1932	-	" "		38,587,000
"	29, 1932	-	" "		27,750,000
"	15, 1932	-	2 3/4% C/I		46,550,000
Aug.	1, 1932	-	3 1/8% "		30,550,000
Sept.	15, 1932	-	1 1/8% "		54,488,000
"	15, 1932	-	3 % "		56,051,500
Oct.	15, 1932	-	3 1/8% "		49,981,500
Dec.	15, 1932	-	3 1/4% T/N		69,900,000
Feb.	1, 1933	-	3 3/4% C/I		3,500,000
Mar.	15, 1933	-	3 3/4% "		52,500,000
June	15, 1947	-	3 1/2% 1st L/L		79,025,000
"	15, 1947	-	4 1/4% 1st "		17,750,000
Oct.	15, 1938	-	4 1/4% 4th "		<u>115,040,000</u>

Totals

\$686,816,000

\$686,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM MARCH 24 TO MARCH 30, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales	Net Increase
Boston	\$ 1,946,000	\$ 1,946,000	\$ 0
New York	28,118,500	7,681,000	20,437,500
Philadelphia	4,010,000	2,072,500	1,937,500
Cleveland	5,282,000	2,657,000	2,625,000
Richmond	671,000	671,000	0
Atlanta	438,500	438,500	0
Chicago	2,999,000	2,999,000	0
St. Louis	957,500	957,500	0
Minneapolis	702,000	702,000	0
Kansas City	837,500	837,500	0
Dallas	611,000	611,000	0
San Francisco	1,677,000	1,677,000	0
Totals	\$48,250,000	\$23,250,000	\$25,000,000

HOLDINGS GOVERNMENT SECURITIES - SALES CONTRACTS

		Net Change From Previous Week
Philadelphia	\$5,000,000	\$ 5,000,000+
Cleveland	6,562,050	6,562,050+
		\$11,562,050+

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Boston	\$ 0	-	\$ 150	Fourth L/L Bds.
Atlanta	109,400	Misc. Gov't Sec.	96,350	Misc. Gov't Sec.
Minneapolis	702,850	" " "	669,050	" " "
Kansas City	10,000	Tr. Bds. 1951-55	0	-
Totals	\$822,250		\$765,550	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Mar. 23	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Mar. 30	Other Holdings Close Mar. 30/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 2,234	\$ 0	\$ 0	\$ 0	\$1,920	\$ 314	\$ 47	\$ 2,358
New York	8,830	823 R. 1,194 A.	0	4,211	0	5,442	4,034	10,023
Phila.	2,431	3 R.	0	2,058	0	376	0	3,196
Cleve.	1,142	0	0	0	1,027	115	0	3,122
Rich.	3,084	25 "	126	1,256	77	1,902	0	1,236
Atlanta	3,285	262 "	123	497	132	3,041	0	1,144
Chicago	8,872	0	318	0	3,482*	5,708	0	4,157
St. Louis	2,541	0	108	985	0	1,664	0	1,011
Minn.	1,985	0	76	857	170	1,034	0	636
Kan. City	3,099	0	135	1,061	0	2,173	0	896
Dallas	2,619	14 "	94	902	0	1,825	0	866
San Fran.	8,946	172 "	214	2,307	696	6,329	0	2,133
Totals	\$49,068	\$2,493	\$1,194	\$14,134	\$7,504	\$29,923	\$4,081	\$30,778
Bills held over night by New York in Foreign Suspense Account - - - - -								1,580
Total - - - - -								\$32,358

NOTE: R. indicates Retained and A. indicates Allotted in above statement.

*Includes \$200 sold.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MARCH 30, 1932
(000 Omitted)

	1-30 days <u>2 1/2%</u>	31-60 days <u>2 1/2%</u>	61-90 days <u>2 5/8%</u>	Over 90-days <u>-</u>	<u>Total</u>
New York	\$1,804	\$104	\$109	0	\$2,017
Philadelphia	0	0	3*	0	3
Richmond	0	25**	0	0	25
Atlanta	148	79	35***	0	262
Dallas	4	10	0	0	14
San Francisco	5	9	158***	0	172
Totals	<u>\$1,961</u>	<u>\$227</u>	<u>\$305</u>	<u>0</u>	<u>\$2,493</u>

*Purchased at 3%, **Purchased at 2 3/4%, ***Purchased at 2 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MARCH 30, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$49,073	\$ 2,493	\$51,566
Sold	18,765	200	18,965
Matured	5,250	21,438	26,688
		<u>\$19,145-</u>	<u>\$ 5,913+</u>
		1,304+ (Net Change	1,304+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$25,058+</u>	<u>\$17,841-</u>	<u>\$ 7,217+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MARCH 30, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$15,062	\$ 3,800	\$66,916	\$89,550	\$183,611	\$512,679	\$871,618
Bills Purchased	28,602	10,970	15,810	10,742	238	0	66,362
Totals	<u>\$43,664</u>	<u>\$14,770</u>	<u>\$82,726</u>	<u>\$100,292</u>	<u>\$183,849</u>	<u>\$512,679</u>	<u>\$937,980</u>

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Mr. P. Thompson
Mr. J. C. [unclear]
Mr. [unclear]
Mr. Thompson

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AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

March 25, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of ooen market operations
for the period from March 17, 1932 to March 23, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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For ~~CIRCULATION~~

- Gov. Meyer
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole
- Mr.
- Mr.

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
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March 25, 1932.

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W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MARCH 23, 1932

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1931 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
Mar. 25	\$ 847,256	\$598,459	\$ 100	\$ 83,272	\$ 0	\$165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 16	1,615,622*	842,162*	0	97,142	8,572	660,792
" 23	1,589,268	834,998	0	80,122	1,574	665,583

*Includes unsold balance of \$32,000,000 of the \$52,000,000 special one-day certificate of indebtedness.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 23, 1932
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 23	Change	Mar. 23	Change	Mar. 23	Change
Boston	\$ 56,156	\$ 0	\$ 2,234	\$ 732-	\$ 35,958	\$ 3,926+
New York	344,461	22,958-	8,830	5,382-	152,856	3,181+
Philadelphia	65,622	1,937+	2,431	340-	89,814	2,597+
Cleveland	75,614	2,625+	1,142	1,308-	103,708	433+
Richmond	19,081	0	3,084	1,416-	32,585	1,419+
Atlanta	12,600	69-	3,285	1,119-	32,274	189-
Chicago	106,960	0	8,872	1,981-	48,864	5,820-
St. Louis	27,787	0	2,541	974-	18,824	524-
Minneapolis	27,686	94-	1,985	918-	9,032	17+
Kansas City	25,926	1,375+	3,099	939-	31,638	1,886-
Dallas	27,364	0	2,619	357-	10,609	2,546-
San Francisco	47,741	10,000+	8,946	1,771-	119,441	3,983+
N. Y. holdovers and other bills			31,054	217+		
Totals	\$834,998	\$ 7,164-	\$80,122	\$17,020-	\$665,583	\$4,791+

COMMENT ON CHANGES WEEK ENDED MARCH 23, 1932

Total earning assets of the System (exclusive of the special one-day certificate of indebtedness issued by the Treasury to cover the overdraft on March 16) showed an increase of \$5,646,000. The changes by classification consisted of increases of \$24,836,000 in outright purchases of government securities and \$4,791,000 in bills discounted and decreases of \$17,020,000 in outright purchases of bankers acceptances and \$6,998,000 in bankers acceptances held under sales contract.

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Money
Market

During the first three days of the past reporting week the reserve balances of the New York City banks held rather steady, and, accompanying a sharp decline in their reserve requirements from the tax period peak, a moderate excess of reserves was established by the close of business on Saturday, March 19. In this period, further income tax collections and a withdrawal of funds from Government depositaries were accompanied by the termination on March 17 of the remaining \$20,000,000 participation of the City banks in the special certificate covering the Treasury overdraft and by the complete retirement of the Treasury overdraft on the 19th. The resulting net loss to the market in Treasury operations was largely offset by a gain of funds in commercial and agency transactions, including chiefly a deposit with the market by the National Credit Corporation of funds transferred here from another Federal Reserve district.

A withdrawal of Government funds from depositaries on March 21 for the purpose of restoring the Treasury balances with the Reserve Banks to their usual level resulted in a direct loss of \$32,000,000 to the New York market, out of a total of \$50,000,000 withdrawn from depositaries throughout the entire country, and reflecting this loss actual bank reserves dropped somewhat below the required level, although average reserves remained in excess by virtue of the surplus reserves carried over the week-end. On the next day, however, a slight excess of reserves was restored by an inflow of funds from other parts of the country and by the return of currency to the Reserve Bank from banks in this district. On the last day of the period, the excess reserves of the New York City banks rose to \$32,000,000, reflecting the purchase in this market of \$24,000,000 of Government securities for the System Special Investment Account. In addition, \$1,000,000 was purchased on this day in the Chicago market. These security purchases offset the loss of funds that the market sustained during the course of the past week through a \$24,000,000 reduction in the System's holdings of purchased bills occasioned chiefly by maturities.

Money rates in the New York market generally moved lower during the week. Call money was placed at 2 and 2 1/4 per cent in the outside market toward the close of the period, although the official Stock Exchange rate remained at 2 1/2 per cent throughout. Meanwhile, all maturities of time loans were reduced to 2 3/4 per cent bid, 3 per cent asked, as compared with 3 - 3 1/2 per cent on the preceding Thursday. Offerings of time funds were larger than in some months and a small amount of trading in 3 and 4 month money was done as low as 3 per cent. Open market bill rates, under the impetus of a good investment demand and few new bills coming into the market, showed a further decline of 1/8 per cent for all maturities, reducing the 90 day offering rate to 2 3/8 per cent, the lowest since October. Yields on United States Government certificates were reduced by about 1/4 per cent further, and federal funds closed the week at 1/4 - 1/2 per cent, after having risen temporarily to 1 - 1 1/4 per cent on Monday and Tuesday. Open market commercial paper rates continued at 3 1/2 - 3 3/4 per cent.

Government
Security
Market

The market for the short-term issues of United States Government securities was active and strong during the current statement week, while the market for United States Government bonds was rather inactive except for the issues of First and Fourth Liberty Loan bonds, which were in very good demand. Prices of the short-term issues and the First 4 1/4s and Fourth 4 1/4s all advanced fractionally, while the prices of First 3 1/2s advanced 1 1/8 points to a new high level for the year. Prices of the long-term Treasury bonds were irregular. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.10% as compared with 2.30% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 100.33 and of Treasury bonds 96.18 as compared with the previous week's average closing prices of 99.84 and 95.79 respectively.

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Dealers' Offering Prices at the Close of the Current Statement Week and Net Changes from the Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2 3/4% Cert. of Ind. due June 15, 1932	100 9/32	+1/32	1.43%
3 1/8% " " " " Aug. 1, 1932	100 11/32	+3/32	2.11%
1 1/8% " " " " Sept. 15, 1932	99 15/32	+6/32	2.27%
3 % " " " " " 15, 1932	100 10/32	+3/32	2.31%
3 1/8% " " " " Oct. 15, 1932	100 11/32	+4/32	2.48%
3 1/4% Treasury Notes " Dec. 15, 1932	100 12/32	+5/32	2.71%
3 3/4% Cert. of Ind. " Feb. 1, 1933	100 22/32	+9/32	2.91%
3 3/4% " " " " Mar. 15, 1933	100 20/32	+8/32	3.08%
Treasury Bills maturing Mar. 30, 1932 - 2% discount bid, 1 1/2% asked			
" " " Apr. 13, 27 &			
" " " May 11, 1932	2% " "	1 3/4%	"
" " " May 18, 1932	2% " "	1.80%	"
" " " May 25, 1932	2.05% " "	1.85%	"
" " " June 1, 1932	2.10% " "	1.90%	"

Closing Prices on the New York Stock Exchange at the Close of the Current Statement Week and Net Changes from Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 28/32	+1.4/32	Treas. 4 1/4s 1947-52	102 28/32	- - -
1st 4 1/4s	100 11/32	+ 4/32	" 4s 1944-54	100 18/32	- 2/32
4th 4 1/4s	100 25/32	+ 7/32	" 3 4/4s 1946-56	97 25/32	+27/32
			" 3 3/8s 1943-47	94 30/32	+22/32
			" 3 3/8s 1940-43	95 16/32	+16/32
			" 3 3/8s 1941-43	95 16/32	-15/32
			" 3 1/8s 1946-49	92 4/32	+11/32
			" 3s 1951-55	90 5/32	+ 8/32

Bankers Acceptances Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 2 3/8 per cent for 30s, 60s and 90s, 2 1/2 per cent for 120s and 2 3/4 per cent for 180-day bills. This represents 1/8 per cent decrease from the previous week's offering rates.

Reports week ending March 23 Boston reported that although one dealer reported a large increase in acceptances sold during the week, the market as a whole showed no change over the previous period with both the supply and demand small. In New York there was a good demand for bills throughout the week especially for the choicest names. The supply while slightly better than last week did not equal the demand and dealers reported they were unable to fill orders. On the 22nd of the month dealers made a further reduction of 1/8 per cent in their rates on all maturities and are now quoting for unendorsed bills maturing 1 to 90 days 2 1/2 per cent bid, 2 3/8 asked; 4 months' 2 5/8 per cent bid, 2 1/2 asked, 5 and 6 months' 2 7/8 per cent bid, 2 3/4 asked. Endorsed bills 1/8 less. Philadelphia reported that its acceptance market was more active. The demand for bills was good with the supply small, causing dealers to reduce their rates 1/8 of 1 per cent on all maturities. The decrease however produced practically no new bills. Chicago reported that there was some demand for bills in its district during the past week, principally for short maturities. Dallas reported that the demand for bills in its district was light during the past week but there were few offerings to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction consummated under Treasury authorization during the current statement week was a sale of \$100,000 - Fourth 4 1/4% Liberty Loan bonds for account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority invested in the executive committee of the Open Market Policy Conference at the meeting held in Washington on February 24, further purchases of short-term government securities were made during the current statement week amounting to \$25,000,000 as follows:

\$ 1,000,000	- Treasury Bills due April 27, 1932
1,500,000	- " " " May 11, 1932
3,000,000	- " " " " 18, 1932
1,000,000	- " " " " 25, 1932
7,000,000	- " " " June 1, 1932
10,000,000	- 3 1/8% certificates due Oct. 15, 1932
<u>1,500,000</u>	- 3 3/4% " " Mar. 15, 1933
\$25,000,000	

Of this amount \$1,000,000 was purchased in the Chicago market and the balance in the New York market. Other transactions effected in the holdings in the System Account consisted of

Exchanges in the market,

at advantageous rates, of \$16,000,000	- Treasury Bills due June 1, 1932
500,000	- 2 3/4% certificates due June 15, 1932
2,000,000	- 3 1/8% " " Aug. 1, 1932
2,500,000	- 1 1/8% " " Sept. 15, 1932
1,000,000	- 3 1/4% Treasury notes" Dec. 15, 1932
<u>1,000,000</u>	- 3 1/2% First Liberty Loan bonds

a total of \$23,000,000

for	\$ 1,000,000	- Treasury Bills due Mar. 30, 1932
	1,500,000	- 3 1/8% certificates due Aug. 1, 1932
	1,000,000	- 1 1/8% " " Sept. 15, 1932
	16,000,000	- 3 1/8% " " Oct. 15, 1932
	1,500,000	- 3 1/4% Treasury notes" Dec. 15, 1932
	1,000,000	- 3 3/4% certificates " Mar. 15, 1933
	<u>1,000,000</u>	- 4 1/4% First Liberty Loan bonds
	\$23,000,000	

On Thursday, March 7, the Federal Reserve Bank of San Francisco repurchased the \$10,000,000 participation in government securities of which it was temporarily relieved on March 7, as mentioned in last week's report.

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The purchase of \$25,000,000 short-term government securities referred to in the foregoing statement made a total of \$95,000,000 purchased to date under the present authority and increased the amount of total holdings in the Account to \$661,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, March 25, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 55,404,000	Mar. 30, 1932-Treasury Bills	\$ 5,250,000
New York	218,622,500	Apr. 13, 1932-	" " 3,500,000
Philadelphia -	59,011,500	" 27, 1932-	" " 3,800,000
Cleveland	75,614,500	May 11, 1932-	" " 16,825,000
Richmond	19,080,500	" 18, 1932-	" " 11,111,000
Atlanta	12,478,000	" 25, 1932-	" " 9,907,000
Chicago	85,362,000	June 1, 1932-	" " 48,587,000
St. Louis	27,286,500	" 15, 1932-	2 3/4% C/I 54,050,000
Minneapolis	20,003,000	Aug. 1, 1932-	3 1/8% " 30,550,000
Kansas City	23,849,000	Sept. 15, 1932-	1 1/8% " 54,488,000
Dallas	17,363,500	" 15, 1932-	3 % " 55,551,500
San Francisco	47,741,000	Oct. 15, 1932-	3 1/8% " 46,981,500
		Dec. 15, 1932-	3 1/4% T/N 69,400,000
		Feb. 1, 1933-	3 3/4% C/I 3,500,000
		Mar. 15, 1933-	3 3/4% " 36,500,000
		June 15, 1947-	3 1/2% 1st L/L 79,025,000
		" 15, 1947-	4 1/4% 1st " 17,750,000
		Oct. 15, 1938-	4 1/4% 4th " 115,040,000
Totals	\$661,816,000		\$661,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MARCH 17 TO MARCH 23, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,001,000	\$ 2,001,000	\$ 0
New York	26,545,000	17,482,500	9,062,500
Philadelphia	3,998,500	2,061,000	1,937,500
Cleveland	5,261,000	2,636,000	2,625,000
Richmond	689,500	689,500	0
Atlanta	450,500	450,500	0
Chicago	3,082,500	3,082,500	0
St. Louis	985,500	985,500	0
Minneapolis	722,500	722,500	0
Kansas City	2,187,500	812,500	1,375,000
Dallas	627,000	627,000	0
San Francisco	11,449,500	1,449,500	10,000,000
Totals	\$58,000,000	\$33,000,000	\$25,000,000

HOLDINGS OF GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES (EXCLUDING SALES CONTRACTS AND
SPECIAL ONE-DAY CERTIFICATE OF INDEBTEDNESS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 75,300	Misc. Gov't Sec.	\$ 143,250	Misc. Gov't Sec.
Minneapolis	1,009,250	" " "	1,105,100	" " "
Totals	\$1,084,550		\$1,248,350	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Mar. 16	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Mar. 23	Other Holdings Close March 23, 1932	
				Held in N.Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 2,966	\$ 0	\$ 0	\$ 0	\$ 732	\$ 2,234	\$ 0	\$ 2,358
New York	14,212	861 R. 835 A.	0	4,196 2,047*	0	8,830	1,574	10,092
Phila.	2,771	0	0	340	0	2,431	0	3,196
Cleve.	2,450	0	0	0	1,308	1,142	0	3,122
Rich.	4,500	0	87	1,463	40	3,084	0	1,236
Atlanta	4,404	254 R.	81	893	561	3,285	0	1,144
Chicago	10,853	0	221	0	2,202**	8,872	0	4,157
St. Louis	3,515	0	76	1,050	0	2,541	0	1,011
Minn.	2,903	0	50	968	0	1,985	0	636
Kan. City	4,038	0	100	1,039	0	3,099	0	896
Dallas	2,976	139 R.	70	562	4	2,619	0	866
San Fran.	10,717	0	150	1,522	399	8,946	0	2,133
Totals	\$66,305	\$2,089	\$835	\$14,080	\$5,246	\$49,068	\$1,574	\$30,847

Bills held over night by New York for distribution to other Fed. Res. Bks. - - - - - 207
Total - - - - - **\$31,054**

*Sold to foreign correspondent. **Includes \$100 sold.
NOTE: R. indicates Retained and A. indicates Allotted in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MARCH 23, 1932
(000 Omitted)

	<u>1-30 days</u> 2 5/8%	<u>31-60 days</u> 2 5/8-2 3/4%	<u>61-90 days</u> 2 3/4%	<u>Over 90-days</u> 3%	<u>Total</u>
New York	\$1,696	\$ 0	\$ 0	\$0	\$1,696
Atlanta	254	0	0	0	254
Dallas	34	38	63	4	139
Totals	<u>\$1,984</u>	<u>\$38</u>	<u>\$63</u>	<u>\$4</u>	<u>\$2,089</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MARCH 23, 1932
(000 Omitted)

(Excluding Sales Contracts and Special 1-day Cert. of Ind.)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$59,084	\$ 2,089	\$61,173
Sold	34,248	2,147	36,395
Matured	0	17,179	17,179
		<u>\$17,237-</u>	<u>\$ 7,599+</u>
		217+(Net Change 1-day holdover & other bills)	217+(Net Change 1-day holdover & other bills)
Totals	<u>\$24,836+</u>	<u>\$17,020-</u>	<u>\$ 7,816+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MARCH 23, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 5,250	\$ 3,500	\$48,236	\$129,530	\$155,386	\$493,096	\$834,998
Bills Purchased	33,172	8,554	11,048	28,678	244	0	81,696
Totals	<u>\$38,422</u>	<u>\$12,054</u>	<u>\$59,284</u>	<u>\$158,208</u>	<u>\$155,630</u>	<u>\$493,096</u>	<u>\$916,694</u>

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Mr. Thompson ✓
Mr. Riefler ✓
Mr. Ames ✓
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 19 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

March 18, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from March 10, 1932 to March 16, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Moogee ✓
Mr. Miller ✓
~~Mr. Felt~~

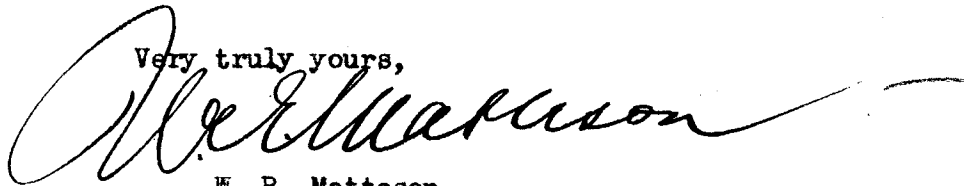
Mr.
Mr.
Please note - initial and
Return to Secretary's Office ✓

CONFIDENTIAL

March 18, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from March 10, 1932 to March 16, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,


W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MARCH 16, 1932

Holdings of Earning Assets of Federal Reserve Banks from March 18, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Mar. 18	\$ 902,218*	\$617,496*	\$ 250	\$122,329	\$ 221	\$161,922
" 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 9	1,680,183	785,123	0	117,855	19,729	747,979
" 16	1,615,622**	842,162**	0	97,142	8,572	660,792

*Includes \$45,000,000 of the \$85,000,000 special one-day certificate of indebtedness issued to the Federal Reserve Bank of New York to cover the Treasury overdraft; balance of \$40,000,000 was sold to New York City and other banks.

**Includes unsold balance of \$32,000,000 of the \$52,000,000 special one-day certificate of indebtedness.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 16, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 16	Change	Mar. 16	Change	Mar. 16	Change
Boston	\$ 56,156	\$ 0	\$ 2,966	\$ 199-	\$ 32,012	\$ 2,059-
New York	367,399*	47,895+*	14,212	5,244-	129,675	7,801-
Philadelphia	63,685	1,534+	2,771	47-	87,217	14,812-
Cleveland	72,989	2,097+	2,450	1,258-	103,275	14,305-
Richmond	19,081	5,000+	4,500	476-	31,166	4,828-
Atlanta	12,669	46+	4,404	1,339-	32,463	10,133-
Chicago	106,960	686-	10,853	872-	54,684	10,827-
St. Louis	27,787	210-	3,515	247-	19,348	984+
Minneapolis	27,780	3-	2,903	134-	9,015	1,615-
Kansas City	22,551	1,368+	4,038	277-	33,524	4,683-
Dallas	27,364	2-	2,976	99-	12,955	2,142-
San Francisco	37,741	0	10,717	457-	115,458	14,856-
N. Y. holdovers and other bills			30,837	10,064-		
Totals	\$842,162*	\$57,039+*	\$97,142	\$20,713-	\$660,792	\$87,187-

*Includes balance of special one-day Treasury certificate of indebtedness of \$32,000,000 held by New York.

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COMMENT ON CHANGES WEEK ENDED MARCH 16, 1932

Exclusive of the balance of \$32,000,000 special one-day Treasury certificate of indebtedness held on March 16, the total earning assets of the System showed a decrease of \$96,561,000 for the current statement week. The changes by classification consisted of an increase of \$25,039,000 in outright purchases of government securities and decreases of \$20,713,000 in outright purchases by bankers acceptances, \$11,157,000 in bankers acceptances held under sales contracts, \$87,187,000 in bills discounted and \$2,543,000 in holdings of other securities.

Money
Market

In the first four business days of the past reporting week, this market gained substantially on balance of wire transfers and check settlements with other districts, and gold operations also resulted in some gain. Meanwhile, the effect of a reduction in Federal Reserve bill holdings during this period was largely offset by purchases in this market of \$20,000,000 of Government securities for the System Special Investment Account, the other \$5,000,000 obtained for the System Investment Account during this week being purchased in Chicago. As a result of the net gain of funds arising chiefly from the inter-district movement of funds, the reserve balances of the New York City banks increased somewhat more than their reserve requirements, so that at the close of business on the 14th, excess reserves of the City banks amounted to \$26,000,000, as compared with \$11,000,000 on the previous Wednesday.

On the next day, March 15, the quarterly tax period operations of the Treasury were encountered. Cash redemptions of maturing certificates and interest payments in this market exceeded income tax collections and sales of the new certificate issues for cash by about \$50,000,000, and the Treasury was overdrawn at New York by \$52,000,000. The credit balances which the Treasury possessed in the Reserve Banks prior to the 15th provided for practically all of the excess of disbursements over receipts in other districts, there being an overdraft of only \$1,000,000 at Reserve Banks other than New York. As a partial offset to the funds put in the New York market by Treasury operations, it was expedient to sell to New York City banks participations totaling \$33,500,000 in the special one-day Treasury Certificate of Indebtedness covering the overdraft. The market also sustained a loss of funds on this day through payments to other districts for Government securities allotted in other districts but delivered in New York, which exceeded an inflow of funds here from other centers in ordinary commercial and banking transactions. As a result the New York banks showed no marked surplus of reserves at the close of business on the 15th.

Income tax collections on the 16th reached their peak of the period and considerably exceeded further redemptions and interest payments on this day. Reflecting this situation, \$13,500,000 of the participations of the City banks in the special one-day certificate covering the overdraft were retired, leaving \$20,000,000 outstanding. The net result of this day's operations was some loss of funds to the market, and reserve balances of the banks were maintained at a level not far from requirements. Notwithstanding the receipt of funds by the Treasury through income tax collections, the total Treasury overdraft remained at \$52,000,000, due to a large requirement for funds on the part of the Reconstruction Finance Corporation outside of New York.

Despite a withdrawal of funds from Government depositaries on the 17th, it is not expected that the Treasury overdraft will be entirely retired until the 18th or possibly one or two days later.

Several divisions of the money market moved lower during the past week; none of the reductions was directly attributable to the easing effect of the Treasury tax period with the exception of a temporary drop in federal funds to 3/4 of one per cent. On the 11th, dealers' rates for bills of 90 day and shorter maturity had been reduced by 1/8 per cent to an offering

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level of 2 1/2 per cent, and yields on short term United States Government securities declined throughout the past week showing an average reduction of better than 1/8 per cent. Meanwhile call money was unchanged at 2 1/2 per cent, commercial paper at 3 1/2 - 3 3/4 per cent, and stock exchange time loans at 3 per cent bid, 3 1/2 per cent asked. In the time money market, offerings were larger than in some months, but due to lack of demand few new loans were contracted.

Government Security Market

During the current week there was an increasingly strong demand in the market for the short-term issues of United States Government securities and prices advanced slightly while the demand for the Liberty Loan and Treasury bonds diminished considerably and although the market was quiet, prices declined from 2/32nds to a full point. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.30% as compared with 2 1/4% at the close of the previous period and the average selling price for the Liberty Loan and Treasury bonds was 96.90 as compared with the previous week's average closing price of 97.43. The average yield of 2.30% on the short-term issues was higher than last week's average yield, notwithstanding the fact that prices advanced, due to the inclusion of the new issues of 3 1/8% and 3 3/4% certificates dated March 15.

Dealers' Offering Prices at the Close of the Current Statement Week and Net Changes from the Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2 3/4% Cert. of Ind. due June 15, 1932	100 8/32	+ 1/32	1.70%
3 1/8% " " " " Aug. 1, 1932	100 8/32	+ 1/32	2.44%
1 1/8% " " " " Sept. 15, 1932	99 9/32	+ 4/32	2.60%
3 % " " " " Sept. 15, 1932	100 7/32	+ 3/32	2.54%
3 1/8% " " " " Oct. 15, 1932	100 7/32	+ 7/32	2.73%
3 1/4% Treasury Notes " Dec. 15, 1932	100 9/32	+ 5/32	2.85%
3 3/4% Cert. of Ind. " Feb. 1, 1933	100 13/32	+ 4/32	3.26%
3 3/4% " " " " Mar. 15, 1933	100 12/32	+12/32	3.36%
Treas. Bills maturing Mar. 30, 1932 -	2 1/8% discount bid, 1 1/2% asked		
" " " Apr. 13, 27 &			
" " " May 11, 1932 -	2 1/8%	" " 1 3/4%	"
" " " May 18, 25 &			
" " " June 1, 1932 -	2 1/4%	" " 2 %	"

Closing Prices on the New York Stock Exchange at the Close of the Current Statement Week and Net Changes from Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	98 24/32	-9/32	Treas. 4 1/4s 1947-52	102 28/32	- 12/32
1st 4 1/4s	100 7/32	+2/32	" 4s 1944-54	100 20/32	- 8/32
4th 4 1/4s	100 18/32	+1/32	" 3 3/4s 1946-56	96 30/32	- 27/32
			" 3 3/8s 1943-47	94 8/32	-1.
			" 3 3/8s 1940-43	95	-1.
			" 3 3/8s 1941-43	95 31/32	- 2/32
			" 3 1/8s 1946-49	91 25/32	- 15/32
			" 3s 1951-55	89 29/32	- 18/32

Bankers Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 2 1/2 per cent for 30s, 60s and 90s, 2 5/8 per cent for 120s and 2 7/8 per cent for 180-day bills. This represents a reduction of 1/8 per cent for 30s, 60s and 90s from the previous week's offering rates.

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Reports
week
ending
March 16

Boston reported that the local bill market was quiet during the past period. The supply of bills decreased somewhat while the demand although showing an increase of \$1,300,000 represented largely transactions of one dealer. Dealers continued to forward their offerings to other cities. In New York dealers' purchases fell off very substantially as compared with the past few weeks. Sales continued in good volume and were made principally to local banks who were buying for their own accounts and to the reserve bank for the account of foreign correspondents. Dealers' aggregate portfolios declined by about \$23,000,000 during the week to \$41,000,000. Early in the week dealers made a reduction of 1/8 per cent on maturities up to 90 days but made no change in the other maturities. Philadelphia reported that acceptances were in better demand during the past week with choice names rather scarce and offerings small. Portfolios were lower. Chicago reported that the bill market continued very dull in its district. Dallas reported that the demand for bills was light and offerings to the reserve bank were negligible.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated during the current statement week under Treasury authorization consisted of.

Sales of \$450,000 - Fourth 4 1/4% Liberty Loan bonds,
for account Alien Property Custodian
and purchase of 168,150 - 3 3/8% Treasury bonds of 1941-43,
for account General Railroad Contingent Fund

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority invested in the executive committee of the Open Market Policy Conference at the meeting held in Washington on February 24, further purchases of short-term government securities were made during the current statement week amounting to \$25,000,000 as follows:

\$ 4,350,000	-	Treasury Bills due May 11, 1932
2,000,000	-	" " " " 25, 1932
11,000,000	-	" " " June 1, 1932
5,400,000	-	2 3/4% certificate due June 15, 1932
600,000	-	1 1/8% " " Sept. 15, 1932
<u>1,650,000</u>	-	3 1/4% Treasury Notes " Dec. 15, 1932
<u>\$25,000,000</u>		

Of this amount, \$5,000,000 was purchased in the Chicago market and the balance of \$20,000,000 was purchased in the New York market. Other transactions effected in the holdings in the System Account consisted of

Exchange under Treasury
offering dated March 7 of \$18,981,500 - 2 % certificates due Mar. 15, 1932

for

8,981,500	-	3 1/8%	"	"	Oct. 15, 1932
<u>10,000,000</u>	-	3 3/4%	"	"	Mar. 15, 1933
<u>\$18,981,500</u>					

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Exchange in the market				
at advantageous rates of	\$34,000,000	- 2	% certificates due	Mar. 15, 1932
	1,000,000	- 3	" " "	Sept. 15, 1932
	<u>2,000,000</u>	- 3	1/4% Treasury Notes	Dec. 15, 1932
a total of	\$37,000,000			
for	\$ 1,000,000	- 3	1/8% certificates due	Aug. 1, 1932
	12,000,000	- 3	1/8% " " "	Oct. 15, 1932
	<u>24,000,000</u>	- 3	3/4% " " "	Mar. 15, 1933
	<u>\$37,000,000</u>			

On March 16 the Federal Reserve Bank of Richmond repurchased \$5,000,000 of its participation in government securities held in System Account reducing to \$11,000,000 the amount of its participation being temporarily held by other Federal reserve banks.

The purchase of \$25,000,000 short-term government securities referred to in the foregoing statement made a total of \$70,000,000 purchased to date under the present authority and increased the amount of total holdings in the Account to \$636,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, March 16, 1932, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,404,000	Mar. 30, 1932 -	Treas. Bills \$ 4,250,000
New York	209,560,000	Apr. 13, 1932 -	" " 3,500,000
Philadelphia	57,074,000	" 27, 1932 -	" " 2,800,000
Cleveland	72,989,500	May 11, 1932 -	" " 15,325,000
Richmond	19,080,500	" 18, 1932 -	" " 8,111,000
Atlanta	12,478,000	" 25, 1932 -	" " 8,907,000
Chicago	85,362,000	June 1, 1932 -	" " 57,587,000
St. Louis	27,286,500	" 15, 1932 -	2 3/4% C/I 54,550,000
Minneapolis	20,003,000	Aug. 1, 1932 -	3 1/8% " 31,050,000
Kansas City	22,474,000	Sept. 15, 1932 -	1 1/8% " 55,988,000
Dallas	17,363,500	" 15, 1932 -	3 % " 55,551,500
San Francisco	37,741,000	Oct. 15, 1932 -	3 1/8% " 20,981,500
		Dec. 15, 1932 -	3 1/4% T/N 68,900,000
		Feb. 1, 1933 -	3 3/4% C/I 3,500,000
		Mar. 15, 1933 -	3 3/4% " 34,000,000
		June 15, 1947 -	3 1/2% 1st L/L 80,025,000
		" 15, 1947 -	4 1/4% 1st " 16,750,000
		Oct. 15, 1938 -	4 1/4% 4th " 115,040,000
Totals	\$636,816,000		\$636,816,000

Note: On Thursday, March 17, the Federal Reserve Bank of San Francisco repurchased the \$10,000,000 participation in government securities of which it was temporarily relieved on March 7.

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ITEMIZED STATEMENT OF THE TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MARCH 10 TO MARCH 16, 1932, INCLUSIVE

<u>GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT</u>				
	<u>Purchases</u>	<u>Sales and Exchanges</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 4,870,500	\$ 4,870,500	-	-
New York	37,748,000	21,853,000	15,895,000	-
Philadelphia	6,989,000	5,460,500	1,528,500	-
Cleveland	9,085,500	6,988,000	2,097,500	-
Richmond	6,261,500	1,261,500	5,000,000	-
Atlanta	1,096,500	1,096,500	-	-
Chicago	7,561,000	8,247,000	-	686,000
St. Louis	2,416,000	2,626,000	-	210,000
Minneapolis	1,758,500	1,758,500	-	-
Kansas City	3,351,000	1,976,000	1,375,000	-
Dallas	1,526,500	1,526,500	-	-
San Francisco	3,317,500	3,317,500	-	-
Totals	<u>\$85,981,500</u>	<u>\$60,981,500</u>	<u>\$25,896,000</u>	<u>\$896,000</u>

HOLDINGS GOVERNMENT SECURITIES - SALES CONTRACTS

	Net Change From Previous Week
N O N E	-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES (EXCLUDING SALES CONTRACTS AND PURCHASE
OF SPECIAL ONE-DAY CERTIFICATE OF INDEBTEDNESS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redeemed</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 355,500	Mar. 15/33-3 3/4% C/I	\$ 355,500*	0	-
Phila.	3,235,000	Misc. Gov't Sec.	3,200,000	30,000	Tr. Bds. 1946-56
Atlanta	227,900	" " "	0	182,600	Misc. Gov't Sec.
Minn.	818,400	" " "	0	821,350	" " "
Kan. City	0	-	7,500	0	-
Dallas	0	-	0	2,000	Fourth L/L
Totals	<u>\$4,636,800</u>		<u>\$3,563,000</u>	<u>\$1,035,950</u>	

*Exchanged for TM-1933 C/I

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings Mar. 9</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings Mar. 16</u>	<u>Other Holdings Close Mar. 16/32</u>	
				<u>Held in N.Y.</u>	<u>Held Else- where</u>		<u>Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 3,165	\$ 7 R.	0	0	\$ 206	\$ 2,966	\$ 338	\$ 2,358
New York	19,456	776** 1,844 A.	0	6,020	0	14,212	8,234	10,083
Phila.	2,818	1 R.	0	48	0	2,771	0	3,196
Cleve.	3,708	0	0	0	1,358	2,450	0	3,122
Richmond	4,976	0	203	672	7	4,500	0	1,236
Atlanta	5,743	8 "	190	872	665	4,404	0	1,144
Chicago	11,725	0	481	0	1,353	10,853	0	4,157
St. Louis	3,762	0	153	400	0	3,515	0	1,011
Minn.	3,037	0	177	211	100	2,903	0	636
Kan. City	4,315	0	232	509	0	4,038	0	896
Dallas	3,075	15 "	148	171	91	2,976	0	865
San Fran.	11,174	63 "	260	373	407	10,717	0	2,133
Totals	<u>\$76,954</u>	<u>\$2,714</u>	<u>\$1,844</u>	<u>\$9,276</u>	<u>\$4,087</u>	<u>\$66,305</u>	<u>\$8,572</u>	<u>\$30,837</u>

*Includes \$648 foreign trade acceptances.

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MARCH 16, 1932
(000 Omitted)

	1-30 days <u>2 5/8%</u>	31-60 days <u>2 5/8%</u>	61-90 days <u>3 - 3 1/8%</u>	Over 90-days <u>-</u>	Total
Boston	0	6*	1	0	\$ 7
New York	2,044	576	0	0	2,620
Philadelphia	0	0	1	0	1
Atlanta	0	8	0	0	8
Dallas	15	0	0	0	15
San Francisco	<u>0</u>	<u>28**</u>	<u>35***</u>	<u>0</u>	<u>63</u>
Totals	<u>\$2,059</u>	<u>\$618</u>	<u>\$37</u>	<u>0</u>	<u>\$2,714</u>

*Purchased at 3 to 3 1/8%, **Purchased at 2 5/8 - 3 1/2%,
 ***Purchased at 2 3/4 - 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MARCH 16, 1932
(000 Omitted)

(Excluding Sales Contracts and Special one-day Cert. of Ind.)

	Government Securities	Bankers Acceptances	Total
Purchased	\$90,619	\$ 2,714	\$93,333
Sold	43,036	0	43,036
Matured	3,207	13,363	16,570
Exchange	19,337	0	19,337
		<u>\$10,649-</u>	<u>\$14,390+</u>
		10,064- (Net Change	10,064- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$25,039+</u>	<u>\$20,713-</u>	<u>\$ 4,326+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MARCH 16, 1932
(000 Omitted)

(Including Sales Contracts and Special one-day Cert. of Ind.)

	Within <u>15-days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91 days- <u>6 months</u>	Over 6 <u>months</u>	Total
Gov't Securities	\$36,250	\$ 3,500	\$24,625	\$101,591	\$211,911	\$464,285	\$842,162
Bills Purchased	<u>49,224</u>	<u>12,707</u>	<u>10,852</u>	<u>32,690</u>	<u>241</u>	<u>0</u>	<u>105,714</u>
Totals	<u>\$85,474</u>	<u>\$16,207</u>	<u>\$35,477</u>	<u>\$134,281</u>	<u>\$212,152</u>	<u>\$464,285</u>	<u>\$947,876</u>

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Mr. Thompson
Mr. Rieple
Mr. Amey
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 12 1932
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

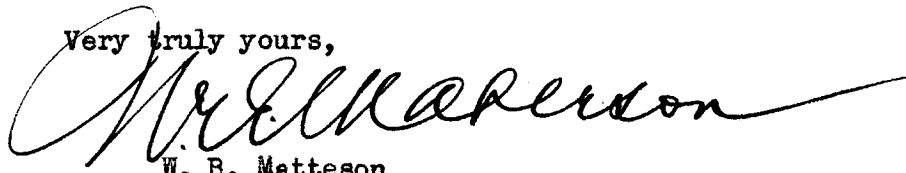
March 11, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from March 3, 1932 to March 9, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 12 1932
OFFICE OF
THE GOVERNOR

For CIRCULATION

- Gov. Meyer
- Mr. Hamlin
- Mr. James
- Mr. Mege
- Mr. Miller
- Mr. Polo
- Mr. Morrill
- Mr. _____

March 11, 1932.

CONFIDENTIAL

Please note - Initial and
Return to Secretary's Office

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from March 3, 1932 to March 9, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MARCH 9, 1932

Holdings of Earning Assets of Federal Reserve Banks from March 11, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
Mar. 11	\$ 928,656	\$599,454	\$ 5,250	\$137,671	\$13,731	\$ 172,550
" 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 2	1,710,070	759,955	0	107,508	8,132	828,402
" 9	1,680,183	785,123	0	117,855	19,729	747,979

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 9, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Mar. 9	Net Change	Balance Mar. 9	Net Change	Balance Mar. 9	Net Change
Boston	\$ 56,156	\$ 0	\$ 3,165	\$ 934-	\$ 34,071	\$ 3,218-
New York	319,504	28,539+	19,456	5,311+	137,476	24,156-
Philadelphia	62,151	1,937+	2,818	2+	102,029	23,707-
Cleveland	70,892	2,048+	3,708	163-	117,580	4,175-
Richmond	14,081	0	4,976	1,168+	36,054	2,240-
Atlanta	12,623	19+	5,743	155-	42,646	5,157-
Chicago	107,646	0	11,725	1,953+	65,511	6,669-
St. Louis	27,997	0	3,762	430+	18,364	1,681-
Minneapolis	27,783	148+	3,037	776+	10,630	2,562-
Kansas City	21,183	2,475+	4,315	715+	38,207	1,732-
Dallas	27,366	2+	3,075	472+	15,097	251+
San Francisco	37,741	10,000-	11,174	1,817-	130,314	4,875-
N. Y. holdovers and other bills			40,901	2,589+		
Totals	\$785,123	\$25,168+	\$117,855	\$10,347+	\$747,979	\$80,423-

COMMENT ON CHANGES WEEK ENDED MARCH 9, 1932

Total earning assets of the System showed a decrease of \$29,887,000 for the current statement week. The changes by classification consisted of increases of \$25,168,000 in outright purchases of government securities, \$10,347,000 in outright purchases of bankers acceptances, \$11,597,000 in bankers acceptances held under sales contracts, and \$3,424,000 in holdings of other securities, and a decrease of \$80,423,000 in bills discounted.

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Money
Market

The New York City banks began the past reporting week with their reserve balances about even with requirements and during the period from Thursday to Saturday lost funds through transfers to other centers, week-end currency withdrawals, and calls for funds from Government depositories. Although their reserve requirements showed a sizable drop during these days owing in part to the repayment of a portion of the British Treasury credit and to the usual decline from a first of month peak, an additional amount of Reserve Bank credit was called into use in order to maintain the reserve position of the banks. This increased credit was obtained partly by member bank borrowing but more largely by the sale of bills to the Reserve Bank--principally under repurchase agreement. Nevertheless, the City banks carried over the week-end a deficit of \$11,000,000 in their reserves.

This impairment in reserves was corrected on Monday, the 7th, by a return flow of funds from other centers to this market, currency deposits at the Reserve Bank, further sales of bills to the Reserve Bank by banks and dealers, and also by the purchase of an additional \$14,000,000 of Government securities for the System Special Investment Account. The security purchases made on this day represented the bulk of the transactions effected in this market, only \$2,000,000 being made on other days, which together with \$9,000,000 purchased in Chicago accounted for the \$25,000,000 increase in the Special Investment Account during the past reporting week. As a result of the aforementioned gain of funds to the money market, the New York banks were enabled to accumulate a sufficient excess of actual reserves to raise their average reserves to the required level and to repay some of the indebtedness previously incurred. On the following day, the last of the Saturday to Tuesday reserve period, there was a further retirement of member bank borrowings and a decline in the amount of bills held under repurchase agreement at the Reserve Bank which exceeded a gain to the market in commercial and agency transactions, chiefly a continued return of currency. On the concluding day of the past week, currency deposits were again the principal factor increasing bank reserves which closed the week \$11,000,000 in excess of requirements, as compared with a surplus of \$1,000,000 on the previous Wednesday. This change in the reserve position was the combined result of a net decrease of \$6,000,000 in reserve requirements and of an increase of \$4,000,000 in reserve balances.

Money rates were little changed in the New York market during the past week. Call money held at 2 1/2 per cent, commercial paper at 3 1/2 - 3 3/4 per cent, and 90 day bills at 2 5/8 per cent offered. The bid rate for time loans on securities was reduced 1/4 per cent to 3 per cent for all maturities, making the quotation 3 per cent bid, 3 1/2 per cent asked, as compared with 3 1/4 - 3 1/2 per cent previously, but this market continued to be dormant. The quotation for Federal funds moved downward closing on Thursday at 1 1/2 - 1 3/4 per cent, as against 2 1/4 - 2 1/2 per cent on the preceding Thursday. Yields on short term Government securities rose slightly on the announcement of the terms of the March certificate issues, but subsequently declined and show an average net decrease of nearly 1/8 per cent for the week ended Thursday.

Government
Security
Market

The market for United States Government securities was active during the past week and became stronger as the week progressed. The demand was good for all issues and considerably in excess of the amount of offerings. Offerings of both short and long term issues were greatly diminished. Prices for the short term issues advanced slightly while the prices of Liberty Loan and Treasury bonds advanced substantially, the gains for the individual issues ranging from 7/32 to 1.16/32. At the close of the current reporting period the average yield on the short term issues at dealers' offering prices was 2 1/4 per cent as compared with 2.30 per cent at the close of the previous period and the average selling price for the Liberty Loan and Treasury bonds was 97.43 as compared with the previous week's closing price of 96.45.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2 3/4%	Cert. of Ind. due June 15, 1932	100 7/32	+1/32	1.89%
3 1/8%	" " " " Aug. 1, 1932	100 7/32	+1/32	2.55%
1 1/8%	" " " " Sept. 15, 1932	99 5/32	+3/32	2.79%
3 %	" " " " " 15, 1932	100 4/32	+2/32	2.75%
3 1/4%	Treasury Notes" Dec. 15, 1932	100 4/32	+2/32	3.07%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	100 9/32	+1/32	3.42%
	Treasury Bills" Mar. 30, 1932 - 2 1/4% discount bid, 1 1/2% asked			
	" " " Apr. 13 and			
	" " " " 27, 1932 - 2 1/4% " " 1 3/4% "			
	" " " May 11 and			
	" " " " 18, 1932 - 2 3/8% " " 2 % "			
	" " " " 25 and			
	June 1, 1932 - 2 1/2% " " 2 % "			

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 1/32	+1.	4 1/4s 1947-52	103 8/32	+ 15/32
1st 4 1/4s	100 5/32	+ 7/32	4 s 1944-54	100 28/32	+1. 3/32
4th 4 1/4s	100 17/32	+ 16/32	3 3/4s 1946-56	97 25/32	+1. 2/32
			3 3/8s 1943-47	95 8/32	+1.11/32
			3 3/8s 1940-43	96	+1.16/32
			3 3/8s 1941-43	96 1/32	+1.13/32
			3 1/8s 1946-49	92 8/32	+1.12/32
			3 s 1951-55	90 15/32	+ 27/32

Bankers Dealers' offerings of unendorsed bankers acceptances continued
Acceptances at the following rates during the current statement week: 2 5/8 per cent for 30s, 60s, 90s and 120s, 2 7/8 per cent for 180-day bills.

Reports week ending March 9 Boston reported that with most of the German renewal bills taken care of the supply of bills dropped from approximately \$8,000,000 to \$2,000,000 with practically no demand. Dealers' portfolios increased somewhat during the period as a result of forwarding fewer bills to offices in other cities. In New York the outside demand fell off substantially as compared with last week but dealers' sales to the reserve bank for the account of foreign correspondents increased slightly. Dealers' purchases exceeded their sales, however, and aggregate portfolios increased by about \$13,000,000 to \$64,000,000. Philadelphia reported that its acceptance market was without change. With a moderate amount of new bills coming into the market, portfolios showed a slight increase with the demand light. Chicago reported that its bill market continued very dull during the past week. Dallas reported that the demand for bills in its district was light with few offerings.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of United States Government securities consummated during the current statement week, under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under the authority invested in the executive committee of the Open Market Policy Conference at the meeting held in Washington on February 24, further purchases of short term government securities were made during the current statement week amounting to \$25,000,000 as follows:

\$ 250,000	- Treasury Bills due May 11, 1932
10,000,000	- " " " June 1, 1932
5,750,000	- 2 3/4% certificates due June 15, 1932
3,250,000	- 3 1/8% " " Aug. 1, 1932
4,500,000	- 3 % " " Sept. 15, 1932
<u>1,250,000</u>	- 3 1/4% Treasury Notes" Dec. 15, 1932
<u>\$25,000,000</u>	- Total Purchases

Of this amount \$9,500,000 was purchased in the Chicago market and the balance of \$15,500,000 was purchased in the New York market. Other transactions effected in the holdings in the System Account during the week consisted of exchanges in the market at advantageous rates, of

\$16,000,000	- 2% certificates due March 15, 1932
<u>13,000,000</u>	- 3% " " Sept. 15, 1932

a total of \$29,000,000

for	\$16,000,000	- Treasury Bills due June 1, 1932
	3,000,000	- 3 1/4% Treasury Notes due Dec. 15, 1932
	<u>10,000,000</u>	- 2 % certificates " Mar. 15, 1932

\$29,000,000

The lot of \$10,000,000 - 2% certificates due March 15, 1932, were acquired early in the week at par and later in the week arrangements were made for the sale at 100 1/32 for delivery on or before March 15 of \$50,000,000 of these certificates in exchange for a like amount of other short term issues. The balance of this issue held amounting to \$18,981,500 has been entered for exchange under the Treasury's new offering announced on March 7.

On March 7, owing to the amount of working cash of the Federal Reserve Bank of San Francisco and its branches and pending approval of its request to the Federal Reserve Board for approval to pledge United States Government securities as collateral to note circulation, \$10,000,000 of the Federal Reserve Bank of San Francisco's participation in Government securities in the System Account was temporarily taken over into the participation of the Federal Reserve Bank of New York.

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The purchase of \$25,000,000 short term government securities referred to in the foregoing statement made a total of \$45,000,000 purchased to date under the present authority and increased the amount of total holdings in the Account to \$611,816,000. The participations by Federal reserve banks and the classifications of issues held in the Account at the close of business Wednesday, March 9, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,404,000
New York	193,665,000
Philadelphia	55,545,500
Cleveland	70,892,000
Richmond	14,080,500
Atlanta	12,478,000
Chicago	86,048,000
St. Louis	27,496,500
Minneapolis	20,003,000
Kansas City	21,099,000
Dallas	17,363,500
San Francisco	37,741,000

Totals \$611,816,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Mar. 30, 1932-Treasury Bills	\$ 4,250,000
Apr. 13, 1932- " "	3,500,000
" 27, 1932- " "	2,800,000
May 11, 1932- " "	10,975,000
" 18, 1932- " "	8,111,000
" 25, 1932- " "	6,907,000
June 1, 1932- " "	46,587,000
Mar. 2, 1932- 2 % C/I	52,981,500
June 15, 1932- 2 3/4% "	49,150,000
Aug. 1, 1932- 3 1/8% "	30,050,000
Sept. 15, 1932- 1 1/8% "	55,388,000
" 15, 1932- 3 % "	56,551,500
Dec. 15, 1932- 3 1/4% T/N	69,250,000
Feb. 1, 1933- 3 3/4% C/I	3,500,000
June 15, 1947- 3 1/2% 1st L/L	80,025,000
" 15, 1947- 4 1/4% 1st "	16,750,000
Oct. 15, 1938- 4 1/4% 4th "	115,040,000

\$611,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM MARCH 3 TO MARCH 9, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 2,211,500	\$ 2,211,500	\$ 0	\$ 0
New York	35,816,500	7,277,500	28,539,000	0
Philadelphia	4,121,500	2,184,000	1,937,500	0
Cleveland	4,841,500	2,793,500	2,048,000	0
Richmond	562,000	562,000	0	0
Atlanta	498,500	498,500	0	0
Chicago	3,435,500	3,435,500	0	0
St. Louis	1,098,000	1,098,000	0	0
Minneapolis	799,000	799,000	0	0
Kansas City	3,279,000	803,500	2,475,500	0
Dallas	693,500	693,500	0	0
San Francisco	1,643,500	11,643,500	0	10,000,000
Totals	<u>\$59,000,000</u>	<u>\$34,000,000</u>	<u>\$35,000,000</u>	<u>\$10,000,000</u>

HOLDINGS GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week
 N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 450	Fourth L/L Bds.
Atlanta	65,500	Misc. Gov't Sec.	46,650	Misc. Gov't Sec.
Minneapolis	843,800	" " "	596,550	" " "
Dallas	2,000	4th L/L bonds	0	-
Totals	<u>\$911,300</u>		<u>\$743,650</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Mar. 2	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Mar. 9	Other Holdings Close March 9/32	
				Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 4,099	\$ 0	\$ 0	\$ 0	\$ 934	\$ 3,165	\$ 968	\$ 2,358
New York	14,145	8,715 R. 11,626 A.	0	3,404	0	19,456	18,761	10,037
Phila.	2,816	2 R.	0	0	0	2,818	0	3,196
Cleve.	3,871	0	0	0	163	3,708	0	3,122
Rich.	3,808	500 "	1,466	440	358	4,976	0	1,236
Atlanta	5,898	164 "	1,289	487	1,121	5,743	0	1,144
Chicago	9,772	342 "	3,340	0	1,729	11,725	0	4,157
St. Louis	3,332	0	1,300	870	0	3,762	0	1,011
Minn.	2,261	0	981	205	0	3,037	0	636
Kan. City	3,600	0	1,576	861	0	4,315	0	896
Dallas	2,603	105 "	1,179	679	133	3,075	0	866
San Fran.	12,991	675 "	495	743	2,244	11,174	0	2,133
Totals	<u>\$69,196</u>	<u>\$22,129</u>	<u>\$11,626</u>	<u>\$7,689</u>	<u>\$6,682</u>	<u>\$76,954</u>	<u>\$19,729</u>	<u>\$30,792</u>
Bills held over night by New York in Foreign Suspense Account								8,654
" " " " " " " " for distribution to other Fed. Res. Bks.								1,455
Total								<u>\$40,901</u>

NOTE: R. indicates Retained and A. indicates Allotted in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MARCH 9, 1932
(000 Omitted)

	1-30 days <u>2 5/8%</u>	31-60 days <u>2 5/8-2 3/4%</u>	61-90 days <u>2 3/4%</u>	Over 90-days <u>2 3/4 - 3%</u>	<u>Total</u>
New York	\$10,726	\$4,105	\$5,510	\$ 0	\$20,341
Philadelphia	0	0	2**	0	2
Richmond	0	175	325*	0	500
Atlanta	36	63	64	1	164
Chicago	200	0	142	0	342
Dallas	0	97	0	8	105
San Francisco	30	73	345	227	675
Totals	\$10,992	\$4,513	\$6,388	\$236	\$22,129

*Purchased at 2 3/4 to 2 7/8%

**Purchased at 3%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MARCH 9, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$59,911	\$22,129	\$82,040
Sold	34,743	0	34,743
Matured	0	14,371	14,371
		\$ 7,758+	\$32,926+
		2,589+ (Net Change 1-day holdover & other bills)	2,589+ (Net Change 1-day holdover & other bills)
Totals	\$25,168+	\$10,347+	\$35,515+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MARCH 9, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days-6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 56,644	\$ 4,250	\$ 6,300	\$106,066	\$79,212	\$532,651	\$785,123
Bills Purchased	64,075	27,862	11,409	33,987	251	0	137,584
Totals	\$120,719	\$32,112	\$17,709	\$140,053	\$79,463	\$532,651	\$922,707

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Mr. Thompson ✓
Mr. Riefler ✓
Mr. [unclear] ✓
Mr. [unclear]

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MAR -5 1932
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

March 4, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from February 25, 1932 to March 2, 1932 in-
clusive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole ✓
- Mr. *Morrell* ✓
- Mr.

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
Return to Secretary's Office
File

CONFIDENTIAL

March 4, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from February 25, 1932 to March 2, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

RECEIVED
MAR 5 1932
OFFICE OF
THE GOVERNOR

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MARCH 2, 1932

Holdings of Earning Assets of Federal Reserve Banks from March 4, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Mar. 4	\$ 890,998	\$599,367	\$ 500	\$ 99,539	\$ 1,016	\$ 190,576
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 2	1,710,070	759,955	0	107,508	8,132	828,402

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 2, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 2	Change	Mar. 2	Change	Mar. 2	Change
Boston	\$ 56,156	\$ 188+	\$ 4,099	\$ 130-	\$ 37,289	\$ 2,310-
New York	290,965	17,347+	14,145	7,827-	161,632	7,348-
Philadelphia	60,214	1,751+	2,816	296-	125,736	2,928+
Cleveland	68,844	272+	3,871	247-	121,755	538+
Richmond	14,081	1+	3,808	2,027-	38,294	3,663+
Atlanta	12,604	32-	5,898	740-	47,803	102-
Chicago	107,646	331+	9,772	6,412-	72,180	631+
St. Louis	27,997	111+	3,332	1,377-	20,045	1,558-
Minneapolis	27,655	21-	2,261	837-	13,192	1,444-
Kansas City	18,708	0	3,600	2,621-	39,939	578+
Dallas	27,364	1+	2,603	961-	15,348	200+
San Francisco	47,741	0	12,991	374-	135,189	2,617-
N. Y. holdovers and other bills			38,312	4,492+		
Totals	\$759,955	\$19,949+	\$107,508	\$19,357-	\$828,402	\$6,841-

COMMENT ON CHANGES WEEK ENDED MARCH 2, 1932

Total earning assets of the System showed a decrease of \$13,792,000 for the current statement week. The changes by classification consisted of increases of \$19,949,000 in outright purchases of government securities and \$1,615,000 in bankers acceptances held under sales contracts, and decreases of \$550,000 in government securities held under sales contracts, \$19,357,000 in outright purchases of bankers acceptances, \$6,841,000 in bills discounted and \$8,608,000 in holdings of other securities.

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2

Money
Market

The reserve balances maintained by the New York City banks showed a net increase of \$17,000,000 during the past reporting week, while the reserve requirements of these banks rose \$4,000,000, the first weekly increase to occur since the middle of December, probably representing accumulation of bank deposits in New York for March 1 interest and dividend payments. As a result of these changes, the actual reserve position of the New York banks became slightly favorable, as compared with a deficit of \$12,000,000 on the preceding Wednesday. Sources of funds increasing bank reserves during this period were a purchase of \$20,000,000 of additional Government securities for the System Special Investment Account, a net gain to the New York market on balance of wire transfers and check settlements, and an excess of bill purchases by foreign correspondents over maturities in this market.

Concurrent with these gains of funds, however, there were somewhat smaller losses in several other types of transactions. These included withdrawals of currency from the Reserve Bank by New York City banks through the end of February which exceeded the return flow in the first two days of March; this was contrary to the movement in other parts of the country, as the figure for total money in circulation in the United States was reduced \$9,000,000 between February 24 and March 2. The New York market also lost a small amount of funds through gold transactions, in addition to which Federal Reserve purchased bill holdings declined by an amount nearly equal to the increase in Government security holdings, and New York City bank borrowings were reduced by a moderate net amount. Treasury operations likewise withdrew funds from the market, but the recipients of part of these funds, the Federal Land Banks, purchased securities in the market, thereby largely offsetting the loss through Treasury operations, proper.

Following the reduction in the discount rate of the Federal Reserve Bank of New York, money rates generally have shown some decline. The exception has been call money, which remains at 2 1/2 per cent. Time money quotations of 3 1/4 - 3 1/2 per cent, bid and asked, have been 1/4 per cent lower than in the preceding week with trading continuing to be in nominal volume. Commercial paper in the open market likewise has been reduced 1/4 per cent to a range of 3 1/2 - 3 3/4 per cent. It is reported that the paper market of late has been slightly more active, both on the borrowing and investment sides. Open market bill rates have declined by 1/8 per cent in the case of maturities up to 90 days and by 3/8 per cent in the longer maturities, and yields on short-term United States Government securities show a further small decline for the period. The Federal funds quotation fluctuated rather widely, but today (Thursday) is at 2 1/4 - 2 1/2 per cent, the same as a week ago.

Government
Security
Market

The market for United States Government bonds was less active this week than last and while there were periods early in the week when the market reflected slightly strong tendencies, the market eased somewhat during the latter part of the week. On the other hand the demand for the short-term issues continued good throughout the statement week and prices advanced slightly partly due to System buying. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.30% as compared with 2.50% at the close of the previous period and the average selling price for the Liberty Loan and Treasury bonds was 96.45 as compared with the previous week's average closing price of 96.35.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

		<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2	%	Cert. of Ind. due March 15, 1932	100 1/32	+1/32	0.95%
2	3/4%	" " " " June 15, 1932	100 6/32	- - -	2.06%
3	1/8%	" " " " Aug. 1, 1932	100 6/32	- - -	2.68%
1	1/8%	" " " " Sept. 15, 1932	99 2/32	+2/32	2.90%
3	3/8%	" " " " Sept. 15, 1932	100 2/32	+2/32	2.87%
3	1/4%	Treasury Notes " Dec. 15, 1932	100 2/32	+2/32	3.16%
3	3/4%	Cert. of Ind. " Feb. 1, 1933	100 8/32	+2/32	3.46%
Treasury Bills maturing Mar. 30, 1932 - 2 1/4% discount bid, 1 1/2% asked					
" " " Apr. 13 & 27 - 2 1/2% " " 1 3/4% "					
" " " May & June - 2 1/2% " " 2 1/4% "					

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	98 1/32	+18/32	Treasury 4 1/4s 1947-52	102 25/32	-5/32
1st 4 1/4s	99 30/32	+15/32	" 4 s 1944-54	99 25/32	-5/32
4th 4 1/4s	100 1/32	+ 1/32	" 3 3/4s 1946-56	96 23/32	+3/32
			" 3 5/8s 1943-47	93 29/32	+3/32
			" 3 5/8s 1940-43	94 16/32	-6/32
			" 3 5/8s 1941-43	94 20/32	+1/32
			" 3 1/3s 1946-49	90 28/32	-4/32
			" 3 s 1951-55	89 20/32	+8/32

Bankers

Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates at the close of the current statement week: 2 5/8 per cent for 30s, 60s, 90s and 120s, 2 7/8 per cent for 180-day bills. This represents a decrease of 1/8 for 30s, 60s and 90s, and 3/8 for 120s and 180s.

Reports

week

ending

March 2

Boston reported that the supply of new bills in its district increased considerably during the past period. Most of the supply was due to the renewal of German bills that had been drawn to mature on February 29 pending the outcome of the Standstill Agreement. The demand for bills was very poor showing no improvement over the previous period. Dealers purchased over \$8,000,000 of bills during the week and forwarded bills to their offices in other cities amounting to over \$9,000,000. There were no offerings to the reserve bank except sales contracts. In New York, following the reduction in the reserve bank's discount rate to 3 per cent on February 25, and concurrent with the downward revision in its buying rates on February 26, bill dealers reduced their rates by 1/8 per cent on 30s and 60s and 1/4 per cent on the 4, 5 and 6 months' maturities but made no change in the 90s. The last four days of February there was a good demand for bills considerably in excess of the supply and dealers' aggregate portfolios declined to \$45,000,000 at the close of the month. On March 1 dealers made a further reduction of 1/8 per cent on maturities beyond 60 days which brought their rates to 2 3/4 bid for maturities up to 4 months, 2 5/8 asked, 3 per cent bid for 5 and 6 months, 2 7/8 asked. Indorsed bills 1/8 less. Following this last reduction the demand fell off very substantially, and the supply while not large exceeded the demand and portfolios increased again to \$52,000,000, at the close of the week, but still \$16,000,000 below last week's figures. Philadelphia reported that its bill market was inactive.

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With the easing of rates banks were not inclined to offer bills freely and portfolios showed little change, although the trend was down for the week. Chicago reported that there appeared to be a little more activity in the bill market in its district. Dallas reported that there was a good demand for bills during the past week. Offerings to the reserve bank were negligible.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Sales of \$200,000 - 4% Treasury bonds of 1944-54)
600,000 - 2% certificates due March 15, 1932,) account Alien
	Property Custodian
<u>\$800,000</u> - Total Sales	

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority of the resolution adopted at the meeting of the Open Market Policy Conference held in Washington on February 24, approved by the Federal Reserve Board, the Executive Committee voted to go forward with the program of purchasing government securities. In line with this program purchases of \$20,000,000 short-term government securities were made for System Account during the current statement week as follows:

\$ 200,000	- Treasury Bills due March 30, 1932
500,000	- " " " April 13, 1932
2,662,000	- " " " June 1, 1932
1,250,000	- 2% certificates due March 15, 1932
3,000,000	- 2 3/4% " " June 15, 1932
2,000,000	- 3 1/8% " " Aug. 1, 1932
888,000	- 1 1/8% " " Sept. 15, 1932
1,000,000	- 3 % " " Sept. 15, 1932
6,000,000	- 3 1/4% Treasury Notes due Dec. 15, 1932
<u>2,500,000</u>	- 3 3/4% certificates " Feb. 1, 1933
<u>\$20,000,000</u>	

Other transactions effected in the holdings in the System Account during the week consisted of

Redemption on March 2 of \$17,925,000 maturing Treasury Bills

which were replaced by purchase in the market of 17,925,000 Treasury Bills maturing June 1, 1932.

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The purchase of \$20,000,000 short-term government securities, referred to in the foregoing statement, increased the amount of total holdings in the System Account to \$586,816,000. The participations of the Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, March 2, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,404,000	Mar. 30, 1932 - Treasury Bills \$ 4,250,000
New York	165,126,000	Apr. 13, 1932 - " " 3,500,000
Philadelphia	53,608,000	" 27, 1932 - " " 2,800,000
Cleveland	68,844,000	May 11, 1932 - " " 10,725,000
Richmond	14,080,500	" 18, 1932 - " " 8,111,000
Atlanta	12,478,000	" 25, 1932 - " " 6,907,000
Chicago	86,048,000	June 1, 1932 - " " 20,587,000
St. Louis	27,496,500	Mar. 15, 1932 - 2 % C/I 63,981,500
Minneapolis	20,003,000	June 15, 1932 - 2 3/4% " 43,400,000
Kansas City	18,623,500	Aug. 1, 1932 - 3 1/8% " 26,800,000
Dallas	17,363,500	Sept. 15, 1932 - 1 1/8% " 55,388,000
San Francisco	47,741,000	Sept. 15, 1932 - 3 % " 60,051,500
		Dec. 15, 1932 - 3 1/4% T/N 65,000,000
		Feb. 1, 1933 - 3 3/4% C/I 3,500,000
		June 15, 1947 - 3 1/2% 1st L/L 80,025,000
		June 15, 1947 - 4 1/4% 1st " 16,750,000
		Oct. 15, 1938 - 4 1/4% 4th " 115,040,000
Totals	<u>\$586,816,000</u>	<u>\$586,816,000</u>

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MARCH 2, 1932.
(000 Omitted)

	1-30 days <u>2 5/8-2 3/4%</u>	31-60 days <u>2 5/8-2 3/4%</u>	61-90 days <u>2 3/4 - 3%</u>	Over 90-days <u>3%</u>	Total
New York	\$2,411	\$ 497	\$ 0	\$ 0	\$2,908
Philadelphia	0	0	100	0	100
Atlanta	4	12	0	0	16
Chicago	0	0	338	0	338
Minneapolis	100	0	0	0	100
Dallas	75	0	0	0	75
San Francisco	<u>1,409</u>	<u>532*</u>	<u>843**</u>	<u>419</u>	<u>3,203</u>
Totals	<u>\$3,999</u>	<u>\$1,041</u>	<u>\$1,281</u>	<u>\$419</u>	<u>\$6,740</u>

*Purchased at 2 3/4 to 3%,

**Purchased at 3 to 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MARCH 2, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$50,978	\$ 6,740	\$57,718
Sold	8,691	0	8,691
Matured	22,338	30,589	52,927
		<u>\$23,849-</u>	<u>\$ 3,900-</u>
		4,492+ (Net Change 1-day holdover & other bills)	4,492+ (Net Change 1-day holdover & other bills)
Totals	<u>\$19,949+</u>	<u>\$19,357-</u>	<u>\$ 592+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MARCH 2, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 67,544	\$ 4,250	\$ 6,300	\$54,816	\$95,204	\$531,841	\$759,955
Bills Purchased	<u>48,008</u>	<u>37,132</u>	<u>12,711</u>	<u>17,768</u>	<u>21</u>	<u>0</u>	<u>115,640</u>
Totals	<u>\$115,552</u>	<u>\$41,382</u>	<u>\$19,011</u>	<u>\$72,584</u>	<u>\$95,225</u>	<u>\$531,841</u>	<u>\$875,595</u>

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*Mr. Thompson
Replied
Lined
Thompson*

FEDERAL RESERVE BANK
OF NEW YORK

REC'D
FEB 27 1932
DIVISION OF RESEARCH AND STATISTICS

CONFIDENTIAL

February 26, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations for
the period from February 18, 1932 to February 24, 1932 inclu-
sive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION

- Gov. Meyer
- Mr. Hamlin
- Mr. James
- Mr. Magee
- Mr. Miller
- Mr. Pole

Mr. *Morrell C. W.*
 Mr. *Goldensweiser*
 Please note - initial and
 Return to *Secretary's Office*

CONFIDENTIAL

February 26, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from February 18, 1932 to February 24, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED FEBRUARY 24, 1932

Holdings of Earning Assets of Federal Reserve Banks from February 25, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931						
Feb. 25	\$ 895,606	\$599,442	\$ 0	\$105,431	\$ 886	\$ 189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 17	1,763,500	740,092	1,250	138,779	7,603	845,781
" 24	1,723,862	740,006	550	126,865	6,517	835,243

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 24, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Feb. 24	Change	Feb. 24	Change	Feb. 24	Change
Boston	\$ 55,968	\$ 0	\$ 4,229	\$ 594-	\$ 39,599	\$ 535+
New York	273,618	2,500+	21,972	4,416-	168,980	8,840-
Philadelphia	58,463	0	3,112	101+	122,808	416+
Cleveland	68,572	0	4,118	19-	121,217	130+
Richmond	14,080	1-	5,835	316-	34,631	1,627-
Atlanta	12,636	42+	6,638	64+	47,905	1,655-
Chicago	107,315	0	16,184	459+	71,549	4,356-
St. Louis	27,886	0	4,709	114-	21,603	1,007-
Minneapolis	27,656	125-	3,098	537-	14,636	886+
Kansas City	18,708	0	6,221	217-	39,361	991+
Dallas	27,363	2,502-	3,564	106-	15,148	1,115+
San Francisco	47,741	0	13,365	2,587-	137,806	2,874+
N. Y. holdovers and other bills			33,820	3,632-		
Totals	\$740,006	\$ 86-	\$126,865	\$11,914-	\$835,243	\$10,538-

COMMENT ON CHANGES WEEK ENDED FEBRUARY 24, 1932

Total earning assets of the System showed a decrease of \$39,638,000 for the current statement week. The changes by classification consisted of decreases of \$86,000 in outright purchases of government securities, \$700,000 in government securities held under sales contracts, \$11,914,000 in outright purchases of bankers acceptances, \$1,086,000 in bankers acceptances held under sales contracts, \$10,538,000 in bills discounted, and \$15,314,000 in holdings of other securities.

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Money
Market

During the past reporting week, Treasury operations took a considerable volume of funds out of the New York market. Several calls for funds from depositary institutions and the sale of a new issue of Treasury Bills exceeded the amount of maturing Treasury Bills held here and other disbursements in this market. Part of this net withdrawal of funds from the market was reflected in a temporary increase in Treasury balances at the Reserve Banks, and a part was used to make further payments of \$23,800,000 representing additional contributions toward the increase in the capitalization of the Federal Land Banks. Some of the funds realized by the Land Banks found their way back into the market through investment purchases of United States Government securities made by these banks, while some of the funds were used to purchase Federal Intermediate Credit Bank debentures formerly held in the investment accounts of Federal Reserve Banks.

Although the monetary gold stock of the United States was reduced \$19,000,000 further during the week, \$12,000,000 of this decrease did not affect the amount of funds in the money market, since it represented new earmarkings of gold paid for with funds already on deposit in foreign balances at the Reserve Banks. In addition, there were other payments to the market from foreign account balances which showed a total reduction of \$22,000,000 for the week to only \$16,000,000 on February 24, so that the entire gold loss in exports and earmarkings was more than compensated by this factor. Another source of addition to New York City bank reserves was a continued gain of funds to this market on favorable balance of wire transfers and check settlements, though the amount of the gain was only about half that of the previous week.

The aforementioned Treasury, foreign, and commercial transactions largely balanced, but there was in addition a further decline in the Federal Reserve Banks' purchased bill portfolio which corresponded to a net decrease of \$10,000,000 in the actual reserves of the New York City banks which occurred during the week. The banks' reserve requirements declined \$3,000,000 further during this period, but on the 24th a deficit of \$12,000,000 in actual reserves was apparent. In preceding days of the reporting week, however, moderate surpluses had been shown daily back to the 17th when, as was indicated in last week's report, a deficit of \$5,000,000 existed.

Call money was unchanged on the Exchange at 2 1/2 per cent, and from the viewpoint of the volume of offerings of funds there was also little change from the previous week. Outside market offerings at 2 1/4 per cent were also evident in small amounts. In the time money market no variation was reported in bid and asked rates of 3 1/2 and 3 3/4 per cent; a small amount of 4 month money, however, was placed at 3 1/2 per cent, as against the previous trading in this maturity at 3 3/4 per cent. Yields on short-term United States Government securities tended slightly lower, and the one bill dealer who advanced the rate for 90 day bills by 1/8 per cent on February 9, reverted on February 24 to the level maintained by the other dealers. Federal funds fluctuated between the levels of 2 - 2 1/4 and 2 1/4 - 2 1/2 per cent, while open market commercial paper rates were unchanged at 3 3/4 - 4 per cent.

Government
Security
Market

There was a good demand during the current statement week for both the long and short-term government issues, and offerings were readily absorbed. While prices for several of the short-term issues showed only slight gains for the week, the prices for the Liberty Loan and Treasury bonds generally continued to show substantial gains, which ranged from 16/32 to 1.16/32. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.50% as compared with 2.55% at the close of the previous period and the average selling price for the Liberty Loan and Treasury bonds reached a new high level since December 11, 1931 of 96.36 as compared with the previous week's average closing price of 95.53 (revised).

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

	Issue	Price	Net Change	Approx. Yield
2	$\frac{7}{8}\%$ Cert. of Ind. due March 15, 1932	100	- - -	1.98%
2	$\frac{3}{4}\%$ " " " " June 15, 1932	100 6/32	+2/32	2.11%
3	$\frac{1}{8}\%$ " " " " Aug. 1, 1932	100 6/32	+2/32	2.67%
1	$\frac{1}{8}\%$ " " " " Sept. 15, 1932	99	- - -	2.97%
3	$\frac{7}{8}\%$ " " " " " 15, 1932	100	- - -	2.99%
3	$\frac{1}{4}\%$ Treasury Notes " Dec. 15, 1932	100	- - -	3.24%
3	$\frac{3}{4}\%$ Cert. of Ind. " Feb. 1, 1933	100 6/32	+1/32	3.55%
	Treasury Bills March maturities	2 $\frac{1}{2}\%$ discount bid, 1 $\frac{3}{4}\%$ asked		
	" " April " "	2 $\frac{1}{2}\%$ " " 2 % "		
	" " May 11 & 18 " "	2.65% " " 2.45% "		
	" " May 25 maturity	2.70% " " 2.60% "		

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	97 15/32	+1. 7/32	Treasury 4 1/4s 1947-52	102 30/32	+1.16/32
1st 4 1/4s	99 15/32	+ 19/32	" 4 s 1944-54	99 30/32	+1. 6/32
4th 4 1/4s	100	+ 18/32	" 3 3/4s 1946-56	96 20/32	+1.10/32
			" 3 3/8s 1943-47	93 26/32	+ 10/32
			" 3 3/8s 1940-43	94 22/32	+1.
			" 3 3/8s 1941-43	94 19/32	+ 31/32
			" 3 1/8s 1946-49	91	+ 16/32
			" 3 s 1951-55	89 12/32	+ 1/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week:
2 3/4 per cent for 30s, 60s and 90s, 3 per cent for 120s and 3 1/4 per cent for 180-day bills.

Reports
week
ending
Feb. 24

Boston reported that the demand for bills in its district continued very poor during the past week. While the supply continued small, it was more than sufficient to fill orders and dealers were obliged to forward their surplus bills to offices in other cities where a better demand existed. There were no offerings to the reserve bank except on sales contract. In New York the bill market was slightly more active this week. The early part of the week dealers' purchases exceeded their sales moderately, but the last two days of the period there was a better demand, especially for bills maturing within 60 days and at the close of the week dealers' portfolios had only increased by \$2,000,000 to \$67,000,000. On the 24th the one dealer who had been 1/8 above the other dealers on his 90-day bid and asked rates since February 9 reduced his rates 1/8 on the 90-day maturities which brought him in line with the other dealers. Philadelphia reported that its acceptance market was dull and inactive and the demand while only moderate exceeded the supply. Chicago reported that the bill market in its district was inactive. Dallas reported that there was a good demand for bills during the past week. Offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated during the current statement week under Treasury authorization were as follows:

Sales of \$150,000 - 3 1/8% certificates due August 1, 1932)	account German
15,000 - 3 % Treasury bonds of 1951-55) Special Deposit
	Account
100,000 - 2 % certificates due March 15, 1932,	account Alien
	Property Custodian
<u>\$265,000</u> - Total Sales	

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The following listed transactions were effected in the holdings of government securities in the System Account during the current statement week:

Redemption on February 24 of \$6,907,000 maturing Treasury Bills

Which were replaced by purchase in the market of 6,907,000 Treasury Bills maturing May 25, 1932

Exchanges in the market, at advantageous rates, of 2,000,000 - 3 1/4% Treasury Notes due Dec. 15, 1932

for 2,000,000 - 3 % certificates due Sept. 15, 1932

At the request of the Federal Reserve Bank of Dallas on February 24, it was temporarily relieved of \$2,500,000 of its participation of government securities in the System Account. This participation was taken over by the Federal Reserve Bank of New York and reapportioned on February 25 to the Federal reserve banks which expressed a desire to participate.

These transactions did not affect the amount of total holdings in the System Account which remained at \$566,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, February 24, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,216,000	Mar. 2, 1932 Treasury Bills	\$ 17,925,000
New York	147,779,500	" 30, 1932 " "	4,050,000
Philadelphia	51,857,000	Apr. 13, 1932 " "	3,000,000
Cleveland	68,571,500	" 27, 1932 " "	2,800,000
Richmond	14,080,500	May 11, 1932 " "	10,725,000
Atlanta	12,478,000	" 18, 1932 " "	8,111,000
Chicago	85,716,500	" 25, 1932 " "	6,907,000
St. Louis	27,386,000	Mar. 15, 1932 - 2 % C/I	57,731,500
Minneapolis	20,003,000	June 15, 1932 - 2 3/4% "	40,400,000
Kansas City	18,623,500	Aug. 1, 1932 - 3 1/8% "	24,800,000
Dallas	17,363,500	Sept. 15, 1932 - 1 1/8% "	54,500,000
San Francisco	47,741,000	" 15, 1932 - 3 % "	64,051,500
		Dec. 15, 1932 - 3 1/4% T/N	59,000,000
		Feb. 1, 1933 - 3 3/4% C/I	1,000,000
		June 15, 1947 - 3 1/2% 1st L/L	80,025,000
		" 15, 1947 - 4 1/4% 1st "	16,750,000
		Oct. 15, 1938 - 4 1/4% 4th "	115,040,000
Totals	<u>\$566,816,000</u>		<u>\$566,816,000</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM FEBRUARY 18 TO FEBRUARY 24, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 868,000	\$ 868,000	\$ 0	\$ 0
New York	4,783,000	2,283,000	2,500,000	0
Philadelphia	815,000	815,000	0	0
Cleveland	1,077,500	1,077,500	0	0
Richmond	221,000	221,000	0	0
Atlanta	196,000	196,000	0	0
Chicago	1,347,000	1,347,000	0	0
St. Louis	430,000	430,000	0	0
Minneapolis	314,000	314,000	0	0
Kansas City	293,000	293,000	0	0
Dallas	312,000	2,812,000	0	2,500,000
San Francisco	750,500	750,500	0	0
Totals	<u>\$11,407,000</u>	<u>\$11,407,000</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

HOLDINGS GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City	\$550,000	<u>Net Change From Previous Week</u> \$700,000 -
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OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$12,573,000	May 25/32 Tr. Bills	\$12,573,000	Feb. 24/32 Tr. Bills
Atlanta	102,750	Misc. Gov't Sec.	61,350	Misc. Gov't Sec.
Minneapolis	757,850	" " "	882,400	" " "
Dallas	0	-	2,000	" " "
Totals	<u>\$13,433,600</u>		<u>\$13,518,750</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Feb. 17	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Feb. 24	Other Holdings Close Feb. 24, 1932	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 4,823	\$ 0	\$ 0	\$ 0	\$ 594	\$ 4,229	\$1,831	\$ 2,549
New York	26,388	2,864*R. 3,311 A.	0	7,280	0	21,972	3,406	11,017
Phila.	3,011	101 R.	0	0	0	3,112	0	3,455
Cleve.	4,137	0	0	0	19	4,118	0	3,376
Richmond	6,151	282 "	373	966	5	5,855	0	1,337
Atlanta	6,574	314 "	307	486	71	6,638	0	1,237
Chicago	15,725	1,061 "	876	0	1,478**	16,184	0	4,495
St. Louis	4,823	0	321	435	0	4,709	0	1,100
Minn.	3,635	0	205	742	0	3,098	0	691
Kan. City	6,438	0	406	623	0	6,221	0	969
Dallas	3,670	34 "	275	348	67	3,564	0	936
San Fran.	15,952	225 "	548	970	2,390	13,365	1,280	2,307
Totals	\$101,327	\$8,192	\$3,311	\$11,850	\$4,624	\$93,045	\$6,517	\$33,469

Bills held over night by New York for distribution to other Fed. Res. Bks. - - - 351

Total - - - - - \$33,820

*Includes \$1,193 purchased from foreign correspondent, **Includes \$200 sold.

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED FEBRUARY 24, 1932
(000 Omitted)

	<u>1-30 days</u> 2 3/4%	<u>31-60 days</u> 2 3/4%	<u>61-90 days</u> 3%	<u>Over 90-days</u> 3 1/4%	<u>Total</u>
New York	\$5,040	\$ 985	\$ 150	\$ 0	\$6,175
Philadelphia	0	0	101	0	101
Richmond	7*	25*	250*	0	282
Atlanta	270	44	0	0	314
Chicago	250	156**	655	0	1,061
Dallas	30	0	0	4	34
San Francisco	0	37***	188***	0	225
Totals	<u>\$5,597</u>	<u>\$1,247</u>	<u>\$1,344</u>	<u>\$ 4</u>	<u>\$8,192</u>

*Purchased at 3 1/8%, **Purchased at 2 3/4 to 3%, ***Purchased at 3 to 3 1/8%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED FEBRUARY 24, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$24,840	\$ 8,192	\$33,032
Sold	5,446	200	5,646
Matured	19,480	16,274	35,754
		<u>\$ 8,282-</u>	<u>\$ 8,368-</u>
		3,632-(Net Change	3,632-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 86-</u>	<u>\$11,914-</u>	<u>\$12,000-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED FEBRUARY 24, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$22,888	\$61,294	\$ 7,050	\$38,136	\$84,690	\$526,498	\$740,556
Bills Purchased	50,110	26,554	21,129	35,564	25	0	133,382
Totals	<u>\$72,998</u>	<u>\$87,848</u>	<u>\$28,179</u>	<u>\$73,700</u>	<u>\$84,715</u>	<u>\$526,498</u>	<u>\$873,938</u>

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*Mr Thompson ✓
Richter ✓
Lynch ✓
Thompson*

FEDERAL RESERVE BANK
OF NEW YORK

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AND STATISTICS.

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February 19, 1932

Dr. E. A. Goldenweiser,
Director, Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from February 11, 1932 to February 17,
1932 inclusive, together with data received from Federal
reserve banks.

Very truly yours,


W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. Hoover

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓
Mr. Pele ✓
Mr. *Moyall* ✓
Mr. *Goldman* ✓
Please note - initial and
return to Secretary's Office

CONFIDENTIAL

February 19, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from February 11, 1932 to February 17, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED FEBRUARY 17, 1932

Holdings of Earning Assets of Federal Reserve Banks from February 18, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931						
Feb. 18	\$ 893,491	\$599,673	\$ 0	\$ 90,625	\$ 3,370	\$ 199,823
" 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 10	1,763,711	740,084	1,350	152,042	17,349	819,435
" 17	1,763,500	740,092	1,250	138,779	7,603	845,781

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 17, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Feb. 17	Change	Feb. 17	Change	Feb. 17	Change
Boston	\$ 55,968	0	\$ 4,823	\$ 1,127-	\$ 39,064	\$ 211-
New York	271,118	0	26,588	5,883-	177,820	7,270+
Philadelphia	58,463	0	3,011	2-	122,392	6,755+
Cleveland	68,572	0	4,137	22-	121,087	2,307+
Richmond	14,081	0	6,151	428-	36,258	1,057+
Atlanta	12,594	27-	6,574	1,174-	49,560	661+
Chicago	107,315	0	15,725	471-	75,905	2,630-
St. Louis	27,836	0	4,823	456-	22,610	1,186+
Minneapolis	27,781	35+	3,635	316-	13,750	339-
Kansas City	18,708	0	6,438	146-	38,370	1,466+
Dallas	29,865	0	3,670	848-	14,033	366-
San Francisco	47,741	0	15,952	780-	134,932	9,210+
N. Y. holdovers and other bills			37,452	1,610-		
Totals	\$740,092	\$ 8+	\$138,779	\$13,263-	\$845,781	\$26,346+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 17, 1932

Total earning assets of the System showed a decrease of \$211,000 for the current statement week. The principal changes, by classification, consisted of decreases of \$100,000 in government securities held under sales contracts, \$13,263,000 in outright purchases of bankers acceptances, \$9,746,000 in bankers acceptances held under sales contracts, and \$3,456,000 in holdings of other securities, and an increase of \$26,346,000 in bills discounted.

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2

Money
Market

A substantial drain on the reserves of the New York City banks resulted from the week's reduction in the monetary gold stock and from withdrawals of funds from this market by the Treasury. The rather heavy export movement in progress during the period included not only gold released from earmark and shipped but also a sizable amount of gold that was purchased and exported by New York City banks for the account of foreign correspondents; a part of the new earmarkings of gold consummated for the account of foreign correspondents also withdrew funds from the money market but the major part was paid for from balances already on deposit with the Federal Reserve Banks which showed a further net decline for the week. The loss of funds to the market in Treasury transactions reflected withdrawals from Government depositaries and an excess of sales of new Treasury bills in this market over maturities here. These receipts were materially larger than the amount of funds disbursed in this market, due in this instance to the fact that the Treasury made a payment of \$23,000,000 to the Federal Land Banks, representing part of its additional \$125,000,000 subscription to the capital stock of those institutions.

The gold loss and Treasury operations, however, were amply covered by the continued tendency on the part of the New York market to gain on balance of ordinary wire transfers and check settlements with other districts - this week the gain exceeded \$50,000,000. Net currency deposits were also a factor increasing bank reserves somewhat. The aggregate slight gain of funds in commercial and agency transactions, nevertheless, was exceeded by a retirement of Federal Reserve credit outstanding in this market which resulted from a reduction in bill holdings, partly offset by a slight increase in member bank borrowings. Consequently, the reserve balances of the New York banks were about \$5,000,000 below requirements at the end of the week, notwithstanding a further drop of \$5,000,000 in the reserve requirements of these banks during this period.

Offerings of call funds during the past few days have been more plentiful than at any time since the end of January. Some funds became available in the outside market at 2 1/4 per cent, but the Exchange rate held at 2 1/2 per cent. Federal funds eased further to 2 - 2 1/4 per cent, as compared with 2 1/4 - 2 1/2 per cent on the previous Thursday. Time money, bills, and commercial paper continued to be quoted at levels previously current, while yields on short-term United States Government securities declined slightly further.

Government
Security
Market

There was a vigorous upswing in prices of United States Government bonds during the current statement week and gains for the individual issues ranged from 16/32nds to 3.28/32nds. The demand was very good, especially for the issues of bonds selling at the largest discount, while the supply was small. The market for the short-term issues was less active but a fair demand and small supply resulted in prices advancing slightly. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.55% as compared with 2.60% at the close of the previous period, and the average selling price for the Liberty Loan and Treasury bonds was 95.33 as compared with the previous week's average closing price of 93.40.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2	$\frac{7}{8}$ Cert. of Ind. due March 15, 1932	100	-	1.99%
2	$\frac{3}{4}$ " " " " June 15, 1932	100 $\frac{4}{32}$	+ $\frac{2}{32}$	2.34%
3	$\frac{1}{8}$ " " " " Aug. 1, 1932	100 $\frac{4}{32}$	+ $\frac{2}{32}$	2.83%
1	$\frac{1}{8}$ " " " " Sept. 15, 1932	99	+ $\frac{5}{32}$	2.90%
3	$\frac{7}{8}$ " " " " Sept. 15, 1932	100	+ $\frac{1}{32}$	2.99%
3	$\frac{1}{4}$ Treas. Notes " Dec. 15, 1932	100	+ $\frac{1}{32}$	3.24%
3	$\frac{3}{4}$ Cert. of Ind. " Feb. 1, 1933	100 $\frac{5}{32}$	+ $\frac{1}{32}$	3.57%
	Treas. Bills maturing Feb. 24 & Mar. 2 - 2 $\frac{1}{2}$ % disc't bid, 1 $\frac{3}{4}$ % asked, nominal			
	" " " Mar. 30	2 $\frac{1}{2}$ %	" 2 %	" "
	" " " Apr. 13	2 $\frac{1}{2}$ %	" 2 $\frac{1}{8}$ %	" "
	" " " Apr. 27	2 $\frac{5}{8}$ %	" 2 $\frac{1}{4}$ %	" "
	" " " May 11	2.70 %	" 2 $\frac{1}{2}$ %	" "
	" " " May 18	2 $\frac{3}{4}$ %	" 2.60 %	" "

Closing Prices on the New York Stock Exchange at the
Close of the Current Statement Week and Net
Changes from Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 $\frac{1}{2}$ s	96 $\frac{8}{32}$	+ 2.	Treasury 4 $\frac{1}{4}$ s 1947-52	101 $\frac{14}{32}$	+ 1. $\frac{11}{32}$
1st 4 $\frac{1}{4}$ s	98 $\frac{28}{32}$	+21/32	" 4s 1944-54	98 $\frac{24}{32}$	+ 2. $\frac{14}{32}$
4th 4 $\frac{1}{4}$ s	99 $\frac{18}{32}$	+16/32	" 3 $\frac{3}{4}$ s 1946-56	95 $\frac{10}{32}$	+ 2. $\frac{30}{32}$
			" 3 $\frac{3}{8}$ s 1943-47	93 $\frac{16}{32}$	+ 2. $\frac{20}{32}$
			" 3 $\frac{3}{8}$ s 1940-43	93 $\frac{22}{32}$	+ 1. $\frac{22}{32}$
			" 3 $\frac{3}{8}$ s 1941-43	93 $\frac{20}{32}$	+ 1. $\frac{20}{32}$
			" 3 $\frac{1}{8}$ s 1946-49	90 $\frac{16}{32}$	+ 3. $\frac{28}{32}$
			" 3s 1951-55	89 $\frac{11}{32}$	+ 3. $\frac{25}{32}$

Bankers
Acceptances

unendorsed
Dealers' offerings of bankers acceptances continued at the following rates during the current statement week: 2 $\frac{3}{4}$ per cent for 30s and 60s, 2 $\frac{3}{4}$ to 2 $\frac{7}{8}$ per cent for 90s, 3 per cent for 120s, and 3 $\frac{1}{4}$ per cent for 180-day bills.

Reports
Week
Ending
Feb. 17

Boston reported that there was very little activity in the bill market in its district during the past period. The supply of bills continued small, with the demand negligible. In New York dealers' purchases were lighter than they have been for the past three weeks. Their sales were about the same as last week with local banks being the principal buyers. With one dealer offering 90s at 2 $\frac{7}{8}$ per cent, the demand was principally for maturities under 60 days, but the other dealers did not feel that money conditions warranted a change as they were carrying their portfolios at 2 $\frac{1}{4}$ to 2 $\frac{1}{2}$ per cent and continued to offer 90s at 2 $\frac{3}{4}$ per cent. Philadelphia reported that the bill market in its district continued quiet and very few new bills came into the market. The demand, however, was fair for all maturities and portfolios were lower. Chicago reports that the bill market continued very quiet during the past week. Dallas reported that there was a good demand for bills in its district. Offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated during the current statement week, under Treasury authorization, were as follows:

Sale of \$100,000 U. S. 2 % certificates of indebtedness due March 15, 1932
 account Alien Property Custodian No. 8
 and
 purchase of 106,000 U. S. 3 5/4% Treasury Bonds of 1946-56
 account Administrator of Veteran Affairs

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The following transactions were effected in the holdings in the System Account during the current statement week:

Redemption on February 15 of \$ 7,111,000 maturing Treasury Bills

which were replaced by
 purchase in the market of 7,111,000 Treasury Bills maturing May 18, 1932

Exchanges in the market,
 at advantageous rates, of

1,000,000	Treasury Bills maturing	February 24,	1932
4,000,000	" " "	March 2,	1932
1,000,000	U. S. 2 % C/I	" "	15, 1932
<u>4,000,000</u>	" " 2 3/4%	June 15,	1932

a total of \$10,000,000 exchanged for

\$ 1,000,000	U. S. Treasury Bills maturing	April 27,	1932
2,000,000	" " "	May 11,	1932
1,000,000	" " "	" "	18, 1932
<u>6,000,000</u>	" " 3 1/4% T/N	Dec. 15,	1932

\$10,000,000

These transactions did not affect the amount of total holdings in the Account, which remained at \$566,816,000. The participations by the Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, February 18, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,216,000	Feb. 24, 1932	Treas. Bills \$ 6,907,000
New York	145,279,500	Mar. 2, 1932	" " 17,925,000
Philadelphia	51,857,000	" 30, 1932	" " 4,050,000
Cleveland	68,571,500	Apr. 13, 1932	" " 3,000,000
Richmond	14,080,500	" 27, 1932	" " 2,800,000
Atlanta	12,478,000	May 11, 1932	" " 10,725,000
Chicago	85,716,500	" 18, 1932	" " 8,111,000
St. Louis	27,386,000	Mar. 15, 1932	- 2 % C/I 57,731,500
Minneapolis	20,003,000	June 15, 1932	- 2 3/4% " " 40,400,000
Kansas City	18,623,500	Aug. 1, 1932	- 3 1/8% " " 24,800,000
Dallas	19,863,500	Sept. 15, 1932	- 1 1/8% " " 54,500,000
San Francisco	47,741,000	" 15, 1932	- 3 % " " 62,051,500
		Dec. 15, 1932	- 3 1/4% T/N 61,000,000
		Feb. 1, 1933	- 3 3/4% C/I 1,000,000
		June 15, 1947	- 3 1/2% 1st L/L 80,025,000
		" 15, 1947	- 4 1/4% " " 16,750,000
		Oct. 15, 1938	- 4 1/4% 4th " <u>115,040,000</u>
Totals	<u>\$566,816,000</u>		<u>\$566,816,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM FEBRUARY 11 TO FEBRUARY 17, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 1,667,500	\$ 1,667,500
New York	4,386,000	4,386,000
Philadelphia	1,565,500	1,565,500
Cleveland	2,070,000	2,070,000
Richmond	425,500	425,500
Atlanta	376,500	376,500
Chicago	2,586,500	2,586,500
St. Louis	827,000	827,000
Minneapolis	603,000	603,000
Kansas City	563,000	563,000
Dallas	599,000	599,000
San Francisco	1,441,500	1,441,500
Totals	\$17,111,000	\$17,111,000

HOLDINGS GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City	\$1,250,000	Net Change From Previous Week \$100,000-
-------------	-------------	--

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$10,000,000	Misc. Gov't Sec.	\$10,000,000	Feb. 15/32 Tr. Bills
Atlanta	89,300	" " "	115,550	Misc. Gov't Sec.
Minneapolis	877,350	" " "	842,350	" " "
Totals	\$10,966,650		\$10,957,900	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Feb. 10	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Feb. 17	Other Holdings Close Feb.17/32	
				Held in N.Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 5,950	0	0	0	\$1,127	\$ 4,823	\$1,875	\$ 2,549
New York	32,271	3,156* R. 5,817 A.	0	9,039	0	26,388	4,899	11,016
Phila.	3,013	0	0	0	2	3,011	0	3,455
Cleve.	4,159	0	0	0	22	4,137	0	3,376
Richmond	6,579	0	755	913	270	6,151	0	1,337
Atlanta	7,748	253 R.	473	1,480	420	6,574	0	1,237
Chicago	16,196	296 "	1,558	0	2,325**	15,725	0	4,495
St. Louis	5,279	0	465	921	0	4,823	0	1,100
Minn.	3,951	300 "	431	522	525	3,635	0	691
Kan. City	6,584	0	775	921	0	6,438	0	969
Dallas	4,518	3 "	522	1,355	18	3,670	0	936
San Fran.	16,732	632 "	838	1,259	991	15,952	829	2,307
Totals	\$112,980	\$10,457	\$5,817	\$16,410	\$5,700	\$101,327	\$7,603	\$33,468
Bills held over night by New York for distribution to other Fed. res. bks. -								955
" " " " " " " in Foreign Suspense Account - - - - -								3,029
Total - - - - -								\$37,452

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

*Includes \$1,956 bought from foreign correspondent. **Includes \$160 sold.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED FEBRUARY 17, 1932
(000 Omitted)

	1-30 days <u>2 3/4%</u>	31-60 days <u>2 3/4%-3%</u>	61-90 days <u>3%</u>	Over 90 days <u>3%</u>	<u>Total</u>
New York	\$7,738	\$1,126	\$103	\$6	\$ 8,973
Atlanta	45	83	125	0	253
Chicago	4	4	288	0	296
Minneapolis	100	200	0	0	300
Dallas	3	0	0	0	3
San Francisco	<u>632</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>632</u>
Totals	<u>\$8,522</u>	<u>\$1,413</u>	<u>\$516</u>	<u>\$6</u>	<u>\$10,457</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED FEBRUARY 17, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$28,077	\$10,457	\$38,534
Sold	10,958	160	11,118
Matured	17,111	<u>21,950</u>	<u>39,061</u>
		\$11,653-	\$11,645-
		1,610-(Net Change 1-day holdover & other bills)	1,610-(Net Change 1-day holdover & other bills)
Totals	<u>\$ 8+</u>	<u>\$13,263-</u>	<u>\$13,255-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED FEBRUARY 17, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$43,068	\$61,294	\$ 7,050	\$20,025	\$83,421	\$526,484	\$741,342
Bills Purchased	<u>56,296</u>	<u>22,255</u>	<u>32,782</u>	<u>34,992</u>	<u>57</u>	<u>0</u>	<u>146,382</u>
Totals	<u>\$99,364</u>	<u>\$83,549</u>	<u>\$39,832</u>	<u>\$55,017</u>	<u>\$83,478</u>	<u>\$526,484</u>	<u>\$887,724</u>

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*Mr. Thompson
Kieffer
Leland
Thompson*

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FEDERAL RESERVE BANK
OF NEW YORK

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February 13, 1932

Dr. E. A. Goldenweiser,
Director, Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from February 4 to February 10, 1932
inclusive, together with data received from Federal re-
serve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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For CIRCULATION

- Gov. Meyer -----
- Mr. Hamlin ✓ -----
- Mr. James ✓ -----
- Mr. Megee ✓ -----
- Mr. Miller ✓ -----
- Mr. Fole *Absent* ✓ -----
- Mr. *Dr. Goldenweiser* ✓ -----
- Mr. *Nadussin* ✓ -----

Please note - initial and
Return to Secretary's Office

Fales

FEDERAL RESERVE BANK
OF NEW YORK

Mr. Megee

CONFIDENTIAL

February 13, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from February 4 to February 10, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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CONFIDENTIAL
REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED FEBRUARY 10, 1932

Holdings of Earning Assets of Federal Reserve Banks from February 11, 1932 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Feb. 11	\$ 919,548	\$609,620	\$ 0	\$ 86,245	\$ 1,494	\$ 222,189
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 3	1,796,215	747,495	1,500	141,639	14,461	855,168
Feb. 10	1,763,711	740,084	1,350	152,042	17,349	819,435

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 10, 1932

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 10	Net Change	Balance Feb. 10	Net Change	Balance Feb. 10	Net Change
Boston	\$ 55,968	\$ 230-	\$ 5,950	\$ 1,261-	\$ 39,275	\$ 2,038-
New York	271,118	10,783-	32,271	2,787+	170,550	19,865-
Philadelphia	58,463	417-	3,013	97-	115,657	2,268-
Cleveland	68,572	527-	4,159	3-	118,780	1,989+
Richmond	14,081	5,000+	6,579	302+	35,201	2,529-
Atlanta	12,621	14+	7,748	358-	48,899	23+
Chicago	107,315	274-	16,196	2,170+	78,535	8,957-
St. Louis	27,886	0	5,279	868-	21,424	2,330-
Minneapolis	27,746	75+	3,951	15-	14,089	482-
Kansas City	18,708	0	6,584	711+	36,904	746-
Dallas	29,865	0	4,518	1,566+	14,399	217-
San Francisco	47,741	269-	16,732	65+	125,722	1,687+
N. Y. holdovers and other bills			39,062	5,404+		
Totals	\$740,084	\$7,411-	\$152,042	\$10,403+	\$819,435	\$35,733-

COMMENT ON CHANGES WEEK ENDED FEBRUARY 10, 1932

Total earning assets of the System showed a decrease of \$32,504,000 for the current statement week. The changes, by classification, consisted of decreases of \$7,411,000 in outright purchases of Government securities, \$150,000 in Government securities held under sales contracts, and \$35,733,000 in bills discounted, and increases of \$10,403,000 in outright purchases of bankers acceptances and \$2,888,000 in bankers acceptances held under sales contracts. The decrease of \$7,411,000 in outright holdings of Government securities was due principally to the redemption of \$7,500,000 Treasury Bills due February 8, 1932, which the Federal Reserve Bank of New York had been holding temporarily for the Federal Reserve Bank of San Francisco since December 24, 1931.

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Money
Market

The New York money market was the net gainer on balance of inter-district transfers and check settlements for the past week as a whole. Currency receipts and payments at the same time virtually balanced, but there were several losses of funds which considerably offset the transfer movement. The first was a substantial withdrawal of funds from this market by the Treasury in excess of the Treasury's disbursements here; part of this was reflected in a \$17,000,000 increase in the Treasury balances held at all Reserve Banks and part in a net payment of Treasury funds in other districts. The calls that the Treasury made on depositary institutions during the period represented funds to be used by the Reconstruction Finance Corporation, as well as requirements of the Treasury for its ordinary expenditures. The second loss of funds was the result of gold movements in New York. Gold exports included somewhat more than the amount released from earmark; new earmarkings during the week, however, were paid for with funds already on deposit with the Reserve Banks and consequently did not result in any loss of funds to the New York market.

In addition to the small net gain to the market arising from commercial and agency transactions, there was a further drop of \$9,000,000 in the required reserves of the New York City banks, and the purchased bill holdings of the Reserve Banks showed an increase of \$13,000,000 during the past week. This increase, which was the first in bill holdings since the final week of December, reflected sales of bills to the New York Bank for System account on February 8 to correct a shortage in average reserves of the New York banks which had been carried over the previous week-end. Member bank borrowings also rose temporarily on that day, but subsequently were reduced and showed a net decrease of \$20,000,000 for the week to \$21,000,000 on February 10. Member bank reserve balances at the close of the period were slightly above requirements, or about the same position as on the preceding Wednesday.

The call loan rate held at 2 1/2 per cent during the week with offerings tending to be somewhat larger toward the end of the period. Federal funds eased somewhat after the passage of the first of the month period, being quoted at 2 1/4 - 2 1/2 per cent on February 11, as against 2 1/2 - 3 per cent on the 4th. Time money was dull and featureless; all maturities continued to be quoted at 3 1/2 per cent bid, 3 3/4 per cent asked. Commercial paper was unchanged in the open market at 3 3/4 - 4 per cent, and bill rates were also generally steady, except in the case of one dealer who advanced the bid and offered quotations for 90 day bills by 1/8 per cent. Yields on short-term United States Government securities again moved slightly lower.

Government
Security
Market

The market for United States Government securities was quiet during the current statement week, with no definite trend, but at the end of the statement week prices of almost all issues showed small fractional gains for the week. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.60% as compared with 2.65% at the close of the previous period, and the average selling price for the Liberty Loan and Treasury Bonds was 93.40 as compared with the previous week's average closing price of 93.22.

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Dealers' Offering Prices at the Close of the Current Statement Week and
Net Changes from the Close of the Previous Statement Week

		<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>	<u>Approx.</u> <u>Yield</u>
2	% Cert. of Ind.	due March 15, 1932	100	-	1.99%
2	3/4%	" " " " June 15, 1932	100 2/32	+ 1/32	2.54%
3	1/8%	" " " " Aug. 1, 1932	100 2/32	-	2.98%
1	1/8%	" " " " Sept. 15, 1932	98 27/32	+ 1/32	3.14%
3	%	" " " " Sept. 15, 1932	99 31/32	+ 1/32	3.05%
3	1/4%	Treas. Notes " Dec. 15, 1932	99 31/32	+ 1/32	3.28%
3	3/4%	Cert. of Ind. " Feb. 1, 1933	100 4/32	+ 1/32	3.61%
Treasury Bills maturing Feb. 24 & Mar. 2 - 2 1/2% disc't bid, 1 3/4% asked, nominal					
"	"	" Mar. 30	2 1/2% disc't bid, 2 % asked, nominal		
"	"	" Apr. 13	2 1/2% " " 2 1/8% " "		
"	"	" Apr. 27	2 5/8% " " 2 1/4% " "		
"	"	" May 11	2.70% " " 2 1/2% " "		

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>
1st 3 1/2	94 8/32	- 2/32	Treasury 4 1/4s 1947-52	100 3/32	+ 1/32
1st 4 1/4s	98 7/32	+13/32	" 4 s 1944-54	96 10/32	- 2/32
4th 4 1/4s	99 2/32	+ 1/32	" 3 3/4s 1946-56	92 12/32	+13/32
			" 3 3/8s 1943-47	90 28/32	+12/32
			" 3 3/8s 1940-43	92	+ 7/32
			" 3 3/8s 1941-43	92	+10/32
			" 3 1/8s 1946-49	86 20/32	+ 6/32
			" 3 s 1951-55	85 18/32	+ 3/32

Bankers Acceptances Dealers' offerings of bankers acceptances were at the following rates during the current statement week: 2 3/4 per cent for 30's and 60's, 2 3/4 to 2 7/8 per cent for 90's, 3 per cent for 120's, and 3 1/4 per cent for 180-day bills.

Reports week ending Feb. 10 Boston reported that there was practically no market for bankers acceptances in its district during the past period. The supply although small, was more than ample to take care of the demand which was negligible, resulting in dealers' shipping their excess bills to their offices in other cities. In New York the volume of bills handled by dealers during the week was about the same as last week. Dealers' purchases increased slightly. Their sales to the outside market increased slightly due to larger purchases by savings banks and non-banking corporations, but their sales to commercial banks and to the reserve bank for foreign correspondents were light and aggregate portfolios increased by about 15 millions to 66 millions. On Tuesday one dealer, feeling that his portfolio was getting too high, increased rates on the 90-day maturity by 1/8 per cent but the other dealers did not follow. Philadelphia reported that its acceptance market was a little more active during the past week. The improvement in the supply of bills was limited to a few names. The demand increased moderately with little change in portfolios. Chicago reported that the bill market in its district continued very quiet. Dallas reported that there was a good demand for bills in its district. There were no offerings to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of Government securities, under Treasury authorization, during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The following transactions were consummated in the System Account during the current statement week:

Redemption on February 8 of \$21,725,000 maturing Treasury Bills

which were replaced by				
purchase in the market of	8,000,000	Treasury Bills maturing	March 2, 1932	
	8,725,000	" " "	May 11, 1932	
	1,000,000	U. S. 3 1/8% C/I	" Aug. 1, 1932	
	3,000,000	" " 3 1/4% T/N	" Dec. 15, 1932	
	1,000,000	" " 3 3/4% C/I	" Feb. 1, 1933	
	<u>\$21,725,000</u>			

<u>Exchanges in the market,</u>				
at advantageous rates, of	\$ 3,300,000	U. S. 2 3/4% C/I maturing	June 15, 1932	
	<u>2,000,000</u>	" " 3 % " "	" Sept. 15, 1932	
a total of	<u>\$ 5,300,000</u>			
exchanged for	\$ 1,300,000	Treasury Bills maturing	April 13, 1932	
	2,000,000	U. S. 3 1/8% C/I	" Aug. 1, 1932	
	<u>2,000,000</u>	" " 3 1/4% T/N	" Dec. 15, 1932	
	<u>\$ 5,300,000</u>			

On February 9 the Federal Reserve Bank of Richmond repurchased \$5,000,000 of its participation of Government securities in the System Account, \$3,000,000 of which it had been temporarily relieved of on October 15 and \$2,000,000 on December 23, 1931. The Federal Reserve Banks which carried this participation temporarily, and the amount that each bank carried, were:

Boston	\$ 229,500	Philadelphia	\$417,000	Chicago	\$274,500
New York	3,282,500	Cleveland	527,500	San Francisco	269,000

These transactions did not affect the amount of total holdings in the Account, which remained at \$566,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, February 10, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 55,216,000	Feb. 15, 1932	Treas. Bills	\$ 7,111,000
New York	145,279,500	Feb. 24, 1932	" "	7,907,000
Philadelphia	51,857,000	Mar. 2, 1932	" "	21,925,000
Cleveland	68,571,500	Mar. 30, 1932	" "	4,050,000
Richmond	14,080,500	Apr. 13, 1932	" "	3,000,000
Atlanta	12,478,000	Apr. 27, 1932	" "	1,800,000
Chicago	85,716,500	May 11, 1932	" "	8,725,000
St. Louis	27,386,000	Mar. 15, 1932	- 2 % C/I	58,731,500
Minneapolis	20,003,000	June 15, 1932	- 2 3/4% "	44,400,000
Kansas City	18,623,500	Aug. 1, 1932	- 3 1/8% "	24,800,000
Dallas	19,863,500	Sept. 15, 1932	- 1 1/8% "	54,500,000
San Francisco	47,741,000	Sept. 15, 1932	- 3 % "	62,051,500
		Dec. 15, 1932	- 3 1/4% T/N	55,000,000
		Feb. 1, 1933	- 3 3/4% C/I	1,000,000
		June 15, 1947	- 3 1/2% 1st L/L	80,025,000
		June 15, 1947	- 4 1/4% "	16,750,000
		Oct. 15, 1938	- 4 1/4% 4th "	115,040,000
Totals	<u><u>\$566,816,000</u></u>			<u><u>\$566,816,000</u></u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM FEBRUARY 4 TO FEBRUARY 10, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>	<u>Net Increase</u>
Boston	\$ 2,790,500	\$ 3,020,000	\$ 229,500	\$ 0
New York	7,477,000	10,759,500	3,282,500	0
Philadelphia	2,630,500	3,047,500	417,000	0
Cleveland	3,478,000	4,005,500	527,500	0
Richmond	5,457,000	457,000	0	5,000,000
Atlanta	627,500	627,500	0	0
Chicago	4,327,000	4,601,500	274,500	0
St. Louis	1,378,500	1,378,500	0	0
Minneapolis	1,007,500	1,007,500	0	0
Kansas City	937,000	937,000	0	0
Dallas	999,000	999,000	0	0
San Francisco	2,415,500	2,684,500	269,000	0
Totals	<u>\$35,525,000</u>	<u>\$33,525,000</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>

GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City \$1,350,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$6,500,000	Misc. Gov't Sec.	\$14,000,000*	Feb. 8/32 Tr. Bills
Atlanta	190,600	" " "	176,700	Misc. Gov't Sec.
Minneapolis	947,600	" " "	872,600	" " "
Totals	<u>\$7,638,200</u>		<u>\$15,049,300</u>	

*\$7,500,000 temporarily purchased from San Francisco on December 24, 1931.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Feb. 3	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Feb. 10	Other Holdings Close Feb. 10/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 7,211	\$ 0	\$ 0	\$ 0	\$1,261	\$ 5,950	\$ 2,114	\$ 2,549
New York	29,484	12,796 R. 14,459 A.	0	10,009	0	32,271	15,235	11,017
Phila.	3,110	2 R.	0	0	99	3,013	0	3,455
Cleve.	4,162	0	0	0	3	4,159	0	3,376
Rich.	6,277	0	1,735	1,433	0	6,579	0	1,337
Atlanta	6,106	299 "	961	1,126	492	7,748	0	1,237
Chicago	14,026	296 "	4,154	0	2,280	16,196	0	4,495
St. Louis	6,147	0	1,409	2,277	0	5,279	0	1,100
Minn.	3,966	0	1,133	1,148	0	3,951	0	691
Kan. City	5,873	0	2,053	1,342	0	6,584	0	969
Dallas	2,952	0	1,665	73	26	4,518	0	936
San Fran.	16,667	665 "	1,349	1,470	479	16,732	0	2,307
Totals	\$107,981	\$28,517	\$14,459	\$18,878	\$4,640	\$112,980	\$17,349	\$33,469
Bills held over night by New York for distribution to other Fed. Res. Bks. - 3,639								
" " " " " " " in Foreign Suspense Account - - - - - 1,954								
Total - - - - -							<u>\$39,062</u>	

NOTE: R. indicates Retained and A. indicates Allotted in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED FEBRUARY 10, 1932
(000 Omitted)

	1-30 days <u>2 3/4%</u>	31-60 days <u>2 3/4-3 1/8%</u>	61-90 days <u>3 - 3 1/4%</u>	Over 90-days <u>3%</u>	<u>Total</u>
New York	\$24,007	\$3,048	\$200	0	\$27,255
Philadelphia	0	0	2	0	2
Atlanta	21	57	221	0	299
Chicago	296	0	0	0	296
San Francisco	<u>51*</u>	<u>95</u>	<u>518</u>	<u>1</u>	<u>665</u>
Totals	<u>\$24,375</u>	<u>\$3,200</u>	<u>\$941</u>	<u>\$1</u>	<u>\$28,517</u>

*Purchased at 3%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED FEBRUARY 10, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$41,163	\$28,517	\$69,680
Sold	12,849	0	12,849
Matured	35,725	23,518	59,243
		<u>\$ 4,999+</u>	<u>\$ 2,412-</u>
		5,404+(Net Change 1-day holdover & other bills)	5,404+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 7,411-</u>	<u>\$10,403+</u>	<u>\$ 2,992+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED FEBRUARY 10, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$38,941	\$26,338	\$ 66,344	\$ 4,800	\$84,465	\$520,546	\$741,434
Bills Purchased	<u>60,296</u>	<u>34,527</u>	<u>39,416</u>	<u>34,717</u>	<u>435</u>	<u>0</u>	<u>169,391</u>
Totals	<u>\$99,237</u>	<u>\$60,865</u>	<u>\$105,760</u>	<u>\$39,517</u>	<u>\$84,900</u>	<u>\$520,546</u>	<u>\$910,825</u>

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Mr. Thompson
Riefler
Spencer
Thompson

FEDERAL RESERVE BANK
OF NEW YORK

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FEB -10 1932
DIVISION OF RESEARCH
AND STATISTICS

February 5, 1932

Dr. E. A. Goldenweiser,
Director, Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from January 28, 1932 to February 3, 1932
inclusive, together with data received from Federal re-
serve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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Authority E.O. 10501

For CIRCULATION

- Gov. Meyer
- Mr. Hamlin
- Mr. James
- Mr. Magee
- Mr. Miller
- Mr. Pole
- Mr. *Monell*
- Mr. *Harrison*

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
Return to Secretary's Office

CONFIDENTIAL

February 5, 1932

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Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

DECLASSIFIED
Authority E.O. 10501

CONFIDENTIAL
REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED FEBRUARY 3, 1932

Holdings of Earning Assets of Federal Reserve Banks from February 4, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Feb. 4	\$ 936,703	\$609,511	\$ 0	\$102,334	\$ 1,941	\$ 222,917
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
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Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 3	1,796,215	747,495	1,500	141,639	14,461	855,168

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 3, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 3	Net Change	Balance Feb. 3	Net Change	Balance Feb. 3	Net Change
Boston	\$ 56,198	\$ 0	\$ 7,211	\$ 3,468-	\$ 41,313	\$ 2,585-
New York	281,901	2,500-	29,484	5,252-	190,415	15,212+
Philadelphia	58,880	0	3,110	2+	117,925	9,339-
Cleveland	69,099	0	4,162	267-	116,791	6,265-
Richmond	9,081	0	6,277	355+	37,730	1,864-
Atlanta	12,607	48-	8,106	142+	48,876	2,465-
Chicago	107,589	0	14,026	2,120-	87,492	3,788+
St. Louis	27,886	0	6,147	1,756-	23,754	729-
Minneapolis	27,671	174-	3,966	227-	14,571	2,896+
Kansas City	18,708	0	5,873	407+	37,650	4,146+
Dallas	29,865	1+	2,952	892+	14,616	651-
San Francisco	48,010	0	16,667	943-	124,035	15,385+
N.Y. holdovers and other bills			33,658	203+		
Totals	\$747,495	\$2,721-	\$141,639	\$12,032-	\$855,168	\$17,529+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 3, 1932

Total earning assets of the System showed an increase of \$8,303,000 for the current statement week. The changes, by classification, consisted of decreases of \$2,721,000 in outright purchases of Government securities and \$12,032,000 in outright purchases of bankers acceptances, and increases of \$5,871,000 in bankers acceptances held under sales contracts and \$17,529,000 in bills discounted. The decrease of \$2,500,000 in Government security holdings of the Federal Reserve Bank of New York was due to the redemption on February 1, 1932, of \$2,500,000 maturing Treasury Bills which the New York bank had been holding temporarily for the Federal Reserve Bank of San Francisco since December 24, 1931.

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Money
Market

The inter-district flow of funds turned against New York during the past week, which included the first of the month period. In addition to a moderately large loss of funds to this market from this cause, currency withdrawals here also reduced reserve balances at the Federal Reserve, and there was a net loss through gold operations. Part of the gold exported was from amounts which had previously been earmarked, but there were also shipments of gold which was withdrawn from this bank. Also, there was an additional amount of gold set aside for foreign account, but without effect on the money market since it was largely paid for with funds already held in foreign bank deposits at the Reserve Banks.

In view of the moderately large aggregate loss of funds to the market during the past week in commercial and agency transactions, an increased amount of Federal Reserve credit was required to balance the reserve position of the New York City banks, despite a renewed decline of \$23,000,000 in the reserve requirements of these banks during the period. Moderate amounts of bills were sold to the New York Reserve Bank for System account, and their repurchase agreement holdings of bills increased somewhat, but these transactions barely balanced maturities in this market from the System's holdings during the week, and as a consequence the New York banks also found it necessary to increase their indebtedness by a net amount of \$19,000,000, and on February 3 were borrowing \$44,000,000, a total that was reduced somewhat on the following day.

Offerings of call funds on the New York Stock Exchange were somewhat lighter during the past week, but the supply remained ample relative to the very limited demand for new accommodation on call loans. The market for Federal funds was firmer with the quotation as high as $2 \frac{3}{4}$ - 3 per cent during the closing days of the period, as compared with 2 - $2 \frac{1}{2}$ per cent on January 28. Rates for time money, commercial paper, and bills were unchanged, while yields on short-term United States Government securities were slightly lower at the end of the week than at the beginning.

Government
Security
Market

The market for United States Government securities had a good undertone until Wednesday, February 3, on which day prices eased slightly. During the greater part of the week, however, the demand was good, especially for the short-term issues and the long-term bonds bearing the lower coupon rates and most depreciated from parity. The two new issues of short-term certificates of indebtedness, one carrying interest at $3 \frac{1}{8}$ per cent for six months, and the other $3 \frac{3}{4}$ per cent for one year, have held firm and are now both selling at a premium. Both of these issues were well received and there has been a fair demand for them. The attitude taken by the larger institutions in holding in their own portfolios the greater part of the certificates bought for their own account has been helpful. The latest member bank statement shows that a considerable proportion of their purchases were for account of customers. At the close of the statement week the average yield on the short-term issues, at dealers' offering prices, was about 2.65%, as compared with 2.40% (exclusive of the new $3 \frac{1}{8}$ per cent and $3 \frac{3}{4}$ per cent certificates) at the close of the previous week, and the average selling price for the Liberty Loan and Treasury Bonds was 93.22, as compared with the previous week's average closing price of 92.71.

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Dealers' Offering Prices at the Close of the Current Statement Week
and Net Changes from the Close of the Previous Statement Week

Issue				Price	Net Change	Approx. Yield
2	%	Cert. of Ind. due	March 15, 1932	100	-	1.99%
2	3/4%	" " " "	June 15, 1932	100 1/32	+1/32	2.65%
3	1/8%	" " " "	Aug. 1, 1932	100 2/32	+2/32	2.99%
1	1/8%	" " " "	Sept. 15, 1932	98 26/32	-	3.11%
3	%	" " " "	" 15, 1932	99 30/32	+2/32	3.10%
3	1/4%	Treasury Notes	Dec. 15, 1932	99 30/32	+3/32	3.51%
3	3/4%	Cert. of Ind.	Feb. 1, 1933	100 3/32	+3/32	3.65%
Treasury Bills - Feb. maturities -				2 5/8% discount bid,	1 3/4% asked,	nominal
" " Mar. 2 maturity -				2 5/8% " " 2 %	" "	" "
" " Mar. 30 & April 13 maturity -				2 5/8% " " 2 1/4%	" "	" "
" " Apr. 27 " -				2 5/8% " " 2.30%	" "	" "

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	94 10/32	+1/32	Treasury 4 1/4s 1947-52	100 2/32	- 5/32
1st 4 1/4s	97 26/32	-4/32	" 4s 1944-54	96 12/32	+ 2/32
4th 4 1/4s	99 1/32	-2/32	" 3 3/4s 1946-56	91 31/32	+11/32
			" 3 3/8s 1943-47	90 16/32	+1.8/32
			" 3 3/8s 1940-43	91 25/32	+1.5/32
			" 3 3/8s 1941-43	91 22/32	+1.2/32
			" 3 1/8s 1946-49	86 14/32	+30/32
			" 3s 1951-55	85 15/32	+1.3/32

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week: 2 3/4 per cent for 30s, 60s and 90s; 3 per cent for 120s and 3 1/4 per cent for 180-day bills.

Reports Week Ending Feb. 3

Boston reported that the supply of bills in its district continued small. Sales aggregating nearly \$5,000,000 made it necessary for dealers to obtain bills from their offices in other cities. However, as these sales were restricted to one or two large buyers the local market was dull and extremely narrow. No offerings were made to the reserve bank, except on sales contract. In New York the volume of bills handled by dealers during the week was about the same as last week. Dealers' sales to the outside market increased moderately while their sales to the reserve bank for the account of foreign correspondents decreased. Their purchases, however, exceeded their sales and aggregate portfolios increased by about \$9,000,000 to \$51,000,000. Rates unchanged. Philadelphia reported that its acceptance market was less active than the previous week, the turnover being smaller, with few new bills coming into the market. Portfolios were practically unchanged. Chicago reported that the bill market in its district continued very dull. Dallas reported that the demand for bills was small during the past week, and no offerings were made to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of Government securities under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week were as follows:

Redemption on February 1 of \$5,000,000 maturing Treasury Bills

which were replaced by purchase in the market of 5,000,000 U. S. 3 1/8% certificates due Aug. 1, 1932

Exchanges in the market at advantageous rates of

\$1,000,000	U. S. Treasury Bills due Feb. 8, 1932	
2,000,000	" " " " " Mar. 2, 1932	
2,000,000	" " " " " 30, 1932	
25,000,000	" " 2 3/4% certificates due June 15, 1932	
<u>1,200,000</u>	" " 3 1/8% " " Aug. 1, 1932	

a total of \$31,200,000 exchanged for

\$ 1,200,000	U. S. 2 3/4% certificates due June 15, 1932	
18,000,000	" " 3 1/8% " " Aug. 1, 1932	
<u>12,000,000</u>	" " 3 1/4% Treas. Notes " Dec. 15, 1932	
<u>\$31,200,000</u>		

These transactions did not affect the amount of total holdings in the Account at the close of the statement week, which remained at \$566,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, February 3, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,445,500	Feb. 8, 1932	Treas. Bills \$ 21,725,000
New York	148,562,000	" 15, 1932	" " 7,111,000
Philadelphia	52,274,000	" 24, 1932	" " 7,907,000
Cleveland	69,099,000	Mar. 2, 1932	" " 13,925,000
Richmond	9,080,500	" 30, 1932	" " 4,050,000
Atlanta	12,478,000	Apr. 13, 1932	" " 2,000,000
Chicago	85,991,000	" 27, 1932	" " 1,500,000
St. Louis	27,386,000	Mar. 15, 1932	- 2 % C/I 58,731,500
Minneapolis	20,003,000	June 15, 1932	- 2 3/4% " 47,700,000
Kansas City	18,623,500	Sept. 15, 1932	- 1 1/8% " 54,500,000
Dallas	19,863,500	" 15, 1932	- 3 % " 65,551,500
San Francisco	48,010,000	Aug. 1, 1932	- 3 1/8% " 21,800,000
		Dec. 15, 1932	- 3 1/4% T/N 48,500,000
		June 15, 1947	- 3 1/2% 1st L/L 80,025,000
		" 15, 1947	- 4 1/4% " " 16,750,000
		Oct. 15, 1938	- 4 1/4% 4th " 115,040,000
Totals	<u><u>\$566,816,000</u></u>		<u><u>\$566,816,000</u></u>

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JANUARY 28 TO FEBRUARY 3, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 3,541,000	\$ 3,541,000
New York	9,487,500	9,487,500
Philadelphia	3,338,500	3,338,500
Cleveland	4,413,000	4,413,000
Richmond	580,500	580,500
Atlanta	796,500	796,500
Chicago	5,491,500	5,491,500
St. Louis	1,749,000	1,749,000
Minneapolis	1,278,000	1,278,000
Kansas City	1,190,500	1,190,500
Dallas	1,268,500	1,268,500
San Francisco	3,065,500	3,065,500
Totals	\$36,200,000	\$36,200,000

GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City \$1,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	0	-	\$2,500,000*	Feb. 1, 1932 Tr. Bills
Atlanta	72,200	Misc. Gov't Sec.	120,950	Misc. Gov't Sec.
Minneapolis	770,950	" " "	944,100	" " "
Totals	\$843,150		\$3,565,050	

*Temporarily purchased from San Francisco on December 24, 1931.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>		<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Other Holdings</u>		
	<u>Jan. 27</u>	<u>Purchased Own Mkt.</u>		<u>Held in N.Y.</u>	<u>Held Else- where</u>	<u>Holdings Feb. 3</u>	<u>Sales Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 10,679	0	0	\$3,468	\$ 7,211	\$ 1,667	\$ 2,549	
New York	34,736	5,444 R. 8,142 A.	0	10,696	0	29,484	12,794 10,991	
Phila.	3,108	2 R.	0	0	0	3,110	0 3,456	
Cleve.	4,429	0	0	0	267	4,162	0 3,376	
Richmond	5,922	50 "	1,121	741	75	6,277	0 1,337	
Atlanta	7,964	516 "	536	665	245	8,106	0 1,237	
Chicago	16,146	0	1,914	0	4,034	14,026	0 4,495	
St. Louis	7,903	0	762	2,518	0	6,147	0 1,100	
Minn.	4,193	0	706	783	150	3,966	0 691	
Kan. City	5,466	0	1,315	908	0	5,873	0 969	
Dallas	2,060	0	1,056	147	17	2,952	0 936	
San Fran.	17,610	1,966 "	732	2,220	1,421	16,667	0 2,307	
Totals	\$120,216	\$16,120	\$8,142	\$18,678	\$9,677	\$107,981	\$14,461 33,444	
Bills held overnight by New York for distribution to other Federal Res. Bks. -								26
" " " " " " " in Foreign Suspense Account - - - - -								188
Total - - - - -								\$33,658

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED FEBRUARY 3, 1932
(000 Omitted)

	<u>1-30 days</u> <u>2 3/4%</u>	<u>31-60 days</u> <u>2 3/4 - 3%</u>	<u>61-90 days</u> <u>3 - 3 1/2%</u>	<u>Over 90-days</u> <u>3%</u>	<u>Total</u>
New York	\$12,328	\$1,258	\$ 0	\$ 0	\$13,586
Philadelphia	0	0	2	0	2
Richmond	0	0	50	0	50
Atlanta	4	432	80	0	516
San Francisco	<u>129</u>	<u>253</u>	<u>933</u>	<u>651</u>	<u>1,966</u>
Totals	<u>\$12,461</u>	<u>\$1,943</u>	<u>\$1,065</u>	<u>\$651</u>	<u>\$16,120</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED FEBRUARY 3, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$37,044	\$16,120	\$53,164
Sold	32,265	0	32,265
Matured	7,500	<u>28,355</u>	<u>35,855</u>
		<u>\$12,235-</u>	<u>\$14,956-</u>
		203+ (Net Change 1-day holdover and other bills)	203+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 2,721-</u>	<u>\$12,032-</u>	<u>\$14,753-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED FEBRUARY 3, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 54,336	\$38,818	\$ 66,344	\$ 3,500	\$69,515	\$516,482	\$748,995
Bills Purchased	<u>49,823</u>	<u>37,230</u>	<u>45,675</u>	<u>22,918</u>	<u>454</u>	<u>0</u>	<u>156,100</u>
Totals	<u>\$104,159</u>	<u>\$76,048</u>	<u>\$112,019</u>	<u>\$26,418</u>	<u>\$69,969</u>	<u>\$516,482</u>	<u>\$905,095</u>

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Mr. Thompson
Mr. Reifler
Mr. Smead
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 30 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

January 29, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from January 21, 1932 to January 27, 1932
inclusive, together with data received from Federal re-
serve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓
Mr. Pole *Robert*
Mr.
Mr.
Please note - initial and
Return to Secretary's Office

CONFIDENTIAL

January 29, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for
the period from January 21, 1932 to January 27, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

RECEIVED
JAN 30 1932
OFFICE OF
THE GOVERNOR

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JANUARY 27, 1932

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Jan. 28	\$ 945,405	\$609,877	\$ 0	\$118,453	\$ 1,788	\$ 215,137
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	58,295	248,708	78,267	1,024,133
-1932-						
Jan. 20	1,795,341	749,968	1,500	181,454	6,587	818,986
" 27	1,787,912	750,216	1,500	153,671	8,590	837,639

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 27, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 27	Net Change	Balance Jan. 27	Net Change	Balance Jan. 27	Net Change
Boston	\$ 56,198	\$ 18+	\$ 10,679	\$ 3,211-	\$ 43,898	\$ 829+
New York	284,401	0	34,736	6,546-	175,203	7,647+
Philadelphia	58,880	0	3,108	366-	127,264	12,979+
Cleveland	69,099	0	4,429	315-	123,056	2,967-
Richmond	9,081	0	5,922	707-	39,594	3,067-
Atlanta	12,655	58+	7,964	1,730-	51,341	962-
Chicago	107,589	0	16,146	4,745-	83,704	754+
St. Louis	27,886	0	7,903	3,083-	24,483	2,086-
Minneapolis	27,845	173+	4,193	404-	11,675	3-
Kansas City	18,708	0	5,466	2,415-	33,504	411-
Dallas	29,864	1-	2,060	92+	15,267	1,452-
San Francisco	48,010	0	17,610	3,952-	108,650	7,392+
N. Y. holdovers and other bills			33,455	401-		
Totals	\$750,216	\$248+	\$153,671	\$27,785-	\$837,639	\$18,653+

COMMENT ON CHANGES WEEK ENDED JANUARY 27, 1932

Total earning assets of the System showed a decrease of \$7,429,000 for the current statement week. The changes by classification consisted of increases of \$248,000 in outright purchases of government securities, \$2,003,000 in bankers acceptances held under sales contracts, and \$18,653,000 in bills discounted, and a decrease of \$27,783,000 in outright purchases of bankers acceptances.

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Money
Market

The balance of wire transfers and check settlements with other districts continued to be in favor of the New York market during the week ended January 28, and the gain of funds from this source was supplemented by a moderate return of currency to the Reserve Bank. However, a net loss of gold through exports and earmarking transactions, net Treasury withdrawals of funds from this market, and a further reduction in the Federal Reserve bill portfolio absorbed the gains through the transfer and currency movements, leaving the reserve balances of the New York City banks unchanged for the week, and their borrowings at \$25,000,000 as compared with \$22,000,000 on the preceding Wednesday. As the banks' reserve requirements also showed virtually no net change for the week, the New York banks continued in the possession of excess reserves amounting to \$6,000,000.

Offerings of call funds continued in moderately large volume, relative to the demand for new accommodation, and the rate held continuously at 2 1/2 per cent. During the period, the market for fixed date accommodation remained dormant, with nominal rates quoted at the levels previously current. The Federal funds quotation moved within a narrow range, with the rate on January 28 at 2 - 2 1/2 per cent little changed from a week earlier. Rates for bills and commercial paper likewise held steady. Yields on short-term United States Government securities have increased somewhat.

Government
Security
Market

The market for United States Government securities, during the week as a whole, was rather dull. Following the announcement on January 25 of the Treasury's financing February 1, prices declined fractionally. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 2.40 per cent, compared with 2 1/4 per cent at the close of the previous period and the average selling price of the Liberty Loan and Treasury bonds was 92.71 compared with the previous week's average closing price of 92.95.

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Dealers' Offering Prices at the Close of the Current Statement Week
and Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2	% Cert. of Ind. due March 15, 1932	100	-1/32	1.99%
2 3/4%	" " " June 15, 1932	100	-8/32	2.74%
1 1/8%	" " " Sept. 15, 1932	98 26/32	-4/32	3.04%
3	% " " " Sept. 15, 1932	99 28/32	-4/32	3.20%
3 1/4%	Treasury Notes " Dec. 15, 1932	99 27/32	-5/32	3.42%
	Treasury Bills - Feb. maturities - 2 1/2% discount bid, 1 1/2% asked, nominal			
	" " Mar. 2 maturity - 2 1/2% " " 1 3/4% " "			
	" " Mar. 30 " 2 5/8% " " 2 % " "			
	" " Apr. 13 " 2 5/8% " " 2 1/8% " "			
	" " Apr. 27 " 2 5/8% " " 2.30% " "			

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	94 9/32	-5/32	Treasury 4 1/4s 1947-52	100 7/32	-23/32
1st 4 1/4s	97 30/32	-4/32	" 4 s 1944-54	96 10/32	-22/32
4th 4 1/4s	99 3/32	+3/32	" 3 3/4s 1946-56	91 20/32	-11/32
			" 3 3/8s 1943-47	89 8/32	- 8/32
			" 3 3/8s 1940-43	90 20/32	+ 4/32
			" 3 3/8s 1941-43	90 20/32	- 2/32
			" 3 1/8s 1946-49	85 16/32	- - -
			" 3 s 1951-55	84 12/32	-14/32

Bankers Acceptances Dealers offerings of unendorsed bankers acceptances continued at the following rates during the current statement week; 2 3/4 per cent for 30s, 60s and 90s, 3 per cent for 120s and 3 1/4 per cent for 180-day bills.

Reports week ending Jan. 27 Boston reported that the supply of bills continued small, with the local demand in its district decreasing somewhat during the past week. There were no offerings to the reserve bank except on sales contract. In New York the bill market was more active. Dealers' purchases, while only moderate, were larger than they have been for the past few weeks. The outside demand was light, but as the reserve bank made fairly substantial purchases for the accounts of foreign correspondents, dealers' aggregate portfolios only increased by about \$9,000,000 to \$42,000,000. Rates held throughout the week. Philadelphia reported that the bill market was quiet. Few bills were offered and the demand continued selective but small. Portfolios increased slightly. Chicago reported that there was practically no activity in the local bill market. Dallas reported that the demand for bills was small and offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction during the current statement week under Treasury authorization was a purchase of \$916,000 - 4% Treasury bonds of 1944-54 for account of the Secretary of the Interior.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The following transactions were effected in the System Account during the current statement week:

Redemption on Jan. 25 of \$18,000,000 maturing Treasury bills

which were replaced
by purchase in the
market of

1,500,000	- Treasury bills due Apr. 27, 1932
5,000,000	- 3% certificates due Sept. 15, 1932
<u>11,500,000</u>	- 3 1/4% Treasury notes due Dec. 15, 1932
<u>\$18,000,000</u>	

Exchanges in the market
at advantageous rates of \$ 2,000,000 - 2 3/4% certificates due June 15, 1932

for 2,000,000 - 3 1/4% Treasury notes due Dec. 15, 1932

These transactions did not affect the amount of total holdings in the System Account which remained at \$566,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, January 27, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,445,500
New York	148,562,000
Philadelphia	52,274,000
Cleveland	69,099,000
Richmond	9,080,500
Atlanta	12,478,000
Chicago	85,991,000
St. Louis	27,386,000
Minneapolis	20,003,000
Kansas City	18,623,500
Dallas	19,863,500
San Francisco	48,010,000

Totals \$566,816,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Feb. 1, 1932	- Treas. Bills	\$ 5,000,000
" 8, 1932	- " "	22,725,000
" 15, 1932	- " "	7,111,000
" 24, 1932	- " "	7,907,000
Mar. 2, 1932	- " "	15,925,000
" 30, 1932	- " "	6,050,000
Apr. 13, 1932	- " "	2,000,000
" 27, 1932	- " "	1,500,000
Mar. 15, 1932	- 2 % C/I	58,731,500
June 15, 1932	- 2 3/4% "	71,500,000
Sept. 15, 1932	- 1 1/8% "	54,500,000
" 15, 1932	- 3 % "	65,551,500
Dec. 15, 1932	- 3 1/4% T/N	36,500,000
June 15, 1947	- 3 1/2% 1st L/L	80,025,000
" 15, 1947	- 4 1/4% 1st "	16,750,000
Oct. 15, 1938	- 4 1/4% 4th "	<u>115,040,000</u>

\$566,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JANUARY 21 TO JANUARY 27, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 1,956,000	\$ 1,956,000
New York	5,241,500	5,241,500
Philadelphia	1,844,500	1,844,500
Cleveland	2,438,500	2,438,500
Richmond	320,500	320,500
Atlanta	440,000	440,000
Chicago	3,034,000	3,034,000
St. Louis	966,000	966,000
Minneapolis	706,000	706,000
Kansas City	658,000	658,000
Dallas	701,000	701,000
San Francisco	1,694,000	1,694,000
Totals	<u>\$20,000,000</u>	<u>\$20,000,000</u>

GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City \$ 1,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
Boston	\$ 18,250	Fourth L/L Bds.	0	-
New York	4,450,000	Misc. Gov't Sec.	1,500,000	Misc. Gov't Sec.
			2,950,000	Jan. 25/32 Tr. Bills
Atlanta	166,100	" " "	107,850	Misc. Gov't Sec.
Minneapolis	991,450	" " "	818,450	" " "
Totals	<u>\$5,625,800</u>		<u>\$5,376,300</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Jan. 20	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Jan. 27	Other Holdings Close Jan. 27/32	
				Held in N. Y.	Held Else- where		Con- tracts	Other Bills
Boston	\$ 13,890	0	0	0	\$ 3,211	\$10,679	\$2,021	\$ 2,549
New York	41,282	1,264 R. 2,575 A.	0	7,810	0	34,736	6,569	10,991
Phila.	3,474	0	0	0	366	3,108	0	3,455
Cleve.	4,744	0	0	0	315	4,429	0	3,376
Richmond	6,629	62 R.	362	1,106	25	5,922	0	1,337
Atlanta	9,694	212 "	145	1,775	312	7,964	0	1,237
Chicago	20,891	290 "	572	0	5,607*	16,146	0	4,495
St. Louis	10,986	0	246	3,229	100	7,903	0	1,100
Minn.	4,597	0	220	549	75	4,193	0	691
Kan. City	7,881	0	467	2,882	0	5,466	0	969
Dallas	1,968	11 "	314	167	66**	2,060	0	936
San Fran.	21,562	845 "	249	3,639	1,407	17,610	0	2,307
Totals	<u>\$147,598</u>	<u>\$5,259</u>	<u>\$2,575</u>	<u>\$21,157</u>	<u>\$11,484</u>	<u>\$120,216</u>	<u>\$8,590</u>	<u>\$33,443</u>
Bills held over night by New York for distribution to other F.R. Banks - -								12
Total - - -								<u>\$33,455</u>

*Includes \$100 sold. **Includes 17 sold.

NOTE: R. indicates Retained and A. indicates Allotted in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JANUARY 27, 1932
(000 Omitted)

	1-30 days <u>2 3/4%</u>	31-60 days <u>2 3/4 - 3%</u>	61-90 days <u>3%</u>	Over 90-days <u>-</u>	<u>Total</u>
New York	\$2,310	\$1,529	0	0	\$3,839
Richmond	0	35*	27*	0	62
Atlanta	31**	131	50	0	212
Chicago	0	0	290	0	290
Dallas	0	7	4	0	11
San Francisco	346	497	2	0	845
Totals	<u>\$2,687</u>	<u>\$2,199</u>	<u>\$573</u>	<u>0</u>	<u>\$5,259</u>

*Purchased at 3 1/8%, **Purchased at 2 3/4 to 3%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JANUARY 27, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$25,625	\$ 5,259	\$30,884
Sold	4,427	117	4,544
Matured	20,950	32,524	53,474
		<u>\$27,382-</u>	<u>\$27,134-</u>
		401- (Net Change 1-day holdover and other bills)	401- (Net Change 1-day holdover and other bills)
Totals	<u>\$ 248+</u>	<u>\$27,783-</u>	<u>\$27,535-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JANUARY 27, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days - 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$45,725	\$37,591	\$ 82,633	\$ 8,050	\$73,000	\$504,717	\$751,716
Bills Purchased	53,133	24,324	50,766	33,570	468	0	162,261
Totals	<u>\$98,858</u>	<u>\$61,915</u>	<u>\$133,399</u>	<u>\$41,620</u>	<u>\$73,468</u>	<u>\$504,717</u>	<u>\$913,977</u>

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Mr. [unclear]
Mr. Riefler ✓
Mr. [unclear] ✓
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 23 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

January 22, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations for
the period from January 14, 1932 to January 20, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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6

For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole *Robert*
- Mr. *Namson* ✓
- Mr.

FEDERAL RESERVE BANK
OF NEW YORK

Please note - initial and
Return to Secretary's Office
File

CONFIDENTIAL

January 22, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for
the period from January 14, 1932 to January 20, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

RECEIVED
JAN 22 1932
OFFICE OF
THE GOVERNOR

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CONFIDENTIAL

REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JANUARY 20, 1932

Holdings of Earning Assets of Federal Reserve Banks from January 21, 1931 to Date
(000 omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Jan. 21	\$1,006,751	\$624,591	0	\$150,568	\$ 1,057	\$ 229,885
" 28	945,405	609,877	0	118,453	1,788	215,137
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 13	1,813,449	750,075	1,500	204,569	9,232	818,341
" 20	1,795,341	749,968	1,500	181,454	6,587	818,986

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 20, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 20	Net Change	Balance Jan. 20	Net Change	Balance Jan. 20	Net Change
Boston	\$ 56,180	0	\$ 13,890	\$ 2,889-	\$ 43,069	\$ 6,605-
New York	284,401	0	41,282	7,017-	167,556	23,654-
Philadelphia	58,880	0	3,474	26-	114,285	5,631+
Cleveland	69,099	0	4,744	82-	126,023	4,512-
Richmond	9,081	0	6,629	2,326-	42,661	3,838-
Atlanta	12,597	53-	9,694	822-	52,303	1,194-
Chicago	107,589	0	20,891	4,483-	82,950	4,645+
St. Louis	27,886	0	10,986	1,524-	26,569	2,875+
Minneapolis	27,672	30-	4,597	1,376-	11,678	165-
Kansas City	18,708	0	7,881	814-	33,915	396+
Dallas	29,865	24-	1,968	220-	16,719	788+
San Francisco	48,010	0	21,562	1,332-	101,258	26,326+
N. Y. holdovers and other bills			33,856	204-		
Totals	\$749,968	\$107-	\$181,454	\$23,115-	\$818,986	\$ 645+

COMMENT ON CHANGES WEEK ENDED JANUARY 20, 1932

Total earning assets of the System showed a decrease of \$18,108,000 for the current statement week. The changes by classification consisted of decreases of \$107,000 in outright purchases of government securities, \$23,115,000 in outright purchases of bankers acceptances and \$2,645,000 in bankers acceptances held under sales contract, and an increase of \$645,000 in bills discounted, and \$7,114,000 in other securities.

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Money
Market

A continued inflow of funds from other parts of the country was the principal factor contributing to an increase in the supply of funds available in the New York money market during the week ended January 20. The gain from this source, together with some net return of currency to the Reserve Bank and payments to the market by the National Credit Corporation, representing repayment of temporary borrowings from New York City banks in advance of the second 10 per cent call from subscribing banks throughout the country, were only partly offset by net gold exports and earmarkings and by losses through Treasury transactions and a small net increase in foreign account balances at the Reserve Bank.

A part of the net gain of funds to the market in commercial and agency transactions was absorbed by a further reduction in Federal Reserve purchased bill holdings resulting from an excess of maturities over new purchases of bills, but the New York City banks also were able to reduce their indebtedness \$30,000,000 further to \$22,000,000, on the 20th. At the close of the week, the New York banks were carrying about \$5,000,000 of excess reserves, as compared with a deficit in reserves of \$2,000,000 on the 13th. During this period their reserve requirements were reduced \$9,000,000 further, accompanying a continued decline in deposits, while reserve balances maintained at the Reserve Bank decreased only \$2,000,000.

Stock Exchange call money was unchanged at 2 1/2 per cent throughout the week, with ample offerings of funds in evidence each day. In an entirely nominal time money market, bid and asked quotations were unchanged at 3 1/2 - 3 3/4 per cent. The federal funds rate averaged slightly lower than in the previous week, closing on January 21 at 2 - 2 1/4 per cent, as compared with 2 1/4 - 2 1/2 per cent on the 14th, and yields on short-term Government securities likewise were easier, though the decline was much less than in the previous week. In the bill market, offering rates for 60 and 90 day maturities were again adjusted downward by 1/8 per cent on the 15th. In a generally slow commercial paper market, rates for prime names of the usual 4 - 6 month maturity continued at 3 3/4 - 4 per cent with a little short maturity paper available at 3 1/2 per cent.

Government
Security
Market

The market for United States Government securities has been irregular and spotty during the current statement week. There was a strong demand for the earliest maturities of the short-term issues. While the average price of the Liberty Loan and Treasury bonds for the week showed a gain of 3/32, the demand was largely confined to the 4%, 3 3/4%, and 3 3/8% Treasury bonds and came principally from banks and corporations which were effecting exchanges of issues at rates advantageous to them. At the close of the current statement week the average yield on the short-term issues at dealers' offering prices was about 2 1/4% as compared with 2 3/8% at the close of the previous week, and the average selling price of Liberty Loan and Treasury bonds was 92.95 as compared with the previous week's average closing price of 92.84.

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Dealers' Offering Prices at the Close of the Current Statement Week
and Net Changes from the Close of the Previous Statement Week

		Issue	Price	Net Change	Approx. Yield
2	%	Cert. of Ind. due March 15, 1932	100 1/32	+1/32	1.77%
2	3/4%	" " " " June 15, 1932	100 8/32	+4/32	2.10%
1	1/8%	" " " " Sept. 15, 1932	98 30/32	+2/32	2.79%
3	%	" " " " Sept. 15, 1932	100	-1/32	2.99%
3	1/4%	Treasury Notes " Dec. 15, 1932	100	-2/32	3.24%
		Treasury Bills - Jan. & Feb. maturity	- 2 1/4% discount bid,	1 1/2% asked	
		" " - March 2	" - 2 1/4%	" " 1 3/4%	"
		" " - March 30 & Apr. 13	" - 2 1/2%	" " 2 %	"

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	94 14/32	-1. 1/32	Treasury 4 1/4s 1947-52	100 30/32	- - - - -
1st 4 1/4s	98 2/32	- 14/32	" 4s 1944-54	97	+ 18/32
4th 4 1/4s	99	- 5/32	" 3 3/4s 1946-56	91 31/32	+ 19/32
			" 3 3/8s 1943-47	89 16/32	- 8/32
			" 3 3/8s 1940-43	90 16/32	+1.
			" 3 3/8s 1941-43	90 22/32	+1. 6/32
			" 3 1/8s 1946-49	85 16/32	- 6/32
			" 3s 1951-55	84 26/32	- 5/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week; 2 3/4 per cent for 30s, 60s and 90s, 3 per cent for 120s and 3 1/4 per cent for 180-day bills. This represents a decrease of 1 1/8 per cent for 60s and 90s from the previous week's offering rates.

Reports
week
ending
Jan. 20

Boston reported that while the demand for bills showed some improvement during the past week, the supply continued small and dealers were obliged to make a further reduction of 1/8 per cent in their bid and asked rates for 60 and 90-day maturities. There were no offerings to the reserve bank except on sales contract. In New York the volume of bills handled by dealers during the week was very small. There was a good demand during the week and dealers were unable to fill orders. On the 15th of the month dealers made a further reduction in their rates of 1/8 per cent for 60s and 90s but this did not have the effect of bringing more bills into the market as holders apparently were not in need of funds. Philadelphia reported that the demand for bills showed some improvement during the week which coupled with a small amount of new bills coming into the market, resulted in a further reduction of dealers' portfolios. Chicago reported that the bill market continued very dull in its district. Dallas reported that the demand for bills was small. Offerings to the reserve bank increased.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week were as follows:

Purchase of \$340,000 - 4% Treasury bonds of 1944-54, account
Secretary of the Interior

and sale of 150,000 - 2% certificates due March 15, 1932, account
Alien Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week the following transactions were advantageously effected in the market:

\$3,000,000 - Treasury Bills due March 2, 1932
5,000,000 - 2 3/4% certificates due June 15, 1932
1,000,000 - 3 % " " Sept. 15, 1932

a total of \$9,000,000 - exchanged for

\$5,000,000 - Treasury Bills due Feb. 1, 1932
1,000,000 - 1 1/8% certificates due Sept. 15, 1932
3,000,000 - 3 1/4% Treasury notes due Dec. 15, 1932

\$9,000,000

These transactions did not affect the total amount of holdings in the Account which remained at \$566,816,000. The participations by Federal reserve banks and the classifications of issues held in the Account at the close of business Wednesday, January 20, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 55,445,500
New York	148,562,000
Philadelphia	52,274,000
Cleveland	69,099,000
Richmond	9,080,500
Atlanta	12,478,000
Chicago	85,991,000
St. Louis	27,386,000
Minneapolis	20,003,000
Kansas City	18,623,500
Dallas	19,863,500
San Francisco	48,010,000

Totals \$566,816,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Jan. 25, 1932	- Treasury Bills	\$18,000,000
Feb. 1, 1932	- " "	5,000,000
" 8, 1932	- " "	22,725,000
" 15, 1932	- " "	7,111,000
" 24, 1932	- " "	7,907,000
Mar. 2, 1932	- " "	15,925,000
" 30, 1932	- " "	6,050,000
Apr. 13, 1932	- " "	2,000,000
Mar. 15, 1932	- 2 % C/I	58,731,500
June 15, 1932	- 2 3/4% "	73,500,000
Sept. 15, 1932	- 1 1/8% "	54,500,000
" 15, 1932	- 3 % "	60,551,500
Dec. 15, 1932	- 3 1/4% T/N	23,000,000
June 15, 1947	- 3 1/2% 1st L/L	80,025,000
" 15, 1947	- 4 1/4% 1st "	16,750,000
Oct. 15, 1938	- 4 1/4% 4th "	115,040,000

\$566,816,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JANUARY 14 TO JANUARY 20, 1932 INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales
Boston	\$ 880,500	\$ 880,500
New York	2,359,000	2,359,000
Philadelphia	829,500	829,500
Cleveland	1,097,500	1,097,500
Richmond	144,000	144,000
Atlanta	198,000	198,000
Chicago	1,365,000	1,365,000
St. Louis	435,000	435,000
Minneapolis	318,000	318,000
Kansas City	296,000	296,000
Dallas	315,500	315,500
San Francisco	762,000	762,000
Totals	\$9,000,000	\$9,000,000

GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City \$1,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Atlanta	\$ 64,950	Misc. Gov't Sec.	\$ 117,400	Misc. Gov't Sec.
Minneapolis	1,007,800	" " "	1,037,800	" " "
Dallas	1,000	Tr. Bds. 1947-52	25,000	Dec. 15/32 T/N
Totals	\$1,073,750		\$1,180,200	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Jan. 13	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Jan. 20	Other Holdings Close Jan. 20/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 16,779	\$ 0	\$ 0	\$ 0	\$ 2,889	\$ 13,890	\$ 1,009	\$ 2,549
New York	48,299	1,667 R* 630 A	0	5,709 2,975**	0	41,282	4,017	10,983
Phila.	3,500	0	0	0	26	3,474	0	3,455
Cleve.	4,826	0	0	0	82	4,744	0	3,376
Richmond	8,955	0	67	2,136	257	6,629	0	1,337
Atlanta	10,516	1,301 R	63	1,416	770	9,694	0	1,237
Chicago	25,374	292 "	160	0	4,935	20,891	0	4,495
St. Louis	12,510	0	56	1,430	150	10,986	0	1,100
Minn.	5,973	250 "	50	1,301***	375	4,597	0	691
Kan. City	8,695	0	75	889	0	7,881	0	969
Dallas	2,188	162 "	50	399	33	1,968	0	936
San Fran.	22,894	939 "	109	1,221	1,159	21,562	1,561	2,307
Totals	\$170,509	\$5,241	\$630	\$17,476	\$10,676	\$147,598	\$6,587	\$33,435
Bills held over night by New York for distribution to other Federal reserve bks.								421
								\$33,856

*Includes \$290 purchased from foreign correspondent

**Sold to foreign correspondent

***Includes \$75 sold

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JANUARY 20, 1932
(000 Omitted)

	<u>1-30 days</u> <u>2 3/4%</u>	<u>31-60 days</u> <u>2 3/4 - 3%</u>	<u>61-90 days</u> <u>3%</u>	<u>Over 90-days</u> <u>3 1/8%</u>	<u>Total</u>
New York	\$2,102	\$ 17	\$178	\$ 0	\$2,297
Atlanta	81	934	286	0	1,301
Chicago	0	31	261	0	292
Minneapolis	250	0	0	0	250
Dallas	37	108	0	17	162
San Francisco	<u>680*</u>	<u>20</u>	<u>239</u>	<u>0</u>	<u>939</u>
Totals	<u>\$3,150</u>	<u>\$1,110</u>	<u>\$964</u>	<u>\$17</u>	<u>\$5,241</u>

*Purchased at 2 7/8 to 3%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JANUARY 20, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$10,073	\$ 5,241	\$15,314
Sold	10,180	3,050	13,230
Matured	0	<u>25,102</u>	<u>25,102</u>
		<u>\$22,911-</u>	<u>\$23,018-</u>
		204-(Net Change 1-day holdover & other bills)	204-(Net Change 1-day holdover & other bills)
Totals	<u>\$ 107-</u>	<u>\$23,115-</u>	<u>\$23,222-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JANUARY 20, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 29,950	\$54,836	\$103,613	\$ 8,050	\$73,500	\$481,519	\$751,468
Bills Purchased	<u>79,626</u>	<u>24,205</u>	<u>50,946</u>	<u>32,697</u>	<u>567</u>	<u>0</u>	<u>188,041</u>
Totals	<u>\$109,576</u>	<u>\$79,041</u>	<u>\$154,559</u>	<u>\$40,747</u>	<u>\$74,067</u>	<u>\$481,519</u>	<u>\$939,509</u>

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Mr. Thompson
Mr. Kiefler
Miss [unclear]
Mr. [unclear]

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 16 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

January 15, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations for
the period from January 7, 1932 to January 13, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole ✓
- Mr. Harrison ✓
- Mr. Morrill ✓

Please note - initial and
Return to Secretary's Office

Mr McCall and

Mr. Harrison

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

January 15, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from January 7, 1932 to January 13, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JANUARY 13, 1932

Holdings of Earning Assets of Federal Reserve Banks from January 14, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931						
Jan. 14	\$1,089,387	\$644,317	0	\$191,743	\$ 4,437	\$243,340
" 28	945,405	609,877	0	118,453	1,788	215,137
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
May 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 6	1,888,311	749,945	16,000	237,133	38,173	818,216
" 13	1,813,449	750,075	1,500	204,569	9,232	818,341

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 13, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 13	Net Change	Balance Jan. 13	Net Change	Balance Jan. 13	Net Change
Boston	\$ 56,180	0	\$ 16,779	\$ 4,767-	\$ 49,674	\$ 1,192-
New York	284,401	0	48,299	13,233-	191,210	7,021-
Philadelphia	58,880	1+	3,500	2,893+	108,654	5,007-
Cleveland	69,099	0	4,826	3,759+	130,535	14,953+
Richmond	9,081	1+	8,955	1,362+	46,549	3,465+
Atlanta	12,650	42+	10,516	650+	53,497	5,923+
Chicago	107,589	0	25,374	4,198-	78,305	9,874-
St. Louis	27,886	0	12,510	1,291+	23,694	866+
Minneapolis	27,702	61+	5,973	658+	11,841	182+
Kansas City	18,708	0	8,695	537-	33,519	54-
Dallas	29,889	25+	2,188	676+	15,931	1,634+
San Francisco	48,010	0	22,894	2,101-	74,932	3,750-
N.Y. holdovers and other bills			34,060	19,017-		
Totals	\$750,075	\$130+	\$204,569	\$32,564-	\$818,341	\$ 125+

COMMENT ON CHANGES WEEK ENDED JANUARY 13, 1932

Total earning assets of the System showed a decrease of \$74,862,000 for the current statement week. The changes by classification consisted of increases of \$130,000 in outright purchases of government securities and \$125,000 in bills discounted, and decreases of \$14,500,000 in government securities held under sales contracts, \$32,564,000 in outright purchases of bankers acceptances, and \$28,941,000 in bankers acceptances held under sales contracts.

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Money
Market

During the past week a further retirement of Federal Reserve credit was effected from the peak reached at the year-end. The remainder of the bills and securities sold to the New York Reserve Bank under repurchase agreement prior to the year-end was almost entirely withdrawn, and the indebtedness of the New York City banks showed a net reduction of \$17,000,000 to \$52,000,000 on the 7th. This decline in the volume of Reserve Bank credit outstanding in the New York market was accounted for principally by a continued large inflow of funds from other parts of the country, which, together with a moderate net gain in miscellaneous commercial and agency transactions, was only partly offset by losses through net gold exports and earmarkings here and a net excess of Treasury withdrawals over disbursements in this district.

The effect of the addition to bank reserves, arising chiefly from the favorable transfer movement, was supplemented by a sizable decrease in the reserve requirements of the New York City banks during the past reporting week which accompanied a further drop in their deposits. As a net result of a decline of \$20,000,000 in the reserve balances of the New York City banks and of a decrease of \$14,000,000 in their required reserves, the banks closed the week showing a deficit of \$2,000,000, as compared with an excess of \$4,000,000 on the preceding Wednesday.

Following the reduction to 2 1/2 per cent on the afternoon of January 7, the rate for Stock Exchange call money has remained at that level. Offerings of funds have been moderately large, relative to the new loan demand for the period. The quotation for federal funds tended lower, closing at 2 1/4 - 2 1/2 per cent, as against 3 1/4 - 3 1/2 per cent a week ago. All maturities of time loans were advanced to 3 3/4 per cent bid, 4 per cent asked early in the week, but on January 14 declined to 3 1/2 - 3 3/4 per cent, which is 1/4 per cent lower on the asked side than on the preceding Thursday. However, the whole time money market has been so largely nominal for some time past that the changes were of little practical significance; the only loans reported on the 14th were at 3 3/4 per cent for 4 months, unchanged from the last previously reported trade. Definite easing, however, occurred in yields on short-term United States Government obligations and in open market bill rates. The latter, following a reduction in the buying rate of the New York Reserve Bank, were reduced on the offering side by 1/4 per cent in the case of the 30 day maturity, 1/8 per cent in 60 and 90 day maturities, and 3/8 per cent in the 5 and 6 month maturities; the offering rate for 4 month bills was unchanged, but the bid rate was reduced 1/8 per cent, accompanying reductions in the bid rates for other maturities. The market for commercial paper was reported to have been slightly better, due to buying in New England, but rates were unchanged at 3 3/4 - 4 per cent for prime names of 4 to 6 month maturity.

Government
Security
Market

The market for the short-term issues of United States Government securities continued to reflect an increased demand and prices made further advances to slightly higher levels. The market for United States Government bonds, which had been decidedly weak continued its downward course until Wednesday, January 13, on which day there was a very sharp reversal in the trend and prices recovered about one and one-half points of the two point average loss recorded earlier in the week. This recovery was the largest gain for a single day shown by the government security market for several years. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices was about 2 3/8 per cent as compared with 2 5/8 per cent at the close of the previous week and the average selling price of Liberty Loan and Treasury bonds was 92.84 as compared with the previous week's average closing price of 93.27.

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Dealers' Offering Prices at the Close of the Current Statement Week
and Net Changes from the Close of the Previous Statement Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
2	% Cert. of Ind. due March 15, 1932	100	+ 1/32	1.99%
2	3/4% " " " " June 15, 1932	100 4/32	+ 3/32	2.44%
1	1/8% " " " " Sept. 15, 1932	98 28/32	+14/32	2.83%
3	% " " " " Sept. 15, 1932	100 1/32	+ 8/32	2.95%
3	1/4% Treas. Notes " Dec. 15, 1932	100 2/32	+ 9/32	3.17%
	Treas. Bills maturities up to Mar. 2, 1932	2 1/4% discount bid	1 1/2% asked	
	" " maturing Mar. 30, 1932	2 1/2%	" "	2 % "
	" " " Apr. 13, 1932	2 1/2%	" "	2 1/4% "

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	95 15/32	-1.15/32	Treas. 4 1/4s 1947-52	100 30/32	- 2/32
1st 4 1/4s	98 16/32	- 21/32	" 4s 1944-54	96 14/32	- 28/32
4th 4 1/4s	99 5/32	+ 1/32	" 3 3/4s 1946-56	91 12/32	-1.26/32
			" 3 3/8s 1943-47	89 24/32	- 8/32
			" 3 3/8s 1940-43	89 16/32	- 24/32
			" 3 3/8s 1941-43	89 16/32	- 16/32
			" 3 1/8s 1946-49	85 22/32	+ 22/32
			" 3s 1951-55	84 31/32	+ 31/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 2 3/4 per cent for 30s, 2 7/8 per cent for 60s and 90s, 3 per cent for 120s and 3 1/4 per cent for 180-day bills. This represents a decrease from the previous week's offering rates of 1/4 per cent for 30s, 1/8 per cent for 60s and 90s, and 3/8 per cent for 180-day bills.

Reports
week
ending
Jan. 13

Boston reported that both the supply and demand for bills decreased considerably during the last period. As a result bill dealers were obliged to lower their rates for 30-day bills to 2 7/8 per cent bid, 2 3/4 per cent asked; 60 and 90 day bills, 3 per cent bid, 2 7/8 per cent asked. The reserve bank's buying rates remained unchanged. In New York the bill market was moderately active during the week, dealers' sales, while substantially less than last week exceeded their purchases considerably and aggregate portfolios declined by \$22,000,000 to \$35,000,000. Following the reduction in the reserve bank's buying rate on the 12th, dealers on the 12th and 13th reduced their rates and at the close of the week were quoting the following rates: 30 days, bid 2 7/8, asked 2 3/4, 60 and 90 days, bid 3 per cent, asked 2 7/8; 4 months, bid 3 1/8, asked 3; 5 and 6 months, bid 3 3/8, asked 3 1/4. Endorsed bills 1/8 less. Philadelphia reported that the acceptance market in its district was inactive. In keeping with changes in open market rates, dealers twice lowered their buying rates with no noticeable improvement in the supply of bills. The demand was small and for choice names. Chicago reported that the bill market in its district continued very inactive. Dallas reported that the demand in its district was small and offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no transactions consummated under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The following transactions were effected in the System Account during the current statement week:

Exchange in the market of \$2,000,000 - 2 3/4% certificates due June 15, 1932 at 100
 for 2,000,000 - 3 % " " Sept. 15, 1932 at 99 25/32

Redemption on Jan. 13 of \$2,000,000 maturing Treasury bills which were replaced by purchase in the market of

\$2,000,000 Treasury bills maturing April 13, 1932.

These transactions did not affect the amount of total holdings in the Account which remained at \$566,816,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, January 13, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 55,445,500	Jan. 25, 1932 - Treasury Bills	\$ 18,000,000
New York	148,562,000	Feb. 8, 1932 - " "	22,725,000
Philadelphia	52,274,000	" 15, 1932 - " "	7,111,000
Cleveland	69,099,000	" 24, 1932 - " "	7,907,000
Richmond	9,080,500	Mar. 2, 1932 - " "	18,925,000
Atlanta	12,472,000	" 30, 1932 - " "	6,050,000
Chicago	85,991,000	Apr. 13, 1932 - " "	2,000,000
St. Louis	27,386,000	Mar. 15, 1932 - 2 % C/I	58,731,500
Minneapolis	20,003,000	June 15, 1932 - 2 3/4% "	78,500,000
Kansas City	18,623,500	Sept. 15, 1932 - 1 1/8% "	53,500,000
Dallas	19,863,500	" 15, 1932 - 3 % "	61,551,500
San Francisco	48,010,000	Dec. 15, 1932 - 3 1/4% T/N	20,000,000
		June 15, 1947 - 3 1/2% 1st L/L	80,025,000
		" 15, 1947 - 4 1/4% 1st "	16,750,000
		Oct. 15, 1938 - 4 1/4% 4th "	115,040,000
	<hr/>		<hr/>
Totals	\$566,816,000		\$566,816,000
	<hr/>		<hr/>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JANUARY 7 TO JANUARY 13, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales
Boston	\$ 391,000	\$ 391,000
New York	1,048,000	1,048,000
Philadelphia	369,000	369,000
Cleveland	488,000	488,000
Richmond	64,000	64,000
Atlanta	88,000	88,000
Chicago	607,000	607,000
St. Louis	193,000	193,000
Minneapolis	141,000	141,000
Kansas City	132,000	132,000
Dallas	140,000	140,000
San Francisco	339,000	339,000
Totals	\$4,000,000	\$4,000,000

GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City \$1,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Philadelphia	\$ 1,000	-	\$ 0	-
Atlanta	201,700	Misc. Gov't Sec.	160,400	Misc. Gov't Sec.
Minneapolis	1,714,600	" " "	1,653,600	" " "
Dallas	25,000	Dec. 15/32 T/N	0	-
Totals	\$1,942,300		\$1,814,000	

BANKERS ACCEPTANCES

(000 Omitted)

			Maturities and Sales			Other Holdings Close Jan.13/32		
			By Allot- ment from New York	Held in N.Y.	Held Else- where	Holdings Jan.13	Sales Con- tracts	Other Bills
Boston	\$ 21,546	\$ 20 R	\$ 2,811	\$ 0	\$ 7,598	\$ 16,779	\$ 1,136	\$ 2,549
New York	61,532	3,655 " 28,352 A	0	16,888	0	48,299	7,277	10,977
Phila.	607	0	2,998	0	105	3,500	0	3,455
Cleve.	1,067	0	3,873	0	114	4,823	0	3,378
Richmond	7,593	54 R	2,029	531	190	8,955	0	1,337
Atlanta	9,866	92 "	1,742	743	441	10,516	0	1,237
Chicago	29,572	177 "	5,033	0	9,408	25,374	0	4,495
St.Louis	11,219	0	2,000	709	0	12,510	0	1,100
Minn.	5,315	0	1,165	507	0	5,973	0	691
Kan. City	9,232	0	2,156	2,693	0	8,695	0	969
Dallas	1,512	11 "	1,257	559	33*	2,188	0	936
San Fran.	24,995	200 "	3,288	4,533	1,056	22,894	819	2,307
Totals	\$184,056	\$32,561	\$28,352	\$27,163	\$18,945	\$170,509	\$9,232	\$33,429
Bills held over night by New York for distribution to other Fed. Res. Bks.-								631
Total - - - - -								\$34,060

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

*Includes \$19 sold.

The Federal Reserve Bank of Boston discontinued participation in System purchases of bills on January 12.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JANUARY 13, 1932
(OOO Omitted)

	1-30 days <u>2 3/4 - 3%</u>	31-60 days <u>2 7/8-3 1/4%</u>	61-90 days <u>2 7/8-3 1/4%</u>	Over 90-days <u>-</u>	Total
Boston	\$ 0	\$ 0	\$ 20	0	\$ 20
New York	642	8,228	23,137	0	32,007
Richmond	0	25	29	0	54
Atlanta	51	41	0	0	92
Chicago	0	0	177	0	177
Dallas	0	11	0	0	11
San Francisco	<u>200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>
Totals	<u>\$893</u>	<u>\$8,305</u>	<u>\$23,363</u>	<u>0</u>	<u>\$32,561</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JANUARY 13, 1932
(OOO Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$5,942	\$32,561	\$38,503
Sold	3,812	19	3,831
Matured	2,000	<u>46,089</u>	<u>48,089</u>
		\$13,547-	\$13,417-
		19,017-(Net Change	19,017-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 130+</u>	<u>\$32,564-</u>	<u>\$32,434-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JANUARY 13, 1932
(OOO Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 22,450	\$40,225	\$ 61,429	\$ 68,345	\$80,500	\$478,626	\$751,575
Bills Purchased	<u>84,417</u>	<u>40,361</u>	<u>49,527</u>	<u>38,797</u>	<u>699</u>	<u>0</u>	<u>213,801</u>
Totals	<u>\$106,867</u>	<u>\$80,586</u>	<u>\$110,956</u>	<u>\$107,142</u>	<u>\$81,199</u>	<u>\$478,626</u>	<u>\$965,376</u>

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Mr Thompson ✓
Mr Kiefler ✓
Mr Smeed ✓
Mr Thompson

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

January 8, 1932.

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
Federal Reserve Board,
Washington, D. C.

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from December 31, 1931 to January 6, 1932
inclusive, together with data received from Federal re-
serve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JANUARY 6, 1932

Holdings of Earning Assets of Federal Reserve Banks from January 7, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Jan. 7	\$1,223,300	\$658,051	\$ 850	\$254,030	\$11,426	\$292,385
" 28	945,405	609,877	0	118,453	1,788	215,137
Feb. 25	895,606	599,442	0	105,431	886	189,847
Mar. 25	847,256	598,459	100	83,272	0	165,425
Apr. 29	923,572	598,306	0	133,949	35,816	155,151
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June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
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Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 6	1,888,311	749,945	16,000	237,133	38,173	818,216

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 6, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan. 6	Change	Jan. 6	Change	Jan. 6	Change
Boston	\$ 56,180	\$ 4,872-	\$ 21,546	\$ 4,501-	\$ 50,866	\$ 5,867-
New York	284,401	9,345+	61,532	3,297-	198,231	233,596-
Philadelphia	58,879	1,227+	607	137-	113,661	1,914-
Cleveland	69,099	1,582+	1,067	1,339-	115,582	720+
Richmond	9,080	15,001-	7,593	339-	43,084	1,637+
Atlanta	12,608	6-	9,866	409-	47,574	2,049+
Chicago	107,589	2,058+	29,572	6,363-	88,179	7,130-
St. Louis	27,886	787+	11,219	326-	22,828	1,086+
Minneapolis	27,641	109-	5,315	632-	11,659	4,105+
Kansas City	18,708	0	9,232	722-	33,573	4,287+
Dallas	29,864	1+	1,512	645-	14,297	2,890+
San Francisco	48,010	10,000-	24,995	2,786-	78,682	25,816+
N. Y. holdovers and other bills			53,077	9,923+		
Totals	\$749,945	\$14,988-	\$237,133	\$11,575-	\$818,216	\$205,917-

COMMENT ON CHANGES WEEK ENDED JANUARY 6, 1932

Total earning assets of the System showed a decrease of \$296,905,000 for the current statement week. The changes by classification consisted of decreases of \$14,988,000 in outright purchases of government securities, \$22,295,000 in government securities held under sales contracts, \$11,575,000 in outright purchases of bankers acceptances, \$40,094,000 in bankers acceptances held under sales contracts, and \$205,917,000 in bills discounted.

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Money
Market

The reserve balances maintained by the New York City banks fluctuated widely during the past week, beginning with a deficit of \$78,000,000 in actual reserves on December 31, going as high as a surplus of \$67,000,000, and ending with an excess of \$4,000,000 on January 6. These wide changes represented largely the influence of member bank borrowings which were made at such times as to allow the New York City banks to maintain average reserves above average requirements for the reserve calculation periods included within the past reporting week.

For the week as a whole, the borrowings of the New York City banks showed a net reduction of \$239,000,000 from the December 30 peak of \$308,000,000, amounting on January 6 to \$69,000,000. In addition, a large amount of the bills and securities which came into the Reserve Bank under repurchase agreement during the last few days of December were retired, a part of the bills being purchased outright from the dealers by the Reserve Bank for System account. This net retirement of Federal Reserve credit for the week was provided for in part by the very large excess reserves which the New York banks held at the close of the previous week, by a large inflow of funds to the New York market from other centers, chiefly on January 2, and by payments to the market from foreign balances held at the Reserve Bank, all of which considerably exceeded losses of funds to the market as a result of net Treasury withdrawals here, a small increase in currency requirements, and gold export and earmarking transactions.

The 3 1/2 per cent rate for call money on the Stock Exchange, established on the afternoon of December 30, was maintained on the 31st and on the next day on which the call loan market functioned, January 4. Offerings of loanable funds became somewhat larger on Tuesday, the 5th, and in the middle of the afternoon the new loan rate declined to 3 per cent. A further increase in the supply of funds on the 7th was accompanied by a drop in the new loan rate to 2 1/2 per cent in the early afternoon of that day. The 2 1/2 per cent quotation is the rate that prevailed prior to the Christmas and year-end periods. While time money is quoted higher at 3 1/2 per cent bid, 4 per cent asked, as compared with 3 - 4 per cent a week ago, the change is of no practical significance since virtually no loans are being arranged. The rate for federal funds, after remaining at 3 1/4 - 3 1/2 per cent on December 30 and 31, receded to 3 - 3 1/4 per cent on January 4 and 5 and to 2 1/2 - 2 3/4 per cent on the 6th, but was up to 3 1/4 - 3 1/2 per cent again on the 7th, as the New York City banks continued to be indebted at the Reserve Bank to the extent of about \$63,000,000 on that day. Yields on short-term Government securities declined further from the levels prevailing in the last few days of December, while open market bill and commercial paper rates again were unchanged.

Government
Security
Market

The market for short-term issues of United States Government securities was moderately active and prices showed some improvement during the current statement week. The market for the long-term bonds continued active and weak due apparently to uncertainty with regard to the amounts of future government financing. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices was about 2 5/8% and the average closing sale price for the Liberty Loan and Treasury bonds was 93.27 as compared with the previous week's average closing price of 94.09.

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Dealers' Offering Prices at the Close of the Current Statement Week
and Net Changes from the Close of the Previous Statement Week

	Issue	Price	Net Change	Approx. Yield
2	% Cert. of Ind. due March 15, 1932	99 31/32	+1/32	2.15%
2	3/4% " " " " June 15, 1932	100 1/32	+1/32	2.67%
1	1/8% " " " " Sept. 15, 1932	98 14/32	+6/32	3.44%
3	% " " " " Sept. 15, 1932	99 25/32	+7/32	3.32%
3	1/4% Treas. Notes " Dec. 15, 1932	99 25/32	+7/32	3.48%
	Treas. Bills Jan. 13 and 25 maturities - 2 3/4% disc. bid.	1 1/2% asked (nominal)		
	" " all of Feb. and Mar. 2 "	2 3/4% " " 2 % " "		
	" " March 30 maturity	- 2 3/4% " " 2 1/2% " "		

Closing Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Changes from
Close of the Previous Statement Week

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	96 30/32	-22/32	Treasury 4 1/4s 1947-52	101	- - - -
1st 4 1/4s	99 5/32	+ 5/32	" 4s 1944-54	97 10/32	-1. 6/32
4th 4 1/4s	99 4/32	+ 1/32	" 3 3/4s 1946-56	93 6/32	-2.10/32
			" 3 3/8s 1943-47	90	-1. 8/32
			" 3 3/8s 1940-43	90 8/32	-1.
			" 3 3/8s 1941-43	90	-1.15/32
			" 3 1/8s 1946-49	85	- 30/32
			" 3s 1951-55	84	- 12/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 3 per cent for 30s, 60s, 90s and 120s, and 3 5/8 per cent for 180-day bills.

Reports
week
ending
Jan. 6

Boston reported that while both the supply and demand for bills showed some improvement during the past period, the supply was considerably in excess of the demand necessitating dealers forwarding their bills to their offices in other cities. In New York over the year-end bill dealers' purchases exceeded their sales considerably and their aggregate portfolios increased to \$109,000,000, the highest they have been since the early part of June 1931. After the turn of the year dealers' purchases fell off somewhat and a better demand developed from local banks. The reserve bank also made substantial purchases from dealers for System Account and for foreign correspondents. Consequently dealers' portfolios at the close of the week had declined by \$45,000,000 to \$57,000,000. Philadelphia reported that its acceptance market continued quiet with some improvement noticed in the demand. Chicago reported that the bill market in its district continued very dull. Dallas reported that the demand for bills in its district was small and offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Purchase of	\$1,500,000	- Fourth 4 1/4% Liberty Loan bonds, account Secretary of the Interior
and sale of	\$ 131,600	- 3 3/8% Treasury Bonds of 1943-47, account Demobilized Military Organizations
	161,400	- Fourth 4 1/4% Liberty Loan bonds, account Demobilized Military Organizations
	<u>\$ 293,000</u>	- Total Sales

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There has been no change either in the total amount or the maturities of the holdings of government securities in the Account during the week.

On December 31 and January 2, the Federal Reserve Bank of Richmond, at its request, was temporarily relieved of \$5,000,000 and \$10,000,000 respectively, of its participation in government securities in the System Account. These participations were apportioned among the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago and St. Louis, which expressed a desire to participate. The total holdings in the Account remained at \$566,816,000 and the participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, January 6, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 55,445,500	Jan. 13, 1932 - Treas. Bills	\$ 2,000,000
New York	148,562,000	" 25, 1932 - "	18,000,000
Philadelphia	52,274,000	Feb. 8, 1932 - "	22,725,000
Cleveland	69,099,000	" 15, 1932 - "	7,111,000
Richmond	9,080,500	" 24, 1932 - "	7,907,000
Atlanta	12,478,000	Mar. 2, 1932 - "	18,925,000
Chicago	85,991,000	" 30, 1932 - "	6,050,000
St. Louis	27,386,000	" 15, 1932 - 2 % G/I	58,731,500
Minneapolis	20,003,000	June 15, 1932 - 2 3/4% "	80,500,000
Kansas City	18,623,500	Sept. 15, 1932 - 1 1/8% "	53,500,000
Dallas	19,863,500	" 15, 1932 - 3 % "	59,551,500
San Francisco	48,010,000	Dec. 15, 1932 - 3 1/4% T/N	20,000,000
		June 15, 1947 - 3 1/2% 1st L/L	80,025,000
		June 15, 1947 - 4 1/4% 1st "	16,750,000
		Oct. 15, 1938 - 4 1/4% 4th "	115,040,000
Totals	<u><u>\$566,816,000</u></u>		<u><u>\$566,816,000</u></u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM DECEMBER 31, 1931 TO JANUARY 6, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
New York	\$24,345,000	\$15,000,000	\$ 9,345,000	\$ 0
Philadelphia	1,227,000	0	1,227,000	0
Cleveland	1,582,500	0	1,582,500	0
Richmond	0	15,000,000	0	15,000,000
Chicago	2,058,000	0	2,058,000	0
St. Louis	787,500	0	787,500	0
Totals	<u>\$30,000,000</u>	<u>\$30,000,000</u>	<u>\$15,000,000</u>	<u>\$15,000,000</u>

GOVERNMENT SECURITIES - SALES CONTRACTS

New York	\$ 4,500,000
Philadelphia	10,000,000
Kansas City	1,500,000
Total	<u>\$16,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 4,872,000	Misc. Gov't Sec.
New York	5,000,000*	3 3/8% Tr. Bds 1941-43	5,000,000	3 3/8% Tr. Bds 1941-43
	500,000	12/15/32 T/N	500,000	9/15/32 - 3% C/I
Atlanta	122,800	Misc. Gov't Sec.	128,900	Misc. Gov't Sec.
Minneapolis	741,150	" " "	850,150	" " "
San Francisco	14,800,000**	" " "	24,800,000***	" " "
Totals	<u>\$21,163,950</u>		<u>\$36,151,050</u>	

*Temporary purchase from San Francisco Dec. 31/31 - resold Jan. 4/32

**Temporary purchase, of which amount \$5,000,000 was held by N.Y. from 12/31/31 to 1/4/32.

***Temporary holdings.

BANKERS ACCEPTANCES
(000 Omitted)

	Hold-ings Dec. 30	Pur-chased Own Mkt.	By Allot-ment from New York	Maturities and Sales		Hold-ings Jan. 6	Other Holdings Close Jan. 6/32	
				Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 26,047	\$ 352 R.	\$ 1,282	\$ 0	\$ 6,135	\$ 21,546	\$ 1,443	\$ 2,516
New York	64,829	12,626 ** 11,578 A	0	15,923	0	61,532	36,730	11,079
Phila.	744	10 R	0	0	147	607	0	3,321
Cleve.	2,406	90 "	0	0	1,429	1,067	0	3,376
Richmond	7,932	0	1,214	1,485	68	7,593	0	1,337
Atlanta	10,275	400 "	1,142	1,579	372	9,866	0	1,203
Chicago	35,935	510 "	2,917	0	9,790	29,572	0	4,529
St. Louis	11,545	0	1,272	1,598	0	11,219	0	1,100
Minn.	5,947	225 "	791	1,648	0	5,315	0	723
Kan. City	9,954	0	1,284	2,006	0	9,232	0	969
Dallas	2,157	33 "	207	784	101	1,512	0	1,003
San Fran.	27,783	2,926 "	1,469	6,648	535	24,995	0	2,273
Totals	<u>\$205,554</u>	<u>\$28,750</u>	<u>\$11,578</u>	<u>\$31,671</u>	<u>\$18,577</u>	<u>\$184,056</u>	<u>\$38,173</u>	<u>\$33,429</u>
Bills held over night by New York for distribution to other Fed. Res. Banks -								19,648
Total - - - - -								<u>\$53,077</u>

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.

*Includes \$1,174 purchased from foreign correspondent.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JANUARY 6, 1932
(000 Omitted)

	<u>1-30 days</u> 3%	<u>31-60 days</u> 2 7/8-3 1/8%	<u>61-90 days</u> 2 7/8-3 1/8%	<u>Over 90-days</u> 3 1/4-3 1/2%	<u>Total</u>
Boston	\$ 117	\$ 235*	\$ 0	\$ 0	\$ 352
New York	2,474	9,964	9,386	2,380	24,204
Philadelphia	0	2	8	0	10
Cleveland	0	0	90	0	90
Atlanta	0	100	300	0	400
Chicago	0	0	510	0	510
Minneapolis	0	225	0	0	225
Dallas	0	0	14	19	33
San Francisco	<u>1,059</u>	<u>1,526*</u>	<u>341**</u>	<u>0</u>	<u>2,926</u>
Totals	<u>\$3,650</u>	<u>\$12,052</u>	<u>\$10,649</u>	<u>\$2,399</u>	<u>\$28,750</u>

*Purchased at 3 to 3 1/2%, **Purchased at 3 1/8 to 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JANUARY 6, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$51,163	\$28,750	\$79,913
Sold	66,151	0	66,151
Matured	0	<u>50,248</u>	<u>50,248</u>
		<u>\$21,498-</u>	<u>\$36,486-</u>
		9,923+ (Net Change	9,923+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$14,988-</u>	<u>\$11,575-</u>	<u>\$26,563-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JANUARY 6, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 18,000	\$23,450	\$ 99,154	\$68,345	\$80,500	\$476,496	\$ 765,945
Bills Purchased	<u>137,297</u>	<u>70,416</u>	<u>47,482</u>	<u>19,161</u>	<u>250</u>	0	<u>275,306</u>
Totals	<u>\$155,297</u>	<u>\$93,866</u>	<u>\$146,636</u>	<u>\$87,506</u>	<u>\$81,450</u>	<u>\$476,496</u>	<u>\$1,041,251</u>