

1-50M-3-23

FEDERAL RESERVE BANK
OF NEW YORK

333-42 ✓

OFFICE CORRESPONDENCE

DATE December 1, 1923

To _____ SUBJECT: _____

FROM W. B. Mitteness, Secretary

Attached herewith are reports and data as follows:

1. Report of Secretary, with statement showing transactions in bankers acceptances from July 3 to November 21, 1923, and copy of report submitted to Governors' Conference, November 12, 1923.
2. Report on foreign business.
3. Data on Committee operations and recommendations as to future policy by Mr. Case, with table showing changes in money rates, bank loans, prices and gold imports since January 1, 1922.
4. Memorandum on Business Conditions by Mr. Burgess of the New York Bank, with chart showing commercial paper rates.

#1
FEDERAL RESERVE BOARD FILE

333.62

333-1

December 4, 1923

Dear Governor Harding:

I am sending you herewith your copy of
the report of the Open Market Investment Committee,
which you left on the Board Room table.

12-3-23

Very truly yours,

Walter L. Eddy,
Secretary.

Mr. W. P. G. Harding, Governor,
Federal Reserve Bank,
Boston, Mass.

(Enclosures)

Letter addressed to Gov. Harding
given to Mr. Miller on December 4th
and by him handed to Mr. Winston

copy

FEDERAL RESERVE BANK
OF NEW YORK

December 12, 1923

Dear Mr. Eddy:

Referring to your letter of December 3, 1923 addressed to Governor Strong as Chairman of the Open Market Investment Committee, and Governor Strong's reply of the same date, I am now enclosing copy of letter written today by the Chairman of the Committee to the various Federal reserve banks, which letter is accompanied by a copy of the resolution of the Federal Reserve Board dated December 3, 1923.

I am also enclosing copy of the minutes of the meeting held in Washington on December 3.

12/3/23 filed 333.-b-2
Final Minutes

Very truly yours,

(Signed) W. B. Matteson

W. B. Matteson
Secretary, Open Market Investment
Committee for the Federal Reserve
System

Mr. Walter L. Eddy,
Secretary, Federal Reserve Board,
Washington, D. C.

Encls.

~~CONFIDENTIAL~~

orig. filed 333.3
333.-b-1

333-b-2

December 14, 1923.

Dear Mr. Matteson:

12/3/23 filed 333-b-2 Final Minutes
Receipt is acknowledged of your letter of the 12th instant, enclosing a copy of the minutes of the meeting of the Board on December 3rd with the Open Market Investment Committee for the Federal Reserve System, together with copy of a letter addressed by the Chairman of the Committee to the various Federal Reserve banks, transmitting a copy of the resolution adopted by the Board following the meeting.

Very truly yours,

Walter L. Eddy,
Secretary.

Mr. W. B. Matteson, Secretary,
Open Market Investment Committee,
c/o Federal Reserve Bank,
New York, N. Y.

Prepared by
[Signature]

END SHEET

KIND OF MATERIAL OR NUMBER

333.-b-2

NAME OR SUBJECT

**Open Market Investment Committee
Meetings
Open Market Operations**

DATES (Inclusive)

1923

PART NUMBER

Part 1

**OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM**

December 3, 1923

Meeting held in Washington, D. C.

REPORT OF THE SECRETARY OF THE OPEN MARKET INVESTMENT
COMMITTEE FOR THE FEDERAL RESERVE SYSTEM TO THE MEET-
ING OF THE COMMITTEE AT WASHINGTON, DECEMBER 3, 1923.

Government Securities

The situation with regard to the holdings of Government securities by the Federal reserve banks is practically unchanged since the last report which contained statements of holdings up to October 17, 1923. The policy adopted by the Committee with reference to holdings of Government securities by the System is being continued. The Government security holdings of the banks at the close of business November 21, 1923, were as follows, as compared with those on October 17, 1923:

	Balance <u>Nov. 21</u>	Balance <u>Oct. 17</u>	Net <u>Change</u>
Boston	*\$ 3,560	*\$3,560	* 0
New York	1,149	1,149	0
Philadelphia	12,405	17,408	5,003--
Cleveland	10,763	10,346	417+
Richmond	1,341	1,341	0
Atlanta	253	241	12+
Chicago	6,258	6,258	0
St. Louis	0	0	0
Minneapolis	7,365	7,387	22--
Kansas City	6,780	8,567	1,787--
Dallas	6,279	8,779	2,500--
San Francisco	<u>9,185</u>	<u>9,185</u>	<u>0</u>
T O T A L S	\$65,338	\$74,221	\$8,883 -

* (000 Omitted)

Bankers Acceptances

The distribution throughout the System of bills purchased by the Federal reserve banks since the last meeting has resulted in an increase of \$75,962,000. in the holdings of the System as a whole, from \$161,214,000 on October 17 to \$237,176,000 on November 21, 1923. These changes in detail are as follows:

STATEMENT SHOWING PURCHASES, SALES,
ALLOTMENTS AND MATURITIES OF BANKERS ACCEPTANCES
BY FEDERAL RESERVE BANKS
FROM JULY 3 TO NOVEMBER 21, 1923, (INCLUSIVE)

RECAPITULATION OF PURCHASES, SALES, ALLOTMENTS AND MATURITIES OF BANKERS ACCEPTANCES
BY FEDERAL RESERVE BANKS FROM JULY 3 TO NOVEMBER 21, 1923 INCLUSIVE

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
*Balance June 27, 1923	\$14,067,000	\$ 20,745,000	\$19,513,000	\$ 27,591,000	\$1,778,000	\$ 9,602,000	\$ 40,897,000	\$7,061,000	-0-	\$ 26,000	\$12,638,000	\$18,893,000	\$172,811,000
Purchases Own District	31,002,000	**304,404,213	66,135,000	2,980,263	4,221,850	26,604,124	20,657,000	68,000	51,000	241,927	251,749	10,298,000	466,915,186
Purchases Other Districts & Allotments by N.Y. Bank	<u>10,089,581</u>	<u>12,821,401</u>	<u>-0-</u>	<u>71,389,332</u>	<u>-0-</u>	<u>5,459,858</u>	<u>65,984,000</u>	<u>-0-</u>	<u>-0-</u>	<u>2,012,343</u>	<u>57,201,434</u>	<u>23,362,000</u>	<u>248,319,949</u>
A G G R E G A T E	\$55,158,581	\$337,970,614	\$85,648,000	\$101,960,595	\$5,999,850	\$41,665,982	\$127,538,000	\$7,129,000	\$51,000	\$2,280,330	\$70,091,183	\$52,553,000	\$888,046,135
Less Sales From Portfolio	-0-	31,201,988	11,000,945	-0-	-0-	6,081,293	-0-	-0-	-0-	-0-	6,740,108	-0-	55,024,334
Less Maturities	29,078,000	67,277,469	47,424,300	73,030,333	3,676,516	25,178,106	90,157,000	7,107,000	-0-	1,570,049	22,466,171	37,601,000	404,565,944
**Less Allotments by N.Y. to Other Federal Reserve Banks	<u>-0-</u>	<u>191,279,614</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>191,279,614</u>
*Balance Nov. 21, 1923	<u>\$26,080,581</u>	<u>\$ 48,211,543</u>	<u>\$27,222,755</u>	<u>\$28,930,262</u>	<u>\$2,323,334</u>	<u>\$10,406,583</u>	<u>\$37,381,000</u>	<u>\$ 22,000</u>	<u>\$51,000</u>	<u>\$ 710,281</u>	<u>\$40,584,904</u>	<u>\$14,952,000</u>	<u>\$237,176,243</u>

*Excluding Sales Contracts

B O S T O N

<u>Week Ending</u>	<u>Purchases</u> <u>Own District</u>	<u>Other Districts</u>	<u>Sales and Allotments</u>	<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
July 3, 1923	\$1,565,000	-	-	\$ 976,000	\$ 14,648,000
" 11, 1923	1,639,000	-	-	2,466,000	13,821,000
" 18, 1923	616,000	-	-	2,352,000	12,085,000
" 25, 1923	2,629,000	-	-	1,142,000	13,572,000
Aug. 1, 1923	794,000	-	-	2,054,000	12,312,000
" 8, 1923	391,000	-	-	1,115,000	11,588,000
" 15, 1923	234,000	-	-	1,733,000	10,089,000
" 22, 1923	497,000	-	-	1,777,000	8,809,000
" 29, 1923	1,746,000	-	-	2,441,000	8,114,000
Sept. 5, 1923	1,180,000	-	-	1,289,000	8,005,000
" 12, 1923	861,000	-	-	1,329,000	7,537,000
" 19, 1923	682,000	-	-	1,556,000	6,663,000
" 26, 1923	1,552,000	-	-	1,832,000	6,392,000
Oct. 3, 1923	628,000	-	-	695,000	6,325,000
" 10, 1923	939,000	-	-	574,000	6,690,000
" 17, 1923	2,295,000	-	-	841,000	8,144,000
" 24, 1923	1,243,000	-	-	739,000	8,648,000
" 31, 1923	1,611,000	-	-	942,000	9,317,000
Nov. 7, 1923	2,946,000	(10,089,581*) (N.Y.Portfolio)	-	850,000	21,502,000
" 14, 1923	5,623,000	-	-	734,000	26,391,000
" 21, 1923	<u>1,331,000</u>	<u>-</u>	-	<u>1,641,000</u>	26,081,000
<u>TOTALS</u>	<u>\$ 31,002,000</u>	<u>\$ 10,089,581*</u>		<u>\$ 29,078,000</u>	

* Sale from portfolio

- 2 -

	Balance Nov. 21	Balance Oct. 17	Net Change
Boston	* \$ 26,081	* \$ 8,144	*\$17,937+
New York	48,212	19,156	29,056+
Philadelphia	27,222	20,424	6,798+
Cleveland	28,930	24,508	4,422+
Richmond	2,323	1,141	1,182+
Atlanta	10,407	5,452	4,955+
Chicago	37,381	40,479	3,098-
St. Louis	22	7	15+
Minneapolis	51	51	0
Kansas City	710	2,199	1,489-
Dallas	40,885	29,214	11,671+
San Francisco	14,952	10,439	4,513+
T O T A L S	\$237,176	\$161,214	\$75,962+

* (000 Omitted)

There is also attached a statement showing transactions of all Federal reserve banks in bankers acceptances weekly during the period from July 3, 1923, to November 21, 1923. The non-participation of some of the banks in such purchases has necessitated heavy increases in the portfolios of the remaining banks. It is important that we gradually extend the allotting of bills to all the reserve banks so that distribution will be made from the standpoint of a System policy and of rendering the support of the entire System to the bill market (as and when conditions warrant) rather than from the standpoint of earnings or other conditions. In order that this may be accomplished, the secretary suggests that the committee redistribute the bills purchased to all the reserve banks, with the understanding that such participation by any of the banks may be discontinued in the discretion of the committee at times when the banks' reserve position or any other controlling reason makes it impracticable for them to continue.

Attached for reference is a copy of the secretary's report as of the close of business October 17, 1923.

Respectfully submitted,

(Signed) W. B. Matteson

Secretary.

NEW YORK

Week Ending	<u>Purchases</u>				Balance Exclusive of Sales Contracts
	<u>Own District</u>	<u>Other Districts</u>	<u>Sales and Allotments</u>	<u>Maturities</u>	
July 3, 1923	\$8,475,590	-	\$2,314,590	\$7,164,865	\$19,741,000
" 11, 1923	15,384,854	1,012,945 (F.R.B. Dallas)	8,758,799 1,338,982* (F.R.B. Chicago)	3,351,475	22,690,000
" 18, 1923	14,306,575	2,500,163 (F.R.B. Dallas)	7,895,738	4,032,121	27,569,000
" 25, 1923	11,592,215	3,227,000 (F.R.B. Dallas)	5,016,560* (F.R.B. Cleveland) 6,996,215	4,807,675	25,567,000
Aug. 1, 1923	16,592,704	-	14,461,704	5,183,000	22,515,000
" 8, 1923	9,526,096	-	7,241,096	4,147,113	20,652,000
" 15, 1923	9,511,066	-	8,722,066	4,013,705	17,427,000
" 22, 1923	9,302,506	-	1,000,484* (F.R.B. Kan. City) 9,021,506	2,253,729	14,454,000
" 29, 1923	10,581,138	-	6,863,138	1,882,205	16,290,000
Sept. 5, 1923	7,059,500	-	4,088,500	1,853,875	17,407,000
" 12, 1923	15,352,689	-	6,048,503* (F.R.B. Dallas) 10,968,689	1,857,323	13,886,000
" 19, 1923	10,361,977	-	6,034,828* (F.R.B. Dallas) 6,860,977	1,091,356	10,261,000
" 26, 1923	12,846,370	-	1,301,076* (F.R.B. Dallas) 9,639,370	3,061,184	9,106,000
Oct. 3, 1923	10,519,982	-	8,574,982	3,708,264	7,343,000
" 10, 1923	17,137,162	-	11,164,162	1,291,844	12,024,000
" 17, 1923	13,249,110	5,095,322 (F.R.B. Atlanta)	9,464,432	1,748,091	19,156,000
" 24, 1923	12,701,819	-	11,453,819	1,703,453	18,701,000
" 31, 1923	17,526,044	-	10,719,044	1,934,844	23,573,000
Nov. 7, 1923	22,636,096	985,971 (F.R.B. Atlanta)	10,089,581* (F.R.B. Boston) 371,974* (F.R.B. Atlanta) 7,585,067	2,209,118	26,939,000
" 14, 1923	26,551,428	-	15,851,428	4,216,904	33,422,000
" 21, 1923	33,189,292	-	12,634,292	5,765,325	48,212,000
<u>TOTALS</u>	<u>\$304,404,213</u>	<u>\$ 12,821,401</u>	<u>\$191,279,614</u> <u>31,201,988*</u>	<u>\$67,277,469*</u>	

* Sale from portfolio

P H I L A D E L P H I A

<u>Week</u> <u>Ending</u>	<u>Purchases</u> <u>Own</u> <u>District</u>	<u>Other</u> <u>Districts</u>	<u>Sales and</u> <u>Allotments</u>	<u>Maturities</u>	<u>Balance</u> <u>Exclusive</u> <u>of Sales</u> <u>Contracts</u>
July 3, 1923	\$ 1,596,000	-	-	\$ 1,796,039	\$19,309,000
" 11, 1923	2,930,000	-	-	2,360,030	19,879,000
" 18, 1923	2,560,000	-	-	1,855,026	20,584,000
" 25, 1923	1,234,000	-	-	1,505,745	20,313,000
Aug. 1, 1923	1,105,000	-	-	2,144,000	19,274,000
" 8, 1923	2,298,000	-	-	1,613,016	19,959,000
" 15, 1923	2,529,000	-	-	2,276,313	20,212,000
" 22, 1923	1,779,000	-	-	1,685,075	20,306,000
" 29, 1923	2,930,000	-	-	3,024,411	20,212,000
Sept. 5, 1923	1,976,000	-	-	2,322,877	19,865,000
" 12, 1923	1,833,000	-	-	1,920,626	19,778,000
" 19, 1923	2,435,000	-	*2,000,000 (Dallas)	1,879,582	18,333,000
" 26, 1923	3,375,000	-	-	2,452,000	19,256,000
Oct. 3, 1923	5,180,000	-	*3,000,945 (Dallas)	2,548,023	18,888,000
" 10, 1923	3,714,000	-	*2,000,000 (Dallas)	2,758,700	17,844,000
" 17, 1923	4,005,000	-	-	1,424,731	20,424,000
" 24, 1923	1,701,000	-	-	1,856,711	20,268,000
" 31, 1923	2,072,000	-	*2,000,000 (Dallas)	3,378,094	16,962,000
Nov. 7, 1923	7,461,000	-	-	4,585,370	19,838,000
" 14, 1923	7,888,000	-	-	1,643,813	26,082,000
" 21, 1923	<u>5,534,000</u>	-	<u>*2,000,000 (Dallas)</u>	<u>2,394,118</u>	27,222,000
<u>TOTALS</u>	<u>\$66,135,000</u>		<u>\$11,000,945</u>	<u>\$47,424,300</u>	

* Sales from portfolio

C L E V E L A N D

<u>Week Ending</u>	<u>Own District</u>	<u>Purchases Other Districts</u>	<u>Sales and Allotments</u>	<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
July 3, 1923	\$ 48,645	\$ 722,348 (N.Y.)	-	\$3,259,333	\$25,103,000
" 11, 1923	-	888,320 "	-	3,514,000	22,477,000
" 18, 1923	89,968	1,416,000 "	-	2,168,000	21,815,000
" 25, 1923	191,486	(*5,016,560 3,262,851 "	-	3,684,000	26,602,000
Aug. 1, 1923	183,498	7,103,185 "	-	2,638,000	31,251,000
" 8, 1923	203,000	5,656,096 "	-	2,856,000	34,254,000
" 15, 1923	192,957	6,986,066 "	-	3,367,000	38,066,000
" 22, 1923	26,910	6,388,647 "	-	2,900,000	41,582,000
" 29, 1923	161,916	3,198,138 "	-	2,342,000	42,600,000
Sept. 5, 1923	77,296	684,500 "	-	4,407,000	38,955,000
" 12, 1923	162,964	1,594,171 "	-	4,432,000	36,280,000
" 19, 1923	133,806	1,035,977 "	-	2,926,000	34,524,000
" 26, 1923	323,744	1,165,745 "	-	3,403,000	32,610,000
Oct. 3, 1923	-	912,154 "	-	3,520,000	30,002,000
" 10, 1923	269,864	1,663,162 "	-	3,729,000	28,206,000
" 17, 1923	-	1,293,296 "	-	4,991,000	24,508,000
" 24, 1923	50,000	9,124,819	-	4,789,000	28,894,000
" 31, 1923	400,000	3,869,423 "	-	4,447,000	28,716,000
Nov. 7, 1923	100,000	2,627,883 "	-	3,306,000	28,138,000
" 14, 1923	215,871	3,446,089 "	-	2,357,000	29,443,000
" 21, 1923	<u>148,338</u>	<u>3,333,902</u> "	-	<u>3,995,000</u>	28,930,000
<u>TOTALS</u>	<u>\$2,980,263</u>	<u>\$71,389,332</u>	-	<u>\$73,030,333</u>	

* Bought from N. Y. portfolio

R I C H M O N D

<u>Week Ending</u>	<u>Purchases</u>		<u>Sales and Allotments</u>	<u>Maturities</u>	Balance Exclusive of <u>Sales Contracts</u>
	<u>Own District</u>	<u>Other Districts</u>			
July 3, 1923	\$ 700,000	-	-	\$ 225,000	\$2,253,000
" 11, 1923	23,000	-	-	343,649	1,932,000
" 18, 1923	155,000	-	-	150,000	1,937,000
" 25, 1923	350,000	-	-	406,000	1,881,000
Aug. 1, 1923	200,000	-	-	295,000	1,786,000
" 8, 1923	60,000	-	-	127,933	1,718,000
" 15, 1923	-	-	-	400,000	1,318,000
" 22, 1923	130,000	-	-	175,000	1,273,000
" 29, 1923	60,900	-	-	380,000	954,000
Sept. 5, 1923	-	-	-	230,900	723,000
" 12, 1923	35,000	-	-	50,000	708,000
" 19, 1923	-	-	-	230,000	478,000
" 26, 1923	70,000	-	-	-	548,000
Oct. 3, 1923	170,000	-	-	223,000	495,000
" 10, 1923	425,000	-	-	5,000	915,000
" 17, 1923	226,000	-	-	-	1,141,000
" 24, 1923	225,000	-	-	100,000	1,266,000
" 31, 1923	549,506	-	-	50,000	1,766,000
Nov. 7, 1923	135,000	-	-	25,000	1,876,000
" 14, 1923	511,655	-	-	25,000	2,362,000
" 21, 1923	<u>195,789</u>	-	-	<u>235,034</u>	2,323,000
<u>TOTALS</u>	<u>\$4,221,850</u>			<u>\$3,676,516</u>	

A T L A N T APurchases

<u>Week</u> <u>Ending</u>	<u>Own</u> <u>District</u>	<u>Other</u> <u>Districts</u>	<u>Sales and</u> <u>Allotments</u>	<u>Maturities</u>	<u>Balance</u> <u>Exclusive of</u> <u>Sales Contracts</u>
July 3, 1923	\$ 512,001	-	-	\$ 2,019,784	\$8,144,000
" 11, 1923	683,917	-	-	2,028,013	6,800,000
" 18, 1923	179,541	-	-	2,517,867	4,462,000
" 25, 1923	748,866	706,364 (F.R.B. N.Y.)	-	1,227,232	4,640,000
Aug. 1, 1923	263,320	4,381,519 (F.R.B. N.Y.)	-	347,000	8,938,000
" 8, 1923	812,723	-	-	864,626	8,886,900
" 15, 1923	435,576	-	-	780,084	8,542,000
" 22, 1923	510,219	-	-	843,393	8,209,000
" 29, 1923	501,647	-	-	930,862	7,780,000
Sept. 5, 1923	1,273,562	-	-	548,279	8,505,000
" 12, 1923	1,011,704	-	-	472,469	9,044,000
" 19, 1923	853,500	-	-	515,066	9,383,000
" 26, 1923	1,349,799	-	-	1,590,142	9,142,000
Oct. 3, 1923	797,065	-	-	830,709	9,108,000
" 10, 1923	1,732,776	-	-	1,814,845	9,026,000
" 17, 1923	2,837,464	-	* 5,095,322 (F.R.B. N.Y.)	1,315,960	5,452,000
" 24, 1923	1,984,833	-	-	1,766,000	5,671,000
" 31, 1923	2,888,937	-	-	1,156,283	7,404,000
Nov. 7, 1923	2,527,163	371,975 (F.R.B. N.Y.)	* 985,971 (F.R.B. N.Y.)	755,155	8,562,000
" 14, 1923	2,483,142	-	-	1,293,296	9,752,000
" 21, 1923	<u>2,216,369</u>	<u>-</u>	<u>-</u>	<u>1,561,041</u>	10,407,000
<u>TOTALS</u>	<u>\$ 26,604,124</u>	<u>\$ 5,459,858</u>	<u>\$ 6,081,293</u>	<u>\$ 25,178,106</u>	

C H I C A G O

<u>Week Ending</u>	<u>Purchases</u>			<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
	<u>Own District</u>	<u>Other Districts</u>	<u>Allotments</u>		
July 3, 1923	\$3,590,000	\$ 778,000(N.Y.)-		\$3,747,000	\$42,460,000
" 11, 1923	984,000	{ *1,338,982 " - 5,876,018 " -		12,311,000	38,348,000
" 18, 1923	2,839,000	5,103,000 " -		4,708,000	41,582,000
" 25, 1923	1,477,000	1,788,000 " -		1,825,000	43,022,000
Aug. 1, 1923	846,000	1,706,000 " -		968,000	44,606,000
" 8, 1923	771,000	890,000 " -		2,458,000	43,809,000
" 15, 1923	806,000	1,002,000 " -		2,061,000	43,556,000
" 22, 1923	153,000	926,000 " -		3,194,000	41,441,000
" 29, 1923	1,177,000	2,922,000 " -		4,118,000	41,422,000
Sept. 5, 1923	656,000	2,765,000 " -		5,574,000	39,374,000
" 12, 1923	1,261,000	4,625,000 " -		5,188,000	40,072,000
" 19, 1923	813,000	5,099,000 " -		3,813,000	42,171,000
" 26, 1923	917,000	3,926,000 " -		6,936,000	40,078,000
Oct. 3, 1923	792,000	4,012,000 " -		5,648,000	39,134,000
" 10, 1923	236,000	8,257,000 " -		5,128,000	42,499,000
" 17, 1923	295,000	2,690,000 " -		5,005,000	40,479,000
" 24, 1923	37,000	1,343,000 " -		4,232,000	37,627,000
" 31, 1923	780,000	1,529,000 " -		5,888,000	34,048,000
Nov. 7, 1923	309,000	2,699,000 " -		2,403,000	34,653,000
" 14, 1923	1,483,000	3,389,000 " -		2,269,000	36,309,000
" 21, 1923	<u>435,000</u>	<u>3,320,000</u> " -		<u>2,683,000</u>	37,381,000
<u>TOTALS</u>	<u>\$20,657,000</u>	<u>\$65,984,000</u>		<u>\$90,157,000</u>	

* Bought from N. Y. portfolio

S T. L O U I S

<u>Week Ending</u>	<u>Purchases</u>			<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
	<u>Own District</u>	<u>Other Districts</u>	<u>Sales and Allotments</u>		
July 3, 1923	-	-	-	\$ 1,082,000	\$5,979,000
" 11, 1923	-	-	-	1,533,000	4,446,000
" 18, 1923	-	-	-	1,000,000	3,446,000
" 25, 1923	-	-	-	335,000	3,111,000
Aug. 1, 1923	-	-	-	884,000	2,227,000
" 8, 1923	32,000	-	-	732,000	1,527,000
" 15, 1923	-	-	-	416,000	1,111,000
" 22, 1923	-	-	-	229,000	882,000
" 29, 1923	-	-	-	492,000	390,000
Sept. 5, 1923	14,000	-	-	15,000	389,000
" 12, 1923	-	-	-	-	389,000
" 19, 1923	-	-	-	349,000	40,000
" 26, 1923	-	-	-	1,000	39,000
Oct. 3, 1923	-	-	-	32,000	7,000
" 10, 1923	-	-	-	-	7,000
" 17, 1923	-	-	-	-	7,000
" 24, 1923	-	-	-	-	7,000
" 31, 1923	22,000	-	-	-	29,000
Nov. 7, 1923	-	-	-	-	29,000
" 14, 1923	-	-	-	-	29,000
" 21, 1923	-	-	-	7,000	22,000
<u>TOTALS</u>	<u>\$68,000</u>			<u>\$7,107,000</u>	

MINNEAPOLISPurchases

<u>Week Ending</u>	<u>Own District.</u>	<u>Other Districts</u>	<u>Sales and Allotments</u>	<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
July 3, 1923	-	-	-	-	-
" 11, 1923	-	-	-	-	-
" 18, 1923	-	-	-	-	-
" 25, 1923	-	-	-	-	-
Aug. 1, 1923	-	-	-	-	-
" 8, 1923	-	-	-	-	-
" 15, 1923	-	-	-	-	-
" 22, 1923	-	-	-	-	-
" 29, 1923	-	-	-	-	-
Sept. 5, 1923	-	-	-	-	-
" 12, 1923	-	-	-	-	-
" 19, 1923	-	-	-	-	-
" 26, 1923	-	-	-	-	-
Oct. 3, 1923	50,000	-	-	-	50,000
" 10, 1923	1,000	-	-	-	51,000
" 17, 1923	-	-	-	-	51,000
" 24, 1923	-	-	-	-	51,000
" 31, 1923	-	-	-	-	51,000
Nov. 7, 1923	-	-	-	-	51,000
" 14, 1923	-	-	-	-	51,000
" 21, 1923	-	-	-	-	51,000
<u>TOTALS</u>	<u>\$51,000</u>				

K A N S A S C I T Y

<u>Week Ending</u>	<u>Purchases</u>		<u>Sales and Allotments</u>	<u>Maturities</u>	<u>Balance Exclusive of Sales Contracts</u>
	<u>Own District</u>	<u>Other Districts</u>			
July 3, 1923	--	--	--	--	\$ 26,000
" 11, 1923	--	--	--	--	26,000
" 18, 1923	--	--	--	--	26,000
" 25, 1923	--	--	--	--	26,000
Aug. 1, 1923	--	--	--	25,726	--
" 8, 1923	--	--	--	--	--
" 15, 1923	--	--	--	--	--
" 22, 1923	--	2,012,343 (N. Y.)	--	--	2,012,000
" 29, 1923	--	--	--	--	2,012,000
Sept. 5, 1923	--	--	--	--	2,012,000
" 12, 1923	--	--	--	--	2,012,000
" 19, 1923	75,000	--	--	--	2,087,000
" 26, 1923	--	--	--	--	2,087,000
Oct. 3, 1923	160,000	--	--	--	2,247,000
" 10, 1923	--	--	--	32,906	2,215,000
" 17, 1923	--	--	--	15,745	2,199,000
" 24, 1923	--	--	--	678,545	1,520,000
" 31, 1923	6,987	--	--	--	1,527,000
Nov. 7, 1923	--	--	--	260,341	1,267,000
" 14, 1923	--	--	--	529,786	737,000
" 21, 1923	--	--	--	27,000	710,000
<u>TOTALS</u>	<u>\$241,987</u>	<u>\$2,012,343</u>		<u>\$1,570,049</u>	

D A L L A S

<u>Week</u> <u>Ending</u>	<u>Purchases</u> <u>Own</u> <u>District</u>	<u>Other</u> <u>Districts</u>	<u>Sales and</u> <u>Allotments</u>	<u>Maturities</u>	<u>Balance</u> <u>Exclusive of</u> <u>Sales Contracts</u>
July 3, 1923	\$ -	\$ 233,242 (F.R.B. N. Y.)	\$ -	\$ 800,368	\$ 12,071,000
" 11, 1923	-	1,289,461 (F.R.B. N. Y.)	° 1,012,945 (F.R.B. N.Y.)	1,480,140	10,867,000
" 18, 1923	-	309,738 (F.R.B. N. Y.)	° 2,500,163 (F.R.B. N.Y.)	895,212	7,782,000
" 25, 1923	-	-	° 3,227,000 (F.R.B. N.Y.)	1,928,000	2,627,000
Aug. 1, 1923	-	-	-	1,357,234	1,270,000
" 8, 1923	-	-	-	602,687	667,000
" 15, 1923	-	-	-	37,123	630,000
" 22, 1923	-	-	-	11,193	619,000
" 29, 1923	-	-	-	155,130	464,000
Sept. 5, 1923	-	-	-	28,875	435,000
" 12, 1923	-	* 6,048,503 (F.R.B. N.Y.) 3,549,518 (F.R.B. N.Y.)	-	33,716	9,999,000
" 19, 1923	-	* 2,000,000 (F.R.B. PHIL.) * 6,034,828 (F.R.B. N. Y.)	-	161,828	17,872,000
" 26, 1923	-	4,955,701 (F.R.B. N.Y.)	-	282,000	22,546,000
Oct. 3, 1923	-	* 3,000,945 (F.R.B. PHIL.) * 1,301,076 (F.R.B. N. Y.) 1,700,752 (F.R.B. N. Y.)	-	79,395	28,470,000
" 10, 1923	-	* 2,000,000 (F.R.B. PHIL.)	-	2,503,141	27,967,000
" 17, 1923	-	4,509,136 (F.R.B. N.Y.)	-	3,261,591	29,214,000

(Continued)

D A L L A S

(Continued)

<u>Week</u> <u>Ending</u>	<u>Purchases</u>		<u>Sales and</u> <u>Allotments</u>	<u>Maturities</u>	<u>Balance</u> <u>Exclusive</u> <u>of Sales</u> <u>Contracts</u>
	<u>Own</u> <u>District</u>	<u>Other</u> <u>Districts</u>			
Oct. 24, 1923	-	-	-	\$ 2,086,493	\$ 27,127,000
" 31, 1923	-	\$4,163,621 (F.R.B.N.Y.) * 2,000,000 (F.R.B.Phil.)	-	1,173,406	32,118,000
Nov. 7, 1923	\$251,749	2,258,184 (F.R.B.N.Y.)	-	1,349,367	33,278,000
" 14, 1923	-	6,461,339 (F.R.B.N.Y.)	-	2,124,254	37,615,000
" 21, 1923	-	* 2,000,000 (F.R.B.Phil.) 3,385,390 (F.R.B.N.Y.)	-	2,115,018	40,885,000
<u>TOTALS</u>	<u>\$251,749</u>	<u>\$57,201,434</u>	<u>\$6,740,108</u>	<u>\$22,466,171</u>	<u>\$344,523,000</u>

* Bought from Philadelphia and New York portfolio

o Sale from portfolio

S A N . F R A N C I S C OPurchases

<u>Week</u> <u>Ending</u>	<u>Own</u> <u>District</u>	<u>Other</u> <u>Districts</u>	<u>Sales and</u> <u>Allotments</u>	<u>Maturities</u>	<u>Balance</u> <u>Exclusive of</u> <u>Sales Contracts</u>
July 3, 1923	\$3,102,000	\$ 581,000	-	\$1,991,000	\$20,488,000
" 11, 1923	105,000	705,000	-	4,281,000	17,017,000
" 18, 1923	191,000	1,067,000	-	2,900,000	15,375,000
" 25, 1923	434,000	1,239,000	-	2,592,000	14,456,000
Aug. 1, 1923	-	1,271,000	-	2,015,000	13,712,000
" 8, 1923	243,000	695,000	-	1,022,000	13,628,000
" 15, 1923	276,000	734,000	-	1,628,000	13,010,000
" 22, 1923	988,000	695,000	-	2,083,000	12,610,000
" 29, 1923	596,000	723,000	-	2,072,000	11,857,000
Sept. 5, 1923	127,000	625,000	-	2,397,000	10,309,000
" 12, 1923	415,000	1,200,000	-	1,658,000	10,266,000
" 19, 1923	339,000	726,000	-	1,604,000	9,727,000
" 26, 1923	30,000	893,000	-	726,000	9,924,000
Oct. 3, 1923	950,000	649,000	-	816,000	10,707,000
" 10, 1923	536,000	1,244,000	-	1,448,000	11,039,000
" 17, 1923	117,000	972,000	-	1,689,000	10,439,000
" 24, 1923	-	996,000	-	1,089,000	10,346,000
" 31, 1923	170,000	1,157,000	-	2,120,000	9,553,000
Nov. 7, 1923	207,000	2,040,000	-	1,463,000	10,337,000
" 14, 1923	389,000	2,555,000	-	982,000	12,299,000
" 21, 1923	<u>1,083,000</u>	<u>2,595,000</u>	-	<u>1,025,000</u>	14,952,000
<u>T O T A L S</u>	<u>\$10,298,000</u>	<u>\$23,362,000</u>		<u>\$37,601,000</u>	

FIRST REPORT OF OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM, SUBMITTED TO THE GOVERNORS'
CONFERENCE ON NOVEMBER 12, 1923, COVERING ACTIVITIES SINCE
ORGANIZATION APRIL 1, 1923

At the last Governors' Conference, held on March 26, 1923, the following principles with respect to open market investment operations of the Federal reserve banks were adopted:

1. That the time, manner, character and volume of open market investments purchased by Federal reserve banks be governed with primary regard to the accommodation of commerce and business, and to the effect of such purchases or sales on the general credit situation.
2. That in making the selection of open market purchases, careful regard be always given to the bearing of purchases of United States Government securities, especially of short dated issues, upon the market for such securities, and that open market purchases be primarily commercial investments, except that Treasury certificates be dealt in, as at present, under so-called "repurchase" agreements.

In order to provide for the proper administration of this policy, the Board ruled that on and after April 1, 1923, the Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities be discontinued and be substituted by a new committee known as the Open Market Investment Committee for the Federal Reserve System, this committee to consist of five representatives from the Federal reserve banks and to be under the general supervision of the Federal Reserve Board, and that it be the duty of this Committee to devise and recommend plans for the purchase and sale and distribution of the open market purchases of the Federal reserve banks in accordance with the above principles and such regulations as may from time to time be laid down by the Federal Reserve Board.

*Orig. Copy filed 11-10-23
meeting.
333-6-21*

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Herewith is presented a report of the activities and operations of the Committee covering the period from April 1, 1923, (date of the organization of this Committee) to October 17, 1923, inclusive.

Meetings

Formal meetings of the Committee were held at the Federal Reserve Bank of Philadelphia, April 13, 1923, and in Washington, D. C., May 23, and June 25, 1923, at which reports of the Committee's activities were submitted.

Meeting April 13, 1923

The first meeting of the new Committee was held in Philadelphia on April 13, 1923, at which the policy covering the open market purchases of the Federal reserve banks and the administration thereof, as referred to in the Federal Reserve Board's letter (X-3689 dated April 7, 1923) was discussed, it being agreed that it was the duty of this Committee to devise and recommend plans for the purchase and sale and distribution of the open market purchases of the Federal reserve banks in accordance with the principles outlined therein, and such regulations as may from time to time be laid down by the Federal Reserve Board.

Meeting May 23, 1923

At the meeting of the Committee held in Washington, D. C., May 23, 1923, a discussion took place regarding the current credit situation, the present investment holdings of the Federal reserve banks and of open market policy. As a result of the discussion and the general feeling that an ease in money had recently occurred occasioned partly to an increase in the imports of gold and partly to a lessened demand for credit, it was felt that the present afforded an opportune time to dispose of a moderate amount of the open market investments held by the System, whereupon it was voted to authorize and direct the chairman to undertake to arrange with the twelve Federal reserve banks for the sale of \$50,000,000 in such securities on a pro rata basis at as early a date as was practicable. During the following month the System disposed of not only the \$50,000,000 here referred to but an additional \$30,000,000 as well.

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With the exception of Government securities held under repurchase agreement and in miscellaneous reserve accounts, this reduced the purely investment holdings of the System to approximately \$50,000,000 of Treasury notes, the banks having disposed of practically all of their Treasury certificates.

Meeting
of
Advisory
Committee
June 25,
1923

The Committee presented a report at the meeting of the Advisory Committee of the Federal Reserve Bank Governors, which was held at the office of the Federal Reserve Board in Washington, June 25, 1923. At this meeting a plan covering the distribution of the bills purchased by Federal reserve banks was presented to and adopted by the Committee, and a copy was sent to the Governor of the Federal Reserve Board and to the Governor of each Federal reserve bank.

Transactions
in
Gov't
Securities
by
Federal
Reserve
Banks for
Their Own
Account

Since the organization of this Committee, transactions in Government securities by Federal reserve banks affecting their own investment accounts, have resulted in a reduction in their total holdings of \$148,000,000 from the total holdings of \$222,000,000 (exclusive of sales contracts) while holdings of bankers acceptances reflected a reduction during the period covered of \$89,000,000. (see schedule attached.)

Treasury
Orders

Various orders for account of the Treasury amounting to \$359,533,500 have been distributed by the Committee (see schedule attached). Attached are further exhibits containing statements of investments of Federal reserve banks and other data as follows:

1. WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD FROM OCTOBER 11 to 17, INCLUSIVE.
2. GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS OF OCTOBER 17, 1923,
3. COMPARISON OF GOVERNMENT SECURITY HOLDINGS BY MATURITIES OF ALL FEDERAL RESERVE BANKS
4. COMPARISON OF EARNING ASSETS OF FEDERAL RESERVE BANKS ON APRIL 4, SEPTEMBER 5 and OCTOBER 17, 1923.

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Details of the changes in the holdings of Government securities and bankers acceptances from April 4, 1923, to October 17, 1923.

BANK	ISSUE	GOVERNMENT SECURITIES		NET CHANGE April 4 - Oct. 17/23
		PURCHASED	SOLD	
Boston	3 3/4% - Sept. 15/23 C-I	\$	\$ 4,694,000 (redeemed)	
	4 3/8% - Dec. 15/25 T-N		1,000,000	
	4 1/4% - Sept. 15/26 T-N		800,000	6,494,000-
New York	4 1/4% - Sept. 15/26 T-N		10,000,000	10,000,000-
Phila.	3 3/4% - Sept. 15/23 C-I		582,000 (redeemed)	
	4 % - Dec. 15/23 C-I	19,000	350,500	
	4 1/4% - Mar. 15/24 C-I	114,000	87,000	
	4 1/2% - Mar. 15/24 C-I		2,000	
	5 3/4% - June 15/24 T-N		46,000	
	5 1/2% - Sept. 15/24 T-N		168,500	
	4 3/4% - Mar. 15/25 T-N		5,090,000	
	4 1/2% - June 15/25 T-N		194,700	
	4 1/4% - Sept. 15/26 T-N		68,400	
	4 3/4% - Mar. 15/27 T-N	369,800	369,800	
	4 1/2% - Dec. 15/27 T-N		253,100	
	Miscellaneous Bonds	300,000	1,502,300	
		802,800	8,714,300	7,911,500-
Cleveland	3 3/4% - June 15/23 C-I	1,500,000	1,504,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		3,734,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	420,500	420,500	
	4 1/4% - Sept. 15/23 C-I	146,500	246,500	
	4 % - Dec. 15/23 C-I	199,500	5,147,000	
	4 1/4% - Mar. 15/24 C-I	1,098,000	1,025,000	
	4 1/2% - Mar. 15/24 C-I	234,000	100,500	
	5 3/4% - June 15/24 T-N	200,000	40,000	
	4 3/4% - Mar. 15/25 T-N		300	
	4 1/2% - June 15/25 T-N	190,000	689,100	
	4 3/8% - Dec. 15/25 T-N		557,000	
	4 3/4% - Mar. 15/26 T-N		32,500	
	4 1/4% - Sept. 15/26 T-N		1,775,800	
	4 3/4% - Mar. 15/27 T-N	350,100	7,100	
	4 1/2% - Dec. 15/27 T-N		29,500	
		4,338,600	15,309,300	10,970,700-
Richmond	-0-	-0-	-0-	-0-
Atlanta	3 3/4% - Sept. 15/23 C-I		2,000,000 (redeemed)	
	4 1/4% - Sept. 15/23 C-I	20,000	20,000	
	4 % - Dec. 15/23 C-I	502,000	502,000	
	4 1/4% - Mar. 15/24 C-I	215,500	95,500	
	4 1/2% - Mar. 15/24 C-I	80,000	200,000	
	5 3/4% - June 15/24 T-N	102,000	102,000	
	4 1/2% - June 15/25 T-N	59,000	271,500	

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<u>BANK</u>	<u>ISSUE</u>	<u>PURCHASED</u>	<u>SOLD</u>	<u>NET CHANGE</u> <u>April 4 - Oct. 17/23</u>
Atlanta (cont'd)	4 3/8% - Dec. 15/25 T-N	\$ 5,700	\$ 5,100	\$
	4 3/4% - Mar. 15/26 T-N	9,500	9,500	
	4 1/4% - Sept. 15/26 T-N	26,000	16,000	
	4 3/4% - Mar. 15/27 T-N	422,200	422,700	
	4 1/2% - Dec. 15/27 T-N	425,900	484,200	
	Miscellaneous Bonds	<u>1,129,650</u>	<u>1,170,700</u>	
		\$2,997,450	\$5,299,200	2,301,750-
Chicago	3 3/4% - Sept. 15/23 C-I		17,549,000 (redeemed)	
	4 1/2% - Dec. 15/23 C-I		17,790,000	
	4 1/4% - Mar. 15/24 C-I	750,000	114,500	
	4 1/2% - Mar. 15/24 C-I		635,500	
	4 3/4% - Mar. 15/27 T-N	<u>119,000</u>	<u>119,000</u>	
		\$ 869,000	\$36,208,000	35,339,000-
St. Louis	3 3/4% - June 15/23 C-I	360,000	360,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		2,994,000 (redeemed)	
	4 1/2% - Dec. 15/23 C-I	851,500	5,293,000	
	4 1/4% - Mar. 15/24 C-I	572,500	572,500	
	5 3/4% - June 15/24 T-N	275,000	1,643,100	
	5 1/2% - Sept. 15/24 T-N		1,154,000	
	4 3/4% - Mar. 15/25 T-N		1,285,900	
	4 1/2% - June 15/25 T-N		850,600	
	4 3/8% - Dec. 15/25 T-N		1,245,900	
	4 3/4% - Mar. 15/26 T-N		1,018,300	
	4 3/4% - June 15/26 T-N		300,000	
	4 1/4% - Sept. 15/26 T-N		1,555,900	
	4 1/2% - Dec. 15/27 T-N		249,200	
	Miscellaneous Bonds		<u>7,303,300</u>	
		\$2,059,000	\$25,825,700	23,766,700-
Minn.	3 3/4% - Sept. 15/23 C-I		510,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	22,500	37,500	
	4 1/4% - Sept. 15/23 C-I	222,000	224,000	
	4 1/2% - Dec. 15/23 C-I	2,087,500	2,072,500	
	4 1/4% - Mar. 15/24 C-I	2,157,500	2,150,500	
	4 1/2% - Mar. 15/24 C-I	1,471,000	1,471,000	
	5 3/4% - June 15/24 T-N	1,370,500	1,370,500	
	5 1/2% - Sept. 15/24 T-N	4,124,900	4,124,900	
	4 3/4% - Mar. 15/25 T-N	1,845,500	1,833,400	
	4 1/2% - June 15/25 T-N	1,594,700	1,584,700	
	4 3/8% - Dec. 15/25 T-N	1,186,000	2,828,500	
	4 3/4% - Mar. 15/26 T-N	6,273,300	2,018,800	
	4 1/4% - Sept. 15/26 T-N	3,747,700	9,026,700	
	4 3/4% - Mar. 15/27 T-N	1,384,400	1,409,400	
	4 1/2% - Dec. 15/27 T-N	953,700	954,100	
	Miscellaneous Bonds	<u>7,205,500</u>	<u>6,933,900</u>	
		\$35,646,700	\$38,550,900	2,904,200-

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BANK	ISSUE	PURCHASED	SOLD	NET CHANGE
				April 4 - Oct. 17/23
Kan. City	3 3/4% - June 15/23 C-I		\$ 7,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		1,414,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	153,000	226,000	
	4 1/2% - Sept. 15/23 C-I	63,000		
	4 % - Dec. 15/23 C-I	21,500	191,500	
	4 1/4% - Mar. 15/24 C-I	151,000	1,000	
	4 1/2% - Mar. 15/24 C-I	27,000	1,919,200	
	5 1/2% - Sept. 15/24 T-N	12,000		
	4 3/4% - Mar. 15/25 T-N	4,165,000	11,615,000	
	4 1/2% - June 15/25 T-N	350,500	1,500,000	
	4 3/8% - Dec. 15/25 T-N		11,909,100	
	4 3/4% - Mar. 15/26 T-N		1,505,000	
	4 1/4% - Sept. 15/26 T-N		2,412,200	
	4 3/4% - Mar. 15/27 T-N	1,970,700	94,000	
	4 1/2% - Dec. 15/27 T-N	5,000		
	Miscellaneous Bonds	100,000	2,516,000	
		7,018,700	35,310,500	\$ 28,291,800-
Dallas	3 3/4% - Sept. 15/23 C-I		2,125,000 (redeemed)	
	4 1/4% - Sept. 15/23 C-I	10,000	10,000	
	4 % - Dec. 15/23 C-I		6,000,000	
	4 1/4% - Mar. 15/24 C-I	2,500,000		
	4 1/2% - Mar. 15/24 C-I	300,000	300,000	
	5 3/4% - June 15/24 T-N	2,500,000		
	4 3/4% - Mar. 15/25 T-N	2,000,000		
	7,310,000	8,435,000	1,125,000-	
San Fran.	3 3/4% - June 15/23 C-I		24,000 (redeemed)	
	5 1/2% - Sept. 15/24 T-N		12,764,600	
	4 3/4% - Mar. 15/25 T-N		12,400	
	4 3/4% - Mar. 15/26 T-N		1,850,000	
	4 1/4% - Sept. 15/26 T-N	45,000	3,712,000	
	Miscellaneous Bonds		92,500	
	45,000	18,455,500	18,410,500-	
TOTAL		\$61,087,250	\$208,602,400	\$147,515,150-

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RECAPITULATION OF CHANGES IN HOLDINGS OF GOVERNMENT SECURITIES
EXCLUSIVE OF SALES CONTRACTS FROM APRIL 4 TO OCTOBER 17, 1923
 (000 Omitted)

<u>Bank</u>	<u>Holdings</u> <u>April 4</u>	<u>Purchases</u>	<u>Sales and</u> <u>Redemptions</u>	<u>Holdings</u> <u>Oct. 17</u>	<u>Net Change</u> <u>Apr. 4 - Oct. 17/23</u>
Boston	\$ 10,054	-0-	\$ 6,494	\$ 3,560	\$ 6,494-
New York	11,149	-0-	10,000	1,149	10,000-
Philadelphia	25,319	803	8,714	17,408	7,911-
Cleveland	21,317	4,338	15,309	10,346	10,971-
Richmond	1,341	-0-	-0-	1,341	-0-
Atlanta	2,542	2,997	5,299	240	2,302-
Chicago	41,597	869	36,208	6,258	35,339-
St. Louis	23,767	2,059	25,826	-0-	23,767-
Minneapolis	10,291	35,647	38,551	7,387	2,904-
Kansas City	36,858	7,019	35,311	8,566	28,292-
Dallas	9,904	7,310	8,435	8,779	1,125-
San Francisco	27,596	45	18,455	9,186	18,410-
T O T A L	\$221,735	\$61,087	\$208,602	\$74,220	\$147,515-

NET CHANGES IN HOLDINGS OF BANKERS ACCEPTANCES
EXCLUSIVE OF SALES CONTRACTS FROM APRIL 4 TO OCTOBER 17, 1923
 (000 Omitted)

<u>Bank</u>	<u>Holdings</u> <u>April 4</u>	<u>Purchases</u>	<u>Sales and</u> <u>Maturities</u>	<u>Holdings</u> <u>Oct. 17</u>	<u>Net Change</u> <u>Apr. 4 - Oct. 17/23</u>
Boston	\$ 14,565	\$ 35,522	\$ 41,943	\$ 8,144	\$ 6,421+
New York	22,357	168,189	171,390	19,156	3,201-
Philadelphia	28,169	63,978	71,723	20,424	7,745-
Cleveland	51,436	81,604	108,532	24,508	26,928-
Richmond	1,026	5,327	5,212	1,141	115+
Atlanta	26,117	30,750	51,415	5,452	20,665-
Chicago	32,001	121,095	112,617	40,479	8,478+
St. Louis	12,455	10,110	22,558	7	12,448+
Minneapolis	2,275	51	2,275	51	2,224-
Kansas City	225	2,376	402	2,199	1,974+
Dallas	20,130	51,625	42,541	29,214	9,084+
San Francisco	39,850	47,874	77,285	10,439	29,411-
T O T A L	\$250,606	\$618,501	\$707,893	\$161,214	\$89,392-

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TREASURY ORDERS EXECUTED BY THE OPEN MARKET INVESTMENT COMMITTEE
SINCE ITS FORMATION ON APRIL 1, 1923

(To Purchase)

<u>Date of Order</u>	<u>Account</u>	<u>Issue</u>	<u>Price</u>	<u>Amount</u>
April 3, 1923	Cumulative Sinking Fund	Uncalled Victory Notes	100 2/32	\$ 7,000,000
*May 3-9, 1923	Foreign Obligations	Third 4 $\frac{1}{4}$ % L. L. Bonds	Market	30,780,000
June 11, 1923	Redemption	June 15, 1923 Ctfs.	Par	6,553,500
" 15, 1923	Philippine Gov't	June 15, 1925 Notes	Market	2,500,000
" 16, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	10,967,500
" 14-18, 1923	Alien Property Custodian	Sept. & Dec. 1923 Ctfs.	"	29,795,000
" 18, 1923	Purchases Proceeds Treasury Notes	Any Treas. Notes F. R. B. holdings	"	25,497,100
" 26, 1923	Purchases Proceeds Treasury Notes	C-1925, B-1926 A-1927 Treas. Notes	Market	15,000,000
" 27-28, 1923	Purchases Proceeds Treasury Notes	B-1925, C-1925, B-1926, A-1927 Treas. Notes	"	25,000,000
" 28-29, 1923	Retirement	Dec. 15, 1923 Ctfs.	Par	10,000,000
" 29, 1923	Purchases Proceeds Treasury Notes	B-1925, C-1925, B-1926 Notes	Market	5,000,000
July 3, 1923	Civil Service Retirement & Disability Fund	Dec. 15, 1923 Ctfs. A-1927 Notes	Par	10,000,000
*July 6, 1923	Cumulative Sinking Fund	Third 4 $\frac{1}{4}$ % L. L. Bonds	Market	10,000,000
" 11-13, 1923	Cumulative Sinking Fund	C-1925, B-1926 Treas. Notes	"	15,000,000
" 13, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	10,643,000
" 24, 1923	"	Dec. 15, 1923 " "	"	5,000,000
" 25, 1923	Cumulative Sinking Fund	C-1925, B-1926 Notes	Market	10,000,000
*Aug. 1, 1923	Cumulative Sinking Fund	Third 4 $\frac{1}{4}$ % L. L. Bonds	"	10,000,000
" 2, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	2,128,500

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Treasury Orders
(Continued)

<u>Date of Order</u>	<u>Account</u>	<u>Issue</u>	<u>Price</u>	<u>Amount</u>
Aug. 16, 1923	Cumulative Sinking Fund	A-1927 Notes	Market	\$ 4,643,600
" 21, 1923	Retirement	Sept. 15, 1923 either ctfs.	Par	10,000,000
" 23-27, 1923	"	Sept. 15, 1923 either ctfs.	"	20,000,000
" 30, 1923	Alien Prop. Custodian	Mar. 15, 1924 4 1/2 ctfs.	Market	6,830,000
Sept. 6, 1923	Retirement	Sept. 15, 1923 either ctfs.	Par	3,177,000
*Sept. 6, 1923	Cumulative Sinking Fund	3rd L.L. 4 1/4% Bds.	Market	10,000,000
" 14-17, 1923	Alien Prop. Custodian	either series Mar. 15/24 ctfs.	"	28,000,000
*Sept. 15, 1923	Foreign Obligations	3rd L.L. 4 1/4% Bds.	"	10,000,000
" 20-24, 1923	Cumulative Sinking Fund	B-1925, C-1925 B-1926, A-1927 Treas. Notes	"	10,000,000
" 27, 1923	Cumulative Sinking Fund	B-1925, C-1925, B-1926, A-1927 Treas. Notes	"	5,000,000
*Sept. 29, 1923	Foreign Obligations	Third L.L. 4 1/4% Bonds	"	10,000,000
Oct. 16, 1923	Cumulative Sinking Fund	A-1926 Treas. Notes	Par	1,018,300
		T O T A L		<u>\$359,533,500</u>

*Purchased on Stock Exchange

Participation in these various Treasury orders by Federal reserve banks
has been as follows:

Boston	\$ 30,000,500
New York	191,537,350
Philadelphia	32,667,600
Cleveland	5,272,900
Richmond	2,867,500
Atlanta	1,794,250
Chicago	40,897,500
St. Louis	13,715,400
Minneapolis	6,279,800
Kansas City	14,139,900
Dallas	4,180,800
San Francisco	15,580,000
	<u>\$359,533,500</u>

WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD
OCTOBER 11 TO OCTOBER 17, 1923 (INCLUSIVE)

Comparison of Holdings of Earning Assets by Federal Reserve Banks
from March 28 to October 17, 1923

(000 Omitted)

		TOTAL EARNING ASSETS	<u>DISTRIBUTED AS FOLLOWS:</u>		
			<u>*Government Securities</u>	<u>*Bankers Acceptances</u>	<u>Bills Discounted</u>
Mar.	28	\$1,203,720	\$249,409	\$254,251	\$700,060
Apr.	25	1,104,489	193,810	274,041	636,638
May	29	1,178,156	189,288	257,818	731,050
June	27	1,114,219	134,976	204,225	774,963
July	25	1,033,697	96,284	176,864	760,539
Aug.	29	1,082,553	93,530	173,485	815,518
Sept.	26	1,126,334	91,885	172,124	862,008
Oct.	3	1,150,022	95,142	172,902	881,661
"	10	1,143,624	91,883	182,407	869,017
"	17	1,139,397	94,041	190,518	854,521
Net change					
Mar. 28 to Oct. 17	\$	64,323-	\$155,368-	\$ 63,733-	\$154,461+

*Including sales contracts

Changes in Holdings of Government Securities and Bankers Acceptances
by Federal Reserve Banks (Exclusive of Sales Contracts) During
Week Ending October 17, 1923
 (000 Omitted)

	<u>Government Securities</u>			<u>Bankers Acceptances</u>		
	Balance Oct. 17	Balance Oct. 10	Net Change	Balance Oct. 17	Balance Oct. 10	Net Change
Boston	\$ 3,560	\$ 3,560	-0-	\$ 8,144	\$ 6,690	\$1,454+
New York	1,149	1,149	-0-	19,156	12,024	7,132+
Philadelphia	17,408	17,408	-0-	20,424	17,844	2,580+
Cleveland	10,346	10,289	57+	24,508	28,206	3,698-
Richmond	1,341	1,341	-0-	1,141	915	226+
Atlanta	241	277	36-	5,452	9,026	3,574-
Chicago	6,258	6,258	-0-	40,479	42,499	2,020-
St. Louis	-0-	3,668	3,668-	7	7	-0-
Minneapolis	7,387	7,385	2+	51	51	-0-
Kansas City	8,567	8,567	-0-	2,199	2,215	16-
Dallas	8,779	8,624	155+	29,214	27,967	1,247+
San Francisco	9,185	9,185	-0-	10,439	11,039	600-
T O T A L S	\$74,221	\$77,711	\$3,490-	\$161,214	\$158,483	\$2,731+

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DIGEST OF REPORTS RECEIVED FROM ALL FEDERAL RESERVE BANKS
SHOWING DATA REGARDING GOVERNMENT SECURITIES AND OPEN
BILL MARKET CONDITIONS IN ALL DISTRICTS

Government Securities

Holdings of Government securities by Federal reserve banks have shown a net reduction of \$3,490,000 during the week. During the period the Federal Reserve Bank of St. Louis informed the Committee that they desired to dispose of their entire holdings of Government securities. The Treasury applied \$1,018,300 4 3/4% series A-1928 notes on order of October 16, for account of the Cumulative Sinking Fund, while balance of \$2,650,000 miscellaneous bonds were sold in the New York market.

Reports received from the various districts indicate that Liberty Loan issues have maintained the firm tone that has characterized them since the sudden decline around the first of the month. While most of the Government issues advanced moderately on good demand from both individuals and institutions, the United States Treasury 4 1/4% bonds of 1947-52 displayed the greatest strength, closing the period at 99 6/32, a net increase of 15/32. Treasury certificates and notes have been more or less active, with demand and supply about equal and prices steady. Offerings, however, in the New York market of December 4% certificates were somewhat in excess of demand, which selling was attributed in a measure to the adjustment in the cash position of depository banks, due to the Government withdrawal of funds. Kansas City reports that it is still necessary for brokers in that district to buy securities in the East to satisfy the local demand.

Stock Exchange call money, which opened the period on Thursday, October 11, at 5%, ruled easy throughout the week and with light demand from brokers continued to go lower, money loaning at 4% at the close of the period, Wednesday, October 17. The immediate feature of the money market during the past week was the larger offerings of time funds and easier rates for this class of money.

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Money was offered at 5 1/4% for 60 and 90 days and nominal quotation on longer dates was 5 1/4% to 5 1/2%. The change in the situation was attributed in large measure to the progressive liquidation of crops, particularly cotton. The improved grain prices and high price of cotton resulted in the release of funds and the return flow of money, which was forwarded to the crop moving sections earlier in the year.

Bankers Acceptances

A net increase of \$2,731,000 in bill holdings of all Federal reserve banks occurred during the week.

On October 16, the Federal Reserve Bank of Dallas requested the New York bank to purchase for their account \$4,000,000 bankers acceptances.

There have been few new bills created in the Chicago district during the past week with the demand coming mostly from country banks, sufficient to absorb all new offerings. In Philadelphia conditions continue to be more or less inactive. Offerings have been comparatively heavy, but the demand has been very nominal with interior banks continuing as principal buyers, while local banks have shown a disposition to reduce their portfolio rather than to increase it.

The supply of bills in the Boston market declined a little, but demand was about the same as last week and continued fair with a few country banks showing interest in buying. In the supply were fair-sized blocks of cotton and tobacco bills. Boston reports that one local dealer has discontinued the acceptance end of his business.

Although supply and demand continued comparatively good in New York, there was a substantial decrease in both as against the previous week. The supply, however, continued to be considerably in excess of the demand and dealers' aggregate portfolios increased to about \$48,000,000, which is the largest amount they have held since the end of July 1922. Cotton bills predominated in the

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market and there were also substantial amounts of grain, sugar, and dollar exchange bills. Dealers expect a better demand for bills during the coming week if the present comparatively easy money conditions continue.

Dealers' offering rates remain unchanged, indorsed and unindorsed bills offered at 4% for the 30's, 4 1/8% for the 60's and 90's, and 4 1/8% to 4 1/4% for 120 day bills.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Foreign Obligations

Additional purchases of \$2,352,000 bonds have been made during the period on Treasury order of October 4, 1923, authorizing the purchase at the market on the Stock Exchange of \$10,500,000 par amount Third Liberty Loan 4 1/4% Bonds from the proceeds of payments by foreign governments, purchases on this order to be distributed over a period of two weeks. Aggregate purchases to date of \$7,698,000 at prices ranging from 98 7/32 to 98 12/32 have been made as follows:

Boston	\$	750,000	
New York		6,048,000	
Philadelphia		900,000	
	\$	7,698,000	
		2,802,000	Unexecuted balance
		<u>\$10,500,000</u>	

Cumulative Sinking Fund

On October 16, 1923, the Treasury authorized the purchase at par and accrued interest of \$1,018,300 par amount 4 3/4% Treasury Notes, series A-1926, due March 15, 1926, from the holdings of the Federal Reserve Bank of St. Louis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 11 TO OCTOBER 17, 1923.

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Held Under Sales Contracts</u>
Boston	-0-	-	-0-	-	\$ 177,700
New York	-0-	-	-0-	-	10,920,000
Philadelphia	-0-	-	-0-	-	-0-
Cleveland	57,000	TD2-1923 Ctfs.	-0-	-	-0-
Richmond	-0-	-	-0-	-	-0-
Atlanta	315,000	TD2-1923 Ctfs.	331,000	TD2-1923 Ctfs.	-0-
	26,500	TM2-1924 "	26,500	TM2-1924 "	
	800	B-1927 Notes	5,800	B-1927 Notes	
	<u>51,450</u>	Misc. Bonds	<u>67,100</u>	Misc. Bonds	
	<u>\$393,750</u>		<u>\$430,400</u>		
Chicago	-0-	-	-0-	-	721,200
St. Louis	-0-	-	1,018,300	A-1926 Notes	-0-
			<u>2,650,000</u>	Misc. Bonds	
			<u>\$3,668,300</u>		
Minneapolis	21,000	TD2-1923 Ctfs.	6,000	TD2-1923 Ctfs.	6,502,000
	20,000	TM-1924 "	30,000	TM-1924 "	
	1,116,500	TM2-1924 "	1,119,500	TM2-1924 "	
	5,000	A-1924 Notes	5,000	A-1924 Notes	
	2,500	B-1924 "	2,500	B-1924 "	
	12,500	A-1925 "	12,500	A-1925 "	
	700	B-1925 "	700	B-1925 "	
	46,700	C-1925 "	46,700	C-1925 "	
	62,100	A-1926 "	62,100	A-1926 "	
	5,500	B-1926 "	5,500	B-1926 "	
	3,000	A-1927 "	3,000	A-1927 "	
	49,500	B-1927 "	49,800	B-1927 "	
	<u>12,500</u>	Misc. Bonds	<u>12,500</u>	Misc. Bonds	
	<u>\$1,357,500</u>		<u>\$1,355,800</u>		
Kansas City	-0-	-	-0-	-	1,500,000
Dallas	100,000	TM-1924 Ctfs.	100,000	TM-1924 Ctfs.	-0-
	<u>155,000</u>	TM2-1924 "			
	<u>\$255,000</u>				
San Francisco	-0-	-	-0-	-	-0-
TOTALS	<u>\$2,063,250</u>		<u>\$5,554,500</u>		<u>\$19,820,900</u>

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BANKERS' ACCEPTANCES PURCHASED

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Held Under</u> <u>Sales Contracts</u>
Boston	1-30 days	\$ 282,000	4% - 4 1/8%	\$ 841,000	\$ 2,103,000
	31-60 "	698,000	4 1/8% - 4 3/8%		
	61-90 "	<u>1,315,000</u>	4 1/8% - 4 3/8%		
		<u>\$ 2,295,000</u>			
New York	1-30 days	3,260,000	4% - 4 1/4%	1,748,091	23,590,260
	31-60 "	3,870,000	4 1/8% - 4 3/8%		
	61-90 "	1,607,000	4 1/8% - 4 3/8%		
	Over 90"	<u>143,000</u>			
		<u>\$ 8,880,000</u>			
Philadelphia	1-30 days	492,000	4%	1,424,731	-0-
	31-60 "	724,000	4% - 4 1/8%		
	61-90 "	<u>2,789,000</u>	4 1/8% - 4 1/4%		
		<u>\$ 4,005,000</u>			
Cleveland	In other districts	1,293,296		4,991,000	-0-
Richmond	31-60 days	100,000	4 1/4%	-0-	-0-
	61-90 "	<u>126,000</u>	4 1/4%		
		<u>226,000</u>			
Atlanta	-	2,837,464		1,315,960	-0-
				5,095,322	Sold
					F.R.B.
					N.Y.
				<u>\$6,411,282</u>	
Chicago	1-30 days	175,000	4%	5,005,000	1,676,000
	61-90 "	120,000	4 1/8%		
	In other districts	<u>2,690,000</u>			
		<u>\$ 2,985,000</u>			
St. Louis	-	-0-	-	-0-	-0-
Minneapolis	-	-0-	-	-0-	-0-
Kansas City	-	-0-	-	15,745	-0-
Dallas	In other districts	4,509,136	-	3,064,242	-0-
				<u>197,349</u>	Sold
				<u>\$3,261,591</u>	Mem. Bks.
San Francisco	31-60 days	117,000	4 1/8%	1,689,000	955,000
	In other districts	<u>972,000</u>			
		<u>\$ 1,089,000</u>			
TOTALS		<u>\$28,119,896</u>		<u>\$25,387,440</u>	<u>\$28,324,260</u>

EXHIBIT "A"

GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS REPORTED TO THE
OPEN MARKET INVESTMENT COMMITTEE AT THE CLOSE OF BUSINESS OCTOBER 17, 1923

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
Dec. 15, 1923 - 4%	-0-	-0-	\$ 14,000	\$ 99,500	-0-	-0-	-0-	-0-	\$ 15,000	\$ 1,500	-0-	-0-	\$ 130,000
March 15, 1924 - 4½%	-0-	-0-	-0-	221,000	-0-	-0-	-0-	-0-	-0-	27,000	-0-	-0-	248,000
" 15, 1924 - 4½%	-0-	-0-	27,000	73,000	-0-	-0-	-0-	-0-	7,000	150,000	2,500,000	-0-	2,757,000
<u>Treasury Notes</u>													
June 15, 1924 - 5½%	1,100,000	-0-	-0-	6,354,500	-0-	-0-	-0-	-0-	-0-	17,000	2,500,000	4,525,000	14,496,500
Sept. 15, 1924 - 5½%	1,002,000	-0-	-0-	2,337,000	-0-	-0-	-0-	-0-	10,000	14,000	-0-	4,660,400	8,023,400
March 15, 1925 - 4½%	920,500	-0-	3,685,200	-0-	-0-	-0-	-0-	-0-	-0-	3,837,300	2,000,000	-0-	10,443,100
Dec. 15, 1925 - 4 3/8%	8,100	-0-	10,607,500	-0-	-0-	2,500	693,100	-0-	-0-	-0-	-0-	-0-	11,311,200
June 15, 1925 - 4½%	-0-	-0-	-0-	-0-	-0-	2,500	16,800	-0-	-0-	1,877,500	-0-	-0-	1,896,800
March 15, 1926 - 4½%	-0-	-0-	2,525,000	-0-	-0-	-0-	1,063,400	-0-	238,900	218,500	-0-	-0-	4,045,800
Sept. 15, 1926 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
March 15, 1927 - 4½%	-0-	-0-	-0-	343,200	-0-	-0-	-0-	-0-	-0-	1,876,800	-0-	-0-	2,220,000
Dec. 15, 1927 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	59,000	-0-	-0-	214,800	-0-	-0-	273,800
T O T A L	\$3,030,700	-0-	\$16,958,700	\$ 9,428,200	-0-	5,000	\$1,832,300	-0-	\$ 270,900	\$ 8,234,400	\$7,000,000	\$9,185,400	\$55,845,500
Miscellaneous	529,000	1,148,750	549,300	918,400	1,340,900	235,430	4,425,500	-0-	7,115,710	331,850	1,779,500	-0-	18,374,440
GRAND TOTAL	\$3,559,700	\$1,148,750	\$17,408,000	\$10,346,600	\$1,340,900	\$240,430	\$6,257,900	-0-	\$ 7,386,610	\$ 8,566,250	\$8,779,500	\$9,185,400	\$74,220,040
Sales Contracts	177,700	10,920,000	-0-	-0-	-0-	-0-	721,200	-0-	6,502,000	1,500,000	-0-	-0-	19,820,900
A G G R E G A T E	\$3,737,400	\$12,068,750	\$17,408,000	\$10,346,600	\$1,340,900	\$240,430	\$6,979,100	-0-	\$13,888,610	\$10,066,250	\$8,779,500	\$9,185,400	\$94,040,940

Exhibit "B"

COMPARISON OF THE GOVERNMENT SECURITY
HOLDINGS BY MATURITIES OF ALL RESERVE BANKS
COMBINED AS OF JUNE 14, OCTOBER 25, 1922, APRIL 4
AND OCTOBER 17, 1923.

	* Holdings on <u>June 14, 1922</u>	Holdings on <u>October 25, 1922</u>	** Holdings on <u>April 4, 1923</u>	Holdings on <u>October 17, 1923</u>
Certificates and Victory Notes matured 1922	\$323,513,000	\$ 72,938,500	-0-	-0-
Victory Notes, 5/20/23	-0-	-0-	17,350	-0-
March 15, 1923	46,385,500	43,839,500	-0-	-0-
June 15, 1923	-0-	48,110,500	-0-	-0-
Sept. 15, 1923	-0-	29,553,000	35,953,500	-0-
Dec. 15, 1923	-0-	-0-	34,011,000	130,000
March 15, 1924	-0-	-0-	2,062,500	3,005,000
Treasury Notes	<u>120,599,600</u>	<u>106,822,300</u>	<u>110,950,500</u>	<u>52,710,600</u>
T O T A L	\$490,498,100	\$301,263,800	\$182,994,850	\$55,845,600
Miscellaneous Gov't Bonds	45,792,000	39,146,300	39,082,910	18,374,440
Pittman Act Certificates	75,500,000	41,000,000	-0-	-0-
Sales Contracts	<u>17,984,750</u>	<u>27,231,300</u>	<u>17,071,350</u>	<u>19,820,900</u>
AGGREGATE	<u>\$629,774,850</u>	<u>\$408,641,400</u>	<u>\$239,149,110</u>	<u>\$94,040,940</u>

*Peak of Government security holdings

**Date when new Committee was organized

EXHIBIT "C"

EARNING ASSETS OF FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS OCTOBER 17, 1923
AS COMPARED WITH HOLDINGS AT CLOSE OF BUSINESS APRIL 4 AND SEPT. 5, 1923
 (000 Omitted)

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
<u>Bills Discounted</u>													
April 4	\$47,354	\$210,603	\$60,551	\$38,731	\$52,063	\$20,665	\$112,202	\$28,028	\$20,466	\$28,157	\$19,533	\$56,918	\$ 695,271
Sept. 5	70,200	209,788	62,400	47,041	71,528	52,772	74,148	59,575	26,545	39,114	45,541	91,442	850,094
Oct. 17	46,042	170,808	57,333	61,172	73,563	82,497	115,062	71,944	29,311	52,760	22,812	71,217	854,521
Net change April 4 to Oct. 17	1,312-	39,795-	3,218-	22,441+	21,500+	61,832+	2,860+	43,916+	8,845+	24,603+	3,279+	14,299+	159,250+
<u>Acceptances Purchased</u>													
April 4	17,065	27,462	28,169	51,506	1,026	26,117	32,696	12,455	2,275	225	20,130	40,753	259,879
Sept. 5	10,748	41,271	19,866	39,056	723	8,505	39,897	389	-0-	2,012	435	11,661	174,563
Oct. 17	10,247	43,727	20,424	24,508	1,141	5,452	42,155	7	50	2,199	29,214	11,394	190,518
Net change April 4 to Oct. 17	6,818-	16,265+	7,745-	26,998-	115+	20,665-	9,459+	12,448-	2,225-	1,974+	9,084+	29,359-	69,361-
<u>Government Securities</u>													
April 4	10,137	18,926	25,417	21,346	1,341	2,542	43,508	23,870	15,135	37,906	11,504	27,617	239,149
Sept. 5	3,763	18,381	17,381	10,258	1,341	258	9,476	3,668	12,856	10,426	1,779	9,185	98,772
Oct. 17	3,737	12,069	17,408	10,346	1,341	241	6,979	-0-	13,889	10,066	8,780	9,185	94,041
Net change April 4 to Oct. 17	6,400-	6,757-	8,009-	11,000-	-0-	2,301-	36,529-	23,870-	1,246-	27,840-	2,724-	18,432-	145,108-
<u>Total Earning Assets</u>													
April 4	74,556	256,891	114,137	111,583	54,430	49,324	188,406	64,353	37,876	66,288	51,167	125,288	1,194,299
Sept. 5	84,711	269,440	99,647	96,355	73,592	61,555	123,521	63,632	39,401	51,552	47,755	112,288	1,123,449
Oct. 17	60,026	226,604	95,165	96,026	76,045	88,241	164,196	71,951	43,250	65,291	60,806	91,796	1,139,397
Net change April 4 to Oct. 17	14,530-	30,287-	18,972-	15,557-	21,615+	38,917+	24,210-	7,598+	5,374+	997-	9,639+	33,492-	54,902-

INITIAL REPORT

ON

FOREIGN BUSINESS UNDERTAKEN FOR ACCOUNT OF THE FEDERAL RESERVE SYSTEM

SUBMITTED TO

OPEN MARKET INVESTMENT COMMITTEE

BY

FEDERAL RESERVE BANK OF NEW YORK

NOVEMBER 30, 1923

Since this committee is to supervise all foreign business which is undertaken for account of the Federal Reserve System pursuant to action taken by the last Governors Conference, the following report is respectfully submitted in order that the members of the committee may be thoroughly familiar with the accounts which come under their supervision. This report describes briefly the foreign accounts in which the other Federal reserve banks participate as to benefits and liabilities and indicates the present position of these accounts. Before describing the accounts in detail, it might be well to explain the present procedure in reporting to the other Federal reserve banks on the foreign accounts in which they participate. On June 30 last, a statement giving full details of all bills and Treasury certificates then held for foreign accounts was sent to each participating Federal reserve bank, and since that date, schedules of all bills and certificates purchased have been forwarded to them. This enables the reserve banks to keep as complete records as they desire. At the end of each month, a new participation of the investments and free balances is regularly made and advised by wire to the other Federal reserve banks. A statement is also mailed to them at that time giving the totals in each account. Whenever there is an important change in the investments and free balances during the month, a special participation is immediately made by wire and a statement mailed showing the reasons for the change.

In view of the fact that this committee is now to supervise these foreign transactions, it is proposed following this initial report and subject to the committee's approval, to make a special report to each meeting of the committee covering the important developments since the previous meeting, and, in addition to this special report, to mail to the members of the committee at the close of each month a brief statement showing the bills, certificates and free balances then held for foreign banks together with the changes which have taken place during the month and the total commissions earned during that period. This bank would welcome any suggestions from the committee as to the procedure outlined above.

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There is one other routine matter of which the committee should be reminded, namely, the method of arriving at the percentage of participation of the Federal reserve banks. The present percentages which are shown in the attached statement are based upon the capital and surplus of the Federal reserve banks as of January 1, and it is suggested that these percentages be brought up to date at the first of each year. During the past year the Federal Reserve Bank of Boston has withdrawn from participation in these foreign accounts and its share has been assumed by the Federal Reserve Bank of New York which will be glad to continue on that basis next year or divide up Boston's share among the other banks as the committee may decide.

Relations with foreign banks in which the other Federal reserve banks participate have continued to develop during the past year along the same general lines heretofore established. One new account, that of the Bankovni in Prague, was added to the list and several of the old accounts were placed on a more definite and satisfactory basis by means of comprehensive agreements entered into to govern the transactions ordinarily undertaken between central banks of issue. The amount under investment with us for these foreign banks in bills has not fluctuated to any great extent during the year, being in the neighborhood of \$40,000,000 most of the time, except during the past month when the total dropped to about \$25,000,000 due to heavy liquidation of their bill holdings by de Nederlandsche Bank and the Bankovni. The reduction in the bill holdings of these two banks was coincident with the sharp drop in the foreign exchanges which occurred earlier in the month and undoubtedly the proceeds of their bills were used in the exchange market to meet their urgent need for dollars to pay commitments here, principally cotton and grain purchased for export. We should expect to see the bill holdings of de Nederlandsche Bank with us gradually increase during the winter as in the past they have reached their peak early in the year, last January aggregating \$22,000,000 as against \$6,000,000 today. These foreign monies carried in bills, of which the sums handled through the Federal reserve banks form only a part, have been a substantial support to the bill market during the past

- 3 -

year and an important factor in maintaining lower rates as for some time domestic demand for bills has not been sufficient to absorb offerings. Recently, however, we believe there has been an appreciable reduction in the amount of foreign owned monies invested in the discount market although in all probability the amount is still quite substantial.

Following is a brief summary of the foreign bank accounts for the information of the committee:

Bank of Japan

This account is governed by a formal agreement covering the opening of current accounts, purchases of bills, Treasury certificates and notes and the earmarking of gold. Copies of it are on file with each participating Federal reserve bank. Payment is guaranteed of all bills purchased and provision is made for discount or sale before maturity of both bills and Treasury securities purchased. A commission of $1/4\%$ per annum is charged on bills bought and $1/8\%$ per annum on Treasury securities. The Bank of Japan keeps an uninvested balance of \$1,000,000 and about \$19,000,000 invested, half in bills and half in certificates. The account has not fluctuated for over a year.

De Nederlandsche Bank

This account is also governed by a formal agreement drawn up along the same lines as the Bank of Japan agreement, the important provisions being identical. Copy of this agreement is also lodged with the participating Federal reserve banks. De Nederlandsche Bank keeps an uninvested balance of \$250,000 and has a substantial fund invested in bills which has fluctuated during the past year from about \$22,000,000 to \$6,000,000. This account is quite active. At times we receive large sums from their other New York correspondents for investment in bills and at other times we are called on to discount large amounts of bills and pay out the proceeds for their account in New York. In addition to purchasing bills for de Nederlandsche Bank we receive and hold in custody for them bills purchased by

- 4 -

their other New York correspondents. These bills are collected at maturity and the proceeds returned to the New York banks for reinvestment when bills are again deposited with us. In the past we have earmarked gold for de Nederlandsche Bank but are holding nothing for them at this time. As long as the account is conducted on the present satisfactory basis we have agreed to earmark for them without charge. Where the earmarking of gold is a separate service, a charge of 1/10% per annum or 1/20% per annum is made but this charge is waived in cases where the foreign bank has a satisfactory uninvested balance with us and the account is on a reasonably profitable basis through commissions earned on investments.

De Javasche Bank

This account is conducted along the same lines as de Nederlandsche Bank account and is covered by a similar agreement. The uninvested balance is \$250,000 and approximately \$7,000,000 is kept invested in bills. Documentary export bills purchased in Java by that bank are sent to us for collection and credit to their account and at maturity the proceeds are invested in bills in this market. The amount of such export bills on hand for collection has varied from \$700,000 to \$150,000. Although we have earmarked gold for de Javasche Bank, we have none in custody for them now.

Bankovni urad Ministerstva Financi

This account was opened last June and is not covered by a formal agreement although it is conducted on practically the same lines as the foregoing accounts. The Bankovni is temporarily exercising the functions of a central bank of issue pending the establishment of a definitive bank of issue in Czechoslovakia and until such a definitive bank is established, it has been thought advisable to defer entering into a close reciprocal agreement with them. Bills purchased for this account are guaranteed and there is an undertaking to discount them before maturity for which the regular commission of 1/4% per annum is charged. The uninvested balance in this account is \$100,000 and the only transaction we have undertaken for them is the

- 5 -

purchase of bills, the amount so invested ranging from \$10,000,000 to practically nothing at the present time.

Swiss National Bank

This account was opened about a year and a half ago and has not assumed important proportions. A draft of an agreement in the usual form has been sent to them and is now receiving their consideration. In the meantime, we are buying bills and Treasury certificates for them for the usual commissions and under the usual guarantee and undertaking to repurchase. They usually carry about \$1,000,000 invested in bills with us and a similar amount in Treasury certificates. Their free balance has not been substantial representing usually small amounts left temporarily unemployed. It is hoped that this account will be placed on a more definite basis in the near future and that an agreement in the usual form will be entered into.

Bank of England, O/a Reparation Commission

After being dormant since early in 1922, a small investment was recently made on this account in Treasury certificates. The account is not expected to assume its former size but will probably comprise comparatively small amounts temporarily employed. This account was opened in 1921 to handle funds of the Reparation Commission and because of its special nature, investments were made in bills and certificates for a commission of 1/8% per annum without requiring the maintenance of a minimum free balance. Present holdings: Treasury certificates \$238,000; free balance \$296.62.

Bank of France

Same as Bank of England account.

National Bank of Belgium

No investments. Current account has remained open to receive an occasional transfer of reparation money. The balance in the account has been small at all times ranging from \$180,000 downwards.

BANKERS ACCEPTANCES

	<u>Bank of Japan</u>	<u>De Nederland- sche Bank</u>	<u>De Javasche Bank</u>	<u>Swiss Natl. Bank</u>	<u>* Bankovni urad Ministerstva Financi</u>	<u>Totals</u>
Close of business 12/31/22						
On Hand	\$10,048,931.80	\$22,071,680.75	\$5,913,834.70	\$2,278,291.44	\$ - 0 -	\$ 40,312,738.69
Purchased	44,149,447.09	71,115,538.91	32,785,871.98	6,132,395.05	15,961,888.65	170,145,141.68
Matured or discounted	44,649,441.39	87,012,838.68	30,803,435.21	7,452,028.00	15,885,855.06	185,803,598.34
On hand 11/28/23.	9,548,937.50	6,174,380.98	7,896,271.47	958,658.49	76,033.59	24,654,282.03

* Account opened June 11, 1923.

TREASURY CERTIFICATES

	<u>Bank of Japan</u>	<u>Swiss N.B.</u>	<u>Bank of England</u>	<u>Bank of France</u>	<u>Totals</u>
Close of business 12/31/22					
On Hand	\$ 9,000,000.00	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 9,000,000.00
Purchased	10,008,000.00	1,975,500.00	238,000.00	238,000.00	12,459,500.00
Matured	9,500,000.00	- 0 -	- 0 -	- 0 -	9,500,000.00
On hand 11/28/23.	9,508,000.00	1,975,500.00	238,000.00	238,000.00	11,959,500.00

FREE BALANCES

	<u>Bk. of Japan</u>	<u>Nederlandsche Bk.</u>	<u>Javasche Bk.</u>	<u>Swiss N.B.</u>	<u>Bankovni</u>	<u>Bk. of England</u>	<u>Bk. of France</u>	<u>N.B. of Belgium</u>	<u>Totals</u>
Close 12/31/22	\$ 1,001,225.34	\$ 70,617.23	\$285,960.45	\$ 5,890.98	\$ - 0 -	\$ - 0 -	\$13,000.00	\$ 2,416.70	\$1,379,110.70
Close 11/28/23	999,793.12	260,972.63	250,446.31	3,594.30	101,171.12	296.62	296.62	3,666.64	1,620,237.36

TOTAL COMMISSIONS EARNED

From 1/1/23 to 11/28/23.

	<u>Bank of Japan</u>	<u>Nederlandsche Bk.</u>	<u>Javasche Bk.</u>	<u>Swiss N.B.</u>	<u>Bankovni</u>	<u>Bank of England</u>	<u>Bank of France</u>	<u>Totals</u>
Bankers Acceptances	\$ 22,264.13	\$ 35,164.33	\$ 13,757.59	\$ 3,017.98	\$ 8,623.16	\$ - 0 -	\$ - 0 -	\$ 82,827.19
Treasury Certificates	7,586.34	- 0 -	- 0 -	500.64	- 0 -	60.32	60.32	8,207.62
Custody charge on earmarked gold	- 0 -	- 0 -	- 0 -	345.48	- 0 -	- 0 -	- 0 -	345.48
	\$ 29,850.47	\$ 35,164.33	\$ 13,757.59	\$ 3,864.10	\$ 8,623.16	\$ 60.32	\$ 60.32	\$ 91,380.29

PARTICIPATION AMONG FEDERAL RESERVE BANKS OF FOREIGN
ACCOUNTS AS OF CLOSE OF BUSINESS NOV. 28, 1923.

		<u>Bankers Acceptances</u>	<u>Treasury Certificates</u>	<u>Free Balances</u>
Philadelphia	8.6%	\$ 2,120,268.26	\$ 1,028,517.00	\$ 139,340.41
Cleveland	10.8%	2,662,662.46	1,291,626.00	174,985.64
Richmond	5.2%	1,282,022.67	621,894.00	84,252.34
Atlanta	4.1%	1,010,825.56	490,339.50	66,429.73
Chicago	13.9%	3,426,945.20	1,662,370.50	225,212.99
St. Louis	4.4%	1,084,788.41	526,218.00	71,290.44
Minneapolis	3.4%	838,245.59	406,623.00	55,088.07
Kansas City	4.3%	1,060,134.13	514,258.50	69,670.21
Dallas	3.6%	887,554.15	430,542.00	58,328.55
San Francisco	7.1%	1,750,454.02	849,124.50	115,036.85
Total	65.4%	\$ 16,123,900.45	\$ 7,821,513.00	\$ 1,059,635.23
New York	34.6%	8,530,381.58	4,137,987.00	560,602.13
GRAND TOTAL	100.0%	\$ 24,654,282.03	\$11,959,500.00	\$ 1,620,237.36

MISC 315CM-11-22

FEDERAL RESERVE BANK
OF NEW YORK

C O P Y

OFFICE CORRESPONDENCE

DATE November 28, 1923. 192__TO Governor Strong
FROM J. H. CaseSUBJECT: Meeting of Open Market Investment
Committee, to be held in Washington on
December 8, 1923.

Replying to your confidential memorandum of November 19, dealing with the program recommended by the committee on open market operations and approved by the governors' conference, I have had assembled in parallel columns figures for 1922 and 1923 showing:

1. Prevailing money rates,
2. Net gold imports,
3. Department of Labor price index,
4. Earning assets of the Federal Reserve System (classified),
5. Loans, investments, and demand time deposits of commercial banks,

and an appending hereto the statement, for your information.

Dealing in round millions, the following observations are worthy of note:

EARNING ASSETS OF THE FEDERAL RESERVE SYSTEM

<u>January 4, 1922.</u>	<u>Discounts & Advances</u>	<u>U.S. Sec. Owned</u>	<u>Bills</u>	<u>Total</u>
	\$1,118	\$231	\$127	\$1,471

PURCHASES:

Between January 4, 1922, and June 7, 1922 (a period when \$500 earning assets were liquidated), the Federal Reserve System purchased \$387 additional Government securities. This combination of transactions resulted in the rearrangement of the (then) \$1,174 of earning assets of the System as follows:

<u>June 7, 1922.</u>	\$ 420	\$618	\$136	\$1,174
<u>Net changes.</u>	-693	+387	+9	-297

This purchase of \$387 Government securities was clearly a wholesome operation for that period.

SALES:

Since June, 1922, total earning assets have changed but slightly. (See memorandum attached.) Meantime, the System has resold to the market \$527 of Government

HISC. 3.1 50M-11-22

FEDERAL RESERVE BANK
OF NEW YORKP Y

OFFICE CORRESPONDENCE

DATE November 28, 1925. 192__To Governor Strong

SUBJECT: _____

FROM J. H. Case

-2-

(Dealing in round millions):

securities owned, and has acquired \$112 additional bills - a net reduction in outside investments of \$415. It should be noted that the increase of approximately \$400 in direct advances and discounts to member banks, since that period, just about equals the amount of securities resold in the market.

Effect of Such Transactions Now Known

These two purchase and sale transactions are cited to illustrate the fact that we now know the effect of purchases when borrowing has reached substantial proportions, and the effect of sales, when borrowing is light.

Desirability of Open Market Portfolio and of Control

There can be no question as to the general desirability of Federal reserve banks having a portfolio of short-term open market investments that may be liquidated or resold to the market from time to time, when circumstances warrant. In this connection it seems important that some program be worked out which would similarly bring under the control of this committee the volume of bankers acceptances purchased, rather than to follow an automatic arrangement of practically taking bills offered at current rates, or of permitting various banks from time to time to actually bid for round amounts without regard to market conditions.

The Banks Must Be Ready To Sell As Well As Buy

Many of the Federal reserve banks are always ready to buy these investments; yet, they exhibit a general reluctance to sell upon occasion, when such a course would seem desirable. It seems quite clear that if the purchase recommendation of the open market committee should be concurred in by the Federal Reserve Board, and the banks presently proceed to buy in the open market, some agreement as to sales must be "tied in" on any plan adopted.

Future Trends

It is not improbable that during the early part of 1924 there may be some

HSC, 3.1 50M-11-22

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 28, 1925 192TO Governor Strong

SUBJECT: _____

FROM J. H. Case

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(Dealing in round millions):

recession in business, accompanied by a certain amount of liquidation and lower money rates. If this condition should obtain, it may again furnish the same favorable opportunity for investment as occurred in the early part of 1922. For the present it appears as though the continuation of gold imports, together with the general acceptance of Secretary Mellon's suggestion for a reduction in taxes, has provided the market with sufficient stimulus to obviate the necessity of having to make purchases during the remainder of this year.

Knowledge of Treasury Operations

It is essential that the committee should at all times work in harmony with the program of the Treasury, lest it be charged that the committee's transactions are creating artificial market conditions for Treasury operations.

Gold Payments

Since August, 1922, our gold payments over the counter exceeded receipts by about \$400. An acceleration or slowing-up of these payments would ultimately have its effect upon the reserves of the System; so that a constant study of the gold situation should be a part of the duty of this committee. When gold exports do occur, it should provide a favorable opportunity to acquire open market investments.

Regular Monthly Meetings

Manifestly, if the program recommended by the open market committee is adopted, it places squarely upon its shoulders responsibilities of major importance, and these can only be met by frequent regular meetings. Therefore, if the suggested program is concurred in by the Federal Reserve Board, I recommend that the committee meet regularly, at least once each month.

Publicity as to Operation

From a publicity standpoint, it would be unfortunate for the System to have the committee work carried on in secret. I therefore recommend that consideration be given to the question of the best method of reporting committee transactions.

Changes in Money Rates, Bank Loans, Prices and Gold Imports since January 1, 1922.

(Dollar figures in millions)

Month of	Prevailing Market Rates on		Net Gold Imports (Accumulative)	Department of Labor Price Index	Date	Earning Assets of F. R. System				All Member Banks		All Commercial Banks	
	Commercial Paper	90-Day Bills				Discount and Advances	U. S. Securities Owned	Bills Held	Total	Loans and Investments	Demand and Time Deposits	Loans and Investments	Individual Deposits
Jan. 1922	4 3/4	3 7/8	\$ 26	138	Jan. 4, 1922	\$1,113	\$231	\$127	\$1,471	(December 31, 1921) \$22,847	\$19,627		
Feb.	5	4	53	141	Feb. 1	838	305	90	1,233				
Mar.	4 3/4	3 3/4	85	142	Mar. 1	707	413	96	1,216				
Apr.	4 1/2	3 3/8	96	143	Apr. 5	625	463	98	1,186				
May	4 1/4	3 1/8	101	148	May 3	510	609	107	1,226				
June	4 1/4	3	113	150	June 7	420	618	136	1,174	(June 30, 1922) 24,358	21,427	(June 30, 1922) \$34,215	\$31,216
July	4	3	155	155	July 5	499	550	155	1,204				
Aug.	4	3	173	155	Aug. 2	400	497	151	1,048				
Sep.	4 1/4	3 1/8	196	153	Sep. 6	405	508	189	1,102				
Oct.	4 1/2	3 3/4	200	154	Oct. 4	434	483	236	1,153				
Nov.	4 3/4	4	215	156	Nov. 1	588	360	261	1,209				
Dec.	4 3/4	4	238	156	Dec. 6	705	312	267	1,284	(December 29, 1922) 25,769	22,460		
Jan. 1923	4 1/2	4	263	156	Jan. 3, 1923	623	456	255	1,339				
Feb.	4 3/4	4	270	157	Feb. 7	569	353	185	1,107				
Mar.	5	4	275	159	Mar. 7	571	345	219	1,135	(April 3, 1923) 26,332	22,668	(April 3, 1923) 36,633	33,402
Apr.	5 1/8	4 1/8	284	159	Apr. 1	625	239	260	1,194				
May	5	4 1/8	329	156	May 2	730	185	276	1,191				
June	5	4 1/8	348	153	June 6	735	183	243	1,166	(June 30, 1923) 26,675	23,071	(June 30, 1923) 37,369	33,593
July	5	4 1/8	375	151	July 3	930	94	199	1,223				
Aug.	5 1/4	4 1/8	406	150	Aug. 1	866	94	183	1,083				
Sep.	5 1/4	4 1/8	433	154	Sep. 5	850	99	174	1,123				
Oct.	5 1/4	4 1/8	462	153	Oct. 3	832	95	173	1,150				
Nov.					Nov. 7	817	91	243	1,156				
Dec.					Dec.								

MISC. 3. 1-50M-3-

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 30, 1923

To Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

- 5 -

attached chart, which shows what the seasonal movements of open market interest rates used to be before the Federal Reserve System. These movements have largely been ironed out, but the credit changes back of them still exist and hence the chart is a good guide for determining periods of credit ease and strength.

On the basis of the foregoing it would seem to me unwise to make purchases in any quantity before the first of January unless stock market speculation became less active; business showed evidence of further recession, and member bank borrowings showed continued reduction. If these occur it would seem clear that small purchases would not affect the market adversely. By the middle of February, when the spring credit demand begins to be felt and when there would again be a good opportunity to purchase, the probable business developments of early 1924 would be clearer.

Thus far no mention has been made of the importance of our carrying some portfolio of securities in order to be in the market. If conditions are not right for entering the market in the next few months it seems to me there will be plenty of opportunity later. If the Harvard view is correct and we go on in 1924 to still more active business, it would appear to be possible to control the situation through higher discount rates. It would at any rate be unwise to feed the flame by purchases now. Such a period of expansion would almost surely be followed by a somewhat prolonged period of reduced activity, which would give ample opportunity for the purchase of securities. I note also that John Williams in a recent article in

MISC. 3. 1-50M-3-2

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 30, 1923

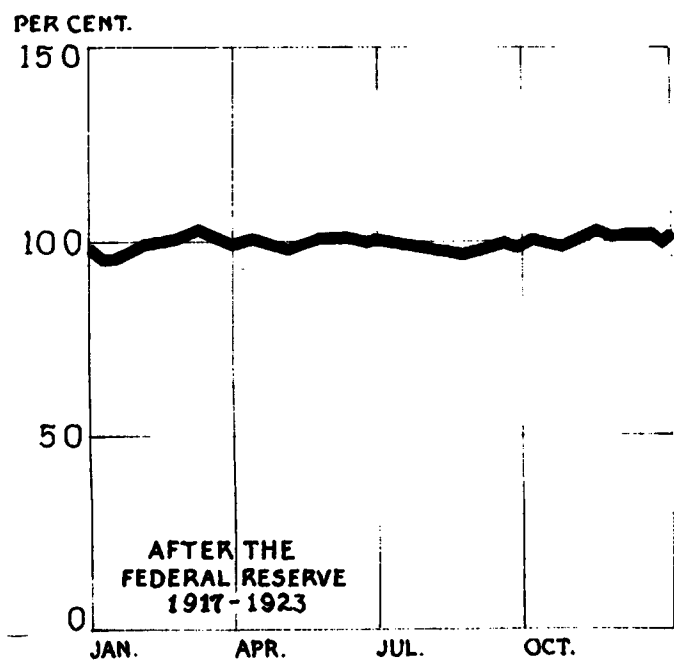
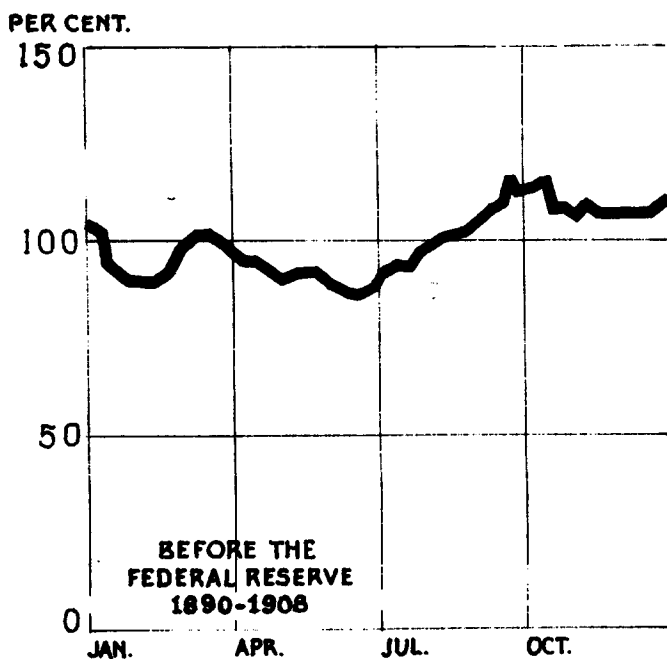
To Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

- 6 -

the Harvard Economic Review finds that our foreign trade gave us a debit balance of \$500,000,000 last year, largely due to purchase of foreign securities in this market. If this tendency is continued, as he believes it will be, the ultimate result will be gold exports. In that event there will be no difficulty in building up our portfolio.



Typical seasonal variation in open market interest rates for 60-90 day commercial paper before and after the establishment of the Federal Reserve System. Average rates for each year = 100 per cent.

MISC. 3 (FORM 4-27)

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 30, 192 3

To Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

The wisdom of resuming purchases of Government securities seems to me to depend very largely on what is likely to occur in business and finance during the coming six months to a year. There would be very general agreement to the principle that the Reserve Banks should purchase securities at periods when liquidation in business seems to be going faster than fundamental conditions warrant, and that obversely we should sell securities when business is moving forward so rapidly that the tendency has become unduly speculative in nature. I think there would also be agreement to the proposal that the action of the Reserve Banks in these directions should take place early rather than late in the course of the movement which it is designed to check, because early action is much more effective. The present problem is to determine in what type of movement we now find ourselves.

We have just been through a period of exceptional business and industrial activity, in which many new records have been made and in which the total volume of the country's business was probably larger than in 1920, even when allowance is made for normal growth since that time. It would be natural to expect that such a high rate of activity after the normal sequence of events would bring a period of lessened activity bordering upon depression, and the movement of production and business between May and September pointed distinctly in that direction. More recent data are contradictory with a sharp recovery in the stock market and increases in many phases of industrial activity.

One unusual phase of business expansion this year has been the maintenance of comparatively easy money conditions. Expansion has been financed almost wholly by the steady inflow of gold from abroad, and the earning

MISC. 3.1 FROM 3.1.1

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

November 30, 1923 3
DATE

To Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

- 2 -

assets of the Federal Reserve Bank have remained practically unchanged. Commercial paper rates at their very highest point reached only $5\frac{1}{2}\%$, as compared with a 6% maximum maintained for several months in almost every period of prosperity in this country in the past, with occasional increases to 8%. Due largely to this unusual situation there are among students of the situation two directly opposing views as to the future.

In the letter of the Harvard Economic Service for November 19 appears the following:

"The outlook for the first half of 1924 is for a firm or moderately rising price level, the maintenance of a normal manufacturing output, and the continuance of generally good business conditions . . . No adverse forces are now discernible which would render the money market an obstacle to the maintenance and improvement of the general level of business . . . But at present no boom is in sight, and we believe such a development unlikely."

In the Brookmire Trade Bulletin of November 19 is the following:

"The stage is set for business prosperity for the first six months of 1924 at least. We caution clients to expect no boom such as in 1919, but to plan for a big volume of business accompanied by steadily rising prices. With this forecast in mind, our general buying advice is to cover raw material requirements for from four to six months."

If conditions turn out as these investigators expect, we may anticipate a continued demand for a large volume of credit and an increase rather than a decrease in the borrowings by member banks at the Reserve Banks. Any further continued inflow of gold would presumably be used for additional expansion. The stage would then appear to be set in much the same fashion as it was at the beginning of this year, except that the memory of 1920 would have become a little more dulled and the temptation to speculation a little greater. If this is the

MISC. 3 1-50M-9-23

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 30, 1923

To Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

- 3 -

prospect resumed purchases of Government securities by the Federal Reserve Banks would seem to be very unwise.

We have at the moment an exceptionally active stock market. Speculation in cotton is more active than ever before in the history of the market. The tire, oil, paper, pig iron, and a number of other industries are carrying large inventories. In addition there has developed a type of inventory situation, the influence of which on the credit situation cannot be ignored. I mean inventories of unpaid-for goods in the hands of consumers in the form of houses, automobiles, furniture, electrical equipment, etc., etc. Purchases have been made on the instalment plan on a larger scale than ever before in the past, and any considerable unemployment or diminution in profits would dump back on the hands of the dealers large quantities of merchandise and real estate. In the automobile industry, where this type of expansion has been more marked than almost anywhere else, the process is going on more vigorously than ever. It is a situation which will not be benefited by easier money conditions.

The other point of view in regard to the outlook in business is that we are likely to come through this business cycle in an entirely normal fashion, that in spite of the absence of the usual check to expansion in the form of tight money, industry and business will continue their recession from the high points of this spring, and we will have considerably less active business early in 1924. The theory is that the check to expansion has come from within industry itself. Over-production will lead to under-production without the necessity for an outside check, and over-consumption similarly to under-con-

MISC. 1 ROOM 3 A 21

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

November 30, 1923

TO Mr. J. H. Case

SUBJECT:

FROM W. R. Burgess

- 4 -

sumption. From this point of view, the exact position of money rates is much less important than would be implied by the Harvard Service, for example.

If this second view of the next few months is business is correct we might well anticipate a gradual decline in bank loans and in the borrowings at the Federal Reserve Bank, particularly if the flow of gold continues. Under these conditions it might be possible to purchase small amounts of Government securities without seriously affecting the market, while at the same time giving some needed encouragement to business. The problem under these conditions will be to come into the market at the right times and under the right conditions, so as not to give too great ease to a money market already tending toward easier conditions under two powerful stimuli: less active business and continued gold imports.

In view of the two possibilities presented by the present business situation it seems to me clearly unwise to go forward with any large program for the purchase of securities. Such purchases can be made wisely only if and when business appears to be following the second of the two alternatives outlined above, and if and when member banks liquidate borrowings.

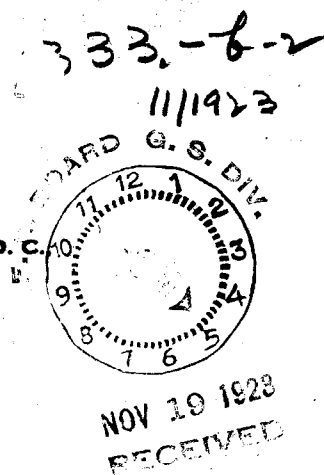
Clearly any policy of buying would also have to take into consideration the seasonal swings of credit. Buying could be done with the least effect on the market at periods when there is normally a tendency for money to be tight. These seasonal tendencies are, I think, best illustrated in the

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.



120hrs

New York 430P Nov 19 1923

Missinger

Washn

Referring to our telephone conversation on behalf of Governor Strong I am calling a meeting of the open market investment committee, to be held in Washington on Monday, December third at ten AM. Will you kindly notify the other members of the Board

Case

437P

Amelary



THE UNDERSECRETARY OF THE TREASURY
WASHINGTON

November 28, 1923.

Dear Mr. Eddy:

Mr. Case told me in New York that the Open Market Investment Committee expects to meet in Washington Monday December 3d. I shall be glad to have the opportunity of hearing the discussion, and I think the Secretary wishes also to attend.

Very truly yours,

James M. Smith

Walter L. Eddy, Esq.,
Secretary,
Federal Reserve Board.

see ans 11/28/23

Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD333. - 6-2
Date November 19, 1923.To Mr. Eddy

Subject: _____

From Mr. McClelland

2-6405

Governor Crissinger asked me to tell you that arrangements have been made for a meeting of the Open Market Committee of Governors here on December 3rd, 1923. He does not know who is going to advise the members of the Committee, but supposes it will be done by New York and suggests that you call New York and inquire.

For your information, the members of the Committee are

Governor Strong, Chairman
Governor Harding
Governor Norris
Governor Fancher
Governor McDougal

Call New York.

see telegram 11/19/23

6, 2, 3, 4, 7, 1

303.-f.2
~~333~~/

November 28, 1923.

My dear Mr. Secretary:

There will be a joint meeting of the Federal Reserve Board and the Open Market Investment Committee on December 3rd, at 11:00 A. M. It will be a great pleasure to have you present and take part in the discussion.

Very truly yours,

D. H. Crissinger,
Governor.

Hon. A. W. Mellon,
Secretary of the Treasury,
Washington, D. C.

November 28, 1923.

Dear Mr. Winston:

11/28/23

323-62

Answering your note directed to Mr. Eddy, you are advised that the Board will have a joint conference with the Open Market Investment Committee at Washington, at 11 A.M. December 3rd.

If you care to be at the discussion we shall be pleased to have you.

The Secretary of the Treasury being a member ex-officio of the Board will be given due notice of the meeting, and we will be glad to have him present.

Very truly yours,

D. R. Crissinger,
Governor.

Hon. Garrard B. Winston,
The Undersecretary of the Treasury,
Washington, D.C.

2
FEDERAL RESERVE BANK
OF NEW YORK

333.-b-2
~~333~~/

Meeting
1923

Open Market Investment Committee
for the Federal Reserve System

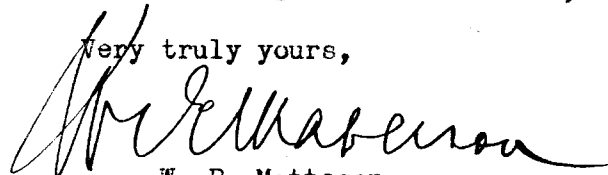
November 23, 1923

My dear Governor Crissinger:

I am sending you herewith a copy of the minutes of the Final Minutes meeting of the Open Market Investment Committee for the Federal Reserve System held at the Federal Reserve Board in Washington, November 10, 1923, ^{11/10/23 filed 333.-b-2} also copy of the report of the Chairman of the Committee to the Joint Conference - November 1923 with the schedule referred to therein. ¹¹⁻¹²⁻²³

A meeting of the Committee has been called to be held at the Federal Reserve Board in Washington on December 3, 1923.

Very truly yours,



W. B. Matteson
Secretary of the Committee

Honorable D. R. Crissinger,
Governor, Federal Reserve Board,
Washington, D. C.

Encls.

**OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM**

November 10, 1923

Meeting held in Washington, D. C.

333.-b-2



FIRST REPORT OF OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM, SUBMITTED TO THE GOVERNORS'
CONFERENCE ON NOVEMBER 12, 1923. COVERING ACTIVITIES SINCE
ORGANIZATION APRIL 1, 1923

At the last Governors' Conference, held on March 26, 1923, the following principles with respect to open market investment operations of the Federal reserve banks were adopted:

1. That the time, manner, character and volume of open market investments purchased by Federal reserve banks be governed with primary regard to the accommodation of commerce and business, and to the effect of such purchases or sales on the general credit situation.
2. That in making the selection of open market purchases, careful regard be always given to the bearing of purchases of United States Government securities, especially of short dated issues, upon the market for such securities, and that open market purchases be primarily commercial investments, except that Treasury certificates be dealt in, as at present, under so-called "repurchase" agreements.

In order to provide for the proper administration of this policy, the Board ruled that on and after April 1, 1923, the Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities be discontinued and be substituted by a new committee known as the Open Market Investment Committee for the Federal Reserve System, this committee to consist of five representatives from the Federal reserve banks and to be under the general supervision of the Federal Reserve Board, and that it be the duty of this Committee to devise and recommend plans for the purchase and sale and distribution of the open market purchases of the Federal reserve banks in accordance with the above principles and such regulations as may from time to time be laid down by the Federal Reserve Board.

- 2 -

Herewith is presented a report of the activities and operations of the Committee covering the period from April 1, 1923, (date of the organization of this Committee) to October 17, 1923, inclusive.

Meetings

Formal meetings of the Committee were held at the Federal Reserve Bank of Philadelphia, April 13, 1923, and in Washington, D. C., May 23, and June 25, 1923, at which reports of the Committee's activities were submitted.

Meeting April 13, 1923

The first meeting of the new Committee was held in Philadelphia on April 13, 1923, at which the policy covering the open market purchases of the Federal reserve banks and the administration thereof, as referred to in the Federal Reserve Board's letter (X-3689 dated April 7, 1923) was discussed, it being agreed that it was the duty of this Committee to devise and recommend plans for the purchase and sale and distribution of the open market purchases of the Federal reserve banks in accordance with the principles outlined therein, and such regulations as may from time to time be laid down by the Federal Reserve Board.

Meeting May 23, 1923

At the meeting of the Committee held in Washington, D. C., May 23, 1923, a discussion took place regarding the current credit situation, the present investment holdings of the Federal reserve banks and of open market policy. As a result of the discussion and the general feeling that an ease in money had recently occurred occasioned partly to an increase in the imports of gold and partly to a lessened demand for credit, it was felt that the present afforded an opportune time to dispose of a moderate amount of the open market investments held by the System, whereupon it was voted to authorize and direct the chairman to undertake to arrange with the twelve Federal reserve banks for the sale of \$50,000,000 in such securities on a pro rata basis at as early a date as was practicable. During the following month the System disposed of not only the \$50,000,000 here referred to but an additional \$30,000,000 as well.

- 3 -

With the exception of Government securities held under repurchase agreement and in miscellaneous reserve accounts, this reduced the purely investment holdings of the System to approximately \$50,000,000 of Treasury notes, the banks having disposed of practically all of their Treasury certificates.

Meeting
of
Advisory
Committee
June 25,
1923

The Committee presented a report at the meeting of the Advisory Committee of the Federal Reserve Bank Governors, which was held at the office of the Federal Reserve Board in Washington, June 25, 1923. At this meeting a plan covering the distribution of the bills purchased by Federal reserve banks was presented to and adopted by the Committee, and a copy was sent to the Governor of the Federal Reserve Board and to the Governor of each Federal reserve bank.

Transactions
in
Gov't
Securities
by
Federal
Reserve
Banks for
Their Own
Account

Since the organization of this Committee, transactions in Government securities by Federal reserve banks affecting their own investment accounts, have resulted in a reduction in their total holdings of \$148,000,000 from the total holdings of \$222,000,000 (exclusive of sales contracts) while holdings of bankers acceptances reflected a reduction during the period covered of \$89,000,000. (see schedule attached.)

Treasury
Orders

Various orders for account of the Treasury amounting to \$359,533,500 have been distributed by the Committee (see schedule attached.) Attached are further exhibits containing statements of investments of Federal reserve banks and other data as follows:

1. WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD FROM OCTOBER 11 to 17, INCLUSIVE.
2. GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS OF OCTOBER 17, 1923.
3. COMPARISON OF GOVERNMENT SECURITY HOLDINGS BY MATURITIES OF ALL FEDERAL RESERVE BANKS
4. COMPARISON OF EARNING ASSETS OF FEDERAL RESERVE BANKS ON APRIL 4, SEPTEMBER 5 and OCTOBER 17, 1923.

- 4 -

Details of the changes in the holdings of Government securities and bankers acceptances from April 4, 1923, to October 17, 1923.

BANK	ISSUE	GOVERNMENT SECURITIES		NET CHANGE April 4 - Oct. 17/23
		PURCHASED	SOLD	
Boston	3 3/4% - Sept. 15/23 C-I	\$	\$ 4,694,000 (redeemed)	
	4 3/8% - Dec. 15/25 T-N		1,000,000	
	4 1/4% - Sept. 15/26 T-N		800,000	6,494,000-
New York	4 1/4% - Sept. 15/26 T-N		10,000,000	10,000,000-
Phila.	3 3/4% - Sept. 15/23 C-I		582,000 (redeemed)	
	4 % - Dec. 15/23 C-I	19,000	350,500	
	4 1/4% - Mar. 15/24 C-I	114,000	87,000	
	4 1/2% - Mar. 15/24 C-I		2,000	
	5 3/4% - June 15/24 T-N		46,000	
	5 1/2% - Sept. 15/24 T-N		168,500	
	4 3/4% - Mar. 15/25 T-N		5,090,000	
	4 1/2% - June 15/25 T-N		194,700	
	4 1/4% - Sept. 15/26 T-N		68,400	
	4 3/4% - Mar. 15/27 T-N	369,800	369,800	
	4 1/2% - Dec. 15/27 T-N		253,100	
	Miscellaneous Bonds	300,000	1,502,300	
		802,800	8,714,300	7,911,500-
Cleveland	3 3/4% - June 15/23 C-I	1,500,000	1,504,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		3,734,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	420,500	420,500	
	4 1/4% - Sept. 15/23 C-I	146,500	246,500	
	4 % - Dec. 15/23 C-I	199,500	5,147,000	
	4 1/4% - Mar. 15/24 C-I	1,098,000	1,025,000	
	4 1/2% - Mar. 15/24 C-I	234,000	100,500	
	5 3/4% - June 15/24 T-N	200,000	40,000	
	4 3/4% - Mar. 15/25 T-N		300	
	4 1/2% - June 15/25 T-N	190,000	689,100	
	4 3/8% - Dec. 15/25 T-N		557,000	
	4 3/4% - Mar. 15/26 T-N		32,500	
	4 1/4% - Sept. 15/26 T-N		1,775,800	
	4 3/4% - Mar. 15/27 T-N	350,100	7,100	
	4 1/2% - Dec. 15/27 T-N		29,500	
		4,338,600	15,309,300	10,970,700-
Richmond	-0-	-0-	-0-	-0-
Atlanta	3 3/4% - Sept. 15/23 C-I		2,000,000 (redeemed)	
	4 1/4% - Sept. 15/23 C-I	20,000	20,000	
	4 % - Dec. 15/23 C-I	502,000	502,000	
	4 1/4% - Mar. 15/24 C-I	215,500	95,500	
	4 1/2% - Mar. 15/24 C-I	80,000	200,000	
	5 3/4% - June 15/24 T-N	102,000	102,000	
	4 1/2% - June 15/25 T-N	59,000	271,500	

- 5 -

BANK	ISSUE	PURCHASED	SOLD	NET CHANGE
				April 4 - Oct. 17/23
Atlanta	4 3/8% - Dec. 15/25 T-N	\$ 5,700	\$ 5,100	\$
(cont'd)	4 3/4% - Mar. 15/26 T-N	9,500	9,500	
	4 1/4% - Sept. 15/26 T-N	26,000	16,000	
	4 3/4% - Mar. 15/27 T-N	422,200	422,700	
	4 1/2% - Dec. 15/27 T-N	425,900	484,200	
	Miscellaneous Bonds	<u>1,129,650</u>	<u>1,170,700</u>	
		\$2,997,450	\$5,299,200	2,301,750-
Chicago	3 3/4% - Sept. 15/23 C-I		17,549,000 (redeemed)	
	4 % - Dec. 15/23 C-I		17,790,000	
	4 1/4% - Mar. 15/24 C-I	750,000	114,500	
	4 1/2% - Mar. 15/24 C-I		635,500	
	4 3/4% - Mar. 15/27 T-N	<u>119,000</u>	<u>119,000</u>	
		\$ 869,000	\$36,208,000	35,339,000-
St. Louis	3 3/4% - June 15/23 C-I	360,000	360,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		2,994,000 (redeemed)	
	4 % - Dec. 15/23 C-I	851,500	5,293,000	
	4 1/4% - Mar. 15/24 C-I	572,500	572,500	
	5 3/4% - June 15/24 T-N	275,000	1,843,100	
	5 1/2% - Sept. 15/24 T-N		1,154,000	
	4 3/4% - Mar. 15/25 T-N		1,285,900	
	4 1/2% - June 15/25 T-N		850,600	
	4 3/8% - Dec. 15/25 T-N		1,245,900	
	4 3/4% - Mar. 15/26 T-N		1,018,300	
	4 3/4% - June 15/26 T-N		300,000	
	4 1/4% - Sept. 15/26 T-N		1,555,900	
	4 1/2% - Dec. 15/27 T-N		249,200	
	Miscellaneous Bonds		<u>7,303,300</u>	
		\$2,059,000	\$25,825,700	23,766,700-
Minn.	3 3/4% - Sept. 15/23 C-I		510,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	22,500	37,500	
	4 1/4% - Sept. 15/23 C-I	222,000	224,000	
	4 % - Dec. 15/23 C-I	2,087,500	2,072,500	
	4 1/4% - Mar. 15/24 C-I	2,157,500	2,150,500	
	4 1/2% - Mar. 15/24 C-I	1,471,000	1,471,000	
	5 3/4% - June 15/24 T-N	1,370,500	1,370,500	
	5 1/2% - Sept. 15/24 T-N	4,124,900	4,124,900	
	4 3/4% - Mar. 15/25 T-N	1,845,500	1,833,400	
	4 1/2% - June 15/25 T-N	1,594,700	1,584,700	
	4 3/8% - Dec. 15/25 T-N	1,186,000	2,828,500	
	4 3/4% - Mar. 15/26 T-N	6,273,300	2,018,800	
	4 1/4% - Sept. 15/26 T-N	3,747,700	9,026,700	
	4 3/4% - Mar. 15/27 T-N	1,384,400	1,409,400	
	4 1/2% - Dec. 15/27 T-N	953,700	954,100	
	Miscellaneous Bonds	<u>7,205,500</u>	<u>6,933,900</u>	
		\$35,646,700	\$38,550,900	2,904,200-

- 6 -

<u>BANK</u>	<u>ISSUE</u>	<u>PURCHASED</u>	<u>SOLD</u>	<u>NET CHANGE</u> <u>April 4 - Oct. 17/23</u>
Kan. City	3 3/4% - June 15/23 C-I	\$	\$ 7,000 (redeemed)	
	3 3/4% - Sept. 15/23 C-I		1,414,500 (redeemed)	
	3 3/4% - Sept. 15/23 C-I	153,000	226,000	
	4 1/4% - Sept. 15/23 C-I	63,000		
	4 % - Dec. 15/23 C-I	21,500	191,500	
	4 1/4% - Mar. 15/24 C-I	151,000	1,000	
	4 1/2% - Mar. 15/24 C-I	27,000	1,919,200	
	5 1/2% - Sept. 15/24 T-N	12,000		
	4 3/4% - Mar. 15/25 T-N	4,165,000	11,615,000	
	4 1/2% - June 15/25 T-N	350,500	1,500,000	
	4 3/8% - Dec. 15/25 T-N		11,909,100	
	4 3/4% - Mar. 15/26 T-N		1,505,000	
	4 1/4% - Sept. 15/26 T-N		2,412,200	
	4 3/4% - Mar. 15/27 T-N	1,970,700	94,000	
	4 1/2% - Dec. 15/27 T-N	5,000		
	Miscellaneous Bonds	100,000	2,516,000	
		7,018,700	35,310,500	\$ 28,291,800-
Dallas	3 3/4% - Sept. 15/23 C-I		2,125,000 (redeemed)	
	4 1/4% - Sept. 15/23 C-I	10,000	10,000	
	4 % - Dec. 15/23 C-I		6,000,000	
	4 1/4% - Mar. 15/24 C-I	2,500,000		
	4 1/2% - Mar. 15/24 C-I	300,000	300,000	
	5 3/4% - June 15/24 T-N	2,500,000		
	4 3/4% - Mar. 15/25 T-N	2,000,000		
		7,310,000	8,435,000	1,125,000-
San Fran.	3 3/4% - June 15/23 C-I		24,000 (redeemed)	
	5 1/2% - Sept. 15/24 T-N		12,764,600	
	4 3/4% - Mar. 15/25 T-N		12,400	
	4 3/4% - Mar. 15/26 T-N		1,850,000	
	4 1/4% - Sept. 15/26 T-N	45,000	3,712,000	
	Miscellaneous Bonds		92,500	
		45,000	18,455,500	18,410,500-
TOTAL		\$61,087,250	\$208,602,400	\$147,515,150-

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RECAPITULATION OF CHANGES IN HOLDINGS OF GOVERNMENT SECURITIES
EXCLUSIVE OF SALES CONTRACTS FROM APRIL 4 TO OCTOBER 17, 1923
(OOO Omitted)

<u>Bank</u>	<u>Holdings</u> <u>April 4</u>	<u>Purchases</u>	<u>Sales and</u> <u>Redemptions</u>	<u>Holdings</u> <u>Oct. 17</u>	<u>Net Change</u> <u>Apr. 4 - Oct. 17/23</u>
Boston	\$ 10,054	-0-	\$ 6,494	\$ 3,560	\$ 6,494-
New York	11,149	-0-	10,000	1,149	10,000-
Philadelphia	25,319	803	8,714	17,408	7,911-
Cleveland	21,317	4,338	15,309	10,346	10,971-
Richmond	1,341	-0-	-0-	1,341	-0-
Atlanta	2,542	2,997	5,299	240	2,302-
Chicago	41,597	869	36,208	6,258	35,339-
St. Louis	23,767	2,059	25,826	-0-	23,767-
Minneapolis	10,291	35,647	38,551	7,387	2,904-
Kansas City	36,858	7,019	35,311	8,566	28,292-
Dallas	9,904	7,310	8,435	8,779	1,125-
San Francisco	27,596	45	18,455	9,186	18,410-
T O T A L	\$221,735	\$61,087	\$208,602	\$74,220	\$147,515-

NET CHANGES IN HOLDINGS OF BANKERS ACCEPTANCES
EXCLUSIVE OF SALES CONTRACTS FROM APRIL 4 TO OCTOBER 17, 1923
(OOO Omitted)

<u>Bank</u>	<u>Holdings</u> <u>April 4</u>	<u>Purchases</u>	<u>Sales and</u> <u>Maturities</u>	<u>Holdings</u> <u>Oct. 17</u>	<u>Net Change</u> <u>Apr. 4 - Oct. 17/23</u>
Boston	\$ 14,565	\$ 35,522	\$ 41,943	\$ 8,144	\$ 6,421-
New York	22,357	168,189	171,390	19,156	3,201-
Philadelphia	28,169	63,978	71,723	20,424	7,745-
Cleveland	51,436	81,604	108,532	24,508	26,928-
Richmond	1,026	5,327	5,212	1,141	115+
Atlanta	26,117	30,750	51,415	5,452	20,665-
Chicago	32,001	121,095	112,617	40,479	8,478+
St. Louis	12,455	10,110	22,558	7	12,448+
Minneapolis	2,275	51	2,275	51	2,224-
Kansas City	225	2,376	402	2,199	1,974+
Dallas	20,130	51,625	42,541	29,214	9,084+
San Francisco	39,850	47,874	77,285	10,439	29,411-
T O T A L	\$250,606	\$618,501	\$707,893	\$161,214	\$89,392-

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TREASURY ORDERS EXECUTED BY THE OPEN MARKET INVESTMENT COMMITTEE
SINCE ITS FORMATION ON APRIL 1, 1923

(To Purchase)

<u>Date of Order</u>	<u>Account</u>	<u>Issue</u>	<u>Price</u>	<u>Amount</u>
April 3, 1923	Cumulative Sinking Fund	Uncalled Victory Notes	100 2/32	\$ 7,000,000
*May 3-9, 1923	Foreign Obligations	Third 4 $\frac{1}{4}$ % L. L. Bonds	Market	30,780,000
June 11, 1923	Redemption	June 15, 1923 Ctfs.	Par	6,553,500
" 15, 1923	Philippine Gov't	June 15, 1925 Notes	Market	2,500,000
" 16, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	10,967,500
" 14-18, 1923	Alien Property Custodian	Sept. & Dec. 1923 Ctfs.	"	29,795,000
" 18, 1923	Purchases Proceeds Treasury Notes	Any Treas. Notes F. R. B. holdings	"	25,497,100
" 26, 1923	Purchases Proceeds Treasury Notes	C-1925, B-1926 A-1927 Treas. Notes	Market	15,000,000
" 27-28, 1923	Purchases Proceeds Treasury Notes	B-1925, C-1925, B-1926, A-1927 Treas. Notes	"	25,000,000
" 28-29, 1923	Retirement	Dec. 15, 1923 Ctfs.	Par	10,000,000
" 29, 1923	Purchases Proceeds Treasury Notes	B-1925, C-1925, B-1926 Notes	Market	5,000,000
July 3, 1923	Civil Service Retirement & Disability Fund	Dec. 15, 1923 Ctfs. A-1927 Notes	Par	10,000,000
*July 6, 1923	Cumulative Sinking Fund	Third 4 $\frac{1}{4}$ % L. L. Bonds	Market	10,000,000
" 11-13, 1923	Cumulative Sinking Fund	C-1925, B-1926 Treas. Notes	"	15,000,000
" 13, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	10,643,000
" 24, 1923	"	Dec. 15, 1923 "	"	5,000,000
" 25, 1923	Cumulative Sinking Fund	C-1925, B-1926 Notes	Market	10,000,000
*Aug. 1, 1923	Cumulative Sinking Fund	Third 4 $\frac{1}{4}$ % L. L. Bonds	"	10,000,000
" 2, 1923	Retirement	Sept. 15, 1923 Ctfs.	Par	2,128,500

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Treasury Orders
(Continued)

<u>Date of Order</u>	<u>Account</u>	<u>Issue</u>	<u>Price</u>	<u>Amount</u>
Aug. 16, 1923	Cumulative Sinking Fund	A-1927 Notes	Market	\$ 4,643,600
" 21, 1923	Retirement	Sept. 15, 1923 either ctfs.	Par	10,000,000
" 23-27, 1923	"	Sept. 15, 1923 either ctfs.	"	20,000,000
" 30, 1923	Alien Prop. Custodian	Mar. 15, 1924 4 1/2 ctfs.	Market	6,830,000
Sept. 6, 1923	Retirement	Sept. 15, 1923 either ctfs.	Par	3,177,000
*Sept. 6, 1923	Cumulative Sinking Fund	3rd L.L. 4 1/4% Bds.	Market	10,000,000
" 14-17, 1923	Alien Prop. Custodian	either series Mar. 15/24 ctfs.	"	28,000,000
*Sept. 15, 1923	Foreign Obligations	3rd L.L. 4 1/4% Bds.	"	10,000,000
" 20-24, 1923	Cumulative Sinking Fund	B-1925, C-1925 B-1926, A-1927 Treas. Notes	"	10,000,000
" 27, 1923	Cumulative Sinking Fund	B-1925, C-1925, B-1926, A-1927 Treas. Notes	"	5,000,000
*Sept. 29, 1923	Foreign Obligations	Third L.L. 4 1/4% Bonds	"	10,000,000
Oct. 16, 1923	Cumulative Sinking Fund	A-1926 Treas. Notes	Par	1,018,300
		T O T A L		<u>\$359,533,500</u>

*Purchased on Stock Exchange

Participation in these various Treasury orders by Federal reserve banks
has been as follows:

Boston	\$ 30,600,500
New York	191,537,350
Philadelphia	32,667,600
Cleveland	5,272,900
Richmond	2,867,500
Atlanta	1,794,250
Chicago	40,897,500
St. Louis	13,715,400
Minneapolis	6,279,800
Kansas City	14,139,900
Dallas	4,180,800
San Francisco	15,580,000
	<u>\$359,533,500</u>

**WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD
OCTOBER 11 TO OCTOBER 17, 1923 (INCLUSIVE)**

**Comparison of Holdings of Earning Assets by Federal Reserve Banks
from March 28 to October 17, 1923
(000 Omitted)**

	TOTAL EARNING ASSETS	DISTRIBUTED AS FOLLOWS:		
		*Government Securities	*Bankers Acceptances	Bills Discounted
Mar. 28	\$1,203,720	\$249,409	\$254,251	\$700,060
Apr. 25	1,104,489	193,810	274,041	636,638
May 29	1,178,156	189,288	257,818	731,050
June 27	1,114,219	134,976	204,225	774,963
July 25	1,033,697	96,284	176,864	760,539
Aug. 29	1,082,553	93,530	173,485	815,518
Sept. 26	1,126,334	91,885	172,124	862,008
Oct. 3	1,150,022	95,142	172,902	881,661
" 10	1,143,624	91,883	182,407	869,017
" 17	1,139,397	94,041	190,518	854,521
Net change				
Mar. 28 to Oct. 17 \$	64,323-	\$155,368-	\$ 63,733-	\$154,461+

*Including sales contracts

**Changes in Holdings of Government Securities and Bankers Acceptances
by Federal Reserve Banks (Exclusive of Sales Contracts) During
Week Ending October 17, 1923
(000 Omitted)**

	Government Securities			Bankers Acceptances		
	Balance Oct. 17	Balance Oct. 10	Net Change	Balance Oct. 17	Balance Oct. 10	Net Change
Boston	\$ 3,560	\$ 3,560	-0-	\$ 8,144	\$ 6,690	\$1,454+
New York	1,149	1,149	-0-	19,156	12,024	7,132+
Philadelphia	17,408	17,408	-0-	20,424	17,844	2,580+
Cleveland	10,346	10,289	57+	24,508	28,206	3,698-
Richmond	1,341	1,341	-0-	1,141	915	226+
Atlanta	241	277	36-	5,452	9,026	3,574-
Chicago	6,258	6,258	-0-	40,479	42,499	2,020-
St. Louis	-0-	3,668	3,668-	7	7	-0-
Minneapolis	7,387	7,385	2+	51	51	-0-
Kansas City	8,567	8,567	-0-	2,199	2,215	16-
Dallas	8,779	8,624	155+	29,214	27,967	1,247+
San Francisco	9,185	9,185	-0-	10,439	11,039	600-
TOTALS	\$74,221	\$77,711	\$3,490-	\$161,214	\$158,483	\$2,731+

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DIGEST OF REPORTS RECEIVED FROM ALL FEDERAL RESERVE BANKS
SHOWING DATA REGARDING GOVERNMENT SECURITIES AND OPEN
BILL MARKET CONDITIONS IN ALL DISTRICTS

Government Securities

Holdings of Government securities by Federal reserve banks have shown a net reduction of \$3,490,000 during the week. During the period the Federal Reserve Bank of St. Louis informed the Committee that they desired to dispose of their entire holdings of Government securities. The Treasury applied \$1,018,300 4 3/4% series A-1926 notes on order of October 16, for account of the Cumulative Sinking Fund, while balance of \$2,650,000 miscellaneous bonds were sold in the New York market.

Reports received from the various districts indicate that Liberty Loan issues have maintained the firm tone that has characterized them since the sudden decline around the first of the month. While most of the Government issues advanced moderately on good demand from both individuals and institutions, the United States Treasury 4 1/4% bonds of 1947-52 displayed the greatest strength, closing the period at 99 6/32, a net increase of 15/32. Treasury certificates and notes have been more or less active, with demand and supply about equal and prices steady. Offerings, however, in the New York market of December 4% certificates were somewhat in excess of demand, which selling was attributed in a measure to the adjustment in the cash position of depository banks, due to the Government withdrawal of funds. Kansas City reports that it is still necessary for brokers in that district to buy securities in the East to satisfy the local demand.

Stock Exchange call money, which opened the period on Thursday, October 11, at 5%, ruled easy throughout the week and with light demand from brokers continued to go lower, money loaning at 4% at the close of the period, Wednesday, October 17. The immediate feature of the money market during the past week was the larger offerings of time funds and easier rates for this class of money.

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Money was offered at 5 1/4% for 60 and 90 days and nominal quotation on longer dates was 5 1/4% to 5 1/2%. The change in the situation was attributed in large measure to the progressive liquidation of crops, particularly cotton. The improved grain prices and high price of cotton resulted in the release of funds and the return flow of money, which was forwarded to the crop moving sections earlier in the year.

Bankers Acceptances

A net increase of \$2,731,000 in bill holdings of all Federal reserve banks occurred during the week.

On October 16, the Federal Reserve Bank of Dallas requested the New York bank to purchase for their account \$4,000,000 bankers acceptances.

There have been few new bills created in the Chicago district during the past week with the demand coming mostly from country banks, sufficient to absorb all new offerings. In Philadelphia conditions continue to be more or less inactive. Offerings have been comparatively heavy, but the demand has been very nominal with interior banks continuing as principal buyers, while local banks have shown a disposition to reduce their portfolio rather than to increase it.

The supply of bills in the Boston market declined a little, but demand was about the same as last week and continued fair with a few country banks showing interest in buying. In the supply were fair-sized blocks of cotton and tobacco bills. Boston reports that one local dealer has discontinued the acceptance end of his business.

Although supply and demand continued comparatively good in New York, there was a substantial decrease in both as against the previous week. The supply, however, continued to be considerably in excess of the demand and dealers' aggregate portfolios increased to about \$48,000,000, which is the largest amount they have held since the end of July 1922. Cotton bills predominated in the

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market and there were also substantial amounts of grain, sugar, and dollar exchange bills. Dealers expect a better demand for bills during the coming week if the present comparatively easy money conditions continue.

Dealers' offering rates remain unchanged, indorsed and unindorsed bills offered at 4% for the 30's, 4 1/8% for the 60's and 90's and 4 1/8% to 4 1/4% for 120 day bills.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Foreign Obligations

Additional purchases of \$2,352,000 bonds have been made during the period on Treasury order of October 4, 1923, authorizing the purchase at the market on the Stock Exchange of \$10,500,000 par amount Third Liberty Loan 4 1/4% Bonds from the proceeds of payments by foreign governments, purchases on this order to be distributed over a period of two weeks. Aggregate purchases to date of \$7,698,000 at prices ranging from 98 7/32 to 98 12/32 have been made as follows:

Boston	\$	750,000	
New York		6,048,000	
Philadelphia		900,000	
	\$	7,698,000	
		2,802,000	Unexecuted balance
		<u>\$10,500,000</u>	

Cumulative Sinking Fund

On October 16, 1923, the Treasury authorized the purchase at par and accrued interest of \$1,018,300 par amount 4 3/4% Treasury Notes, series A-1926, due March 15, 1926, from the holdings of the Federal Reserve Bank of St. Louis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 11 TO OCTOBER 17, 1923.

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Held Under Sales Contracts</u>
Boston	-0-	-	-0-	-	\$ 177,700
New York	-0-	-	-0-	-	10,920,000
Philadelphia	-0-	-	-0-	-	-0-
Cleveland	57,000	TD2-1923 Ctfs.	-0-	-	-0-
Richmond	-0-	-	-0-	-	-0-
Atlanta	315,000	TD2-1923 Ctfs.	331,000	TD2-1923 Ctfs.	-0-
	26,500	TM2-1924 "	26,500	TM2-1924 "	
	800	B-1927 Notes	5,800	B-1927 Notes	
	51,450	Misc. Bonds	67,100	Misc. Bonds	
	<u>\$393,750</u>		<u>\$430,400</u>		
Chicago	-0-	-	-0-	-	721,200
St. Louis	-0-	-	1,018,300	A-1926 Notes	-0-
			2,650,000	Misc. Bonds	
			<u>\$3,668,300</u>		
Minneapolis	21,000	TD2-1923 Ctfs.	6,000	TD2-1923 Ctfs.	6,502,000
	20,000	TM-1924 "	30,000	TM-1924 "	
	1,116,500	TM2-1924 "	1,119,500	TM2-1924 "	
	5,000	A-1924 Notes	5,000	A-1924 Notes	
	2,500	B-1924 "	2,500	B-1924 "	
	12,500	A-1925 "	12,500	A-1925 "	
	700	B-1925 "	700	B-1925 "	
	46,700	C-1925 "	46,700	C-1925 "	
	62,100	A-1926 "	62,100	A-1926 "	
	5,500	B-1926 "	5,500	B-1926 "	
	3,000	A-1927 "	3,000	A-1927 "	
	49,500	B-1927 "	49,800	B-1927 "	
	12,500	Misc. Bonds	12,500	Misc. Bonds	
	<u>\$1,357,500</u>		<u>\$1,355,800</u>		
Kansas City	-0-	-	-0-	-	1,500,000
Dallas	100,000	TM-1924 Ctfs.	100,000	TM-1924 Ctfs.	-0-
	155,000	TM2-1924 "			
	<u>\$255,000</u>				
San Francisco	-0-	-	-0-	-	-0-
TOTALS	<u>\$2,063,250</u>		<u>\$5,554,500</u>		<u>\$19,820,900</u>

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BANKERS ACCEPTANCES PURCHASED

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Held Under</u> <u>Sales Contracts</u>
Boston	1-30 days	\$ 282,000	4% - 4 1/8%	\$ 841,000	\$ 2,103,000
	31-60 "	698,000	4 1/8% - 4 3/8%		
	61-90 "	1,315,000	4 1/8% - 4 3/8%		
		<u>\$2,295,000</u>			
New York	1-30 days	3,260,000	4% - 4 1/4%	1,748,091	23,590,260
	31-60 "	3,870,000	4 1/8% - 4 3/8%		
	61-90 "	1,607,000	4 1/8% - 4 3/8%		
	Over 90"	143,000			
		<u>\$8,880,000</u>			
Philadelphia	1-30 days	492,000	4%	1,424,731	-0-
	31-60 "	724,000	4% - 4 1/8%		
	61-90 "	2,789,000	4 1/8% - 4 1/4%		
		<u>\$4,005,000</u>			
Cleveland	In other districts	1,293,296		4,991,000	-0-
Richmond	31-60 days	100,000	4 1/4%	-0-	-0-
	61-90 "	126,000	4 1/4%		
		<u>\$226,000</u>			
Atlanta	-	2,837,464		1,315,960	-0-
				5,095,322	Sold
					F.R.B.
				<u>\$6,411,282</u>	N.Y.
Chicago	1-30 days	175,000	4%	5,005,000	1,676,000
	61-90 days	120,000	4 1/8%		
	In other districts	2,690,000			
		<u>\$2,985,000</u>			
St. Louis	-	-0-	-	-0-	-0-
Minneapolis	-	-0-	-	-0-	-0-
Kansas City	-	-0-	-	15,745	-0-
Dallas	In other districts	4,509,136	-	3,064,242	-0-
				197,349	Sold
				<u>\$3,261,591</u>	Mem. Bks.
San Francisco	31-60 days	117,000	4 1/8%	1,689,000	955,000
	In other districts	972,000			
		<u>\$1,089,000</u>			
TOTALS		<u>\$28,119,896</u>		<u>\$25,387,440</u>	<u>\$28,324,260</u>

Exhibit "B"

COMPARISON OF THE GOVERNMENT SECURITY
HOLDINGS BY MATURITIES OF ALL RESERVE BANKS
COMBINED AS OF JUNE 14, OCTOBER 25, 1922, APRIL 4
AND OCTOBER 17, 1923.

	* Holdings on <u>June 14, 1922</u>	Holdings on <u>October 25, 1922</u>	** Holdings on <u>April 4, 1923</u>	Holdings on <u>October 17, 1923</u>
Certificates and Victory Notes matured 1922	\$323,513,000	\$ 72,938,500	-0-	-0-
Victory Notes, 5/20/23	-0-	-0-	17,350	-0-
March 15, 1923	46,385,500	43,839,500	-0-	-0-
June 15, 1923	-0-	48,110,500	-0-	-0-
Sept. 15, 1923	-0-	29,553,000	35,953,500	-0-
Dec. 15, 1923	-0-	-0-	34,011,000	130,000
March 15, 1924	-0-	-0-	2,062,500	3,005,000
Treasury Notes	<u>120,599,600</u>	<u>106,822,300</u>	<u>110,950,500</u>	<u>52,710,600</u>
T O T A L	\$490,498,100	\$301,263,800	\$182,994,850	\$55,845,600
Miscellaneous Gov't Bonds	45,792,000	39,146,300	39,082,910	18,374,440
Pittman Act Certificates	75,500,000	41,000,000	-0-	-0-
Sales Contracts	<u>17,984,750</u>	<u>27,231,300</u>	<u>17,071,350</u>	<u>19,820,900</u>
AGGREGATE	<u>\$629,774,850</u>	<u>\$408,641,400</u>	<u>\$239,149,110</u>	<u>\$94,040,940</u>

*Peak of Government security holdings

**Date when new Committee was organized

EXHIBIT "A"

GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS REPORTED TO THE
OPEN MARKET INVESTMENT COMMITTEE AT THE CLOSE OF BUSINESS OCTOBER 17, 1923

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
Dec. 15, 1923 - 4%	-0-	-0-	\$ 14,000	\$ 99,500	-0-	-0-	-0-	-0-	\$ 15,000	\$ 1,500	-0-	-0-	\$ 130,000
March 15, 1924 - 4½%	-0-	-0-	-0-	221,000	-0-	-0-	-0-	-0-	-0-	27,000	-0-	-0-	248,000
" 15, 1924 - 4½%	-0-	-0-	27,000	73,000	-0-	-0-	-0-	-0-	7,000	150,000	2,500,000	-0-	2,757,000
<u>Treasury Notes</u>													
June 15, 1924 - 5½%	1,100,000	-0-	-0-	6,354,500	-0-	-0-	-0-	-0-	-0-	17,000	2,500,000	4,525,000	14,496,500
Sept. 15, 1924 - 5½%	1,002,000	-0-	-0-	2,337,000	-0-	-0-	-0-	-0-	10,000	14,000	-0-	4,660,400	8,023,400
March 15, 1925 - 4½%	920,600	-0-	3,685,200	-0-	-0-	-0-	-0-	-0-	-0-	3,837,300	2,000,000	-0-	10,443,100
Dec. 15, 1925 - 4 3/8%	8,100	-0-	10,607,500	-0-	-0-	2,500	693,100	-0-	-0-	-0-	-0-	-0-	11,311,200
June 15, 1925 - 4½%	-0-	-0-	-0-	-0-	-0-	2,500	16,800	-0-	-0-	1,877,500	-0-	-0-	1,896,800
March 15, 1926 - 4½%	-0-	-0-	2,525,000	-0-	-0-	-0-	1,063,400	-0-	238,900	218,500	-0-	-0-	4,045,800
Sept. 15, 1926 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
March 15, 1927 - 4½%	-0-	-0-	-0-	343,200	-0-	-0-	-0-	-0-	-0-	1,876,800	-0-	-0-	2,220,000
Dec. 15, 1927 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	59,000	-0-	-0-	214,800	-0-	-0-	273,800
T O T A L	\$3,030,700	-0-	\$16,858,700	\$ 9,428,200	-0-	5,000	\$1,832,300	-0-	\$ 270,900	\$ 8,234,400	\$7,000,000	\$9,135,400	\$55,845,600
Miscellaneous	529,000	1,148,750	549,300	918,400	1,340,900	235,430	4,425,600	-0-	7,115,710	331,850	1,779,500	-0-	18,374,440
GRAND TOTAL	\$3,559,700	\$1,148,750	\$17,408,000	\$10,346,600	\$1,340,900	\$240,430	\$6,257,900	-0-	\$ 7,386,610	\$ 8,566,250	\$8,779,500	\$9,185,400	\$74,220,040
Sales Contracts	177,700	10,920,000	-0-	-0-	-0-	-0-	721,200	-0-	6,502,000	1,500,000	-0-	-0-	19,820,900
A G G R E G A T E	\$3,737,400	\$12,068,750	\$17,408,000	\$10,346,600	\$1,340,900	\$240,430	\$6,979,100	-0-	\$13,888,610	\$10,066,250	\$8,779,500	\$9,185,400	\$94,040,940

EXHIBIT "C"

EARNING ASSETS OF FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS OCTOBER 17, 1923
 AS COMPARED WITH HOLDINGS AT CLOSE OF BUSINESS APRIL 4 AND SEPT. 5, 1923
 (000 Omitted)

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
<u>Bills Discounted</u>													
April 4	\$47,354	\$210,603	\$60,551	\$38,731	\$52,063	\$20,665	\$112,202	\$28,028	\$20,466	\$28,157	\$19,533	\$56,918	\$ 695,271
Sept. 5	70,200	209,788	62,400	47,041	71,528	52,772	74,148	59,575	26,545	39,114	45,541	91,442	850,094
Oct. 17	46,042	170,808	57,333	61,172	73,563	82,497	115,062	71,944	29,311	52,760	22,812	71,217	854,521
Net change April 4 to Oct. 17	1,312-	39,795-	3,218-	22,441+	21,500+	61,832+	2,860+	43,916+	8,845+	24,603+	3,279+	14,299+	159,250+
<u>Acceptances Purchased</u>													
April 4	17,065	27,462	28,169	51,506	1,026	26,117	32,696	12,455	2,275	225	20,130	40,753	259,379
Sept. 5	10,748	41,271	19,866	39,056	723	8,505	39,897	389	-0-	2,012	435	11,661	174,563
Oct. 17	10,247	43,727	20,424	24,508	1,141	5,452	42,155	7	50	2,199	29,214	11,394	190,518
Net change April 4 to Oct. 17	6,818-	16,265+	7,745-	26,998-	115+	20,665-	9,459+	12,448-	2,225-	1,974+	9,084+	29,359-	69,361-
<u>Government Securities</u>													
April 4	10,137	18,826	25,417	21,346	1,341	2,542	43,508	23,870	15,135	37,906	11,504	27,617	239,149
Sept. 5	3,763	18,381	17,381	10,258	1,341	258	9,476	3,668	12,856	10,426	1,779	9,185	98,772
Oct. 17	3,737	12,069	17,408	10,346	1,341	241	6,979	-0-	13,889	10,066	8,780	9,185	94,041
Net change April 4 to Oct. 17	6,400-	6,757-	8,009-	11,000-	-0-	2,301-	36,529-	23,870-	1,246-	27,840-	2,724-	18,432-	145,108-
<u>Total Earning Assets</u>													
April 4	74,556	256,891	114,137	111,583	54,430	49,324	188,406	64,353	37,876	66,288	51,167	125,288	1,194,299
Sept. 5	84,711	269,440	99,647	96,355	73,592	61,555	123,521	63,632	39,401	51,552	47,755	112,288	1,123,449
Oct. 17	60,026	226,604	95,165	96,026	76,045	88,241	164,196	71,951	43,250	65,291	60,806	91,796	1,139,397
Net change April 4 to Oct. 17	14,530-	30,287-	18,972-	15,557-	21,615+	38,917+	24,210-	7,598+	5,374+	997-	9,639+	33,492-	54,902-

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11-12-23

OPEN MARKET INVESTMENT COMMITTEE
Chairman's Report
Joint Conference - November 1923

The secretary's report of the operations of the Open Market Investment Committee has been distributed to the members of the Federal Reserve Board and of the conference. It gives a detailed account of the proceedings of the committee and the usual schedules of transactions, and will be submitted for comment and action by the governors at their separate meeting.

As the committee and its predecessor is the agency through which transactions in furtherance of the system's open market credit policy are executed, in part, a brief review of what has been done should cover the period from January 1, 1922, to the present time, as a radical change took place in the policy of nearly all of the reserve banks, commencing at about the first named date. It was then that, following a greatly reduced volume of discounts, many of the banks made large purchases of government securities. These were on such a scale as to arouse objection by the Secretary of the Treasury on the grounds that an artificial market was being created - that reserve bank purchases and sales at times might conflict with the execution of Treasury Department orders - and with new issues being made - and that investments merely for earnings were not justified, especially if liable to cause any inflation of bank credit.

The appointment of the committee, of which the present one is successor, promptly resulted in uniformity of operations by reserve banks, in all the markets; eliminated conflicts of orders between the Treasury and the banks and between the banks themselves; - and by centering the distribution of orders in the hands of the committee, enabled it to distribute purchases and sales between reserve districts so as to promote an active market in many cities, rather than concentrate the market principally in New York City.

Since the summer of 1922 there has been gradual and continuous liquidation of government securities owned by the system, the total held on October 31, 1923,

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being but \$92,000,000 against a maximum of \$618,000,000 on June 7, 1922. *

The important results of this most significant development in the credit policy of the system, other than those already mentioned, can now possibly be summarized as follows:

At the end of the year 1921, following a period of extreme nervousness as to the solvency of many large industrial and commercial concerns, and even of large banking institutions which had made them heavy advances, there still continued to be pressure by banks to liquidate loans, and get out of debt to the reserve system in spite of the considerable reductions in reserve bank discount rates which had already been made in all districts. This pressure was widespread but especially noticeable in New York and with the type of bank loan described as "frozen." The purchases made by reserve banks steadily supplied new credit to the market and the surplus was at once applied to reducing discounts at the reserve banks, especially the largereastern ones. As the large member banks got out of debt, surplus funds were available for new loans, pressure upon borrowers ceased, money rates eased appreciably, nervousness shortly disappeared, and a general spirit of enterprise and hopefulness succeeded the depression of 1921.

But it must be recalled that as a general rule, the market will always borrow the minimum of credit from the bank of issue which is required to finance a given volume of business at the existing price level. No surplus of total reserve credit was, however, created by the purchases of the reserve banks and no inflation of bank credit resulted because the discounts by members were reduced as the investment account increased. Banks no longer had to pay as heavy a tax, by way of discount, to the system and the desire to get out of debt was largely satisfied. As a result, whatever may have inspired the purchases by some reserve banks - whether for earnings (as in most cases) or otherwise - nevertheless the result was further to moderate the course of liquidation, reduce interest rates and firmly establish the foundation for economic recovery.

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Throughout the latter part of 1922 and early in 1923, the impetus of the revival, spreading into all business, excepting some departments of agriculture, and affecting in marked degree building operations, wages of all the building trades, the automobile industry, and stock speculation, threatened to develop into an unhealthy expansion, unwarranted price advances, and in their train bank loan inflation. The loans on the New York Stock Exchange reached the largest total ever recorded. A moderation of this movement was in part suggested to the public by the advance in discount rates by three reserve banks from 4% to 4 1/2%; it was undoubtedly further assisted by the sale of reserve bank investments, which had been continuous throughout the period of advancing prices, and which drove our members to increase their borrowings; but probably was more than anything else due to the sensitive state of mind of the public generally, and to the frequently discussed desire among business men to avoid the events of 1919, 1920, and 1921. But little was needed to restore conservatism.

The system has still also been confronted with a problem of major importance, since January 1922, in the large net imports of gold, the total for the period down to the latest reports available being \$432,938,822. Had the earning assets of the reserve banks remained unchanged at the January 1922, figure \$1,471 millions this addition to our gold stock inevitably would have caused a greater expansion of bank loans and currency than has taken place - with all the disorders in prices arising therefrom. The reduction of earning assets by the reserve banks, partly through reduced discounts, at times, and largely by the sale of investments, has probably aided to hold in check any such development. Down to about August 1923, this reduction in earning assets had more than offset net gold imports and net domestic production of the mines, and it is only since the usual seasonal demands of the late summer and fall have caused an increase in members' borrowings, together with additional gold imports, that this net reduction has not been maintained.

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Since the new committee was appointed about six months ago, transactions in acceptances have become one of its principal duties, and the importance of this account has increased with the gradual reduction in holdings of government securities. Much the same comments as apply to our government investment account, apply to this account - with the additional feature that the rates for purchases of bills have a close and important bearing upon our general discount rate. Transactions in bills conducted under the committee's supervision are included in the secretary's report.

The committee is now, or shortly will be confronted with some difficulties in its bill purchases, unless there is easing of money rates, which in fact does usually arise after the first of the year. The market rate for prime bills, now about $4\frac{1}{8}\%$ - should normally be about 1% or more below the market rate for prime commercial paper. The difference in market rate represents roughly the value of the bank obligation, for which the acceptance commission is charged, plus broker's margins of profit. While that difference is maintained in the money market at the present time and usually will be, the difference between the rates at which we buy bills and our discount rate is less than $1\frac{1}{2}\%$. If money rates ease, the spread between reserve bank discount rates and reserve bank buying rates will increase as the rates for bills are reduced. If, however, money rates advance, we must advance our buying rates for bills - and an increase of only $\frac{3}{8}\%$ would bring the bill rate to the level of our discount rate - a wholly anomalous and rather unfortunate situation. If we did not advance our buying rate with market rates, all bills would be dumped on the reserve banks, causing too large an accumulation, destroying the broad market for bills which we have struggled to create and possibly defeating other purposes of policy later mentioned.

To increase discount rates, and so restore the differential, is just at this time probably not justified, and has the possibility of harm when business is hesitating and seeking an indication of the attitude of the reserve system toward the credit situation.

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On the whole the committee's view is that we can afford to delay any considerable change in buying rates, until the New Year's developments disclose whether we shall experience some reduction in members' borrowings and lower market rates.

This will, however, leave the gold problem unsolved. If the system hopes to offset further gold imports by reducing investments, it will necessitate selling some or all of the small balance of \$92 million of government securities still held by a few of the reserve banks, and then reducing its holdings of bills, provided, of course, further large amounts of gold arrive. The result to the earnings of some of the banks would be such as to necessitate the transfer to them of other earning assets by those banks holding an excess over earning needs, as for example, New York. It would also make it difficult to avoid an advance in the rate for bill purchases, in case money rates do not ease. For this reason also a delay in any change of policy seems desirable. ✓

Finally, quite another view is presented when we consider just what our policy should be in case the hesitation and uncertainty which seems to have arisen in some section, notably New England, should threaten a real setback to business. While the country is now on the whole prosperous, labor quite fully employed, most mills busy and with a few exceptions no excess stocks of goods on hand - there are also some indications of a growth of distrust lest business is facing a slump. Steel orders are lower, production of New England cotton mills has recently been reduced, automobile tire business has slowed down, and we have had a long and rather sharp liquidation in the stock market resulting in a reduction of Stock Exchange loans, estimated at \$532,000,000. *

It is the view of the committee that the reserve system should not hesitate to resume open market purchases, thereby again reducing bank borrowings, and easing money rates, rather than permit an unwarranted state of mind alone to disturb the even course of the country's production and consumption. There need

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be little fear of inflation from such a policy if total earning assets are not allowed to increase; nor are they likely to do so in the absence of speculation; increasing prices and increasing stocks of goods.

The attached schedules of figures are furnished in detail so as to obviate the need of quoting them extensively in the body of this report.

Beyond the conclusions so far expressed, a study of the schedules annexed will disclose in general the growing importance to the banking system as a whole, of the policies adopted in open market transactions. The record of the past two years is convincing evidence of the need for a harmonious program. The committee has agreed, at the request of the New York Bank, and subject to the approval of the Federal Reserve Board and of the interested Federal reserve banks, to supervise all foreign transactions, if such course seems to the conference as likely to promote a uniform system policy.

Respectfully submitted,

(Signed) BENJ. STRONG

Chairman.

TOTAL NET DEMAND AND TIME DEPOSITS

NEW YORK CITY CLEARING HOUSE BANKS

(In millions)

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
<u>1923</u>			
January 6	4,410	June 2	4,255
13	4,485	9	4,212
20	4,391	16	4,248
27	4,355	23	4,231
February 3	4,361	30	4,296
10	4,316	July 7	4,228
17	4,339	14	4,235
24	4,351	21	4,190
March 3	4,361	28	4,129
10	4,281	August 4,	4,138
17	4,298	11	4,065
24	4,220	18	4,007
31	4,266	25	4,025
April 7	4,218	September 1	4,096
14	4,214	8	4,073
21	4,264	15	4,133
28	4,222	22	4,123
May 5	4,220	29	4,165
12	4,231	October 6	4,131
19	4,224	13	4,119
26	4,219	20	4,178
		27	4,174
		November 3	4,194

TOTAL EARNING ASSETS

FEDERAL RESERVE BANK OF NEW YORK

(In millions)

<u>Date</u>		<u>Discounts</u>	<u>Securities Owned</u>	<u>Acceptances Bought</u>	<u>Total</u>
<u>1922</u>					
January	4	199	98	58	355
February	1	119	108	37	264
March	1	90	162	32	285
April	5	88	132	38	258
May	3	68	211	46	325
June	7	39	192	38	269
July	5	108	171	47	326
August	2	39	158	33	230
September	6	48	161	59	269
October	4	58	163	81	302
November	1	161	67	80	308
December	6	208	65	59	332
<u>1923</u>					
January	3	186	121	52	359
February	7	221	52	27	301
March	7	200	26	29	256
April	4	211	19	27	257
May	2	212	4	54	270
June	6	194	21	74	290
July	3	260	5	40	305
August	1	209	12	40	262
September	5	210	18	41	269
October	3	204	14	22	240
October	31	202	11	52	265

TOTAL EARNING ASSETS

FEDERAL RESERVE SYSTEM

(In millions)

<u>Date</u>		<u>Discounts</u>	<u>Securities Owned*</u>	<u>Acceptances Bought</u>	<u>Total</u>
<u>1922</u>					
January	4	1,113	231	127	1,471
February	1	838	305	90	1,233
March	1	708	413	96	1,216
April	5	625	463	98	1,186
May	3	509	609	107	1,226
June	7	420	618	136	1,174
July	5	499	551	155	1,204
August	2	400	497	150	1,048
September	6	405	508	188	1,102
October	4	434	483	235	1,153
November	1	588	360	261	1,209
December	6	705	312	267	1,284
<u>1923</u>					
January	3	628	457	255	1,339)
February	7	569	353	185	1,107
March	7	571	345	219	1,135
April	4	695	239	260	1,194
May	2	730	185	275	1,191
June	6	735	183	248	1,166
July	3	930)	95	199	1,223
August	1	806	94	183	1,083
September	5	850	99	175	1,123
October	3	882	95	173	1,150
October	31	884	92	205	1,181

1923 High)
1,339)1923 High)
930)

* Municipal warrants included

STREET LOANS
AND
BALANCES OF OUT-OF-TOWN
CORRESPONDENTS
(000 Omitted)

						Total Street Loans for account of Correspondents and balances for account of Out-of-Town Correspondents
		Street Loans for account of Correspondents	Street Loans for own Ac- count	Total Street Loans	Balance of Out-of-Town Correspondents	Out-of-Town Correspondents
1923						
January	3	651,623	937,851	1,589,474	714,454	1,366,077
	10	736,791	815,280	1,552,071	760,567	1,497,358
	17	795,426	818,045	1,613,471	735,530	1,530,956
	24	792,018	763,883	1,555,901	673,109	1,465,127
	31	750,285	798,917	1,549,202	651,859	1,402,144
February	7	804,407	774,389	1,578,796	667,879	1,472,286
	14	801,228	807,873	1,609,101	662,790	1,464,018
	21	801,606	818,457	1,620,063	659,827	1,461,433
	28	792,532	864,710	1,657,242	712,477	1,505,009
March	7	811,739	813,182	1,624,921	708,966	1,520,705
	14	843,564	799,856	1,643,420	707,295	1,550,859
	21	813,445	837,699	1,651,144	682,075	1,495,520
April	28	810,137	812,901	1,623,038	658,173	1,468,310
	4	804,358	862,623	1,666,981	715,291	1,519,649
	11	841,150	776,453	1,617,603	690,167	1,531,317
	18	847,288	767,795	1,615,083	673,385	1,520,673
May	25	837,487	805,785	1,643,272	640,486	1,477,973
	2	831,029	864,538	*1,695,567	647,687	1,478,716
	9	821,490	809,624	1,631,114	611,557	1,433,047
	16	814,377	787,450	1,601,827	616,932	1,431,309
	23	767,612	784,701	1,552,313	597,726	1,365,338
June	29	756,070	779,419	1,535,489	583,541	1,339,611
	6	756,165	754,569	1,510,734	600,156	1,356,321
	13	742,084	750,120	1,492,204	595,934	1,338,018
	20	731,014	745,606	1,476,620	587,346	1,318,360
July	27	681,219	758,955	1,440,174	572,858	1,254,077
	3	615,146	768,818	1,383,964	636,682	1,251,828
	11	643,095	710,360	1,353,455	617,004	1,260,099
	18	660,136	658,830	1,318,966	606,309	1,266,445
August	25	669,199	636,635	1,305,834	573,394	1,242,593
	1	653,733	619,371	1,273,104	587,914	1,241,647
	8	684,905	557,887	1,242,792	586,174	1,271,079
	15	664,984	560,363	1,225,347	583,535	1,248,519
	22	661,937	534,020	1,195,957	563,893	1,225,830
September	29	639,759	555,228	1,194,987	559,831	1,199,590
	5	649,841	552,438	1,202,279	576,337	1,226,178
	12	654,246	563,457	1,217,703	582,419	1,236,665
	19	667,962	569,766	1,237,728	594,151	1,262,113
October	26	637,821	557,856	1,195,677	575,680	1,213,501
	3	633,671	574,667	1,208,338	621,406	1,255,077
	10	666,309	531,951	1,198,260	595,759	1,262,068
	17	653,018	535,832	1,188,850	621,507	1,274,525
	24	632,380	537,343	1,169,723	581,314	1,213,694
	31	611,156	552,506	1,163,662	594,783	1,205,939

* High for all times.

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6/26/23

EXTRACT OF MINUTES OF MEETING OF
ADVISORY COMMITTEE OF GOVERNORS
HELD IN WASHINGTON, JUNE 22 & 23,
1923 PERTAINING TO ACTIVITIES OF
OPEN MARKET INVESTMENT COMMITTEE

A meeting of the Advisory Committee of the Federal Reserve Bank Governors
was held at the office of the Federal Reserve Board at 10 o'clock a.m. this day,

Present:

Mr. Case, Chairman,
Messrs. Harding, Morris, Fancher, Seay and McDougal, Governors,
Messrs. Wills and Martin, Federal Reserve Agents,
The following members of the Federal Reserve Board were
present at the afternoon session;
Governor Crissinger, Honorable H. M. Daves, Comptroller
of the Currency, and the Honorable Cunningham, Miller,
Hamlin and Platt.
Honorable S. P. Gilbert, Jr., Under Secretary of the Treasury
attended the meeting part of the time.
Mr. M. B. Angell also attended the meeting part of the time.

The report of the open market investment committee was received and
accepted.

Governor McDougal called attention to the fact that all of the Federal
reserve banks are practically out of Treasury certificates of indebtedness.

The chairman submitted a suggested letter to be sent to the governors
of all Federal reserve banks concerning the distribution of bills purchased by
Federal reserve banks. The letter is as follows:

The Open Market Investment Committee for the Federal
Reserve System, appointed by the last Governors' Conference,
has given careful consideration to the matter of effecting
an equitable distribution among all Federal reserve banks of
bills purchased in the open market by the Federal Reserve System.

The Committee has adopted the suggestion submitted by
Mr. O'Hara of the New York bank that such distribution be
made upon the basis of the reserve percentages of the several
banks.

Under this plan it is proposed by means of a simple
method to distribute each week the aggregate of bills purchased
by the Federal Reserve System among all reserve banks in such
manner that the amount retained by and/or allotted to each
bank will affect its reserve position to exactly the same ex-
tent as those of all other reserve banks.

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As several of the banks may in the ordinary course be purchasing in their local markets an amount of bills greater than their proportion of the aggregate purchases of all banks, it is obvious that in order to make this plan effective these several banks will give off their excess to other banks whose local purchases of bills are less than their proportion of the aggregate purchases of the System.

It therefore seems necessary and desirable that the distribution be arranged through one point and it would appear logical that it should be handled by Mr. Matteson, the secretary of the committee in New York.

Once a week each bank's proportion of the aggregate purchases of the System would be figured on the basis of its reserve percentage at the close of the preceding week and distribution would be effected accordingly. Such banks as may have purchased more than their proportion would be requested to make sales from their portfolios to such other bank or banks as the secretary might indicate, subject, of course, in this respect to the convenience or any special wishes of the particular banks between which such transactions would pass.

It is recognized that at the present time most of the reserve banks are in a comfortable reserve position. If and when the time arrives that the reserve percentages of any of the banks are substantially reduced and they should consider it desirable that they cease participation for the time being, the same plan can be readily continued with the remaining banks.

The Committee proposes to put this procedure into effect commencing with the business of the week ending July 11 next.

Whereupon, after consideration and on motion of Governor Fancher, seconded by Governor McDougal, it was

VOTED to adopt for the present the plan as set out in the above stated letter.

The open market rate for the purchases of bills was then discussed. Each one present made a report of the conditions in his district and it was the unanimous opinion that there should be no change in present rates for purchases of bills in the open market nor any change in discount rates.

At this point, 1 p. m., the committee adjourned for luncheon.

The committee reconvened at 2:30 o'clock p. m.

**OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM**

June 25, 1923

Meeting held in Washington, D. C.

REPORT OF OPEN MARKET INVESTMENT COMMITTEE
 FOR THE FEDERAL RESERVE SYSTEM SUBMITTED AT
MEETING AT WASHINGTON, D. C. JUNE 25, 1923

Since the meeting of the Committee at Washington, May 23, 1923, at which reports were submitted showing the holdings of Government securities owned outright by all Federal reserve banks at the close of business May 16, 1923, amounting to approximately \$146,000,000, there has been effected a net reduction of about \$80,000,000. This reduction consisted of the sale of \$50,000,000 which the Chairman of the Committee was authorized to arrange with the twelve Federal reserve banks on a pro rata basis in a resolution adopted at the meeting May 23. In addition to this \$50,000,000 the Federal reserve banks have redeemed their holdings of Treasury certificates maturing June 15, 1923, amounting to about \$2,000,000 and have made further sales of Government securities both to the Treasury, to be applied on various Treasury orders, and to the market, to the extent of about \$28,000,000. Further changes in investment holdings of Federal reserve banks consisted of sales by the Federal Reserve Bank of New York of bankers acceptances amounting to \$26,000,000 to certain of the other Federal reserve banks whose sales of Government securities were larger than the average proportion of the other banks.

Exhibit D attached reflects the various changes in the earning assets of the Federal reserve banks during the period covered, of which you will note Government securities show a decrease of \$241,545,000 and acceptances purchased of \$1,962,000 as compared with an increase in bills discounted of \$135,341,000. The total earning assets held by the System were decreased \$108,111,000.

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Details of the changes in the holdings of Government securities and
bankers acceptances follow:

<u>BANK</u>	<u>ISSUE</u>	<u>GOVERNMENT SECURITIES</u>		<u>NET CHANGE</u>	
		<u>PURCHASED</u>	<u>SOLD</u>	<u>May 17 - June 20/23</u>	
Boston	4 3/8% - Dec. 15/25 T-N	\$	\$ 1,000,000	\$	
	4 1/4% - Sept. 15/26 T-N		800,000		1,800,000-
New York	-0-	-0-	-0-	-0-	
Phila.	4 % - Dec. 15/23 C-I	19,000	345,500		
	4 1/2% - Mar. 15/24 C-I		2,000		
	5 3/4% - June 15/24 T-N		46,000		
	5 1/2% - Sept. 15/24 T-N		168,500		
	4 3/4% - Mar. 15/25 T-N		5,000,000		
	4 1/2% - June 15/25 T-N		194,700		
	4 1/4% - Sept. 15/26 T-N		68,400		
	4 3/4% - Mar. 15/27 T-N	89,800	369,800		
	4 1/2% - Dec. 15/27 T-N		253,100		
	Miscellaneous Bonds		1,202,300		
		108,800	7,650,300		7,541,500-
Cleveland	3 3/4% - June 15/23 C-I		1,504,000 (Redeemed)		
	3 3/4% - Sept. 15/23 C-I	305,000	305,000		
	4 1/4% - Sept. 15/23 C-I		220,000		
	4 % - Dec. 15/23 C-I	100,000	5,147,000		
	4 1/2% - Mar. 15/24 C-I	84,000			
	4 3/4% - Mar. 15/25 T-N		300		
	4 1/2% - June 15/25 T-N	190,000	689,100		
	4 3/8% - Dec. 15/25 T-N		557,000		
	4 3/4% - Mar. 15/26 T-N		32,500		
	4 1/4% - Sept. 15/26 T-N		1,775,800		
	4 3/4% - Mar. 15/27 T-N	350,100	3,600		
	4 1/2% - Dec. 15/27 T-N		29,500		
		1,029,100	10,263,800		9,234,700-
Richmond	-0-	-0-	-0-	-0-	
Atlanta	4 1/2% - June 15/25 T-N		215,000		
	4 1/4% - Sept. 15/26 T-N	20,000	10,000		
	4 3/4% - Mar. 15/27 T-N		500		
	4 1/2% - Dec. 15/27 T-N		58,300		
	Miscellaneous Bonds	54,250	154,150		
		74,250	437,950		363,700-
Chicago	4 % - Dec. 15/23 C-I		17,790,000		
	4 3/4% - Mar. 15/27 T-N	19,000	99,400		17,870,400-

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<u>BANK</u>	<u>ISSUE</u>	<u>PURCHASED</u>	<u>SOLD</u>	<u>NET CHANGE</u> <u>May 17 - June 20/23</u>
St. Louis	3 3/4% - June 15/23 C-I	\$ 360,000	\$ 360,000 (Redeemed)	\$
	4 % - Dec. 15/23 C-I	851,500	3,099,500	
	5 3/4% - June 15/24 T-N		1,368,100	
	5 1/2% - Sept. 15/24 T-N		1,154,000	
	4 3/4% - Mar. 15/25 T-N		1,203,600	
	4 3/8% - Dec. 15/25 T-N		1,245,900	
	4 1/4% - Sept. 15/26 T-N		1,555,900	
	4 1/2% - Dec. 15/27 T-N		249,200	
		<u>1,211,500</u>	<u>10,236,200</u>	9,024,700-
Minn.	4 3/4% - Mar. 15/25 T-N		237,900	
	4 3/8% - Dec. 15/25 T-N		1,642,500	
	4 1/4% - Sept. 15/26 T-N		1,069,400	
	Miscellaneous Bonds	<u>5,948,200</u>	<u>5,498,000</u>	
		5,948,200	8,447,800	2,499,600-
Kan. City	3 3/4% - June 15/23 C-I		7,000 (Redeemed)	
	4 1/4% - Sept. 15/23 C-I	10,000		
	4 % - Dec. 15/23 C-I	20,000	191,500	
	4 1/2% - Mar. 15/24 C-I		1,719,200	
	4 3/4% - Mar. 15/25 T-N		5,615,000	
	4 3/8% - Dec. 15/25 T-N		300,000	
	4 3/4% - Mar. 15/26 T-N		1,505,000	
	4 3/4% - Mar. 15/27 T-N	200,200	83,400	
	4 1/2% - Dec. 15/27 T-N	5,000		
	Miscellaneous Bonds	<u>100,000</u>	<u>845,000</u>	
		335,200	10,266,100	9,930,900-
Dallas	4 % - Dec. 15/23 C-I		6,000,000	6,000,000-
San Fran.	3 3/4% - June 15/23 C-I		24,000 (Redeemed)	
	5 1/2% - Sept. 15/24 T-N		12,764,600	
	4 3/4% - Mar. 15/25 T-N		12,400	
	4 3/4% - Mar. 15/26 T-N		1,850,000	
	4 1/4% - Sept. 15/26 T-N	45,000	3,712,000	
	Miscellaneous Bonds		92,500	
		<u>45,000</u>	<u>18,455,500</u>	18,410,500-
<u>TOTAL</u>		<u>\$8,771,050</u>	<u>\$91,447,050</u>	<u>\$82,676,000-</u>

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BANKERS ACCEPTANCES

<u>BANK</u>	<u>PURCHASES</u>	<u>SALES & MATURITIES</u>	<u>NET CHANGE</u> <u>May 17 - June 20/23</u>
Boston	\$ 6,280,000	\$ 9,868,000	\$ 3,588,000-
New York	24,430,000	* 62,991,000	38,561,000-
Philadelphia	12,354,000	14,768,000	2,414,000-
Cleveland	10,652,000	22,095,000	11,443,000-
Richmond	649,000	1,108,000	459,000-
Atlanta	773,000	18,250,000	17,477,000-
Chicago	27,052,000	18,982,000	8,070,000+
St. Louis	4,325,000	8,124,000	3,799,000-
Minneapolis	-0-	81,000	81,000-
Kansas City	-0-	-0-	-0-
Dallas	9,553,000	8,952,000	601,000+
San Francisco	<u>8,443,000</u>	<u>18,424,000</u>	<u>9,981,000-</u>
T O T A L	<u>\$104,511,000</u>	<u>\$183,643,000</u>	<u>\$79,132,000-</u>

* Includes \$26,037,100 sold from portfolio to other Federal reserve banks.

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During the period covered by this report the Committee executed for account of the Treasury various orders amounting to \$65,539,600 made up as follows: On June 11 the Treasury authorized the purchase of up to \$10,000,000 face amount 3 3/4% certificates of indebtedness due June 15, 1923, for prior redemption at par and accrued interest. Purchases were made against this order amounting to \$6,553,500 by the following banks:

Boston	\$ 123,000
New York	3,667,000
Philadelphia	1,390,000
Chicago	<u>1,373,500</u>
<u>T O T A L</u>	\$6,553,500

Details of the other orders amounting to \$58,986,100 are shown in the accompanying weekly report.

Attached are exhibits containing statements of investments of Federal reserve banks and other data as follows:

1. STATEMENT OF GOVERNMENT SECURITY HOLDINGS MAY 23, 1923, SHOWING QUOTA OF \$50,000,000 SALE, ALSO SUBSEQUENT SALES, AND REPLACEMENT IN BANKERS ACCEPTANCES.
2. COMPARISON OF GOVERNMENT SECURITY HOLDINGS BY MATURITIES OF ALL FEDERAL RESERVE BANKS.
3. GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS OF JUNE 20, 1923.
4. COMPARISON OF EARNING ASSETS OF FEDERAL RESERVE BANKS ON FEBRUARY 28, MAY 16 AND JUNE 20, 1923.

**WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD
JUNE 14 TO JUNE 20, 1923 (INCLUSIVE)**

**Comparison of Holdings of Earning Assets by Federal Reserve
Banks from March 28, 1923 to June 20, 1923
(000 Omitted)**

	<u>TOTAL EARNING ASSETS</u>	<u>DISTRIBUTED AS FOLLOWS:</u>		
		<u>*Government Securities</u>	<u>*Bankers Acceptances</u>	<u>Bills Discounted</u>
Mar. 28	\$1,203,720	\$249,409	\$254,251	\$700,060
Apr. 25	1,104,489	193,810	274,041	636,638
May 29	1,178,156	189,288	257,818	731,050
June 6	1,165,961	182,751	248,234	734,976
" 13	1,084,638	158,100	218,618	707,920
" 20	1,058,401	121,529	205,716	731,101
Net changes (Mar. 28 to June 20) \$	145,319-	\$127,880-	\$ 48,535-	\$ 31,041+

*Including dealers' sales contracts

**Changes in Holdings of Government Securities and Bankers
Acceptances by Federal Reserve Banks (Exclusive of Sales
Contracts) During the Week Ending June 20, 1923**

(000 Omitted)

	<u>Government Securities</u>			<u>Bankers Acceptances</u>		
	<u>Balance June 13</u>	<u>Balance June 20</u>	<u>Net Change</u>	<u>Balance June 13</u>	<u>Balance June 20</u>	<u>Net Change</u>
Boston	\$ 3,560	\$ 3,560	-0-	\$ 14,566	\$ 14,042	\$ 524-
New York	1,149	1,149	-0-	39,970	19,730	20,240-
Philadelphia	17,436	17,387	49-	20,119	19,859	260-
Cleveland	20,234	10,079	10,155-	30,760	30,580	180-
Richmond	1,341	1,341	-0-	1,900	1,750	150-
Atlanta	243	184	59-	17,057	12,840	4,217-
Chicago	24,047	6,257	17,790-	30,293	41,106	10,813+
St. Louis	11,512	8,408	3,104-	9,077	7,359	1,718-
Minneapolis	8,785	7,365	1,420-	-0-	-0-	-0-
Kansas City	24,670	24,191	479-	129	129	-0-
Dallas	1,779	1,779	-0-	12,969	13,227	258+
San Francisco	19,209	9,185	10,024-	23,307	20,181	3,126-
T O T A L	\$133,965	\$90,885	\$43,080-	\$200,147	\$180,803	\$19,344-

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DIGEST OF REPORTS RECEIVED FROM ALL FEDERAL RESERVE BANKS
SHOWING DATA REGARDING GOVERNMENT SECURITIES AND OPEN
BILL MARKET CONDITIONS IN ALL DISTRICTS

Government Securities

The Government security holdings of all Federal reserve banks have shown a reduction during the week of \$43,080,000.

Reports received from all districts indicate that Government securities have remained steady and firm during the period with a fairly strong undertone to the market. There has been a steady demand for Treasury notes and certificates of indebtedness but the volume has been comparatively small. The middle western sections report an active demand for Government securities in their districts.

The firmness in call money rates during the latter part of the period from the average of 4 1/2% to 5% and 5 1/2% is attributed partly to the temporary shifting of funds incident to Government operations and the June 15 tax payments. The demand for commercial paper is light, 5% being the prevailing rate with a few prime names given at 4 3/4%.

Bankers Acceptances

There was a net reduction of \$19,344,000 in bill holdings of Federal reserve banks during the week.

The banks in the various districts report that the bill market is still inactive, the supply being small and the demand about equal to absorb the bills that are offered. Boston reports that what little demand there is comes mostly from commercial houses, while in the Philadelphia district inland banks continue to be the principal buyers, demand on the part of city banks and corporations being unimportant.

Rates continue at the same levels, indorsed and unindorsed bills being offered at 4% for the 30s, and 4 1/8% for the 60s and 90s.

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Operations for Account of United States Treasury

During the period several orders were received from the Treasury authorizing purchases of Government securities for various accounts as mentioned below. These orders were immediately transmitted to all banks by the Committee and purchases have been made as indicated. ✓

Treasury order of June 15 authorizing the purchase of \$2,500,000 face amount of Treasury notes, Series C-1925 for account of the Philippine Government at the market price but not exceeding par and accrued interest was completed as follows:

Boston	\$ 1,500,000 at 99 31/32
Chicago	<u>1,000,000 at 99 15/16</u>
	\$ 2,500,000

On orders of June 14 and 18 authorizing the purchase at par of \$29,795,000 certificates of indebtedness of any outstanding issues, giving preference to early maturities, for account of the Alien Property Custodian, the following purchases were reported:

Boston	\$ 1,800,000	December 4s
New York	10,390,500	" "
Philadelphia	500,000	" "
Cleveland	305,000	September 3 3/4s
Chicago	16,425,500	December 4s
St. Louis	3,000	September 3 3/4s
Kansas City	191,500	December 4s
Dallas	<u>179,500</u>	September 3 3/4s
	\$29,795,000	<u>T O T A L</u>

The Treasury authorized on June 18 the purchase at par of \$15,000,000 face amount of Treasury notes of any series outstanding from the investment holdings of the Federal reserve banks for the account "Purchases from Proceeds of Treasury Notes" which amount was subsequently increased to \$25,497,100. The Federal Reserve Bank of San Francisco was desirous of disposing of a proportionate share of their Treasury notes but inasmuch as their holdings consisted only of

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notes which were selling in the market at a premium, the Treasury agreed to take over \$10,000,000 Series B-1924 notes at 101 provided the Federal Reserve Bank of New York could purchase in the market a like amount of 4 1/4% notes Series B-1926 at 99, thus making a total principal payment for combined purchases at a par average.

The following is a list of the Treasury notes purchased on this order:

Philadelphia	\$ 68,400	Series B-1926
Cleveland	300	" A-1925
	557,000	" B-1925
	689,100	" C-1925
	32,500	" A-1926
	29,500	" A-1927
St. Louis	1,245,900	" B-1925
	1,555,900	" B-1926
	249,200	" A-1927
Minneapolis	1,069,300	" B-1926
San Francisco	10,000,000	" B-1924
New York	<u>10,000,000</u>	" B-1926 (in market)
	\$25,497,100	<u>T O T A L</u>

Treasury order of June 16 authorized the purchase at par for retirement of up to \$10,000,000 face amount of certificates of indebtedness of either series maturing September 15, 1923. The following purchases aggregating \$1,194,000 have thus far been reported.

New York	\$ 1,000,000	September 3 3/4s
Richmond	44,000	" 3 3/4s
	30,000	" 4 1/4s
Dallas	100,000	" 4 1/4s
	<u>20,000</u>	" 3 3/4s
	\$ 1,194,000	<u>T O T A L</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM JUNE 14, 1923 TO JUNE 20, 1923

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Held Under Sales Contracts</u>
Boston	-0-	-	-0-	-	\$ 549,404
New York	-0-	-	-0-	-	19,361,100
Philadelphia	19,000	TD2-1923 Ctfs	68,400	B-1926 Notes	-0-
Cleveland	5,000	TS-1923 Ctfs	305,000	TS-1923 Ctfs	-0-
	100,000	C-1925 Notes	220,000	TS2-1923 "	
	200	B-1927 "	5,147,000	TD-1923 "	
			1,504,000	TJ-1923 "	
			300	A-1925 Notes	
			557,000	B-1925 "	
			689,100	C-1925 "	
			32,500	A-1926 "	
			1,775,800	B-1926 "	
			29,500	A-1927 "	
	\$ 105,200		\$10,260,200		
Richmond	-0-	-	-0-	-	-0-
Atlanta	1,900	B-1925 Notes	20,000	B-1926 Notes	-0-
	13,000	Misc. Bonds	54,100	Misc. Bonds	
	\$ 14,900		\$ 74,100		
Chicago	200,000	TD2-1923 Ctfs	17,790,000	TD-1923 Ctfs	4,896,800
			200,000	TD2-1923 "	
			\$17,990,000		
St. Louis	440,000	TJ-1923 Ctfs	800,000	TJ-1923 Ctfs	-0-
	851,500	TD-1923 "	544,000	TD-1923 "	
	1,800	B-1927 Notes	1,245,900	B-1925 Notes	
			1,555,900	B-1926 "	
			249,200	A-1927 "	
			1,800	B-1927 "	
	\$1,293,300		\$ 4,396,800		

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GOVERNMENT SECURITIES - (Cont.)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Held Under Sales Contracts</u>
Minneapolis	\$ 17,000	TS2-1923 Ctfs	\$ 115,000	TS2-1923 Ctfs	\$ 5,115,900
	1,105,000	TD2-1923 "	1,105,000	TD2-1923 "	
	210,000	TM-1924 "	211,000	TM-1924 "	
	15,000	A-1924 Notes	15,000	A-1924 Notes	
	1,500	A-1925 "	1,500	A-1925 "	
	88,000	C-1925 "	88,000	C-1925 "	
	28,000	A-1926 "	28,000	A-1926 "	
	100	B-1926 "	1,069,400	B-1926 "	
	135,500	A-1927 "	135,100	A-1927 "	
	197,100	B-1927 "	152,100	B-1927 "	
	93,500	Misc. Bonds	391,000	Misc. Bonds	
	<u>\$1,890,700</u>		<u>\$ 3,311,100</u>		
Kansas City	20,000	TD-1923 Ctfs	191,500	TD-1923 Ctfs	720,000
			7,000	TJ-1923 "	
			200,000	B-1925 Notes	
			100,000	Misc. Bonds	
			<u>\$ 498,500</u>		
Dallas	-0-	-	-0-	-	-0-
San Francisco	-0-	-	24,000	TJ-1923 Ctfs	-0-
			10,000,000	B-1924 Notes	
			<u>\$10,024,000</u>		
TOTALS	<u>\$3,543,100</u>		<u>\$46,623,100</u>		<u>\$30,643,204</u>

BANKERS ACCEPTANCES PURCHASED

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Held Under Sales Contracts</u>
Boston	1-30 days	\$ 370,000	4 - 4 1/8%	\$ 1,844,000	\$ 3,986,000
	31-60 "	100,000	4 1/8 - 4 1/4%		
	61-90 "	850,000	4 1/8 - 4 1/4%		
		<u>\$1,320,000</u>			
New York	1-30 days	1,808,000	4%	7,532,328	18,788,826
	31-60 "	183,000	4 1/4%	14,829,608	(Sold other
	61-90 "	117,000	4 1/8%		F.R.Bks.)
	Over 90 "	14,000	4 1/8% - 4 3/8%		
		<u>\$2,122,000</u>		<u>\$22,361,936</u>	

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BANKERS ACCEPTANCES PURCHASED - (Cont.)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Held Under</u> <u>Sales Contracts</u>
Philadelphia	1-30 days	\$ 478,000	4 - 4 1/8%	\$ 3,920,418	-0-
	31-60 "	667,000	4 1/8 - 4 1/4%		
		<u>2,515,000</u>	4 1/8 - 4 1/4%		
		<u>\$3,660,000</u>			
Cleveland	31-60 days	5,128	4 1/8%	5,918,000	11,750
	61-90 "	94,444	4 1/8%		
	In other dis- tricts	<u>5,638,366</u>			
		<u>\$5,737,938</u>			
Richmond		-0-		150,283	-0-
Atlanta		200,000		4,417,085	-0-
Chicago	31-60 days	523,000	4 1/8%	5,197,000	365,000
	61-90 "	2,901,000	4 1/8% - 4 1/4%		
	In other dis- tricts	<u>12,586,230</u>			
		<u>\$16,010,230</u>			
St. Louis	In other dis- tricts	1,145,000		2,863,000	-0-
Minneapolis		-0-		-0-	-0-
Kansas City		-0-		-0-	-0-
Dallas	In other dis- tricts	1,174,727		916,536	
San Francisco	1-30 days	74,000	4%	3,633,000	1,315,000
	31-60 "	28,000	4%		
	In other dis- tricts	<u>405,000</u>			
		<u>\$507,000</u>			
TOTALS		<u>\$31,876,895</u>		<u>\$51,221,258</u>	<u>\$24,466,576</u>

EXHIBIT "B"

COMPARISON OF THE GOVERNMENT SECURITY HOLDINGS
BY MATURITIES OF ALL RESERVE BANKS COMBINED AS OF
JUNE 14, OCTOBER 25, 1922, APRIL 4, MAY 16 AND JUNE 20, 1923

	<u>* Holdings on June 14, 1922</u>	<u>Holdings on October 25, 1922</u>	<u>** Holdings on April 4, 1923</u>	<u>*** Holdings on May 16, 1923</u>	<u>Holdings on June 20, 1923</u>
Certificates and Victory Notes matured 1922	\$323,513,000	\$ 72,938,500	-0-	-0-	-0-
Victory Notes, 5/20/23	-0-	-0-	17,350	17,350	-0-
March 15, 1923	46,385,500	43,839,500	-0-	-0-	-0-
June 15, 1923	-0-	48,110,500	-0-	1,535,000	-0-
Sept. 15, 1923	-0-	29,553,000	35,953,500	230,000	-0-
Dec. 15, 1923	-0-	-0-	34,011,000	31,909,500	-0-
March 15, 1924	-0-	-0-	2,062,500	1,967,000	321,500
Treasury Notes	<u>120,599,600</u>	<u>106,822,300</u>	<u>117,550,500</u>	<u>110,624,600</u>	<u>65,489,500</u>
T O T A L	\$490,498,100	\$301,263,800	\$189,594,850	\$146,283,450	\$ 65,811,000
Miscellaneous Gov't Bonds	45,792,000	39,146,300	39,082,910	31,979,060	25,073,680
Pittman Act Certificates	75,500,000	41,000,000	-0-	-0-	0-
Sales Contracts	<u>17,984,750</u>	<u>27,231,300</u>	<u>10,471,350</u>	<u>10,626,800</u>	<u>30,643,204</u>
AGGREGATE	<u>\$629,774,850</u>	<u>\$408,641,400</u>	<u>\$239,149,110</u>	<u>\$188,889,310</u>	<u>\$121,527,884</u>

*Peak of Government security holdings

**Date when new Committee was organized

***Figures used at meeting held at Washington, May 23, 1923

EXHIBIT "C"

GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS (EXCLUSIVE OF SALES CONTRACTS)
AS REPORTED TO THE OPEN MARKET INVESTMENT COMMITTEE
AT THE CLOSE OF BUSINESS JUNE 20, 1923

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Total</u>
March 15, 1924 - 4½%	-0-	-0-	-0-	\$ 321,500	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	\$ 321,500
<u>Treasury Notes</u>													
June 15, 1924 - 5½%	1,100,000	-0-	-0-	6,154,500	-0-	-0-	-0-	-0-	-0-	7,000	-0-	4,525,000	11,786,500
Sept. 15, 1924 - 5½%	1,002,000	-0-	-0-	2,337,000	-0-	-0-	-0-	-0-	10,000	2,000	-0-	4,660,400	8,011,400
March 15, 1925 - 4¾%	920,600	-0-	3,685,200	-0-	-0-	-0-	-0-	82,300	250,000	5,692,300	-0-	-0-	10,630,400
Dec. 15, 1925 - 4 3/8%	8,100	-0-	10,607,500	-0-	-0-	-0-	693,100	-0-	-0-	11,609,100	-0-	-0-	22,917,800
June 15, 1925 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	16,800	850,600	-0-	3,017,000	-0-	-0-	3,884,400
March 15, 1926 - 4¾%	-0-	-0-	2,525,000	-0-	-0-	-0-	1,063,400	1,018,300	238,900	218,500	-0-	-0-	5,064,100
Sept. 15, 1926 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,412,200	-0-	-0-	2,412,200
Dec. 15, 1927 - 4½%	-0-	-0-	-0-	-0-	-0-	-0-	59,000	-0-	400	214,800	-0-	-0-	274,200
March 15, 1927 - 4¾%	-0-	-0-	-0-	346,700	-0-	-0-	-0-	-0-	45,000	116,800	-0-	-0-	508,500
T O T A L	\$3,030,700	-0-	\$16,817,700	\$9,159,700	-0-	-0-	\$1,832,300	\$1,951,200	\$ 544,300	\$23,289,700	-0-	\$9,185,400	\$65,811,000
Miscellaneous	529,000	1,148,750	568,300	918,400	1,340,900	183,680	4,425,600	6,457,500	6,820,200	901,850	1,779,500	-0-	25,073,680
GRAND TOTAL	\$3,559,700	\$1,148,750	\$17,386,000	\$10,078,100	\$1,340,900	\$183,680	\$6,257,900	\$8,408,700	\$7,364,500	\$24,191,550	\$1,779,500	\$9,185,400	\$90,884,680

EXHIBIT "D"

EARNING ASSETS OF FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JUNE 20, 1923
AS COMPARED WITH HOLDINGS AT CLOSE OF BUSINESS FEBRUARY 28 AND MAY 16, 1923

(In thousands of dollars)

		<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Fran- cisco</u>	<u>Total</u>
Bills discounted	- Feb. 28	\$48,565	\$210,222	\$53,556	\$23,252	\$43,793	\$18,505	\$75,682	\$21,199	\$16,022	\$17,351	\$16,913	\$50,200	\$595,760
"	May 16	44,893	153,237	62,294	65,154	63,713	27,362	91,068	32,523	25,018	39,844	25,978	66,247	697,331
"	June 20	54,374	138,845	71,472	59,278	65,128	35,996	84,367	47,569	28,416	49,722	31,826	64,108	731,101
Net change (Feb. 28 to June 20)		5,809+	71,377-	17,916+	36,026+	21,335+	17,491+	8,685+	26,370+	12,394+	31,871+	14,913+	13,908+	135,341+
Acceptances Purchased	- Feb. 28	12,545	30,470	28,083	35,440	165	8,283	27,841	10,039	4,959	75	21,403	28,375	207,678
"	May 16	20,102	75,645	22,273	42,102	2,209	30,317	33,906	11,158	81	129	12,626	31,061	281,609
"	June 20	18,028	38,964	19,860	30,592	1,750	12,840	41,471	7,359	-0-	129	13,227	21,496	205,716
Net change (Feb. 28 to June 20)		5,483+	8,494+	8,223-	4,848-	1,585+	4,557+	13,630+	2,680-	4,959-	54+	8,176-	6,879-	1,962-
Government securities	- Feb. 28	28,192	48,798	29,070	37,570	1,341	9,990	74,501	28,890	12,299	46,058	11,618	34,747	363,074
"	May 16	5,770	7,149	24,928	19,314	1,341	958	25,709	17,433	14,564	34,748	9,379	27,596	188,889
"	June 20	4,109	20,511	17,386	10,078	1,341	184	11,155	8,409	12,481	24,911	1,779	9,185	121,529
Net change (Feb. 28 to June 20)		24,033-	28,287-	11,684-	27,492-	-0-	9,806-	63,346-	20,481-	182+	21,147-	9,839-	25,562-	241,545-
Total earning assets	- Feb. 28	89,302	289,490	110,709	96,262	45,299	36,778	178,024	60,128	33,280	63,984	49,934	113,322	1,166,512
"	May 16	70,765	236,031	109,535	126,570	67,263	58,637	150,683	61,114	39,663	74,721	47,983	124,904	1,167,869
"	June 20	76,511	198,320	108,773	99,948	68,219	49,020	136,993	63,337	40,897	74,762	46,832	94,789	1,058,401
Net change (Feb. 28 to June 20)		12,771-	91,170-	1,936-	3,686+	22,920+	12,242+	41,031-	3,209+	7,617+	10,778+	3,102-	18,533-	108,111-

EXHIBIT "A"

STATEMENT OF HOLDINGS OF GOVERNMENT SECURITIES MAY 23, 1923 *
 SHOWING QUOTA AND AMOUNT SOLD OF SUGGESTED SALE OF \$50,000,000,
 TOGETHER WITH SALES WHICH HAVE BEEN SUBSEQUENTLY REPORTED - ALSO THE
 ALLOTMENT OF BANKERS ACCEPTANCES FROM NEW YORK PORTFOLIO IN REPLACEMENT

	<u>Dec.15,1923</u>	<u>Mar.15,1924</u>	<u>June 15,1924</u>	<u>Sept.15,1924</u>	<u>Mar.15,1925</u>	<u>June 15,1925</u>	<u>Dec.15,1925</u>	<u>Mar.15,1926</u>	<u>Sept.15,1926</u>	<u>Mar.15,1927</u>	<u>Dec.15,1927</u>	<u>Total</u>	<u>Sales Quota</u> <u>\$50,000,000</u>	<u>Total</u> <u>Sold</u>	<u>Bkrs' Accep'ts</u> <u>from N.Y. Portfolio</u> <u>in Replacement</u>
Boston	-0-	-0-	\$ 1,100,000	\$ 1,002,000	\$ 920,600	-0-	\$ 1,008,100	-0-	\$ 800,000	-0-	-0-	\$ 4,830,700	\$ 3,060,400	\$ 1,800,000	-0-
New York	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Philadelphia	345,500	2,000	46,000	168,500	8,685,200	194,700	10,607,500	2,525,000	68,400	355,000	253,100	23,250,900	7,422,800	7,491,200	-0-
Cleveland	5,147,000	269,500	6,154,500	2,337,000	300	499,100	557,000	32,500	1,775,800	-0-	29,500	16,802,200	6,990,000	11,459,200	5,000,000
Richmond	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Atlanta	-0-	-0-	-0-	-0-	-0-	215,000	-0-	-0-	10,000	-0-	58,300	283,300	283,300	283,300	-0-
Chicago	17,790,000	-0-	-0-	-0-	-0-	16,800	693,100	1,063,400	-0-	25,700	59,000	19,648,000	8,124,400	17,775,000	11,924,400
St. Louis	55,500	-0-	1,368,100	1,154,000	1,285,900	850,600	1,245,900	1,018,300	1,555,900	-0-	249,200	8,783,400	3,381,200	6,792,200	931,200
Minneapolis	-0-	6,000	-0-	20,000	487,900	-0-	892,500	238,900	1,069,300	50,000	-0-	2,764,600	1,905,200	2,949,700	-0-
Kansas City	171,500	300	7,000	2,000	11,307,300	3,017,000	11,909,100	1,723,500	2,412,200	188,800	209,800	30,948,500	7,292,000	7,298,500	-0-
Dallas	6,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,000,000	2,962,150	6,000,000	5,000,000
San Francisco	-0-	-0-	4,525,000	17,425,000	12,400	-0-	-0-	1,850,000	3,667,000	-0-	-0-	27,479,400	8,431,550	18,455,500	3,181,500
T O T A L S	\$29,509,500	\$277,800	\$13,200,600	\$22,108,500	\$22,699,600	\$4,793,200	\$26,913,200	\$8,451,600	\$11,358,600	\$619,500	\$858,900	\$140,791,000	\$49,853,300	\$80,304,500	\$26,037,100

*Date of meeting at Washington at which resolution
 was adopted to arrange for sale of \$50,000,000
 securities from holdings of Federal reserve banks.

~~21~~ 21
FEDERAL RESERVE BANK
OF NEW YORK

333-62
333/

May 25, 1923

Dear Mr. Crissinger:

I am enclosing for your information a copy of the
report ^{5/23/23} of the Open Market Investment Committee for the Federal
Reserve System, submitted to the Committee at its meeting held
in Washington, May 23, 1923; also a copy of a resolution adopt-
ed by the Committee at this meeting covering the sale of
Government securities now held in the portfolios of the various
Federal reserve banks.

Very truly yours,

J. H. Case
J. H. Case
Deputy Governor

Encls. (2)

Honorable D. R. Crissinger,
Governor, Federal Reserve Board,
Washington, D. C.

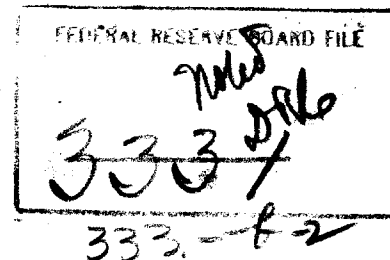
Circulate
AT BOARD MEETING
MAY 29 1923
WJH

Hoxford Put on docket
Amey

*Repts
Circulate*

see ans 5/31/23

E.F. *# 2*
FEDERAL RESERVE BANK
OF NEW YORK



Open Market Investment Committee
for the Federal Reserve System

May 31, 1923

CONFIDENTIAL

S i r :

I am sending you herewith a copy of the minutes
5/23/23 filed 333-6-2 Final Minutes
of the meeting of the Open Market Investment Committee for
the Federal Reserve System held in Washington, D. C., on
May 23, 1923, as approved by the members of the Committee.

I am also enclosing a copy of the letter sent
7 May 28 to the Governors of all Federal reserve banks with
respect to the basis on which to effect the sale of
\$50,000,000. of Government securities by the System.

Respectfully,

W. B. Matteson
W. B. MATTESON
Secretary of the Committee

Honorable D. R. Crissinger,
Governor, Federal Reserve Board,
Washington, D. C.

Enclosure (2)

333-6-1
copy filed 333-3
no acknowledgment in file

May 31, 1923.

My dear Mr. Case:

This will acknowledge receipt of your letter of May 25, in re the report of the Open Market Investment Committee for the Federal Reserve System.

You are advised that the report has been presented to and considered by the Board. The Board notes with some surprise that in the resolution of May 23, 1923, the committee limits the sale of government security holdings of the various Federal Reserve banks to \$50,000,000, which is pro-rated among them. The limitation of the sale of these securities to the above amount is not in accordance with the policy of the Board. The Board sees no reason why there should be any limitation.

Your attention is being directed to the Board's determination that these government securities should be disposed of as rapidly as possible until all are out of the banks. At the earliest opportunity it is desired that you bring this to the attention of the Open Market Investment Committee and the various banks in order that this policy of the Board may be carried out in its entirety.

You will also advise promptly of the sales of the government holdings of the various banks and to what extent each of the banks contributed. It appears to the Board that the time is propitious for the disposition of all these securities, and the Board trusts that you will immediately take action to dispose of the governments, having due regard, of course, to market conditions.

Kindly let the Board be advised at your earliest convenience.

Very truly yours,

(Signed) L. R. Crissinger.

Governor.

J. H. Case, Esq.,
Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

Copy filed 333-f-1
333-3

see ans 6/11/23
see ans 6/1/23

333-f-1
filed in 333-3

333.-b-2

June 2, 1943.

Dear Mr. Matteson:

In Mr. Miller's absence I wish
to acknowledge receipt of your letter of
May thirty-first enclosing copy of the
minutes ^{5/23/43 filed 333.-b-2 Final Minutes} of the meeting of the Open Market
Investment Committee for the Federal Re-
serve System held in Washington on May 25
and of the letter sent May 28 to the Gov-
ernors of all Federal reserve banks with
respect to the basis on which to effect the
sale of \$50,000,000 of Government securities
by the System.

Upon Mr. Miller's return the middle
of next week your communication will be placed
before him.

Very truly yours,

Secretary to Mr. Miller.

Mr. W. B. Matteson,
Federal Reserve Bank,
New York City.

**OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM**

May 23, 1923

Meeting held in Washington, D.C.

#2

327

333. - f v

~~333 - 1~~

May 9, 1923.

My dear Mr. Case:

Your letter of May 4th with reference to the meeting of the Committees on Open Market Operations and on Voluntary Services, was yesterday considered by the Federal Reserve Board.

I am directed to advise you that the Board approves the idea of having a meeting of the Committee on Voluntary Services and a meeting of the Committee on Open Market Operations held at the same time, and approves the proposed date; namely, June 25th. However, it is the wish of the Board that the meetings referred to be held at Washington, and not as suggested at Cleveland, there being other matters which the Board may wish to discuss with the members of the two committees which have no relation to the specific matters to be considered by the Committees.

Very truly yours,

Wm. W. Hoxton,
Secretary.

Mr. J. H. Case, Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

see ans 5/11/23

mt

333-82

5-8-23

May 8, 1923

"Letter dated May 4th, from Mr. Case, Deputy Governor of the Federal Reserve Bank of New York, suggesting that the Committee on Open Market Operations and the Committee on Voluntary Services of the Federal Reserve banks, hold a meeting at Cleveland, Ohio, on June 25th.

Upon motion, the Secretary was instructed to advise Mr. Case that the Board wishes the meeting referred to, to be held in Washington on June 25th, Mr. Platt voting "no".

**FEDERAL RESERVE BANK
OF NEW YORK**

332.-b-2

RECEIVED
MAY - 7 1923
OFFICE OF
MR. PLATT.

mtg
See also minutes
ATBOARD MEETING
MAY 8 - 1923
with

May 4, 1923.

S i r s : Attention: Mr. Platt.

Receipt is acknowledged of your letter of April 25 in regard to a meeting of the Committee on Open Market Operations and the Committee on Voluntary Services of the Federal Reserve Banks. I had thought that we should have another meeting of the Committee on Open Market Operations by about the end of June, say the 25th, and Governor Fancher has suggested that it might be held in Cleveland. Assuming that you or one of the other members of the Board would like to attend the next meeting of this Committee, would it be agreeable if we set the date tentatively for June 25th. If so, I will communicate with the other members of the Committee to see if it will be convenient for them to meet in Cleveland on that date.

I understand that the Board thinks well of the idea of having a meeting of the Committee on Voluntary Services of the Federal Reserve Banks held at the same time owing to the similarity in membership of the two Committees, and, if the Board approves of the proposed date, I will, as you suggest, invite the other member of the Committee on Voluntary Services to go to Cleveland at the same time.

Respectfully,

J. H. Case
J. H. CASE,
Deputy Governor.

Federal Reserve Board,
Washington, D. C.

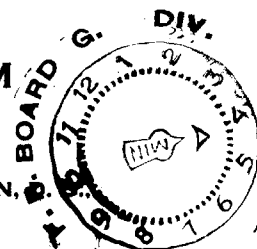
See minutes
see also 5/9/23

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON.



333-62
JUN 19 1923
RECEIVED

117cd a

Cleveland 4pm JUN 19-

1923

Crissinger

WDC

? not in file

Referring telegram this date Will arrange to attend meeting of Executive Committee of Governors in Washington next Monday at 11a.m.

Fletcher

408p

Drill

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.,

67rhb

Richmond 329p Jun 19 1923

Crissinger,

Washington.

Will attend meeting in Washington Monday and be prepared to take part in
discussing effect of ~~supreme~~ Supreme Court decision.

Seay

33lp

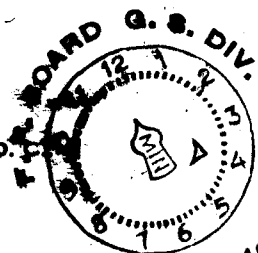
TELEGRAM

333.-62

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.



JUN 19 1923
RECEIVED

230ffa

Chicago 350p June 19

Crissinger

Washn

not in file

Subject your telegram this date. Will plan to be on hand for
meeting monday

McDougal

353pm

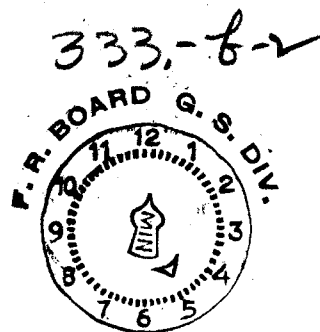
DR

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.,



JUN 18 1923

RECEIVED

276ffa

Chicago 444p June 18 1923

Crissinger

Washn ?

not in file

Subject your wire. Your suggestion relating to Atlanta and Richmond decisions noted. Same will be complied with.

McDougal

447p

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON, D. C.,

290ffa

St Louis June 18 4pm 1923

Crissinger

Washn

? not in files

In accordance your telegram 18th will be in Washington morning

June 25th.

Martin

518p



JUN 19 1923
RECEIVED

Rw
Meeting June 26, 1925

#2

FEDERAL RESERVE BOARD FILE
333-6-2
~~333-6-2~~

June 18, 1925.

Dear Mr. Case:

The Board has received and noted with approval
your telegram of June 15th, advising that you have arranged for
a meeting of the Open Market Investment Committee to be held in
Washington on June 26th.

Very truly yours,

Wm. W. Hoxton,
Secretary.

Mr. J. H. Case, Deputy Governor,
Federal Reserve Bank,
New York, N.Y.

entry

332-8-2

6-16-23

June 16, 1923

"Telegram dated June 15th, from Mr. Case, Chairman of the Open Market Investment Committee, advising that a meeting of that Committee will be held in Washington on June 26.

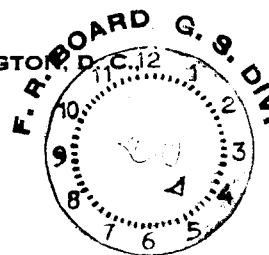
Noted with approval."

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

RECEIVED AT WASHINGTON



JUN 15 1923

RECEIVED

159nrs

New York 520P Jun 15 1923

Crissinger

Washn

Referring to my conversation over the telephone with you yesterday I have arranged for a meeting of the open market investment committee to be held in Washington June twenty sixth. I hope that you as well as such other members of the board as are available may arrange to meet with us

Case Chairman

423PM

Noted
AT BOARD MEETING

JUN 16 1923

WVH

see ans 6/18/23

2

327

333-6-2

333 /

FEDERAL RESERVE BANK
OF NEW YORK

May 11, 1923.

Dear Mr. Hoxton:

I am in receipt of your letter of May 9 in which you state that the idea of having a meeting of the Committee on Voluntary Services and a meeting of the Committee on Open Market Operations at the same time has been approved by the Board, and that the proposed date, June 25, is satisfactory.

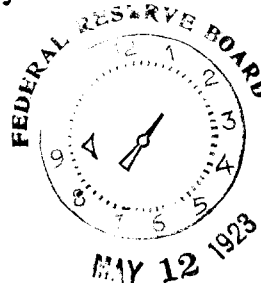
I note the Board's desire that the meetings of these committees be held in Washington, instead of Cleveland, as was first suggested.

Very truly yours,

J. H. Case

J. H. CASE
Deputy Governor.

William W. Hoxton, Esq.,
Secretary, Federal Reserve Board,
Washington, D. C.



333.62

**FEDERAL RESERVE BANK
OF NEW YORK**

Note

June 20, 1923.

Dear Governor Crissinger:

not in files

Referring to your telegram of yesterday calling a meeting of the Executive Committee of Governors to be held in Washington next Monday to discuss the par collection decision, we are giving the matter careful consideration here and I shall be in a position to discuss the matter with the other governors Monday along the lines indicated in your telegram. I have given some thought to the topics to be discussed at the meeting of the Open Market Investment Committee and would like to suggest the enclosed program for a joint meeting of the Executive Committee and the Open Market Committee.

Very truly yours,

Noted
AT BOARD MEETING
JUN 21 1923
WCH

J. H. Case

J. H. Case,
Deputy Governor.

Honorable D. R. Crissinger,
Governor, Federal Reserve Board,
Washington, D. C.

Enc.

*For docket
this morning
DNE
6/21-23*

see ans 6/22/23

MEETING OF EXECUTIVE COMMITTEE OF GOVERNORS AND OPEN MARKET INVESTMENT COMMITTEE
TO BE HELD IN WASHINGTON ON MONDAY, JUNE 25.

SUGGESTED TOPICS

1. Report of Open Market Committee and discussion of existing credit conditions.
2. Suggestion of Under Secretary of the Treasury to place additional amounts of gold certificates in circulation.
3. System policy as to establishing relations with foreign central banks.
4. Reimbursement of Federal reserve banks for fiscal agency expenses.
5. Par collection decision.

2

333-62
333-1

June 22, 1923.

Dear Governor Case:

In behalf of the Board, I acknowledge receipt of your letter of June 20th, addressed to Governor Crissinger, enclosing a suggested program for the joint meeting of the Executive Committee and the Open Market Committee. This program was noted by the Board at its meeting yesterday.

Very truly yours,

Wm. W. Hoxton,
Secretary.

Mr. J. H. Case, Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

mt4

333.-6.2

6-21-23

June 21, 1923

"Letter dated June 20th, from Mr. J. H. Case, Deputy Governor of the Federal Reserve Bank of New York, suggesting a program for the joint meeting of the Executive Committee and the Open Market Committee to be held next Monday and Tuesday.

Noted."

333.-6-2

5/23/23

RESOLUTION ADOPTED BY THE OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM AT ITS MEETING HELD IN
WASHINGTON, MAY 23, 1923

WHEREAS, a review of current credit conditions clearly indicates that we are passing through a period of temporary ease in the money market;

WHEREAS, the representative of the New York bank reports that there has recently been a substantial reduction in the stock exchange loan account;

WHEREAS, it develops that there is now and has recently been a considerable amount of foreign gold imported into this country;

WHEREAS, the belief exists that there may be substantial demands for additional credit this autumn accompanied by possible gold exports;

WHEREAS, the System as a whole now has a surplus of such Open Market Investments;

THEREFORE BE IT RESOLVED, that the present offers a favorable opportunity for the Federal reserve banks to dispose of an additional amount of their Government security holdings and the Chairman is hereby authorized and directed to undertake to arrange with the twelve Federal reserve banks for the sale of \$50,000,000 of such securities on a pro rata basis at as early a date as is practicable.

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MINUTES OF THE MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE FOR THE FEDERAL
RESERVE SYSTEM, HELD AT THE FEDERAL RESERVE BOARD, WASHINGTON, D. C.,
MAY 23, 1923

PRESENT:

Messrs. Harding, Case, Fancher and McDougal
Mr. W. B. Matteson, Secretary of the Committee

There were also present by invitation:
Vice Governor Platt of the Federal Reserve Board
Mr. J. F. Herson of the Federal Reserve Board
Mr. B. A. McKinney, Governor of the Federal Reserve Bank of Dallas

The Chairman stated that an informal discussion had taken place at the Federal Reserve Bank of New York on May 22, 1923, (all the members of the Committee except Governor Harding being present) at which time the Secretary's report of the activities of the Committee, since its organization on April 1, 1923, were reviewed. The Chairman also stated that at the informal meeting there had been some talk of the current credit situation, the present investment holdings of the Federal reserve banks and of open market policy.

An extended discussion on these subjects followed. In the course of the discussion it was brought out that the understanding arrived at at the last meeting of the Committee on April 13, 1923, with respect to confining bill purchases at the minimum rate (4%) to short bills only, had not been fully carried out some longer bills having since been purchased by the New York bank at the minimum rate. The Chairman stated that at present New York was not making purchases at 4% for a longer maturity than 30 days and that it was the intention of the officers to gradually cut this down until only 15 day bills are bought at the minimum rate.

As a result of the discussion, and the general feeling that an ease in money had recently occurred due partly to a lessened demand for security loans and partly to an increase in the imports of gold, it was felt that the present was an opportune time to dispose of some of the open market investments of the System. The following resolution was thereupon offered by Governor Fancher, seconded by Governor McDougal and unanimously adopted:

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"WHEREAS, a review of current credit conditions clearly indicates that we are passing through a period of temporary ease in the money market;

WHEREAS, the representative of the New York bank reports that there has recently been a substantial reduction in the stock exchange loan account;

WHEREAS, it develops that there is now and has recently been a considerable amount of foreign gold imported into this country;

WHEREAS, the belief exists that there may be substantial demands for additional credit this autumn accompanied by possible gold exports;

WHEREAS, the System as a whole now has a surplus of such Open Market Investments;

THEREFORE BE IT RESOLVED, that the present offers a favorable opportunity for the Federal reserve banks to dispose of an additional amount of their Government security holdings and the Chairman is hereby authorized and directed to undertake to arrange with the twelve Federal reserve banks for the sale of \$50,000,000 of such securities on a pro rata basis at as early a date as is practicable."

A further discussion followed with regard to economic conditions generally and Mr. Platt suggested that the present was in his opinion an opportune time for the Federal reserve banks to pay out gold notes in cases where such action is practicable.

The Chairman called attention to the minutes of the first meeting of the Open Market Investment Committee held in Philadelphia last month which provide that the Committee should make an equitable distribution among all twelve banks of bills purchased by the Federal Reserve System and in this connection presented a memorandum from Mr. O'Hara recommending that participation should be made upon the basis of the ratios of the reserve percentages of the different banks. It was understood without formal action that this course would be followed.

The meeting thereupon adjourned.

SECRETARY

STATEMENT SHOWING BASIS UPON WHICH \$50,000,000 GOVERNMENT SECURITIES
HELD BY ALL FEDERAL RESERVE BANKS ARE TO BE SOLD

May 23/1923
mym

	<u>Proportionate Amount To Be Sold Based on Earning Assets</u>	<u>Actual Amount of Government Securities To Be Sold Based On Holdings of Government Securities</u>	<u>Excess Amount Required To Cover Deficit (to be replaced with Bankers Acceptances)</u>
Boston	\$ 2,750,000	\$ 3,060,400	\$ 310,400
New York	10,600,000	-0-	x
Philadelphia	4,800,000	7,422,800	2,622,800
Cleveland	5,050,000	6,990,000	1,940,000
Richmond	2,850,000	150,000	x
Atlanta	2,500,000	280,300	x
Chicago	6,200,000	8,124,400	1,924,400
St. Louis	2,450,000	3,381,200	931,200
Minneapolis	1,750,000	1,905,200	155,200
Kansas City	3,350,000	7,292,000	3,942,000
Dallas	2,450,000	2,962,150	512,150
San Francisco	<u>5,250,000</u>	<u>8,431,550</u>	<u>3,181,550</u>
TOTALS	\$50,000,000	\$50,000,000	\$15,519,700

* New York holds no Government securities; Richmond is short \$2,700,000 and Atlanta is short \$2,219,700, making total \$15,519,700 sales to be spread among other banks which sales, may if desired, be replaced by bankers acceptances from portfolio of Federal Reserve Bank of New York.

REPORT OF OPEN MARKET INVESTMENT COMMITTEE FOR THE
FEDERAL RESERVE SYSTEM SUBMITTED AT MEETING
AT WASHINGTON, D. C., MAY 23, 1923

Due mainly to the small amount of activity in the Government security market and bill market since the organization of the new Committee on April 1, 1923, there have been few changes in the investments by the Federal reserve banks in these two items. Details of the changes in such holdings are given below:

BANK	ISSUE	GOVERNMENT SECURITIES		NET CHANGE	
		PURCHASED	SOLD	REDEEMED	Apr. 4-May 16/23
Boston	3 3/4%-Sept. 15/23 C-I	\$	\$	\$ 4,694,000	\$ 4,694,000-
New York	4 1/4%-Sept. 15/26 T-N		10,000,000		10,000,000-
Phila.	4 3/4%-Mar. 15/27 T-N	280,000			
	4 3/4%-Mar. 15/25 T-N		90,000		
	3 3/4%-Sept. 15/23 C-I			582,000	392,000-
Cleveland	3 3/4%-June 15/23 C-I	1,500,000			
	4 1/4%-Sept. 15/23 C-I	120,000			
	4 1/2%-Mar. 15/24 C-I	150,000			
	5 3/4%-June 15/24 T-N		40,000		
	3 3/4%-Sept. 15/23 C-I			3,734,500	2,004,500-
Richmond	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Atlanta	3 3/4%-Sept. 15/23 C-I			2,000,000	2,000,000-
Chicago	4 3/4%-Mar. 15/27 T-N	100,000	19,600		
	3 3/4%-Sept. 15/23 C-I			17,549,000	17,468,600-
St. Louis	5 3/4%-June 15/24 T-N	275,000	275,000		
	4 %-Dec. 15/23 C-I		1,886,000		
	4 3/4%-June 15/26 T-N		300,000		
	Miscellaneous Bonds		1,153,300		
	3 3/4%-Sept. 15/23		(3,614,300)	2,994,000	6,333,300-
Minn.	3 3/4%-Sept. 15/23 C-I			510,500	510,500-
Kan. City	4 1/2%-Mar. 15/24 C-I		200,000		
	Miscellaneous Bonds		1,121,000		
	3 3/4%-Sept. 15/23 C-I			1,414,500	2,735,500-
Dallas	3 3/4%-Sept. 15/23 C-I			2,125,000	2,125,000-
San Fran.	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
<u>T O T A L</u>		\$2,425,000	\$15,084,900	\$35,603,500	\$48,263,400-

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BANKERS ACCEPTANCES

<u>BANK</u>	<u>PURCHASES</u>	<u>SALES & MATURITIES</u>	<u>NET CHANGE</u> <u>Apr. 4 -- May 16/23</u>
Boston	\$ 8,677,000	\$ 5,612,000	\$ 3,065,000 +
New York	66,981,000	31,047,000	35,934,000 +
Philadelphia	8,855,000	14,751,000	5,896,000 -
Cleveland	18,857,000	28,270,000	9,413,000 -
Richmond	1,695,000	512,000	1,183,000 +
Atlanta	9,905,000	5,705,000	4,200,000 +
Chicago	17,144,000	16,004,000	1,140,000 +
St. Louis	5,239,000	6,536,000	1,297,000 -
Minneapolis	- 0 -	2,194,000	2,194,000 -
Kansas City	129,000	225,000	96,000 -
Dallas	4,765,000	12,269,000	7,504,000 -
San Francisco	<u>15,479,000</u>	<u>24,070,000</u>	<u>8,591,000 -</u>
	\$157,726,000	\$147,195,000	\$10,531,000 +

Since the last report the following sales have been made through the Committee:

May 18, 1923 - St. Louis \$ 2,500,000 4% - Dec. 15, 1923 C-I at par & int.

May 21, 1923 - Kansas City 1,719,500 4 1/2% - Mar. 15, 1924 C-I at 100 3/32 & int.

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CURRENT PRICES ON SHORT DATED UNITED STATES GOVERNMENT OBLIGATIONS

<u>ISSUES</u>	<u>DUE</u>	<u>RATE</u>	<u>PRICES</u>	<u>APPROXIMATE YIELD</u>
Certificates of Indebtedness	Dec. 15, 1923	4 %	99 15/16 to 100	4.00
Treasury Notes	June 15, 1924	5 3/4%	101 1/8 to 101 1/4	4.43
	Sept. 15, 1924	5 1/2%	101 to 101 1/8	4.50
	Mar. 15, 1925	4 3/4%	100 to 100 1/16	4.64
	Dec. 15, 1925	4 3/8%	99 1/4 to 99 3/8	4.57
	June 15, 1925	4 1/2%	99 5/8 to 99 11/16	4.63
	Mar. 15, 1926	4 3/4%	100 to 100 1/16	4.70
	Sept. 15, 1926	4 1/4%	98 5/8 to 98 3/4	4.66

Attached are exhibits containing statements of investments of Federal reserve banks and other data as follows:

1. GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS AS OF MAY 16, 1923
2. COMPARISON OF GOVERNMENT SECURITY HOLDINGS BY MATURITIES OF ALL FEDERAL RESERVE BANKS
3. STATEMENT OF ESTIMATED EARNINGS AND EXPENSES OF ALL FEDERAL RESERVE BANKS
4. COMPARISON OF EARNING ASSETS OF FEDERAL RESERVE BANKS ON FEBRUARY 28, 1923, AND MAY 16, 1923
5. CHART - COMPARISON OF ALL EARNING ASSETS OF FEDERAL RESERVE BANKS.

WEEKLY REPORT OF OPEN MARKET INVESTMENT COMMITTEE COVERING PERIOD
MAY 10 TO MAY 16, 1923, (INCLUSIVE)

Comparison of Holdings of Earning Assets by Federal Reserve
Banks from February 28, 1923, to May 16, 1923
(000 Omitted)

	TOTAL EARNING ASSETS	DISTRIBUTED AS FOLLOWS:		
		Government Securities	Bankers Acceptances	Bills Discounted
Feb. 28	\$1,166,512	\$363,074	\$207,678	\$595,760
Mar. 28	1,203,720	249,409	254,251	700,060
Apr. 25	1,104,489	193,810	274,041	636,638
May 2	1,190,581	184,772	275,429	730,380
May 9	1,147,863	185,814	266,992	695,057
May 16	1,167,869	188,889	281,609	697,371
Net change \$	1,357+	\$174,185-	\$ 73,931+	\$101,611+
(Feb. 28 to May 16)				

Changes in Holdings of Government Securities and Bankers
Acceptances by Federal Reserve Banks (Exclusive of Sale
Contracts) During the Week Ending May 16, 1923
(000 Omitted)

	Government Securities			Bankers Acceptances		
	Balance May 9	Balance May 16	Net Change	Balance May 9	Balance May 16	Net Change
Boston	\$ 5,360	\$ 5,360	0	\$ 17,722	\$ 17,630	\$ 92-
New York	1,149	1,149	0	42,310	58,291	15,981+
Philadelphia	24,648	24,928	280+	23,107	22,273	834-
Cleveland	17,839	19,314	1,475+	42,257	42,023	234-
Richmond	1,341	1,341	0	2,272	2,209	63-
Atlanta	548	548	0	32,207	30,317	1,890-
Chicago	24,048	24,128	80+	33,217	33,036	181-
St. Louis	18,133	17,433	700-	11,796	11,158	638-
Minneapolis	14,564	14,564	0	271	81	190-
Kansas City	34,366	34,123	243-	129	129	0
Dallas	7,779	7,779	0	12,753	12,626	127-
San Francisco	27,596	27,596	0	30,732	30,162	570-
Total	\$177,371	\$178,263	\$ 892+	\$248,773	\$259,935	\$11,162+

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DATA REGARDING GOVERNMENT SECURITY AND OPEN BILL MARKET CONDITIONS
AS REPORTED BY FEDERAL RESERVE BANKS

Boston

Government Securities

The Liberty bond market has been dull and quiet with the usual tendency toward weakness in prices under such conditions. Notes and certificates, which fell off with the announcement of the new issue, have reacted to their former level. At present the demand for notes has been especially good, exceeding the current supply.

Bankers Acceptances

The supply of 90 day bills was slightly larger but there were less 60s offered and the demand for this maturity was good. This demand is probably due in some measure to banks having temporary funds received from the sale of Treasury notes for which they have paid by credit. Country banks are showing more interest than for some time. Bill making is confined principally to larger banks. Sales to us were extremely light and our combined portfolio remains stationary.

Prime bankers acceptances, indorsed and unindorsed, were offered 1-30 days at 4% and 31-90 days at 4 1/8%.

We purchased for our own account \$379,000 indorsed bankers acceptances maturing from 1-90 days at 4 1/8% to 4 1/4%, \$292,000 of these having 61-90 day maturities.

New York

Government Securities

Liberty bonds have been dull during the period with a tendency to slightly lower prices. Under easier money conditions certificates of indebtedness and Treasury notes have been somewhat firmer with a fairly active demand for practically all issues.

Bankers Acceptances.

The period has been fairly active with an increase in both the supply and demand, 60 day bills having the call over other maturities. Long bills moved rather slowly. We continued to buy sparingly from dealers, but our portfolio increased about \$18,000,000, due principally to substantial sales made to us by banks. Of dealers total sales the proportion distributed in the outside market showed a decided improvement.

Prime bankers acceptances were offered, indorsed 1-60 days at 4%, unindorsed at 4% to 4 1/8%; 61-90 days indorsed at 4% to 4 1/8%, unindorsed at 4 1/8%.

We purchased for our own account \$20,285,000, \$16,603,000 having 1-60 day maturities; for account of other Federal Reserve Banks \$8,083,000; for account of member banks \$184,000; for account of foreign correspondents \$1,679,000.

Philadelphia Government Securities

The market in Liberty bonds was very quiet without much variation in prices. There was considerably more activity in the notes with prices firm, in some instances somewhat higher. The trading was comparatively heavy in the new Treasury 4 3/4% notes which closed the period at 100 1/32-5/32. We purchased for our investment account \$280,000 Treasury notes, Series B-1927 at par.

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Philadelphia Bankers Acceptances
(Continued)

There has been little change in the bill market during the past week, conditions being more or less listless but the easing tendency in the money market has helped the acceptance market to some extent.

There continued to be a fair supply of bills coming into the market, although there is an apparent scarcity of shorter maturities. The supply of commercial paper has been comparatively small.

Prime bankers acceptances, indorsed and unindorsed, were offered 1-60 days at 4% and 61-90 days at 4 1/8%.

We purchased for our own account \$1,324,000 at 4% to 4 1/4%, \$829,000 of these having maturities of 61-90 days.

Cleveland Government Securities

During the past week there has been a good demand for both notes and certificates, the price being approximately one-quarter higher than the previous week. There have been more buyers than sellers in this market.

Transactions affecting the investment account were as follows:

PURCHASES

\$1,500,000 TJ-1923 3 3/4% certificates at 99 31/32 from members
15,000 TM-1924 4 1/2% " " par " "

SALES

\$ 40,000 A-1924 5 3/4% Treasury Notes at 101 1/4 to members

Bankers Acceptances

The acceptance market continues to be dull. Very few bills are offered and there is very little demand for them in this district. Prime bankers acceptances were offered from 1-90 days indorsed at 4%, unindorsed at 4 1/8%.

We purchased for our own account in our market, at 4% to 4 1/4%, \$197,000 and from other Federal reserve banks \$2,657,000.

Richmond Government Securities

The Federal Reserve Bank of Richmond purchased \$11,050 Liberty Loan bonds for members and sold \$11,300 for them.

Bankers Acceptances

We purchased for our account \$70,000 bankers acceptances at 4 1/4% having maturities from 61-90 days.

Atlanta Government Securities

The Liberty bond market is rather inactive although there is a large unsatisfied demand for the B-1927 Treasury Notes.

Bankers Acceptances

Acceptances made in the Sixth District, purchased from member banks in this district, for our account totaled \$361,000.

Chicago Government Securities

All Government securities have been active during the past week with outstanding issues of Treasury Notes in demand at prices to yield between 4.60% and 4.70%. There has been heavy selling of Liberty bonds, especially Thirds, generally for the purpose of reinvesting in

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Chicago the new issue of Treasury Notes. We purchased at par \$100,000 B-1927
(continued) Treasury Notes to take care of small late subscriptions and have sold
of that amount \$19,600 at par.

Bankers Acceptances

The bill market was very quiet during the past week with some new foreign financing. The demand for bills maturing from 61-90 days was very good, with few bills being offered in this market.

Prime bankers acceptances were offered, indorsed and unin-
dorsed, 1-60 days at 4%; 61-90 days at 4 1/8%.

We purchased for the account of member banks \$350,000 and for our own account from other Federal reserve banks \$2,703,000.

St. Louis Government Securities

There was considerable strengthening in the Liberty bond market during the period with very little change with regards to certificates of indebtedness.

We sold to dealers from our investment account \$500,000 series TD-1923 certificates at par less 1/64th, and \$200,000 at par.

Bankers Acceptances

There is little to report on Open Bill Market Conditions and Operations in this district for the past week. The two dealers in this market are not operating actively.

Minneapolis Government Securities

Dealers report a slightly increasing demand for Third and Fourth Liberty Loan bonds during the past week as well as a much better demand for Treasury certificates and notes, TM-1924 and C-1925 being especially sought by country banks.

Bankers Acceptances

No report was received on bill market conditions and operations.

Kansas City Government Securities

We purchased for our investment account \$7,000 June 3 3/4% certificates at par, \$5,000 December 1927 4 1/2% Treasury notes at 99 1/4 and sold \$255,000 United States 2% Consols at 102 1/2.

Bankers Acceptances

No report was received on bill market conditions and operations.

Dallas Government Securities

The market in Government securities was active in this district during the period.

Bankers Acceptances

We purchased for our own account, through other Federal reserve banks, \$792,000 bankers acceptances.

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San Francisco Government Securities

The Government security market was exceedingly quiet during the period.

Bankers Acceptances

We purchased in our own market \$785,000 indorsed bankers acceptances having maturities from 1-90 days at 4% to 4 1/8%, and through other Federal reserve banks \$1,931,000.

Operations for Account of U. S. TreasuryForeign Obligations

Treasury orders authorizing the purchase on the Stock Exchange of Third Liberty Loan 4 1/4% bonds from the proceeds of repayments by foreign governments, which was increased from \$30,300,000 to \$30,780,000, have been completed as follows:

	<u>Par Value</u>	<u>Range of Prices</u>
Boston	\$ 1,750,000	98 10/32-19/32
New York	23,480,000	98 4/32-24/32
Philadelphia	<u>5,550,000</u>	98 9/32-19/32
	<u>\$30,780,000</u>	

EXHIBIT "A"

COMPARISON OF THE GOVERNMENT SECURITY
HOLDINGS BY MATURITIES OF ALL RESERVE BANKS
COMBINED AS OF MAY 17, JUNE 30, 1922, APRIL 4
AND MAY 16, 1923

	<u>Holdings on</u> <u>May 17, 1922</u>	<u>Holdings on</u> <u>June 30, 1922</u>	<u>Holdings on</u> <u>April 4, 1923</u>	<u>Holdings on</u> <u>May 16, 1923</u>
Certificates and Victory Notes matured 1922	\$321,622,450	\$218,454,900	-0-	-0-
Victory Notes, 5/20/23	-0-	-0-	\$ 17,350	\$ 17,350
March 15, 1923	46,131,500	48,635,500	-0-	-0-
June 15, 1923	-0-	29,896,500	-0-	1,535,000
September 15, 1923	-0-	-0-	35,953,500	230,000
December 15, 1923	-0-	-0-	34,011,000	31,909,500
March 15, 1924	-0-	-0-	2,062,500	1,967,000
Treasury Notes	87,542,600	123,816,900	117,550,500	110,624,600
Miscellaneous Gov't Bonds	<u>53,681,010</u>	<u>39,201,566</u>	<u>39,082,910</u>	<u>31,779,060</u>
<u>T O T A L</u>	\$508,977,560	\$460,005,366	\$228,677,760	\$178,262,510
Pittman Act Certificates	80,000,000	74,000,000	-0-	-0-
Sales Contracts	<u>-0-</u>	<u>-0-</u>	<u>10,471,350</u>	<u>10,626,800</u>
AGGREGATE	<u>\$588,977,560</u>	<u>\$534,005,366</u>	<u>\$239,149,110</u>	<u>\$188,889,310</u>

EXHIBIT "B"

GOVERNMENT SECURITY HOLDINGS OF FEDERAL RESERVE BANKS
AS REPORTED TO THE INVESTMENT COMMITTEE AT THE CLOSE OF BUSINESS MAY 16, 1923

	<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Francisco</u>	<u>Totals</u>
Victory Notes, 5/20/23	-0-	\$ -0-	\$ -0-	-0-	-0-	\$ 17,350	-0-	-0-	-0-	-0-	-0-	-0-	17,350
June 15, 1923 - 3½%	-0-	-0-	-0-	1,504,000	-0-	-0-	-0-	-0-	-0-	7,000	-0-	24,000	1,535,000
Sept. 15, 1923 - 4½%	-0-	-0-	-0-	220,000	-0-	-0-	-0-	-0-	-0-	10,000	-0-	-0-	230,000
Dec. 15, 1923 - 4%	-0-	-0-	345,500	5,047,000	-0-	-0-	17,790,000	2,555,500	-0-	171,500	6,000,000	-0-	31,909,500
March 15, 1924 - 4½%	-0-	-0-	2,000	238,500	-0-	7,000	-0-	-0-	-0-	1,719,500	-0-	-0-	1,967,000
		-0-											
<u>Treasury Notes</u>													
June 15, 1924 - 5½%	1,100,000	-0-	46,000	6,154,500	-0-	-0-	-0-	1,368,100	-0-	7,000	-0-	4,525,000	13,200,600
Sept. 15, 1924 - 5½%	1,002,000	-0-	168,500	2,337,000	-0-	-0-	-0-	1,154,000	10,000	2,000	-0-	17,425,000	22,098,500
March 15, 1925 - 4½%	920,600	-0-	8,685,200	300	-0-	-0-	-0-	1,285,900	237,900	11,307,300	-0-	12,400	22,449,600
Dec. 15, 1925 - 4 3/8%	1,008,100	-0-	10,607,500	557,000	-0-	-0-	693,100	1,245,900	892,500	11,909,100	-0-	-0-	26,913,200
June 15, 1925 - 4½%	-0-	-0-	194,700	499,100	-0-	215,000	16,800	850,600	-0-	3,017,000	-0-	-0-	4,793,200
March 15, 1926 - 4½%	-0-	-0-	2,525,000	32,500	-0-	-0-	1,063,400	1,018,300	238,900	1,723,500	-0-	1,850,000	8,451,600
Sept. 15, 1926 - 4½%	800,000	-0-	68,400	1,775,800	100,000	-0-	-0-	1,555,900	1,069,300	2,412,200	-0-	3,667,000	11,448,600
Dec. 15, 1927 - 4½%	-0-	-0-	253,100	29,500	50,000	52,300	59,000	249,200	-0-	209,800	-0-	-0-	908,900
March 15, 1927 - 4½%	-0-	-0-	280,000	-0-	-0-	-0-	80,400	-0-	-0-	-0-	-0-	-0-	360,400
<u>Miscellaneous</u>	<u>529,150</u>	<u>1,148,750</u>	<u>1,751,600</u>	<u>918,400</u>	<u>1,190,900</u>	<u>250,350</u>	<u>4,425,600</u>	<u>6,150,100</u>	<u>12,115,410</u>	<u>1,626,800</u>	<u>1,779,500</u>	<u>92,500</u>	<u>31,579,060</u>
<u>T O T A L</u>	<u>\$5,359,850</u>	<u>\$1,148,750</u>	<u>\$24,327,500</u>	<u>\$19,313,600</u>	<u>\$1,340,900</u>	<u>\$548,000</u>	<u>\$24,128,300</u>	<u>\$17,433,500</u>	<u>\$14,564,010</u>	<u>\$34,122,700</u>	<u>\$7,779,500</u>	<u>\$27,595,900</u>	<u>\$178,262,510</u>
<u>Sales Contracts</u>	<u>410,700</u>	<u>6,000,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>410,000</u>	<u>1,581,100</u>	<u>-0-</u>	<u>-0-</u>	<u>625,000</u>	<u>1,600,000</u>	<u>-0-</u>	<u>10,626,800</u>
<u>AGGREGATE</u>	<u>\$5,770,550</u>	<u>\$7,148,750</u>	<u>\$24,927,500</u>	<u>\$19,313,600</u>	<u>\$1,340,900</u>	<u>\$958,000</u>	<u>\$25,709,400</u>	<u>\$17,433,500</u>	<u>\$14,564,010</u>	<u>\$34,747,700</u>	<u>\$9,379,500</u>	<u>\$27,595,900</u>	<u>\$188,889,310</u>

EXHIBIT "C"

**STATEMENT OF ESTIMATED EARNINGS AND EXPENSES OF ALL FEDERAL RESERVE BANKS FOR THE YEAR 1923
BASED ON EXPENSES FOR 1922 AND EARNING ASSETS HELD MAY 16, 1923**

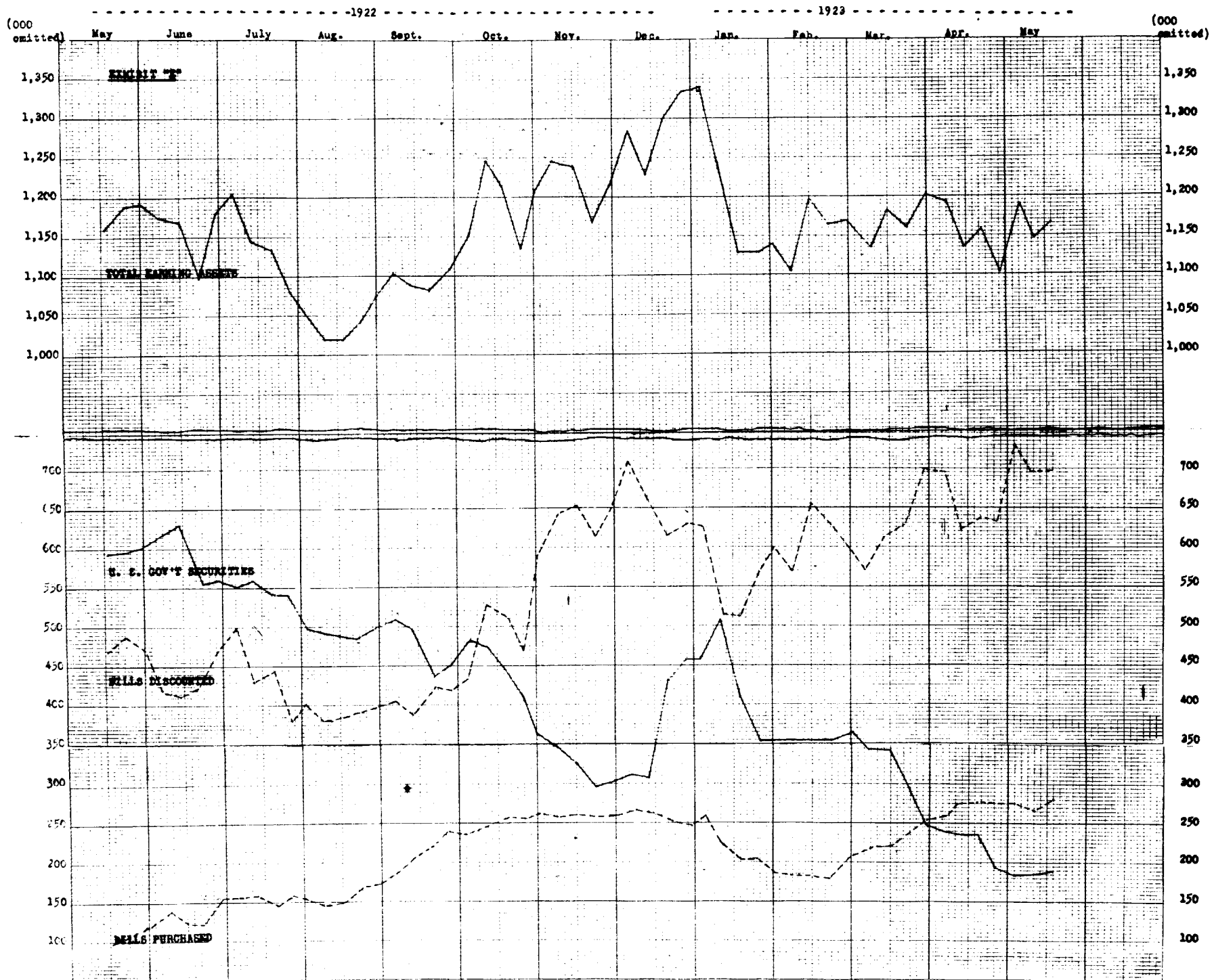
EXPENSES	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	TOTAL
Total Expenses for Year Ending December 31, 1922	\$2,022,400	\$6,776,530	\$2,053,919	\$2,461,266	\$1,631,356	\$1,293,053	\$4,080,057	\$1,623,222	\$1,084,942	\$2,010,820	\$1,515,391	\$3,006,387	\$29,559,343
Less 10% Arbitrary Basis	<u>202,240</u>	<u>677,653</u>	<u>205,392</u>	<u>246,127</u>	<u>163,136</u>	<u>129,305</u>	<u>408,007</u>	<u>162,322</u>	<u>108,494</u>	<u>201,080</u>	<u>151,539</u>	<u>300,639</u>	<u>2,955,934</u>
To Give Estimated Expenses for 1923	\$1,820,160	\$6,098,877	\$1,848,527	\$2,215,139	\$1,468,220	\$1,163,748	\$3,672,050	\$1,460,900	\$ 976,448	\$1,809,740	\$1,363,852	\$2,705,748	\$26,603,409
Dividend Paid for Year Ending Dec. 31, 1922	<u>487,000</u>	<u>1,724,000</u>	<u>560,000</u>	<u>703,000</u>	<u>337,000</u>	<u>263,000</u>	<u>891,000</u>	<u>290,000</u>	<u>215,000</u>	<u>277,000</u>	<u>251,000</u>	<u>465,000</u>	<u>6,463,000</u>
Estimated Total Expenses for 1923, including Dividend	<u>\$2,307,160</u>	<u>\$7,822,877</u>	<u>\$2,408,527</u>	<u>\$2,918,139</u>	<u>\$1,805,220</u>	<u>\$1,426,748</u>	<u>\$4,563,050</u>	<u>\$1,750,900</u>	<u>\$1,191,448</u>	<u>\$2,086,740</u>	<u>\$1,614,852</u>	<u>\$3,170,748</u>	<u>\$33,066,409</u>
E A R N I N G S													
Earning Assets held by All banks May 16, 1923	\$70,765,000	\$236,031,000	\$109,535,000	\$126,570,000	\$67,263,000	\$58,637,000	\$150,683,000	\$61,114,000	\$39,663,000	\$74,721,000	\$47,983,000	\$124,964,000	\$1,167,869,000
Earnings Which Present Holdings at 4% would Produce During 1923	2,830,600	9,441,240	4,381,400	5,062,800	2,690,520	2,345,480	6,027,320	2,444,560	1,586,520	2,988,840	1,919,320	4,996,160	46,714,760
Balance of Earnings After Expenses Are Paid	<u>523,440</u>	<u>1,618,363</u>	<u>1,972,873</u>	<u>2,144,661</u>	<u>885,300</u>	<u>918,732</u>	<u>1,464,270</u>	<u>693,660</u>	<u>395,072</u>	<u>902,100</u>	<u>304,468</u>	<u>1,825,412</u>	<u>13,648,351</u>
Assets at 4% (for 33 weeks) in Excess of Estimated Requirements	<u>\$20,620,364</u>	<u>\$63,753,694</u>	<u>\$77,719,239</u>	<u>\$84,486,645</u>	<u>\$34,875,454</u>	<u>\$36,192,473</u>	<u>\$57,683,364</u>	<u>\$27,326,000</u>	<u>\$15,563,442</u>	<u>\$35,537,273</u>	<u>\$11,994,194</u>	<u>\$71,910,170</u>	<u>\$537,662,312</u>

EXHIBIT "D"

**EARNING ASSETS OF FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS
MAY 16, 1923 AS COMPARED WITH HOLDINGS AT CLOSE OF BUSINESS FEBRUARY 28, 1923**

(In thousands of dollars)

		<u>Boston</u>	<u>New York</u>	<u>Philadelphia</u>	<u>Cleveland</u>	<u>Richmond</u>	<u>Atlanta</u>	<u>Chicago</u>	<u>St. Louis</u>	<u>Minneapolis</u>	<u>Kansas City</u>	<u>Dallas</u>	<u>San Fran- cisco</u>	<u>Total</u>
Bills discounted	- Feb. 28	\$ 48,565	\$210,222	\$53,556	\$23,252	\$43,793	\$18,505	\$75,682	\$21,199	\$16,022	\$17,851	\$16,913	\$50,200	\$595,760
"	May 16	44,893	153,237	62,294	65,154	63,713	27,362	91,068	32,523	25,018	39,844	25,978	66,247	697,331
Net change		\$ 3,672-	\$ 56,985 -	\$ 8,738+	\$41,902+	\$19,920+	\$ 8,857+	\$15,386+	\$11,324+	\$ 8,996+	\$21,993+	\$ 9,065+	\$16,047+	\$101,571+
Acceptances Purchased-	Feb. 28	\$12,545	\$ 30,470	\$28,083	\$35,440	\$ 165	\$ 8,283	\$27,841	\$10,039	\$ 4,959	\$ 75	\$21,403	\$28,375	\$207,678
"	May 16	20,102	75,645	22,273	42,102	2,209	30,317	33,906	11,158	81	129	12,626	31,061	281,609
Net change		\$ 7,557+	\$ 45,175+	\$ 5,810-	\$ 6,662+	\$ 2,044+	\$22,034+	\$ 6,065+	\$ 1,119+	\$ 4,878-	\$ 54+	\$ 8,777-	\$ 2,686+	\$ 73,931+
Government securities	- Feb. 28	\$28,192	\$ 48,798	\$29,070	\$37,570	\$ 1,341	\$ 9,990	\$74,501	\$28,890	\$12,299	\$46,058	\$11,618	\$34,747	\$363,074
"	May 16	5,770	7,149	24,928	19,314	1,341	958	25,709	17,433	14,564	34,748	9,379	27,596	188,889
Net change		\$22,422-	\$ 41,649-	\$ 4,142-	\$18,256-	\$ -0-	\$ 9,032-	\$48,792-	\$11,457-	\$ 2,265+	\$11,310-	\$ 2,239-	\$ 7,151-	\$174,185-
Total earning assets	- Feb. 28	\$89,302	\$289,490	\$110,709	\$96,262	\$45,299	\$36,778	\$178,024	\$60,128	\$33,280	\$63,984	\$49,934	\$113,322	\$1,166,512
"	May 16	70,765	236,031	109,535	126,570	67,263	58,637	150,683	61,114	39,663	74,721	47,983	124,904	1,167,869
Net change		\$18,537-	\$53,459-	\$ 1,174-	\$30,308+	\$21,964+	\$21,859+	\$ 27,341-	\$ 986+	\$ 6,383+	\$10,737+	\$ 1,951-	\$ 11,582+	\$ 1,357+



COMPARISON OF EARNING ASSETS OF FEDERAL RESERVE BANKS FROM MAY 17, 1922 TO MAY 16, 1923

2

333-b-2

333-1

nty

(67)

April 20, 1933.

Dear Mr. Case:

4/13/23 filed 333-b-2 Final Minutes

This will acknowledge receipt of yours of April 19th, enclosing copy of the minutes of the first meeting of the Open Market Investment Committee for which I wish to thank you. I have made an informal report of the meeting of the Committee to the Board and think I shall write out and put on the minutes a more formal one.

I notice from your daily reports that bill rates have gone up at least an eighth although the general tone of the money market seems easier.

By the way, there is one Treasury force the effect of which I am not quite clear about. In the first place, the sinking fund takes a good many Government securities out of the market and puts money in. In the second place, the Treasury I think is undoubtedly using the surplus revenue due to the unexpectedly large customs receipts and income tax payments in redeeming certificates. It seems to me that this puts money into the market, although from another point of view it may be called "deflation", and is in fact one of the items of deflation mentioned by the Right Honorable Reginald McKenna in his speech of some months ago to his stockholders in London.

Do you understand that the payment of the 5 per cent Farm Loan bonds takes bonds out of the Treasury which are now held there? If so, that offsets to some extent the items of redemption from surplus revenue.

Yours very truly,

Acting Governor.

Mr. J. H. Case, Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

333-b-1

Copy filed 333.3

see ans 4/21/23

OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM

April 13, 1923

Meeting held in Philadelphia, Pa.

May 15, 1923

"The Governor was further requested to advise the Committees of the Federal Reserve Bank Governors on Open Market Purchases and Voluntary Services that the Board desires them to meet in Washington on May 23, 1923, at 10:00 a.m."

FEDERAL RESERVE BANK
OF NEW YORK

April 19, 1923.

Dear Mr. Platt:

Believing that you will be interested, I am enclosing copy of the minutes of the first meeting of the Open Market Investment Committee for the Federal Reserve System held at the Federal Reserve Bank of Philadelphia on Friday, April 13, 1923, as approved by all members of the Committee.

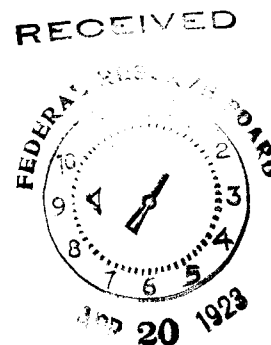
I am sure that the effect of having open market operations carried on in the manner proposed by the Board will be mutually advantageous.

Very truly yours,

J. H. Case
J. H. Case
Deputy Governor

Enclosure

Honorable Edmund Platt,
Acting Governor, Federal Reserve Board,
Washington, D. C.



see ans 4/20/23

333-b-2

4-10-23

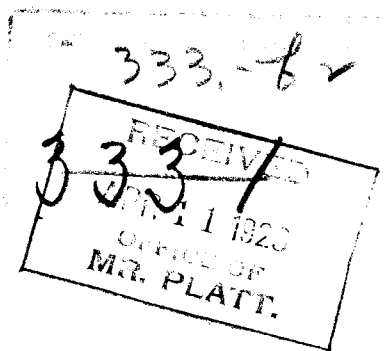
April 10, 1923

"Mr. Miller moved that the resolution adopted by the Board on April 7th, with reference to the liquidation of open market investments by the Federal Reserve banks as a precedent to an increase in rates, be submitted by the Vice Governor to the Open Market Investment Committee for the Federal Reserve System, at its meeting to be held in Philadelphia on Friday, April 13th.

Carried."

2

FEDERAL RESERVE BANK
OF NEW YORK



IN REPLY PLEASE REFER
TO

April 10, 1923.

Dear Mr. Platt:

I am in receipt of your letter of April 6th calling
the first meeting of the new Open Market Investment Committee
of Governors of Federal Reserve Banks, to be held at the Federal
Reserve bank of Philadelphia, Friday, April 13th, at ten o'clock.

I expect to attend this meeting.

Very truly yours,

J. H. CASE,
Deputy Governor.

Honorable Edmund Platt,
Acting Governor, Federal Reserve Board,
Washington, D. C.

*Meeting Philadelphia
April 1923*

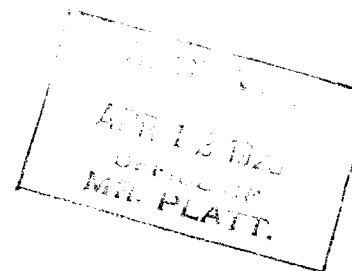
323-62

323

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

April 9, 1923.



Federal Reserve Board,

Washington, D. C.

Gentlemen: Attention of Mr. Edmund Platt,
 Acting Governor.

I am in receipt of your letter of the 6th
instant and observe therefrom that the first meeting
of the new Open Market Investment Committee of Governors
is to be held at ten o'clock on Friday morning, the 13th
instant, at Philadelphia, at which time I am planning
to be present.

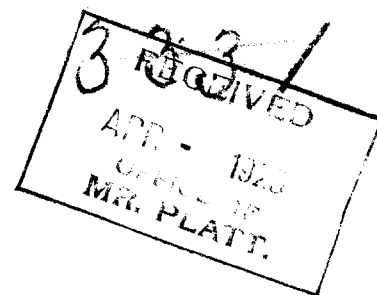
Very truly yours,

Wm. C. McLaughlin
Governor.

O.

[Large handwritten checkmark]

#1
302-62
3831
CONFIDENTIAL
12347
FEDERAL RESERVE BANK
OF BOSTON



April 7, 1923.

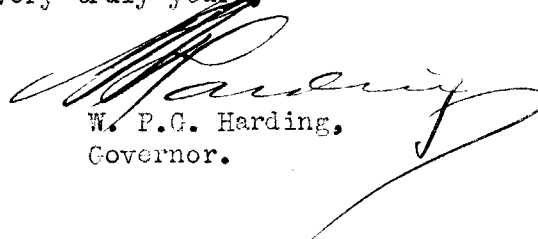
Honorable Edmund Platt, Acting Governor,
Federal Reserve Board,
Washington, D. C.


Dear Governor Platt:

I have received your letter of the 6th inst.
advising me of a meeting of the new open
market investment committee of Governors of
Federal Reserve Banks at Philadelphia at
10 o'clock on Friday morning the 13th inst.

I shall arrange to attend.

Very truly yours,


W. P. G. Harding,
Governor.

WPGH:A


#1 333. - b-v

April 6, 1933.

Dear Governor Harding:

As the new open market investment committee of Governors of Federal Reserve banks has not yet been formally organized it has been suggested that the Federal Reserve Board call the first meeting and I am, therefore, asking the committee to meet at Philadelphia at ten o'clock on Friday morning, the 13th.

Yours very truly,

Acting Governor.

Hon. W. P. G. Harding, Governor,
Federal Reserve Bank,
Boston, Massachusetts.

see ans 4/7/23

f 2

333 - for

April 6, 1933.

Dear Mr. Case:

As the new open market investment committee of
Governors of Federal Reserve banks has not yet been
formally organized it has been suggested that the
Federal Reserve Board call the first meeting and I am,
therefore, asking the committee to meet at Philadelphia
at ten o'clock on Friday morning, the 13th.

Yours very truly,

Acting Governor.

Mr. J. H. Case, Acting Governor,
Federal Reserve Bank,
New York, N. Y.

See ans 4/10/33

#3

333-42

April 6, 1933.

Dear Governor Norris:

As the new open market investment committee of Governors of Federal Reserve banks has not yet been formally organized it has been suggested that the Federal Reserve Board call the first meeting and I am, therefore, asking the committee to meet at Philadelphia at ten o'clock on Friday morning, the 13th.

Yours very truly,

Acting Governor.

Hon. George W. Norris, Governor,
Federal Reserve Bank,
Philadelphia, Pa.

#4

April 6, 1933.

Dear Governor Fancher:

As the new open market investment committee of Governors of Federal Reserve banks has not yet been formally organized it has been suggested that the Federal Reserve Board call the first meeting and I am, therefore, asking the committee to meet at Philadelphia at ten o'clock on Friday morning, the 13th.

Yours very truly,

Acting Governor.

Mr. E. H. Fancher, Governor,
Federal Reserve Bank,
Cleveland, Ohio.

#7
April 6, 1933.

Dear Governor McDougal:

As the new open market investment committee of Governors of Federal Reserve banks has not yet been formally organized it has been suggested that the Federal Reserve Board call the first meeting and I am, therefore, asking the committee to meet at Philadelphia at ten o'clock on Friday morning, the 13th.

Yours very truly,

Acting Governor.

Mr. J. B. McDougal, Governor,
Federal Reserve Bank,
Chicago, Illinois.

see ans 4/9/23

Form No. 131

Office Correspondence

FEDERAL RESERVE
BOARD

Date April 6, 1923.

To Mr. Platt

Subject:

From Mr. Hoxton

I attach copy of my telegram sent to Governor McDougal yesterday, in accordance with the action of the Board, and also Governor McDougal's reply. At the meeting yesterday the Vice Governor was authorized, after receipt of this information, to call a meeting of the Committee on April 13th, to be held at Philadelphia.

4-5-23

*Meeting Philadelphia
4/13/23*

see telegrams dated 4/5/23

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)



APR 5 1923
RECEIVED

211fcq

RECEIVED AT WASHINGTON, D. C.,

Chicago 315pm april 5

Hoxton

Washn

451-3 date

Your telegram Governor Strong was chairman of the former committee of Governors on centralized execution of purchases and sales of government securities.

McDougal

433p

33-6-2

C O P Y

April 5, 1923.

McDougal - Chicago

Please advise who is the Chairman of the former Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities now known as the Open Market Investment Committee for the Federal Reserve System.

HOXTON.

see ans 4/5/23

mt

333.-6 ✓

4-5-23

April 5, 1923

"The Vice Governor stated that he had received a letter from Mr. Case, Deputy Governor of the Federal Reserve Bank of New York, suggesting that the Board call a meeting at Philadelphia on the 13th of April of the Open Market Investment Committee for the Federal Reserve System, provided for in the resolutions of the Federal Reserve Board adopted March 22nd, and which it is understood will be composed of the same members as was the former Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities.

Upon motion, the Secretary was instructed to wire Governor McDougal, the Chairman of the late Governors' Conference, with a view to ascertaining who is the present Chairman of the Committee aforesaid.

The Vice Governor was authorized, after receipt of this information, to call a meeting of the Committee at Philadelphia on the 13th of April."

Form 148 A

333-62 ✓
FEDERAL RESERVE BOARD

LEASED WIRE SERVICE
WASHINGTON

The telegram given below is hereby confirmed.

April 4, 1923.

2-0454

Fancher - Cleveland

It has been suggested that a meeting of the new open market committee be held in Cleveland. Would Friday the 13th be a convenient day?

PLATT

*Engelhardt
and he
suggested
Philadelphia
on 13th.*