

DECLASSIFIED
Authority EO 10501

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 30, 1925.**

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared With Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Dec.	24	1,331,932	536,000	2,000	353,777	35,797	396,429
"	31	1,249,438	536,374	3,784	341,969	45,318	314,128
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Dec.	23	1,505,086	337,454	22,053	334,772	35,179	764,123
"	30	1,500,827	365,998	11,034	320,842	41,976	749,672

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 30, 1925.

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 30	Change	Dec. 30	Change	Dec. 30	Change
Boston	\$ 11,903	\$ 2,825+	\$ 75,464	\$ 2,536-	\$ 55,595	\$ 6,105-
New York	52,684	3,613-	1,341	4,737-	294,975	66,789+
Philadelphia	24,063	5,000+	15,345	311+	58,112	6,430-
Cleveland	36,409	1,250+	4,237	838-	68,940	26,517-
Richmond	8,944	3,501+	2,716	729-	49,517	4,779-
Atlanta	17,857	1,964+	74,274	2,250+	29,126	4,174-
Chicago	51,498	5,563+	26,070	297+	119,777	12,161+
St. Louis	24,347	1,875+	22,186	171-	20,321	6,515-
Minneapolis	19,078	1,563+	18,763	1,045-	3,545	1,979-
Kansas City	37,447	2,500+	16,816	104+	15,939	1,891-
Dallas	31,830	2,366+	28,617	290-	3,861	6,299-
San Francisco	49,938	3,750+	27,560	3,663-	29,964	26,712+
N.Y. holdovers and other bills			7,453	2,883-		
Totals	\$365,998	\$28,544+	\$320,842	\$13,930-	\$749,672	\$14,451-

COMMENT ON CHANGES WEEK ENDED DECEMBER 30, 1925.

Total earning assets of the System declined \$4,200,000 during the statement week. There were decreases of \$14,450,000 in bills discounted, \$15,900,000 in outright holdings of bankers acceptances, and \$11,000,000 in Government securities held under sales contract agreements. These decreases were partially offset by advances of \$28,500,000 in Government securities held outright and \$6,800,000 in bankers acceptances held under sales contract.

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Money
 Market

The unusually heavy demand for funds for year-end dividend and interest payments was reflected in firm money rates during the week. Call loans on the Stock Exchange were negotiated throughout the entire week at a flat rate of 6 per cent.

Time money was firm and only slightly more active during the week, the bulk of the business for maturities up to six months going at the lender's rate of 5 per cent.

Dealings in commercial paper were also quiet. The demand from interior banks continued in fair volume and was about equal to the existing limited supply in the market. Quoted rates were steady at $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent.

Government
 Security
 Market

Trading in United States Government long-term bonds was more active than during recent weeks, the total sales on the Stock Exchange aggregating about \$10,000,000. The Second and Fourth $4\frac{1}{4}\%$ Liberty Loan bonds were in best demand. Prices of all issues moved irregularly and showed little net change at the end of the week.

Short-term Government certificates and notes continued generally quiet. The offerings in the market were readily absorbed and prices of all issues remained firm.

Bankers
 Acceptances

Dealers' offering rates for unindorsed bills were unchanged at $3\frac{1}{4}$ per cent for 30's, $3\frac{3}{8}$ per cent for 60's, $3\frac{1}{2}$ per cent for 90's, and $3\frac{5}{8}$ per cent for 120-day maturities.

In Boston the bill market was fairly active throughout the week. The supply increased moderately and the demand was fairly active; city banks continued to be the principal buyers. In New York both the supply and demand were good although slightly less than the previous week. The demand consisted largely of orders for foreign account. Dealers' portfolios remained practically unchanged at about the high level of the year. Offerings to the reserve bank were in substantial volume and were mostly from banks. Philadelphia and Chicago report that there was little change in the bill market in their respective districts during the week. Offerings continued moderate and slightly in excess of the demand.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

Under the Committee's approval, referred to in the previous report, covering the purchase for the System Account of up to \$50,000,000 short-term Government securities on account of money conditions during the holiday period, further purchases were made on December 30 and 31 of \$13,350,000, bringing the total of such purchases up to an even \$50,000,000. As previously stated, all Federal reserve banks participated in these total purchases with the exception of New York.

Total System holdings at the close of business Thursday, December 31, amounted to \$260,000,000, the participation in which by the different banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 6,985,000	March	15, 1926	\$ 65,766,700
New York	51,427,000	June	15, 1926	5,650,000
Philadelphia	6,565,000	September	15, 1926	42,751,000
Cleveland	17,651,500	December	15, 1926	87,160,000
Richmond	7,602,500	March	15, 1927	23,876,000
Atlanta	15,097,000	December	15, 1927	32,296,300
Chicago	31,010,500	September	15, 1928	2,500,000
St. Louis	21,872,500		3rd L/L bonds	
Minneapolis	11,520,000			
Kansas City	24,844,000			
Dallas	25,143,500			
San Francisco	<u>40,281,500</u>			
Totals	<u>\$260,000,000</u>			<u>\$260,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

A special offering was made to the New York bank of \$2,000,000 Third Liberty Loan 4 1/4% bonds at 100 26/32 net. This offering was submitted to the Treasury and accepted, the purchase being made for account of the Cumulative Sinking Fund.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM DECEMBER 24 TO DECEMBER 30, 1925.

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	0	-	\$2,500,000	TD-1926 Ctfs.
Richmond	1,000	Misc. Gov't Sec.	0	-
Atlanta	142,950	Misc. Gov't Sec.	53,900	Misc. Gov't Sec.
Chicago	0	-	62,500	3rd L/L Bonds
Dallas	66,000	Misc. Gov't Sec.	0	
	<u>\$209,950</u>		<u>\$2,616,400</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Dec. 23</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Matured</u>	<u>Holdings</u> <u>Dec. 30</u>	<u>Other Holdings</u> <u>Close Dec. 30/25</u> <u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 78,000	\$ 5,115	Retained 0	\$ 7,651	\$ 75,464	\$ 5,917	0
New York	6,078	227	" 0	4,964	1,341	30,829	
		18,844	Allotted			3,552*	1,368
Philadelphia	15,034	2,267	Retained 0	1,956	15,345	0	0
Cleveland	5,075	0	0	838	4,237	0	762
Richmond	3,445	0	0	729	2,716	0	0
Atlanta	72,024	293	" 9,411	7,454	74,274	0	1,771
Chicago	25,773	1,742	" 1,231	2,576	26,070	1,350	0
St. Louis	22,357	0	0	171	22,186	0	0
Minneapolis	19,808	0	197	1,242	18,763	0	0
Kansas City	16,712	0	2,797	2,693	16,816	0	0
Dallas	28,907	20	" 2,623	2,933	28,617	0	0
San Francisco	31,223	223	" 2,585	6,471	27,560	3,880	0
Totals	<u>\$324,436</u>	<u>\$28,731</u>	<u>\$18,844</u>	<u>\$39,778</u>	<u>\$313,389</u>	<u>\$41,976</u>	<u>\$3,901</u>

* Represents bills held over night by New York for distribution to other F.R. Banks

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 30, 1925.
(000 Omitted)

	<u>1 - 30 days</u> <u>3 1/4%</u>	<u>31 - 60 days</u> <u>3 1/4 - 3 3/8%</u>	<u>61 - 90 days</u> <u>3 3/8 - 3 1/2%</u>	<u>Over 90 days</u> <u>3 1/2 - 3 3/4%</u>	<u>Total</u>
Boston	\$ 1,101	\$ 229	\$ 3,573	\$ 212	\$ 5,115
New York	2,431	3,602	11,965	1,073	19,071
Philadelphia	459	219	1,589	0	2,267
Atlanta	101	0	192	0	293
Chicago	325	405	1,012	0	1,742
Dallas	0	0	2	18	20
San Francisco	26	95	102	0	223
Totals	<u>\$4,443</u>	<u>\$4,550</u>	<u>\$18,435</u>	<u>\$1,303</u>	<u>\$28,731</u>

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
 BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 30, 1925
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
 (000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$34,773	\$28,731	\$63,504
Sold	6,229	0	6,229
Matured	0	39,778	39,778
		\$11,047-	\$17,497+
		2,883- (1-day holdover)	2,883- (1-day holdover)
Totals	<u>\$28,544+</u>	<u>\$13,930-</u>	<u>\$14,614+</u>

	(Including Sales Contracts)						
Holdings Dec. 30, 1925	Within 15 days	16-30 days	31-60 days	61-90 days	91-days- 6 Months	Over 6 Months	<u>Total</u>
Gov't Securities	\$ 11,035	\$ 0	\$ 0	\$72,062	\$28,397	\$265,538	\$377,032
Bills Purchased	<u>123,664</u>	<u>77,801</u>	<u>85,094</u>	<u>64,571</u>	<u>11,688</u>	<u>0</u>	<u>362,818</u>
Totals	<u>\$134,699</u>	<u>\$77,801</u>	<u>\$85,094</u>	<u>\$136,633</u>	<u>\$40,085</u>	<u>\$265,538</u>	<u>\$739,850</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 30, 1925.

To All members of the Board.

Subject: _____

From Mr. Eddy.

333-1

For your information.

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- ✓ Mr. James
- ✓ Mr. Cunningham
- Dr. Miller

Please return to Secretary's Office.

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December 30, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of December 29th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 17 to December 23, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

(Signed) Walter L. Eddy

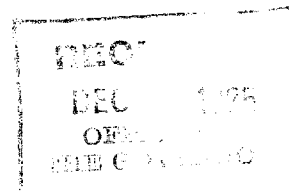
Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK



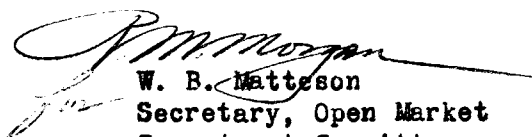
CONFIDENTIAL

December 29, 1925

S i r :

Enclosed please find report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 17 to December 23, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 23, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
 to Date as Compared with Corresponding Period 1924
 (000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Dec.	17	*1,122,850	*564,162	750	311,193	25,634	283,811
"	24	1,331,932	536,000	2,000	353,777	35,797	396,429
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Dec.	16	**1,382,223	**375,737	22,734	332,272	20,420	619,067
Dec.	23	1,505,086	337,454	22,053	334,772	35,179	764,123

* Includes \$40,000,000 advance to Treasury Special Certificate of Indebtedness

** Includes \$91,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED DECEMBER 23, 1925

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 23	Change	Dec. 23	Change	Dec. 23	Change
Boston	\$ 9,078	\$ 2,159+	\$ 78,000	\$3,048-	\$ 61,700	\$ 27,058+
New York	56,297	10,960+	6,076	5,367+	223,186	81,513+
Philadelphia	19,063	224+	15,034	2,225+	66,542	10,286+
Cleveland	35,150	6,437+	5,075	1,620-	95,457	6,684-
Richmond	5,443	585+	3,445	95+	54,296	9,433+
Atlanta	15,893	2,832+	72,024	7,859+	33,300	5,509+
Chicago	45,935	7,019+	25,773	2,339-	107,616	10,032+
St. Louis	22,472	4,601+	22,357	10,051-	26,836	4,252+
Minneapolis	17,515	2,226+	19,308	603-	5,524	775-
Kansas City	34,947	4,477+	16,712	1,077+	17,830	2,713-
Dallas	20,464	3,919+	20,907	4,414-	10,160	831+
San Francisco	46,138	7,142+	31,223	2,091+	56,676	6,308+
N.Y. holders and other bills			10,336	5,881+		
Totals	\$337,454	\$52,717+	\$334,772	\$1,500+	\$764,123	\$145,056+

COMMENT ON CHANGES WEEK ENDED DECEMBER 23, 1925

Total earning assets of the System advanced \$122,800,000 during the week. The increase of \$143,000,000 in bills discounted was partially offset by a decrease in Government security holdings of \$38,000,000. Bankers acceptances held under sales contract and outright holdings of bills advanced \$14,700,000 and \$2,500,000 respectively.

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Money
Market

The continued large currency demand for holiday trade and the shifting of funds in preparation for the heavy January 1 interest and dividend disbursements contributed to firmer money conditions during the week. After opening and renewing at 5 1/2 per cent on Monday December 21, call money on the Stock Exchange advanced to 6 per cent where it held firm until after mid-day on Thursday when the rate declined to 5 1/2 per cent. The charge of 6 per cent on Tuesday, Wednesday and Thursday for renewals was the highest since the end of December 1923.

Time money remained rather dull, the demand being mostly for replacement money which was loaned at 4 7/8 to 5 per cent.

Continued light offerings of commercial paper were absorbed principally by interior banks. Rates remain 4 1/4 - 4 1/2 per cent with a tendency for most sales to be made at the higher rate.

Government
Security
Market

Trading in United States Government long-term bonds continued light during the week. Second and Third 4 1/4% Liberty Loan bonds were offered in the market in fairly large volume and sold close to their low points of the year at 100 13/32 and 100 24/32 respectively. Prices of other Liberty Loan and Treasury bonds were practically unchanged from the levels of the previous week.

There was also very little demand for short-term Government securities and prices of all issues held unchanged. Offerings to dealers, however, were made in substantial volume.

Bankers
Acceptances

Owing to their reserve positions, the Federal reserve banks of St. Louis and Dallas sold during the statement week from portfolio bills of early maturities aggregating \$8,000,000 and \$9,000,000 respectively. These, with the exception of very short maturities, were redistributed among other participating banks.

Dealers' offering rates for unindorsed bills were unchanged at 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports that an increased supply of bills of fairly short maturities came into the market during the week. The demand was good, the city banks being the principal buyers. Offerings to the reserve bank were in moderate volume. The bill market in New York was moderately active throughout the week. The firmer money conditions brought a fairly large volume of bills into the market, which was offset to a large extent through substantial purchases for foreign investment. Dealers' portfolios showed only moderate increase. In the Philadelphia and Chicago districts the market for bills continued rather quiet with the supply somewhat in excess of demand.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

Due to unusually heavy currency withdrawals for holiday trade resulting in firm money conditions, large blocks of short-term Government securities were offered in the market. The Open Market Investment Committee, after consulting with the Federal Reserve Board, decided to purchase up to \$50,000,000 of such securities with the understanding that they probably would be resold during the early part of January. With their approval all banks, except New York, are to participate in such purchases as are made on the basis of expense and dividend requirements.

Up to the close of business Monday, December 28, purchases in various districts were made aggregating \$36,750,000, bringing the total System holdings to \$246,750,000. The participation of the different banks and the classification of issues held in the account by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 5,660,000	March 15, 1926	\$ 65,766,700
New York	51,427,000	June 15, 1926	2,250,000
Philadelphia	5,240,000	September 15, 1926	41,901,000
Cleveland	16,061,500	December 15, 1926	78,160,000
Richmond	6,675,000	March 15, 1927	23,876,000
Atlanta	14,302,000	December 15, 1927	32,296,300
Chicago	28,625,500	September 15, 1928	
St. Louis	21,077,500	3rd L/L bonds	2,500,000
Minneapolis	10,857,500		
Kansas City	23,784,000		
Dallas	24,348,500		
San Francisco	<u>38,691,500</u>		
Totals	<u>\$246,750,000</u>		<u>\$246,750,000</u>

There were no transactions during the week for account of the United States Treasury.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM DECEMBER 17 TO DECEMBER 23, 1925

GOVERNMENT SECURITIES

SYSTEM INVESTMENT ACCOUNT

	<u>Repurchase Tem- porary Sales A-1926 Notes</u>	<u>Participation Open Market Purchases Short-term Gov'ts</u>	<u>Total</u>
Boston	\$ 284,000	\$ 1,875,000	\$ 2,159,000
New York	7,347,000	*3,613,000	10,960,000
Philadelphia	224,000	0	224,000
Cleveland	1,665,000	2,250,000	3,915,000
Richmond	586,000	0	586,000
Atlanta	1,728,000	1,125,000	2,853,000
Chicago	3,144,000	3,375,000	6,519,000
St. Louis	2,696,000	1,125,000	3,821,000
Minneapolis	1,289,000	937,000	2,226,000
Kansas City	2,977,000	1,500,000	4,477,000
Dallas	3,163,000	700,000	3,863,000
San Francisco	<u>4,897,000</u>	<u>2,250,000</u>	<u>7,147,000</u>
Totals **	<u>\$30,000,000</u>	<u>\$18,750,000</u>	<u>\$48,750,000</u>

* Represents securities held over night and allotted on following day to Philadelphia, Richmond and Dallas.

** Represents temporary sales during December 15 tax period.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$2,523,000	TD-1926 Cts.	\$ 1,000	Misc. Gov't Sec.
Richmond	0	-	1,000	Misc. Gov't Sec.
Atlanta	67,150	Misc. Gov't Sec.	37,750	Misc. Gov't Sec.
Chicago	500,000	B-1926 Notes	0	
St. Louis	860,000	TD-1926 Cts.	0	
Dallas	56,950	Misc. Gov't Sec.	0	
San Francisco	<u>1,000</u>	Misc. Gov't Sec.	<u>0</u>	
Totals	<u>\$4,008,100</u>		<u>\$39,750</u>	

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BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Dec. 16	Purchased Own Market	Rec'd by Allotment	Matured	Holdings Dec. 23	Other Holdings Close Dec. 23/25 Sales Contracts	Other Bills
Boston	\$ 81,048	\$ 4,511	Retained	0	\$ 7,559	\$ 78,000	\$ 1,378
New York	711	5,874	"	0	507	6,078	28,861
		28,879	Allotted				6,819*
Philadelphia	12,749	3,127	Retained	0	842	15,034	0
Cleveland	6,695	0	"	0	1,620	5,075	0
Richmond	3,350	1,235	"	0	1,140	3,445	0
Atlanta	64,165	971	"	13,782	6,894	72,024	0
Chicago	28,112	1,936	"	1,292	5,567	25,773	1,696
St. Louis	32,408	0	"	0	10,051	22,357	0
Minneapolis	20,491	0	"	328	1,011	19,808	0
Kansas City	15,635	0	"	3,302	2,225	16,712	0
Dallas	33,321	340	"	7,304	12,058	28,907	0
San Francisco	29,132	4,906	"	2,871	5,686	31,223	3,244
Totals	\$27,817	\$51,779		\$28,879	\$55,160	\$324,436	\$35,179
							\$3,517

* Represents bills held over night by New York for distribution to other F. R. Banks

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 23, 1925
(000 Omitted)

	1 - 30 days 3 1/4 - 3 3/8%	31 - 60 days 3 1/4 - 3 3/8%	61 - 90 days 3 3/8 - 3 1/2%	Over 90-days 3 1/2 - 3 3/4%	Total
Boston	\$ 85	\$ 1,006	\$ 2,722	\$ 698	\$ 4,511
New York	12,599	9,970	11,882	302	34,753
Philadelphia	412	630	2,085	0	3,127
Richmond	270	410	555	0	1,235
Atlanta	552	0	415	4	971
Chicago	35	1,044	857	0	1,936
Dallas	0	40	68	232	340
San Francisco	3,903	973	30	0	4,906
Totals	\$17,856	\$14,073	\$18,614	\$1,236	\$51,779

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 23, 1925
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
 (000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$52,757	\$51,779	\$104,536
Sold	40	0	40
Matured	0	55,160	55,160
		\$ 3,381-	\$ 49,336+
		5,881+ (1-day holdover)	5,881+ (1-day holdover)
Totals	<u>\$52,717+</u>	<u>\$ 2,500+</u>	<u>\$ 55,217+</u>

	(Including Sales Contracts)						
<u>Holdings Dec. 23, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Months</u>	<u>Over 6 Months</u>	<u>Total</u>
Government Sec.	\$ 22,053	\$ 0	\$ 0	\$ 72,062	\$36,764	\$228,628	\$359,507
Bills Purchased	111,320	86,234	93,019	67,643	11,735	0	369,951
Totals	<u>\$133,373</u>	<u>\$86,234</u>	<u>\$93,019</u>	<u>\$139,705</u>	<u>\$48,499</u>	<u>\$228,628</u>	<u>\$729,458</u>

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No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 23, 1925.

To All members of the Board.

Subject: # 2

From Mr. Eddy.

333

For your information.

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Cunningham ✓

Mr. Miller ✓

Please return to Secretary's Office.

File

Noted
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Authority EO 10501

December 23, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 22nd instant, addressed to Governor Crissinger, enclosing a copy of the report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 10 to December 18, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

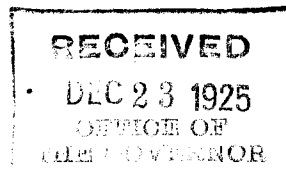
(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK



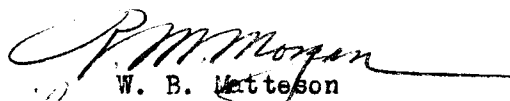
CONFIDENTIAL

December 22, 1925

Sir :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 10 to December 16, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 16, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared with Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Dec.	10	1,167,040	500,045	51,851	318,230	34,608	254,256
"	17	*1,192,850	*564,162	750	311,193	25,634	283,811
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,403
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	632,188
Dec.	9	1,412,292	315,703	26,170	335,087	34,463	679,374
"	16	**1,382,223	**375,737	22,734	332,272	20,420	619,067

*Includes \$40,000,000 advance to Treasury Special Certificate of Indebtedness

**Includes \$91,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 16, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 16	Change	Dec. 16	Change	Dec. 16	Change
Boston	\$ 6,919	\$ 292-	\$ 81,048	\$1,933+	\$ 34,642	\$12,472-
New York	45,337	7,347-	711	390-	146,667	64,526-
Philadelphia	18,839	224-	12,749	6+	56,256	882-
Cleveland	28,722	1,708-	6,695	983-	102,141	14,880+
Richmond	4,858	536-	3,350	282-	44,863	6,544+
Atlanta	13,011	2,279-	64,165	1,517-	27,791	2,753+
Chicago	38,916	3,101-	28,112	1,624-	97,584	7,438+
St. Louis	17,791	2,696-	32,408	4,667+	22,584	141+
Minneapolis	15,289	1,789-	20,491	1,227-	6,299	868+
Kansas City	30,470	2,949-	15,635	1,201-	20,543	2,598+
Dallas	25,545	3,099-	33,321	522-	9,329	1,819-
San Francisco	39,040	4,896-	29,132	304-	50,368	15,830-
N.Y. holdovers and other bills			4,455	1,371-		
Totals	\$284,737	\$30,966-	\$332,272	\$ 2,815-	\$619,067	\$60,307-

COMMENT ON CHANGES WEEK ENDED DECEMBER 16, 1925

There was a net decrease of \$30,000,000 in total earning assets for the System during the week. Loans to the Treasury on special 1-day certificates of \$91,000,000 and a temporary sale of \$30,000,000 Treasury notes from the System Account over the tax period effected a net increase in Government security holdings which was practically offset by a reduction of \$61,300,000 in bills discounted.

Bankers acceptances held outright declined \$2,800,000, and bills and Government securities under sales contracts decreased \$13,400,000 and \$14,000,000 respectively.

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Money
Market

The temporary tightness in money conditions on Monday, December 14, when the rate on stock exchange call loans advanced to 5 1/2 per cent, was followed by an easier tone soon after the large Treasury payments were made and call loan renewals dropped to 4 3/4 per cent and new loans to 4 1/2 per cent. On Friday, however, with collection of income taxes and continued withdrawals of currency for holiday trade, the rate advanced to 5 1/2 per cent. An unusually large volume of new loans was placed at an average rate of 5.41 per cent.

Time funds continued unchanged with nominal quotations of 4 7/8 - 5 per cent for all maturities. New money in moderate amounts was placed at the higher figure.

Although there is a fairly good demand for commercial paper from country banks, trading is restricted by lack of offerings in the market.

Government
Security
Market

Trading in Liberty Loan and Treasury bonds was in comparatively light volume. Prices eased off gradually and by the end of the week net declines in all issues ranged from 4/32nds to 12/32nds. The Third Libertys made the largest decline, selling as low as 100 26/32.

Short-term Government securities were only moderately active and prices were practically unchanged. Although there were fairly heavy offerings in the market of the new issue of 3 3/4 per cent certificates the demand was sufficient to hold the price firm at par.

Bankers
Acceptances

Quoted market rates for unindorsed bills were unchanged at 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

The supply of bills coming into the Boston market is very limited. No large blocks have been offered by accepting banks for several weeks, the supply consisting almost entirely of odd lots. The demand in general was very light with city banks the principal buyers. There was a marked decrease in the supply of bills offered in the New York market during the week as a result of the easier money conditions which accompanied the Government financing on the fifteenth. The demand, however, was comparatively light, the greater portion of the buying being for foreign investment. Offerings to the reserve bank were moderate and were mainly from banks. Philadelphia reports that the supply of bills was fair and the demand somewhat improved. Chicago reports that the demand for bills in that district continues very light.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

As referred to in the previous report, there was sold during the period from the System Account to a foreign correspondent \$10,000,000 Treasury Notes due March 15, 1926, in replacement of which purchases were made in the Chicago and New York markets of \$2,500,000 Third Liberty Loan bonds and \$7,500,000 3 3/4% certificates of indebtedness due December 15, 1926.

There was also exchanged on December 15, \$38,160,000 notes maturing on that date for a like amount of the new issue of one-year 3 3/4% certificates.

Under the plan of dealing with money conditions over quarterly tax periods through temporary sales of Government securities from the System Account, the Committee sold on December 14, 15 and 16, at par flat, to member banks in New York an aggregate of \$30,000,000 4 3/4% Treasury Notes due March 15, 1926 from System holdings. These securities were sold subject to repurchase on or before December 19 at par flat plus interest at 3 1/4% per annum for the number of days held.

These temporary sales reduced the Special Account at the close of business, Wednesday, December 16, to \$180,000,000. The repurchase of the securities was completed by December 19, thus restoring the total System holdings to \$210,000,000, the participation in which by all Federal reserve banks and the classification of issues held were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,985,000
New York	51,427,000
Philadelphia	1,565,000
Cleveland	11,651,500
Richmond	4,102,500
Atlanta	12,097,000
Chicago	22,010,500
St. Louis	18,872,500
Minneapolis	9,020,000
Kansas City	20,844,000
Dallas	22,143,500
San Francisco	34,281,500
Totals	\$210,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1926	\$ 65,266,700
Sept. 15, 1926	40,401,000
Dec. 15, 1926	45,660,000
March 15, 1927	23,876,000
Dec. 15, 1927	32,296,300
Sept. 15, 1928	2,500,000
Totals	\$210,000,000

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was purchased on Stock Exchanges an aggregate of \$10,000,000 Third 4 1/4% Liberty Loan bonds for account of the Cumulative Sinking Fund in districts as follows:

Boston	\$ 100,000
New York	7,900,000
Philadelphia	1,000,000
Chicago	1,000,000
Totals	\$10,000,000

Under Treasury authority there were also purchased \$1,411,000 new 3 3/4% certificates for account of the Alien Property Custodian, \$45,500 same issue for account of the Foreign Service Retirement and Disability Fund, and \$85,700 Third 4 1/4% Liberty Loan bonds for account of the General R. R. Contingent Fund.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM DECEMBER 10 TO DECEMBER 16, 1925

GOVERNMENT SECURITIES
SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>	<u>Issue</u>
Boston	284,000	A-1926 Treasury Notes
New York	7,347,000	" " " "
Philadelphia	224,000	" " " "
Cleveland	1,665,000	" " " "
Richmond	586,000	" " " "
Atlanta	1,728,000	" " " "
Chicago	3,144,000	" " " "
St. Louis	2,696,000	" " " "
Minneapolis	1,289,000	" " " "
Kansas City	2,977,000	" " " "
Dallas	3,163,000	" " " "
San Francisco	4,897,000	" " " "
Totals	* \$30,000,000	

*Represents temporary sales during December 15 tax period.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings</u> <u>Close Dec. 16/25</u>
Boston	0	-	8,100 E-1925 red.	\$ 730,000	Sales contracts
				3,500,000	1-day spec.ctfs.
New York	0	-	0	-	15,550,000 Sales contracts
				79,000,000	1-day spec. ctfs.
Philadelphia	7,383,000	Sub.TD-1926 Ctfs.	7,338,200 E-1925 red.	0	
			50,000 TD-1925 "		
Cleveland	0	-	43,000 E-1925 "	0	
Richmond	0	-	0	-	0
Atlanta	84,350	Misc.Gov't Sec.	635,650	Misc.Gov't Sec.	0
Chicago	55,500	3rd L/L Bds.	12,500	TD-1925 red.	5,769,000 Sales contracts
				6,000,000	1-day spec.ctfs.
St. Louis	93,000	Sub.TD-1926 Ctfs.	93,500	TD-1925 red.	0
Minneapolis	0	-	500,000	TD-1925 "	0
Kansas City	884,000	Sub.TD-1926 Ctfs.	542,000	TD-1925 "	2,500,000 1-day spec. ctfs
			314,100	E-1925 "	
Dallas	63,100	Misc.Gov't Sec.	0	-	685,000 Sales contracts
San Francisco	0	-	0	-	0
Totals	\$8,567,950		\$9,537,050		\$22,734,000 Sales contracts
					91,000,000 1-day spec.ctfs.
					\$113,734,000

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BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>Dec. 9</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Matured</u>	<u>Holdings</u> <u>Dec. 16</u>	<u>Other Holdings</u> <u>Close Dec. 16/25</u>	<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Exits</u>
Boston	\$ 79,115	\$ 6,638	Retained 0	\$ 4,705	\$ 81,048	\$ 999		
New York	1,101	220	" 0	610	711	15,180	1,097	
		19,572	Allotted			920*		
Philadelphia	12,743	2,487	Retained 0	2,481	12,749	0	0	
Cleveland	7,678	100	" 0	1,063	6,695	0	565	
Richmond	3,632	393	" 0	675	3,350	0	0	
Atlanta	65,682	872	" 5,131	7,520	64,165	0	1,873	
Chicago	29,736	1,532	" 587	3,743	28,112	1,609	0	
St. Louis	27,741	0	6,970	2,303	32,408	0	0	
Minneapolis	21,718	0	352	1,579	20,491	0	0	
Kansas City	16,836	0	1,617	2,818	15,635	0	0	
Dallas	33,843	50	" 3,530	4,102	33,321	0	0	
San Francisco	29,436	2,684	" 1,385	4,373	29,132	2,632	0	
Totals	\$329,261	\$34,548	\$19,572	\$35,992	\$327,817	\$20,420	\$3,535	

*Represents bills held over night by New York for distribution to other F. R. Banks.

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 16, 1925
 (000 Omitted)

	<u>1 - 30 days</u> <u>3 1/4 - 3 3/8%</u>	<u>31 - 60 days</u> <u>3 1/4 - 3 1/2%</u>	<u>61 - 90 days</u> <u>3 3/8 - 3 1/2%</u>	<u>Over 90-days</u> <u>3 1/2 - 3 3/4%</u>	<u>Total</u>
Boston	\$ 1,121	\$ 756	\$ 3,739	\$ 1,022	\$6,638
New York	6,464	5,938	6,026	1,364	19,792
Philadelphia	411	230	1,846	0	2,487
Cleveland	100	0	0	0	100
Richmond	290	50	53	0	393
Atlanta	147	20	550	155	872
Chicago	298	480	754	0	1,532
Dallas	0	50	0	0	50
San Francisco	2,507	74	103	0	2,684
Totals	\$11,338	\$7,598	\$13,071	\$2,541	\$34,543

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 16, 1925
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
 (000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$56,728	\$34,548	\$91,276
Sold	46,574	0	46,574
Matured	41,120	<u>35,992</u>	<u>77,112</u>
		\$ 1,444-	\$32,410-
		1,371- (one-day holdover)	1,371- (one-day holdover)
	<u>\$30,966-</u>	<u>\$ 2,815-</u>	<u>\$33,781-</u>

	(Including Sales Contracts)						
Holdings Dec. 16, 1925	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	<u>Total</u>
Gov't Securities	\$113,734	0	0	\$ 41,563	\$22,745	\$220,425	\$398,467
Bills Purchased	<u>100,223</u>	<u>70,338</u>	<u>99,096</u>	<u>67,039</u>	<u>15,996</u>	0	<u>352,692</u>
Totals	<u>\$213,957</u>	<u>\$70,338</u>	<u>\$99,096</u>	<u>\$108,602</u>	<u>\$38,741</u>	<u>\$220,425</u>	<u>\$751,159</u>

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Form No. 131.

Office Correspondence

To All members of the Board.
From Mr. Eddy.

FEDERAL RESERVE
BOARD

Subject: #2

Date December 16, 1925.

FEDERAL RESERVE BOARD

333.1

2-8496

For your information:

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- ✓ Mr. James
- ✓ Mr. Cunningham
- ✓ Mr. Miller

Please return to Secretary's Office.

*Noted
JEC
12/16/25*

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Authority E.O. 10501

December 16, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 15th instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 3 to December 9, 1925, inclusive, together with data received by the Committee from the reserve banks.

Very truly yours,

(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK


CONFIDENTIAL

December 15, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 3 to December 9, 1925 inclusive, together with data received by the Committee from the Federal Reserve Banks.

Respectfully,


W. B. Motteson
for Secretary, Open Market
Investment Committee

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

Encl. (1)

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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 9, 1925**

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
 to Date as Compared With Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Dec.	3	1,186,527	571,941	3,000	315,129	39,477	248,928
Dec.	10	1,167,040	500,045	51,851	318,230	34,608	254,256
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Dec.	2	1,352,477	315,147	24,282	323,035	34,688	643,875
Dec.	9	1,412,292	315,703	36,170	335,087	34,463	679,374

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED DECEMBER 9, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 9	Net Change	Balance Dec. 9	Net Change	Balance Dec. 9	Net Change
Boston	\$ 7,211	0	\$ 79,115	\$ 526+	\$ 47,114	\$ 8,153+
New York	52,684	0	1,101	4-	211,193	23,434+
Philadelphia	19,063	0	12,743	1,877-	57,138	1,970-
Cleveland	30,430	0	7,678	858-	87,261	11,330+
Richmond	5,444	0	3,632	330-	38,319	733+
Atlanta	15,290	53+	65,682	1,032+	25,038	6,116-
Chicago	42,017	0	29,736	1,221-	90,146	7,956+
St. Louis	20,487	1-	27,741	6,158+	22,443	2,222-
Minneapolis	17,078	500+	21,718	4,738+	5,431	634-
Kansas City	33,419	0	16,836	1,324-	17,945	3,573-
Dallas	28,644	4+	33,843	3,882+	11,148	370+
San Francisco	43,936	0	29,436	1,101+	66,198	1,970-
N.Y. holdovers and other bills			5,826	229+		
Totals	\$315,703	\$556+	\$335,087	\$12,052+	\$679,374	\$35,499+

COMMENT ON CHANGES WEEK ENDED DECEMBER 9, 1925

Total earning assets of the Federal Reserve System increased \$59,800,000 during the week. The increases were as follows: \$11,800,000 in Government securities held under sales contracts, \$12,000,000 in bankers acceptances held outright and \$35,500,000 in bills discounted.

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Money
 Market

Money conditions were slightly firmer during the early part of the week but became easier toward the close. Call money on the Stock Exchange after opening at 5 per cent on Monday advanced and closed on Tuesday at 5 1/2 per cent. As a result of a return of funds from the interior on Wednesday, the rate was lowered and held steady at 5 per cent during the balance of the week.

Time money was quiet and unchanged at 4 7/8 - 5 per cent for all maturities, most of the trading being at the higher rate.

Commercial paper market was only moderately active with business restricted by lack of offerings. The demand continued principally from interior banks.

Government
 Security
 Market

Trading in the long-term Government bonds was slightly more active during the week and prices increased from 1/32nd to 4/32nds on practically all issues.

In short-term Government securities the interest during the week centered largely in the new 3 3/4 per cent issue of certificates. The market for outstanding issues remained generally quiet, except for a special demand for March 1926 Treasury Notes for two foreign accounts aggregating \$17,000,000.

Bankers
 Acceptances

The Federal Reserve Banks of Boston and Philadelphia each sold \$2,500,000 bankers acceptances from portfolio during the period to the Minneapolis bank.

Dealers' offering rates for unindorsed bills were unchanged at 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

A fair supply of bills appeared in the Boston market during the week. Local banks easily absorbed the available supply but out-of-town demand was generally poor. In New York the turnover in the bill market this week was the heaviest since May, with the exception of the last week in September. There was a substantial increase in the supply and although banks were not purchasers for their own account there were very substantial orders for investment of foreign money. This activity was confined mostly to the fore part of the period. By the end of the week the market was quiet with supply moderately in excess of demand. Philadelphia and Chicago report substantial offerings of bills in their districts but the demand continued light.

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3

SYSTEM SPECIAL INVESTMENT ACCOUNT

There were no transactions in the System Special Investment Account during the period, the participation of the different banks and the classification of issues held by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,000*
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,876,000
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	13,872,500		
Minneapolis	9,020,000		
Kansas City	20,344,000		
Dallas	22,143,500		
San Francisco	<u>34,281,500</u>		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

*To be exchanged for new 3 3/4% certificates dated December 15, 1925.

Pending

Transactions

The Committee approved the sale from the System Account to a foreign correspondent of 10 million dollars Treasury Notes due March 15, 1926, for delivery December 15, with the understanding that replacement be made through the purchase of a like aggregate amount of Third Liberty Loan 4 1/4% bonds and/or new 3 3/4% certificates. The purchase in replacement of \$2,500,000 Third Libertys at 101 3/32nds and \$7,500,000 new 3 3/4% certificates at par was executed in the Chicago and New York markets for delivery December 15.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions during the week for account of the Treasury consisted of the sale from Alien Property Custodian holdings of \$500,000 3% certificates maturing December 15, 1925 and the purchase of \$160,000 Second 4 1/4% Liberty Loan bonds for account of the Harding Memorial Association.

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4

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM DECEMBER 3 TO DECEMBER 9, 1925

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Dec. 2	Purchased Own Market	Retained	Rec'd by Allotment	Matured	Holdings Dec. 9	Other Holdings Close Dec. 9/25 Sales Contracts	Other Bills
Boston	\$ 78,589	\$ 9,961	Retained	0	\$ 9,435	\$ 79,115	\$ 415	0
New York	1,105	791	"	0	795	1,101	31,082	961
		26,452	Allotted				2,426*	
Philadelphia	14,620	2,483	Retained	0	4,360	12,743	0	0
Cleveland	8,536	0	"	0	858	7,678	0	565
Richmond	3,962	194	"	0	524	3,632	0	0
Atlanta	64,650	244	"	7,342	6,554	65,682	0	1,874
Chicago	30,957	1,202	"	1,532	3,955	29,736	1,100	0
St. Louis	21,583	0	"	8,398	2,240	27,741	0	0
Minneapolis	16,980	0	"	5,624**	886	21,718	0	0
Kansas City	18,160	0	"	1,103	2,427	16,836	0	0
Dallas	29,961	0	"	5,785	1,903	33,843	0	0
San Francisco	28,335	1,839	"	1,672	2,410	29,436	1,866	0
	\$317,438	\$43,166		\$31,456	\$36,347	\$329,261	\$34,463	\$3,400

* Represents bills held overnight by New York for distribution to other F. R. Banks.

** Includes \$2,500,000 sold from Boston's and \$2,504,000 sold from Philadelphia's portfolio to Minneapolis.

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 9, 1925
(000 Omitted)

	1 - 30 days 3 1/4-3 3/8%	31 - 60 days 3 1/4-3 1/2%	61 - 90 days 3 3/8-3 1/2%	Over 90-days 3 1/2-3 3/4%	Total
Boston	\$ 1,752	\$ 1,497	\$ 5,743	\$ 969	\$ 9,961
New York	7,998	7,788	10,294	1,163	27,243
Philadelphia	127	631	1,725	0	2,483
Richmond	94	0	100	0	194
Atlanta	68	0	164	12	244
Chicago	45	460	697	0	1,202
San Francisco	1,206	372	261	0	1,839
Totals	\$11,290	\$10,748	\$18,984	\$2,144	\$43,166

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Authority EO 10501

5

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 9, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$627	\$48,170	\$48,797
Sold	71	0	71
Matured	0	<u>36,347</u>	<u>36,347</u>
		\$11,823+	\$12,379+
		<u>229+</u> (1-day holdover)	<u>229+</u> (1-day holdover)
	<u>\$556+</u>	<u>\$12,052+</u>	<u>\$12,608+</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

	(Including Sales Contracts)						
<u>Holdings Dec. 9, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$ 83,769	0	0	0	\$81,562	\$186,539	\$351,870
Bills Purchased	<u>113,683</u>	<u>64,550</u>	<u>108,277</u>	<u>68,480</u>	<u>14,560</u>	<u>0</u>	<u>369,550</u>
Totals	<u>\$197,452</u>	<u>\$64,550</u>	<u>\$108,277</u>	<u>\$68,480</u>	<u>\$96,122</u>	<u>\$186,539</u>	<u>\$721,420</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 8, 1925.

To All members of the Board.

Subject: # 2

From Mr. Eddy.

333.1

2-6496

For your information:

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- ✓ Mr. James
- ✓ Mr. Cunningham
- ✓ Mr. Miller.

Please return to Secretary's Office.

*Noted
JAE*

DECLASSIFIED
Authority EO 10501

December 8, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 7th instant, addressed to Governor Crisinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 26 to December 2, 1925, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

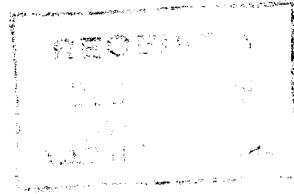
(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK




CONFIDENTIAL

December 7, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 26 to December 2, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority FD-10501

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 2, 1925**

Holdings of Earning Assets of Federal Reserve Banks quarterly from January 1925
 to Date as Compared With Corresponding Period 1924

(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-						
Jan. 9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
June 25	826,260	427,032	2,762	44,065	969	350,131
Sept. 24	928,355	574,586	10	90,431	1,470	259,863
Nov. 19	1,098,716	586,575	500	261,536	13,709	233,844
" 26	1,087,171	581,463	750	267,279	13,722	221,405
Dec. 3	1,186,527	571,941	3,000	315,129	39,477	248,928
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,403
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,188
Nov. 18	1,263,476	315,617	17,662	323,811	26,169	566,366
" 25	1,326,121	315,713	16,536	326,924	32,534	624,714
Dec. 2	1,352,477	315,147	24,232	323,035	34,688	643,875

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED DECEMBER 2, 1925**

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 2	Net Change	Balance Dec. 2	Net Change	Balance Dec. 2	Net Change
Boston	\$ 7,211	0	\$ 78,539	\$ 7,093-	\$ 38,961	\$ 6,891+
New York	52,684	0	1,105	718-	187,759	4,924-
Philadelphia	19,063	0	14,620	50+	59,108	4,048+
Cleveland	30,430	550-	3,536	578-	75,923	2,040-
Richmond	5,444	0	3,962	606-	37,586	363-
Atlanta	15,237	24-	64,650	647+	31,154	4,127+
Chicago	42,017	0	30,957	2,361-	82,190	9,227+
St. Louis	20,488	0	21,533	1,642-	24,665	6,203-
Minneapolis	16,573	0	16,930	9,665+	6,065	7+
Kansas City	33,419	0	18,160	2,482-	21,518	1,811-
Dallas	23,640	8+	29,961	2,866+	10,778	1,639+
San Francisco	43,936	0	28,335	203-	63,168	3,513+
N.Y. holdovers and other bills			5,597	1,234-		
Totals	\$215,147	\$566-	\$323,035	\$3,889-	\$643,875	\$19,161+

COMMENT ON CHANGES WEEK ENDED DECEMBER 2, 1925

There was an increase of \$26,400,000 in total earning assets of the Federal Reserve System during the week. The increases were as follows: \$7,700,000 in securities held under sales contracts, \$2,200,000 in bankers acceptances held under sales contracts, \$19,100,000 in bills discounted, and \$1,800,000 in foreign loans on gold; while bankers acceptances held outright decreased \$3,900,000.

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Money
Market

Rates of call loans on the Stock Exchange varied little during the week. After renewing on Monday, at 5%, a loss of funds to the interior caused an advance in the rate to 5 1/2 per cent, the highest since October 15. Accompanying the gain of funds in the market on Tuesday, the rate was lowered to 5 per cent, and held unchanged at that figure throughout the balance of the week.

Time money was dull and rates were unchanged at 4 7/8 per cent to 5 per cent for all maturities. The business was mostly in 3 months' loans and in replacements.

Commercial paper continued quiet in New York but a fair volume of sales was reported in the Middle West, New England and middle Atlantic states. Dealers' portfolios are very light and the supply of new paper coming into the market is small.

Government
Security
Market

Although trading in long-term Government securities was generally quiet there was sufficient buying to cause prices to advance in most all issues, except the Second 4 1/4 per cent Liberty bonds which declined 3/32nds. The Third Liberty Loan issue sold as high as 101 8/32, an increase of 2/32nds over the previous week.

In the short-term Government security list the demand was centered chiefly in the two issues of certificates due in June 1926 and prices advanced 2/32nds. Other issues held firm at the levels of the previous week.

Bankers
Acceptances

The Federal Reserve Bank of Boston sold during the period from portfolio \$10,000,000 bankers acceptances to the Minneapolis bank.

Dealers' offering rates for unindorsed bills continued unchanged at 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports that the trading in bankers acceptances was fairly active during the week. The supply increased somewhat but the demand continued small and was mostly from local banks. Offerings to the reserve bank were in heavy volume. In New York there was little interest shown in the bill market during the period. The supply and demand were about equal but both were substantially less than the previous week. Dealers combined portfolios were practically unchanged. Philadelphia reports that offerings of bills in that district increased considerably but the demand continued light.

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3

SYSTEM SPECIAL INVESTMENT ACCOUNT

There were no transactions in the System Special Investment Account during the period, the participation of the different banks and the classification of issues held by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	<u>34,231,500</u>		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was purchased during the period \$300,000 Second Liberty Loan 4 1/4% bonds for account of the Secretary of the Interior - Investment of Indian Moneys.

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 Authority EO 10501

4

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM NOVEMBER 26 TO DECEMBER 2, 1925

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Nov. 25	Purchased Own Market	Rec'd by Allotment	Matured	Holdings Dec. 2	Other Holdings Close Dec. 2/25 Sales Contracts	Other Bills
Boston	\$ 85,682	\$ 8,647 Retained	0	\$15,740**	\$ 78,589	\$ 1,129	0
New York	1,823	(774 " (18,425 Allotted	0	1,492	1,105	30,711	1,054
Philadelphia	14,570	2,325 Retained	0	2,275	14,620	0	0
Cleveland	9,114	255 "	0	833	8,536	0	674
Richmond	4,568	440 "	0	1,046	3,962	0	0
Atlanta	64,003	714 "	7,474	7,541	64,650	0	1,901
Chicago	33,318	997 "	2,116	5,474	30,957	755	0
St. Louis	23,425	0	0	1,842	21,583	0	0
Minneapolis	7,315	0	10,981**	1,316	16,980	0	0
Kansas City	20,642	0	0	2,482	18,160	0	0
Dallas	27,095	596 "	5,149	2,879	29,961	0	0
San Francisco	28,538	491 "	2,705	3,399	28,335	2,093	0
Totals	\$320,093	\$33,664	\$28,425	\$46,319	\$317,438	\$34,688	\$3,629
						1,968	Hold over

* Represents bills held overnight by New York for distribution to other F. R. Banks.

**Includes \$10,000,000 sold from Boston's portfolio to Minneapolis.

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 2, 1925
 (000 Omitted)

	1 - 30 days 3 1/4 - 3 3/8%	31 - 60 days 3 1/4 - 3 3/8%	61 - 90 days 3 3/8 - 3 1/2%	Over 90 days 3 1/2 - 3 3/4%	Total
Boston	\$ 737	\$2,042	\$ 4,259	\$1,609	\$ 8,647
New York	7,824	4,353	5,664	1,358	19,199
Philadelphia	267	379	1,679	0	2,325
Cleveland	0	0	255	0	255
Richmond	40	0	400	0	440
Atlanta	0	635	79	0	714
Chicago	0	609	388	0	997
Dallas	22	159	130	285	596
San Francisco	319	85	87	0	491
	\$9,209	\$8,262	\$12,941	\$3,252	\$33,664

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Authority FD 10501

5

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 2, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
(000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 8	\$43,664	\$43,672
Sold	574	0	574
Matured	0	46,319	46,319
		\$ 2,655-	\$ 3,221-
		1,234- (1-day holdover)	1,234- (1-day holdover)
	\$566-	\$ 3,889-	\$4,455-
	<u>=====</u>	<u>=====</u>	<u>=====</u>

	(Including Sales Contracts)						
<u>Holdings Dec. 2, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$ 71,381	\$ 0	\$ 0	\$ 0	\$81,562	\$186,486	\$339,429
Bills Purchased	107,875	61,183	111,115	60,854	16,696	0	357,723
Totals	\$179,256	\$61,183	\$111,115	\$60,854	\$98,258	\$186,486	\$697,152
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

DECLASSIFIED
Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 2, 1925.

To All members of the Board.

Subject: _____

From Mr. No. 11

[Handwritten signature]

333 /

2-5105

For your information.

- ☒ Governor Crissinger
- ☒ Mr. Platt
- ☒ Mr. Hamlin
- ☒ Mr. James
- ☒ Mr. Cunningham
- ☒ Mr. Miller

Please return to Secretary's Office.

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DECLASSIFIED
Authority EO 10501

December 2, 1925.

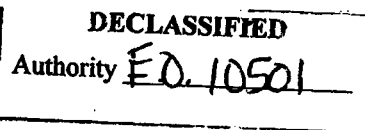
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 1st instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 19 to November 25, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

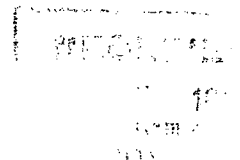
Very truly yours,

J. C. Noell,
Assistant Secretary.

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



**FEDERAL RESERVE BANK
OF NEW YORK**



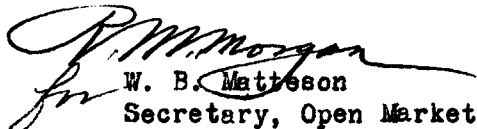
CONFIDENTIAL

December 1, 1925

S i r :

We are enclosing report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 19 to November 25, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Mattheson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority FD-10501

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 25, 1925**

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
 to Date as Compared With Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Nov.	12	1,064,343	586,864	1,500	225,245	22,945	224,232
"	19	1,098,716	586,575	500	261,536	13,709	233,844
"	26	1,087,171	581,463	750	267,279	13,722	221,405
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Nov.	10	1,259,874	315,131	18,877	322,579	30,108	564,660
"	18	1,263,476	315,617	17,662	328,811	26,169	566,366
"	25	1,326,121	315,713	16,586	326,924	32,534	624,714

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED NOVEMBER 25, 1925.**

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Nov. 25	Change	Nov. 25	Change	Nov. 25	Change
Boston	\$ 7,211	0	\$ 85,682	\$4,786+	\$ 32,070	\$ 9,602-
New York	52,684	0	1,823	141+	192,683	44,706+
Philadelphia	19,063	0	14,570	588-	55,060	1,120+
Cleveland	30,980	0	9,114	1,015-	77,963	4,573-
Richmond	5,444	0	4,568	543-	37,949	1,780-
Atlanta	15,261	78+	64,003	346+	27,027	1,297-
Chicago	42,017	0	33,318	699-	72,963	16,355+
St. Louis	20,488	0	23,425	520-	30,868	242+
Minneapolis	16,578	1+	7,315	862-	6,058	771-
Kansas City	33,419	0	20,642	3,916-	23,329	4,140+
Dallas	28,632	16+	27,095	434-	9,089	461+
San Francisco	43,936	1+	28,538	1,348-	59,655	9,347+
N.Y. holdovers and other bills			6,831	2,765+		
Totals	\$315,713	\$96+	\$326,924	\$1,887-	\$624,714	\$58,348+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 25, 1925

There was a further increase of \$62,600,000 in total earning assets of the Federal Reserve System during the week. The increases were as follows: \$58,300,000 in bills discounted, \$6,300,000 in bankers acceptances held under sales contracts, and \$800,000 in foreign loans on gold; while bankers acceptances held outright and securities held under sales contracts decreased \$1,800,000 and \$1,000,000 respectively.

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Money
Market

There was little change in money conditions in New York during the week. Stock Exchange call loan renewals were made at an average rate of 4.63 per cent as compared with 4.75 per cent for the previous week. As a result of ample offerings on Monday the call loan rate held steady at 4 1/2 per cent. A slightly firmer condition, however, prevailed during the balance of the week, accompanying gold exports, currency withdrawals, and a small movement of funds to the interior.

Time money was fairly active and nominal rates for all maturities were unchanged at 4 7/8 - 5 per cent. Loans for 90 days composed the principal part of the trading.

Commercial paper was less active in the interior and also remained generally quiet in New York. Dealers' portfolios are light and the volume of sales is limited to the small supply coming into the market. Rates held firm at 4 1/4 per cent and 4 1/2 per cent, depending on the quality of the names offered.

Government
Security
Market

United States Government long-term issues were slightly more active during the week. Following the announcement on Friday of the Treasury's offer to purchase Third Liberty Loan bonds for the Sinking Fund from individual holders, the price of this issue on the Exchange advanced from a low earlier in the week of 100 25/32 to a high of 101 6/32. Other active issues made corresponding net advances ranging from 3/32nds to 6/32nds.

Trading in short-term certificates and notes continued in small volume and prices at the close averaged 1/32nd higher than the previous week.

Bankers
Acceptances

Dealers' offering rates for unindorsed bills were unchanged at 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

In Boston the supply of new bills increased somewhat including a few blocks covering the financing of oil and cotton. The demand in general was small and was confined mostly to a few orders of sizeable amounts. Offerings to the reserve bank were quite heavy. In New York there was a substantial increase in the supply but the demand was moderate and dealers' aggregate portfolios reached the highest point of the year. Offerings to the reserve bank were moderate and were mostly from banks. Philadelphia reports a quiet bill market in that district. The supply was moderate and demand slightly improved over the previous week. Chicago states the market for bills in the Middle West continues very dull, the supply being in excess of the demand.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There were no transactions in the System Special Investment Account during the period, the participation of the different banks and the classification of issues held by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,985,000
New York	51,427,000
Philadelphia	1,565,000
Cleveland	11,651,500
Richmond	4,102,500
Atlanta	12,097,000
Chicago	22,010,500
St. Louis	18,872,500
Minneapolis	9,020,000
Kansas City	20,844,000
Dallas	22,143,500
San Francisco	<u>34,281,500</u>
Totals	<u>\$210,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1925	\$ 38,160,100
March 15, 1926	75,266,700
September 15, 1926	40,401,000
March 15, 1927	23,875,900
December 15, 1927	32,296,300
	<u>\$210,000,000</u>

There were no transactions during the week for account of United States Treasury.

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4

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM NOVEMBER 19 TO NOVEMBER 25, 1925

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Nov. 18</u>	<u>Purchased</u> <u>Own Market</u>	<u>Received by</u> <u>Allotment</u>	<u>Matured</u>	<u>Holdings</u> <u>Nov. 25</u>	<u>Other Holdings</u> <u>Close Nov. 25/25</u> <u>Sales</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 80,896	\$11,072 Retained	0	\$ 6,286	\$ 85,682	\$ 310	0
New York	1,682	(1,158 " (12,462 Allotted	0	1,017	1,823	29,268	1,154
Philadelphia	15,158	2,516 Retained	0	3,104	14,570	0	0
Cleveland	10,129	0	0	1,015	9,114	0	531
Richmond	5,111	120 "	0	663	4,568	0	0
Atlanta	63,657	476 "	5,266	5,396	64,003	0	1,983
Chicago	34,017	1,526 "	1,482	3,707	33,318	1,133	0
St. Louis	23,945	0	1,489	2,009	23,425	0	0
Minneapolis	8,177	0	345	1,207	7,315	0	0
Kansas City	24,558	0	0	3,916	20,642	0	0
Dallas	27,529	0	2,728	3,162	27,095	0	0
San Francisco	29,886	672	1,152	3,172	28,538	1,823	0
Totals	\$324,745	\$30,002	\$12,462	\$34,654	\$320,093	\$32,534	\$3,668
						3,163 Holdover	

* Represents bills held overnight by New York for distribution to other F.R. Banks

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING NOVEMBER 25, 1925
(000 Omitted)

	<u>1 - 30 days</u> <u>3 1/4 - 3 3/8%</u>	<u>31-60 days</u> <u>3 1/4 - 3 3/8%</u>	<u>61-90 days</u> <u>3 3/8 - 3 1/2%</u>	<u>Over 90 days</u> <u>3 1/2 - 3 5/8%</u>	<u>Total</u>
Boston	\$ 827	\$1,178	\$ 7,254	\$1,813	\$11,072
New York	4,698	2,849	4,189	1,884	13,620
Philadelphia	401	727	1,388	0	2,516
Richmond	75	45	0	0	120
Atlanta	91	188	197	0	476
Chicago	0	323	1,203	0	1,526
San Francisco	333	147	192	0	672
Totals	\$6,425	\$5,457	\$14,423	\$3,697	\$30,002

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
 BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 25, 1925 AND
 HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$177	\$30,002	\$30,179
Sold	81	0	81
Matured	0	<u>34,654</u>	<u>34,654</u>
		\$ 4,652-	\$ 4,556-
		<u>2,765+</u> (1-day holdover)	<u>2,765+</u> (1-day holdover)
	\$ 96+	\$ 1,887-	\$ 1,791+
	<u>=====</u>	<u>=====</u>	<u>=====</u>

(Including Sales Contracts)

<u>Holdings Nov. 25, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$ 16,586	\$ 47,649	\$ 0	\$ 0	\$81,562	\$186,502	\$332,299
Bills Purchased	<u>104,633</u>	<u>65,345</u>	<u>107,422</u>	<u>63,917</u>	<u>18,141</u>	<u>0</u>	<u>359,458</u>
	\$121,219	\$112,994	\$107,422	\$63,917	\$99,703	\$186,502	\$691,757
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date November 25, 1925.

To All members of the Board.

Subject: 333 /

From Mr. Noell.

—6496

For your information.

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- ✓ Mr. James
- ✓ Mr. Cunningham
- ✓ Mr. Miller.

Please return to Secretary's Office.

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November 25, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 23rd instant, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 12 to November 18, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

J. C. Noell,
Assistant Secretary.

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

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**FEDERAL RESERVE BANK
OF NEW YORK**


CONFIDENTIAL

November 23, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from November 12 to November 18, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


for W. B. Motteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 18, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
 to Date as Compared With Corresponding Period 1924

(000 Omitted)

	TOTAL EARNING ASSETS	<u>GOVERNMENT SECURITIES</u>		<u>BANKERS ACCEPTANCES</u>		<u>BILLS</u>
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	<u>DISCOUNTED</u>
-1924-						
Jan. 9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
June 25	826,260	427,032	2,762	44,065	969	350,131
Sept. 24	928,355	574,586	10	90,431	1,470	259,863
Nov. 5	1,052,544	584,874	1,000	191,227	43,621	229,263
Nov. 12	1,064,343	586,864	1,500	225,245	22,945	224,232
Nov. 19	1,098,716	586,575	500	261,536	13,709	233,844
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,188
Nov. 4	1,316,036	315,094	15,131	309,975	32,478	636,338
Nov. 10	1,259,874	315,131	18,877	322,579	30,108	564,660
Nov. 18	1,263,476	315,617	17,662	328,811	26,169	566,366

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED NOVEMBER 13, 1925

(000 Omitted)

	<u>GOVERNMENT SECURITIES</u>		<u>BANKERS ACCEPTANCES</u>		<u>BILLS DISCOUNTED</u>	
	Balance	Net	Balance	Net	Balance	Net
	<u>Nov. 18</u>	<u>Change</u>	<u>Nov. 18</u>	<u>Change</u>	<u>Nov. 18</u>	<u>Change</u>
Boston	\$ 7,211	\$ 8 -	\$ 80,896	\$4,983+	\$ 41,672	\$2,974-
New York	52,684	0	1,682	1,315+	147,977	5,159-
Philadelphia	19,063	0	15,158	933-	53,940	8,232+
Cleveland	30,980	0	10,129	1,122-	82,536	4,886+
Richmond	5,444	0	5,111	36-	39,729	2,967-
Atlanta	15,183	169 +	63,657	8,681+	28,324	5,663+
Chicago	42,017	0	34,017	63-	56,608	9,473-
St. Louis	20,488	1 +	23,945	3,360+	30,626	8,020+
Minneapolis	16,577	1 -	8,177	1,109-	6,829	2,731+
Kansas City	33,419	300 +	24,558	3,809-	19,189	3,048+
Dallas	28,616	24 +	27,529	1,696-	8,628	713-
San Francisco	43,935	1 +	29,886	251+	50,308	9,588-
N. Y. holdovers and other bills			4,066	3,590-		
Totals	<u>\$315,617</u>	<u>\$486 +</u>	<u>\$328,811</u>	<u>\$6,232+</u>	<u>\$566,366</u>	<u>\$1,706+</u>

COMMENT ON CHANGES WEEK ENDED NOVEMBER 18, 1925

Total earning assets of the Federal Reserve System increased \$3,600,000 during the week. The chief increases were as follows: \$6,300,000 in bankers acceptances held outright and \$1,700,000 in bills discounted, while securities and bankers acceptances held under sales contracts decreased \$1,200,000 and \$4,000,000 respectively.

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Money
Market

Money conditions in New York were virtually unchanged from the previous week; Stock Exchange call loan renewals were made at an average rate of 4.75 per cent as compared with 4.70 per cent last week. After renewing at 4 1/2 per cent on Monday the rate advanced to 5 per cent but at midday Wednesday, accompanying large offerings, the rate was lowered to 4 1/2 per cent, which was also the ruling rate throughout the balance of the week.

Time money continued dull and rates for all maturities remained unchanged at 4 7/8 to 5 per cent. The majority of loans were placed at the asked price.

Commercial paper was moderately active in the interior with demand about equal to the existing small supply. Choice names of short maturity continued at 4 1/4 per cent with other names going at 4 1/2 per cent.

Government
Security
Market

There was little activity in United States Government securities during the week. Prices of long-term Liberty and Treasury bonds were irregular and showed net declines at the close of the week ranging from 3/32nds to 6/32nds.

Offerings in the market of short-term Government securities were about offset by the demand and prices held generally steady with the exception of the Treasury Notes maturing in 1927 which declined 3/32nds.

Bankers
Acceptances

Dealers' offering rates on unindorsed bills continued unchanged at 3 1/4 per cent for 30-day bills, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports a comparatively quiet acceptance market during the week. The supply of bills was small but about sufficient to meet the very light demand which was confined mostly to maturities within 45 days. In the New York market the supply and demand were smaller than during the previous week and about offset each other. Offerings to the reserve bank by banks and dealers were in smaller volume than for any week since early October. In Philadelphia the supply continued fairly good but there was only a light demand. Chicago reports very little demand for bills through the Middle West.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There were no transactions in the System Special Investment Account during the period, the participation of the different banks and the classification of issues held by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	34,281,500		
Totals	\$210,000,000		\$210,000,000

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was purchased for account of the Secretary of the Interior as an investment of Individual Indian Moneys on the Stock Exchange and through private sale, an aggregate of \$3,000,000 Second Liberty Loan 4 1/4% bonds at prices ranging from 100 23/32 to 100 27/32.

There was also purchased for account of the Alien Property Custodian \$500,000 face amount 3 1/4% certificates of indebtedness maturing June 15, 1926 at 99 23/32.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM NOVEMBER 10 TO NOVEMBER 18, 1925**

BANKERS ACCEPTANCES
 (000 Omitted)

	(Excluding Sales Contracts)				Other Holdings Closed November 18, 1925		
	Holdings Nov. 10	Purchased Own Market	Rec'd by Allotment	Matured	Holdings Nov. 18	Sales Contracts	Other Bills
Boston	\$ 75,913	\$10,033	Retained -0-	\$ 5,050	\$80,896	\$ 365	-0-
New York	367	(1,484	" -0-	169	1,682	22,997	901
		(28,809	Allotted			672*	
Philadelphia	16,091	1,432	Retained -0-	2,365	15,158	-0-	-0-
Cleveland	11,251	371	" -0-	1,493	10,129	-0-	483
Richmond	5,147	394	" -0-	430	5,111	-0-	-0-
Atlanta	54,976	430	" 14,596	6,345	63,657	-0-	2,010
Chicago	34,080	1,144	" 3,015	4,222	34,017	989	-0-
St. Louis	20,585	-0-	" 5,081	1,721	23,945	-0-	-0-
Minneapolis	9,286	-0-	" 620	1,729	8,177	-0-	-0-
Kansas City	28,367	-0-	" -0-	3,809	24,558	-0-	-0-
Dallas	29,225	-0-	" 2,619	4,315	27,529	-0-	-0-
San Francisco	29,635	2,106	" 2,878	4,733	29,886	1,818	-0-
Totals	\$314,923	\$46,203	\$28,809	\$36,381	\$324,745	\$26,169	\$3,394
						672 Holdover	

* Represents bills held over night by New York for distribution to other F. R. Banks

MATURITIES AND RATES OF BILLS PURCHASED WEEK ENDING NOVEMBER 18, 1925
 (000 Omitted)

	1 - 30 days 3 1/4 - 3 3/8%	31 - 60 days 3 1/4 - 3 1/2%	61 - 90 days 3 3/8 - 3 1/2%	Over 90 days 3 1/2 - 3 3/4%	Total
Boston	\$ 421	\$ 486	\$ 7,276	\$ 1,850	\$ 10,033
New York	10,558	8,220	9,682	1,833	30,293
Philadelphia	264	304	364	-0-	1,432
Cleveland	-0-	-0-	160	211	371
Richmond	80	214	100	-0-	394
Atlanta	205	13	200	7	430
Chicago	115	179	850	-0-	1,144
San Francisco	472	926	708	-0-	2,106
Totals	\$12,115	\$10,347	\$19,840	\$3,901	\$46,203

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
 BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 18, 1925 AND
 HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**
 (000 Omitted)

	(Excluding Sales Contracts)		
	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 627	\$46,203	\$46,830
Sold	141	0	141
Matured	0	<u>36,381</u>	<u>36,381</u>
		\$ 9,822+	\$10,308+
		<u>3,590-</u> (1-day holdover)	<u>3,590-</u> (1-day holdover)
	\$486+	\$6,232+	\$ 6,718+
	<u>=====</u>	<u>=====</u>	<u>=====</u>

	(Including Sales Contracts)						
<u>Holdings Nov. 18, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$17,662	\$ 47,647	\$ 0	\$ 0	\$81,562	\$186,408	\$333,279
Bills Purchased	<u>101,396</u>	<u>64,868</u>	<u>105,985</u>	<u>66,519</u>	<u>16,212</u>	<u>0</u>	<u>354,980</u>
Totals	<u>\$119,058</u>	<u>\$112,515</u>	<u>\$105,985</u>	<u>\$66,519</u>	<u>\$97,774</u>	<u>\$186,408</u>	<u>\$688,259</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 10, 1925**

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
 to Date as Compared With Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Nov.	5	1,052,544	584,874	1,000	191,227	43,621	229,263
Nov.	12	1,064,343	586,864	1,500	225,245	22,945	224,232
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Nov.	4	1,316,036	315,094	15,131	309,975	32,478	636,338
Nov.	10	1,259,874	315,131	18,877	322,579	30,108	564,660

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED NOVEMBER 10, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 10	Net Change	Balance Nov. 10	Net Change	Balance Nov. 10	Net Change
Boston	\$ 7,219	0	\$ 75,913	\$11,254+	\$ 44,646	\$ 3,619+
New York	52,684	0	367	1,228-	153,136	38,137-
Philadelphia	19,063	0	16,091	325-	45,708	4,239-
Cleveland	30,980	0	11,251	1,279-	77,650	4,312+
Richmond	5,444	1+	5,147	104+	42,696	513-
Atlanta	15,014	35+	54,976	5,259+	22,661	3,136-
Chicago	42,017	0	34,080	842-	66,081	9,453-
St. Louis	20,487	0	20,585	727+	22,606	8,550-
Minneapolis	16,578	0	9,286	2,165-	4,098	2,279-
Kansas City	33,119	1+	28,367	2,253-	16,141	1,417-
Dallas	28,592	0	29,225	1,907-	9,341	1,964-
San Francisco	43,934	0	29,635	3,307+	59,896	9,921-
N.Y. holdovers and other bills			7,656	1,952+		
Totals	\$315,131	\$37+	\$322,579	\$12,604+	\$564,660	\$71,678-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 10, 1925

Total earning assets of the System declined \$56,200,000 during the week. There were decreases of \$2,300,000 in bankers acceptances held under sales contracts and \$71,700,000 in bills discounted, which were partially offset by increases of \$3,700,000 in Government securities held under sales contracts, \$12,600,000 in bankers acceptances held outright and \$1,500,000 in other earning assets.

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2

Money
Market

The deficit in reserves of leading New York City banks resulting from repayment of loans at this bank and a loss of funds to the interior was reflected in firm money during the early part of the week. After renewing at $4 \frac{3}{4}$ per cent on Monday, Stock Exchange call funds advanced to 5 per cent but on Tuesday, following a return of funds to this market, the rate was lowered to $4 \frac{1}{2}$ per cent where it held practically unchanged for the balance of the week. The plentiful supply of money on offer on Thursday resulted in a 4 per cent rate for loans in the outside market.

Time money continued quiet and unchanged in quotation at $4 \frac{7}{8}$ to 5 per cent for all maturities, with considerable amount of business at the lender's asking rate.

The demand for commercial paper continued in fair volume from the middle west and New England. Florida banks were also reported as purchasing to some extent. Rates prevailed at $4 \frac{1}{4}$ to $4 \frac{1}{2}$ per cent for prime names.

Government
Security
Market

There was little activity in the Government security market during the week. Prices of long-term issues were irregular and closed slightly lower than the levels of the previous week.

Trading in short-term certificates and notes continued quiet and prices held generally firm. Dealers reported a fair demand for the March 1926 notes which were quoted at prices to yield approximately 3.48 per cent.

Bankers
Acceptances

Owing to their improved reserve position, the Federal Reserve Bank of Dallas has resumed their regular participation in System purchases of bills.

Dealers' offering rates on unindorsed bills continued unchanged at $3 \frac{1}{4}$ per cent for 30-day bills, $3 \frac{3}{8}$ per cent for 60's, $3 \frac{1}{2}$ for 90's and $3 \frac{5}{8}$ per cent for 120-day maturities.

Boston reports a fairly active market in bankers acceptances during the week. A moderate supply of bills came out but the demand was rather light and substantial offerings were made to the reserve bank. In New York there was a considerable increase in both the supply and demand as compared with the previous week. Bills of longer maturity were in best demand with fairly good buying reported for foreign account. In Philadelphia and Chicago districts the acceptance market remained quiet. Offerings continued in good volume but the demand was negligible.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

The holdings of Government securities in the System Special Investment Account continued unchanged during the period. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	<u>34,281,500</u>		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under Treasury authority the Federal Reserve Bank of New York purchased during the period \$5,400 par value Third Liberty Loan 4 1/4% bonds for account of the General Railroad Contingent Fund.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM NOVEMBER 5 TO NOVEMBER 10, 1925

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close November 10, 1925</u>
Boston	0	-	0	-	\$1,263,000 Sales contracts
New York	0	-	0	-	9,770,000 Sales contracts
Richmond	1,000 Misc. Govt. Sec.		0	-	0
Atlanta	70,650 Misc. Govt. Sec.		35,700 Misc. Govt. Sec.		0
Chicago	0	-	0	-	3,594,000 Sales contracts
Kansas City	1,000 B-1927 Notes		0	-	2,000,000 Sales contracts
Dallas	<u>10,000 Misc. Govt. Sec.</u>		<u>10,150 Misc. Govt. Sec.</u>		<u>2,250,000 Sales contracts</u>
Totals	<u>\$82,650</u>		<u>\$45,850</u>		<u>\$18,877,000</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings Close November 10, 1925</u>
Boston	1 - 30 days	\$3,612,000	3 1/4% - 3 3/8%	\$3,152,000	\$ 668,000 Sales contracts
	31 - 60 "	712,000	3 1/4% - 3 1/2%		
	61 - 90 "	7,918,000	3 3/8% - 3 1/2%		
	Over 90 "	<u>2,164,000</u>	3 1/2% - 3 3/4%		
		<u>\$14,406,000</u>			
New York	1 - 30 days	27,000	3 1/4%	1,310,000	25,809,000 Sales contracts
	31 - 60 "	16,000	3 3/8%		
	61 - 90 "	<u>39,000</u>	3 3/8%		5,351,000 one-day holdover distribution F.R. Bks.
		<u>\$82,000</u>			83,000 Domestic trade acceptances
					444,000 Foreign trade acceptances
					255,000 Special foreign bills

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings Close</u> <u>November 10, 1925</u>
Philadelphia	1-30 days	\$ 240,000	3 1/4%	\$1,136,000	\$ 0
	31-60 "	248,000	3 1/4% - 3 3/8%		
	61-90 "	323,000	3 3/8% - 3 1/2%		
		<u>\$ 811,000</u>			
Cleveland	31-60 days	19,000	3 3/8%	1,857,000	105,000 Foreign
	61-90 "	559,000	3 3/8%		trade ac-
		<u>\$ 578,000</u>			ceptances
					588,000 Sterling
					bills
Richmond	1-30 days	338,000	3 3/8%	599,000	0
	31-60 "	335,000	3 3/8% - 3 5/8%		
	61-90 "	30,000	3 1/2%		
		<u>\$ 703,000</u>			
Atlanta	1-30 days	80,000	3 1/4%	4,664,000	830,000 Unindorsed
	61-90 "	191,000	3 3/8%		bills pur-
	Allotment	9,652,000	3 1/4% - 3 3/4%		chased from
	N.Y. Purch.	<u>\$9,923,000</u>			accepting
					banks
Chicago	31-60 days	128,000	3 1/4% - 3 3/8%	2,915,000	503,000 Sales
	61-90 "	379,000	3 3/8%		contracts
	Allotment	1,566,000	3 1/4% - 3 3/4%		
	N.Y. Purch.	<u>\$2,073,000</u>			
St. Louis	Allotment	749,000	3 1/4% - 3 3/4%	22,000	0
	N.Y. Purch.				
Minneapolis	Allotment	70,000	3 1/4% - 3 3/4%	2,235,000	0
	N.Y. Purch.				
Kansas City	-	0	-	2,253,000	0
Dallas	-	0	-	1,854,000	0
				53,000	Sold to
					Mem. Bks.

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BANKERS ACCEPTANCES - (Continued)

<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings Close</u> <u>November 10, 1925</u>	
San Francisco 1-30 days	\$ 543,000	3 1/4%	\$ 1,680,000	\$ 3,128,000	Sales
31-60 "	523,000	3 1/4% - 3 3/8%			contracts
61-90 "	1,244,000	3 3/8% - 3 1/2%			
Allotment	<u>2,677,000</u>	3 1/4% - 3 3/4%			
N.Y. Purch.	\$4,987,000			\$30,108,000	Sales
					contracts
				<u>7,656,000</u>	Other
					bills
Totals	<u>\$34,382,000</u>		<u>\$23,730,000</u>	<u>\$37,764,000</u>	

10652

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 10, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$ 83	\$34,382	\$34,465
Sold	46	0	46
Matured	<u>0</u>	<u>23,730</u>	<u>23,730</u>
		\$10,652+	\$10,689+
		<u>1,952+</u> (1-day holdover)	<u>1,952+</u> (1-day holdover)
	\$ 37+	\$12,604+	\$12,641+

(Including Sales Contracts)

<u>Holdings</u> <u>Nov. 10, 1925</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 Days-</u> <u>6 Months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	18,877	\$ 0	\$ 47,350	\$ 0	\$81,562	\$186,219	\$334,008
Bills Purchased	<u>105,640</u>	<u>50,529</u>	<u>98,609</u>	<u>71,671</u>	<u>16,238</u>	<u>0</u>	<u>352,687</u>
Totals	<u>\$124,517</u>	<u>\$60,529</u>	<u>\$145,959</u>	<u>\$71,671</u>	<u>\$97,800</u>	<u>\$186,219</u>	<u>\$686,695</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

To All members of the Board.

Subject: 7

From Mr. Eddy.

Date November 10, 1925.

FEDERAL RESERVE

333 • 1

For your information.

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Cunningham ✓

Mr. Miller ✓

Please return to Secretary's Office.

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November 10, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 9th instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 29 to November 4, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,
(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK

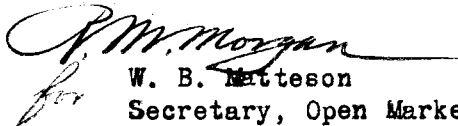
CONFIDENTIAL

November 9, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 29 to November 4, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 4, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared With Corresponding Period 1924
(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Oct.	29	1,024,176	576,200	8	179,746	35,658	222,565
Nov.	5	1,052,544	584,874	1,000	191,227	43,621	229,263
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Oct.	28	1,250,087	314,933	9,824	297,453	31,264	589,994
Nov.	4	1,316,036	315,094	15,131	309,975	32,478	636,338

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED NOVEMBER 4, 1925
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 4	Net Change	Balance Nov. 4	Net Change	Balance Nov. 4	Net Change
Boston	\$ 7,219	0	\$ 64,659	\$ 3,792+	\$ 41,027	\$ 6,156+
New York	52,684	0	1,595	372+	191,273	35,018+
Philadelphia	19,063	0	16,416	1,410-	49,947	9,741-
Cleveland	30,980	0	12,530	444-	73,338	4,227-
Richmond	5,443	1-	5,043	319+	43,209	1,896-
Atlanta	14,979	62+	49,717	10,792+	25,797	2,523+
Chicago	42,017	0	34,922	1,197+	75,534	4,832+
St. Louis	20,487	99+	19,858	1,338+	31,156	308+
Minneapolis	16,578	0	11,451	2,748-	6,377	560+
Kansas City	33,118	0	30,620	747+	17,558	1,300+
Dallas	28,592	2+	31,132	1,223+	11,305	2,187+
San Francisco	43,934	1-	26,328	3,004+	69,817	9,324+
N.Y. holdovers and other bills			5,704	5,660-		
Totals	\$315,094	\$161+	\$309,975	\$12,522+	\$636,338	\$46,344+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 4, 1925

There was a further increase of \$66,000,000 in the total earning assets of the System during the week. Increases consisted of \$12,522,000 in bills purchased outright, \$46,344,000 in bills discounted, holdings under sales contracts \$1,200,000 in bills and \$5,307,000 in Government securities.

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Money
Market

Following the completion of November 1 settlements, money conditions in New York turned slightly easier. Early in the week the rate on stock exchange call loans held firm at 5%, but subsequently became lower and closed on Friday at 4 1/2%.

Time money remains dull, the chief activity being in renewals. Rates were unchanged at 4 3/4 to 4 7/8% for 60 day loans and 4 7/8 to 5% for the longer maturities.

Demand for commercial paper was confined generally to the Middle West and New England and was only slightly more active in New York. The prevailing rates remain 4 1/4 to 4 1/2%.

Government
Security
Market

United States long-term Government securities were inactive and lower during the earlier part of the week but became quite active at the close of the period. The turnover on the New York Stock Exchange averaged about \$1,000,000 a day the demand being chiefly for Third and Fourth Liberty Loan and 4 1/4% Treasury Bonds. Prices of all issues advanced from 6/32 to 11/32 above the levels of the previous week.

Trading in short-term Government securities was light. Prices remained unchanged from the previous week.

Bankers
Acceptances

Dealers' offering rates on unindorsed bills continued unchanged at 3 1/4 per cent for 30-day bills, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports a very quiet bill market during the week. The demand which was mostly from out-of-town banks was insufficient to absorb the increased supply of bills and dealers' portfolios increased. In New York the bill market was less active than during the preceding week. For the first time since the middle of September the demand for bills was greater than the supply, resulting in a moderate decrease in dealers' combined portfolios. The bill market in Philadelphia continued quiet during the week. Offerings were fairly plentiful but the demand was light. In Chicago there was a light demand for bills with very few bills coming into the market.

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The holdings of Government securities in the System Special Investment Account continued unchanged during the period. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
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Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	<u>34,281,500</u>		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury the Federal Reserve Bank of New York purchased for account of the District of Columbia Teachers' Retirement Fund \$48,750 par value United States Second Liberty Loan 4 1/4% bonds.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 29 TO NOVEMBER 4, 1925

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close</u> <u>November 4, 1925</u>
Boston	0	-	0	-	\$ 1,243,000 Sales contracts
New York	0	-	-	-	8,730,000 Sales contracts
Philadelphia	7,000,000 TJ2-Ctfs.		7,000,000 B-1925 Notes		0
Richmond	0	-	1,000 Misc.Govt.Sec.		0
Atlanta	100,000 Misc.Govt.Sec.		38,000 Misc.Govt.Sec.		0
Chicago	0	-	0	-	1,758,000 Sales contracts
St. Louis	100,000 2nd L/L 4 1/4s		1,000 Misc.Govt.Sec.		
Kansas City	500 B-1927 Notes		0	-	1,500,000 Sales contracts
Dallas	1,650 Misc.Govt.Sec.		300 2nd L/L 4 1/4s		1,900,000 Sales contracts
San Francisco	<u>2,660,000 TJ2-Ctfs.</u>		<u>2,660,400 B-1925 Notes</u>		<u>0</u>
Totals	<u>\$9,862,150</u>		<u>\$9,700,700</u>		<u>\$15,131,000</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings Close</u> <u>November 4, 1925</u>
Boston	1-30 days	\$1,833,000	3 1/4%-3 3/8%	\$3,430,000	\$3,032,000 Sales contracts
	31-60 "	512,000	3 1/4%-3 3/8%		
	61-90 "	4,406,000	3 3/8%-3 1/2%		
	Over 90 "	<u>471,000</u>	3 1/2%-3 3/4%		
		<u>\$7,222,000</u>			
New York	1-30 days	1,323,000	3 1/4%-3 3/8%	965,000	26,665,000 Sales contracts
	31-60 "	<u>14,000</u>	3 1/4%-3 3/8%		3,406,000 1-day holdover distribut. F.R.Banks
		<u>\$1,337,000</u>			83,000 Domestic trade acceptances
					387,000 Foreign trade acceptances
					255,000 Special foreign bills

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Nov. 4, 1925</u>
Philadelphia	1-30 days	\$ 252,000	3 1/4% - 3 3/8%	\$2,681,000	0
	31-60 "	240,000	3 3/8% - 3 1/2%		
	61-90 "	<u>779,000</u>	3 3/8%		
		<u>\$1,271,000</u>			
Cleveland	1-30 days	9,000	3 1/4%	1,075,000	757,000 Sterling bills
	31-60 "	22,000	3 1/4% - 3 3/8%		
	61-90 "	<u>600,000</u>	3 3/8%		
		<u>\$ 631,000</u>			
Richmond	1-30 days	100,000	3 3/8%	411,000	0
	31-60 "	530,000	3 3/8% - 3 5/8%		
	61-90 "	<u>100,000</u>	3 1/2% - 3 5/8%		
		<u>\$ 730,000</u>			
Atlanta	1-30 days	992,000	3 1/4%	3,642,000	816,000 Unin-
	61-90 "	176,000	3 3/8%		dorsed
	Allotment	<u>13,266,000</u>	3 1/4% - 3 3/4%		bills
	N. Y. Purch.	<u>\$14,434,000</u>			purchased
					from ac-
					cepting
					banks
Chicago	31-60 days	233,000	3 1/4%	3,319,000	152,000 Sales
	61-90 "	486,000	3 3/8%		contracts
	Allotment	<u>3,797,000</u>	3 1/4% - 3 3/4%		
	N. Y. Purch.	<u>\$4,516,000</u>			
St. Louis	Allotment	1,507,000	3 1/4% - 3 3/4%	169,000	0
	N. Y. Purch.				
Minneapolis	-	0	-	2,748,000	0
Kansas City	Allotment	3,542,000	3 1/4% - 3 3/4%	2,795,000	0
	N. Y. Purch.				
Dallas	31-60 days	29,000	3 3/8%	1,898,000	0
	Allotment	<u>3,244,000</u>	3 1/4% - 3 3/4%	152,000	Sold to
	N. Y. Purch.	<u>\$3,273,000</u>			Mem. Bks.

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BANKERS ACCEPTANCES - (Continued)

<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Nov. 4, 1925</u>	
San Francisco 1-30 days	\$ 667,000	3 1/4%	\$ 2,425,000	\$ 2,629,000	Sales contract
31-60 "	156,000	3 3/8%			
61-90 "	30,000	3 3/8%			
Allotment	4,576,000	3 1/4% - 3 3/4%			
N.Y. Purch.	\$ 5,429,000			\$32,478,000	Sales contracts
				5,704,000	Other
					Bills
Totals	\$43,892,000		\$25,710,000	\$38,182,000	

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 4, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$9,861	\$43,892	\$53,753
Sold	9,700	0	9,700
Matured	0	25,710	25,710
	\$ 161+	\$18,182+	\$18,343+
		5,660- (1-day holdover)	5,660- (1-day holdover)
		\$12,522+	\$12,683+

(Including Sales Contracts)

<u>Holdings</u> <u>Nov. 4, 1925</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 Months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 15,131	\$ 0	\$ 47,347	\$ 0	\$81,562	\$186,185	\$330,225
Bills Purchased	97,943	64,062	86,618	79,029	14,801	0	342,453
Totals	\$113,074	\$64,062	\$133,965	\$79,029	\$96,363	\$186,185	\$672,678

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Form No. 1

Office Correspondence

FEDERAL RESERVE
BOARD

Date November 3, 1925.

To All members of the Board.

Subject: # 7

From Mr. Eddy.

33 3 1

For your information.

Governor Crissinger ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Cunningham ✓
Mr. Miller ✓

Please return to Secretary's Office.

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November 3, 1925.

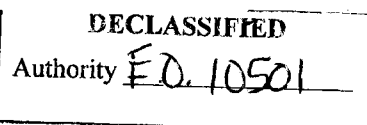
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 2nd instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 22 to October 28, 1925, inclusive, together with data received by the Committee from the Federal Reserve banks.

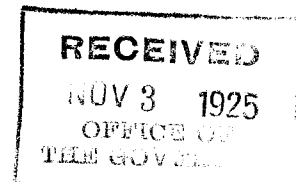
Very truly yours,

(S) Walter L. Eddy, Secretary.
Walter L. Eddy,
Secretary.

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



FEDERAL RESERVE BANK
OF NEW YORK



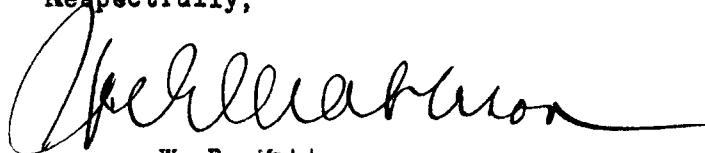
CONFIDENTIAL

November 2, 1925

Sir :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 22 to October 28, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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CONFIDENTIAL
REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 28, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared With Corresponding Period 1924
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1924-						
Jan. 9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
June 25	826,260	427,032	2,762	44,065	969	350,131
Sept. 24	928,355	574,586	10	90,431	1,470	259,863
Oct. 22	977,733	582,819	8	155,409	14,250	223,240
" 29	1,024,176	576,200	8	179,746	35,658	222,565
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,188
Oct. 21	1,229,545	314,810	8,994	271,356	21,901	602,961
" 28	1,250,087	314,933	9,824	297,453	31,264	589,994

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 28, 1925
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 28	Change	Oct. 28	Change	Oct. 28	Change
Boston	\$ 7,219	0	\$ 60,867	\$ 3,049+	\$ 34,871	\$ 5,098+
New York	52,684	0	1,223	50+	156,255	5,711-
Philadelphia	19,063	0	17,826	2,320-	59,688	1,228+
Cleveland	30,980	4+	12,974	1,902-	77,565	3,954-
Richmond	5,444	0	4,724	314-	45,105	4,647-
Atlanta	14,917	5-	38,925	13,207+	23,274	6,611-
Chicago	42,017	0	33,725	413+	70,702	1,578+
St. Louis	20,388	100+	18,520	3,296-	30,848	3,824-
Minneapolis	16,578	0	14,199	3,170-	5,817	2,281-
Kansas City	33,118	0	29,873	3,987+	16,258	2,295+
Dallas	28,590	21+	29,909	9,602+	9,118	867+
San Francisco	43,935	3+	23,324	3,322+	60,493	2,995+
N. Y. holdovers and other bills			11,364	3,469+		
Totals	\$314,933	\$123+	\$297,453	\$26,097+	\$589,994	\$12,967-

COMMENT ON CHANGES WEEK ENDED OCTOBER 28, 1925

There was an increase of \$20,500,000 in the total earning assets of the System during the week. Increases were as follows: \$26,000,000 in bills purchased outright, holdings under sales contract \$9,300,000 in bills and \$800,000 in Government securities, which were partially offset by a decrease of \$13,000,000 in bills discounted and \$2,500,000 in foreign loans on gold.

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Money
Market

As a result of deficits in reserves of leading New York City banks early in the week and the shifting of funds incident to November 1 disbursements of interest and dividend payments, money conditions turned somewhat firmer. Stock Exchange call money ranged during the greater part of the week from 4 1/2 to 5 per cent until Friday when the rate held steady at 5 per cent throughout.

Time money was dull and trading centered mostly in renewals. Rates for new loans were steady at 4 3/4 to 4 7/8 per cent for 60-day money and at 4 7/8 - 5 per cent for longer maturities.

Commercial paper continued at 4 1/4 to 4 1/2 per cent, with a somewhat larger proportion of sales at 4 1/4 per cent. Dealers report only a moderate volume of paper in the market and that the demand continues mostly from the interior.

Government
Security
Market

Trading in short-term Government securities was in light volume and prices declined from 1/32 to 3/32nds. Fairly heavy offerings in the market of 3 1/4 per cent certificates due June 15, 1926 brought the price of this issue down to 99 24/32nds. The two issues of 3% certificates due in December 1925 and June 1926 were also quoted under par, at 99 30/32nds and 99 22/32nds respectively.

There was little activity in long-term United States Government securities during the week, total sales on the Stock Exchange aggregating about \$5,000,000. New low prices for the year were established in several issues. The First 3 1/2's sold down to 99 14/32nds, Second 4 1/4's to 100 17/32nds, and Third 4 1/4's to 100 27/32nds.

Bankers
Acceptances

Owing to their reserve position, the Federal Reserve Bank of Dallas advised the Committee that they wished to discontinue temporarily taking their allotment of bills purchased by the System. Their share will accordingly be prorated among the other participating banks with the exception of St. Louis whose ratio, in accordance with their request, is to remain at 5 per cent.

Dealers' offering rates on unindorsed bills continued unchanged at 3 1/4 per cent for 30-day bills, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports that the supply of new bills in the market increased moderately during the week but the demand was very light. Offerings to the reserve bank were in substantial volume. In New York there was a large increase in the supply of bills offered in the market. The demand in general was slightly less than in the previous week although there were some fairly large orders for foreign account. Dealers' combined portfolios showed a marked increase notwithstanding the large amount of sales to the reserve bank. Philadelphia and Chicago report an increased supply of bills during the week in their districts but the demand continued light.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

The holdings of Government securities in the System Special Investment Account continued unchanged during the period. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	<u>34,281,500</u>		<u> </u>
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

There were no transactions during the week for account of United States Treasury.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 22 TO OCTOBER 28, 1925**

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close October 28, 1925</u>
Boston	0	-	0	-	\$1,852,000 Sales contracts
New York	0	-	0	-	2,435,000 Sales contracts
Cleveland	4,000 TJ2 Ctfs.		0	-	0
Atlanta	34,700 Misc. Govt. Sec. 4,000 TJ2 Ctfs.		44,550 Misc. Govt. Sec.		0
Chicago	0	-	0	-	3,537,000 Sales contracts
St. Louis	100,000 4th L/L Bds.		0	-	0
Dallas	20,900 Misc. Govt. Sec.		0	-	2,000,000 Sales contracts
San Francisco	<u>3,000</u> Misc. Govt. Sec.		<u>0</u>	-	<u>0</u>
Totals	<u>\$166,600</u>		<u>\$44,550</u>		<u>\$9,824,000</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings Close Oct. 28, 1925</u>
Boston	1 - 30 days	\$ 424,000	3 1/4% - 3 3/8%	\$2,907,000	\$3,902,000 Sales contracts
	31 - 60 "	403,000	3 3/8% - 3 1/2%		
	61 - 90 "	4,235,000	3 3/8% - 3 1/2%		
	Over 90 "	<u>894,000</u>	3 1/2% - 3 3/4%		
		<u>\$5,956,000</u>			
New York	1 - 30 days	462,000	3 1/4%	430,000	25,385,000 Sales contracts
	31 - 60 "	7,000	3 3/8%		
	61 - 90 "	<u>11,000</u>	3 3/8%		9,094,000 1-day holdover
		<u>\$ 480,000</u>			distri. F.R. banks
					99,000 Domestic trade acceptances
					338,000 Foreign trade acceptances
					255,000 Special foreign bills

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturities</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 28, 1925</u>
Philadelphia	1 - 30 days	\$ 449,000	3 1/4% - 3 3/8%	\$3,536,000	\$ 0
	31 - 60 "	199,000	3 1/4% - 3 3/8%		
	61 - 90 "	568,000	3 3/8% - 3 1/2%		
		<u>\$1,216,000</u>			
Cleveland	-	0	-	1,902,000	655,000 Sterling bills
Richmond	1 - 30 days	84,000	3 3/8%	573,000	0
	31 - 60 "	75,000	3 1/2%		
	61 - 90 "	100,000	3 1/2%		
		<u>\$ 259,000</u>			
Atlanta	1 - 30 days	33,000	3 1/4%	2,915,000	923,000 Unin-
	31 - 60 "	26,000	3 1/4% - 3 3/8%		dorsed
	61 - 90 "	263,000	3 1/8% - 3 3/8%		bills
	Over 90 "	98,000	3 3/4%		purchased
	Allotment	15,702,000	3 1/4% - 3 3/4%		from ac-
	N. Y. Purch.				cepting
		<u>\$16,122,000</u>			banks
Chicago	1 - 30 days	797,000	3 1/4% - 3 3/8%	4,624,000	111,000 Sales
	31 - 60 "	490,000	3 3/8% - 3 1/2%		contracts
	Allotment	3,750,000	3 1/4% - 3 3/8%		
	N. Y. Purch.				
		<u>\$5,037,000</u>			
St. Louis	Allotment	1,116,000	3 1/4% - 3 3/8%	4,412,000	0
	N. Y. Purch.				
Minneapolis	-	0	-	3,170,000	0
Kansas City	Allotment	6,437,000	3 1/4% - 3 3/4%	2,450,000	0
	N. Y. Purch.				
Dallas	31 - 60 days	26,000	3 1/4%	1,943,000	0
	61 - 90 "	24,000	3 3/8%	84,000	Sold to
	Allotment	11,579,000	3 1/4% - 3 3/4%		Mem. Bks.
	N. Y. Purch.				
		<u>\$11,629,000</u>			

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 28, 1925</u>	
San Francisco	1-30 days	\$ 35,000	3 1/8% - 3 1/4%	\$ 3,049,000	\$ 1,866,000	Sales contracts
	31-60 "	599,000	3 1/4% - 3 3/8%			
	61-90 "	262,000	3 3/8%			
	Allotment	<u>5,475,000</u>	3 1/4% - 3 3/4%			
N.Y. Purch.	\$	\$ 6,371,000				
					<u>\$31,264,000</u>	Sales contracts
					<u>11,364,000</u>	Other bills
Totals		<u>\$54,623,000</u>		<u>\$31,995,000</u>	<u>\$42,628,000</u>	

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 28, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

	<u>Government</u> <u>Securities</u>	<u>(Excluding Sales Contracts)</u>		<u>Total</u>			
		<u>Bankers</u> <u>Acceptances</u>					
Purchased	\$166	\$54,623		\$54,789			
Sold	45	0		45			
Matured	<u>0</u>	<u>31,995</u>		<u>31,995</u>			
	\$121+	\$22,628+		\$22,749+			
		<u>3,469+</u> (1-day holdover)		<u>3,469+</u> (1-day holdover)			
		<u>\$26,097+</u>		<u>\$26,218+</u>			
		<u>(Including Sales Contracts)</u>					
<u>Holdings</u> <u>Oct. 28, 1925</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 Months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 9,824	\$ 0	\$ 57,007	\$ 0	\$81,563	\$176,361	\$324,755
Bills Purchased	<u>95,272</u>	<u>58,526</u>	<u>88,301</u>	<u>70,404</u>	<u>16,214</u>	<u>0</u>	<u>328,717</u>
Totals	<u>\$105,096</u>	<u>\$58,526</u>	<u>\$145,308</u>	<u>\$70,404</u>	<u>\$97,777</u>	<u>\$176,361</u>	<u>\$653,472</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date October 27, 1925.

To All members of the Board.

Subject: _____

From Mr. Eddy

For your information:

Governor Crissinger ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Cunningham ✓
Mr. Miller. ✓

Please return to Secretary's Office.

DECLASSIFIED
Authority EO 10501

October 27, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 26th instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 15 to October 21, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 27 1925
OFFICE OF
THE GOVERNOR

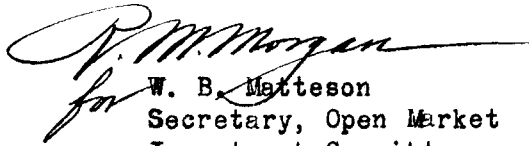
CONFIDENTIAL

October 26, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 15 to October 21, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


for W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 21, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared With Corresponding Period 1924
(000 Omitted)

-1924-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
Jan. 9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
June 25	826,260	427,032	2,762	44,065	969	350,131
Sept. 24	928,355	574,586	10	90,431	1,470	259,863
Oct. 15	1,060,868	582,522	16,000	136,954	60,307	263,078
" 22	977,733	582,819	8	155,409	14,250	223,240
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,188
Oct. 14	1,275,615	314,056	22,177	255,437	31,588	643,548
" 21	1,229,545	314,810	8,994	271,018	22,239	602,961

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 21, 1925
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 21	Change	Oct. 21	Change	Oct. 21	Change
Boston	\$ 7,219	0	\$ 57,818	\$ 5,259+	\$ 29,773	\$22,820-
New York	52,684	0	1,173	846+	161,966	52,914-
Philadelphia	19,063	0	20,146	987+	58,460	7,367+
Cleveland	30,976	0	14,876	2,280-	81,519	3,674+
Richmond	5,444	0	5,038	95-	49,752	1,482+
Atlanta	14,922	592+	25,718	4,618+	29,885	190-
Chicago	42,017	0	33,312	2,984-	69,124	1,371+
St. Louis	20,288	125+	21,816	10,788+	34,672	7,919+
Minneapolis	16,578	0	17,369	4,528-	8,098	3,513+
Kansas City	33,118	2+	25,886	1,788-	13,963	3,764+
Dallas	28,569	35+	20,307	2,616+	8,251	1,383-
San Francisco	43,932	0	19,664	143-	57,498	7,630+
N.Y. holdovers and other bills			7,395	2,285+		
Totals	\$314,810	\$754+	\$271,018	\$15,581+	\$602,961	\$40,587-

COMMENT ON CHANGES WEEK ENDED OCTOBER 21, 1925

Total earning assets decreased \$46,000,000 during the week. Decreases in bills discounted \$40,500,000, sales contract holdings in Government securities of \$13,100,000 and Bankers acceptances \$9,300,000 were partially offset by increases in outright purchases of Bankers acceptances of \$16,000,000.

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Money
Market

Excess reserves of leading New York City banks resulting from the heavy return flow of funds from the interior and substantial gold imports from abroad, contributed to slightly easier money conditions during the week. Stock Exchange call loans ranged from 4 to 5 per cent with an average of 4.33 per cent, as compared with 4 1/2 to 5 1/2 per cent and an average of 5.15 per cent during the previous week, while outside loans were reported as low as 3 1/2 per cent.

Time money was slightly more active during the week. Rates held firm at 4 3/4 per cent for 60-day loans and the ruling rate was 5 per cent for the longer maturities, although several small size trades were arranged at 4 7/8 per cent.

Commercial paper was fairly active during the week. An increasing proportion of sales was at 4 1/2 per cent, but a considerable volume of prime names is still moving at 4 1/4 per cent. A fairly good demand continued from the Middle West and New England.

Government
Security
Market

During the week the United States Government long-term security market was only moderately active, trading on the New York Stock Exchange totaling about \$5,000,000. The First 3 1/2 per cent Liberty Loan bonds reached a new low for the year at 99 24/32nds and Third 4 1/4s sold down to 101. Treasury 4 per cent bonds were in fairly good demand and prices held firm.

The short-term Government security market continued dull. Prices of all issues were practically unchanged except the 3 1/4 per cent certificates due June 15, 1926 which, as a result of increased offerings, sold down to 99 26/32nds, representing a yield of approximately 3.53 per cent.

Bankers
Acceptances

The Federal Reserve Bank of St. Louis advised the Committee that owing to their reserve position they desired to discontinue temporarily taking their regular allotment of bills purchased by the System and further that they wished to sell \$3,000,000 acceptances from portfolio. The bills taken over, together with the previous regular allotments to the St. Louis bank, are to be prorated to other participating banks.

Dealers' offering rates on unindorsed bills continued unchanged at 3 1/4 per cent for 30-day bills, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

In the Boston district the supply of bills increased slightly over the previous week. There was a good demand from local banks, with a slight improvement in out-of-town buying. The bill market in New York was active during the week. There was a substantial increase in both the supply and demand in about equal proportions and dealers' aggregate portfolios were relatively unchanged from last week. Offerings to the reserve bank increased moderately and were mainly from banks. Philadelphia reports the supply of bills in that district continued good but the demand was light. In Chicago the bill market was quiet with very few new bills offered and practically no demand.

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3

SYSTEM SPECIAL INVESTMENT ACCOUNT

The holdings of Government securities in the System Special Investment Account continued unchanged during the period. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	34,281,500		
Totals	\$210,000,000		\$210,000,000

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there were purchased for account of the Alien Property Custodian \$500,000 3 1/4% certificates of indebtedness due June 15, 1925, and \$200,000 face amount of the same issue for account of the Civil Service Retirement and Disability Fund, both at a price of 99 13/16ths.

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 15 TO OCTOBER 21, 1925

	<u>GOVERNMENT SECURITIES</u>				<u>Other Holdings Close October 21, 1925</u>
	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	
Boston	\$ 0	-	\$ 0	-	\$1,178,000 Sales contracts
New York	0	-	0	-	2,816,000 Sales contracts
Atlanta	741,800	Misc.Gov't Sec.	148,100	Misc.Gov't Sec.	0
Chicago	0	-	0	-	2,650,000 Sales contracts
St. Louis	124,500	4th L/L Bonds	0	-	0
Minneapolis	1,007,350	Misc.Gov't Sec.	1,007,350	Misc.Gov't Sec.	0
Kansas City	1,600	Misc.Gov't Sec.	0	-	0
Dallas	35,450	Misc.Gov't Sec.	0	-	2,350,000 Sales contracts
Totals	\$1,910,700		\$1,155,450		\$8,994,000

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BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 21, 1925</u>	
Boston	1-30 days	\$ 544,000	3 1/4% - 3 3/8%	\$5,260,000	\$1,745,000	Sales
	31-60 "	824,000	3 3/8% - 3 1/2%			contracts
	61-90 "	7,648,000	3 3/8% - 3 1/2%			
	Over 90 "	<u>1,503,000</u>	3 1/2% - 3 3/4%			
		<u>\$10,519,000</u>				
New York	1-30 days	1,067,000	3 1/4%	311,000	15,722,000	Sales
	31-60 "	54,000	3 3/8%			contracts
	61-90 "	<u>36,000</u>	3 3/8%		5,508,000	1-day
		<u>\$1,157,000</u>				holdover
						distr.
						F.R.Banks
					35,000	Domestic
						trade
						accept.
					323,000	Foreign
						trade
						accept.
					255,000	Special
						foreign
						bills
Philadelphia	1-30 days	501,000	3 1/4%	1,720,000	0	
	31-60 "	935,000	3 1/4% - 3 1/2%			
	61-90 "	<u>1,271,000</u>	3 3/8%			
		<u>\$2,707,000</u>				
Cleveland	-	0	-	2,269,000	775,000	Sterling
						bills
Richmond	1-30 days	132,000	3 3/8% - 3 1/2%	357,000	0	
	31-60 "	100,000	3 3/8% - 3 1/2%			
	61-90 "	<u>20,000</u>	3 5/8%			
		<u>\$ 252,000</u>				
Atlanta	1-30 days	339,000	3 1/4%	2,510,000	999,000	Unindorsed
	31-60 "	6,000	3 1/4% - 3 3/8%			bills pur-
	61-90 "	43,000	3 1/8% - 3 3/8%			chased
	Over 90 "	623,000	3 3/4%			from ac-
	Allotment	<u>6,117,000</u>	3 1/4% - 3 3/4%			cepting
	N.Y. Purch.					banks
		<u>\$7,128,000</u>				

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 21, 1925</u>
Chicago	1-30 days	\$ 281,000	3 1/4%	\$ 4,752,000	\$ 339,000 Sales contracts
	31-60 "	358,000	3 1/4% - 3 3/8%		
	61-90 "	368,000	3 3/8%		
	Allotment	760,000	3 1/4% - 3 3/4%		
	N.Y. Purch.				
		\$ 1,767,000			
St. Louis	1-30 days	101,000	3 1/4%	15,000	0
	Allotment	10,702,000	3 1/4% - 3 3/4%		
	N.Y. Purch.				
		\$10,803,000			
Minneapolis	-	0	-	4,528,000	0
Kansas City	Allotment	2,349,000	3 1/4% - 3 3/4%	4,137,000	0
	N.Y. Purch.				
Dallas	Allotment	4,418,000	3 1/4% - 3 3/4%	1,785,000	0
	N.Y. Purch.			17,000	Sold to Mem. Bks.
San Francisco	1-30 days	608,000	3 1/4%	2,488,000	4,433,000 Sales contracts
	31-60 "	352,000	3 1/4% - 3 3/8%		
	Allotment	1,385,000	3 1/4% - 3 3/4%		
	N.Y. Purch.				
		\$ 2,345,000			
					\$22,239,000 Sales contracts
					7,895,000 Other bills
		\$43,445,000		\$30,149,000	\$30,134,000

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 21, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES

(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$ 1,910	\$43,445	\$45,355
Sold	1,156	0	1,156
Matured	0	30,149	30,149
	\$ 754+	\$13,296+	\$14,050+
		2,285+ (1-day holdover)	2,285+ (1-day holdover)
		\$15,581+	\$16,335+

(Including Sales Contracts)

	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 Months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Holdings Oct. 21, 1925							
Gov't Securities	\$ 8,994	\$ 0	\$ 57,007	\$ 0	\$81,562	\$176,240	\$323,803
Bills Purchased	80,794	47,263	81,579	67,122	16,501	0	293,259
Totals	\$89,788	\$47,263	\$138,586	\$67,122	\$98,063	\$176,240	\$617,062

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date October 20, 1925.

To All members of the Board

Subject: _____

From Mr. Eddy.

333

2-8495

For your information.

Governor Crissinger ✓

Mr. Platt ✓

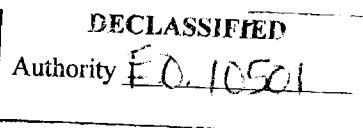
Mr. Hamlin ✓

Mr. James ✓

Mr. Cunningham ✓

Dr. Miller ✓

Please return to Secretary's Office.



October 20, 1925.

Dear Mr. Matteson:

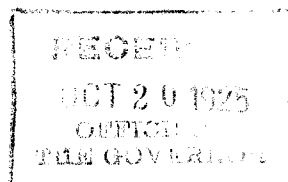
I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 19th instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 8 to October 14, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

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.

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FEDERAL RESERVE BANK
OF NEW YORK

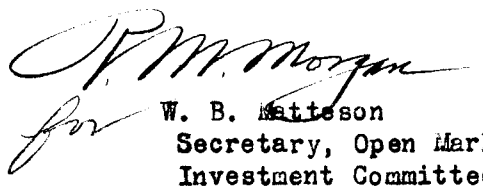
CONFIDENTIAL

October 19, 1925

Sir :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 8 to October 14, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


for W. B. Matison
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 14, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
To Date as Compared with Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Oct.	8	1,024,751	581,211	10	126,126	49,039	266,388
"	15	1,060,868	582,522	16,000	136,954	60,307	263,078
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	30	1,257,024	313,745	29,161	241,855	26,455	633,188
Oct.	7	1,265,121	313,988	10,136	255,037	28,909	644,029
"	14	1,275,615	314,056	22,177	255,426	31,588	643,548

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 14, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 14	Change	Oct. 14	Change	Oct. 14	Change
Boston	\$ 7,219	0	\$ 52,559	\$2,431+	\$ 52,593	\$14,931+
New York	52,684	0	327	298-	214,880	16,976-
Philadelphia	19,063	0	19,159	297-	51,093	5,808+
Cleveland	30,976	0	17,145	2,869-	77,845	3,802+
Richmond	5,444	0	5,133	166+	48,270	1,922+
Atlanta	14,330	51+	21,100	1,296+	30,075	5,354+
Chicago	42,017	0	36,296	2,366-	67,753	8,930-
St. Louis	20,163	0	11,028	8,358+	26,753	2,655-
Minneapolis	16,578	0	21,897	2,744-	4,585	1,935-
Kansas City	33,116	0	27,674	443-	10,199	359-
Dallas	28,534	17+	17,691	1,219+	9,634	1,519+
San Francisco	43,932	0	19,807	1,709-	49,868	2,962-
N.Y. holdovers and other bills			5,610	2,355-		
Totals	\$314,056	\$68+	\$255,426	\$389+	\$643,548	\$481-

COMMENT ON CHANGES WEEK ENDED OCTOBER 14, 1925

Total earning assets advanced \$10,500,000 during the week due chiefly to increases in holdings under sales contracts of \$12,000,000 in Government securities and \$2,600,000 in bills purchased. Foreign loans on gold decreased \$4,200,000.

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Money
Market

Withdrawals to the interior, the calling by the Government of funds from depositary institutions, and an increased demand for street loans accompanying the unusual activity of the stock market resulted in firm money conditions during the greater part of the week.

On Tuesday, the first business day, call money after renewing at 4 1/2 per cent advanced and ruled from 5 to 5 1/2 per cent until Friday. Following the return flow of funds from the interior and disbursement of interest payments by the Government on the fifteenth, rates turned easier and loaned down to 4 1/2 per cent at the close of the week.

Time money continued dull and firm during the week; 60-day loans were at 4 1/2 per cent to 4 3/4 per cent, and over the year money offered at 5 per cent, with occasional trades at 4 7/8 per cent.

Commercial paper was firm at 4 1/4 to 4 1/2 per cent, with best names of short maturities moving at the lower rate. A fairly active demand continued in the Middle West and New England but trading remained generally quiet in New York.

Government
Security
Market

United States Government long-term securities were only moderately active during the week, trading on the Stock Exchange averaging \$1,000,000 daily. The First 3 1/2's touched a new low for the year at 99 27/32nds. Prices of other issues declined from 2/32nds to 4/32nds, except Treasury 4 1/4's which held firm.

The market for short-term Government securities was dull, with only small offerings and light demand. Prices declined slightly from the previous week.

Bankers
Acceptances

Rates on unindorsed bills continued unchanged, dealers offering 30-day bills at 3 1/4 per cent, 60's at 3 3/8 per cent, 90's at 3 1/2 per cent, and 120-day maturities at 3 5/8 per cent.

In the Boston district the supply of bills increased slightly over the previous week with quite a few new blocks of cotton bills coming into the market. The demand was fairly active, especially for the 30's and short 90-day maturities. In New York an increase in seasonal drawings resulted in a very good supply although the volume was not as large as the previous week. The demand was only moderate, due in part to firmer money conditions and dealers' portfolios increased to the highest point since May. Philadelphia reports a good supply and fair demand for bills in that district. The bill market in Chicago continued dull with the supply in excess of the demand.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There was no change during the week in the Government security holdings in the System Account. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	December 15, 1925	\$ 38,160,100
New York	51,427,000	March 15, 1926	75,266,700
Philadelphia	1,565,000	September 15, 1926	40,401,000
Cleveland	11,651,500	March 15, 1927	23,875,900
Richmond	4,102,500	December 15, 1927	32,296,300
Atlanta	12,097,000		
Chicago	22,010,500		
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	<u>34,281,500</u>		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for the United States Treasury during the period covered by this report consisted of the purchase for account of the Alien Property Custodian of \$500,000 3 1/4% certificates of indebtedness maturing June 15, 1926.

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM OCTOBER 8 TO OCTOBER 14, 1925

<u>GOVERNMENT SECURITIES</u>					Other Holdings Close
	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>.....October 14, 1925</u>
Boston	0	-	0	-	\$ 697,000 Sales contracts
New York	0	-	0	-	17,644,000 Sales contracts
Atlanta	14,500 50,000	Misc. Govt. Sec. TJ2-1926 Ctfs.	13,800	Misc. Govt. Sec.	0
Chicago	0	-	0	-	2,636,000 Sales contracts
Dallas	17,300	Misc. Govt. Sec.	0	-	1,200,000 Sales contracts
Totals	<u>\$81,800</u>		<u>\$13,800</u>		<u>\$22,177,000</u>

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BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 14, 1925</u>	
Boston	1-30 days	\$ 663,000	3 1/4%	\$4,683,000	\$1,886,000	Sales
	31-60 "	2,111,000	3 1/4% - 3 3/8%			contracts
	61-90 "	3,444,000	3 3/8% - 3 1/2%			
	Over 90 "	896,000	3 1/2% - 3 3/4%			
		<u>\$7,114,000</u>				
New York	1-30 days	64,000	3 1/4%	368,000	25,519,000	Sales
	61-90 "	6,000	3 3/8%			contracts
		<u>\$ 70,000</u>			4,294,000	1-day hold-over distr.
						F.R. banks
					35,000	Domestic trade accept.
					194,000	Foreign trade accept.
					255,000	Special foreign bills
Philadelphia	1-30 days	\$ 216,000	3 1/4% - 3 3/8%	2,634,000	0	
	31-60 "	769,000	3 1/4% - 3 3/8%			
	61-90 "	1,352,000	3 3/8% - 3 1/2%			
		<u>\$2,337,000</u>				
Cleveland	-	0	-	2,869,000	11,000	Sterling bills
Richmond	1-30 days	\$ 137,000	3 1/8% -	367,000	0	
	31-60 "	321,000	3 1/2% - 3 5/8%			
	61-90 "	75,000	3 5/8%			
		<u>\$ 533,000</u>				
Atlanta	31-60 days	24,000	3 1/4%	2,221,000	821,000	Unindorsed
	Allotment	3,493,000	3 1/4% - 4%			bills purch.
	N. Y. Purch.	<u>\$3,517,000</u>				from accept. banks
Chicago	31-60 days	167,000	3 1/4%	4,780,000	1,218,000	Sales
	61-90 "	327,000	3 3/8%			contracts
	Allotment	1,920,000	3 1/4% - 4%			
	N. Y. Purch.	<u>\$2,414,000</u>				
St. Louis	1-30 days	10,000		0	0	
	Allotment	8,348,000	3 1/4% - 4%			
	N. Y. Purch.	<u>\$8,358,000</u>				

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 14, 1925.</u>
Minneapolis	-	0	-	\$2,744,000	0
Kansas City	Allotment N. Y. Purch.	\$2,075,000	3 1/4% - 4%	2,518,000	0
Dallas	1-30 days	\$ 10,000	3 1/4%	1,540,000	0
	31-60 "	10,000	3 1/4%	26,000	Sold to Mem.Bks.
	Allotment N. Y. Purch.	<u>2,765,000</u>	3 1/4% - 4%		
		\$2,785,000			
San Francisco	1-30 days	358,000	3 1/4%	2,635,000	2,965,000 Sales contracts
	31-60 "	27,000	3 1/4% - 3 3/8%		
	61-90 "	41,000	3 3/8%		
	Allotment N. Y. Purch.	<u>500,000</u>	3 1/4% - 4%		
		\$ 926,000			
					\$31,588,000 Sales contracts
					5,610,000 Other bills
Totals		<u>\$30,129,000</u>		<u>\$27,385,000</u>	<u>\$37,198,000</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 14, 1925, AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

	<u>Government</u> <u>Securities</u>	<u>(Excluding Sales Contracts)</u> <u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$82	\$30,129	\$30,211
Sold	14	0	14
Matured	<u>0</u>	<u>27,385</u>	<u>27,385</u>
	\$68+	\$ 2,744+	\$ 2,812+
		<u>2,355-</u> (1-day hold- over)	<u>2,355-</u> (1-day hold over)
		\$ 389+	\$ 457+

(Including Sales Contracts)

<u>Holdings</u> <u>Oct. 14, 1925</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 22,177	0	0	\$57,007	\$81,562	\$175,487	\$336,233
Bills Purchased	93,426	48,851	67,752	64,225	12,760	0	287,014
Totals	<u>\$115,603</u>	<u>\$48,851</u>	<u>\$67,752</u>	<u>\$121,232</u>	<u>\$94,322</u>	<u>\$175,487</u>	<u>\$623,247</u>

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Authority EO 10501

Form No. 431.

Office Correspondence # 2

FEDERAL RESERVE
BOARD

Date October 14, 1925.

To To all members of the Board.

Subject:

From Mr. Eddy.

333

There is attached hereto, for your information, letter dated October 13th from the Secretary of the Open Market Investment Committee transmitting report of transactions in Government securities and bankers acceptances as reported to the Committee for the period from October 1 to October 7, 1925, together with data received by the Committee from the Federal reserve banks.

Governor Crissinger, ✓

Mr. Platt, ✓

Mr. Hamlin, ✓

Mr. James, ✓

Mr. Cunningham, ✓

Mr. McIntosh, ✓

Please return to Secretary's office for filing.

Noted by Committee

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Authority EO 10501

October 14, 1925

Dear Mr. Matteson:

Receipt is acknowledged of your letter of the 13th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 1 to October 7, 1925 inclusive, together with data received by the Committee from the Federal reserve banks. This report will be brought to the attention of the members of the Federal Reserve Board.

Very truly yours,

(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

Prepared by

October 14, 1925

DECLASSIFIED
Authority EO 10501

RECEIVED
OCT 14 1925
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK


CONFIDENTIAL

October 13, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 1 to October 7, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


for W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 7, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared with Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	24	928,355	574,586	10	90,431	1,470	259,863
Oct.	1	982,969	575,947	10	105,497	32,764	266,756
"	8	1,024,751	581,211	10	126,126	49,039	266,338
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	23	1,212,873	313,474	9,659	215,766	22,727	640,727
"	30	1,257,024	313,745	29,161	241,855	26,455	633,138
Oct.	7	1,265,121	313,983	10,136	255,037	28,909	644,029

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 7, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 7	Net Change	Balance Oct. 7	Net Change	Balance Oct. 7	Net Change
Boston	\$ 7,219	0	\$ 50,128	\$ 2,792+	\$ 37,662	\$12,354-
New York	52,684	0	625	927-	231,856	2,796+
Philadelphia	19,063	0	19,456	331-	45,285	1,337+
Cleveland	30,976	0	20,014	1,453+	74,043	14,427+
Richmond	5,444	0	4,967	363+	46,348	2,279-
Atlanta	14,279	107+	19,804	992+	24,721	4,239-
Chicago	42,017	0	38,662	3,679+	76,683	13,517+
St. Louis	20,163	0	2,670	1,711+	29,408	6,551-
Minneapolis	16,578	0	24,641	378-	6,520	576+
Kansas City	33,116	124+	28,117	1,982+	10,558	1,808+
Dallas	28,517	12+	16,472	394+	8,115	467+
San Francisco	43,932	0	21,516	554+	52,830	1,336+
N.Y. holdovers and other bills			7,965	898+		
Totals	\$313,988	\$243+	\$255,037	\$13,182+	\$644,029	\$10,841+

COMMENT ON CHANGES WEEK ENDED OCTOBER 7, 1925

Total earning assets advanced \$8,097,000 during the week. There were increases of \$13,182,000 in bankers acceptances, \$10,841,000 in bills discounted, and \$2,452,000 in bills under sales contracts. These increases were partly offset by a reduction of \$19,025,000 in Government securities held under sales contract.

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Money
Market

During the early part of the week money conditions were firmer, reflecting deficits in reserves of leading Clearing House banks following the movement of funds to the interior toward the end of the preceding week and continuing on Monday. Stock Exchange call money, after renewing at 5 per cent on Monday subsequently advanced to $5\frac{1}{2}$ per cent, which rate held steady until mid-day on Wednesday. Following the gradual return flow of funds to New York, call money became easier and loaned down to $4\frac{1}{2}$ per cent during the balance of the week.

Time money was dull and firm during the week, rates for 60-day loans were $4\frac{1}{2}$ to $4\frac{3}{4}$ per cent, and $4\frac{3}{4}$ to 5 per cent for longer maturities.

Commercial paper was firm with prime names usually discounting at $4\frac{1}{4}$ per cent, but with an increasing volume at $4\frac{1}{2}$ per cent. The demand, although light, was principally from New England and middle western cities.

Government
Security
Market

Trading in long-term United States Government bonds continued in moderate volume with total sales during the week on the Stock Exchange approximately \$4,000,000. The first $3\frac{1}{2}$ per cent Liberty Loan bonds duplicated their previous low for the year at 99 30/32nds. The Fourth Liberty Loan $4\frac{1}{4}$ per cent bonds were in best demand and prices advanced 4/32nds. Prices of other issues were practically unchanged.

The short-term Government security market continued quiet. Dealers report that offerings in the market were slightly in excess of the demand, with the exception of the new $3\frac{1}{4}$ per cent certificates due June 15, 1926, the price of which held firm at par. Prices of other issues were slightly lower than the levels of the previous week.

Bankers
Acceptances

Prevailing rates on unindorsed bills continued unchanged, dealers offering 30-day bills at $3\frac{1}{4}$ per cent, 60's at $3\frac{3}{8}$ per cent, 90's at $3\frac{1}{2}$ per cent, and 120-day maturities at $3\frac{5}{8}$ per cent.

In the Boston district the supply of new bills increased somewhat over the previous week with some fair size blocks of 90-day maturities being offered in the market. The supply, however, was not sufficient to take care of the rather active demand. The bill market in New York was fairly active, although the volume of supply and demand was somewhat less than the previous week. Offerings were in excess of demand and dealers' combined portfolios increased moderately. Philadelphia reports a continued good supply of bills in that market but the demand was only fair. The Chicago market continued dull, few new bills being offered and practically no demand.

There were no transactions during the week for account of United States Treasury.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There was no change during the week in the Government security holdings in the System Account. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,985,000
New York	51,427,000
Philadelphia	1,565,000
Cleveland	11,651,500
Richmond	4,102,500
Atlanta	12,097,000
Chicago	22,010,500
St. Louis	18,872,500
Minneapolis	9,020,000
Kansas City	20,844,000
Dallas	22,143,500
San Francisco	34,281,500

\$210,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1925	\$ 38,160,100
March 15, 1926	75,266,700
September 15, 1926	40,401,000
March 15, 1927	23,875,900
December 15, 1927	32,296,300

\$210,000,000

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM OCTOBER 1 TO OCTOBER 7, 1925

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close</u> <u>Oct. 7, 1925</u>
Boston	0	-	0	-	\$ 450,000 Sales contracts
New York	0	-	0	-	5,185,000 Sales contracts
Atlanta	\$ 31,750 Misc. Govt. Sec. 160,000 TD Ctf's		\$ 85,000 Misc. Govt. Sec.		0
Chicago	0	-	0	-	3,001,800 Sales contracts
Minneapolis	1,245,100 Misc. Govt. Sec.		1,245,100 Misc. Govt. Sec.		0
Kansas City	124,250 Misc. Govt. Sec.		0	-	0
Dallas	<u>12,100</u> Misc. Govt. Sec.		<u>0</u>	-	<u>1,500,000</u> Sales contracts
Totals	<u>\$1,573,200</u>		<u>\$1,330,100</u>		<u>\$10,136,800</u>

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings</u> <u>Close Oct. 7, 1925</u>	
Boston	1-30 days	\$ 455,000	3 1/4%	\$3,062,000	\$1,631,000	Sales contracts
	31-60 "	854,000	3 1/4% - 3 1/2%			
	61-90 "	3,522,000	3 3/8% - 3 1/2%			
	Over 90 "	<u>1,023,000</u>	3 1/2% - 3 3/4%			
		<u>\$5,854,000</u>				
New York	1-30 days	450,000	3 1/4%	1,394,000	23,477,000	Sales Contracts
	31-60 "	15,000	3 3/8%			
	61-90 "	<u>2,000</u>	3 3/8%		6,391,000	1-day hold-over for dist. F.R. Pks.
		<u>\$ 467,000</u>			307,000	foreign trade accept.
					255,000	Spec. Foreign Bills
Philadelphia	1-30 days	480,000	3 1/4% - 3 3/8%	1,861,000	0	
	31-60 "	711,000	3 3/8% - 3 1/2%			
	61-90 "	<u>339,000</u>	3 3/8% - 3 1/2%			
		<u>\$1,530,000</u>				
Cleveland	61-90 days	964,000	3 1/8%	1,876,000	229,000	Sterling bills
	Over 90 "	183,000	3 1/2% - 3 3/4%			
	Allotment	<u>2,182,000</u>	3 1/4% - 3 3/4%			
	N.Y. Purch.	<u>\$3,329,000</u>				
Richmond	1-30 days	125,000	3 3/8%	300,000	0	
	31-60 "	160,000	3 1/2%			
	61-90 "	<u>378,000</u>	3 1/2% - 3 3/4%			
		<u>\$ 663,000</u>				
Atlanta	1-30 days	92,000	3 1/4%	2,947,000	783,000	Unindorsed bills purchased from accept. bks.
	31-60 "	1,022,000	3 1/4% - 3 3/8%			
	61-90 "	117,000	3 3/8%			
	Allotment	<u>2,708,000</u>	3 1/4% - 3 3/4%			
	N.Y. Purch.	<u>\$3,939,000</u>				
Chicago	1-30 days	129,000	3 1/4%	2,612,000	299,000	Sales contracts
	Allotment	<u>6,162,000</u>	3 1/4% - 3 3/4%			
	N.Y. Purch.	<u>\$6,291,000</u>				
St. Louis	Allotment	<u>\$1,711,000</u>	3 1/4% - 3 3/4%	0	0	
	N.Y. Purch.					

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u>		<u>Rate</u>	<u>MATURITIES</u>		<u>Other Holdings</u> <u>Close Oct. 7, 1925</u>
		<u>Amount</u>			<u>Amount</u>		
Minneapolis	Allotment	\$ 2,617,000		3 1/4% - 3 3/4%	\$ 2,995,000		0
	N.Y. Purch.						
Kansas City	Allotment	4,974,000		3 1/4% - 3 3/4%	2,992,000		0
	N.Y. Purch.						
Dallas	1-30 days	10,000		3 1/4%	1,654,000		0
	Allotment	<u>2,043,000</u>		3 1/4% - 3 3/4%	5,000	Sold to	
	N.Y. Purch.	\$ 2,053,000				Mem. Bks.	
San Francisco	1-30 days	29,000		3 1/4%	2,764,000	3,500,000	Sales
	31-60 "	483,000		3 1/4% - 3 3/8%			contracts
	61-90 "	55,000		3 3/8% - 3 1/2%			
	Over 90 "	54,000		3 1/2%			
	Allotment	<u>2,697,000</u>		3 1/4% - 3 3/4%			
	N.Y. Purch.	\$ 3,318,000					
						\$28,907,000	Sales
							Contracts
						<u>7,965,000</u>	Other
							Bills
		<u>\$36,746,000</u>			<u>\$24,472,000</u>	<u>\$36,872,000</u>	

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 7, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$1,573	\$36,746	\$38,319
Sold	1,330	0	1,330
Matured	<u>0</u>	<u>24,462</u>	<u>24,462</u>
	\$ 243+	\$12,284+	\$12,527+
		<u>676-</u> (1-day hold-	<u>676-</u> (1-day
		over)	hold-
		\$11,608+	\$11,851+ over)

(Including Sales Contracts)

<u>Holdings</u> <u>Oct. 7, 1925</u>	<u>Within</u>	<u>16-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 days</u>	<u>Over 6</u>	<u>Total</u>
	<u>15 days</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>6 Months</u>	<u>Months</u>	
Gov't Securities	\$ 10,138	0	0	\$ 57,007	\$81,562	\$175,416	\$324,123
Bills Purchased	<u>92,931</u>	<u>46,870</u>	<u>74,242</u>	<u>55,939</u>	<u>13,962</u>	<u>0</u>	<u>283,944</u>
Totals	<u>\$103,069</u>	<u>\$46,870</u>	<u>\$74,242</u>	<u>\$112,946</u>	<u>\$95,524</u>	<u>\$175,416</u>	<u>\$608,067</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date Oct. 6, 1925

To All Members of the Board

Subject: _____

From Mr. Eddy

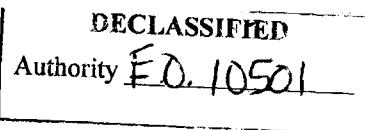
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For your information:

Governor Criesinger ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Cunningham ✓
Dr. Miller ✓
Col. McIntosh ✓

Noted by Comptroller



October 6, 1925

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 5th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 24th to 30th, 1925, inclusive, together with data received from the Federal reserve banks.

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.

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FEDERAL RESERVE BANK
OF NEW YORK

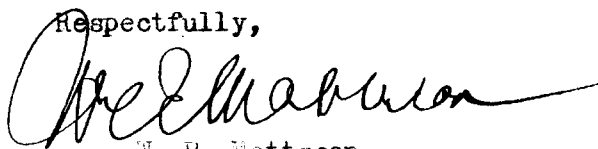
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October 5, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the period from September 24 to 30, 1925 inclusive, together with data received by the Committee from Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 30, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared with Corresponding Period 1924
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-						
Jan. 9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
June 25	826,260	427,032	2,762	44,065	969	350,131
Sept. 24	928,355	574,586	10	90,431	1,470	259,863
Oct. 1	982,969	575,947	10	105,497	32,764	266,756
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept. 23	1,212,873	313,474	9,659	215,766	22,727	640,727
" 30	1,257,024	313,745	29,161	241,855	26,455	633,188

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 30, 1925
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 30	Net Change	Balance Sept. 30	Net Change	Balance Sept. 30	Net Change
Boston	\$ 7,219	0	\$ 47,336	\$ 6,765+	\$ 50,016	\$12,148+
New York	52,684	0	1,552	319+	229,060	3,705-
Philadelphia	19,063	0	19,787	691-	43,948	4,540-
Cleveland	30,976	0	18,561	213+	59,616	444-
Richmond	5,444	0	4,604	115-	48,627	2,899-
Atlanta	14,172	52+	18,812	3,007+	28,960	583-
Chicago	42,017	0	34,983	5,233+	63,166	4,387+
St. Louis	20,163	0	959	740-	35,959	687-
Minneapolis	16,578	0	25,019	1,360+	5,944	612+
Kansas City	32,992	215+	26,135	4,636+	8,750	3,401-
Dallas	28,505	4+	16,078	4,056+	7,648	487-
San Francisco	43,932	0	20,962	2,195+	51,494	7,940-
N. Y. holdovers & other bills			7,067	149-		
Totals	\$313,745	271+	\$241,855	\$26,089+	\$633,188	\$7,539-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 30, 1925

Total earning assets of all banks advanced \$44,151,000 during the week due chiefly to increase of \$26,089,000 in outright purchases of bills and of \$19,502,000 in Government securities held under sales contracts. Bills under sales contracts and outright purchases of Government securities increased \$3,728,000 and \$271,000 respectively while bills discounted declined \$7,539,000.

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Money
Market

Firmer money conditions during the early part of the week were attributed to the shifting of funds in preparation for the heavy disbursements by corporations on October 1 of dividend and interest payments. Stock Exchange call money after renewing at $4\frac{1}{2}\%$ on Monday advanced successively and closed on September 30 at 6% . After the turn of the month money became slightly easier and loaned down to $4\frac{1}{2}\%$ but later advanced and held steady at 5% on Friday.

Time money was quiet; activity centered principally in over the year money at $4\frac{3}{4}\%$ to 5% . Rates on 60 and 90-day loans were slightly firmer at $4\frac{1}{2}$ to $4\frac{3}{4}\%$.

Commercial paper was firm and unchanged with prime names discounting at $4\frac{1}{4}\%$. Interior banks continued to be the principal buyers.

Government
Security
Market

The demand for short-term Government securities continued light during the period, but owing to the firmness in money rates offerings were made to dealers in substantial volume. This resulted in a reduction in prices from $1/32$ nd on the shorter to $5/32$ nds on the longer maturities.

Trading in long-term Governments continued in moderate volume with total sales on the Stock Exchange amounting to about \$6,000,000. Prices of all issues during the fore part of the week were lower, the First $3\frac{1}{2}\%$ Liberty bonds declining to a new low of the year at $99\frac{30}{32}$ nds. Later in the week prices reacted and closed slightly higher than the previous week.

Bankers
Acceptances

Rates on unindorsed bills continued unchanged from the previous week, dealers offering 30-day bills at $3\frac{1}{4}\%$, 60s at $3\frac{3}{8}\%$, 90s at $3\frac{1}{2}\%$, and 120-day maturities at $3\frac{5}{8}\%$.

In Boston the supply of bills continued limited, although slightly larger than in recent weeks. The demand was fair, especially for the 45 and 90-day maturities. The New York market was more active than for any week since the latter part of June. A substantial increase in the supply of bills in the market was attributed partly to firmer money conditions and partly to the appearance of seasonal drawings against cotton. The demand, although improved over the previous week, did not keep pace with the supply and dealers' combined portfolios increased moderately. Philadelphia reports a very good supply of bills in that market but the demand continued only fair. In Chicago the supply of bills offered in the market was in excess of the demand but the volume was not large.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There were no transactions affecting the System Account during the period covered by this report, the total holdings at the close of business September 30 remaining at \$210,000,000. The following statement shows the participation of the different banks and the classification of issues held in the account by maturities:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,985,000
New York	51,427,000
Philadelphia	1,565,000
Cleveland	11,651,500
Richmond	4,102,500
Atlanta	12,097,000
Chicago	22,010,500
St. Louis	18,872,500
Minneapolis	9,020,000
Kansas City	20,844,000
Dallas	22,143,500
San Francisco	34,281,500

\$210,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1925	\$ 38,160,100
March 15, 1926	75,266,700
September 15, 1926	40,401,000
March 15, 1927	23,875,900
December 15, 1927	32,296,300

\$210,000,000

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

At the request of the Treasury the Federal Reserve Bank of New York sold \$735,500 par value 3% certificates maturing June 15, 1926, for account of the Civil Service Retirement and Disability Fund.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
FEDERAL RESERVE BANKS FROM SEPTEMBER 24 TO SEPTEMBER 30, 1925

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close Sept. 30, 1925.</u>
Boston	0		0		\$ 545,000 Sales Contracts
New York	0		0		26,609,000 Sales Contracts
Philadelphia	200,000 TJ-2 C. of I.		200,000 C. of I. TJ-2		
Cleveland	0		0		
Richmond	0		0		
Atlanta	129,450 Misc. Govt. Sec.		77,900 Misc. Govt. Sec.		
Chicago	0		0		1,207,000 Sales Contracts
St. Louis	0		0		
Minneapolis	2,948,250 Misc. Govt. Sec.		2,948,250 Misc. Govt. Sec.		
Kansas City	19,550 Misc. Govt. Sec. 120,000 C. of I. TJ-2 75,000 B-1926 <u>\$ 214,000</u>		0		
Dallas	3,950 Misc. Govt. Sec.		0		800,000 Sales Contracts
San Francisco	<u>0</u>		<u>0</u>		<u></u>
	<u>\$3,496,200</u>		<u>\$3,226,150</u>		<u>\$29,161,000</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings Close Sept. 30, 1925.</u>
Boston	1-30 days	\$ 2,234,000	3 1/4% - 3 3/8%	\$4,358,000	\$ 1,910,000 Sales Contracts
	31-60 "	1,789,000	3 1/4% - 3 1/2%		
	61-90 "	3,598,000	3 3/8% - 3 5/8%		
	Over 90 "	2,062,000	3 1/2% - 3 3/4%		
	Allotment N. Y.	1,440,000	3 1/4% - 3 3/4%		
	Purchases	<u>\$11,123,000</u>			

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings Close</u> <u>Sept. 30, 1925</u>	
New York	1-30 days	\$1,145,000	3 1/4%	\$ 863,000	\$21,100,000	Sales
	61-90 "	34,000	3 3/8%			Contracts
	Over 90 "	3,000	3 1/2%		5,379,000	1-day
		<u>\$1,182,000</u>				hold-over
						for dis-
						tribution
						to F.R.Bs.
					45,000	Domestic
						Trade Ac-
					422,000	ceptances
						Foreign
						Trade Ac-
					255,000	ceptances
						Special
						Foreign
						Bills
					<u>\$27,201,000</u>	
Philadelphia	1-30 days	\$ 250,000	3 1/4% - 3 3/8%	\$1,272,000		
	31-60 "	67,000	3 3/8%			
	61-90 "	<u>264,000</u>	3 3/8% - 3 1/2%			
		<u>\$ 581,000</u>				
Cleveland	1-30 days	\$ 302,000	3 1/4%	2,608,000	121,000	Sterling
	31-60 "	78,000	3 1/4%			Bills
	61-90 "	9,000	3 3/8%			
	Allotment N. Y.	<u>2,432,000</u>	3 1/4% - 3 3/4%			
	Purchases	<u>\$2,821,000</u>				
Richmond	31-60 days	\$ 175,000	3 1/2%	750,000		
	61-90 "	<u>460,000</u>	3 1/2%			
		<u>\$ 635,000</u>				
Atlanta	31-60 days	\$ 62,000	3 1/4% - 3 3/8%	1,180,000	845,000	Unen-
	61-90 "	228,000	3 3/8%			dorsed
	Over 90 "	19,000	3 1/2%			Bills
	Allotment N. Y.	<u>3,878,000</u>	3 1/4% - 3 3/4%			purchased
	Purchases	<u>\$4,187,000</u>				from Ac-
						cepting
						Banks
Chicago	31-60 days	\$ 427,000	3 1/4% - 3 3/8%	2,310,000	391,000	Sales
	61-90 "	230,000	3 3/8%			Contracts
	Allotment N. Y.	<u>6,886,000</u>	3 1/4% - 3 3/4%			
	Purchases	<u>\$7,543,000</u>				

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<u>BANKERS ACCEPTANCES - (Continued)</u>					<u>Other Holdings</u>
	<u>PURCHASES</u>		<u>MATURITIES</u>		<u>Close</u>
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>		<u>Sept. 30, 1925</u>
St. Louis	0		\$ 740,000		
Minneapolis	Allotment N.Y. Purchases	3,616,000	3 1/4% - 3 3/4%	2,256,000	
Kansas City	Allotment N.Y. Purchases	6,494,000	3 1/4% - 3 3/4%	1,858,000	
Dallas	31-60 days	92,000	3 3/8%	1,239,000	
	61-90 "	418,000	3 3/8%	5,000	Sold to
	Allotment N.Y. Purchases	4,790,000	3 1/4% - 3 3/4%		Mem.Bks.
		\$5,300,000		\$1,244,000	
San Francisco	1-30 days	\$ 532,000	3 1/4%	2,416,000	3,054,000 Sales
	31-60 "	406,000	3 1/4% - 3 3/8%		Contracts
	61-90 "	813,000	3 3/8%		
	Allotment N.Y. Purchases	2,860,000	3 1/4% - 3 3/4%		
		\$4,611,000			
Totals		\$48,093,000		\$21,855,000	\$26,455,000 Sales Contracts 7,067,000 Other Bills \$33,522,000

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
 BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 30, 1925
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**

(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 548	\$ 48,093	\$48,641
Sold	277	0	277
Matured	0	21,855	21,855
	\$ 271+	\$ 26,238+	\$26,509+
		149-(1-day Hold- over)	149-(1-day Hold- over)
		\$ 26,089+	\$25,360+

(Including Sales Contracts)

<u>Holdings</u>	<u>Within</u>	<u>16-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 days</u>	<u>Over 6</u>	
<u>Sept. 30, 1925</u>	<u>15 days</u>	<u>Days</u>	<u>Days</u>	<u>Days</u>	<u>6 Mos.</u>	<u>Months</u>	<u>Total</u>
Gov't Securities	\$29,161	\$ 0	\$ 0	\$ 56,883	\$81,572	\$175,290	\$342,906
Bills Purchased	85,686	49,306	65,989	55,955	11,374	0	268,310
Totals	\$114,847	\$49,306	\$65,989	\$112,838	\$92,946	\$175,290	\$611,216

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 29, 1925

To All Members of the Board

Subject: # 2

From Mr. Eddy

333

2-3445

For your information:

- ✓ Governor Crissinger ✓
- ✓ ~~Mr. Platt~~
- ~~Mr. Hamlin~~
- ✓ Mr. James
- ✓ Mr. Cunningham
- ~~Dr. Miller~~
- ✓ Col. McIntosh

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September 29, 1925

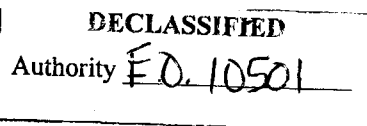
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 28th instant, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 17 to 23rd, 1925 inclusive, together with data received from Federal reserve banks.

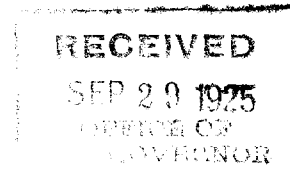
Very truly yours,

Walter L. Eddy,
Secretary

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



FEDERAL RESERVE BANK
OF NEW YORK



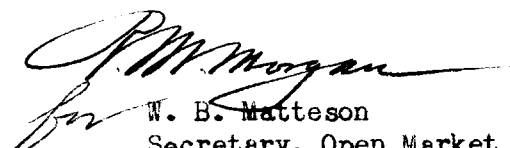
CONFIDENTIAL

September 28, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the period from September 17 to 23, 1925 inclusive, together with data received by the Committee from Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 23, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared with Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	3	915,427	541,935	210	58,762	10,821	301,949
"	10	923,659	568,178	10	83,925	8,566	201,230
"	17	* 982,858	* 618,619	110	96,677	2,535	257,967
"	24	928,355	574,586	10	90,431	1,470	259,863
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	5,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	2	1,126,089	318,759	7,453	192,369	20,798	576,890
"	9	1,190,269	319,141	7,973	201,145	12,998	639,192
"	16	**1,119,071	**406,840	2,409	203,941	8,021	487,940
"	23	1,212,872	313,473	9,659	215,766	22,727	640,727

* Includes \$35,000,000 advances to Treasury on Special Certificates

** " 94,000,000 " " " " " " " " "

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

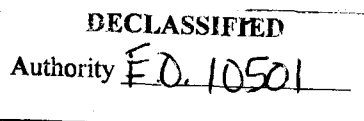
DURING WEEK ENDED SEPTEMBER 23, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 23	Change	Sept. 23	Change	Sept. 23	Change
Boston	\$ 7,219	\$ 2,700+	\$ 40,571	\$ 2,308+	\$ 37,868	\$ 16,393+
New York	52,684	100-	1,233	4,092-	232,765	122,404+
Philadelphia	19,063	1,200+	20,478	517+	48,488	63-
Cleveland	30,975	1,029+	18,348	1,294+	60,060	9,391-
Richmond	5,444	0	4,719	423-	51,526	2,797-
Atlanta	14,120	260+	15,805	4,367+	29,543	658+
Chicago	42,017	1,943+	29,750	988+	58,779	15,200+
St. Louis	20,163	10,000-	1,699	675-	36,646	2,917-
Minneapolis	16,578	800+	23,659	11-	5,332	2,550-
Kansas City	32,777	1,491+	21,499	2,801+	12,151	4,948+
Dallas	28,501	506+	12,022	771+	8,135	360-
San Francisco	43,932	804+	18,767	214-	59,434	11,262+
N. Y. Holdover & other bills			7,216	4,194+		
	<u>\$313,473</u>	<u>\$ 633+</u>	<u>\$215,766</u>	<u>\$11,825+</u>	<u>\$640,727</u>	<u>\$152,787+</u>

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 23, 1925

Total earning assets increased \$93,801,000 during the week. The redemption by the Treasury of \$94,000,000 temporary certificates issued pending income tax collections partly offset net increases in bills discounted of \$152,787,000, bills purchased of \$11,825,000 and Government securities of \$633,000. Securities and bills held under sales contracts increased \$7,250,000 and \$14,706,000 respectively.



Money
Market

Money conditions were distinctly firmer early in the week, reflecting deficits in reserves of leading New York banks and a loss of funds to the interior. After opening and renewing on Monday at 4 1/4% call money advanced and closed at 6% which duplicated the year's previous high reached on June 29. After renewing at 5 1/4% on Tuesday money turned easier loaning down to 4% on Thursday. On Friday, however, following heavy withdrawals to the interior, rates advanced and closed at 5%.

Time money continued dull and steady. Quoted rates remained unchanged at 4 1/2% for 60 and 90 day loans and 4 3/4% for longer maturities.

Commercial paper was firm and unchanged with prime names discounting at 4 1/4%. While there was a steady and moderate demand from the Middle West and New England, the New York market continued quiet.

Government
Security
Market

There was little activity in the long term Government securities during the week, U. S. Government bond sales on the Stock Exchange totaling \$5,000,000 as compared with \$7,000,000 the previous week. The First Liberty 3 1/2% bonds declined 5/8 of a point and touched par, a new low for the year. Other active issues were from 1/32 to 5/32 lower.

Trading in short term Government securities continued in light volume and prices of nearly all issues declined slightly.

Bankers
Acceptances

Rates on unendorsed bills for maturities up to 90 days held unchanged from the previous week, dealers offering 30-day bills at 3 1/4%, 60's at 3 3/8% and 90's at 3 1/2%. Maturities of 120 days advanced 1/8% to 3 5/8%.

Reserve banks' minimum buying rate for 30 day maturities was increased from 3 1/8% to 3 1/4%, rates on other maturities remaining unchanged.

In the Boston market there was a fairly good demand from both city and country banks for bills of all maturities up to 90 days. The supply, however, continued small. The New York market was relatively quiet during the week. Although the supply increased slightly the demand was only moderate and dealers' portfolios showed a small increase. Philadelphia reports a moderate supply of bills in their district; there was a fairly good demand early in the period but it receded toward the close. The Chicago market was dull and inactive with very few new bills offered.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

As noted in the previous report, there was redistributed during the period to other participating banks on a pro rata basis \$10,000,000 of the St. Louis bank's participation in System holdings of Government securities. The following statement shows the holdings of the different banks after this readjustment and the classification of issues held in the account by maturities:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,985,000
New York	51,427,000
Philadelphia	1,565,000
Cleveland	11,651,500
Richmond	4,102,500
Atlanta	12,097,000
Chicago	22,010,500
St. Louis	18,872,500
Minneapolis	9,020,000
Kansas City	20,844,000
Dallas	22,143,500
San Francisco	<u>34,281,500</u>

\$210,000,000RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1925	\$ 38,160,100
March 15, 1926	75,266,700
Sept. 15, 1926	40,401,000
March 15, 1927	23,875,900
Dec. 15, 1927	<u>32,296,300</u>

\$210,000,000OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

As a partial reinvestment of funds made available through the sale of \$10,000,000 par value Third Liberty Loan bonds from the holdings of the Alien Property Custodian to the Cumulative Sinking Fund, there was purchased during the period for the Alien Property Custodian Account \$10,500,000 - 3 1/4% certificates maturing June 15, 1926 at par.

Other transactions which were negotiated for future delivery consisted of purchases for the Sinking Fund and sales with simultaneous replacement of securities for account of the Alien Property Custodian in the various districts as follows:

CUMULATIVE SINKING FUNDPurchases:

District	Issue	Price	Del'y Date	Par Value
Chicago	Third 4 1/4% L. L.	101 16/32	Sept. 25	\$ 5,250,000
New York	" " "	" "	" 25	2,500,000
Chicago	" " "	" "	" 29	2,500,000
"	" " "	" "	" 30	<u>1,550,000</u>
				\$11,800,000

ACCOUNT ALIEN PROPERTY CUSTODIANSales:

New York	3% C/I - 6/15/26	3 1/4% basis	Sept. 24	\$ 4,000,000
"	" " "	" "	" 28	5,000,000
"	" " "	" "	" 30	<u>5,000,000</u>
				\$14,000,000

Purchases:

Chicago	3 1/4% C/I - 6/15/26	Par	Sept. 24	\$ 4,000,000
"	" " "	" "	" 28	5,000,000
Boston	" " "	" "	" 30	\$2,355,000
New York	" " "	" "	" 30	945,000
Philadelphia	" " "	" "	" 30	<u>1,700,000</u>
				<u>5,000,000</u>
				\$14,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM SEPTEMBER 17 TO SEPTEMBER 23, 1925

GOVERNMENT SECURITIES

	<u>SYSTEM INVESTMENT ACCOUNT</u>		<u>SALES CONTRACTS HELD Sept. 23, 1925.</u>
	* <u>Purchases</u>	<u>Sales</u>	
Boston	\$ 1,700,000	\$ 0	\$ 117,300
New York	600,000	0	7,820,000
Philadelphia	1,200,000	0	0
Cleveland	800,000	0	0
Richmond	0	0	0
Atlanta	400,000	0	0
Chicago	1,800,000	0	1,722,000
St. Louis	0	10,000,000	0
Minneapolis	800,000	0	0
Kansas City	1,400,000	0	0
Dallas	500,000	0	0
San Francisco	800,000	0	0
	<u>\$10,000,000</u>	<u>\$10,000,000</u>	<u>\$9,659,300</u>

* Redistribution of sale of \$10,000,000 participation of St. Louis.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Sales</u>
Boston	\$1,000,000 TJ - 2 C. of I.	0
New York	0	700,000 TJ - 2 C. of I.
Cleveland	229,500 TJ - 2 C. of I.	0
Atlanta	281,700 Misc. Govt. Sec.	421,200 Misc. Govt. Sec.
Chicago	143,350 Fourth L/L Bds.	0
Minneapolis	2,411,550 Misc. Govt. Sec.	2,411,550 Misc. Govt. Sec.
Kansas City	91,700 " " "	
Dallas	5,800 " " "	
San Francisco	4,000 TJ - 2 C. of I.	
	<u>\$4,167,600</u>	<u>\$3,532,750</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other</u> <u>Holdings</u>
Boston	1-30 days	\$ 923,000	3 1/8% - 3 1/4%	\$3,888,000	\$1,055,000 Sales Con-
	31-60 "	723,000	3 1/4% - 3 3/8%		tracts
	61-90 "	4,525,000	3 3/8% - 3 1/2%		
	Over 90 "	25,000	3 1/2% - 3 3/4%		
		<u>\$6,196,000</u>			

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Authority EO 10501BANKERS ACCEPTANCES - (Continued)

5.

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other</u> <u>Holdings</u>	
New York	1-30 days	\$ 185,000	3 1/8%-3 1/4%	\$1,161,000	\$19,520,000	Sales
	31-60 "	24,000	3 1/8%-3 3/8%	3,149,000		contracts
	61-90 "	9,000	3 3/8%			one day
					F.R.B. 5,692,000	holdover
					Atlanta	for dis-
						tribution
						to F.R.
						Banks
					54,000	Domestic
						Trade Ac-
						ceptances
					465,000	Foreign
						Trade Ac-
						ceptances
					187,000	Special
						Foreign
						Bills
		<u>\$ 218,000</u>		<u>\$4,310,000</u>	<u>\$25,918,000</u>	
Philadelphia	1-30 days	\$ 488,000	3 1/8%-3 1/4%	\$1,593,000	0	
	31-60 "	580,000	3 1/4%-3 3/8%			
	61-90 "	<u>1,042,000</u>	3 3/8%-3 1/2%			
		<u>\$2,110,000</u>				
Cleveland	31-60 days	\$ 356,000		\$ 805,000	0	
	Allot. N.Y.					
	Purchases	<u>1,743,000</u>	3 1/8%-3 3/4%			
		<u>\$2,099,000</u>				
Richmond	1-30 days	\$ 35,000	3 1/4%	558,000	0	
	61-90 "	<u>100,000</u>	3 1/2%			
		<u>\$ 135,000</u>				
Atlanta	31-60 days	\$ 55,600	3 1/4%-3 3/8%	1,341,000	818,000	Unendor-
	61-90 "	100,000	3 3/8%			sed bills
	Allotment					purchased
	N.Y. Purchases	2,403,000	3 1/8%-3 3/4%			from ac-
	N.Y. Portfolio	<u>3,149,000</u>				cepting
		<u>\$5,707,600</u>				banks
Chicago	Allot. N.Y.					
	Purchases	<u>\$3,570,000</u>	3 1/8%-3 3/4%	2,582,000	150,000	Sales
						contracts
St. Louis				675,000		
Minneapolis	Allot. N.Y.					
	Purchases	<u>\$2,582,000</u>	3 1/8%-3 3/4%	2,593,000		

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BANKERS ACCEPTANCES - (Continued)

<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other</u> <u>Holdings</u>	
Kansas City Allot N.Y.					
Purchases	\$4,312,000	3 1/8% - 3 3/4%	\$1,511,000	\$ 0	
Dallas Allot N.Y.					
Purchases	1,645,000	3 1/8% - 3 3/4%	863,000 11,000		Sold to Mem Bks.
San Francisco 1-30 days	376,000	3% - 3 1/8%	2,526,000	2,002,000	Sales Con- tracts
31-60 "	452,000	3 1/8% - 3 1/4%			
61-90 "	69,000	3 1/8% - 3 3/8%			
Allot N.Y.	<u>1,415,000</u>				
Purchases	\$2,312,000				
Totals	<u>\$30,886,600</u>		<u>\$23,256,000</u>	<u>\$22,727,000</u>	Sales Con- tracts Other Bills
				7,216,000	
				<u>\$29,933,000</u>	

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 23, 1925
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$14,166	\$30,887	\$45,053
Sold	13,533	0	13,533
Matured	<u>0</u>	<u>23,256</u>	<u>23,256</u>
	\$ 633+	\$ 7,631++	\$ 8,264+
		<u>4,194+</u> (1-day Hold- over)	<u>4,194+</u> (1-day Hold- over)
		\$11,825+	\$12,458+

(Including Sales Contracts)

<u>Holdings</u> <u>Sept. 23, 1925</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>91-Days</u> <u>6 Mos.</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 9,659	\$ 0	\$ 0	\$18,723	\$ 6,296	\$288,454	\$323,132
Bills Purchased	<u>74,270</u>	<u>46,240</u>	<u>58,431</u>	<u>49,444</u>	<u>10,108</u>	<u>0</u>	<u>238,493</u>
Totals	<u>\$83,929</u>	<u>\$46,240</u>	<u>\$58,431</u>	<u>\$68,167</u>	<u>\$16,404</u>	<u>\$288,454</u>	<u>\$561,625</u>

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Form No. 131

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 23, 1925.

To All members of the Board.

From Mr. Eddy.

Subject: *[Handwritten signature]*

2-8495

For your information.

- ✓ Governor Crissinger
- ✓ Mr. Platt
- Mr. Hamlin - *absent*
- ✓ Mr. James
- ✓ Mr. Cunningham
- Mr. Miller - *absent*

Please return to Secretary's Office.

File 9/25/25

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Authority FD 10501

Form No. 131

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 23, 1925.

To All members of the Board.

From Mr. Eddy.

Subject: *[Handwritten signature]*

333 / 2-8495

For your information.

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin - absent
- ✓ Mr. James
- ✓ Mr. Cunningham
- Mr. Miller - absent

Please return to Secretary's Office.

File 9/25/25

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Authority E.O. 10501

September 23, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 22nd instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from September 10 to 16, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

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.

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FEDERAL RESERVE BANK
OF NEW YORK

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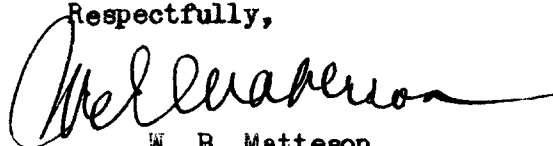
CONFIDENTIAL

September 22, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the period from September 10 to 16, 1925 inclusive, together with data received by the Committee from Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 16, 1925

Holdings of Earning Assets of Federal Reserve Banks Quarterly from January 1925
to Date as Compared with Corresponding Period 1924

(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-							
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
June	25	826,260	427,032	2,762	44,065	969	350,131
Sept.	3	915,427	541,935	210	58,762	10,821	301,949
"	10	923,659	568,178	10	83,925	8,566	201,230
"	17	* 982,858	* 618,619	110	96,677	2,535	257,967
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Mar.	25	1,040,699	339,692	4,059	287,544	19,361	377,641
June	24	1,034,470	317,155	7,454	215,277	26,389	455,445
Sept.	2	1,126,089	318,759	7,453	192,369	20,798	576,890
"	9	1,190,269	319,141	7,973	201,145	12,998	639,192
"	16	**1,119,071	** 406,840	2,409	203,941	8,021	487,940

* Includes \$35,000,000 advance to Treasury on Special Certificates

** " \$94,000,000 " " " " " " "

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS AND SPECIAL
1-DAY TREASURY CERTIFICATES) DURING WEEK ENDED SEPTEMBER 16, 1925

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 16	Net Change	Balance Sept. 16	Net Change	Balance Sept. 16	Net Change
Boston	\$ 4,519	\$ 679-	\$ 38,263	\$2,331+	\$ 21,475	\$ 3,628-
New York	52,784	542-	5,325	992-	110,361	143,973-
Philadelphia	17,863	9-	19,961	1,385+	48,551	1,258+
Cleveland	29,946	702-	17,054	775+	69,451	2,178+
Richmond	5,444	100-	5,142	139+	54,323	2,667+
Atlanta	13,860	542-	11,438	402+	28,885	1,308-
Chicago	40,074	374-	28,762	1,830+	43,579	8,351-
St. Louis	30,163	705-	2,374	720-	39,563	8,807+
Minneapolis	15,778	200-	23,670	707+	7,882	423-
Kansas City	31,286	1,384-	18,698	1,356+	7,203	742-
Dallas	27,995	401-	11,251	472+	8,495	1,353-
San Francisco	43,128	663-	18,981	759+	48,172	6,384-
N.Y. Holdover & other bills			3,022	5,648-		
Totals	\$312,840	\$6,301-	\$203,941	\$2,796+	\$487,940	\$151,252-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 16, 1925

There was a net decrease during the week of \$71,198,000 in total earning assets. The decrease of \$151,252,000 in bills discounted (\$143,973,000 in New York district) was only partially offset by loans to the Treasury on Special 1-day certificates aggregating \$94,000,000. Outright holdings of Government securities declined \$6,301,000 while bills purchased increased \$2,796,000. Securities and bills held under sales contracts decreased \$5,564,000 and \$4,977,000 respectively.

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Money
Market

Money continued firm early in the week accompanying deficits in reserves of leading New York City banks, but subsequently became easier following heavy Treasury disbursements for maturing issues and interest payments in excess of income tax collections. After holding steady at $4\frac{1}{4}\%$ on Monday, Stock Exchange call money rates declined and new loans were placed on succeeding days at rates ranging down to $3\frac{1}{2}\%$ with substantial amounts remaining unlent at the close. On Friday, however, after opening at $3\frac{1}{2}\%$, and following tax collections and large withdrawals to the interior, money went to and closed at 5% . The bulk of the day's heavy borrowings was made at from $4\frac{1}{2}\%$ to 5% with an average of 4.32% for the day.

Except for some activity during the middle of the week, the time money market was dull and steady. Loans for 60 and 90 days were quoted at $4\frac{1}{2}\%$ and for 4 to 6 months' maturities at $4\frac{3}{4}\%$.

There was a fairly steady demand in the Middle West for commercial paper at $4\frac{1}{4}\%$ and later in the week the demand in the New England market showed improvement. The New York market, however, continued quiet.

Government
Security
Market

Interest during the week in Government securities centered largely in the new $3\frac{1}{4}\%$ issue of certificates. Other short term issues were not particularly active except the 3% certificates maturing December 15, 1925, for which there was a demand somewhat in excess of the very small supply available in the market. Prices of all short term issues remain practically unchanged.

The trading ⁱⁿ the longer term Government securities was only moderate, U. S. Government bond sales on the Stock Exchange totaling about \$7,000,000. Occasional increased demands for particular issues resulted in slight price fluctuations, with prices at the close of the week for most issues ranging from $1/32$ to $4/32$ higher.

Bankers
Acceptances

Rates on unendorsed bills continued unchanged from the previous week, dealers offering 30 day bills at $3\frac{1}{4}\%$, 60's at $3\frac{3}{8}\%$ and 90 and 120 day maturities at $3\frac{1}{2}\%$.

In the Boston district there was a slight increase in the supply of bills, over the previous week. Bills moved freely at the offered rates, the demand continuing strong for all maturities up to 90 days. There was a good demand for bills in the New York market during the week, a substantial proportion of which was for foreign investments. While the supply was fairly good, dealers found it difficult to meet the demand. Philadelphia reports a fairly good supply of bills in their district and the demand continued good. Chicago reports little activity in acceptances with the supply and demand about equal.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

As referred to in the previous report, there were sold to the Treasury on September 10, for prior redemption, \$2,000,000 certificates maturing September 15, 1925, at par, and on September 15, for account of the Sinking Fund, \$15,100,000 Third Liberty Loan 4 1/4 per cent bonds at 101 1/2. In partial replacement of these sales there was purchased \$11,965,700 - 4 3/4 per cent Treasury notes maturing March 15, 1926, at 100 21/32.

These transactions brought the holdings in the System Account at the close of business September 16 to an even \$210,000,000, the participation in which by all Federal reserve banks and the classification of issues held in the account were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 285,000
New York	50,827,000
Philadelphia	365,000
Cleveland	10,851,500
Richmond	4,102,500
Atlanta	11,697,000
Chicago	20,210,500
St. Louis	28,872,500
Minneapolis	8,220,000
Kansas City	19,444,000
Dallas	21,643,500
San Francisco	33,481,500
Totals	\$210,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1925	\$ 38,160,100
March 15, 1926	75,266,700
Sept. 15, 1926	40,401,000
March 15, 1927	23,875,900
Dec. 15, 1927	32,296,300
Totals	\$210,000,000

Owing to the continued demand for funds in their district, the Federal Reserve Bank of St. Louis advised the Committee on September 18 of their desire to sell \$10,000,000 of their participation in Government securities in the System Special Investment Account. These securities were reallocated to all participating banks on a pro rata basis.

OPERATIONS ACCOUNT UNITED STATES TREASURY

In addition to the purchase from System holdings of Third Liberty Loan bonds for the Sinking Fund, as noted above, there were purchased by the Boston and New York banks for account of the Alien Property Custodian, as partial reinvestment of funds made available through maturing issues, the following securities:

Second Liberty Loan 4 1/4% bonds at 101 net	\$10,000,000
Third Liberty Loan 4 1/4% bonds at 101 14/32	\$8,500,000)
Third Liberty Loan 4 1/4% bonds at 101 16/32	1,500,000)
New Issues TJ2-1926 3 1/4% certificates at par	10,000,000

There was also sold from the Alien Property Custodian account to the Bank of England \$10,000,000 - 3% certificates due December 15, 1925, at par.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
FEDERAL RESERVE BANKS FROM SEPTEMBER 10 TO SEPTEMBER 16, 1925

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close Sept. 16, 1925</u>
Boston	\$ 16,000 Part.Sys.a/c 2,350,000 Misc.Govt.Sec.		\$ 22,500 Part.Sys.a/c 150 Misc.Govt.Sec. <u>3,022,000</u>	TS-1925 redeemed	\$ 241,800 Sales contracts 1,500,000 1-day Spec. Ctfs.
	<u>\$2,366,000</u>		<u>\$3,044,650</u>		
New York	\$ 700,000 TJ2-1926 <u>2,896,200</u> Part.Sys.a/c		\$4,137,500 Part.Sys.a/c		75,000 Sales contracts 89,000,000 1-day Spec. Ctfs.
	<u>\$3,596,200</u>				
Philadelphia	\$21,000 Part.Sys.a/c		\$ 30,000 Part.Sys.a/c		0
Cleveland	\$618,000 Part.Sys.a/c		\$ 883,000 Part.Sys.a/c <u>437,000</u> TS-1925 redeemed		1,000,000 1-day Spec. Ctfs.
			<u>\$1,320,000</u>		
Richmond	\$233,500 Part.Sys.a/c		\$ 334,000 Part.Sys.a/c		
Atlanta	\$446,400 Misc.Govt.Sec. 666,500 Part.Sys.a/c		\$ 33,750 Misc.Govt.Sec. 668,500 TS-1925 redeemed <u>952,000</u> Part.Sys.a/c		0
	<u>\$1,112,900</u>		<u>\$1,654,250</u>		
Chicago	\$1,152,000 Part.Sys.a/c <u>119,000</u> 4th 4 1/4% L/L Bds.		\$1,645,000 Part.Sys.a/c		912,000 Sales contracts
	<u>\$1,271,000</u>				
St. Louis	\$1,645,500 Part.Sys.a/c		\$2,350,500 Part.Sys.a/c		0
Minneapolis	\$ 468,500 Part.Sys.a/c <u>3,535,050</u> Misc.Govt.Sec.		\$ 669,000 Part.Sys.a/c <u>3,535,050</u> Misc.Govt.Sec.		2,500,000 1-day Spec. Ctfs.
	<u>\$4,003,550</u>		<u>\$4,204,050</u>		
Kansas City	1,108,000 Part.Sys.a/c <u>640,700</u> Misc.Govt.Sec.		\$1,584,000 Part.Sys.a/c <u>1,549,500</u> TS-1925 Redeemed		0
	<u>\$1,748,700</u>		<u>\$3,133,500</u>		

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GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>Other Holdings Close Sept. 16, 1925</u>
Dallas	\$ 129,650 Misc. Govt. Sec. <u>1,233,000 Part.Sys.a/c</u>		\$1,764,000 Part.Sys.a/c		\$1,180,000 Sales con- tracts
	<u>\$1,362,650</u>				
San Francisco	\$1,907,500 Part.Sys.a/c <u>4,932,600 TJ2-1926</u>		\$2,728,500 Part.Sys.a/c <u>4,775,000 TS-1925 redeemed</u>		
	<u>\$6,840,100</u>		<u>\$7,503,500</u>		
Totals	<u>\$24,819,000</u>		<u>\$31,120,950</u>		<u>\$96,408,800</u>

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings Close Sept. 16, 1925</u>
Boston	1-30 days	\$ 450,000	3 1/8% - 3 1/4%	\$2,834,000	\$ 718,000 Sales
	31-60 "	766,000	3 1/4% - 3 1/2%		Contracts
	61-90 "	1,141,000	3 3/8% - 3 1/2%		
	Over 90 "	54,000	3 1/2%		
	Allotment N.Y.pur.	<u>2,754,000</u>	3 1/8% - 4%		
		<u>\$5,165,000</u>			
New York	1-30 days	\$ 397,000	3 1/8% - 3 1/4%	1,420,000	5,286,000 Sales Con- tracts
	31-60 "	12,000	3 3/8%		769,000 one day hold-over for dist. to F.R. banks
	61-90 "	<u>19,000</u>	3 3/8%		54,000 Domestic Trade Ac- ceptances
		<u>\$ 428,000</u>			339,000 Foreign Trade Ac- ceptances
					187,000 Spec.For- eign Bills
					<u>\$6,635,000</u>
Philadelphia	1-30 days	\$1,344,000	3 1/8%	2,393,000	0
	31-60 "	641,000	3 1/4% - 3 1/2%		
	61-90 "	<u>1,793,000</u>	3 3/8% - 3 1/2%		
		<u>\$3,778,000</u>			

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other Holdings Close</u> <u>Sept. 16, 1925</u>	
Cleveland	1-30 days	\$1,341,000	3 1/8%	\$2,477,000	\$ 767,000	Sterling
	Allotment N.Y. pur.	<u>1,911,000</u>	3 1/8% - 4%			Bills
		\$3,252,000			256,000	Foreign
						Trade Ac-
						ceptances
Richmond	1-30 days	\$ 123,000	3 1/4%	664,000	0	
	31-60 "	50,000	3 3/8%			
	61-90 "	485,000	3 1/2%			
	Allotment N.Y.	<u>145,000</u>	3 1/8% - 4%			
	Purchases	\$ 803,000				
Atlanta	31-60 days	\$ 8,000	3 3/8%	1,172,000	650,000	Unendorsed
	61-90 "	265,000	3 1/4% - 3 3/8%			Bills pur-
	Over 90 "	100,000	3 3/8%			chased
	Allotment N.Y.	<u>1,201,000</u>	3 1/8% - 4%			from
	Purchases	\$1,574,000				Accepting
						Banks
Chicago	61-90 days	\$1,133,000	3 3/8%	2,037,000	150,000	Sales
	Allotment N.Y.	<u>2,734,000</u>	3 1/8% - 4%			Contracts
	Purchases	\$3,867,000				
St. Louis	0	0	0	720,000	0	
Minneapolis	Allotment N.Y.					
	Purchases	\$2,014,000	3 1/8% - 4%	1,307,000	0	
Kansas City	Allotment N.Y.					
	Purchases	\$2,559,000	3 1/8% - 4%	1,203,000	0	
Dallas	1-30 days	\$ 51,000	3 1/8%	672,000	0	
	Allotment N.Y.	<u>1,093,000</u>	3 1/8% - 4%			
	Purchases	\$1,144,000				
San Francisco	1-30 days	\$ 372,000	3 1/8% - 3 1/4%	2,491,000	1,867,000	Sales
	31-60 "	577,000	3 1/4%			Contracts
	61-90 "	228,000	3 3/8%			
	Allotment N.Y.	<u>2,073,000</u>	3 1/8% - 4%			
	Purchases	\$3,250,000				
Totals		\$27,834,000		\$19,390,000	\$8,021,000	Sales Con-
						tracts
					<u>3,022,000</u>	Other Bills
					\$11,043,000	

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RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 16, 1925
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$24,819	\$27,834	\$52,653
Sold	31,120	0	31,120
Matured	<u>0</u>	<u>19,390</u>	<u>19,390</u>
	\$ 6,301	\$ 8,444+	\$ 2,143+
		<u>5,648-</u> (1-day Hold- over)	<u>5,648-</u> (1-day Hold- over)
		\$ 2,796+	\$ 3,505-
		<u><u> </u></u>	<u><u> </u></u>

(Including Sales Contracts)

<u>Holdings Sept. 16, 1924</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Mos.</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$96,409	0	0	\$18,723	\$ 6,514	\$287,603	\$409,249
Bills Purchased	<u>50,778</u>	<u>43,260</u>	<u>61,111</u>	<u>45,022</u>	<u>11,791</u>	<u>0</u>	<u>211,962</u>
Totals	<u>\$147,187</u>	<u>\$43,260</u>	<u>\$61,111</u>	<u>\$63,745</u>	<u>\$18,305</u>	<u>\$287,603</u>	<u>\$621,211</u>

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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 15, 1925.

To All members of the Board.

Subject: # 2

From Mr. Eddy.

For your information.

Governor Crissinger ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Cunningham ✓
Mr. Miller ✓

Please return to Secretary's Office.

333 /

2-8495

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Authority EO 10501

September 15, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 14th instant, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from September 3 to September 9, 1925, inclusive, together with data received by the Committee from the Federal reserve banks.

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.

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Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
SEP 15 1925
OFFICE OF
THE GOVERNOR

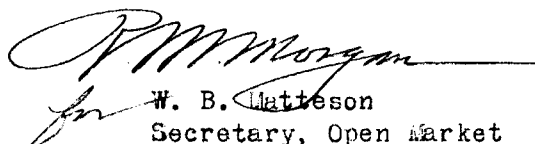
CONFIDENTIAL

September 14, 1925

S i r :

We are enclosing report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from September 3 to September 9, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


for W. B. Hatteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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 Authority EO 10501

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK END SEPTEMBER 9, 1925**

Holdings of Earning Assets of Federal Reserve Banks January 1925 to Date
 as Compared with Corresponding Period 1924

(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1924-						
Jan. 9	\$1,026,496	\$ 92,368	\$7,990	\$279,588	\$39,578	\$606,921
Feb. 27	950,801	155,655	146	205,022	38,288	531,690
Mar. 26	942,080	254,717	2,539	164,947	37,511	482,315
Apr. 30	873,381	300,238	1,422	102,800	21,685	447,185
May 28	850,193	332,072	1,210	49,869	36,891	429,600
June 25	826,260	427,032	2,762	44,065	969	350,131
July 30	824,867	505,270	11	23,244	1,197	293,895
Aug. 27	855,225	541,216	410	48,649	640	262,560
Sept. 3	915,427	541,935	210	58,762	10,821	301,949
" 10	923,659	568,178	10	83,925	8,566	281,230
-1925-						
Jan. 7	1,109,965	494,469	1,560	322,029	8,949	264,408
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	4,059	287,544	19,361	377,641
Apr. 29	1,027,752	345,031	4,008	238,243	28,585	399,985
May 27	1,054,376	345,365	3,849	241,377	37,036	413,999
June 24	1,034,470	324,609	7,454	215,277	26,389	455,445
July 29	1,021,342	318,569	11,591	183,978	26,498	468,356
Aug. 26	1,126,293	318,310	13,939	182,555	18,964	579,675
Sept. 2	1,126,089	318,759	7,453	192,369	20,798	576,890
" 9	1,190,269	319,141	7,973	192,475	21,668	639,192

**CHANGES IN HOLDINGS OF EARNING ASSETS OF FEDERAL RESERVE BANKS (EXCLUSIVE
 OF SALES CONTRACTS) DURING WEEK ENDED SEPTEMBER 9, 1925**

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 9	Net Change	Balance Sept. 9	Net Change	Balance Sept. 9	Net Change
Boston	\$ 5,198	\$ 1-	\$ 35,932	\$1,831+	\$ 25,103	\$ 2,619-
New York	53,326	0	6,317	*7,864-	254,334	58,842+
Philadelphia	17,872	0	18,576	538+	47,293	574-
Cleveland	30,648	0	16,279	1,119-	67,273	12,060+
Richmond	5,544	0	5,003	145-	51,656	2,932-
Atlanta	14,402	1+	11,036	1,131-	30,193	5,750-
Chicago	40,448	8+	26,932	403+	51,930	5,345+
St. Louis	30,868	0	3,094	1,798-	30,756	1,876-
Minneapolis	15,978	0	22,963	2,187+	8,305	1,498+
Kansas City	32,670	346+	17,342	653-	7,945	1,029-
Dallas	28,396	28+	10,779	2,368+	9,848	821-
San Francisco	43,791	0	18,222	974-	54,556	158+
Totals	\$319,141	\$382+	\$192,475	\$6,357-	\$639,192	\$62,302+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 9, 1925

Advances in all classes of earning assets aggregating \$64,180,000 brought the total holdings to the highest point since December 31, 1924. The volume of bills discounted increased \$62,302,000, of which \$58,842,000 represented an advance in the New York district, while outright holdings of Government securities and bankers acceptances increased \$382,000 and \$106,000 respectively. Securities and bills held under sales contracts rose \$520,000 and \$870,000 respectively.

*Includes allotment of \$6,463,000 to Federal Reserve Banks of Minneapolis and Dallas held overnight by New York on September 2, 1925.

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Money
Market

Following a substantial deficit in the average reserve requirements of Clearing House banks, on Tuesday, September 8, the rate on Stock Exchange call money, after opening and renewing at 4 per cent, successively advanced to 5 1/2 per cent, and the average rate at which new loans were arranged increased to 4.86 per cent. With a return movement from the interior later in the week, however, the average rate again receded and by Friday declined to 4.05 per cent.

The time money market was quiet with interest centered principally in the 4 months' loans at 4 3/4 per cent. Rates on other maturities while firm were, in general, unchanged.

While commercial paper market in New York continued quiet, moderate activity prevailed in the New England and Chicago districts. Supplies of paper, while somewhat larger than recently, are unusually small for this season. The prevailing rate continued at 4 1/4 per cent.

Government
Security
Market

United States Government bonds continued quiet, the total sales on the Stock Exchange, during the week ended September 9, amounting to about \$2,604,000. The light trading was centered principally in the Fourth Liberty Loan 4 1/4 per cent bonds. Prices on most issues were fractionally lower than the previous week.

The market for short-term Government securities remained dull, with demand and supply about equal. Prices remained virtually unchanged from recent levels.

Bankers
Acceptances

Dealers' offering rates on unindorsed bills continued unchanged from the previous week, with 30-day bills offered at 3 1/4 per cent, 60s at 3 3/8 per cent, and 90 and 120-day maturities at 3 1/2 per cent.

In Boston the supply of bills remained limited, although slightly larger than in recent weeks. The demand was strong for all maturities up to 90 days, however, chiefly due to the higher rates at which bills are offered. The New York bill market was moderately active. While the supply increased in fair proportions, the demand was good, and dealers had some difficulty in adequately completing orders. Further improvement in the supply is shortly anticipated following the seasonal appearance of cotton bills. Philadelphia reports the supply of bills gradually increased, with a similar advance in the demand. The demand for bills in Chicago appears to be slightly in excess of the supply, which continued small.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There have been no transactions during the statement week affecting the System Account, the total holdings at the close of business September 9 remaining at \$215,134,300. The participation in the account by all Federal reserve banks and the classification of issues held were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 291,500
New York	52,068,300
Philadelphia	374,000
Cleveland	11,116,500
Richmond	4,203,000
Atlanta	11,982,500
Chicago	20,703,500
St. Louis	29,577,500
Minneapolis	8,420,500
Kansas City	19,920,000
Dallas	22,174,500
San Francisco	34,302,500
Totals	\$215,134,300

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1925	\$ 2,000,000 *
Dec. 15, 1925	38,160,100
Mar. 15, 1926	63,301,000
Sept. 15, 1926	40,401,000
Mar. 15, 1927	23,875,900
Dec. 15, 1927	32,296,300
Sept. 15, 1928 3rd L/L Bds.	15,100,000 *
Totals	\$215,134,300

*As noted in previous report, \$2,000,000 certificates maturing September 15, 1925, were sold to the Treasury for prior redemption on September 10, in partial replacement of which there was purchased \$1,965,700 notes maturing March 15, 1926, and \$15,100,000 Third Liberty Loan bonds are to be sold to the Treasury, account Sinking Fund, for delivery on or about September 15. These transactions will reduce the System Account to \$200,000,000.

OPERATIONS ACCOUNT UNITED STATES TREASURY

During the period covered by this report there was purchased a block of \$5,000,000 Third Liberty Loan 4 1/4% bonds at 101 18/32 net and interest, for account of the Cumulative Sinking Fund, being a special offering to the New York bank.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM SEPTEMBER 3 TO SEPTEMBER 9, 1925

TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>	<u>HELD UNDER SALES CONTRACTS</u>
Boston	\$ 0	-	\$ 500	Treas. 4% Bonds	\$ 50,000
New York	0	-	0	-	4,175,000
Cleveland	5,000,000	Misc. Gov't Sec.	5,000,000	Misc. Gov't Sec.	0
Atlanta	100,250	Misc. Gov't Sec.	99,950	Misc. Gov't Sec.	0
Chicago	7,600	4th L/L Bonds	0	-	2,578,000
Minneapolis	530,300	Misc. Gov't Sec.	530,300	Misc. Gov't Sec.	0
Kansas City	346,050	Misc. Gov't Sec.	0	-	0
Dallas	27,350	Misc. Gov't Sec.	0	-	1,170,000
Totals	\$6,011,550		\$5,630,750		\$7,973,000

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings</u>
Boston	1-30 days	\$ 206,000	3 1/8% - 3 1/4%	\$3,614,000	\$ 125,000 Sales contracts
	31-60 "	142,000	3 1/4% - 3 3/8%		
	61-90 "	2,721,000	3 3/8%		
	Allotment	2,376,000	3 1/8% - 3 3/4%		
	N.Y. purchases	\$5,445,000			
New York	1-30 days	\$ 372,000	3 1/8%	1,827,000	8,888,000 Sales contracts
	31-60 "	7,000	3 3/8%	* 6,463,000	
	61-90 "	47,000	3 3/8%		6,481,000 one-day holdover for distribution F.R.Bks.
		\$ 426,000			377,000 foreign trade acceptances
					83,000 spec. foreign bills
Philadelphia	1-30 days	\$ 210,000	3 1/8% - 3 1/4%	1,711,000	0
	31-60 "	273,000	3 1/4% - 3 3/8%		
	61-90 "	1,766,000	3 3/8% - 3 1/2%		
		\$2,249,000			
Cleveland	Allotment	\$ 784,000	3 1/8% - 3 3/4%	1,903,000	767,000 Sterling bills
	N.Y. purchases				256,000 foreign trade acceptances

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other</u> <u>Holdings</u>
Richmond	1-30 days	\$ 135,000	3 1/4% - 3 3/8%	\$ 811,000	0
	31-60 "	176,000	3 3/8%		
	61-90 "	250,000	3 1/2%		
	Allotment	105,000	3 1/8% - 3 3/4%		
	N.Y. purchases	\$ 666,000			
Atlanta	31-60 days	\$ 90,000	3 3/8%	1,800,000	\$ 706,000 Unin-
	Allotment	579,000	3 1/8% - 3 3/4%		dorsed bills
	N.Y. purchases	\$ 669,000			purchased
					from accept-
					ing banks
Chicago	1-30 days	\$ 225,000	3 1/8%	3,165,000	271,000 Sales
	61-90 "	1,284,000	3 3/8%		contracts
	Allotment	2,059,000	3 1/8% - 3 3/4%		
	N.Y. purchases	\$3,568,000			
St. Louis	-	0	-	1,798,000	0
Minneapolis	Allotment	\$1,067,000	3 1/8% - 3 3/4%	2,151,000	0
	N.Y. purchases				
	Purchased	3,271,000			
	St. Louis port.	\$4,338,000			
Kansas City	Allotment	\$1,243,000	3 1/8% - 3 3/4%	1,896,000	0
	N.Y. purchases				
Dallas	1-30 days	20,000	3 1/4%	1,222,000	0
	Allotment	428,000	3 1/8% - 3 3/4%	50,000	Sold to
	N.Y. purchases				Mem. Bks.
	Purchased	3,192,000			
	St. Louis port.	\$3,640,000			
San Francisco	31-60 days	\$ 182,000	3 1/4%	2,156,000	3,714,000 Sales
	61-90 "	167,000	3 3/8%		contracts
	Allotment	833,000	3 1/8% - 3 3/4%		
	N.Y. purchases	\$1,182,000			
Totals		\$24,210,000		\$30,567,000	\$21,668,000

*Special allotment to Federal reserve banks of Minneapolis and Dallas purchased from St. Louis holdings last week and held overnight by Federal Reserve Bank of New York.

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RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 9, 1925,
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$6,012	\$24,210	\$30,222
Sold	5,630	0	5,630
Matured	<u>0</u>	<u>30,567</u>	<u>30,567</u>
	<u>\$ 382+</u>	<u>\$6,357-</u>	<u>\$5,975-</u>

(Including Sales Contracts)

<u>Holdings Sept. 9, 1925</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Mos.</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$20,175	0	0	0	\$39,788	\$267,151	\$327,114
Bills Purchased	<u>58,274</u>	<u>36,335</u>	<u>64,095</u>	<u>41,988</u>	<u>13,451</u>	<u>0</u>	<u>214,143</u>
Totals	<u>\$78,449</u>	<u>\$36,335</u>	<u>\$64,095</u>	<u>\$41,988</u>	<u>\$53,239</u>	<u>\$267,151</u>	<u>\$541,257</u>

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Form No. 131.

Office Correspondence # W

FEDERAL RESERVE
BOARD

Date September 9, 1925.

To All members of the Board.

Subject: 333 /

From Mr. Eddy.

3-8495

For your information.

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Cunningham ✓

Mr. Miller ✓

Please return to Secretary's Office.

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September 9, 1925.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 8th instant, addressed to Governor Crissinger, enclosing copy of a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 27 to September 2, 1925, inclusive, together with data received by the Committee from the Federal Reserve banks.

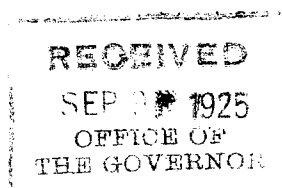
Very truly yours,

Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK



Open Market Investment Committee
for the Federal Reserve System

CONFIDENTIAL

September 8, 1925

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 27 to September 2, 1925 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

A handwritten signature in cursive script, appearing to read "W. B. Matteson".

W. B. Matteson
Secretary of the Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 2, 1925

Holdings of Earning Assets of Federal Reserve Banks January 1925 to Date
As Compared With Corresponding Period 1924
(000 Omitted)

-1924-		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
Jan.	9	\$1,026,496	\$ 92,368	\$ 7,990	\$279,588	\$39,578	\$606,921
Feb.	27	950,801	155,655	146	205,022	38,288	531,690
Mar.	26	942,080	254,717	2,539	164,947	37,511	482,315
Apr.	30	873,381	300,238	1,422	102,800	21,685	447,185
May	28	850,193	332,072	1,210	49,869	36,891	429,600
June	25	826,260	427,032	2,762	44,065	969	350,131
July	30	824,867	505,270	11	23,244	1,197	293,895
Aug.	27	855,225	541,216	410	48,649	640	262,560
Sept.	3	915,427	541,935	210	58,762	10,821	301,949
-1925-							
Jan.	7	1,109,965	494,469	1,560	322,029	8,949	264,408
Feb.	25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar.	25	1,040,699	339,692	4,059	287,544	19,361	377,641
Apr.	29	1,027,752	345,031	4,008	238,243	28,585	399,985
May	27	1,054,376	345,365	3,849	241,377	37,036	413,999
June	24	1,034,470	324,609	7,454	215,277	26,389	455,445
July	29	1,021,342	318,569	11,591	183,978	26,498	468,356
Aug.	26	1,126,293	318,310	13,939	182,555	18,964	579,675
Sept.	2	1,126,089	318,759	7,453	192,369	20,798	576,890

CHANGES IN HOLDINGS OF EARNING ASSETS OF FEDERAL RESERVE BANKS (EXCLUSIVE
OF SALES CONTRACTS) DURING WEEK ENDED SEPTEMBER 2, 1925
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 2	Change	Sept. 2	Change	Sept. 2	Change
Boston	\$ 5,199	\$ 0	\$ 34,101	\$ 7,761+	\$ 27,722	\$ 7,785-
New York	53,326	0	14,181*	5,827+	195,492	2,658+
Philadelphia	17,872	0	18,038	2,860+	47,867	639-
Cleveland	30,648	0	17,398	304-	55,213	2,052+
Richmond	5,544	0	5,148	290+	54,588	2,892+
Atlanta	14,401	20+	12,167	122+	35,943	934-
Chicago	40,440	153+	26,529	3,090+	46,585	11,311-
St. Louis	30,868	0	4,892	7,283-	32,632	1,601+
Minneapolis	15,978	0	20,776	319+	6,807	626-
Kansas City	32,324	187+	17,995	1,489+	8,974	2,334+
Dallas	28,368	89+	8,411	601-	10,669	831-
San Francisco	43,791	0	19,196	2,707+	54,398	7,804+
Totals	\$318,759	\$449+	\$198,832	\$16,277+	\$576,890	\$ 2,785-

* Includes \$6,463,000 from St. Louis holdings held over night pending allotment to Minneapolis and Dallas

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 2, 1925

Total earning assets of all reserve banks declined \$204,000 during the statement week. Government securities held under sales contracts decreased \$6,486,000, and bills discounted \$2,785,000; while outright holdings of securities and bankers acceptances advanced \$449,000 and \$16,277,000 respectively. Bills held under repurchase agreements were \$1,834,000 higher.

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Money
Market

Money conditions in New York continued firm early in the week, apparently reflecting first of the month requirements and further loss of funds to the interior. Later in the week, however, as average reserves continued above requirements, the money market turned somewhat easier on Wednesday, September 2, and the average rate at which new loans were arranged declined to 4.13 per cent from 4.44 per cent the previous day, and on Thursday receded to 4 per cent where it remained unchanged.

The time money market continued dull with nominal rates for all maturities unchanged from recent levels. Activity appeared confined to 90-day loans, which were placed at 4 1/2 per cent, 4 months' at 4 5/8 per cent, and six months' at 4 3/4 per cent.

Activity in the commercial paper market was confined generally to the Middle West, although dealers report a slightly increased volume of sales in New York. The prevailing rate remains at 4 1/4 per cent, with the tendency towards 4 1/2 per cent.

Government
Security
Market

Trading in Government bonds declined further during the week ended September 5, sales on the Stock Exchange totaling only \$2,826,000, as compared with \$4,455,000 the previous week, and \$7,401,000 two weeks ago. Prices were slightly irregular and receded 1 to 9/32nds at the close. Activity continued to be centered in the Second and Fourth 4 1/4 per cent issues. The market for short-term securities was dull with only small offerings and a light demand. Prices held firm, however, and yields remained virtually unchanged from recent weeks.

At the request of the Federal Reserve Bank of St. Louis there was purchased on September 1, \$6,463,000 bills previously allotted to them. These, upon receipt by the New York bank, were reallocated in equivalent amounts to Minneapolis and Dallas.

Bankers
Acceptances

Rates on unindorsed bankers acceptances continued practically unchanged at the levels established last week, dealers offering 30-day bills at 3 1/4 per cent, 60s at 3 3/8 per cent, and 90 and 120-day maturities at 3 1/2 per cent.

While the supply of bills in Boston remained small there appears a noticeable improvement in the demand, as a result of the increased rates. Substantial purchases from local and out-of-town banks have depleted dealers' portfolios considerably. The situation in the New York market was similar. The demand greatly improved following the advance in rates, and while the supply of bills was in general small, a substantial increase is anticipated as a result of seasonal drawings. In Philadelphia, offerings in the bill market were fairly heavy early in the period but declined toward the close. Chicago reports the bill market exceptionally dull.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There have been no transactions during the period covered by this report in the System Special Investment Account, the total holdings at the close of business September 2 remaining at \$215,134,300. The total of the participation in the account by all Federal reserve banks and the classification of issues held were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>
Boston \$ 291,500	Sept. 15, 1925 \$ 2,000,000
New York 52,068,300	Dec. 15, 1925 38,160,100
Philadelphia 374,000	March 15, 1926 63,301,000
Cleveland 11,116,500	Sept. 15, 1926 40,401,000
Richmond 4,203,000	March 15, 1927 23,875,900
Atlanta 11,982,500	Dec. 15, 1927 32,296,300
Chicago 20,703,500	3rd L/L Sept. 15, 1928 15,100,000
St. Louis 29,577,500	
Minneapolis 8,420,500	
Kansas City 19,920,000	
Dallas 22,174,500	
San Francisco 34,302,500	
Totals \$215,134,300	\$215,134,300

With the approval of all members of the Committee there has been sold from System holdings to the Treasury for account of the Sinking Fund \$15,100,000 Third Liberty Loan 4 1/4% bonds for delivery on or about September 15, at the then existing market price, and for prior redemption on September 10 - \$2,000,000 certificates maturing September 15, 1925, at par and interest to date of redemption. These latter certificates are to be replaced in part through the purchase for delivery on September 10 of \$1,965,700 - 4 3/4% Treasury notes maturing March 15, 1926, at 3.45% basis. These transactions will effect a net reduction in the Special Account to an even \$200,000,000.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Treasury authorization to purchase \$5,000,000 Third Liberty Loan 4 1/4% bonds at 101 18/32 net and interest for delivery September 1, for account of the Cumulative Sinking Fund, was completed through purchases of private offerings of \$2,500,000 in New York and \$2,500,000 in Chicago.

The Treasury accepted a private offering received by the Federal Reserve Bank of Chicago of \$5,000,000 - 2 3/4% certificates maturing September 15, 1925, and also purchased from portfolio of the Federal Reserve Bank of Cleveland \$5,000,000 certificates of the same issue both at par and interest for prior redemption. The sale by the Cleveland bank will be replaced through the purchase of other maturities.

At the request of the Treasury the Federal Reserve Bank of New York sold for account of the Civil Service Retirement and Disability Fund \$290,000 face amount certificates due December 15, 1925, and \$485,000 certificates due June 15, 1926.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM AUGUST 27 TO SEPTEMBER 2, 1925

TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Sales</u>	<u>HELD UNDER SALES CONTRACTS</u>
Boston	\$ 0	\$ 100 3rd L/L Bds.	\$ 142,500
New York	0	0	3,525,000
Cleveland	4,000,000 Misc. Gov't Sec.	4,000,000 TJ-1926 Ctfs.	0
Atlanta	77,500 Misc. Gov't Sec.	57,700 Misc. Gov't Sec.	0
Chicago	153,400 4th L/L Bonds	0	2,804,500
Minneapolis	416,000 Misc. Gov't Sec.	416,000 Misc. Gov't Sec.	0
Kansas City	187,000 Misc. Gov't Sec.	0	0
Dallas	88,950 Misc. Gov't Sec.	0	981,000
Totals	\$4,922,850	\$4,473,800	\$7,453,000

BANKERS ACCEPTANCES

	<u>Maturity</u>	<u>PURCHASES Amount</u>	<u>Rate</u>	<u>MATURITIES Amount</u>	<u>Other Holdings</u>
Boston	1-30 days	\$ 402,000	3%	\$3,339,000	\$ 242,000 Sales contracts
	31-60 "	859,000	3 1/8% - 3 3/8%		
	61-90 "	1,066,000	3 1/4% - 3 1/2%		
	Over 90 "	785,000	3 1/4% - 3 1/2%		
	Allotment N.Y. purchases	7,988,000	3% - 3 5/8%		
		\$11,100,000			
New York	1-30 days	322,000	3% - 3 1/8%	1,025,000	8,253,000 Sales contracts
	31-60 "	51,000	3 1/8% - 3 3/8%		
	61-90 "	11,000	3 1/4% - 3 3/8%		1,833,000 one day holdover for distribution F.R.Banks
	Over 90 "	5,000	3 1/2%		549,000 foreign trade acceptances
		*6,463,000			219,000 spec. foreign bills.
		\$6,852,000			
Philadelphia	1-30 days	470,000	3%	1,825,000	0
	31-60 "	2,033,000	3 1/8% - 3 3/8%		
	61-90 "	2,182,000	3 1/4% - 3 3/8%		
		\$4,685,000			
Cleveland	31-60 days	17,000	3 1/8%	2,115,000	354,000 Sterling bills
	61-90 "	50,000	3 1/4%		256,000 foreign trade acceptances
	Allotment N.Y. purchases	1,744,000	3% - 3 5/8%		
		\$1,811,000			

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BANKERS ACCEPTANCES - (Continued)

	<u>Maturity</u>	<u>PURCHASES</u> <u>Amount</u>	<u>Rate</u>	<u>MATURITIES</u> <u>Amount</u>	<u>Other</u> <u>Holdings</u>
Richmond	1-30 days	\$ 230,000	3 1/8% - 3 3/8%	\$ 684,000	0
	31-60 "	195,000	3 1/4% - 3 3/8%		
	61-90 "	300,000	3 1/4% - 3 3/8%		
	Allotment N.Y.	249,000	3% - 3 5/8%		
	Purchases				
		\$ 974,000			
Atlanta	Allotment N.Y.				664,000 Unin-
	Purchases	1,440,000	3% - 3 5/8%	1,318,000	dorsed bills
					purchased from
					accept. banks
Chicago	1-30 days	114,000	3%	3,319,000	0
	31-60 "	431,000	3 1/8%		
	61-90 "	1,032,000	3 1/4% - 3 5/8%		
	Allotment N.Y.	4,832,000			
	Purchases				
		\$6,409,000			
St. Louis		0		820,000	0
				6,463,000	Sold
					for reallocation
					to F.R.B. Dallas
					and Minneapolis
Minneapolis	Allotment N.Y.				
	Purchases	2,518,000	3% - 3 5/8%	2,199,000	0
Kansas City	Allotment N.Y.				
	Purchases	2,793,000	3% - 3 5/8%	1,304,000	0
Dallas	Allotment N.Y.				
	Purchases	934,000	3% - 3 5/8%	1,520,000	0
				15,000	Sold to
					Mem.Bks.
San Francisco	1-30 days	339,000	3% - 3 1/8%	1,933,000	1,965,000 Sales
	31-60 "	1,369,000	3 1/8% - 3 1/4%		contracts
	61-90 "	611,000	3 1/4% - 3 3/8%		
	Over 90 "	168,000	3 3/8% - 3 1/2%		
	Allotment N.Y.	2,153,000	3% - 3 5/8%		
	Purchases				
		\$4,640,000			
Totals		\$44,156,000		\$27,879,000	\$4,335,000

* Purchased from St. Louis holdings and held overnight pending allotment to Minneapolis and Dallas.

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Authority FD-10501

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 2, 1925 AND
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 omitted)

	(Excluding Sales Contracts)		
	Government Securities	Bankers Acceptances	Total
Purchased	\$4,923	\$44,156	\$49,079
Sold	4,474	6,463	10,937
Matured	0	21,416	21,416
	\$ 449+	\$16,277+	\$16,726+

Holdings Sept. 2, 1925	(Including Sales Contracts)						Total
	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	
Gov't Securities	\$19,654	\$ 0	\$ 0	\$ 0	\$56,882	\$249,676	\$326,212
Bills Purchased	60,683	34,973	62,690	39,900	14,921	0	213,167
Totals	\$80,337	\$34,973	\$62,690	\$39,900	\$71,803	\$249,676	\$539,379