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Authority EO 10501

Form No. 1

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date May 5, 1926.

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. McCall.

*Mr. McCall*  
*Mr. Hamlin*

FEDERAL RESERVE BOARD  
332

For your information.

- Gov. Crissinger
- Mr. Platt
- Mr. Hamlin
- Mr. James
- Mr. Miller

Please return to Secretary's Office.

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May 5, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 3rd instant, addressed to Governor Crissinger, enclosing a 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 April 22 to April 28, 1926, inclusive, together with data received by the Committee from the Federal reserve banks.

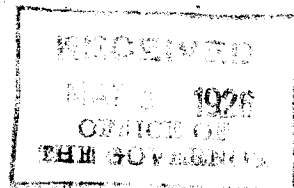
Very truly yours,

J. C. Noell,  
Assistant Secretary.

Mr. W. E. 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

May 3, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from April 22 to April 28, 1926 in-  
clusive, 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, 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 APRIL 28, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	265,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 21	1,081,062	386,407	2,175	202,355	27,119	449,670
" 28	1,114,233	385,685	3,128	180,274	18,743	513,668

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
 DURING WEEK ENDED APRIL 28, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 28	Net Change	Balance Apr. 28	Net Change	Balance Apr. 28	Net Change
Boston	\$ 17,289	0	\$ 17,193	\$ 8,073-	\$ 25,107	\$ 1,182+
New York	73,868	0	9,587	1,364-	140,636	79,408+
Philadelphia	23,723	0	13,187	692+	49,292	448+
Cleveland	37,110	0	18,034	1,417-	50,836	426-
Richmond	9,343	0	8,878	934-	43,117	5,388-
Atlanta	3,462	837-	24,962	1,087-	36,195	5,244-
Chicago	56,058	0	21,480	3,373-	61,263	2,034+
St. Louis	25,742	0	8,219	249+	23,722	3,221-
Minneapolis	19,828	0	19,170	648-	6,946	101+
Kansas City	36,184	0	10,751	1,610-	20,618	2,022-
Dallas	33,278	113+	9,781	959-	9,584	2,235+
San Francisco	49,800	2+	16,602	1,513-	46,352	5,109-
N.Y. holdovers and other bills			2,430	2,044-		
Totals	\$385,685	\$722-	\$180,274	\$22,081-	\$513,668	\$63,998+

COMMENT ON CHANGES WEEK ENDED APRIL 28, 1926

Total earning assets of the System advanced \$33,200,000 during the statement week. The increase in bills discounted of \$64,000,000 was partially offset by a decrease in bankers acceptances of \$30,500,000, the latter amount representing \$22,100,000 of bills held outright and \$8,400,000 of bills under sales contract agreements.

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Money  
Market

There was little fluctuation in call money during the early part of the week, the rate ruling fairly steady at 3 1/2 per cent. Toward the close of the week, however, a firmer tone appeared and the rate advanced on Thursday, April 29, to 4 per cent and still further on Friday to 4 1/2 per cent, the highest in about two weeks. This firmness was due to a large movement of funds out of town and to the temporary shifting of funds in preparation for the heavy interest and dividend payments on May 1.

Quoted rates for time money ranged from 3 3/4 to 4 1/4 per cent depending on the maturity. Trading was rather dull and loans were generally placed at 4 per cent.

Commercial paper rates were unchanged at 4 to 4 1/4 per cent, with the bulk of the business going at the lower rate.

Government  
Security  
Market

Long-term Government securities continued active and prices hold generally steady at the high levels reached last week. The Fourth 4 1/4 per cent Liberty issue was in best demand.

Prices of short-term certificates and notes also held firm.

Bankers  
Acceptances

Dealers in bankers' acceptances continued to offer unindorsed bills at the rates which were put into effect on April 23, namely 3 1/8 per cent for all maturities up to 90 days at 3 1/4 per cent for 120-day bills.

On April 27 the Federal Reserve Bank of New York reduced its minimum buying rates on bills so that the rates now in effect are as follows:

1 - 15 days 3 1/8%, 16-60 days 3 1/4%, 61-90 days 3 1/2%,  
4 months 3 1/2%, 5 and 6 months 4%

Boston reports that the supply of new bills coming into the market was very small and the demand light. What little buying there is appears to come from a few city banks, there being practically no demand from corporations or country banks. Bill purchases by dealers were the smallest of any week this year. In the New York market the supply of bills was in about the same volume as last week but there was a very good demand accompanying the easy money conditions. Dealers' combined portfolios showed a substantial decrease. Offerings to the reserve bank during this period were very light. Philadelphia reports a fairly active market for bills during the early part of the week but quiet toward the close. Offerings continued in only moderate volume. There was very little demand for bills in the Chicago district at the new rates. As a result dealers are carrying fairly large portfolios.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to April 28 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 32,680,000	\$ 32,218,000	\$ 462,000	\$ 0
New York	107,919,000	109,296,000	0	1,377,000
Philadelphia	37,742,000	36,820,000	922,000	0
Cleveland	45,825,000	46,023,000	0	198,000
Richmond	23,498,000	23,085,000	413,000	0
Atlanta	20,070,000	19,719,000	351,000	0
Chicago	63,933,000	64,434,000	0	501,000
St. Louis	22,076,000	22,234,000	0	158,000
Minneapolis	18,490,000	18,481,000	9,000	0
Kansas City	27,443,000	27,617,000	0	174,000
Dallas	18,836,000	18,481,000	355,000	0
San Francisco	<u>41,321,000</u>	<u>41,425,000</u>	<u>0</u>	<u>104,000</u>
Totals	<u>\$459,833,000</u>	<u>\$459,833,000</u>	<u>\$2,512,000</u>	<u>\$2,512,000</u>

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There has been no change in the total holdings in the System Special Investment Account since the last report, the amount remaining at \$275,000,000.. The participation by the various Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 12,054,000
New York	72,546,000
Philadelphia	6,765,000
Cleveland	18,152,500
Richmond	8,002,000
Atlanta	0
Chicago	36,071,000
St. Louis	18,872,500
Minneapolis	12,270,000
Kansas City	24,743,500
Dallas	25,392,000
San Francisco	<u>40,131,500</u>
Totals	<u>\$275,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 47,546,500*
September 15, 1926	33,501,000
December 15, 1926	50,203,000
March 15, 1927	66,728,200
December 15, 1927	37,121,300
September 15, 1928	39,900,000
3rd L/L bonds	
Totals	<u>\$275,000,000</u>

\* Due to the strong demand in the market for certificates maturing June 15, 1926 an opportunity was afforded to exchange \$7,200,000 certificates of this maturity at a price representing approximately a 3% basis for a like amount of September 15, 1926 - 4 1/4% notes on a 3.10% basis. Furthermore, in order to provide a foreign correspondent with a round amount of short-term Government securities maturing June 15, 1926, there was sold from the Special Account about \$4,000,000 of the 3 1/4% certificates due June 15, 1926 at par and 1/32 (about a 3% basis and slightly above the present book value), which were replaced by the purchase of a like amount of Treasury notes due September 15, 1926 on a 3.10% basis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM APRIL 22 TO APRIL 28, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$121,000	Misc. Gov't Securities	\$958,000	Misc. Gov't Securities
Dallas	128,000	Misc. Gov't Securities	15,000	Misc. Gov't Securities
San Francisco	<u>2,000</u>	Misc. Gov't Securities	<u>0</u>	-
<b>Totals</b>	<b>\$251,000</b>		<b>\$973,000</b>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> <u>April 21</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Maturities</u> <u>and Sales</u>	<u>Holdings</u> <u>April 28</u>	<u>Other Holdings</u> <u>Close April 28/26</u>	
						<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 25,266	\$ 3,518	Allotted 0	\$10,553	\$ 17,193	\$ 1,687	0
New York	10,951	6,938	Allotted 3,518	5,994	9,587	8,667	680
			Retained 1,112				
Philadelphia	12,495	1,507	" 0	815	13,187	0	0
Cleveland	19,451	100	" 1,162	2,679	18,034	0	668
Richmond	9,812	336	" 448	1,718	8,878	0	0
Atlanta	26,049	17	" 465	1,569	24,962	0	512
Chicago	24,853	0	" 1,183	4,556	21,480	2,111	0
St. Louis	7,970	0	" 699	450	8,219	0	0
Minneapolis	19,818	0	" 507	1,155	19,170	0	0
Kansas City	12,361	0	" 832	2,442	10,751	0	0
Dallas	10,740	73	" 584	1,616	9,781	0	0
San Francisco	<u>18,115</u>	<u>212</u>	" <u>1,058</u>	<u>2,783</u>	<u>16,602</u>	<u>6,278</u>	<u>0</u>
<b>Totals</b>	<b>\$197,881</b>	<b>\$16,293</b>		<b>\$36,330</b>	<b>\$177,844</b>	<b>\$18,743</b>	<b>\$1,860</b>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 28, 1926  
 (000 Omitted)

	1 - 30 days <u>3 1/8 - 3 5/8%</u>	31 - 60 days <u>3 1/4 - 3 5/8%</u>	61 - 90 days <u>3 1/2 - 3 3/4%</u>	Over 90-days <u>3 1/2 - 3 3/4%</u>	Total
Boston	\$ 5,004	\$ 968	\$ 0	\$ 26	\$ 5,998
New York	5,001	1,977	495	577	8,050
Philadelphia	751	756	0	0	1,507
Cleveland	0	0	100	0	100
Richmond	50	200	86	0	336
Atlanta	0	0	17	0	17
Dallas	25	7	0	41	73
San Francisco	<u>41</u>	<u>144</u>	<u>27</u>	<u>0</u>	<u>212</u>
Totals	<u>\$10,872</u>	<u>\$4,052</u>	<u>\$723</u>	<u>\$644</u>	<u>\$16,293</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 28, 1926  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

	Government Securities	(Excluding Sales Contracts) Bankers Acceptances	Total
Purchased	\$251	\$16,293	\$16,544
Sold	973	0	973
Matured	0	36,330	36,330
		<u>\$20,037-</u>	<u>\$20,759-</u>
		1,681- (Net Change	1,681- (Net Change
		1-day holdover	1-day hold-
		& other bills)	over & other
Totals	<u>\$722-</u>	<u>\$21,718-</u>	<u>\$22,440-</u>

	(Including Sales Contracts)						
Holdings April 28, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 3,128	0	\$60,983	0	\$45,584	\$279,118	\$388,813
Bills Purchased	<u>86,409</u>	<u>56,093</u>	<u>38,275</u>	<u>14,192</u>	<u>4,048</u>	<u>0</u>	<u>199,017</u>
Totals	<u>\$89,537</u>	<u>\$56,093</u>	<u>\$99,258</u>	<u>\$14,192</u>	<u>\$49,632</u>	<u>\$279,118</u>	<u>\$587,830</u>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL RESERVE BOARD FILE  
Date April 27, 1926  
333

To                      Federal Reserve Board

# 11

Subject:                     

From                      Mr. Noell

2-5495

For your information:

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

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April 27, 1926

Dear Sir:

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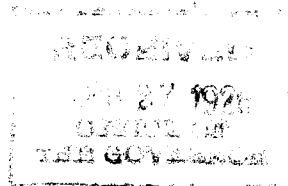
Very truly yours,

J. C. Noell,  
Assistant Secretary

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

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FEDERAL RESERVE BANK  
OF NEW YORK



CONFIDENTIAL

April 26, 1926

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Respectfully,

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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 APRIL 21, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
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Oct. 28	1,250,087	314,933	9,824	297,453	31,264	589,994
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Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 14	1,242,243	374,772	2,243	214,332	59,726	577,284
" 21	1,081,062	386,408	2,175	202,355	27,119	449,670

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 21, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Apr. 21	Change	Apr. 21	Change	Apr. 21	Change
Boston	\$ 17,290	\$ 6,314+	\$ 25,266	\$ 9,925-	\$ 23,925	\$ 7,178-
New York	73,868	8,243+	10,951	10,104-	61,228	127,741-
Philadelphia	23,723	908+	12,495	1,353+	48,844	1,557+
Cleveland	37,110	1,135+	19,451	919-	51,262	13,122-
Richmond	9,343	681+	9,812	824-	48,505	3,796+
Atlanta	4,299	15,152-	26,049	15,787+	41,439	575+
Chicago	56,058	6,549+	24,853	5,588-	59,229	5,826-
St. Louis	25,742	0	7,970	1,319+	26,943	1,877+
Minneapolis	19,828	568+	19,318	710-	6,845	2,005+
Kansas City	36,184	681+	12,361	1,397-	22,640	5,163+
Dallas	33,165	687+	10,740	7-	7,349	1,564+
San Francisco	49,798	1,022+	18,115	1,477-	51,461	9,716+
N.Y. holdovers and other bills			4,474	515+		
Totals	\$386,408	\$11,636+	\$202,355	\$11,977-	\$449,670	\$127,614-

COMMENT ON CHANGES WEEK ENDED APRIL 21, 1926

A decline of \$161,200,000 during the statement week brought total earning assets of the System to the lowest point since August 1925. The declines consisted chiefly of reductions of \$127,600,000 in bills discounted, and \$33,000,000 in acceptances held under sales contract agreement. The decrease of \$12,000,000 in acceptances purchased outright was about offset by an increase in outright holdings of Government securities amounting to \$11,600,000.

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Money  
Market

Owing to excess bank reserves at the beginning of the week and only a very light demand for loans, money rates were reduced to the lowest levels in about a year. Stock Exchange call money ruled during the middle of the week at 3 1/2 per cent but at mid-day on Friday, April 23, the rate was reduced to 3 per cent, lowest since March 20, 1925, and in the outside market loans were obtainable as low as 2 1/2 per cent.

In time money rates declined to 4 - 4 1/4 per cent. Trading was somewhat more active and at the close of the week loans for four to six months were generally placed at 4 per cent, the lowest since last summer.

The easy money position was also manifested in the commercial paper market and late in the week offerings were freely made at 4 - 4 1/4 per cent. The demand <sup>was</sup> heavy and widespread inquiries were reported as being received from practically all sections of the country. The supply of paper in dealers hands, however, continued small.

Government  
Security  
Market

The Government security market was very active during this period and nearly every issue sold up to new high prices for the year. The demand was especially strong for the long-term 4 1/4 per cent and 4 per cent Treasury bonds. These issues sold at new high prices namely 108 1/2 and 104 14/32 respectively. The 3 3/4 per cent issue which was put out on March 15 at 100 1/2 also established a new high at 101 14/32.

Offerings in the market of short-term certificates and notes were readily absorbed and prices of all issues held firm.

Bankers  
Acceptances

On Thursday, April 22, dealers lowered their bid and offered rates 1/8 per cent and on the following day when the reduction in the New York bank's rediscount rate to 3 1/2 per cent became effective, and coincident with further ease in the general money situation, dealers made a further reduction in their bill rate of 1/4 per cent. These changes brought the offering rates on unindorsed bills at the end of the week down to 3 1/8 per cent for all maturities up to 90 days, and 3 1/4 per cent for 120-day bills.

In the Boston market the supply of bills continued very small but toward the end of the week there was some increase in the demand accompanying easy money conditions. A similar situation prevailed in the New York market. There was a heavy demand for bills as contrasted with the small supply with the result that dealers' portfolios were substantially reduced and dealers accordingly reduced their rates to the lowest levels since April 1925. Philadelphia and Chicago report a quiet bill market in their districts early in the period but a better demand developed toward the close.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was sold from the investment holdings of the Alien Property Custodian an aggregate of \$350,000 3 3/4 per cent certificates due December 15, 1925.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to April 21 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 33,718,000	\$ 31,324,000	\$2,394,000	\$ 0
New York	103,289,000	106,358,000	0	3,069,000
Philadelphia	36,235,000	35,798,000	437,000	0
Cleveland	44,563,000	44,747,000	0	184,000
Richmond	22,714,000	22,446,000	268,000	0
*Atlanta	19,588,000	19,080,000	508,000	0
Chicago	62,750,000	62,646,000	104,000	0
St. Louis	21,377,000	21,595,000	0	218,000
Minneapolis	17,983,000	17,970,000	13,000	0
Kansas City	26,611,000	26,850,000	0	239,000
Dallas	18,179,000	17,970,000	209,000	0
San Francisco	<u>40,051,000</u>	<u>40,274,000</u>	<u>0</u>	<u>223,000</u>
	\$447,058,000	\$447,058,000	\$3,933,000	\$3,933,000

\* Does not include bills received totaling about \$16,000,000 in exchange for temporary sales of Government securities to Boston, New York and Chicago.

The overages shown are being adjusted in the regular way by redistribution of bills among other participating banks. In addition to the redistribution of the overage of the Federal Reserve Bank of Boston, an additional amount of bills has been transferred by that bank for allotment as an offset to purchases of bills which they have made during the current week in excess of their allotment percentage.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There has been no change in the total holdings in the System Investment Account since the last report, the amount remaining at \$275,000,000 at the close of business April 21, 1926. The participation by the various Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 12,054,000
New York	72,546,000
Philadelphia	6,765,000
Cleveland	18,152,500
Richmond	8,002,000
*Atlanta	0
Chicago	36,071,000
St. Louis	18,872,500
Minneapolis	12,270,000
Kansas City	24,743,500
Dallas	25,392,000
San Francisco	<u>40,131,500</u>
	\$275,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 47,546,500
September 15, 1926	33,501,000
December 15, 1926	50,203,000
March 15, 1927	66,728,200
December 15, 1927	37,121,300
September 15, 1928	39,900,000
3rd L/L bonds	
	<u>\$275,000,000</u>

\* As noted in the previous report, the Atlanta bank temporarily sold on April 16 their participation in Government securities aggregating \$15,998,500 to Boston, New York and Chicago in exchange for bankers acceptances purchased from these respective banks.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM APRIL 15 TO APRIL 21, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
(Participation in Purchases)

	<u>Purchased Open Market</u>	<u>Sale of Atlanta's Participation in System Account</u>	<u>Total</u>
Boston	\$ 794,500	\$ 5,519,500	\$ 6,314,000
New York	2,724,000	5,519,500	8,243,500
Philadelphia	908,000	0	908,000
Cleveland	1,135,000	0	1,135,000
Richmond	681,000	0	681,000
Atlanta	681,000	0	681,000
Chicago	1,589,000	4,959,500	6,548,500
St. Louis	0	0	0
Minneapolis	567,500	0	567,500
Kansas City	681,000	0	681,000
Dallas	567,500	0	567,500
San Francisco	1,021,500	0	1,021,500
<b>Totals</b>	<u>\$11,350,000</u>	<u>\$15,998,500</u>	<u>\$27,348,500</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$1,118,000	Misc. Gov't Sec.	\$952,000	Misc. Gov't Sec.
Dallas	<u>130,050</u>	Misc. Gov't Sec.	<u>10,000</u>	Fourth L/L bonds
	<u>\$1,248,050</u>		<u>\$962,000</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings April 14</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities and Sales</u>	<u>Holdings April 21</u>	<u>Other Holdings Close Apr. 21/26 Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 35,191	\$ 3,250 Allotted 2,046 Retained	0	\$ 15,221	\$ 25,266	\$ 7,030	0
New York	21,055	14,173 Allotted 2,367 Retained	2,203	14,674	10,951	2,251** 11,933	951
Philadelphia	11,142	2,608	"	1,047	2,302	0	0
Cleveland	20,370	300	"	2,445	3,664	0	674
Richmond	10,636	355	"	1,106	2,285	0	0
*Atlanta	10,262	338	"	911	1,494	0	598
Chicago	30,441	932	"	3,020	9,540	24,853	3,020
St. Louis	6,651	0	"	1,361	42	7,970	0
Minneapolis	20,528	0	"	1,088	1,798	19,818	0
Kansas City	13,758	0	"	1,612	3,009	12,361	0
Dallas	10,747	386	"	744	1,137	10,740	0
San Francisco	19,592	423	"	1,886	3,786	18,115	5,136
<b>Totals</b>	<u>\$210,373</u>	<u>\$27,178</u>	<u>\$17,423</u>	<u>\$58,952</u>	<u>\$197,881</u>	<u>\$27,119</u>	<u>\$2,223</u>

\*Does not include \$16,032,000 bills taken over temporarily from portfolios of Boston, New York and Chicago banks in lieu of sales to these respective banks of Atlanta's participation of Government securities in System Account.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 21, 1926  
 (000 Omitted)

	1-30 days 3 1/2 - 3 3/4%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 5/8 - 3 3/4%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 3,453	\$1,843	0	0	\$ 5,296
New York	6,737	5,511	3,136	1,156	16,540
Philadelphia	86	1,174	1,348	0	2,608
Cleveland	0	300	0	0	300
Richmond	85	120	150	0	355
Atlanta	0	266	66	6	338
Chicago	61	356	515	0	932
Dallas	96	68	105	117	336
San Francisco	249	174	0	0	423
<b>Totals</b>	<b>\$10,767</b>	<b>\$9,812</b>	<b>\$5,320</b>	<b>\$1,279</b>	<b>\$27,178</b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 21, 1926  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$28,597	\$46,460	\$75,057
Sold	16,961	0	16,961
Matured	0	58,952	58,952
	_____	\$12,492-	\$ 356-
	_____	515+ (Net change	515+ (Net change
	_____	1-day holdover	1-day holdover
	_____	& other bills	& other bills
	<b>\$11,636+</b>	<b>\$11,977-</b>	<b>\$ 341-</b>

(Including Sales Contracts)

Holdings April 21, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 2,175	\$ 0	\$64,894	\$ 0	\$39,426	\$282,088	\$388,583
Bills Purchased	97,220	60,606	42,702	24,230	4,716	0	229,474
<b>Totals</b>	<b>\$99,395</b>	<b>\$60,606</b>	<b>\$107,596</b>	<b>\$24,230</b>	<b>\$44,142</b>	<b>\$282,088</b>	<b>\$618,057</b>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

# 2

INTERNAL FILE NUMBER  
Date April 21, 1926.  
333

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Noell.

2-805

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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April 21, 1926.

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 April 8 to April 14, 1926, 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,  
Federal Reserve Bank,  
New York, N.Y.

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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
APR 21 1926  
OFFICE OF  
THE GOVERNOR

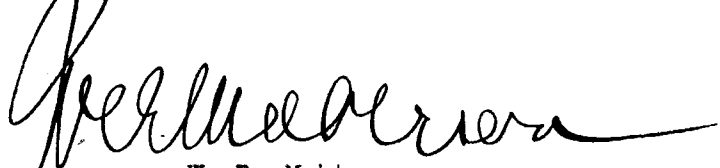
CONFIDENTIAL

April 19, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from April 8 to April 14, 1926 in-  
clusive, 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 APRIL 14, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	265,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 7	1,164,339	340,917	1,112	204,099	25,674	578,552
" 14	1,242,243	374,773	2,243	214,332	59,726	577,284

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 14, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 14	Net Change	Balance Apr. 14	Net Change	Balance Apr. 14	Net Change
Boston	\$ 10,977	\$ 2,356+	\$ 35,191	\$ 572-	\$ 31,103	\$4,259-
New York	65,625	7,737+	21,055	6,700-	188,969	33,785+
Philadelphia	22,815	2,692+	11,142	903+	47,287	7,559-
Cleveland	35,975	3,780+	20,370	977-	64,384	4,614+
Richmond	8,662	2,019+	10,636	862+	44,709	4,151+
Atlanta	19,451	2,065+	10,262	113+	40,864	6,734-
Chicago	49,509	4,711+	30,441	1,709+	65,055	19,148-
St. Louis	25,742	0	6,651	1,788+	25,066	44+
Minneapolis	19,260	1,682+	20,528	11,297+	4,840	505-
Kansas City	35,503	2,019+	13,758	342+	17,477	1,275-
Dallas	32,478	1,766+	10,747	201+	5,785	460-
San Francisco	48,776	3,029+	19,592	1,168+	41,745	3,922-
N.Y. holdovers and other bills			3,959	99+		
Totals	\$374,773	\$33,856+	\$214,332	\$10,233+	\$577,284	\$1,268-

COMMENT ON CHANGES WEEK ENDED APRIL 14, 1926

Total earning assets of the System advanced \$77,904,000 during the statement week. Increases were made up chiefly of \$33,900,000 in outright holdings of Government securities and \$44,300,000 in bankers acceptances, the latter amount representing \$10,200,000 of bills held outright and \$34,100,000 of bills under sales contract agreements. Government securities held under sales contracts also advanced \$1,100,000, while bills discounted declined \$1,300,000.

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Money  
Market

The temporary tightness in Stock Exchange call money on Monday, April 12, when the rate advanced successively to 5 1/2 per cent after renewing at 4 per cent reflected the heavy withdrawal of funds from New York both for account of interior banks and to meet the recent temporary currency situation in Cuba. By the middle of the week, however, funds returned to this center and offerings in the market were substantially in excess of the rather moderate demand with the result that call rates gradually receded and all loans on Thursday and Friday were placed at the single rate of 4 1/4 per cent.

Quoted rates for time money were 4 1/4 to 4 3/8 per cent for loans up to 90 days and 1/8 per cent higher for the longer maturities. Funds were in ample supply but the demand was generally light.

The commercial paper market continued fairly active with sales mostly to the interior at the 4 1/4 per cent rate. There is only moderate borrowing in the open market and accordingly the supply of paper in dealers' hands continues limited.

Government  
Security  
Market

The Government security market was quite active during this period with the longer maturities in best demand and several issues advanced to new top prices for the year. The 4 1/4 per cent Treasury bonds of 1952 sold at 108 4/32 and the new 3 3/4's due in 1956, under strong demand, advanced successively throughout the week and closed on Saturday at 100 28/32, up 12/32 from their original issue price. Offerings in the market of short-term certificates and notes were about offset by the demand and prices held without change except for the 1927 notes which advanced 2/32nds.

Bankers  
Acceptances

Dealers' offering rates on unindorsed bills continued unchanged from those given in the last report at 3 1/2% for maturities up to 90 days and 3 5/8 per cent for 120-day bills.

Boston reports that the lowering of the buying rate by the dealers on April 7 resulted in larger offerings being made by local acceptors. Except for a few fairly large orders for short bills the demand in general was very light and dealers' portfolios were at the highest figure of the year. The bill market in New York was the most active of any week this year. Easy money conditions in the early part of the period, together with very substantial foreign orders, caused a heavy demand for bills. However, a sudden reversal in money conditions on Monday, April 12, due in large part to the Cuban situation, resulted in a large volume of bills being offered in the market. At the same time there was a marked slackening in demand and at the close of the period dealers' aggregate portfolios were larger than at any time during the past three years. Offerings to the reserve bank were fairly heavy and were mainly from banks. In the Philadelphia and Chicago districts both the supply and demand increased somewhat over the previous week.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was sold during the period \$550,000 3 3/4 per cent certificates of indebtedness due December 15, 1926 for account of the Alien Property Custodian.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to April 14 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

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	Bills Acquired	Bills Entitled to Acquire	Bills Over Pro Rata Share	Bills Short Pro Rata Share
Boston	\$ 31,672,000	\$ 29,422,000	\$2,250,000	\$ 0
New York	98,719,000	100,107,000	0	1,388,000
Philadelphia	32,580,000	33,624,000	0	1,044,000
Cleveland	41,818,000	42,029,000	0	211,000
Richmond	21,253,000	21,087,000	166,000	0
Atlanta	18,339,000	17,721,000	618,000	0
Chicago	58,798,000	58,841,000	0	43,000
St. Louis	20,016,000	20,236,000	0	220,000
*Minneapolis	16,895,000	16,883,000	12,000	0
Kansas City	24,999,000	25,219,000	0	220,000
Dallas	17,049,000	16,883,000	166,000	0
San Francisco	37,742,000	37,828,000	0	86,000
	<u>\$419,880,000</u>	<u>\$419,880,000</u>	<u>\$3,212,000</u>	<u>\$3,212,000</u>

\*Does not include special allotment of \$10,000,000 bills sold from portfolio of New York bank and \$1,300,000 bills purchased in the Chicago market.

The overages shown are being adjusted in the regular way by redistribution of bills among other participating banks. In addition to the redistribution of the overage of the Federal Reserve Bank of Boston (caused by the purchase of a rather large amount of bills, due to the Cuban situation), an additional amount of bills have been transferred by that bank for allotment as an offset to purchases of bills made by that bank during the current week in excess of their allotment percentage.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In line with the action of the Federal Reserve Board at its meeting on March 25, 1926 there has been purchased with the approval of the Open Market Investment Committee an additional \$25,000,000 short-term Government securities for the System Special Investment Account. This authority was completed by April 15 through purchases in the Boston and New York markets and brought the total System holdings up to \$275,000,000. The participation by the various Federal Reserve Banks in the account and classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,534,500
New York	67,026,500
Philadelphia	6,765,000
Cleveland	18,152,500
Richmond	8,002,000
Atlanta	15,998,500
Chicago	31,111,500
St. Louis	18,872,500
Minneapolis	12,270,000
Kansas City	24,743,500
Dallas	25,392,000
San Francisco	40,131,500
	<u>\$275,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$47,546,500
September 15, 1926	33,501,000
December 15, 1926	50,203,000
March 15, 1927	66,728,200
December 15, 1927	37,121,300
September 15, 1928	39,900,000
3rd L/L bonds	
	<u>\$275,000,000</u>

Since the period covered by this report the Atlanta bank requested that they be relieved temporarily of their participation in the System Special Investment Account of Government securities amounting to \$15,998,500 in lieu of which they desired to purchase a like amount of bankers acceptances. This exchange was effected on Friday, April 16 through sales of bills from portfolio of approximately \$5,000,000 each by the Boston, New York and Chicago banks and the taking over by these respective banks of a pro rata participation in Government securities released by the Atlanta bank. These transactions were prompted by the necessity of maintaining the proper gold reserve against deposit liability which was occasioned by large shipments of Federal reserve notes to meet the temporary currency condition at their Havana agency.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM APRIL 8 TO APRIL 14, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
(Participation in Purchases)

	<u>Miscellaneous Governments</u>
Boston	\$ 2,355,500
New York	8,076,000
Philadelphia	2,692,000
Cleveland	3,365,000
Richmond	2,019,000
Atlanta	2,019,000
Chicago	4,711,000
Minneapolis	1,682,500
Kansas City	2,019,000
Dallas	1,682,500
San Francisco	<u>3,028,500</u>
Total	<u>\$33,650,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	0	-	\$339,000	TJ2-1926 Ctf's.
Cleveland	415,000	B-1927 Notes	0	-
Atlanta	273,900	Misc. Gov't Securities	228,200	Misc. Gov't Securities
Dallas	<u>339,500</u>	Misc. Gov't Securities	<u>256,000</u>	Misc. Gov't Securities
Totals	<u>\$1,028,400</u>		<u>\$823,200</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings April 7</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Matured</u>	<u>Holdings April 14</u>	<u>Other Holdings Close April 14/26</u>	<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 35,763	\$ 4,269	Retained 0	\$ 4,841	\$ 35,191	\$10,141	0	
New York	27,755	19,583	Allotted 0	17,168	21,055	39,753	709	
		10,468	Retained			1,920**		
Philadelphia	10,239	2,309	" 0	1,406	11,142	0	0	
Cleveland	21,347	267	" 2,892	4,136	20,370	0	706	
Richmond	9,774	279	" 1,980	1,397	10,636	0	0	
Atlanta	10,149	656	" 1,459	2,002	10,262	0	624	
Chicago	28,732	962	" 4,176	3,429	30,441	4,753	0	
St. Louis	4,863	0	" 1,904	116	6,651	0	0	
*Minneapolis	9,231	0	" 1,141	1,182	20,528	0	0	
Kansas City	13,416	0	" 2,044	1,702	13,758	0	0	
Dallas	10,546	14	" 1,156	971	10,747	0	0	
San Francisco	<u>18,424</u>	<u>495</u>	" 2,829	<u>2,156</u>	<u>19,592</u>	<u>5,099</u>	<u>0</u>	
Totals	<u>\$200,239</u>	<u>\$39,302</u>	<u>\$19,583</u>	<u>\$40,506</u>	<u>\$210,373</u>	<u>\$59,726</u>	<u>\$2,039</u>	

\*Minneapolis (Special Allotment) 10,027 from N. Y. portfolio  
1,311 " Chicago market  
\$30,921

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

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**MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 14, 1926**  
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 5/8 - 3 3/4%</u>	Over 90-days <u>3 3/4%</u>	<u>Total</u>
Boston	\$ 2,309	\$ 1,142	\$ 818	0	\$ 4,269
New York	19,587	7,701	1,273	1,490	30,051
Philadelphia	1,116	721	472	0	2,309
Cleveland	267	0	0	0	267
Richmond	155	66	58	0	279
Atlanta	566	0	90	0	656
Chicago	196	700	66	0	962
Dallas	0	0	5	9	14
San Francisco	177	288	30	0	495
<b>Totals</b>	<b>\$24,373</b>	<b>\$10,618</b>	<b>\$2,812</b>	<b>\$1,499</b>	<b>\$39,302</b>

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 14, 1926  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**  
 (000 Omitted)

	Government <u>Securities</u>	(Excluding Sales Contracts) Bankers <u>Acceptances</u>	<u>Total</u>
Purchased	\$34,679	\$50,640	\$85,319
Sold	823	0	823
Matured	0	40,506	40,506
	_____	\$10,134+	\$43,990+
	_____	99+ (Net Change 1-day holdover & other bills	99+ (Net Change 1-day holdover & other bills
	<b>\$33,856+</b>	<b>\$10,233+</b>	<b>\$44,089</b>

	(Including Sales Contracts)						
<u>Holdings</u> <u>April 14, 1926</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	\$ 2,243	0	0	\$64,295	\$33,933	\$276,545	\$377,016
Bills Purchased	132,730	57,559	54,633	24,268	4,868	0	274,058
<b>Totals</b>	<b>\$134,973</b>	<b>\$57,559</b>	<b>\$54,633</b>	<b>\$88,563</b>	<b>\$38,801</b>	<b>\$276,545</b>	<b>\$651,074</b>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date April 14, 1926.

To All members of the Board.

# 2

Subject:

From Mr. Noell.

323

For your information.

- ✓ Gov. Crissinger
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- ✓ Mr. James
- ~~Mr. Cunningham~~
- ✓ Mr. Miller.

Please return to Secretary's Office.

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Authority EO 10501

April 14, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 13th 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 April 1 to April 7, 1926, 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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Authority EO. 10501

RECEIVED  
APR 14 1926  
OFFICE OF  
THE GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

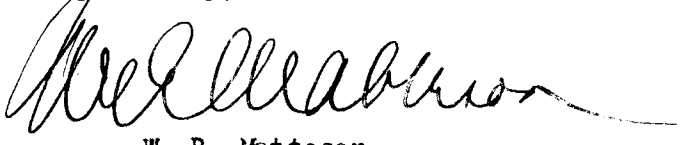
CONFIDENTIAL

April 13, 1926

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 April 1 to April 7, 1926 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 APRIL 7, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date

1925	TOTAL EARNING ASSETS	(000 Omitted)				
		GOVERNMENT SECURITIES Outright Purchases	SECURITIES Sales Contracts	BANKERS ACCEPTANCES Outright Purchases	SALES Contracts	BILLS DISCOUNTED
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 28	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	265,998	11,034	320,842	41,976	749,672
1926						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 7	1,164,339	340,917	1,112	204,099	25,674	578,552

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 7, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	April 7	Change	April 7	Change	April 7	Change
Boston	\$ 8,621	\$ 899+	\$ 35,763	\$3,683-	\$35,362	\$ 7,408-
New York	57,888	3,423+	27,755	292+	155,184	5,459+
Philadelphia	20,123	1,028+	10,239	612-	54,846	6,530-
Cleveland	32,195	1,966+	21,347	1,200+	59,770	4,413-
Richmond	6,643	771+	9,774	669-	40,558	4,829-
Atlanta	17,386	756+	10,149	19-	47,598	2,393-
Chicago	44,798	1,800+	28,732	1,079+	84,203	27,528-
St. Louis	25,742	199+	4,863	4,320-	25,022	8,595-
Minneapolis	17,578	643+	9,231	1,148+	5,345	489+
Kansas City	33,484	771+	13,416	1,342+	18,752	4,671+
Dallas	30,712	671+	10,546	994+	6,245	597+
San Francisco	45,747	1,157+	18,424	1,004+	45,667	3,359-
N.Y. holdovers & other bills			<u>9,860</u>	<u>4,543-</u>		
Totals	<u>\$340,917</u>	<u>\$14,084+</u>	<u>\$204,099</u>	<u>\$6,787-</u>	<u>\$578,552</u>	<u>\$53,839-</u>

COMMENT ON CHANGES WEEK ENDED APRIL 7, 1926

Total earning assets of the System declined \$61,200,000 during the statement week. This consisted chiefly of decreases of \$53,800,000 in bills discounted, and \$6,800,000 in acceptances purchased outright. Declines in holdings under sales contract agreements of \$13,000,000 in acceptances and \$1,900,000 in Government securities were practically offset by an advance in Government securities purchased outright of \$14,100,000.

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Money  
Market

The abundance of funds on offer in the market for all classes of loans as contrasted with a rather light demand resulted in continued ease in money rates last week, following the decline at the beginning of the month. With the exception of slight fluctuations early in the week, call money on the Stock Exchange ruled steady at 4 per cent, and in some days was quoted at 3 1/2 per cent in the outside market.

Time funds were slightly easier but trading was very quiet. Loans up to 90 days were generally negotiated at 4 3/8 per cent, the lowest since early last August, while 4 1/2 per cent was the charge for the longer maturities.

Quoted rates for commercial paper were steady and unchanged at 4 1/4 to 4 1/2 per cent. The bulk of the sales, however, were at the lower rate.

Government  
Security  
Market

Ease in the money situation was accompanied by a good demand for Government securities and all issues made fractional advances in price. The Second and Fourth Liberty 4 1/4 per cent bonds were the most active and established new high prices for this year at 100 31/32 and 102 23/32 respectively. Treasury 3 3/4 per cent bonds sold at 100 19/32, up 4/32 from the offered price.

Short-term certificates of indebtedness and Treasury Notes were on the average 1/32 higher than last week.

Bankers  
Acceptances

On April 7 dealers lowered their bid and offered rates 1/8 per cent on all maturities except 30-day bills. Offering rates for unindorsed bills are now 3 1/2 per cent for maturities up to 90 days, and 3 5/8 per cent for 120-day bills.

Boston reports a quiet bill market during this period. Very few new bills are coming into the market and there is a slight falling off in the demand. Offerings to the reserve bank were the largest since the first of March. The New York market was quite active during the week. The supply of bills remained about the same but there was a substantial increase in demand. Dealers found difficulty in replenishing their portfolios and this situation, coupled with easier money conditions, caused dealers to reduce their bid and offer rates 1/8 per cent on all except 30-day bills. Offerings to the reserve bank were moderately heavy and mainly from banks. Philadelphia reports the supply of bills was small and confined mostly to short maturities. The demand improved slightly over the previous week. In Chicago the bill market continued very quiet.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was purchased during the period \$2,500,000 Second Liberty Loan 4 1/4 per cent bonds for account of the Secretary of the Interior - Investment of Osage Indian Funds, and \$1,200,000 Fourth Liberty Loan 4 1/4 per cent bonds for account of the Civil Service Retirement and Disability Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to April 7 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 27,403,000	\$ 26,670,000	\$ 733,000	\$ 0
New York	88,251,000	91,067,000	0	2,816,000
Philadelphia	30,271,000	30,480,000	0	209,000
Cleveland	38,659,000	38,099,000	560,000	0
Richmond	18,994,000	19,122,000	0	128,000
Atlanta	16,224,000	15,756,000	468,000	0
Chicago	53,660,000	53,339,000	321,000	0
St. Louis	18,112,000	18,271,000	0	159,000
Minneapolis	15,754,000	15,311,000	443,000	0
Kansas City	22,955,000	22,861,000	94,000	0
Dallas	15,877,000	15,311,000	566,000	0
San Francisco	34,418,000	34,291,000	127,000	0
<b>Totals</b>	<u>\$380,578,000</u>	<u>\$380,578,000</u>	<u>\$3,312,000</u>	<u>\$3,312,000</u>

Owing to their reserve position the Federal Reserve Bank of St. Louis sold from their portfolio bills amounting to \$4,084,000. These bills were redistributed to other participating banks and are reflected in the figures shown above.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In line with the action of the Federal Reserve Board, at its meeting on March 25, 1926, all members of the Open Market Investment Committee approved the purchase for System Account of an additional \$20,000,000 short Government securities. This authorization has been consummated through purchases in the Boston and New York markets, deliveries of which will be completed on April 12 and will bring the total System holdings up to \$250,000,000. The participation by the various Federal Reserve Banks in the account and the classification of issues by maturities are as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 4,784,500	June 15, 1926 (3%)	\$ 5,500,000
New York	61,026,500	June 15, 1926 (3 1/4%)	32,400,000
Philadelphia	4,765,000	September 15, 1926	27,251,000
Cleveland	15,652,500	December 15, 1926	56,649,500
Richmond	6,502,000	March 15, 1927	60,878,200
x Atlanta	14,498,500	December 15, 1927	36,021,300
Chicago	27,611,500	September 15, 1928	31,300,000
St. Louis	18,872,500	3rd L/L bonds	
Minneapolis	11,020,000		
Kansas City	23,243,500		
Dallas	24,142,000		
San Francisco	37,881,500		
	<u>\$250,000,000</u>		<u>\$250,000,000</u>

x Atlanta's participation was temporarily taken over by New York on April 10 in order to supply them with additional cash during the recent Cuban emergency and resold to them on April 13, 1926.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM APRIL 1 TO APRIL 7, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
 (Participation in Purchases)

	<u>Miscellaneous Governments</u>
Boston	\$ 899,000
New York	3,084,000
Philadelphia	1,027,500
Cleveland	1,285,000
Richmond	771,000
Atlanta	771,000
Chicago	1,800,000
Minneapolis	642,500
Kansas City	771,000
Dallas	642,500
San Francisco	<u>1,156,500</u>
<b>Total</b>	<b>\$12,850,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 339,000	TJ2-1926 Ctls.	0	-
Cleveland	700,000	TJ2-1926 "	19,000	Treas. Bonds 1946-56
Atlanta	133,400	Misc. Gov't Securities	148,100	Misc. Gov't Securities
St. Louis	199,000	Misc. Gov't Securities	0	-
Dallas	<u>23,250</u>	Misc. Gov't Securities	<u>0</u>	-
<b>Totals</b>	<b>\$1,399,650</b>		<b>\$167,100</b>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	Holdings	Purchased	Rec'd by	Matured	Holdings	<u>Other Holdings Close April 7/26</u>	
	<u>March 31</u>	<u>Own Market</u>	<u>Allotment</u>		<u>April 7</u>	<u>Sales</u>	<u>Other</u>
Boston	\$ 39,446	\$ 4,214 Retained	0	\$ 7,897	\$ 35,763	\$ 4,769	0
New York	27,463	8,006 "	0	7,714	27,755	14,205	802
		27,275 Allotted				1,425*	
Philadelphia	10,851	3,091 Retained	0	3,703	10,239	0	0
Cleveland	20,147	536 "	4,498	3,834	21,347	0	979
Richmond	10,443	0	1,865	2,534	9,774	0	0
Atlanta	10,168	138 "	2,625	2,782	10,149	0	654
Chicago	27,653	406 "	6,094	5,421	28,732	2,784	0
St. Louis	9,183	0	1,421	5,741	4,863	0	0
Minneapolis	8,083	0	2,362	1,214	9,231	0	0
Kansas City	12,074	0	2,973	1,631	13,416	0	0
Dallas	9,552	157 "	2,181	1,344	10,546	0	0
San Francisco	<u>17,420</u>	268 "	3,256	<u>2,520</u>	<u>18,424</u>	<u>3,916</u>	<u>0</u>
<b>Totals</b>	<b>\$202,483</b>	<b>\$44,091</b>	<b>\$27,275</b>	<b>\$46,335</b>	<b>\$200,239</b>	<b>\$25,674</b>	<b>\$2,435</b>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 7, 1926  
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 5/8 - 3 3/4%</u>	Over 90 days <u>3 3/4 - 4%</u>	Total
Boston	\$ 334	\$ 2,458	\$1,384	\$ 38	\$ 4,214
New York	20,408	9,233	4,670	970	35,281
Philadelphia	734	1,282	1,075	0	3,091
Cleveland	536	0	0	0	536
Atlanta	0	44	94	0	138
Chicago	0	197	209	0	406
Dallas	0	16	100	41	157
San Francisco	<u>61</u>	<u>109</u>	<u>93</u>	<u>5</u>	<u>268</u>
<b>Totals</b>	<b><u>\$22,073</u></b>	<b><u>\$13,339</u></b>	<b><u>\$7,625</u></b>	<b><u>\$1,054</u></b>	<b><u>\$44,091</u></b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 7, 1926 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	\$14,250	\$44,091	\$58,341
Sold	167	0	167
Matured	0	<u>46,335</u>	<u>46,335</u>
		<u>\$ 2,244-</u>	\$11,839+
		<u>4,543-</u>	<u>4,543-</u> (1-day
		holdover)	holdover)
<b>Totals</b>	<b><u>\$14,083+</u></b>	<b><u>\$ 6,727-</u></b>	<b><u>\$ 7,276+</u></b>

(Including Sales Contracts)

<u>Holdings</u> <u>April 7, 1926</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	\$1,113	0	0	\$62,428	\$32,178	\$246,310	\$342,029
Bills Purchased	<u>97,117</u>	<u>52,615</u>	<u>51,824</u>	<u>24,807</u>	<u>3,410</u>	<u>0</u>	<u>229,773</u>
<b>Totals</b>	<b><u>\$98,230</u></b>	<b><u>\$52,615</u></b>	<b><u>\$51,824</u></b>	<b><u>\$87,235</u></b>	<b><u>\$35,588</u></b>	<b><u>\$246,310</u></b>	<b><u>\$571,802</u></b>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

# 2

FEDERAL RESERVE BOARD  
Date April 7, 1926.  
333

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Noell.

For your information.

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

Please return to Secretary's Office.

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Authority E.O. 10501

April 7, 1928.

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, 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 March 25 to March 31, 1928, inclusive, together with data received by the Committee from the Federal reserve banks.

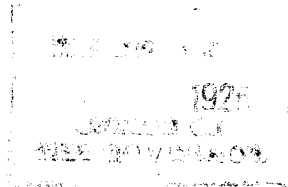
Very truly yours,

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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Authority EO 10501

FEDERAL RESERVE BANK  
OF NEW YORK



CONFIDENTIAL

April 5, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 25 to March 31, 1926 in-  
clusive, 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 MARCH 31, 1926**

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
		Purchases	Contracts	Purchases	Contracts	
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$268,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,825	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
Apr. 29	1,027,752	345,031	4,008	238,243	28,585	399,985
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Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 24	1,189,796	298,893	9,308	213,553	38,675	617,547
" 31	1,225,537	326,833	3,004	210,886	38,747	632,391

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
 DURING WEEK ENDED MARCH 31, 1926

	(000 Omitted)					
	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 31	Change	Mar. 31	Change	Mar. 31	Change
Boston	\$ 7,722	\$ 696+	\$ 39,446	\$1,276+	\$ 42,770	\$ 1,011-
New York	54,465	6,776+	27,463	442-	149,725	2,059+
Philadelphia	19,095	726+	10,851	2,129-	61,376	5,206-
Cleveland	30,229	1,858+	20,147	130+	64,183	4,009-
Richmond	5,872	832+	10,443	70-	45,387	3,034+
Atlanta	16,630	1,705+	10,168	836-	49,991	116-
Chicago	42,998	3,166+	27,653	1,259+	111,731	33,711+
St. Louis	25,543	1,867+	9,183	3,563-	33,617	4,889+
Minneapolis	16,935	1,244+	8,083	518+	4,856	779+
Kansas City	32,713	2,480+	12,074	62-	14,081	4,863-
Dallas	30,041	2,573+	9,552	1,152-	5,648	1,386-
San Francisco	44,590	4,017+	17,420	512+	49,026	13,037-
N. Y. holdovers and bills			8,403	1,892+		
<b>Totals</b>	<b>\$326,833</b>	<b>\$27,940+</b>	<b>\$210,886</b>	<b>\$2,667-</b>	<b>\$632,391</b>	<b>\$14,844+</b>

COMMENT ON CHANGES WEEK ENDED MARCH 31, 1926

Total earning assets of the System made a further advance during the statement week of \$35,700,000. Outright holdings of Government securities increased \$28,000,000 consisting almost entirely of purchases for System Account, and bills discounted advanced \$14,900,000. These were only partially offset by decreases in Government securities held under sales contract of \$6,300,000 and outright purchases of acceptances amounting to \$2,700,000.

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Money  
Market

Accompanying the shifting of funds preparatory to heavy quarterly interest and dividend payments and other transactions centering around April 1, money conditions turned firmer early in the week. At the close of the period, however, rates became easier reflecting the substantial excess in average reserves of leading New York City banks which resulted from the accumulation of funds earlier in the week.

The time money market was generally quiet. Quoted rates at the close of the week were  $1/8$  lower at  $4\ 1/2$  to  $4\ 5/8$  per cent for all maturities.

Commercial paper rates held steady and unchanged at  $4\ 1/4$  to  $4\ 1/2$  per cent, with the larger proportion of sales at the lower rate. A fairly active demand continued from interior banks but trading in New York remained quiet.

Government  
Security  
Market

Long-term Government securities were moderately active and prices of practically all issues made minor advances from the closing levels of the previous week with the exception of the First  $3\ 1/2$  per cent Liberties which sold down to  $100\ 26/32$ , as compared with the recent high of  $101\ 9/32$ . The new  $3\ 3/4$  per cent Treasury bonds advanced to  $100\ 16/32$ , equaling the Treasury's subscription price on date of issue.

United States certificates of indebtedness and Treasury Notes continued firm.

Bankers  
Acceptances

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

Boston reports that there was little activity in the bill market during this period. The supply increased somewhat but the demand continued light and dealers' combined portfolios reached the highest point since the middle of February. In New York the bill market was slightly more active with a material increase in the supply apparently due to firmer money conditions at the end of the month. The demand was relatively unchanged from the previous period. Philadelphia and Chicago report that trading in bills was very inactive with practically no demand and few new bills coming into the market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

The Treasury authorized the purchase of an aggregate of \$30,000,000 Third Liberty Loan bonds for account of the Cumulative Sinking Fund. This authorization was completed through purchase of private tenders in New York and Chicago markets, and \$3,500,000 from the System Special Investment Account, all at prices of  $101\ 5/32$  and  $101\ 6/32$ .

At the request of the Treasury there were sold \$891,000 3 per cent certificates due June 15, 1926 for account of the Civil Service Retirement and Disability Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to March 31 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 24,689,000	\$ 23,746,000	\$ 943,000	\$ 0
New York	80,245,000	81,417,000	0	1,172,000
Philadelphia	28,428,000	27,138,000	1,290,000	0
Cleveland	33,625,000	33,923,000	0	298,000
Richmond	17,129,000	16,989,000	140,000	0
Atlanta	13,461,000	13,623,000	0	162,000
Chicago	47,160,000	47,492,000	0	332,000
St. Louis	16,691,000	16,830,000	0	139,000
Minneapolis	13,392,000	13,596,000	0	204,000
Kansas City	19,982,000	20,355,000	0	373,000
Dallas	13,539,000	13,596,000	0	57,000
San Francisco	<u>30,894,000</u>	<u>30,530,000</u>	<u>364,000</u>	<u>0</u>
<b>Totals</b>	<u><b>\$339,235,000</b></u>	<u><b>\$339,235,000</b></u>	<u><b>\$2,737,000</b></u>	<u><b>\$2,737,000</b></u>

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks in the usual manner.

Owing to their reserve position the Federal Reserve Bank of St. Louis sold from their portfolio bills amounting to \$2,650,000. These bills were redistributed to other participating banks and are reflected in the figures shown above.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In line with the action of the Federal Reserve Board, at its meeting on March 25, 1926, all members of the Open Market Investment Committee approved the purchase for System Account of an additional \$20,000,000 short Governments to bring the total holdings up to \$230,000,000. This authorization has been consummated through purchases in the Boston, New York and Chicago markets, deliveries of which will be completed by April 5.

The participation by the various Federal reserve banks in the total holdings of \$230,000,000 and the classification of issues by maturities are as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,384,500
New York	56,226,500
Philadelphia	3,165,000
Cleveland	13,652,500
Richmond	5,302,000
Atlanta	13,298,500
Chicago	24,811,500
St. Louis	18,872,500
Minneapolis	10,020,000
Kansas City	22,043,500
Dallas	23,142,000
San Francisco	36,081,500
<b>Totals</b>	<u><b>\$230,000,000</b></u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June	15, 1926	\$ 36,600,000
September	15, 1926	26,251,000
December	15, 1926	53,649,500
March	15, 1927	60,878,200
December	15, 1927	36,021,300
September	15, 1928	16,600,000
	3rd L/L Bonds	
<b>Totals</b>		<u><b>\$230,000,000</b></u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM MARCH 25 TO MARCH 31, 1926

(Participation in Short-term Governments - System Special Investment Account)

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 729,000	\$ 33,000	\$ 696,000
New York	7,633,100	857,500	6,775,600
Philadelphia	752,500	26,000	726,500
Cleveland	2,056,000	194,500	1,861,500
Richmond	900,500	68,500	832,000
Atlanta	1,821,000	201,500	1,619,500
Chicago	3,533,500	367,000	3,166,500
St. Louis	2,171,500	314,500	1,857,000
Minneapolis	1,395,000	150,500	1,244,500
Kansas City	2,827,000	347,000	2,480,000
Dallas	2,904,500	369,000	2,535,500
San Francisco	4,587,500	571,000	4,016,500
Totals	<u>\$31,311,100</u>	<u>\$3,500,000</u>	<u>\$27,811,100</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	0	-	3,000	Treasury Bonds 1956
Atlanta	643,150	Misc. Gov't Securities	558,400	Misc. Gov't Securities
St. Louis	10,000	TJ2-1926 Ctfs.	0	-
Dallas	37,600	Misc. Gov't Securities	0	-
Totals	<u>\$690,750</u>		<u>\$561,400</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Mar. 24</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Matured</u>	<u>Holdings Mar. 31</u>	<u>Other Holdings Close Mar. 31/26</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 38,170	\$ 2,832	Retained 0	\$ 1,556	\$ 39,446	\$ 4,218	0
New York	27,905	6,136	" 0	6,578	27,463	29,269	908
		13,364	Allotted			5,980*	
Philadelphia	12,980	3,418	Retained 0	5,547	10,851	0	0
Cleveland	20,017	531	" 2,042	2,443	20,147	0	876
Richmond	10,513	445	" 1,354	1,869	10,443	0	0
Atlanta	11,004	62	" 743	1,641	10,168	0	639
Chicago	26,394	900	" 3,271	2,912	27,653	1,113	0
St. Louis	12,746	0	1,223	4,786	9,183	0	0
Minneapolis	7,565	0	936	418	8,083	0	0
Kansas City	12,136	0	1,413	1,475	12,074	0	0
Dallas	10,704	36	" 789	1,977	9,552	0	0
San Francisco	16,908	999	" 1,593	2,080	17,420	4,147	0
Totals	<u>\$207,042</u>	<u>\$28,723</u>	<u>\$13,364</u>	<u>\$33,282</u>	<u>\$202,483</u>	<u>\$38,747</u>	<u>\$2,423</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 31, 1926  
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 3/4%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 5/8 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 3 7/8%</u>	Total
Boston	\$ 643	\$ 921	\$1,235	\$ 33	\$ 2,832
New York	11,668	4,597	3,143	92	19,500
Philadelphia	871	1,380	1,167	0	3,418
Cleveland	531	0	0	0	531
Richmond	30	210	205	0	445
Atlanta	0	17	45	0	62
Chicago	87	668	145	0	900
Dallas	25	0	11	0	36
San Francisco	<u>225</u>	<u>769</u>	<u>5</u>	<u>0</u>	<u>999</u>
Totals	<u>\$14,080</u>	<u>\$8,562</u>	<u>\$5,956</u>	<u>\$125</u>	<u>\$28,723</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 31, 1926 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	\$31,001	\$28,723	\$59,724
Sold	3,061	0	3,061
Matured	0	<u>33,232</u>	<u>33,282</u>
		<u>\$ 4,559-</u>	<u>\$23,381+</u>
		<u>1,926+</u> (1-day holdover)	<u>1,926+</u> (1-day holdover)
Totals	<u>\$27,940+</u>	<u>\$ 2,633-</u>	<u>\$ 25,307+</u>

(Including Sales Contracts)

Holdings	Within <u>15 days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91 days <u>6 Months</u>	Over 6 <u>Months</u>	Total
<u>March 31, 1926</u>							
Gov't Securities	\$ 3,004	0	0	\$59,015	\$29,678	\$238,140	\$329,837
Bills Purchased	<u>117,659</u>	<u>52,635</u>	<u>52,287</u>	<u>23,327</u>	<u>3,725</u>	<u>0</u>	<u>249,633</u>
Totals	<u>\$120,663</u>	<u>\$52,635</u>	<u>\$52,287</u>	<u>\$82,342</u>	<u>\$33,403</u>	<u>\$238,140</u>	<u>\$579,470</u>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL RESERVE BOARD FILE  
Date March 30, 1926.  
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To All members of the Board.

# 2  
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.

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March 30, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of March 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 March 18 to March 24, 1926, 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

RECEIVED  
MAR 30 1926  
OFFICE OF  
THE GOVERNOR

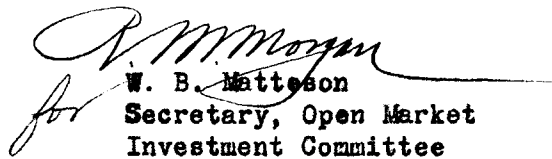
CONFIDENTIAL

March 29, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 18 to March 24, 1926 in-  
clusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,

  
W. B. Matton  
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 MARCH 24, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
(000 Omitted)

-1925-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
Jan. 28	\$ 988,582	\$392,504	\$1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	265,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 17	1,101,640*	344,819*	7,758	227,136	30,002	480,615
" 24	1,189,796	298,893	9,308	213,553	38,675	617,547

\*Includes \$99,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 24, 1926  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 24	Change	Mar. 24	Change	Mar. 24	Change
Boston	\$ 7,026	\$ 484+	\$ 38,170	\$ 1,016+	\$ 43,781	\$ 20,047+
New York	47,689	12,552+	27,905	5,080-	147,666	43,476+
Philadelphia	18,369	382+	12,980	3,446-	66,582	9,943+
Cleveland	28,371	2,877+	20,017	71-	68,192	19,960+
Richmond	5,040	1,002+	10,513	290+	42,353	2,670-
Atlanta	14,925	3,035+	11,004	3,325-	50,107	6,806+
Chicago	39,832	5,372+	26,394	941-	78,020	22,969+
St. Louis	23,676	6,231+	12,746	617-	28,728	3,116+
Minneapolis	15,691	2,202+	7,565	135+	4,077	2,657-
Kansas City	30,233	5,087+	12,136	595-	18,944	3,230+
Dallas	27,468	5,484+	10,704	1,378-	7,034	463+
San Francisco	40,573	8,366+	16,908	2,192-	62,063	12,249+
N.Y. holdovers and other bills			6,511	2,621+		
Totals	\$298,893	\$53,074+	\$213,553	\$13,583-	\$617,547	\$136,932+

COMMENT ON CHANGES WEEK ENDED MARCH 24, 1926

Total earning assets of the System advanced \$88,000,000 during the statement week. Government security holdings (after excluding the \$99,000,000 special 1-day certificates redeemed by the Treasury during the week) showed a net increase of \$53,000,000, consisting of the repurchase of \$35,000,000 securities sold over the quarterly tax period and \$18,000,000 of new purchases. Holdings of discounted bills increased \$137,000,000, while outright purchases of bankers acceptances declined \$13,600,000. Sales contract holdings of acceptances and securities also increased \$8,700,000 and \$1,500,000 respectively.

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Money  
Market

Additional income tax collections within this district and heavy withdrawal of funds to the interior to cover funds transferred to New York by the Treasury and to meet seasonal requirements in agricultural districts resulted in deficits in average reserves of leading New York City banks and consequently money rates turned considerably firmer during this period.

Call money opened and renewed on Monday at 4 1/4 per cent the rate at which demand funds had held on the Exchange during the previous week. The subsequent heavy calling of loans by banks was accompanied by an increase in the rate and on Wednesday money closed at 5 1/2 per cent, the highest figure reached since March 1. This advance, however, brought larger offerings in the market with the result that rates turned somewhat easier and closed on Friday at 4 1/2 per cent.

There was also a firming up in time money at 4 5/8 to 4 3/4 per cent for all maturities. The demand for new loans was light and only a fair volume of business was transacted.

Quoted rates for commercial paper were unchanged at 4 1/4 to 4 1/2 per cent. The demand in the Middle West and New England continued to take a large portion of the offerings with sales prevailing at the lower rate. A few New York City banks were in the market for fairly substantial amounts, the bulk of the paper being sold at 4 1/2 per cent. Borrowers are seeking few new loans and the supply of paper is accordingly limited.

Government  
Security  
Market

Accompanying firmer money early in the week offerings of Government bonds in the market were somewhat in excess of the demand and prices of most issues eased off slightly. The new Treasury 3 3/4 per cent bonds sold down to 100 12/32, as compared with the subscription price of 100 1/2. At the close of the week, however, prices recovered, under the impetus of a good demand for Second and Fourth 4 1/4 per cent Liberty issues.

Short-term certificates and notes continued firm throughout the week.

Bankers  
Acceptances

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

Boston reports that while the bill market in that district was slightly more active this week both the supply and demand still continued small. The buying was confined mostly to a few of the local banks. In New York the market was rather quiet. The supply slightly exceeded the demand and dealers' combined portfolios showed a small increase. Offerings to the reserve bank were very moderate. Philadelphia reports that there was a fair demand for bills in that district. Offerings improved somewhat but member bank bills continued scarce. The Chicago market continued dull with practically no demand for bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury the Federal Reserve Bank of New York purchased \$200,000 Second Liberty Loan 4 1/4% bonds for account of the Secretary of the Interior - Investment of Indian Funds, and sold an aggregate of \$500,000 December 15, 1926 certificates for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to March 24 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 22,807,000	\$ 21,884,000	\$ 923,000	\$ 0
New York	74,109,000	75,035,000	0	926,000
Philadelphia	26,190,000	25,011,000	1,179,000	0
Cleveland	31,052,000	31,264,000	0	212,000
Richmond	15,330,000	15,633,000	0	303,000
Atlanta	12,656,000	12,506,000	150,000	0
Chicago	42,989,000	43,769,000	0	780,000
St. Louis	15,468,000	15,633,000	0	165,000
Minneapolis	12,456,000	12,506,000	0	50,000
Kansas City	18,569,000	18,759,000	0	190,000
Dallas	12,714,000	12,506,000	208,000	0
San Francisco	28,302,000	28,136,000	166,000	0
Totals	\$312,642,000	\$312,642,000	\$2,626,000	\$2,626,000

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Further purchases of short Government securities have been made in various markets for the System Account of \$31,411,100, of which \$28,139,500 has been received and the balance of \$3,271,600 will be delivered on Monday, March 29.

These purchases complete the replacement of the holdings which matured on March 15 and will restore the account to the amount previously held of \$210,000,000. The participation of the various Federal reserve banks in the account at the close of business March 29 and the classification of issues held are 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
<b>Total</b>	<b>\$210,000,000</b>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 33,350,000
September 15, 1926	21,001,000
December 15, 1926	52,149,500
March 15, 1927	58,628,200
December 15, 1927	35,371,300
September 15, 1928	9,500,000
3rd L/L bonds	
<b>Total</b>	<b>\$210,000,000</b>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM MARCH 18 TO MARCH 24, 1926**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
 (Participation in Purchases)

	<u>Short term Governments</u>
Boston	\$ 153,500
New York	3,980,500
Philadelphia	121,000
Cleveland	901,500
Richmond	317,500
Atlanta	936,000
Chicago	1,703,000
St. Louis	1,460,500
Minneapolis	698,000
Kansas City	1,613,000
Dallas	1,713,500
San Francisco	<u>2,652,000</u>
Total	<u>\$16,250,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Sales</u>		<u>Issue</u>
Cleveland	\$ 44,300	Misc. Gov't Securities		\$ 10,000	Misc. Gov't Securities		
Atlanta	266,950	Misc. Gov't Securities		183,800	Misc. Gov't Securities		
Chicago	1,000	Misc. Gov't Securities		0			
St. Louis	1,625,500	Misc. Gov't Securities		0			
Dallas	<u>84,900</u>	Misc. Gov't Securities		<u>4,000</u>	Misc. Gov't Securities		
Totals	<u>\$2,022,650</u>			<u>\$197,800</u>			

BANKERS ACCEPTANCES  
 (000 Omitted)

	Holdings					<u>Other Holdings</u>		
	<u>Mar. 17</u>					<u>Mar. 24</u>	<u>Close</u>	<u>Mar. 24/26</u>
		<u>Purchased</u>	<u>Rec'd by</u>	<u>Matured</u>	<u>Holdings</u>	<u>Sales</u>	<u>Other</u>	
		<u>Own Market</u>	<u>Allotment</u>			<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 37,154	\$ 2,426	Retained	0	\$ 1,410	\$ 38,170	\$ 3,263	0
New York	32,985	6,278	"	0	11,358	27,905	29,897	965
		12,616	Allotted				4,054*	
Philadelphia	16,426	2,894	Retained	0	6,340	12,980	0	0
Cleveland	20,088	417	"	1,494	1,982	20,017	0	876
Richmond	10,223	0	"	1,137	847	10,513	0	0
Atlanta	14,329	434	"	513	4,272	11,004	0	616
Chicago	27,335	16	"	2,971	3,928	26,394	1,925	0
St. Louis	13,363	0	"	1,523	2,140	12,746	0	0
Minneapolis	7,430	0	"	1,260	1,125	7,565	0	0
Kansas City	12,731	0	"	1,832	2,427	12,136	0	0
Dallas	12,082	281	"	1,081	2,740	10,704	0	0
San Francisco	<u>19,100</u>	<u>1,097</u>	"	<u>805</u>	<u>4,094</u>	<u>16,908</u>	<u>3,590</u>	<u>0</u>
Totals	<u>\$223,246</u>	<u>\$26,459</u>		<u>\$12,616</u>	<u>\$42,663</u>	<u>\$207,042</u>	<u>\$38,675</u>	<u>\$2,457</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 24, 1926  
 (000 Omitted)

	1-30 days		31-60 days		61-90 days		Over 90-days	Total
	3 1/2 - 3 5/8%	3 1/2 - 3 5/8%	3 1/2 - 3 3/4%	3 1/2 - 3 3/4%	3 5/8 - 3 3/4%	3 5/8 - 3 3/4%	3 3/4%	
Boston	\$ 228		\$ 693		\$1,505		0	\$ 2,426
New York	11,029		4,157		2,836		872	18,894
Philadelphia	449		1,616		829		0	2,894
Cleveland	223		0		194		0	417
Atlanta	236		5		193		0	434
Chicago	0		16		0		0	16
Dallas	0		0		46		235	281
San Francisco	347		514		236		0	1,097
<b>Totals</b>	<b>\$12,512</b>		<b>\$7,001</b>		<b>\$5,839</b>		<b>\$1,107</b>	<b>\$26,459</b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 24, 1926 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

	(Excluding Sales Contracts)		
	Government Securities	Bankers Acceptances	Total
Purchased	\$53,272	\$26,459	\$79,731
Sold	198	0	198
Matured	0	42,663	42,663
		<del>\$16,204</del>	<del>\$36,870+</del>
		2,438+ (1-day holdover)	2,438+ (1-day holdover)
<b>Totals</b>	<b>\$53,074+</b>	<b>\$13,766-</b>	<b>\$39,308+</b>

Holdings	(Including Sales Contracts)						Total
	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	
<u>March 24, 1926</u>							
Gov't Securities	\$ 9,308	0	0	\$55,871	\$23,828	\$219,194	\$308,201
Bills Purchased	110,540	61,546	52,619	22,744	4,779	0	252,228
<b>Totals</b>	<b>\$119,848</b>	<b>\$61,546</b>	<b>\$52,619</b>	<b>\$78,615</b>	<b>\$28,607</b>	<b>\$219,194</b>	<b>\$560,429</b>



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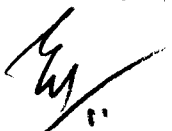
# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL RESERVE BANK  
Date March 24, 1926.  
333

To All members of the Board. # 2 Subject: \_\_\_\_\_

From Mr. Eddy.



For your information:

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

Please return to Secretary's Office

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Authority EO 10501

Am  
Au

March 24, 1926.

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 March 11 to March 17, 1926, 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

March 22, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 11 to March 17, 1926 in-  
clusive, 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 MARCH 17, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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	13,964	579,675
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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	265,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068	255,732	48,396	540,083
Mar. 10	1,158,559	357,631	2,035	240,403	44,117	502,425
" 17	1,101,640*	344,819*	7,758	227,136	30,002	480,615

\*Includes \$99,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 17, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 17	Change	Mar. 17	Change	Mar. 17	Change
Boston	\$ 6,542	\$ 1,011-	\$ 37,154	\$ 1,128+	\$ 23,734	\$ 1,423+
New York	35,137	26,160-	32,985	244-	104,190	51,828-
Philadelphia	17,987	3,322-	16,426	3,291-	56,639	5,522+
Cleveland	25,494	8,002-	20,088	213-	48,232	3,775-
Richmond	4,038	2,087-	10,223	618-	45,023	1,373+
Atlanta	11,890	5,329-	14,329	3,504-	43,301	12,965+
Chicago	34,460	11,196-	27,335	944-	55,051	9,450-
St. Louis	17,445	9,599-	13,363	937-	25,612	5,398+
Minneapolis	13,489	4,589-	7,430	544-	6,734	2,858+
Kansas City	25,146	11,828-	12,731	1,165-	15,714	1,569+
Dallas	21,984	11,253-	12,082	1,641-	6,571	134-
San Francisco	32,207	17,436-	19,100	1,741-	49,814	12,269+
N.Y. holdovers and other bills			3,890	447+		
Totals	\$245,819*	\$111,812-	\$227,136	\$13,267-	\$480,615	\$21,810-

\* This balance does not include \$99,000,000 one day advances to Treasury.

COMMENT ON CHANGES WEEK ENDED MARCH 17, 1926

Total earning assets of the System decreased \$56,900,000 during the statement week. The reduction in Government security holdings of \$111,800,000 resulted from large quarter tax date transactions as follows: \$72,000,000 Treasury Notes maturing March 15; sales to foreign accounts March 15 of \$31,500,000; purchase in partial replacement of \$27,000,000 and temporary sales under repurchase agreement of \$35,000,000. Further decreases consisted of \$21,800,000 in bills discounted and \$13,300,000 in acceptances purchased outright. Acceptances held under sales contracts declined \$14,100,000 while securities under sales contracts advanced \$5,700,000.

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Money  
Market

Heavy Treasury disbursements on March 15 for maturing issues and interest payments in excess of income tax collections resulted in fairly easy money conditions. Call money on the Stock Exchange held without change at 4 1/4 per cent throughout the entire week, a figure which coincided with the closing quotations of last week. Temporary sales of Government securities outstanding last week aggregating 35 million dollars from the System Account to member banks in New York exerted a stabilizing influence on the money market and only nominal amount of funds remained unlent at the close of each day.

Fairly large offerings of time money resulted in a lowering of the rate at the middle of the week to 4 1/2 per cent for maturities up to 90-days, the lowest figure since last Fall. For the longer maturities loans were generally arranged at 4 5/8 per cent with a few trades reported at 4 1/2 per cent. A fair amount of business was placed for the shorter dates but there was little trading in the longer maturities.

Although quoted rates for prime commercial paper were unchanged at 4 1/4 to 4 1/2 per cent a larger proportion of sales were negotiated at 4 1/4 per cent than during recent previous weeks. Trading was in fair volume, interior institutions continuing to take the major portion of the available supply.

Government  
Security  
Market

United States Government securities were moderately active during the week. Light offerings rather than an increased demand resulted in firm prices of practically all long-term issues; the First Liberty 3 1/2's at 101 5/32 and Second 4 1/4's at 100 30/32 established new high prices for the year. The new 3 3/4 per cent bonds were traded in on the Exchange within minor fluctuations above and below the Treasury offering price of 100 1/2. Prices of short-term certificates and notes also held firm at the levels of the previous week.

Bankers

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

Boston reports a very limited supply of bills in the market and the demand was even smaller than during the last period. Buying on the part of country banks was negligible and there has been a falling off in the demand from city institutions. Dealers' combined portfolios decreased slightly during the week. In New York the market was fairly active. The supply of bills was only moderate but the demand compared favorably with the best weeks of the year. This was due in part to relatively easy money over the fifteenth of the month but more particularly to substantial buying for foreign accounts. Offerings to the reserve bank were in light volume. Philadelphia and Chicago report the supply of bills in their districts was small and the demand was very light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there was purchased for various Treasury accounts securities as follows:

\$2,016,350 4th L/L 4 1/4's account Civil Service Retirement and Disability Fund

700,000 new 3 3/4% Treasury bonds due 1956 account Alien Property Custodian

27,950 3rd L/L 4 1/4's account General Railroad Contingent Fund

There was also sold \$550,000 3 3/4% certificates due December 15, 1926 for account of the Alien Property Custodian.

Further transactions in the Alien Property Custodian Account consisted of the sale of \$25,000,000 3 1/4% certificates due June 15, 1926 and the purchase of a like amount of 3 3/4% certificates due December 15, 1926. This exchange of issues on a par basis was effected in the System Special Investment Account.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to March 17 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 21,631,000	\$ 20,375,000	\$1,256,000	0
New York	67,831,000	69,860,000	0	2,029,000
Philadelphia	26,944,000	23,286,000	3,658,000	0
Cleveland	29,141,000	29,108,000	33,000	0
Richmond	14,193,000	14,554,000	0	361,000
Atlanta	11,709,000	11,644,000	65,000	0
Chicago	40,002,000	40,751,000	0	749,000
St. Louis	13,945,000	14,554,000	0	609,000
Minneapolis	11,196,000	11,644,000	0	448,000
Kansas City	16,737,000	17,465,000	0	728,000
Dallas	11,352,000	11,644,000	0	292,000
San Francisco	<u>26,400,000</u>	<u>26,196,000</u>	<u>204,000</u>	<u>0</u>
Total	\$291,081,000	\$291,081,000	\$5,216,000	\$5,216,000

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As referred to in the last report, temporary sales from the System Account were made on March 13 and 15 aggregating \$38,000,000; \$35,000,000 to member banks in New York and \$3,000,000 in Chicago. These securities were all repurchased by March 20.

Further new purchases for the Account of \$11,050,000 short Governments in addition to \$23,305,600 mentioned in the previous report make a total of \$34,355,600 securities in partial replacement of \$65,766,700 holdings which matured on March 15. These transactions reduced the System Account from the \$210,000,000 total previously held to a net balance of \$178,588,900 at the close of business March 20. The participation by all Federal Reserve Banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 1,688,000
New York	43,733,900
Philadelphia	1,331,000
Cleveland	9,908,500
Richmond	3,483,500
Atlanta	10,289,000
Chicago	18,718,000
St. Louis	16,049,500
Minneapolis	7,671,000
Kansas City	17,726,000
Dallas	18,831,500
San Francisco	<u>29,154,000</u>
	<u>\$178,588,900</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 1,800,000
June 15, 1926	28,900,000
Sept. 15, 1926	17,901,000
Dec. 15, 1926	47,260,000
March 15, 1927	44,856,600
Dec. 15, 1927	35,371,300
Sept. 15, 1928	2,500,000
3rd L/L bonds	
	<u>\$178,588,900</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM MARCH 11 TO MARCH 17, 1926

SYSTEM SPECIAL INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales and Maturities</u>	<u>*Temporary Sales</u>	<u>Net Decrease</u>
Boston	\$ 476,500	\$ 1,155,500	\$ 331,000	\$ 1,010,000
New York	12,354,000	29,942,200	8,571,500	26,159,700
Philadelphia	375,500	911,000	261,000	796,500
Cleveland	2,799,000	6,784,000	1,941,500	5,926,500
Richmond	986,000	2,389,000	684,000	2,087,000
Atlanta	2,907,000	7,043,000	2,016,000	6,152,000
Chicago	5,287,500	12,815,000	3,668,000	11,195,500
St. Louis	4,534,500	10,988,000	3,145,500	9,599,000
Minneapolis	2,167,000	5,252,000	1,503,500	4,588,500
Kansas City	5,008,000	12,136,000	3,474,500	10,602,500
Dallas	5,319,500	12,892,000	3,690,000	11,262,500
San Francisco	8,235,500	19,959,000	5,713,500	17,437,000
<b>Totals</b>	<b>\$50,450,000</b>	<b>\$122,266,700</b>	<b>*\$35,000,000</b>	<b>\$106,816,700</b>

\*Securities sold temporarily to member banks under agreement to be repurchased on or before March 20, 1926.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	0	-	\$2,525,000	A-1926 Treas. Notes
Cleveland	0	-	2,074,000	A-1926 Treas. Notes
Atlanta	1,245,800	Misc. Gov't Securities	422,800	Misc. Gov't Securities
Kansas City	0	-	1,225,400	A-1926 Treas. Notes
Dallas	8,750	Misc. Gov't Securities	0	-
San Francisco	500,550	Misc. Gov't Securities	500,000	A-1926 Treas. Notes
<b>Totals</b>	<b>\$1,755,100</b>		<b>\$6,747,200</b>	

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings Mar. 10</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Matured</u>	<u>Holdings Mar. 17</u>	<u>Other Holdings Close Mar. 17, 1926</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 36,026	\$ 1,801	Retained 0	\$ 673	\$ 37,154	\$ 3,352	0
New York	33,229	5,172	" 0	5,416	32,935	21,352	957
		5,413	Allotted			1,616*	
Philadelphia	19,717	4,945	Retained 0	8,236	16,426	0	0
Cleveland	20,301	926	" 820	1,959	20,088	0	795
Richmond	10,841	0	" 401	1,019	10,223	0	0
Atlanta	17,333	122	" 197	3,823	14,329	0	522
Chicago	28,279	840	" 1,150	2,934	27,335	1,252	0
St. Louis	14,300	0	" 683	1,620	13,363	0	0
Minneapolis	7,974	0	" 505	1,049	7,430	0	0
Kansas City	13,896	0	" 829	1,994	12,731	0	0
Dallas	13,723	151	" 469	2,261	12,032	0	0
San Francisco	20,341	493	" 364	2,598	19,100	3,546	0
<b>Totals</b>	<b>\$236,960</b>	<b>\$19,363</b>	<b>\$5,413</b>	<b>\$33,532</b>	<b>\$223,246</b>	<b>\$30,002</b>	<b>\$2,274</b>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 17, 1926  
 (000 Omitted)

	<u>1 - 30 days</u> <u>3 1/2%</u>	<u>31 - 60 days</u> <u>3 1/2 - 3 5/8%</u>	<u>61 - 90 days</u> <u>3 5/8 - 3 3/4%</u>	<u>Over 90-days</u> <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$ 0	\$1,801	\$ 0	0	\$ 1,801
New York	5,343	3,267	1,933	47	10,590
Philadelphia	1,491	1,585	1,869	0	4,945
Cleveland	926	0	0	0	926
Atlanta	17	10	95	0	122
Chicago	23	469	348	0	840
Dallas	18	12	0	121	151
San Francisco	63	415	0	15	493
<b>Totals</b>	<b>\$7,881</b>	<b>\$7,559</b>	<b>\$4,245</b>	<b>\$183</b>	<b>\$19,868</b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 17, 1926 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	\$52,204	\$19,868	\$72,072
Sold	92,716	0	92,716
Matured	71,300	<u>33,582</u>	<u>104,882</u>
		\$13,714- 601+ (1-day holdover)	\$125,526- 601+ (1-day holdover)
<b>Totals</b>	<b>\$111,812-</b>	<b>\$13,113-</b>	<b>\$124,925-</b>

(Including Sales Contracts)

<u>Holdings</u> <u>March 17, 1926</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	\$106,758	\$ 0	\$ 0	\$54,210	\$23,827	\$167,782	\$352,577
Bills Purchased	<u>96,085</u>	<u>70,533</u>	<u>57,847</u>	<u>28,574</u>	<u>4,099</u>	<u>0</u>	<u>257,138</u>
<b>Totals</b>	<b>\$202,843</b>	<b>\$70,533</b>	<b>\$57,847</b>	<b>\$82,784</b>	<b>\$27,926</b>	<b>\$167,782</b>	<b>\$609,715</b>



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131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL RESERVE BOARD  
Date March 16, 1926.  
333

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Eddy.

*Handwritten signature/initials*

For your information.

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

Please return to Secretary's Office.

2-4495

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Authority EO 10501

March 18, 1926.

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 March 4 to March 10, 1926, 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,  
o/o Federal Reserve Bank,  
New York, N.Y.

DECLASSIFIED  
Authority EO 10501

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

March 15, 1926

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 March 4 to March 10, 1926 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 MARCH 10, 1926.

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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
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Nov. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,113,687	363,073	1,990	279,321	16,096	448,557
Feb. 24	1,186,046	320,517	10,068	255,732	48,396	540,083
Mar. 3	1,207,429	320,589	5,169	246,695	39,912	583,214
" 10	1,158,559	357,631	2,035	240,403	44,117	502,425

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 10, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 10	Change	Mar. 10	Change	Mar. 10	Change
Boston	\$ 7,553	\$ 331+	\$ 36,026	\$3,878-	\$ 22,311	\$13,778-
New York	61,297	8,548+	33,229	382+	156,018	16,558-
Philadelphia	21,309	2,246+	19,717	418+	51,117	2,770-
Cleveland	33,496	1,937+	20,301	1,639+	52,007	3,387+
Richmond	6,125	682+	10,841	1,467+	43,650	233+
Atlanta	17,219	2,011+	17,833	3,780-	30,336	2,719-
Chicago	45,656	3,659+	28,279	824-	64,501	24,166-
St. Louis	27,044	3,137+	14,300	503+	20,214	5,393-
Minneapolis	13,078	1,500+	7,974	927+	3,876	6,642-
Kansas City	36,974	3,514+	13,896	843-	14,145	8,413-
Dallas	33,237	3,779+	13,723	471-	6,705	61+
San Francisco	49,643	5,698+	20,341	462+	37,545	4,031-
N.Y. holdovers and other bills			3,443	2,294-		
Totals	\$357,631	\$37,042+	\$240,403	\$6,292-	\$502,425	\$80,789-

COMMENT ON CHANGES WEEK ENDED MARCH 10, 1926

Total earning assets of the System decreased \$43,900,000 during the statement week. The decreases of \$80,300,000 in bills discounted and \$6,300,000 in acceptances purchased outright were only partially offset by an increase of \$37,000,000 in outright holdings of Government securities. Securities held under sales contracts also declined \$3,100,000, while acceptances purchased under sales contracts advanced \$4,200,000.

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Money  
Market

Continued gold imports which during the first two weeks in March aggregated approximately \$31,000,000, and heavy liquidations of call loans were the principal factors which contributed to slightly easier money conditions in New York during the week.

Call money rates fluctuated within narrow limits, ranging from  $4\frac{1}{2}$  to 4 per cent, as compared with  $5\frac{1}{2}$  to  $4\frac{1}{2}$  per cent last week. On Monday call loans renewed at  $4\frac{1}{2}$  per cent but accompanying large offerings the rate was reduced at midday to 4 per cent with a substantial amount remaining unlent at the close. Toward the end of the week the tone was slightly firmer and all loans on Thursday and Friday were negotiated at the single rate of  $4\frac{1}{4}$  per cent.

Time funds were also in larger supply but the market continued rather quiet with little demand for new money. Quotations for all maturities declined to  $4\frac{3}{4}$  per cent, compared with  $4\frac{3}{4}$  to 5 per cent in the previous week.

Rates for prime commercial paper held steady at  $4\frac{1}{4}$  to  $4\frac{1}{2}$  per cent. The market in New York was quiet but a moderate volume of sales passed in New England and the Middle West. The supply of paper was somewhat larger than in recent weeks though smaller than the normal expectancy.

Government  
Security  
Market

The announcement by the Treasury of its new offering of 3  $\frac{3}{4}$  per cent Treasury bonds at price of 100  $\frac{1}{2}$  to yield approximately 3.71 per cent stimulated the demand for other outstanding long-term Government obligations. With the exception of the First 3  $\frac{1}{2}$ s all issues established new high prices for 1926. Third Liberty 4  $\frac{1}{4}$ s sold on the Exchange at 101  $\frac{9}{32}$  following the announcement by the Treasury of its acceptance of tenders from individual holders for the purchase of Thirds for the Sinking Fund at the prices offered up to 101  $\frac{10}{32}$ .

Prices of short-term certificates and notes also made moderate advances.

Bankers  
Acceptances

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

Boston reports that there has been practically no change in the bill market in that district during this period. The supply continued small and the demand was very light. Offerings to the reserve bank were in smaller volume than during the two previous periods. The New York market was quite active during this period. The buying demand was very good and dealers' sales about offset their purchases, thus leaving dealers' combined portfolios practically unchanged. Philadelphia reports an improved market for bills. Offerings increased somewhat and demand was fair, principally for 90-day maturities. The Chicago market, however, continued very quiet. The supply was ample to take care of the light demand.

OPERATIONS ACCOUNT U. S. TREASURY

At the request of the Treasury there were sold during the period covered by this report \$150,000 3  $\frac{3}{4}$  per cent certificates due December 15, 1926, for account Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to March 10 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 19,830,000	\$ 19,247,000	\$ 583,000	0
New York	62,659,000	65,992,000	0	3,333,000
Philadelphia	25,752,000	21,997,000	3,755,000	0
Cleveland	27,395,000	27,497,000	0	102,000
Richmond	13,792,000	13,748,000	44,000	0
Atlanta	11,390,000	10,999,000	391,000	0
Chicago	38,012,000	38,495,000	0	483,000
St. Louis	13,262,000	13,748,000	0	486,000
Minneapolis	10,691,000	10,999,000	0	308,000
Kansas City	15,908,000	16,496,000	0	590,000
Dallas	10,732,000	10,999,000	0	267,000
San Francisco	<u>25,543,000</u>	<u>24,747,000</u>	<u>796,000</u>	<u>0</u>
Total	<u>\$274,966,000</u>	<u>\$274,966,000</u>	<u>\$5,569,000</u>	<u>\$5,569,000</u>

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Government security holdings in the System Investment Account at the close of the statement week, namely, March 10, 1926, amounted to \$244,905,600, the participation in which by all Federal reserve banks and the classification of issues held by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 2,315,000
New York	59,975,100
Philadelphia	1,825,500
Cleveland	13,583,500
Richmond	4,784,000
Atlanta	14,103,000
Chicago	25,669,000
St. Louis	22,009,000
Minneapolis	10,520,000
Kansas City	24,308,000
Dallas	25,824,000
San Francisco	<u>39,979,500</u>

\$244,905,600

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1926	\$ 65,766,700
June 15, 1926	8,600,000
Sept. 15, 1926	27,901,000
Dec. 15, 1926	65,560,000
March 15, 1927	40,456,600
Dec. 15, 1927	34,121,300
Sept. 15, 1928	2,500,000
3rd L/L bonds	

\$244,905,600

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As noted in the previous report, the Open Market Investment Committee has approved the purchase of short-term Governments to be used in partial replacement of securities amounting to \$65,766,700 which mature on March 15 from the System Account, also in replacement of similar maturities held by the New York bank for account of foreign correspondents.

Purchases made thus far in the Boston, New York and Chicago markets have aggregated \$55,005,600 of which \$45,305,600 have already been delivered and are held in the System Account. From this amount \$32,500,000 securities have been sold to foreign accounts: \$1,000,000 has already been delivered and \$31,500,000 will be taken over on March 15 to replace issues maturing on that date. The net balance of \$23,305,600 is to apply against System holdings maturing on March 15. After the completion of these transactions the total System holdings will stand at \$167,538,900.

Further transactions in this account on March 15 will consist of sale to the Treasury, account of the Alien Property Custodian of \$25,000,000 - 3 3/4% certificates maturing December 15, 1926 and the purchase from the Treasury in replacement of a like amount of 3 1/4% certificates due June 15, 1926, the exchange to be summated on a par basis.

Under the plan of dealing with money conditions over quarterly tax periods through temporary sales of Government securities from System Account, the Committee sold on March 13 and 15 to member banks in New York and Chicago at par flat an aggregate of \$30,000,000 - 4 3/4% Treasury notes due March 15, 1927. These securities were sold subject to repurchase on or before March 19 at par flat plus interest at 3 1/2% per annum for the number of days held. On March 13, New York City banks also paid off loans at the Reserve Bank amounting to \$53,000,000 and enter the week with a substantial deficit in reserves which will serve to offset an excess of Government disbursements on the 15th. No very great ease in money conditions is therefore anticipated.

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM MARCH 4 TO MARCH 10, 1926

(Participation in Short-term Governments - System Special Investment Account)

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 339,500	\$ 9,500	\$ 330,000
New York	3,793,100	245,000	3,548,100
Philadelphia	263,000	7,500	260,500
Cleveland	1,992,500	55,500	1,937,000
Richmond	701,000	19,500	681,500
Atlanta	2,063,500	57,500	2,011,000
Chicago	3,763,500	105,000	3,658,500
St. Louis	3,226,500	90,000	3,136,500
Minneapolis	1,543,000	43,000	1,500,000
Kansas City	3,563,000	99,000	3,464,000
Dallas	3,736,000	105,500	3,630,500
San Francisco	<u>5,361,000</u>	<u>163,000</u>	<u>5,692,000</u>
<b>Totals</b>	<u>\$35,905,600</u>	<u>\$1,000,000</u>	<u>\$34,905,600</u>

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OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	\$1,985,500	TD-1926 Ctfs.	0	-
Atlanta	120,450	Misc. Gov't Sec.	121,000	Misc. Gov't Sec.
Kansas City	50,000	Fourth L/L Bonds	0	-
Dallas	98,550	Misc. Gov't Sec.	0	-
Totals	<u>\$2,254,500</u>		<u>\$121,000</u>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> <u>Mar. 3</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Matured</u>	<u>Other Holdings</u> <u>Close Mar. 10/26</u>		
					<u>Holdings</u> <u>Mar. 10</u>	<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 39,904	\$ 2,791 Retained	0	\$ 6,669*	\$ 36,026	\$ 4,569	0
New York	32,847	7,656 " 14,945 Allotted	0	7,274	33,229	33,842 1,015**	1,054
Philadelphia	19,299	6,558 Retained	0	6,140	19,717	0	0
Cleveland	18,662	1,065 "	2,321	1,747	20,301	0	708
Richmond	9,374	500 "	1,609	642	10,841	0	0
Atlanta	21,613	744 "	789	5,313	17,833	0	666
Chicago	29,103	1,218 "	2,384	4,426	28,279	1,955	0
St. Louis	13,797	0	1,890	1,387	14,300	0	0
Minneapolis	7,047	0	1,529	602	7,974	0	0
Kansas City	14,739	659 "	1,653	3,155	13,896	0	0
Dallas	14,194	66 "	1,322	1,859	13,723	0	0
San Francisco	<u>20,379</u>	<u>1,664</u> "	<u>1,448</u>	<u>2,650</u>	<u>20,841</u>	<u>3,751</u>	<u>0</u>
Totals	<u>\$240,958</u>	<u>\$37,866</u>	<u>\$14,945</u>	<u>\$41,864</u>	<u>\$236,960</u>	<u>\$44,117</u>	<u>\$2,428</u>

\*Includes \$6,317,000 sold to New York and distributed to other Federal reserve banks.

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



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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 10, 1926  
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 3/4%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 5/8 - 3 3/4%</u>	Over 90-days <u>3 3/4 - 4%</u>	Total
Boston	\$ 414	\$ 947	\$ 1,424	\$ 6	\$ 2,791
New York	13,874	4,920	2,591	1,216	22,601
Philadelphia	964	2,892	2,702	0	6,558
Cleveland	0	1,065	0	0	1,065
Richmond	195	185	120	0	500
Atlanta	400	0	344	0	744
Chicago	636	411	171	0	1,218
Kansas City	659	0	0	0	659
Dallas	19	38	9	0	66
San Francisco	232	1,136	290	6	1,664
<b>Totals</b>	<u>\$17,393</u>	<u>\$11,594</u>	<u>\$7,651</u>	<u>\$1,228</u>	<u>\$37,866</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 10, 1926 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	\$38,160	\$37,866	\$76,026
Sold	1,118	0	1,118
Matured	0	<u>41,864</u>	<u>41,864</u>
		\$ 3,998-	\$33,044+
		<u>1,910+</u> (1-day holdover)	<u>1,910+</u> (1-day holdover)
<b>Totals</b>	<u>\$37,042+</u>	<u>\$ 2,088-</u>	<u>\$34,954+</u>

(Including Sales Contracts)

	Within <u>15 days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91-days <u>6 Months</u>	Over <u>6 Months</u>	Total
<u>March 10, 1926</u>							
Gov't Securities	\$ 74,448	0	0	0	\$31,329	\$253,888	\$359,665
Bills Purchased	<u>111,474</u>	<u>66,139</u>	<u>72,552</u>	<u>29,571</u>	<u>4,784</u>	<u>0</u>	<u>284,520</u>
<b>Totals</b>	<u>\$185,922</u>	<u>\$66,139</u>	<u>\$72,552</u>	<u>\$29,571</u>	<u>\$36,113</u>	<u>\$253,888</u>	<u>\$644,185</u>

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD  
Date: March 9, 1926  
333

To All Members of the Board

Subject: \_\_\_\_\_

From Mr. Eddy

*Handwritten initials*

For your information. Please return to the Secretary's Office.

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

*Handwritten mark*

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March 9, 1926

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of the 8th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from February 25 to March 3, 1926, 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

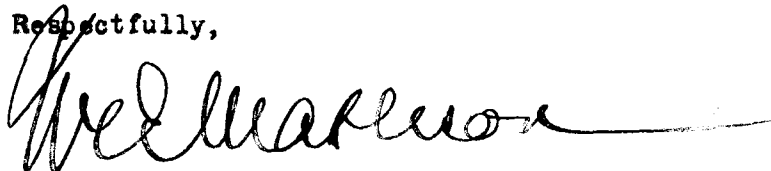
CONFIDENTIAL

March 8, 1926

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 February 25 to March 3, 1926 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 MARCH 3, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
(000 Omitted)

-1925-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES			BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts		Outright Purchases	Sales Contracts	DISCOUNTED
Jan. 28	\$ 988,582	\$392,504	\$ 1,560		\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604		278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059		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	317,155	7,454		215,277	26,389	455,445
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Aug. 26	1,126,293	318,310	13,939		182,555	18,964	579,675
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. 25	1,326,121	315,713	16,586		326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034		320,842	41,976	749,672
-1926-							
Jan. 27	1,118,687	363,073	1,990		279,321	16,096	448,557
Feb. 24	1,185,046	320,517	10,068		255,732	48,396	540,083
Mar. 3	1,207,429	320,589	5,169		246,695	39,912	583,214

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 3, 1926

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Mar. 3	Change	Mar. 3	Change	Mar. 3	Change
Boston	\$ 7,222	0	\$ 39,904	\$4,595-	\$ 36,089	\$ 8,450-
New York	52,749	0	32,847	1,262+	172,576	28,384-
Philadelphia	19,063	0	19,299	455-	53,887	2,510-
Cleveland	31,559	0	18,662	1,296+	48,620	5,883+
Richmond	5,443	0	9,374	260-	43,417	7,403+
Atlanta	15,208	43+	21,613	3,873-	33,055	7,654+
Chicago	41,997	0	29,103	251+	88,667	33,836+
St. Louis	23,907	0	13,797	2,661-	25,607	1,502+
Minneapolis	16,578	0	7,047	73-	10,518	4,694+
Kansas City	33,460	0	14,739	535-	22,558	4,472+
Dallas	29,458	26+	14,194	2,402-	6,644	914+
San Francisco	43,945	3+	20,379	1,346+	41,576	6,117+
N.Y. holdovers and other bills			5,737	1,662+		
Totals	\$320,589	\$72+	\$246,695	\$9,037-	\$583,214	\$43,131+

COMMENT ON CHANGES WEEK ENDED MARCH 3, 1926

Total System earning assets made a further advance during the statement week of \$22,400,000. The increase of \$43,000,000 in bills discounted was partially offset by a decrease in outright purchases of bankers acceptances of \$9,000,000 and declines in sales contract holdings of Government securities and acceptances of \$4,900,000 and \$8,500,000 respectively.

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Money  
Market

Call money held firm during the early part of the week but became easier during the latter half of the period, the Stock Exchange rate ranging from 5 1/2 per cent down to 4 1/2 per cent.

On Monday call money opened and renewed at 5 1/2 per cent, the highest renewal charge since February 10. During the noon hour, however, the rate was lowered to 5 per cent where it held until the close. Following the return of the March 1 interest and dividend money, and accompanying gold imports of approximately \$20,000,000, a further recession in the rate to 4 1/2 per cent was made at mid-day on Tuesday, a substantial amount of new loans being made at an average rate for the day of 4.62 per cent. Funds on offer continued in ample supply and all loans during the balance of the week were negotiated at a flat charge of 4 1/2 per cent.

Time money market continued quiet, the business being confined mostly to renewals and replacements. Quoted rates were unchanged at 4 3/4 to 5 per cent, with a few loans made at 4 3/4 and 4 7/8 per cent.

The commercial paper market continued rather quiet. Rates for prime names held firm at 4 1/4 to 4 1/2 per cent, with the bulk of the business going to interior institutions at the lower rate.

Government  
Security  
Market

Trading in United States Government securities was only moderately active. Fourth 4 1/4 per cent. Liberty Loan bonds were in best demand and registered a net advance in price of 5/32nds, closing at 102 15/32. Following the announcement of the Treasury's offer to purchase Third Liberty Loan bonds for the Sinking Fund, the price of this issue on the Exchange advanced to 101 7/32, but later reacted and closed on Saturday at 101 4/32, representing a net increase of 1/32 over the previous week.

Prices of short-term certificates and notes held firm throughout the period.

Bankers  
Acceptances

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

Boston reports that there was very little change in the bill market in that district over the previous week. Both the supply and demand were small with very few new bills being made. Although dealers' combined portfolios showed an increase during the week, the amount carried was smaller than during the latter part of January and early part of February. In the New York market the demand for bills increased considerably toward the close of the week accompanying easier money conditions. The demand largely offset the heavy supply offered in the market over the end of the month and accordingly dealers' portfolios remained about the same. Philadelphia and Chicago report very little activity in bills in their districts. Offerings increased somewhat during the week but the demand was very light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there were sold during the period Government securities for various accounts as follows: \$666,000 3% certificates due June 15, 1926 for account of the Civil Service Retirement and Disability Fund; \$380,000 4 1/4% Treasury bonds due 1947-52; \$500,000 4 1/2% Treasury Notes due September 15, 1927; \$600,000 4 1/4% Treasury Notes due September 15, 1926 for account of the Secretary of the Interior - Investment of Indian Moneys; \$300,000 3 3/4% certificates due December 15, 1926 for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to March 3, 1926 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 23,356,000	\$ 17,039,000	\$ 6,317,000	0
New York	55,003,000	58,420,000	0	3,417,000
Philadelphia	19,194,000	19,473,000	0	279,000
Cleveland	24,009,000	24,342,000	0	333,000
Richmond	11,633,000	12,171,000	0	488,000
Atlanta	9,857,000	9,737,000	120,000	0
Chicago	34,410,000	34,078,000	332,000	0
St. Louis	11,372,000	12,171,000	0	799,000
Minneapolis	9,162,000	9,737,000	0	575,000
Kansas City	13,596,000	14,606,000	0	1,010,000
Dallas	9,344,000	9,737,000	0	393,000
San Francisco	<u>22,431,000</u>	<u>21,906,000</u>	<u>525,000</u>	<u>0</u>
Totals	<u>\$243,417,000</u>	<u>\$243,417,000</u>	<u>\$7,294,000</u>	<u>\$7,294,000</u>

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There has been no change in the Government security holdings in the Special Investment Account during the statement week covered by this report. The total holdings at the close of business March 3 aggregated \$210,000,000, the participation in which by all Federal reserve banks and the classification of issues 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 \$210,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1926	\$ 65,766,700
Sept. 15, 1926	27,401,000
Dec. 15, 1926	58,160,000
March 15, 1927	23,876,000
Dec. 15, 1927	32,296,300
Sept. 15, 1928 3rd L/L bonds	2,500,000

\$210,000,000

With the approval of the Open Market Investment Committee there has been purchased short-term Government securities aggregating \$44,555,600, of which \$13,055,600 were received on March 5 and the balance is to be delivered during the coming week. These purchases are to be used towards replacing holdings maturing March 15, 1926 in the Special Investment Account, also to replace similar maturities held by the New York bank for account of foreign correspondents.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM FEBRUARY 25 TO MARCH 3, 1926**

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$68,900	Misc. Gov't Securities	\$25,350	Misc. Gov't Securities
Dallas	25,950	Misc. Gov't Securities	0	-
San Francisco	<u>3,000</u>	Misc. Gov't Securities	<u>0</u>	-
<b>Totals</b>	<b><u>\$97,850</u></b>		<b><u>\$25,350</u></b>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Feb. 24</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Matured</u>	<u>Holdings Mar. 3</u>	<u>Other Holdings Close Mar. 3/26</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 44,499	\$ 8,176	Retained 0	\$12,771*	\$ 39,904	\$ 3,471	0
New York	31,585	7,130	" 0	5,868	32,847	29,840	1,100
		8,761	Allotted			3,476**	
Philadelphia	19,754	2,756	Retained 0	3,211	19,299	0	0
Cleveland	17,366	1,224	" 1,398	1,326	18,662	0	462
Richmond	9,634	270	" 754	1,284	9,374	0	0
Atlanta	25,486	408	" 452	4,733	21,613	0	699
Chicago	28,852	2,526	" 1,791	4,066	29,103	1,989	0
St. Louis	16,458	0	" 781	3,442	13,797	0	0
Minneapolis	7,120	0	" 658	731	7,047	0	0
Kansas City	15,274	0	" 961	1,496	14,739	0	0
Dallas	16,596	163	" 600	3,165	14,194	0	0
San Francisco	<u>19,033</u>	<u>2,026</u>	" <u>1,366</u>	<u>2,046</u>	<u>20,379</u>	<u>4,612</u>	<u>0</u>
<b>Totals</b>	<b><u>\$251,657</u></b>	<b><u>\$33,440</u></b>		<b><u>\$8,761</u></b>	<b><u>\$44,139</u></b>	<b><u>\$240,958</u></b>	<b><u>\$39,912</u></b>

\* Includes \$6,880,000 sold to New York for distribution to other F. R. Banks

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

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 3, 1926

(000 Omitted)

	<u>1 - 30 days</u>	<u>31 - 60 days</u>	<u>61 - 90 days</u>	<u>Over 90 days</u>	<u>Total</u>
	<u>3 1/2 - 3 5/8%</u>	<u>3 1/2 - 3 3/4%</u>	<u>3 1/2 - 3 3/4%</u>	<u>3 3/4%</u>	
Boston	\$ 1,155	\$ 3,503	\$ 3,468	\$ 50	\$ 8,176
New York	8,025	3,311	3,029	1,526	15,891
Philadelphia	1,420	363	973	0	2,756
Cleveland	1,224	0	0	0	1,224
Richmond	50	70	150	0	270
Atlanta	100	0	298	10	408
Chicago	354	901	1,271	0	2,526
Dallas	5	36	5	117	163
San Francisco	<u>760</u>	<u>976</u>	<u>256</u>	<u>34</u>	<u>2,026</u>
<b>Totals</b>	<b><u>\$13,093</u></b>	<b><u>\$9,160</u></b>	<b><u>\$9,450</u></b>	<b><u>\$1,737</u></b>	<b><u>\$33,440</u></b>



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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
 BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 3, 1926 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	\$ 98	\$33,440	\$33,538
Sold	26	0	26
Matured	0	<u>44,139</u>	<u>44,139</u>
		\$10,699-	\$10,627-
		<u>3,679-</u> (1-day holdover)	<u>3,697-</u> (1-day holdover)
Totals	<u>\$ 72+</u>	<u>\$14,378-</u>	<u>\$14,306-</u>

(Including Sales Contracts)

<u>Holdings March 3, 1926</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	\$ 77,582	0	0	0	\$22,729	\$225,447	\$325,758
Bills Purchased	<u>110,558</u>	<u>55,568</u>	<u>84,340</u>	<u>31,508</u>	<u>4,633</u>	<u>0</u>	<u>286,607</u>
Totals	<u>\$188,140</u>	<u>\$55,568</u>	<u>\$84,340</u>	<u>\$31,508</u>	<u>\$27,362</u>	<u>\$225,447</u>	<u>\$612,365</u>

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Form No. 181.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 1926.

To All members of the Board.

# 2

Subject: \_\_\_\_\_

From Mr. Eddy.

333 •

2-2406

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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March 2, 1926.

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 February 18 to February 24, 1926, 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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RECEIVED  
MAR 2 1926

FEDERAL RESERVE BANK  
OF NEW YORK

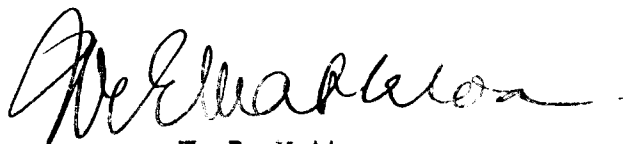
CONFIDENTIAL

March 1, 1926

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 February 18 to February 24, 1926 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 FEBRUARY 24, 1926**

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date

	TOTAL EARNING ASSETS	(000 Omitted)				BILLS DISCOUNTED
		GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 17	1,184,595	330,344	4,102	255,155	46,486	538,358
" 24	1,185,046	320,517	10,068	255,732	48,396	540,083

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 24, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Feb. 24	Change	Feb. 24	Change	Feb. 24	Change
Boston	\$ 7,222	\$1,000-	\$ 44,499	\$2,251+	\$ 44,539	\$7,218+
New York	52,749	0	31,585	1,688+	200,960	345+
Philadelphia	19,063	1,000-	19,754	566-	56,397	1,049+
Cleveland	31,559	1,200-	17,366	1,470+	42,737	412-
Richmond	5,443	701-	9,634	844+	36,014	1,734-
Atlanta	15,165	478-	25,486	2,349-	25,401	1,057-
Chicago	41,997	1,800-	28,852	688+	54,831	7,924-
St. Louis	23,907	577-	16,458	312+	24,105	840+
Minneapolis	16,578	500-	7,120	90-	5,824	964-
Kansas City	33,460	800-	15,274	548+	18,086	1,194+
Dallas	29,432	570-	16,596	100-	5,730	266+
San Francisco	43,942	1,201-	19,033	145-	25,459	2,904+
N. Y. holdovers- and other bills			4,075	3,974-		
<b>Totals</b>	<b>\$320,517</b>	<b>\$9,827-</b>	<b>\$255,732</b>	<b>\$ 577+</b>	<b>\$540,083</b>	<b>\$1,725+</b>

COMMENT ON CHANGES WEEK ENDED FEBRUARY 24, 1926

Total System holdings of bills and securities increased only \$450,000 during the statement week. The decrease of \$9,800,000 in Government securities held outright was practically offset by increases in all other classes of holdings. Sales contract holdings of Government securities and bills increased \$6,000,000 and \$2,000,000 respectively, while bills discounted advanced \$1,700,000 and bills purchased outright increased \$600,000.

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Money  
Market

The shifting of funds to meet the heavy March 1 interest and dividend payments and some out-of-town movement of funds contributed to firmer money conditions, call loan rates ranging from 5 to 5 1/2 per cent, as compared with 4 1/2 to 5 per cent the previous week. On the first three days of the week, following the holiday on Monday, all call loans on the Stock Exchange were negotiated at a flat rate of 5 per cent. On Friday the renewal rate continued at 5 per cent but at mid-day there was an advance to 5 1/2 per cent which held to the close. A large volume of new loans were placed at an average rate for the day of 5.40 per cent, the highest since February 9.

The ruling rate for time money was also firmer at 4 3/4 per cent for all maturities. At the close of the week a few offerings were made at 5 per cent for the longer dates but very little business was transacted at that figure. The market in general was rather quiet and the demand for new loans was small.

The commercial paper market was quiet. The prevailing rate for prime paper continued firm at 4 1/4 per cent with the demand principally from the Chicago and New England districts.

Government  
Security  
Market

Trading in United States Government securities was on a moderate scale during the week. First 3 1/2 per cent Liberty Loan bonds were still in good demand but the supply was scarce and prices advanced further to 101 4/32, a new high for the year. Although quotations of other long-term issues were practically unchanged the undertone was generally firm on a light turnover.

The demand for short-term certificates and notes was rather light and about equal to offerings. Prices held without change, except the March 1927 notes which declined 2/32nds.

Bankers  
Acceptances

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

Boston reports that very few new bills came into the market during the week and the supply continued small. The demand, however, improved somewhat, there being some good buying on the part of country banks and a fair local demand. Offerings to the reserve bank were in larger volume than for some weeks past. Although the supply of bills in the New York market was smaller than last week there was some improvement in the demand from both local and out-of-town institutions. Dealers' combined portfolios declined somewhat and there was evidence of a better tone in the market. Offerings to the reserve bank were fairly large and were principally from banks. In the Philadelphia and Chicago districts the bill market continued quiet, with small offerings and very light demand.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to February 24 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	\$ 22,060,000	\$ 15,180,000	\$ 6,880,000	0
New York	47,873,000	52,045,000	0	4,172,000
Philadelphia	16,438,000	17,348,000	0	910,000
Cleveland	21,387,000	21,686,000	0	299,000
Richmond	10,659,000	10,843,000	0	184,000
Atlanta	8,997,000	8,675,000	322,000	0
Chicago	30,093,000	30,359,000	0	266,000
St. Louis	10,591,000	10,843,000	0	252,000
Minneapolis	8,504,000	8,675,000	0	171,000
Kansas City	12,635,000	13,012,000	0	377,000
Dallas	8,581,000	8,675,000	0	94,000
San Francisco	19,039,000	19,516,000	0	477,000
	<u>\$216,857,000</u>	<u>\$216,857,000</u>	<u>\$7,202,000</u>	<u>\$7,202,000</u>

Bills purchased in other districts in excess of the pro rata share of banks making the purchases are being distributed pro rata among the other participating banks.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The total holdings of Government securities in the System Special Investment Account remain at the same figure as shown in the last report, namely \$210,000,000. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,985,000	March 15, 1926	\$ 65,766,700
New York	51,427,000	Sept. 15, 1926	27,401,000
Philadelphia	1,565,000	Dec. 15, 1926	58,160,000
Cleveland	11,651,500	March 15, 1927	23,876,000
Richmond	4,102,500	Dec. 15, 1927	32,296,300
Atlanta	12,097,000	Sept. 15, 1928	2,500,000
Chicago	22,010,500	3rd L/L bonds	
St. Louis	18,872,500		
Minneapolis	9,020,000		
Kansas City	20,844,000		
Dallas	22,143,500		
San Francisco	34,281,500		
Totals	<u>\$210,000,000</u>		<u>\$210,000,000</u>

OPERATIONS ACCOUNT UNITED STATES TREASURY

There was purchased during the period in New York on private tenders an aggregate of \$2,500,000 Third Liberty Loan 4 1/4% bonds for account of the Cumulative Sinking Fund. The Federal Reserve Bank of New York also purchased \$215,000 face amount Second Liberty Loan 4 1/4% bonds for account of the Secretary of the Interior - Investment of Indian Money.

Under Treasury authority there was sold from the investment holdings of the Alien Property Custodian \$100,000 par amount certificates maturing Dec. 15, 1926,

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM FEBRUARY 18 TO FEBRUARY 24, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
 (Participation in Sales)

	3 3/4% C/I due 12/15/26
Boston	\$ 1,000,000
New York	0
Philadelphia	1,000,000
Cleveland	1,200,000
Richmond	700,000
Atlanta	600,000
Chicago	1,800,000
St. Louis	600,000
Minneapolis	500,000
Kansas City	800,000
Dallas	600,000
San Francisco	<u>1,200,000</u>
Total	<u>\$10,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Richmond	0	-	\$ 1,000	Misc. Gov't Securities
Atlanta	\$ 294,000	Misc. Gov't securities	172,350	Misc. Gov't Securities
St. Louis	24,000	TJ-1926 Ctls.	1,000	Misc. Gov't Securities
Dallas	30,750	Misc. Gov't Securities	0	-
San Francisco	<u>0</u>	-	<u>1,000</u>	Misc. Gov't Securities
Totals	<u>\$348,750</u>		<u>\$175,350</u>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>		<u>Rec'd by</u>	<u>Matured</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>Feb. 17</u>	<u>Own Market</u>	<u>Retained</u>	<u>Allotment</u>	<u>Feb. 24</u>	<u>Sales</u>	<u>Other</u>	
Boston	\$ 42,248	\$ 8,631	Retained	0	\$ 6,380	\$ 44,499	\$ 2,817	0
New York	29,897	4,017	"	0	2,329	31,585	39,202	1,067
		15,246	Allotted				1,566*	
Philadelphia	20,320	865	Retained		1,431	19,754	0	0
Cleveland	15,896	420	"	2,323	1,273	17,366	0	659
Richmond	8,790	38	"	1,381	575	9,634	0	0
Atlanta	27,835	405	"	1,062	3,816	25,486	0	783
Chicago	28,164	588	"	3,100	3,000	28,852	2,524	0
St. Louis	16,146	0	"	1,553	1,241	16,456	0	0
Minneapolis	7,210	0	"	1,142	1,232	7,120	0	0
Kansas City	14,726	0	"	1,751	1,203	15,274	0	0
Dallas	16,696	123	"	1,013	1,236	16,596	0	0
San Francisco	<u>19,178</u>	<u>363</u>	"	<u>1,921</u>	<u>2,429</u>	<u>19,033</u>	<u>3,853</u>	<u>0</u>
Totals	<u>\$247,106</u>	<u>\$30,696</u>		<u>\$15,246</u>	<u>\$26,145</u>	<u>\$251,657</u>	<u>\$48,396</u>	<u>\$2,509</u>

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



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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 24, 1926  
 (000 Omitted)

	1 - 30 days <u>3 1/2 - 3 5/8%</u>	31 - 60 days <u>3 1/2 - 3 7/8%</u>	61 - 90 days <u>3 1/2 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$ 600	\$ 2,293	\$ 5,738	0	\$ 8,631
New York	5,059	9,094	5,004	106	19,263
Philadelphia	400	373	92	0	865
Cleveland	0	420	0	0	420
Richmond	0	34	4	0	38
Atlanta	100	157	136	12	405
Chicago	47	279	262	0	588
Dallas	0	95	0	28	123
San Francisco	<u>35</u>	<u>162</u>	<u>153</u>	<u>13</u>	<u>363</u>
Totals	<u>\$6,241</u>	<u>\$12,907</u>	<u>\$11,389</u>	<u>\$159</u>	<u>\$30,696</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 24, 1926  
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	\$ 348	\$30,696	\$31,044
Sold	10,175	0	10,175
Matured	0	<u>26,145</u>	<u>26,145</u>
		\$ 4,551+	\$ 5,276-
		<u>3,974-</u> (1-day holdover)	<u>3,974-</u> (1-day holdover)
Totals	<u>\$ 9,827-</u>	<u>\$ 577+</u>	<u>\$ 9,250-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>Feb. 24, 1926</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	\$ 10,068	\$ 72,413	0	0	\$22,729	\$225,375	\$330,585
Bills Purchased	<u>122,574</u>	<u>59,878</u>	<u>87,880</u>	<u>29,952</u>	<u>3,844</u>	<u>0</u>	<u>304,128</u>
Totals	<u>\$132,642</u>	<u>\$132,291</u>	<u>\$87,880</u>	<u>\$29,952</u>	<u>\$26,573</u>	<u>\$225,375</u>	<u>\$634,713</u>

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

RECEIVED - FEDERAL RESERVE BANK  
Date: March 2, 1933  
333

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Eddy.

2-3406

For your information.

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

Please return to Secretary's Office.

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Authority EO 10501

February 24, 1926.

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, 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 February 11 to February 17, 1926, 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  
FEB 24 1926  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

February 23, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from February 11 to February 17, 1926  
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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 Authority EO 10501

**CONFIDENTIAL**

**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 17, 1926**

**Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date**  
 (000 Omitted)

-1925-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 10	1,177,494	330,808	2,346	264,135	36,384	533,372
" 17	1,184,595	330,344	4,102	255,155	46,486	538,358

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED FEBRUARY 17, 1926**  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 17	Net Change	Balance Feb. 17	Net Change	Balance Feb. 17	Net Change
Boston	\$ 8,222	\$185-	\$ 42,248	\$19,895-	\$ 37,321	\$ 9,368-
New York	52,749	0	29,897	8,052+	200,615	11,971+
Philadelphia	20,063	185-	20,320	3,805+	55,348	19+
Cleveland	32,759	853+	15,896	1,621+	43,149	6,509+
Richmond	6,144	129-	8,790	17+	37,748	2,935+
Atlanta	15,643	23+	27,835	4,136-	26,458	3,680+
Chicago	43,797	333-	28,164	486+	62,755	9,445-
St. Louis	24,484	24+	16,146	393-	23,265	8,115+
Minneapolis	17,078	92-	7,210	224+	6,788	244+
Kansas City	34,260	148-	14,726	70-	16,892	988+
Dallas	30,002	72-	16,696	613+	5,464	427+
San Francisco	45,143	220-	19,178	1,737-	22,555	1,929+
N. Y. holdovers and other bills			8,049	2,433+		
Totals	<u>\$330,344</u>	<u>\$464-</u>	<u>\$255,155</u>	<u>\$8,980-</u>	<u>\$538,358</u>	<u>\$4,986+</u>

**COMMENT ON CHANGES WEEK ENDED FEBRUARY 17, 1926**

Total System holdings of bills and securities advanced \$7,000,000 during the week. Increases consisted of \$5,000,000 in bills discounted, \$10,000,000 in bills purchased under sales contracts, and \$1,800,000 in Government securities held under sales contracts. These increases were partially offset by a decline of \$9,000,000 in holdings of bills purchased outright.

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Money  
Market

Stock Exchange call money showed only slight variation during the week, the rate ranging from 4 1/2 to 5 per cent. On Monday, after opening at 4 3/4 per cent, the rate declined to 4 1/2 per cent, a rather large volume of new loans being placed at an average rate of 4.55 per cent. During the remainder of the week all loans were placed at a flat figure of 4 3/4 per cent, except on Thursday and Friday when the rate advanced and closed on both days at 5 per cent. This firmer condition reflected the withdrawal of funds to the interior, pre-holiday currency requirements, and a fairly heavy demand for loans to carry over the week-end and holiday.

Quotations on time money were unchanged at 4 5/8 per cent bid and 4 3/4 per cent offered. Trading was moderately active and a fairly large proportion of the business was transacted at the offered rate.

The commercial paper market was slightly more active than last week. The supply increased somewhat and the demand was also in moderate volume with interior institutions the principal buyers. The prevailing rate continued unchanged at 4 1/4 per cent with some names 1/4 per cent above and below that figure.

Government  
Security  
Market

United States Government securities were moderately active during the week. There was a continued good demand for 3 1/2 per cent Liberty bonds, somewhat in excess of offerings, and prices advanced further to a high for the year at 100 30/32. The Second and Fourth 4 1/4 per cent bonds were the other active long-term issues, although the volume was not very large.

The two certificate issues due June 15, 1926, were in best demand in the short-term Government group and prices advanced 1/32. Trading in other issues was rather quiet and quotations held unchanged from the previous week.

Bankers  
Acceptances

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

Boston reports that only a few local acceptors had any bills to offer during the week, with the result that the supply fell off considerably. There was also a very light demand from both local and out-of-town institutions. The market in New York was also quiet during this period. There was a fairly good supply of bills offered but the demand was very light. Dealers' portfolios increased to the highest point of the year. Offerings to the reserve bank were light and were mostly from banks. Philadelphia reports that the bill market in that district was rather quiet but that both offerings and demand increased slightly over the previous week. Chicago reports that there was less activity in bills in the Middle West than was the case two or three weeks ago. Demand was very light and supply small.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury the Federal Reserve Bank of New York sold during the period \$100,000 face amount 3 1/2% certificates maturing December 15, 1926, for account of the Alien Property Custodian.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to February 17 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926.

This table also reflects the distribution mentioned in the previous report of approximately \$13,600,000 bill purchases which the Boston bank had acquired in their local market since the first of the year in excess of their pro rata share.

	Bills Acquired	Bills Entitled to Acquire	Bills Over Pro Rata Share	Bills Short Pro Rata Share
Boston	\$ 13,429,000	\$ 13,031,000	\$ 398,000	0
New York	43,856,000	44,678,000	0	822,000
Philadelphia	15,573,000	14,893,000	680,000	0
Cleveland	18,644,000	18,616,000	28,000	0
Richmond	9,240,000	9,308,000	0	68,000
Atlanta	7,530,000	7,447,000	83,000	0
Chicago	26,405,000	26,062,000	343,000	0
St. Louis	9,038,000	9,308,000	0	270,000
Minneapolis	7,362,000	7,447,000	0	85,000
Kansas City	10,884,000	11,170,000	0	286,000
Dallas	7,445,000	7,447,000	0	2,000
San Francisco	16,755,000	16,754,000	1,000	0
<b>Totals</b>	<b>\$186,161,000</b>	<b>\$186,161,000</b>	<b>\$1,533,000</b>	<b>\$1,533,000</b>

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Further sales of Government securities from the System Account were made aggregating \$10,000,000 through the tenders of bids received in New York from private sources - \$5,000,000 for delivery February 18 and a like amount for delivery February 19. These sales represented the balance of the \$50,000,000 securities purchased by the Committee in December, with the understanding that they would be resold as conditions warranted after the turn of the year.

These transactions reduced the System Account at the close of business February 19 to \$210,000,000, the participation in which by all Federal reserve banks and the classification of issues by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 1,985,000	March	15, 1926	\$ 65,766,700
New York	51,427,000	September	15, 1926	27,401,000
Philadelphia	1,565,000	December	15, 1926	58,160,000
Cleveland	11,651,500	March	15, 1927	23,876,000
Richmond	4,102,500	December	15, 1927	32,296,300
Atlanta	12,097,000	September	15, 1928	2,500,000
Chicago	22,010,500	3rd L/L Bonds		
St. Louis	18,872,500			
Minneapolis	9,020,000			
Kansas City	20,844,000			
Dallas	22,143,500			
San Francisco	34,281,500			
<b>Totals</b>	<b>\$210,000,000</b>			<b>\$210,000,000</b>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM FEBRUARY 11 TO FEBRUARY 17, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT  
 (Participation in Sales)

3 3/4% Cert. of Ind.  
due Dec. 15, 1926

Boston	\$ 185,000
New York	0
Philadelphia	185,000
Cleveland	222,000
Richmond	129,500
Atlanta	111,000
Chicago	333,000
St. Louis	111,000
Minneapolis	92,500
Kansas City	148,000
Dallas	111,000
San Francisco	<u>222,000</u>
Total	<u>\$1,850,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$1,075,000	TJ2-1926 Cdfs.	0	-
Atlanta	178,750	Misc. Gov't Securities	44,550	Misc. Gov't Securities
St. Louis	135,000	Misc. Gov't Securities	0	-
Dallas	38,500	Misc. Gov't Securities	0	-
San Francisco	<u>2,000</u>	Misc. Gov't Securities	<u>0</u>	-
Totals	<u>\$1,429,250</u>		<u>\$44,550</u>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> Feb. 10	<u>Purchased</u> Own Market	<u>Rec'd by</u> Allotment	<u>Matured</u>	<u>Holdings</u> Feb. 17	<u>Other Holdings</u> Close Feb. 17/26	
						<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 62,143	\$ 2,046	Retained 0	\$21,941xx	\$ 42,248	\$ 5,590	0
New York	21,845	12,855	" 0	4,803	29,897	36,019	1,341
		17,182	Allotted			5,245x	
Philadelphia	16,515	2,471	Retained 3,087	1,753	20,320	0	0
Cleveland	14,275	366	" 2,901	1,646	15,896	0	806
Richmond	8,773	0	945	928	8,790	0	0
Atlanta	31,971	260	" 438	4,834	27,835	0	657
Chicago	27,678	720	" 3,684	3,918	28,164	1,603	0
St. Louis	16,539	0	1,257	1,650	16,146	0	0
Minneapolis	6,986	0	1,254	1,030	7,210	0	0
Kansas City	14,796	0	1,650	1,720	14,726	0	0
Dallas	16,083	93	" 997	477	16,696	0	0
San Francisco	<u>20,915</u>	<u>397</u>	" 969	<u>3,103</u>	<u>18,178</u>	<u>3,274</u>	<u>0</u>
Totals	<u>\$258,519</u>	<u>\$36,390</u>	<u>\$17,182</u>	<u>\$47,803</u>	<u>\$247,106</u>	<u>\$46,486</u>	<u>\$2,804</u>

xRepresents bills held over night by New York for distribution to other F. R. Banks  
 xxIncludes \$13,600,000 sold to Federal Reserve Bank of New York for distribution  
 to participating banks.



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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 17, 1926  
 (000 Omitted)

	1 - 30 days <u>3 1/2%</u>	31 - 60 days <u>3 1/2 - 3 5/8%</u>	61 - 90 days <u>3 5/8 - 3 3/4%</u>	Over 90-days <u>3 3/4 - 4%</u>	Total
Boston	\$ 263	\$ 1,330	\$ 448	\$ 5	\$ 2,046
New York	20,545	4,791	4,322	379	30,037
Philadelphia	564	876	1,031	0	2,471
Cleveland	0	366	0	0	366
Atlanta	197	0	63	0	260
Chicago	44	143	533	0	720
Dallas	0	22	32	39	93
San Francisco	<u>302</u>	<u>86</u>	<u>9</u>	<u>0</u>	<u>397</u>
<b>Totals</b>	<b>\$21,915</b>	<b>\$ 7,614</b>	<b>\$6,438</b>	<b>\$423</b>	<b>\$36,390</b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 17, 1926  
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	\$1,430	\$36,390	\$37,820
Sold	1,894	0	1,894
Matured	0	<u>47,803</u>	<u>47,803</u>
		\$11,413-	\$11,877-
		<u>2,433+</u> (1-day holdover)	<u>2,433+</u> (1-day holdover)
<b>Totals</b>	<b>\$ 464-</b>	<b>\$ 8,980-</b>	<b>\$ 9,444-</b>

(Including Sales Contracts)

Holdings Feb. 17, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 4,102	\$ 72,302	0	0	\$22,705	\$235,337	\$334,446
Bills Purchased	<u>113,254</u>	<u>68,537</u>	<u>83,832</u>	<u>32,343</u>	<u>3,675</u>	<u>0</u>	<u>301,641</u>
<b>Totals</b>	<b>\$117,356</b>	<b>\$140,839</b>	<b>\$83,832</b>	<b>\$32,343</b>	<b>\$26,380</b>	<b>\$235,337</b>	<b>\$636,087</b>

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*Handwritten initials*

*322*

March 11, 1926.

Dear Mr. Matteson:

I acknowledge receipt of your letter of March 10th and thank you for the duplicate copy of the Secretary's confidential report of the Open Market Investment Committee for the week ending February 10, 1926.

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

*Mr. McCalland*

FEDERAL RESERVE BANK  
OF NEW YORK

PERSONAL AND CONFIDENTIAL

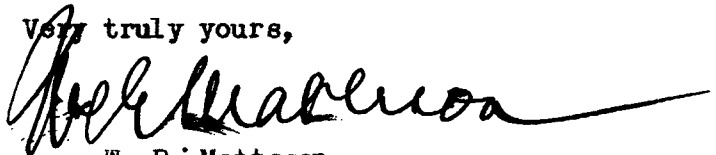
March 10, 1926.

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

Dear Mr. Eddy:

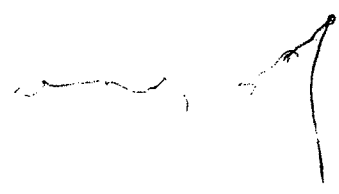
In accordance with your telephone request I am sending you herewith another copy of the Secretary's confidential report of the Open Market Investment Committee for the week ending February 10, 1926.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.



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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 10, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,504	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	7,454	215,277	26,389	455,445
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Aug. 26	1,126,293	318,310	13,939	182,555	18,964	579,675
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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 27	1,118,687	363,073	1,990	279,321	16,096	448,557
Feb. 3	1,149,372	345,033	4,730	277,491	24,773	487,796
" 10	1,177,494	330,808	2,346	264,135	36,384	533,372

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 10, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 10	Net Change	Balance Feb. 10	Net Change	Balance Feb. 10	Net Change
Boston	\$ 8,407	\$ 1,500-	\$ 62,143	\$ 8,415-	\$ 46,689	\$16,553+
New York	52,749	0	21,845	866+	188,644	31,116+
Philadelphia	20,248	1,500-	16,515	125+	55,329	6,935+
Cleveland	31,906	1,800-	14,275	560+	49,658	11,500+
Richmond	6,273	1,050-	8,773	1,076+	34,813	5,376-
Atlanta	15,620	1,023-	31,971	4,772-	22,778	3,493-
Chicago	44,130	2,700-	27,678	1,772-	72,200	655-
St. Louis	24,460	25-	16,539	1,700-	15,150	2,337-
Minneapolis	17,170	750-	6,986	200-	6,544	2,490+
Kansas City	34,408	1,200-	14,796	355+	15,904	788+
Dallas	30,074	877-	16,083	393+	5,037	1,124-
San Francisco	45,363	1,800-	20,915	712-	20,626	10,621-
N.Y. holdovers and other bills			5,616	840+		
Totals	\$330,808	\$14,225-	\$264,135	\$13,356-	\$533,372	\$45,576+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 10, 1926

Total System holdings of bills and securities made a further advance during the week of \$23,000,000. The increase of \$45,600,000 in bills discounted was partially offset by decreases in outright holdings of \$14,200,000 in Government securities and \$13,300,000 in bankers acceptances. Government securities held under sales contracts also decreased \$2,300,000, while bills purchased under sales contracts advanced \$11,600,000.

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Money  
Market

Call money held firm during the early part of the week but became easier toward the close following gains to the market through transfers and gold imports. Loans renewed on Monday at 5% but subsequently advanced to 5 1/2 per cent, a large volume of new money being placed at an average rate of 5.26 per cent. The renewal basis on Tuesday and Wednesday was also 5 1/2 per cent, the highest renewal rate since January 4. On Thursday, however, reflecting the excess in average reserves for the week of leading New York City banks, call funds became more plentiful, and the rate, after opening and renewing at 5 per cent was quickly lowered to 4 1/2 per cent at which figure a relatively large amount of new loans was placed to be carried over until Monday. A fair volume of loans was also made off the Exchange at 4 per cent.

Time money was only moderately active, the demand being mostly for renewals and replacements. Quoted rates were 4 5/8 per cent bid and 4 3/4 per cent offered, with the majority of the business at the bid rate.

Commercial paper was nominally unchanged, the prevailing rate being 4 1/4 per cent, with a few of the choicest names going at 4 per cent. The market in New York was rather quiet but a fairly active demand was reported in New England and the Middle West.

Government  
Security  
Market

Accompanying firm money conditions trading in Government securities was in smaller volume than the previous week. Prices of long term issues eased off slightly with the exception of the First 3 1/2 per cent Liberty Loan bonds which at the close of the week sold at 100 25/32nds, representing a yield basis of about 3.37 per cent. This price compares with the low early in January of 99 19/32nds.

Short-term certificates and notes were in rather light demand and prices held without change.

Bankers  
Acceptances

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

In the Boston district the bill market continued quiet. Although the supply remained fair there was a slight improvement in the demand, which was mostly for short maturities, and dealers' portfolios decreased somewhat from the previous week. There was a noticeable improvement in the supply of bills in the New York market during the week but the demand was relatively light accompanying firmer money conditions. Philadelphia reports that offerings of bills in that district were in fair volume and somewhat in excess of the demand which continued light. Chicago reports a fair demand with very few new bills offered in the market.

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

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to February 10 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	\$ 24,983,000	\$ 11,436,000	\$ 13,547,000	\$ 0
New York	31,001,000	39,209,000	0	8,208,000
Philadelphia	10,015,000	13,070,000	0	3,055,000
Cleveland	15,977,000	16,337,000	0	960,000
Richmond	8,295,000	8,168,000	127,000	0
Atlanta	6,832,000	6,535,000	297,000	0
Chicago	22,001,000	22,872,000	0	871,000
St. Louis	7,781,000	8,168,000	0	387,000
Minneapolis	6,100,000	6,535,000	0	427,000
Kansas City	9,234,000	9,803,000	0	569,000
Dallas	6,355,000	6,535,000	0	180,000
San Francisco	15,389,000	14,703,000	686,000	0
<b>Totals</b>	<u>\$163,371,000</u>	<u>\$163,371,000</u>	<u>\$14,657,000</u>	<u>\$14,657,000</u>

The overage of the Boston bank, amounting to \$13,547,000, and, representing the accumulation of bills acquired in the Boston market, is being distributed to those banks which are short of their pro rata share of bills purchased. This is in accordance with their authorization to place at the disposal of the Committee all bills purchased since January 4, 1926, or to be purchased hereafter, in excess of their proportionate allotment.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since the last report further sales of Government securities have been made from the System Account aggregating \$3,850,000; \$2,850,000 on bids received in the Chicago and New York markets and \$1,000,000 to a foreign correspondent.

These transactions together with sales aggregating \$36,150,000 mentioned in the two previous reports reduced the \$50,000,000 purchase of December to \$10,000,000 and brought the total System holdings at the close of business February 15 to \$220,000,000. The participation in this amount by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 2,985,000
New York	51,427,000
Philadelphia	2,565,000
Cleveland	12,851,500
Richmond	4,802,500
Atlanta	12,697,000
Chicago	23,810,500
St. Louis	19,472,500
Minneapolis	9,520,000
Kansas City	21,644,000
Dallas	22,743,500
San Francisco	35,481,500

\$220,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1926	\$ 65,766,700
September 15, 1926	27,401,000
December 15, 1926	68,160,000
March 15, 1927	23,876,000
December 15, 1927	32,296,300
September 15, 1928	2,500,000
3rd L/L Bonds	

\$220,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM FEBRUARY 4 to FEBRUARY 10, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

(Participation in Sales)

	<u>3 3/4% Cert. of Ind. Due Dec. 15, 1926</u>	<u>4 1/4% Treas. Notes Due Sept. 15, 1926</u>	<u>Total</u>
Boston	\$ 200,000	\$ 1,300,000	\$1,500,000
New York	0	0	0
Philadelphia	200,000	1,300,000	1,500,000
Cleveland	240,000	1,560,000	1,800,000
Richmond	140,000	910,000	1,050,000
Atlanta	120,000	780,000	900,000
Chicago	360,000	2,340,000	2,700,000
St. Louis	120,000	780,000	900,000
Minneapolis	100,000	650,000	750,000
Kansas City	160,000	1,040,000	1,200,000
Dallas	120,000	780,000	900,000
San Francisco	<u>240,000</u>	<u>1,560,000</u>	<u>1,800,000</u>
Totals	<u>\$2,000,000</u>	<u>\$13,000,000</u>	<u>\$15,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 113,650	Misc. Gov't Securities	\$236,900	Misc. Gov't Securities
St. Louis	875,000	TJ2-1926 Cdfs.	0	-
Dallas	<u>22,200</u>	Misc. Gov't Securities	<u>0</u>	-
Totals	<u>\$1,011,450</u>		<u>\$236,900</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings Feb. 3</u>	<u>Purchased Own Market</u>	<u>Rec'd by</u>			<u>Holdings Feb. 10</u>	<u>Other Holdings Close Feb. 10/26</u>	
			<u>Retained</u>	<u>Allotment</u>	<u>Matured</u>		<u>Sales Contracts</u>	<u>Other bills</u>
Boston	\$ 70,558	\$ 857	Retained 0	\$ 9,272	\$ 62,143	\$ 4,609	0	
New York	20,979	4,950	" 0	4,092	21,845	26,708	1,445	
		11,220	Allotted			2,414*		
Philadelphia	16,390	1,417	Retained 0	1,292	16,515	0	0	
Cleveland	13,715	100	" 1,804	1,344	14,275	0	1,051	
Richmond	7,697	735	" 959	688	8,773	0	0	
Atlanta	36,743	566	" 644	5,982	31,971	0	706	
Chicago	29,450	808	" 2,448	5,028	27,678	1,917	0	
St. Louis	13,239	0	761	2,461	16,539	0	0	
Minneapolis	7,186	0	867	1,067	6,986	0	0	
Kansas City	14,441	0	1,330	975	14,796	0	0	
Dallas	15,690	116	" 791	514	16,083	0	0	
San Francisco	21,627	900	" 1,624	3,236	20,915	3,070	0	
Totals	<u>\$272,715</u>	<u>\$21,735</u>	<u>\$11,220</u>	<u>\$35,931</u>	<u>\$250,519</u>	<u>\$36,384</u>	<u>\$3,202</u>	

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

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**MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 10, 1926**  
 (000 Omitted)

	1 - 30 days <u>3 1/2 - 3 7/8%</u>	31 - 60 days <u>3 1/2 - 3 7/8%</u>	61 - 90 days <u>3 5/8 - 3 7/8%</u>	Over 90 days <u>3 1/2 - 3 3/4%</u>	Total
Boston	\$ 102	\$ 303	\$ 422	\$ 30	\$ 857
New York	7,089	4,141	4,265	691	16,186
Philadelphia	1,178	165	74	0	1,417
Cleveland	34	66	0	0	100
Richmond	310	355	120	0	785
Atlanta	430	0	136	0	566
Chicago	383	155	270	0	808
Dallas	0	8	0	108	116
San Francisco	<u>248</u>	<u>542</u>	<u>110</u>	<u>0</u>	<u>900</u>
<b>Totals</b>	<b><u>\$9,774</u></b>	<b><u>\$5,735</u></b>	<b><u>\$5,397</u></b>	<b><u>\$829</u></b>	<b><u>\$21,735</u></b>

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 10, 1926  
 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	\$ 1,012	\$21,735	\$22,747
Sold	15,237	0	15,237
Matured	0	<u>35,931</u>	<u>35,931</u>
		<u>\$14,196-</u>	<u>\$28,421-</u>
		840+ (1-day holdover)	840+ (1-day holdover)
<b>Totals</b>	<b><u>\$14,225-</u></b>	<b><u>\$13,356-</u></b>	<b><u>\$27,581-</u></b>

	(Including Sales Contracts)						
	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Months</u>	<u>Over 6 Months</u>	<u>Total</u>
Holdings Feb. 10, 1926							
Gov't Securities	\$ 2,346	0	\$72,162	0	\$21,505	\$237,140	\$333,153
Bills Purchased	<u>104,685</u>	<u>72,459</u>	<u>81,930</u>	<u>36,847</u>	<u>4,598</u>	<u>0</u>	<u>300,519</u>
<b>Totals</b>	<b><u>\$107,031</u></b>	<b><u>\$72,459</u></b>	<b><u>\$154,092</u></b>	<b><u>\$36,847</u></b>	<b><u>\$26,103</u></b>	<b><u>\$237,140</u></b>	<b><u>\$633,672</u></b>



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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

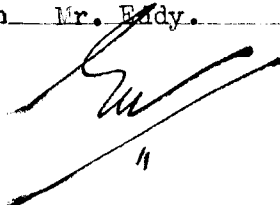
# 2

FEDERAL RESERVE BOARD  
Date February 9, 1926.  
333

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Eady.



2-8496

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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February 9, 1926.

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 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 January 23 to February 3, 1926, 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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RECEIVED  
FEB 11 1926  
OFFICE OF  
THE GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

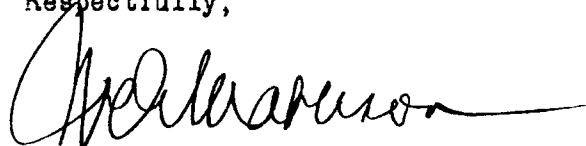
CONFIDENTIAL

February 8, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from January 28 to February 3, 1926  
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 FEBRUARY 3, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 933,532	\$392,504	\$ 1,560	\$238,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,385	33,361	433,805
Mar. 25	1,040,699	339,692	5,059	287,544	19,361	377,641
Apr. 29	1,027,752	345,031	4,003	233,243	23,535	399,035
May 27	1,054,376	345,365	3,849	241,377	37,036	413,999
June 24	1,034,470	317,155	7,454	215,277	26,339	455,445
July 29	1,021,342	318,569	11,591	133,973	25,498	468,356
Aug. 26	1,126,293	313,310	13,939	132,555	13,964	579,675
Sept. 30	1,257,024	313,745	29,151	241,355	26,455	633,183
Oct. 28	1,250,037	314,933	9,824	297,453	31,264	539,094
Nov. 25	1,326,121	315,713	16,536	326,924	32,534	624,714
Dec. 30	1,500,827	355,998	11,034	320,842	41,976	749,572
-1926-						
Jan. 27	1,118,637	363,073	1,990	279,321	16,096	448,557
Feb. 3	1,149,372	345,033	4,730	277,491	24,773	437,796

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
 DURING WEEK ENDED FEBRUARY 3, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 3	Net Change	Balance Feb. 3	Net Change	Balance Feb. 3	Net Change
Boston	\$ 9,907	\$ 1,900-	\$ 70,558	\$ 6,531-	\$ 30,136	\$ 838+
New York	52,749	0	20,979	5,027+	157,528	51,732+
Philadelphia	21,748	1,900-	16,390	1,162+	43,394	2,209+
Cleveland	33,706	2,281-	13,715	2,309+	38,158	5,722-
Richmond	7,323	1,330-	7,697	1,263+	40,189	4,413+
Atlanta	16,643	1,021-	36,743	4,009-	26,271	774+
Chicago	46,330	3,420-	29,450	1,776+	73,055	10,048-
St. Louis	24,485	329-	18,239	1,580-	17,437	625+
Minneapolis	17,920	950-	7,136	389+	4,054	118+
Kansas City	35,608	1,519-	14,441	1,258+	15,116	1,237-
Dallas	30,951	1,110-	15,690	1,342-	6,161	1,302-
San Francisco	47,163	2,280-	21,627	637+	31,247	3,166-
N.Y. holdovers and other bills			4,776	1,689-		
<b>Totals</b>	<b>\$345,033</b>	<b>\$18,040-</b>	<b>\$277,491</b>	<b>\$1,830-</b>	<b>\$487,796</b>	<b>\$39,239+</b>

COMMENT ON CHANGES WEEK ENDED FEBRUARY 3, 1926

Total System holdings of bills and securities increased \$30,600,000 during the statement week. The increase of \$39,000,000 in bills discounted was partially offset by decreases in outright holdings of \$13,000,000 in Government securities and \$1,800,000 in bankers acceptances. Bills and securities held under sales contracts increased \$3,600,000 and \$2,800,000 respectively.

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Money  
Market

Money conditions were somewhat firmer during the week, call money ranging from 4 to 5 1/2 per cent as compared with 4 to 5 per cent last week. On Monday, February 1, after an opening and renewal charge of 4 1/2 per cent the rate advanced successively and closed at 5 1/2 per cent, a large volume of new loans being placed at an average rate of 5.08 per cent, the highest since January 4. Following the return flow of funds which had been temporarily withdrawn to meet February 1 dividend and interest payments call money became easier and all loans on Wednesday were placed at 4 per cent. Toward the close of the week, however, as a result of deficits in average reserves of leading New York City banks money again turned firm and closed on Thursday and Friday at 5 1/2 and 5 per cent respectively.

Time money also displayed an upward trend and toward the latter part of the week quotations ranged between 4 1/2 to 4 3/4 per cent against 4 1/2 to 4 5/8 per cent the previous week. Only a moderate amount of business was transacted and mostly at the rate of 4 5/8 per cent for all maturities.

Commercial paper was in moderate demand but the market continued to be restricted by the lack of offerings. The majority of prime names are moving at 4 1/4 per cent, and a few of short maturity at 4 per cent.

Government  
Security  
Market

Long-term Government securities were moderately active during the week. The demand for some of the issues was in excess of offerings in the market and prices continued to advance fractionally. The Treasury 4 1/4 and 4 per cent bonds sold at 108 and 104 9/32 respectively, close to their record high since dates of issue.

In short-term Government securities the interest centered largely in issues maturing within one year. Notes due September 15, 1926 were in special demand and sales account of a foreign order aggregated \$13,000,000. Trading in notes of longer maturities was rather quiet and prices held steady.

Bankers  
Acceptances

Dealers' offering rates on unindorsed bills of maturities up to 90 days continued unchanged from those given in the last report at 3 1/2 per cent for 30's, and 3 5/8 per cent for 60's and 90's. Bills of 120-day maturities, however, were lowered 1/8 per cent, the rate being now generally established at 3 7/8 per cent on purchases and 3 3/4 per cent on sales.

Boston reports a rather quiet bill market during the week with a moderate supply of new offerings and about an equal demand. Local banks are not buying 90-day bills at the new offered rate of 3 5/8 per cent which was established on February 1. In New York there was a moderate improvement in the supply of bills and a slightly better demand but the market in general was rather quiet. Dealers' combined portfolios showed a small increase. Philadelphia reports a quiet bill market. Offerings were small and demand light. There were very few bills of short maturity in the Chicago district but the supply of 60 and 90-day bills seemed to be ample. The increased demand which has been apparent since the change of rates was somewhat less than the previous week.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to February 3 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	\$ 24,126,000	\$ 9,915,000	\$14,211,000	\$ 0
New York	26,043,000	33,993,000	0	7,950,000
Philadelphia	8,598,000	11,331,000	0	2,733,000
Cleveland	13,473,000	14,164,000	0	691,000
Richmond	6,551,000	7,082,000	0	531,000
Atlanta	5,622,000	5,665,000	0	43,000
Chicago	18,745,000	19,829,000	0	1,084,000
St. Louis	7,020,000	7,082,000	0	62,000
Minneapolis	5,241,000	5,665,000	0	424,000
Kansas City	7,904,000	8,498,000	0	594,000
Dallas	5,448,000	5,665,000	0	217,000
San Francisco	<u>12,865,000</u>	<u>12,747,000</u>	<u>118,000</u>	<u>0</u>
<b>Totals</b>	<b>\$141,636,000</b>	<b>\$141,636,000</b>	<b>\$14,329,000</b>	<b>\$14,329,000</b>

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In order to supply Treasury notes due September 15, 1926 which were not available in the market, there was sold from the System Account to a foreign correspondent an aggregate of \$12,000,000 notes of this issue, in addition to which further sales were made in the market on bids only of \$2,000,000 certificates maturing December 15, 1926.

These transactions together with previous sales of \$22,150,000 mentioned in the last report, reduced the \$50,000,000 purchase of December to \$13,850,000 and brought the total System holdings at the close of business February 6 to \$223,850,000. The participation in this amount by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 3,370,000
New York	51,427,000
Philadelphia	2,950,000
Cleveland	13,313,500
Richmond	5,072,000
Atlanta	12,928,000
Chicago	24,503,500
St. Louis	19,703,500
Minneapolis	9,712,500
Kansas City	21,952,000
Dallas	22,974,500
San Francisco	<u>35,943,500</u>
<b>Totals</b>	<b>\$223,850,000</b>

March 15, 1926	\$ 65,766,700
September 15, 1926	28,401,000
December 15, 1926	71,010,000
March 15, 1927	23,876,000
December 15, 1927	32,296,300
September 15, 1928	2,500,000
3rd L/L Bonds	
<b>Totals</b>	<b>\$223,850,000</b>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM JANUARY 28 TO FEBRUARY 3, 1926

GOVERNMENT SECURITIES  
SYSTEM INVESTMENT ACCOUNT

(Participation in Sales)

	<u>Certificates of Indebtedness</u>	<u>Treasury Notes</u>	<u>Total</u>
Boston	\$ 1,665,000	\$ 235,000	\$ 1,900,000
New York	0	0	0
Philadelphia	1,665,000	235,000	1,900,000
Cleveland	1,998,000	282,000	2,280,000
Richmond	1,165,500	164,500	1,330,000
Atlanta	999,000	141,000	1,140,000
Chicago	2,997,000	423,000	3,420,000
St. Louis	999,000	141,000	1,140,000
Minneapolis	832,500	117,500	950,000
Kansas City	1,332,000	188,000	1,520,000
Dallas	999,000	141,000	1,140,000
San Francisco	<u>1,998,000</u>	<u>282,000</u>	<u>2,280,000</u>
<b>Totals</b>	<u>\$16,650,000</u>	<u>\$2,350,000</u>	<u>\$19,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	0	-	\$ 1,000	TD-1926 Certificates
Atlanta	155,750	-	37,600	Misc. Gov't Securities
St. Louis	811,000	-	0	-
Kansas City	1,000	-	0	-
Dallas	<u>30,500</u>	-	<u>0</u>	-
<b>Totals</b>	<u>\$998,250</u>		<u>\$38,600</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

Other Holdings  
Close Feb. 3/26

	<u>Holdings Purchased</u>		<u>Rec'd by</u>		<u>Holdings</u> <u>Feb. 3</u>	<u>Other Holdings</u>	
	<u>Jan. 27</u>	<u>Own Market</u>	<u>Allotment</u>	<u>Matured</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 77,089	\$ 1,865	Retained 0	\$ 8,396	\$ 70,558	\$ 5,138	0
New York	15,952	6,498	" 0	1,471	20,979	13,560	0
		18,884	Allotted			825*	1,488
Philadelphia	15,228	2,422	Retained 0	1,260	16,390	0	0
Cleveland	11,406	302	" 2,788	781	13,715	0	1,085
Richmond	6,434	97	" 1,527	361	7,697	0	0
Atlanta	40,752	228	" 1,117	5,354	36,743	0	1,378
Chicago	27,674	541	" 4,282	3,047	29,450	2,635	0
St. Louis	19,819	0	1,323	2,903	18,239	0	0
Minneapolis	6,797	0	1,492	1,103	7,186	0	0
Kansas City	13,183	0	2,230	972	14,411	0	0
Dallas	17,532	147	" 1,291	3,280	15,690	0	0
San Francisco	<u>20,990</u>	<u>980</u>	" 2,834	<u>3,177</u>	<u>21,627</u>	<u>3,440</u>	<u>0</u>
<b>Totals</b>	<u>\$272,856</u>	<u>\$31,964</u>	<u>\$18,884</u>	<u>\$32,105</u>	<u>\$272,715</u>	<u>\$24,773</u>	<u>\$3,951</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 3, 1926  
 (000 Omitted)

	1 - 30 days 3 1/2 - 3 5/8%	31 - 60 days 3 1/2 - 3 7/8%	61-90 days 3 5/8 - 4%	Over 90 days 3 3/4%	Total
Boston	\$ 310	\$ 388	\$ 1,077	\$ 90	\$ 1,865
New York	9,343	6,206	9,124	709	25,382
Philadelphia	588	1,010	824	0	2,422
Cleveland	0	0	302	0	302
Richmond	0	59	38	0	97
Atlanta	0	0	228	0	228
Chicago	505	36	0	0	541
Dallas	0	0	33	114	147
San Francisco	580	257	143	0	980
<b>Totals</b>	<u>\$11,326</u>	<u>\$7,956</u>	<u>\$11,769</u>	<u>\$913</u>	<u>\$31,964</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 3, 1926  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 998	\$31,964	\$32,962
Sold	19,038	0	19,038
Matured	0	32,105	32,105
		\$ 141-	\$18,181-
		2,151- (1-day holdover)	2,151- (1-day holdover)
<b>Totals</b>	<u>\$18,040-</u>	<u>\$ 2,292-</u>	<u>\$20,332-</u>

(Including Sales Contracts)

Holdings Feb. 3, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 4,730	0	\$ 72,162	0	\$23,632	\$252,239	\$349,763
Bills Purchased	96,785	55,073	85,264	57,182	6,960	0	302,264
<b>Totals</b>	<u>\$101,515</u>	<u>\$55,073</u>	<u>\$158,426</u>	<u>\$57,182</u>	<u>\$27,592</u>	<u>\$252,239</u>	<u>\$652,027</u>



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Authority EO 10501

Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL RESERVE BOARD

Date February 3, 1926.

To All members of the Board.

#4

Subject:

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.

DECLASSIFIED  
Authority EO 10501

February 3, 1926.

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 January 21 to January 27, 1926, 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  
FEB 3 1926  
OFFICE OF  
THE GOVERNOR

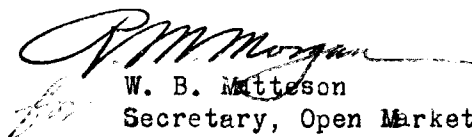
CONFIDENTIAL

February 1, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from January 21 to January 27, 1926  
inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,

  
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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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 27, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
 (000 Omitted)

-1925-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
Jan. 28	\$ 983,582	\$392,504	\$ 1,560	\$288,180	\$19,527	\$273,692
Feb. 25	1,129,697	360,090	4,604	273,885	33,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	3,349	241,377	37,036	413,999
June 24	1,034,470	317,155	7,454	215,277	26,389	455,445
July 29	1,021,342	318,569	11,591	183,978	26,498	463,356
Aug. 26	1,126,293	318,310	13,939	182,555	18,964	579,675
Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,180
Oct. 28	1,250,087	314,933	9,824	297,453	31,264	589,994
Nov. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 13	1,212,118	366,990	1,805	303,228	24,174	505,763
" 20	1,138,648	367,139	2,827	290,155	15,695	453,182
" 27	1,118,687	363,073	1,990	279,321	16,096	448,557

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 27, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan. 27	Change	Jan. 27	Change	Jan. 27	Change
Boston	\$ 11,807	\$ 396-	\$ 77,089	\$ 1,646-	\$ 29,248	\$ 1,192+
New York	52,749	0	15,952	3,175+	105,796	13,122-
Philadelphia	23,648	415-	15,228	30-	45,185	1,144+
Cleveland	35,987	498-	11,406	824+	43,880	14,187-
Richmond	8,653	291-	6,434	638+	35,771	1,105+
Atlanta	17,664	292-	40,752	7,362-	25,497	658+
Chicago	50,250	747-	27,674	1,124-	33,103	22,022+
St. Louis	24,814	209-	19,819	3,082-	16,862	3,329-
Minneapolis	18,870	208-	6,797	269+	3,936	475-
Kansas City	37,127	333-	13,183	296-	16,403	2,755-
Dallas	32,061	179-	17,532	2,390-	7,463	777+
San Francisco	49,443	498-	20,990	2,266-	34,413	2,345+
N.Y. holdovers and other bills			6,465	2,456+		
Totals	\$363,073	\$4,066-	\$279,321	\$10,834-	\$448,557	\$4,625-

COMMENT ON CHANGES WEEK ENDED JANUARY 27, 1926.

Total System holdings of bills and securities made a further decline during the statement week of \$20,000,000. This consisted chiefly of decreases of \$10,900,000 bills held outright, \$4,100,000 Government securities held outright, and \$4,600,000 in bills discounted.

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Money  
Market

Call money on the Stock Exchange continued easy for the first four days of the week, Monday through Thursday, the rate for all loans holding steady at 4 per cent, unchanged since January 20. Relatively large amounts remained unlent and substantial amounts were loaned in the outside market at 3 1/2 per cent. On Friday, January 29, however, due to the shifting of funds to meet end of the month requirements call money became firmer and the official rate after opening and renewing at 4 per cent was raised at midday to 4 1/2 per cent and later to 5 per cent.

Time money was 1/4 per cent lower at 4 1/2 per cent bid, 4 5/8 per cent asked. Trading was rather dull and loans for all maturities were generally placed at the asked quotation, which was the lowest price paid since the early part of last autumn.

Commercial paper rates were unchanged at 4 1/4 to 4 1/2 per cent with the bulk of business going at the lower charge. The demand was fairly active in the interior and to some extent in New York but offerings in the market continued rather light.

Government  
Security  
Market

Trading in Liberty Loan and Treasury bonds continued active during the week, transactions on the Stock Exchange totaling about \$9,000,000. Prices of all issues made further advances ranging from 3/32 to 8/32. There was comparatively heavy demand for Treasury 4 and 4 1/4 per cent bonds and sales were made as high as 104 1/32 and 107 20/32 respectively.

Short-term Government securities were also in good demand, especially the certificate issues maturing in June and December of this year. As a result the June 3 1/4% certificates, which for several months were selling at a discount, have now reached par. Trading in the longer term Treasury Notes was only moderately active and prices held firm.

Bankers  
Acceptances

Dealers' offering rates on unindorsed bills of the shorter maturities continued unchanged from the previous week at 3 1/2 per cent for 30's, and 3 5/8 per cent for 60-day bills. Rates for longer maturities were still unsettled at 3 5/8 to 3 3/4 per cent for 90's and 3 3/4 to 3 7/8 per cent for 120's until Friday, January 29 when the 90-day rate became established at 3 3/4 per cent on purchases and 3 5/8 per cent on sales.

In the Boston market the supply of bills decreased considerably due to the seasonal slackening of business and the higher and unsettled rates. Dealers are carrying large portfolios of bills purchased at the old rates and are having difficulty in disposing of them owing to the poor demand. The New York bill market also continued quiet. Rates for 90-day and longer maturities were unsettled the greater part of the week but finally resulted in a general bid of 3 3/4 per cent for 90's and offerings at 3 5/8 per cent. The supply and demand were both smaller than for some weeks past and were about in equal proportion. Philadelphia reports a fairly active bill market in that district. Offerings were moderate and demand good, principally for 90-day maturities. Chicago reports that the demand for bills has continuously improved during the period. Dealers' portfolios are small and very few new bills are coming into the market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury the Federal Reserve Bank of New York sold for delivery on February 1, \$774,000 face amount of 3% certificates due June 15, 1926 for account of the Civil Service Retirement and Disability Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to January 27 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	\$ 22,261,000	\$ 7,677,000	\$14,584,000	\$ 0
New York	19,545,000	26,321,000	0	6,776,000
Philadelphia	6,176,000	8,774,000	0	2,598,000
Cleveland	10,383,000	10,967,000	0	584,000
Richmond	4,927,000	5,484,000	0	557,000
Atlanta	4,277,000	4,387,000	0	110,000
Chicago	13,922,000	15,354,000	0	1,432,000
St. Louis	5,697,000	5,484,000	213,000	0
Minneapolis	3,749,000	4,387,000	0	638,000
Kansas City	5,674,000	6,580,000	0	906,000
Dallas	4,010,000	4,387,000	0	377,000
San Francisco	9,051,000	9,870,000	0	819,000
<b>Totals</b>	<b>\$109,672,000</b>	<b>\$109,672,000</b>	<b>\$14,797,000</b>	<b>\$14,797,000</b>

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In order to meet the demand in the market for short-term Government securities, there were sold from the System Account during the statement week in the New York and Chicago districts, on bids only, \$4,150,000 certificates maturing within one year. These represented a part of the \$50,000,000 securities which were purchased by the Committee in December with the understanding that they would be resold when money conditions became easier after the turn of the year. The New York bank did not participate in the original purchase and therefore the proceeds were distributed to the other Federal reserve banks.

Further sales have been made since the close of the statement week aggregating \$18,000,000 of which \$9,500,000 were to a foreign correspondent. These total sales reduced the \$50,000,000 purchase to \$27,850,000, and brought the total System holdings down to \$237,850,000. The participation in this account by all Federal reserve banks and the classification of issues by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 4,770,000	March 15, 1926	\$ 65,766,700
New York	51,427,000	September 15, 1926	40,401,000
Philadelphia	4,350,000	December 15, 1926	73,010,000
Cleveland	14,993,500	March 15, 1927	23,876,000
Richmond	6,052,000	December 15, 1927	32,296,300
Atlanta	13,768,000	September 15, 1928	2,500,000
Chicago	27,023,500	Third L/L bonds	
St. Louis	20,543,500		
Minneapolis	10,412,500		
Kansas City	23,072,000		
Dallas	23,814,500		
San Francisco	37,623,500		
<b>Totals</b>	<b>\$237,850,000</b>		<b>\$237,850,000</b>

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 Authority EO 10501

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JANUARY 21 TO JANUARY 27, 1926

GOVERNMENT SECURITIES  
SYSTEM INVESTMENT ACCOUNT

(Participation in Sales)

	<u>3% C/I</u> <u>due June 15/26</u>	<u>3 1/4% C/I</u> <u>due June 15/26</u>	<u>3 3/4% C/I</u> <u>due Dec. 15/26</u>	<u>Total</u>
Boston	\$ 165,000	\$ 150,000	\$ 100,000	\$ 415,000
New York	0	0	0	0
Philadelphia	165,000	150,000	100,000	415,000
Cleveland	198,000	180,000	120,000	498,000
Richmond	115,500	105,000	70,000	290,500
Atlanta	99,000	90,000	60,000	249,000
Chicago	297,000	270,000	180,000	747,000
St. Louis	99,000	90,000	60,000	249,000
Minneapolis	82,500	75,000	50,000	207,500
Kansas City	132,000	120,000	80,000	332,000
Dallas	99,000	90,000	50,000	249,000
San Francisco	198,000	180,000	120,000	498,000
<b>Totals</b>	<u>\$1,650,000</u>	<u>\$1,500,000</u>	<u>\$1,000,000</u>	<u>\$4,150,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 19,000	Second 4 1/4% L/L Bonds	0	-
Atlanta	142,400	Misc. Gov't Sec.	185,350	Misc. Gov't Sec.
St. Louis	40,000	TD-1926 Cts.	0	-
Kansas City	0	-	1,000	Misc. Gov't Sec.
Dallas	689,900	Misc. Gov't Sec.	620,000	Misc. Gov't Sec.
<b>Totals</b>	<u>\$891,300</u>		<u>\$806,350</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u> <u>Jan. 20</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>		<u>Matured</u>	<u>Holdings</u> <u>Jan. 27</u>	<u>Other Holdings</u> <u>Close Jan. 27/26</u>	
							<u>Sales</u>	<u>Other</u>
						<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 78,735	\$ 5,768	Retained	0	\$ 7,414	\$ 77,089	\$ 5,700	\$ 00
New York	12,777	5,010	"	0	1,835	15,952	6,165	1,392
		9,581	Allotted				2,976*	
Philadelphia	15,258	1,494	Retained	0	1,524	15,228	0	0
Cleveland	10,582	137	"	1,188	501	11,406	0	765
Richmond	5,796	0	"	784	146	6,434	0	0
Atlanta	43,114	219	"	563	8,144	40,752	0	1,332
Chicago	23,798	343	"	2,177	3,649	27,674	995	0
St. Louis	22,901	0	"	657	3,739	19,819	0	0
Minneapolis	6,528	0	"	837	568	6,797	0	0
Kansas City	13,479	0	"	1,287	1,583	13,183	0	0
Dallas	19,922	92	"	745	3,227	17,532	0	0
San Francisco	23,256	250	"	1,343	3,859	20,390	3,236	0
<b>Totals</b>	<u>\$286,146</u>	<u>\$22,899</u>		<u>\$9,581</u>	<u>\$36,189</u>	<u>\$272,856</u>	<u>\$16,096</u>	<u>\$3,489</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 27, 1926  
 (000 Omitted)

	1 - 30 days 3 1/2 - 3 5/8%	31 - 60 days 3 1/2 - 3 3/4%	61 - 90 days 3 5/8 - 3 7/8%	Over 90 days 3 5/8 - 3 3/4%	Total
Boston	\$ 257	\$ 661	\$ 4,110	\$ 740	\$ 5,768
New York	3,929	2,970	7,286	406	14,591
Philadelphia	29	238	1,227	0	1,494
Cleveland	9	10	118	0	137
Atlanta	0	50	169	0	219
Chicago	348	0	0	0	348
Dallas	0	0	0	92	92
San Francisco	61	134	55	0	250
<b>Totals</b>	<u>\$4,633</u>	<u>\$4,063</u>	<u>\$12,965</u>	<u>\$1,238</u>	<u>\$22,899</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 27, 1926  
 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	\$ 891	\$22,899	\$23,790
Sold	4,957	0	4,957
Matured	0	36,189	36,189
	_____	\$13,290- 2,056+ (1-day holdover)	\$17,356- 2,056+ (1-day holdover)
<b>Totals</b>	<u>\$4,066-</u>	<u>\$11,234-</u>	<u>\$15,300-</u>

	(Including Sales Contracts)						TOTAL
	<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>Holdings Jan. 27, 1926</u>							
Government Sec.	\$ 1,990	\$ 0	\$ 72,162	\$ 0	\$25,380	\$265,531	\$365,063
Bills Purchased	86,940	55,640	90,439	52,939	9,459	0	295,417
<b>Totals</b>	<u>\$88,930</u>	<u>\$55,640</u>	<u>\$162,601</u>	<u>\$52,939</u>	<u>\$34,839</u>	<u>\$265,531</u>	<u>\$660,480</u>



DECLASSIFIED  
Authority EO 10501

Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

# 2

FEDERAL RESERVE BOARD

Date January 27, 1926,

To All members of the Board.

Subject: \_\_\_\_\_

From Mr. Eddy

3330



For your information:

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

Please return to Secretary's Office.

DECLASSIFIED  
Authority E.O. 10501

January 27, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 25th 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 January 14 to January 20, 1926, 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.

DECLASSIFIED  
Authority EO 10501

FEDERAL RESERVE BANK  
OF NEW YORK

REC  
JAN 27 1926

CONFIDENTIAL

January 25, 1926

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 January 14 to January 20, 1926 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 EO 10501

**CONFIDENTIAL****REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 20, 1926****Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date**  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$283,180	\$19,587	\$273,592
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	7,454	215,277	26,389	455,445
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Aug. 26	1,126,293	318,310	13,939	182,555	18,964	579,675
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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 20	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 13	1,212,118	366,990	1,805	303,228	24,174	505,763
20	1,138,648	367,139	2,827	290,155	15,695	453,182

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED JANUARY 20, 1926**  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan. 20	Change	Jan. 20	Change	Jan. 20	Change
Boston	\$ 12,203	0	\$ 78,735	\$ 4,270-	\$ 28,056	\$ 807-
New York	52,749	0	12,777	4,324+	118,918	52,641-
Philadelphia	24,063	0	15,258	148+	45,041	2,530-
Cleveland	36,485	0	10,582	3,699+	58,067	7,887-
Richmond	8,944	0	5,796	981+	34,666	930-
Atlanta	17,956	27+	48,114	7,146-	24,839	4,273+
Chicago	50,997	201-	28,798	547-	61,081	5,127-
St. Louis	25,023	201+	22,901	579+	20,191	2,790+
Minneapolis	19,078	0	6,523	2,528-	4,411	329+
Kansas City	37,460	0	13,479	815-	19,158	3,982+
Dallas	32,240	120+	19,922	4,361-	6,686	874-
San Francisco	49,941	1+	23,256	2,987-	32,068	6,841+
N.Y. holdovers and other bills			4,009	150-		
<b>Totals</b>	<b>\$367,139</b>	<b>\$148+</b>	<b>\$290,155</b>	<b>\$13,073-</b>	<b>\$453,182</b>	<b>\$52,531-</b>

**COMMENT ON CHANGES WEEK ENDED JANUARY 20, 1926**

Total System holdings of bills and securities made a further decline during the statement week of \$73,500,000. This consisted chiefly of decreases of \$52,600,000 in bills discounted and \$13,100,000 in outright holdings of bankers acceptances. Bills held under sales contract also declined \$8,500,000, while securities under sales contracts advanced \$1,000,000.

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Money  
Market

Substantial offerings of loanable funds, accompanying gold imports of \$10,000,000, and the rather moderate demand resulted in continued easy money conditions during the week. Stock Exchange call money covered a range from 4 1/2 per cent down to 4 per cent. On Monday, January 18, all loans were placed on the Exchange at a flat rate of 4 1/2 per cent but after renewing at that figure on Tuesday the official rate was lowered to 4 per cent where it held unchanged throughout the remainder of the week, with fairly large amounts left over at the close of each day. Sizeable amounts of loans were also negotiated off the Exchange as low as 3 1/2 per cent.

In the time money market loans from 60 days to 4 months were generally arranged at 4 3/4 per cent and the longer dates at 4 7/8 per cent. Trading was moderately active.

Quoted rates for commercial paper continued unchanged at 4 1/4 to 4 1/2 per cent with the majority of sales at the lower rate. The demand was fairly active and moderate blocks were sold in New England, Middle West and Florida.

Government  
Security  
Market

Accompanying easy money conditions, the interest in United States long-term securities was more active than for several weeks. Demand was fairly brisk but offerings in the market were rather light and prices of all issues made good sized advances. The Fourth 4 1/4 per cent Liberty Loan and the 4 and 4 1/4 per cent Treasury bonds were in best demand and prices of these issues advanced 8/32, 17/32 and 22/32 respectively over the levels of the previous week.

Fractional advances were also made in short-term certificates and notes. Trading, however, was in only moderate volume.

Bankers  
Acceptances

Bill rates on unindorsed bills for maturities up to 60 days continued unchanged from the previous week, dealers offering 30's at 3 1/2 per cent and 60's at 3 5/8 per cent. Rates, however, were unsettled for the 90-day and longer maturities, dealers in some instances lowering their bid and offered rates 1/8 per cent are now offering 90's at 3 5/8 to 3 3/4 per cent, and 120's at 3 3/4 to 3 7/8 per cent.

Boston reports that the supply of bills has fallen off considerably during the week and dealers sales decreased. The local demand was fair but no interest was shown by out-of-town buyers. The New York bill market was only moderately active during the week due in part to the unsettlement of rates on bills of 90-day and longer maturity. In some instances dealers were bidding 3 3/4 per cent for 90's and offering at 3 5/8 per cent with the result that a fairly good supply of bills came out but the demand was practically nil. Dealers' portfolios were slightly larger than at the close of the previous week and consisted principally of shorter maturities. In Philadelphia the offering of bills in the market continued small and the demand fair. Chicago reports that dealers' portfolios are running low at the present time, the supply of short maturities being especially small. The demand for bills continued rather light.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to January 20 and the amount each bank has received in excess or short of its pro rata share under the apportionment plan which was put into effect January 4, 1926:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	\$16,493,000	\$ 6,074,000	\$10,419,000	\$ 0
New York	14,535,000	20,826,000	0	6,291,000
Philadelphia	4,682,000	6,941,000	0	2,259,000
Cleveland	9,058,000	8,677,000	381,000	0
Richmond	4,143,000	4,338,000	0	195,000
Atlanta	3,495,000	3,471,000	24,000	0
Chicago	11,397,000	12,150,000	0	753,000
St. Louis	5,040,000	4,338,000	702,000	0
Minneapolis	2,912,000	3,471,000	0	559,000
Kansas City	4,387,000	5,206,000	0	819,000
Dallas	3,173,000	3,471,000	0	298,000
San Francisco	<u>7,458,000</u>	<u>7,810,000</u>	<u>0</u>	<u>352,000</u>
<b>Totals</b>	<b><u>\$86,773,000</u></b>	<b><u>\$86,773,000</u></b>	<b><u>\$11,526,000</u></b>	<b><u>\$11,526,000</u></b>

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There has been no change in the System Investment Account, total holdings remaining at \$260,000,000. The participation of all Federal reserve banks and the classification of issues held in the account 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>		
	<b><u>\$260,000,000</u></b>		<b><u>\$260,000,000</u></b>

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 JANUARY 14 TO JANUARY 20, 1926**

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 88,500	Misc. Gov't Securities	\$ 61,200	Misc. Gov't Securities
Chicago	0		200,000	B-1926 Notes
St. Louis	200,000	TD-1926 Cdfs.	0	
Dallas	119,700	Misc. Gov't Securities	0	
San Francisco	<u>1,000</u>	Misc. Gov't Securities	<u>0</u>	
<b>Totals</b>	<u><u>\$409,200</u></u>		<u><u>\$261,200</u></u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Jan. 13</u>	<u>Purchased Own Market</u>	<u>Rec'd by</u>		<u>Holdings Jan. 20</u>	<u>Other Holdings Close Jan. 20/26</u>	
			<u>Allotment</u>	<u>Matured</u>		<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 83,005	\$ 1,370	Retained	\$ 0	\$ 5,640	\$ 78,735	\$ 5,370 \$ 0
New York	8,453	6,263	"	0	1,939	12,777	6,669 1,394
		15,135	Allotted				920*
Philadelphia	15,110	1,335	Retained	0	1,187	15,258	0 0
Cleveland	6,883	1,474	"	3,019	794	10,582	0 765
Richmond	4,815	121	"	1,325	465	5,796	0 0
Atlanta	55,260	280	"	705	8,131	48,114	0 930
Chicago	29,345	127	"	2,258	2,932	28,798	957 0
St. Louis	22,322	1,488	"	1,679	2,588	22,901	0 0
Minneapolis	9,056	0		1,411	3,939	6,528	0 0
Kansas City	14,294	0		2,101	2,916	13,479	0 0
Dallas	24,283	269		1,137	5,767	19,922	0 0
San Francisco	<u>26,243</u>	<u>266</u>		<u>1,500</u>	<u>4,753</u>	<u>23,256</u>	<u>2,699</u> <u>0</u>
<b>Totals</b>	<u><u>\$299,069</u></u>	<u><u>\$28,128</u></u>		<u><u>\$15,135</u></u>	<u><u>\$41,051</u></u>	<u><u>\$286,146</u></u>	<u><u>\$15,695</u></u> <u><u>\$3,089</u></u>

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

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 20, 1926

(000 Omitted)

	<u>1 - 30 days 3 1/2 - 3 5/8%</u>	<u>31 - 60 days 3 1/2 - 3 5/8%</u>	<u>61 - 90 days 3 5/8 - 3 3/4%</u>	<u>Over 90 days 3 3/4 - 4%</u>	<u>Total</u>
Boston	\$ 115	\$ 185	\$ 1,070	\$ 0	\$ 1,370
New York	6,249	5,228	8,759	1,162	21,398
Philadelphia	184	282	869	0	1,335
Cleveland	0	25	1,449	0	1,474
Richmond	97	24	0	0	121
Atlanta	50	20	210	0	280
Chicago	127	0	0	0	127
St. Louis	0	0	1,381	107	1,488
Dallas	0	0	83	186	269
San Francisco	<u>160</u>	<u>70</u>	<u>32</u>	<u>4</u>	<u>266</u>
<b>Totals</b>	<u><u>\$6,982</u></u>	<u><u>\$5,834</u></u>	<u><u>\$13,853</u></u>	<u><u>\$1,459</u></u>	<u><u>\$28,128</u></u>

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 20, 1926  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES**  
 (000 Omitted)

	<u>Government Securities</u>	<u>(Excluding Sales Contracts)</u> <u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$411	\$28,128	\$28,539
Sold	263	0	263
Matured	<u>0</u>	<u>41,051</u>	<u>41,051</u>
		<u>\$12,923-</u>	<u>\$12,775-</u>
		150- (1-day holdover)	150- (1-day holdover)
	<u>\$143+</u>	<u>\$13,073-</u>	<u>\$12,925-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>Jan. 20, 1926</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>5 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 2,827	0	\$ 72,143	0	\$28,531	\$266,465	\$369,966
Bills Purchased	<u>87,201</u>	<u>63,107</u>	<u>89,620</u>	<u>56,862</u>	<u>9,060</u>	<u>0</u>	<u>305,850</u>
<b>Totals</b>	<u>\$90,028</u>	<u>\$63,107</u>	<u>\$161,763</u>	<u>\$56,862</u>	<u>\$37,591</u>	<u>\$266,465</u>	<u>\$675,816</u>



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Form No. 1

# Office Correspondence

FEDERAL RESERVE  
BOARD

FEDERAL NUMBER      WORK FILE

Date January 19, 1926.

*Handwritten initials*

To All members of the Board.

Subject: \_\_\_\_\_

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.

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January 19, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 18th 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 January 7 to January 13, 1926, 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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RECEIVED  
JAN 19 1926  
OFFICE OF  
THE GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

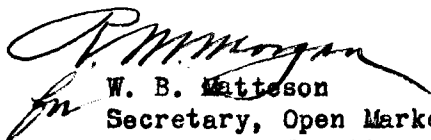
CONFIDENTIAL

January 18, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from January 7 to January 13, 1926  
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 JANUARY 13, 1926

Holdings of Earning Assets of Federal Reserve Banks from January 28, 1925 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	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	317,155	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. 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. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 6	1,318,378	364,682	4,739	317,331	27,452	593,467
" 13	1,212,118	366,990	1,805	303,228	24,174	505,763

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 13, 1926  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 13	Net Change	Balance Jan. 13	Net Change	Balance Jan. 13	Net Change
Boston	\$ 12,203	0	\$ 83,005	\$ 5,048+	\$ 28,863	\$ 657-
New York	52,749	0	8,453	3,562+	171,559	9,748-
Philadelphia	24,063	0	15,110	661-	47,571	2,006+
Cleveland	36,485	76+	6,883	2,410+	65,954	5,058-
Richmond	8,944	0	4,815	2,217+	35,596	787-
Atlanta	17,929	1,588+	55,260	12,711-	20,566	12,280-
Chicago	51,198	0	29,345	4,360+	66,208	49,474-
St. Louis	24,822	475+	22,322	3,552-	17,401	2,892-
Minneapolis	19,078	0	9,056	6,496-	4,082	1,878-
Kansas City	37,460	0	14,294	1,975-	15,176	741-
Dallas	32,120	169+	24,283	3,514-	7,560	755-
San Francisco	49,940	1+	26,243	221-	25,227	5,440-
N.Y. holdovers and other bills			4,159	2,570-		
<b>Totals</b>	<b>\$366,991</b>	<b>\$2,309+</b>	<b>\$303,228</b>	<b>\$14,103-</b>	<b>\$505,763</b>	<b>\$87,704-</b>

COMMENT ON CHANGES WEEK ENDED JANUARY 13, 1926

Total earning assets of the System showed a further decline during the week of \$106,000,000, consisting chiefly of decreases of \$88,000,000 in bills discounted and \$17,000,000 in bankers acceptances, the latter amount representing \$14,000,000 bills held outright and \$3,000,000 bills under sales contracts. The decline of \$2,900,000 in Government securities under sales contracts was partially offset by an increase in Governments purchased outright of \$2,300,000.

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Money  
Market

Money conditions were slightly firmer during the week, the ruling rate for call money on the Exchange averaging about 1/2 per cent higher than during the previous period. On Monday, January 11, Stock Exchange call funds opened and renewed at 4 per cent but after midday the rate advanced and closed at 4 1/2 per cent. On Tuesday and throughout the remainder of the week all loans were negotiated at the flat rate of 4 1/2 per cent. with only relatively small amounts left over at the close of each day.

Time money continued rather easy at 4 3/4 - 4 7/8 per cent with some loans of short maturity placed at the lower rate. The demand was fairly active though confined mostly to replacements.

Commercial paper showed slightly more activity during the week. The supply was in larger volume than in recent weeks and was rather freely absorbed by banks in New England, Middle West and Pacific Coast. Rates were unchanged at 4 1/4 to 4 1/2 per cent with the bulk of sales at 4 1/4 per cent.

Government  
Security  
Market

There was a better demand than for some time for First 3 1/2 per cent Liberty Loan bonds and prices of this issue crossed par at 100 3/32 as compared with a low last week of 99 19/32. Other long-term Government bonds were evenly balanced between supply and demand and prices were practically unchanged from last week.

Trading in short-term Government securities, however, continued quiet and while quotations on certificates held firm, prices of notes declined to slightly lower levels. Reports from other Federal reserve banks indicate a rather good demand for long-term Government bonds but dealings were light in the short-term maturities.

Bankers  
Acceptances

Dealers in bankers acceptances continued to offer unindorsed bills at the rates which were put into effect on January 8 at 3 1/2 per cent for 30's, 3 5/8 per cent for 60's, 3 3/4 per cent for 90's, and 4 per cent for 120-day maturities.

The Federal Reserve Bank minimum buying rates have been increased 1/4 of 1 per cent to 3 1/2 per cent for maturities up to 45 days, 3 5/8 per cent for 90's, and 3 3/4 per cent for 120-day bills.

Boston reports that since the advance in dealers' rates the supply of bills offered in the market has decreased considerably and was insufficient to meet the demand. In New York the supply of bills showed a marked decrease during the week, accompanying the relatively easy money conditions and the increase in dealers' bid rates. The demand continued good although only the choicest names were in urgent demand, and dealers' combined portfolios decreased substantially. In Philadelphia the bill market continued quiet with the supply small and demand only moderate. Chicago reports that the recent increase in rates has stimulated the market for bills considerably. There are still plenty of bills to take care of the demand.

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SYSTEM SPECIAL INVESTMENT ACCOUNT

There has been no change in the System Investment Account, total holdings remaining at \$260,000,000. The participation of all Federal reserve banks and the classification of issues held in the account 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
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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

There was sold for the Treasury during the period covered by this report \$2,000,000 face amount of 3 3/4% certificates maturing December 15, 1926 for account of the Alien Property Custodian.

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JANUARY 7 TO JANUARY 13, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$ 75,500	Misc. Gov't Sec.	0	-
Atlanta	1,640,800	Misc. Gov't Sec.	\$52,950	Misc. Gov't Sec.
St. Louis	475,500	Misc. Gov't Sec.	0	-
Dallas	171,450	Misc. Gov't Sec.	2,000	Misc. Gov't Sec.
San Francisco	<u>1,000</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$2,364,250</u>		<u>\$54,950</u>	

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**BANKERS ACCEPTANCES**  
 (000 Omitted)

	Holdings Jan, 6	Purchased Own Market	Rec'd by Allotment	Matured	Holdings Jan. 13	Other Holdings Close Jan. 13/26	
						Sales Contracts	Other Bills
Boston	\$ 77,957	\$ 7,240	Retained \$ 1,415	\$ 3,607	\$ 83,005	\$ 4,988	0
New York	4,891	3,899	" 0	337	8,453	15,307	1,294
		19,143	Allotted			793**	
Philadelphia	15,771	884	Retained	1,545	15,110	0	774
Cleveland	4,473	763	" 3,126	1,479	6,883	0	0
Richmond	2,598	777	" 1,547	107	4,815	0	1,298
Atlanta	67,971	610	" 726	14,047	55,260	826	0
Chicago	24,985	3,485	" 4,394	3,519	29,345	0	0
St. Louis	25,874	0	1,552	5,104	22,322	0	0
Minneapolis	15,552	0	1,190	7,686	9,056	0	0
Kansas City	16,269	0	1,854	3,829	14,294	0	0
Dallas	27,797	411	" 829	4,754*	24,283	0	0
San Francisco	26,464	1,692	" 2,510	4,423	26,243	3,053	0
<b>Totals</b>	<b>\$310,602</b>	<b>\$38,904</b>	<b>\$19,143</b>	<b>\$50,437</b>	<b>\$299,069</b>	<b>\$24,174</b>	<b>\$3,366</b>

\*Includes \$4,006,000 sold from portfolio and redistributed to other participating banks.

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

**MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 13, 1926**  
 (000 Omitted)

	1 - 30 days 3 1/4 - 3 5/8%	31-60 days 3 3/8 - 3 5/8%	61-90 days 3 3/8 - 3 3/4%	Over 90 days 3 1/2 - 4%	Total
Boston	\$ 653	\$ 1,264	\$ 4,348	\$ 975	\$ 7,240
New York	10,998	4,595	6,059	1,390	23,042
Philadelphia	96	408	380	0	884
Cleveland	0	10	753	0	763
Richmond	140	260	377	0	777
Atlanta	422	0	188	0	610
Chicago	282	1,947	1,256	0	3,485
Dallas	0	1	240	170	411
San Francisco	204	573	915	0	1,692
<b>Totals</b>	<b>\$12,795</b>	<b>\$9,059</b>	<b>\$14,516</b>	<b>\$2,535</b>	<b>\$38,904</b>

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
 BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 13, 1926  
 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	\$2,364	\$38,904	\$41,268
Sold	55	0	55
Matured	<u>0</u>	<u>50,437</u>	<u>50,437</u>
		<u>\$11,533-</u>	<u>\$ 9,224-</u>
		<u>2,570-</u> (1-day holdover)	<u>2,570-</u> (1-day holdover)
	<u>\$2,309+</u>	<u>\$14,103-</u>	<u>\$11,794-</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

	(Including Sales Contracts)						
<u>Holdings Jan. 13, 1926</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	\$ 1,805	\$ 0	\$ 0	\$ 72,148	\$28,531	\$266,311	\$368,795
Bills Purchased	<u>105,423</u>	<u>59,292</u>	<u>94,319</u>	<u>57,779</u>	<u>10,589</u>	<u>0</u>	<u>327,402</u>
Totals	<u>\$107,228</u>	<u>\$59,292</u>	<u>\$94,319</u>	<u>\$129,927</u>	<u>\$39,120</u>	<u>\$266,311</u>	<u>\$696,197</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>



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Form 1

# Office Correspondence

RESERVE

# 2

Date January 1926.

To All members of the Board.

Subject: \_\_\_\_\_

333

From W. Eddy.

*[Handwritten signature/initials]*

2-9405

For your information:

- Gov. Crissinger
- Mr. Platt
- Mr. Hamlin
- Mr. James
- Mr. Cunningham
- Mr. Miller

Please return to Secretary's Office.

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January 12, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 11th 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 31, 1925, to January 3, 1926, inclusive,~~ together with data received by the Committee from the 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

RECEIVED  
JAN 12 1926  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

January 11, 1926

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from December 31, 1925 to January 6,  
1926 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 JANUARY 6, 1926

Holdings of Earning Assets of Federal Reserve Bank from January 28, 1925 to Date  
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
Jan. 28	\$ 988,582	\$392,504	\$ 1,560	\$288,180	\$19,587	\$273,692
Feb. 25	1,129,697	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	287,544	19,351	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	317,155	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. 30	1,257,024	313,745	29,161	241,855	26,455	633,138
Oct. 23	1,250,087	314,933	9,824	297,453	31,264	589,994
Nov. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
Dec. 30	1,500,827	365,998	11,034	320,842	41,976	749,672
-1926-						
Jan. 6	1,318,378	364,682	4,739	317,331	27,452	593,467

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 6, 1926  
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan. 6	Change	Jan. 6	Change	Jan. 6	Change
Boston	\$ 12,203	\$ 300+	\$ 77,957	\$ 2,493+	\$ 29,520	\$ 26,075-
New York	52,749	65+	4,891	3,550+	181,307	113,668-
Philadelphia	24,063	0	15,771	426+	45,565	12,547-
Cleveland	36,409	0	4,473	236+	71,012	2,072+
Richmond	8,944	0	2,598	118-	36,333	13,134-
Atlanta	16,341	1,516-	67,971	6,303-	32,846	3,720+
Chicago	51,198	300-	24,985	1,085-	115,682	4,095-
St. Louis	24,347	0	25,874	3,683+	20,293	28-
Minneapolis	19,078	0	15,552	3,211-	5,960	2,415+
Kansas City	37,460	13+	16,269	547-	15,917	22-
Dallas	31,951	121+	27,797	820-	8,315	4,454+
San Francisco	49,939	1+	26,464	1,096-	30,667	703+
N.Y. holdovers and other bills			6,729	724-		
Totals	\$364,682	\$1,316-	\$317,331	\$3,511-	\$593,467	\$156,205-

COMMENT ON CHANGES WEEK ENDED JANUARY 6, 1926

Total earning assets of the System declined \$182,000,000 during the week, consisting of \$156,000,000 in bills discounted, \$7,600,000 in Government securities, and \$18,000,000 in bankers acceptances. The above figures include reduction in Government securities held under sales contract of \$6,300,000 and a decline of \$14,500,000 in bills held under sales contracts.

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Money  
Market

The redistribution of the heavy first of the year disbursements brought about the usual seasonal ease in money conditions during the first week of the new year. Call loans on the Stock Exchange ranged from 6 down to 4 per cent as compared with a flat charge of 6 per cent for the previous week. After renewing at 6 per cent on Monday, January 4, the official call money rate declined successively and closed on Tuesday at 4 per cent. The opening and renewal rate of 4 1/2 per cent on Wednesday was quickly lowered to 4 per cent at which figure it held steady throughout the balance of the week with substantial amounts remaining unlent at the close of each day. The ample supply of loanable funds on offer also resulted in fairly large volume of loans being made outside the Exchange as low as 3 1/2 per cent.

Time money was in larger supply and trading was slightly heavier. Quoted rates were slightly easier, loans for all maturities being placed at 4 7/8 per cent, 1/8 per cent lower than last week.

A fairly active demand was reported for commercial paper in the Middle West and also in New York and sales were in some cases limited only by the amount of paper available. Rates held unchanged at 4 1/4 to 4 1/2 per cent although the tendency was for more sales to be consummated at the lower rate.

Government  
Security  
Market

Accompanying easy money conditions the market for long-term Government bonds was quite active during the week. Trading was confined principally to the Second and Fourth 4 1/4 per cent Liberty Loans, the prices of which were quoted on a basis to yield approximately 3.96 per cent, the highest return of any of the Government issues. Boston, Philadelphia and Chicago also report a more active demand than during recent previous weeks for Government securities in their respective districts.

Short-term certificates and notes continued in rather light demand and prices were practically unchanged.

Bankers  
Acceptances

All Federal reserve banks approved the plan recommended by the Committee of distributing System open market investments during the early part of 1926 on the basis of current expenses and dividend requirements.

Coincident with the change in the discount rate of the New York bank from 3 1/2 to 4 per cent, dealers in bankers acceptances in New York advanced both bid and offer rates on all maturities 1/4 per cent on Friday, January 8, and are offering 30-day unindorsed bills at 3 1/2 per cent, 60's at 3 5/8 per cent, 90's at 3 3/4 per cent, and 120-day maturities at 3 7/8 per cent.

Boston reports that the market for bankers acceptances was dull and inactive throughout the week. Very few new bills came out and the demand locally as well as from out-of-town banks was very light. In New York the market was fairly active during the week. Large foreign orders and some substantial local buying resulted in a very good demand for bills. Dealers' combined portfolios were substantially reduced from the high level of the previous week, which was caused by the large offerings of bills in the market during the firm money conditions prevailing prior to the end of the year.

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Philadelphia and Chicago report that the bill market in their respective districts continued dull, with the supply somewhat in excess of the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury the New York Bank sold during the period \$588,000 3% certificates due June 15, 1926 for account of the Civil Service Retirement and Disability Fund.

SYSTEM SPECIAL INVESTMENT ACCOUNT

There has been no change in the System Investment Account since the previous report, the total holdings remaining at \$260,000,000. The participation of all Federal reserve banks and the classification of issue held in the account 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>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM DECEMBER 31 TO JANUARY 6, 1926.

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 64,700	2nd L/L 4 1/4% Bonds	\$	
Atlanta	2,621,300	Misc. Gov't Sec.	4,137,100	Misc. Gov't Sec.
Chicago	0	-	300,000	B-1926 Treas. Notes
Kansas City	12,500	TD-1926 Ctfs.	0	-
Dallas	121,000	Misc. Gov't Sec.	0	-
San Francisco	<u>1,000</u>	Misc. Gov't Sec.	<u>0</u>	-
<b>Totals</b>	<u>\$2,320,500</u>		<u>\$4,437,100</u>	

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> <u>Dec. 30</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Matured</u>	<u>Holdings</u> <u>Jan. 6</u>	<u>Other Holdings</u> <u>Close Jan. 6/26</u>	
						<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 75,464	\$ 6,019	Retained \$ 449	\$ 3,975	\$ 77,957	\$ 4,081	0
New York	1,341	4,373	" 0	823	4,891	18,043	0
		20,107	Allotted			2,769*	1,424
Philadelphia	15,345	2,463	Retained 0	2,037	15,771	0	0
Cleveland	4,237	0	676	440	4,473	0	737
Richmond	2,716	0	373	491	2,598	0	0
Atlanta	74,274	868	" 4,167	11,338	67,971	0	1,799
Chicago	26,070	177	" 1,502	2,764	24,985	1,687	0
St. Louis	22,186	0	5,608	1,920	25,874	0	0
Minneapolis	18,763	0	311	3,522	15,552	0	0
Kansas City	16,816	0	1,879	2,426	16,269	0	0
Dallas	28,617	269	" 3,185	4,274	27,797	0	0
San Francisco	<u>27,560</u>	<u>832</u>	" 1,957	<u>3,885</u>	<u>26,464</u>	<u>3,641</u>	<u>0</u>
<b>Totals</b>	<u>\$313,389</u>	<u>\$35,108</u>	<u>\$20,107</u>	<u>\$37,895</u>	<u>\$310,602</u>	<u>\$27,452</u>	<u>\$3,960</u>

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

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 6, 1926.  
 (000 Omitted)

	<u>1 - 30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90 days</u>	<u>Total</u>
	<u>3 1/4 - 3 3/8%</u>	<u>3 1/4 - 3 3/8%</u>	<u>3 3/8 - 3 1/2%</u>	<u>3 1/2 - 3 3/4%</u>	
Boston	\$ 738	\$ 770	\$ 3,433	\$1,078	\$ 6,019
New York	6,422	9,578	7,318	1,162	24,480
Philadelphia	342	330	1,791	0	2,463
Atlanta	715	0	153	0	868
Chicago	49	128	0	0	177
Dallas	0	0	67	202	269
San Francisco	<u>646</u>	<u>0</u>	<u>186</u>	<u>0</u>	<u>832</u>
<b>Totals</b>	<u>\$8,912</u>	<u>\$10,806</u>	<u>\$12,948</u>	<u>\$2,442</u>	<u>\$35,108</u>

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**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
 BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 6, 1926  
 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	\$3,121	\$35,108	\$38,229
Sold	4,437	0	4,437
Matured	0	37,895	37,895
		<u>\$ 2,787-</u>	<u>\$ 4,103-</u>
		724- (1-day holdover)	724- (one-day holdover)
	<u>\$1,316-</u>	<u>\$ 3,511-</u>	<u>\$ 4,827-</u>

(Including Sales Contracts)

<u>Holdings Jan. 6, 1926</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	\$ 4,742	0	0	\$ 72,035	\$27,502	\$265,142	\$369,421
Bills Purchased	<u>118,339</u>	<u>64,797</u>	<u>87,951</u>	<u>62,753</u>	<u>10,943</u>	0	<u>344,783</u>
Totals	<u>\$123,081</u>	<u>\$64,797</u>	<u>\$87,951</u>	<u>\$134,788</u>	<u>\$38,445</u>	<u>\$265,142</u>	<u>\$714,204</u>