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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 8, 1926

To All Members of the Board

Subject: 333

From Mr. Noell

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

✓ Governor Crissinger

✓ Mr. Platt

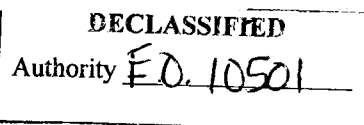
✓ Mr. Hamlin

✓ Mr. James

✓ Mr. Cunningham

✓ Dr. Miller

✓ Col. McIntosh



September 8, 1926

Dear Mr. Matteson:

I acknowledge receipt of your letter of the 7th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from August 26th to September 1st, 1926, inclusive. Your letter with enclosure will be brought to the attention of the members of the Board.

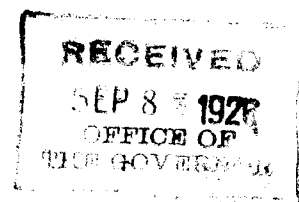
Very truly yours,

J. C. Noell,
Assistant Secretary

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

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FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

September 7, 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 August 26 to September 1, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 SEPTEMBER 1, 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	\$228,180	\$19,587	\$273,692
Feb. 25	1,129,698	360,090	4,604	278,885	38,361	433,805
Mar. 25	1,040,699	339,692	5,059	287,644	19,361	377,641
Apr. 29	1,027,752	345,031	4,008	238,243	28,585	399,985
May 27	1,054,376	346,365	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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 30	1,158,406	372,868	12,411	214,654	34,750	515,031
July 28	1,106,302	368,591	647	196,009	15,164	521,390
Aug. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 1	1,202,493	315,364	3,500	242,868	10,613	626,348

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 1, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 1	Net Change	Balance Sept. 1	Net Change	Balance Sept. 1	Net Change
Boston	\$ 10,486	\$ 152-	\$ 21,983	\$ 5,336+	\$ 46,064	\$ 6,565+
New York	59,353	913-	27,863	7,237-	176,243	36,184+
Philadelphia	20,369	85-	19,028	149+	45,611	4,239-
Cleveland	34,986	228-	26,525	560+	33,467	4,638-
Richmond	7,741	101-	12,557	150-	47,649	2,302+
Atlanta	1,883	112-	29,032	3,210+	50,166	1,566+
Chicago	48,840	455-	34,693	1,219+	69,993	3,611-
St. Louis	20,979	237-	8,569	152+	39,266	2,842+
Minneapolis	17,377	150-	11,778	11-	16,218	2,158+
Kansas City	29,817	312-	14,355	158-	12,341	375-
Dallas	21,752	300-	11,356	890-	25,261	2,651+
San Francisco	41,781	503-	22,141	1,284-	64,069	14,305+
N.Y. holdovers & other bills			2,988	2,047-		
Totals	\$315,364	\$3,548-	\$242,868	\$1,151-	\$626,348	\$55,710+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 1, 1926

Total earning assets of the System increased \$52,300,000 during the current statement week. Bills discounted increased \$55,700,000, while other changes consisted of decreases in bankers acceptances of about \$1,100,000 and in Government security holdings of approximately \$2,300,000.

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Call
Money

The 5% rate on call money ruling at the previous week-end continued to prevail during the forepart of the week due to the usual month-end shifting of balances and to preparations for September 1st interest and dividend payments. Since Wednesday afternoon, however, when the rate was lowered, money has been at 4 1/2%.

Trading in time money continued dull. Some 60 and 90 day loans were placed at the lower rate of 4 7/8% but over-the-year money continued to command 5%.

The commercial paper market remained inactive with both the supply and demand small. Most names were selling at 4 1/2%.

Government
Security
Market

Sales on the stock exchange of U. S. Liberty Loan and Treasury bonds continued in moderate volume with a better demand for the long maturity Treasury bonds which toward the week-end showed substantial increases in price.

There was little activity in the market for short-term certificates and notes, prices of which showed practically no change.

Bankers
Acceptances

With the exception of an increase in 90 day maturities from 3 3/4 to 3 7/8%, dealers' offering rates on unindorsed prime bankers acceptances remained unchanged from the previous week at 3 5/8% for 30's, 3 3/4% for 60's and 3 7/8% for 90's and 4% for 120 day bills.

The Federal Reserve Banks of Boston and New York made a slight change in their minimum buying rates on indorsed bills on Sept. 1 consisting of an increase in rate on 1-15 day bills from 3 3/8 to 3 1/2%. This results in rates now in effect of 3 1/2% for 1-45 days, 3 3/4% for 46-120 days and 4% for 5-6 month bills.

Boston dealers report a very poor supply of bills with the demand but slightly better. Difficulty has been experienced in moving bills, and sales and purchases were the smallest in some time. Offerings by dealers to the reserve banks were small. In New York the market continued inactive although dealers reported some country bank buying. Dealers' portfolios showed a slight increase. The market in Philadelphia was very quiet. Offerings of bills were fair with practically no demand. Chicago reports that higher bill rates has increased the demand somewhat for long maturities, but practically no new bills are being made. Borrowers are frequently able to obtain accommodations on their straight note at more favorable rates.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions under authority from the Treasury consisted of the sale in the market of \$200,000 December 15, 1926 certificates from the investment holdings of the Alien Property Custodian, and the investment of Indian money for the Secretary of the Interior through the purchase in the market of \$215,600 Second 4 1/4% Liberty Loan bonds.

There was also purchased in the market \$5,000,000 Second 4 1/4% Liberty Loan bonds against an order of \$5,000,000 for the Secretary of the Interior, account Osage Indians, of which \$3,500,000 were delivered during the week; the balance to be delivered September 7.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to September 1, 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	\$ 81,107,000	\$ 74,924,000	\$6,183,000	0
New York	249,352,000	251,839,000	0	2,487,000
Philadelphia	83,136,000	85,627,000	0	2,491,000
Cleveland	106,719,000	107,031,000	0	312,000
Richmond	54,961,000	55,248,000	0	287,000
Atlanta	52,083,000	51,882,000	201,000	0
Chicago	149,467,000	149,846,000	0	379,000
St. Louis	46,320,000	46,320,000	0	0
Minneapolis	44,279,000	44,545,000	0	266,000
Kansas City	63,689,000	64,220,000	0	531,000
Dallas	44,534,000	44,545,000	0	11,000
San Francisco	96,712,000	96,332,000	380,000	0
Totals	\$1,072,359,000	\$1,072,359,000	\$6,764,000	\$6,764,000

The overages shown above are being adjusted in the usual manner.

The Federal Reserve Bank of St. Louis requested on September 3 temporary discontinuance of their participation in System purchases.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under the approval of the Committee given at its meeting August 17 there was sold from the System Account to foreign correspondents \$12,972,500 December 15, 1926 - 3 3/4% certificates of indebtedness, leaving the total holdings in the account at the close of business September 7, 1926 at \$209,975,000. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 9,204,000
New York	55,393,000
Philadelphia	5,165,000
Cleveland	13,860,000
Richmond	6,109,000
Atlanta	0
Chicago	27,541,500
St. Louis	14,409,500
Minneapolis	9,368,500
Kansas City	18,893,000
Dallas	19,388,500
San Francisco	30,643,000

Totals **\$209,975,000**

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 59,395,000
December 15, 1926	44,380,500
March 15, 1927	76,878,200
December 15, 1927	29,321,300

\$209,975,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM AUGUST 26 TO SEPT. 1, 1926

GOVERNMENT SECURITIES - SPECIAL INVESTMENT ACCOUNT
(Participation in Sales)

Boston	\$ 152,000
New York	913,000
Philadelphia	85,000
Cleveland	228,500
Richmond	101,000
Atlanta	0
Chicago	454,500
St. Louis	237,500
Minneapolis	154,500
Kansas City	311,500
Dallas	319,500
San Francisco	505,500
Total	<u>\$3,462,500</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
Boston	0	-	\$ 50	Second L/L bonds
Atlanta	30,550	Misc. Gov't Sec.	143,000	Misc. Gov't Securities
Minneapolis	5,000	Misc. Gov't Sec.	0	-
Dallas	20,450	L/L bonds	1,000	L/L bonds
San Francisco	<u>2,400</u>	L/L bonds	<u>0</u>	-
Totals	<u>\$58,400</u>		<u>\$144,050</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Aug. 25	Purchased Own Mkt.	Rec'd by Allotment From N.Y.	Matur- ities & Sales	Holdings Sept. 1	Other Holdings Close Sept. 1/26	
						Sales Contracts	Other Bills
Boston	\$ 16,647	\$ 6,778 R.	0	\$ 1,442	\$ 21,983	\$ 856	0
New York	35,100	5,179 " 13,748 A.	0	3,679* 8,737	27,863	4,065	698
Phila.	18,879	2,790 R.	0	2,641	19,028	0	0
Cleveland	25,965	584 "	2,459	2,483	26,525	0	873
Richmond	12,707	35 "	1,437	1,622	12,557	0	0
Atlanta	25,822	543 " 3,679*	1,439	2,451	29,032	0	852
Chicago	33,474	948 "	3,869	3,598	34,693	1,836	0
St. Louis	8,417	0	980	828	8,569	0	0
Minn.	11,789	0	1,188	1,199	11,778	0	0
Kan. City	14,513	0	1,717	1,875	14,355	0	0
Dallas	12,246	136 "	659	1,685	11,356	0	0
San Fran.	<u>23,425</u>	<u>1,334 "</u>	<u>0</u>	<u>2,618</u>	<u>22,141</u>	<u>3,856</u>	<u>0</u>
Totals	\$238,984	\$35,754	\$13,748	\$34,858	\$239,880	\$10,613	\$2,423

Bills held over night by New York for distribution to other F. R. Banks ... 565
Total\$2,988

*Sale to Atlanta from New York portfolio

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 1, 1926
(000 Omitted)

	1-30 days 3 1/8 - 3 1/2%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 1/2 - 3 7/8%	Over 90 days 3 5/8 - 3 3/4%	Total
Boston	\$ 188	\$ 136	\$ 4,228	\$2,226	\$ 6,778
New York	7,362	2,108	6,779	2,678	18,927
Philadelphia	144	144	2,502	0	2,790
Cleveland	0	0	584	0	584
Richmond	0	35	0	0	35
Atlanta	3,753	95	374	0	4,222
Chicago	500	262	186	0	948
Dallas	0	0	125	11	136
San Francisco	324	286	719	5	1,334
Totals	<u>\$12,271</u>	<u>\$3,066</u>	<u>\$15,497</u>	<u>\$4,920</u>	<u>\$35,754</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 1, 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	\$ 58	\$35,754	\$35,812
Sold	3,606	0	3,606
Matured	0	<u>34,858</u>	<u>34,858</u>
		\$ 896+	\$ 2,652-
		2,047- (Net Change	2,047- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$3,548-</u>	<u>\$ 1,151-</u>	<u>\$ 4,699-</u>

(Including Sales Contracts)

Holdings Sept. 1, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91 days 6 Months	Over 6 Months	Total
Gov't Securities	\$68,998	0	0	0	\$58,604	\$191,362	\$318,964
Bills Purchased	<u>68,967</u>	<u>\$52,065</u>	<u>\$67,797</u>	<u>\$55,138</u>	<u>9,514</u>	<u>0</u>	<u>253,481</u>
Totals	<u>\$137,965</u>	<u>\$52,065</u>	<u>\$67,797</u>	<u>\$55,138</u>	<u>\$68,118</u>	<u>\$191,362</u>	<u>\$572,445</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 31, 1926.

To All members of the Board.

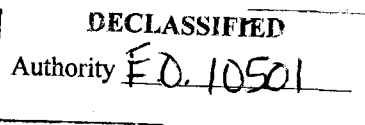
Subject: 2230

From Mr. Noell.

For your information.

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

Please return to Secretary's Office.



August 31, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of August 30, 1926, 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 August 19 to August 25, 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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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

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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 AUGUST 25, 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 DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1925-							
Jan.	28	\$ 988,582	\$392,504	\$ 1,560	\$228,180	\$19,587	\$273,692
Feb.	25	1,129,698	360,090	4,604	278,885	38,361	433,805
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Aug.	18	1,151,884	358,173	1,845	240,993	13,129	534,544
Aug.	25	1,150,171	318,912	2,305	244,019	10,597	570,638

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 25, 1926

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 25	Net Change	Balance Aug. 25	Net Change	Balance Aug. 25	Net Change
Boston	\$ 10,638	\$ 1,728-	\$ 16,647	\$2,879-	\$ 39,499	\$ 3,591+
New York	60,266	10,401-	35,100	5,222+	140,059	5,852-
Philadelphia	20,454	971-	18,879	623+	49,850	7,685+
Cleveland	35,214	2,602-	25,965	993+	38,105	1,612-
Richmond	7,842	1,147-	12,707	114+	45,347	20+
Atlanta	1,995	71+	25,822	2,501-	48,600	301+
Chicago	49,295	5,172-	33,474	1,747-	73,604	16,435+
St. Louis	21,216	2,641-	8,417	576-	36,424	1,311-
Minneapolis	17,527	1,760-	11,789	586+	14,060	1,164+
Kansas City	30,129	3,547-	14,513	583-	12,716	2,199+
Dallas	22,052	3,611-	12,246	945+	22,610	3,357+
San Francisco	42,284	5,752-	23,425	1,099+	49,764	10,117+
N.Y. holdovers & other bills			5,035	1,730+		
Totals	\$318,912	\$39,261-	\$244,019	\$3,026+	\$570,638	\$36,094+

COMMENT ON CHANGES WEEK ENDED AUGUST 25, 1926

Total earning assets of the System decreased \$1,700,000 during the current statement week. The major changes consisted of a decrease of about \$39,000,000 in outright holdings of Government securities which was partially offset by an increase of \$36,000,000 in bills discounted. Other changes were a \$3,000,000 increase in bills owned outright and a decrease of \$2,500,000 in bills held under sales contract agreements.

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Money
Market

Call money continued to loan on the Stock Exchange at 4 1/2 per cent until Wednesday afternoon at which time, due to currency withdrawals to the interior, the rate advanced to 5 per cent which rate has prevailed during the remainder of the week.

With the exception of some activity during the middle of the week trading in time money continued dull with rates firm; 60-day loans running at 4 7/8 per cent, with 3 to 6-months quoted at 5 per cent bid and asked.

Trading in commercial paper has been quiet. The supply of new paper has been rather limited and the demand has decreased appreciably. Sales continued at 4 1/4 to 4 1/2 per cent.

Government
Security
Market

There was a gradual increase in prices at which United States Liberty Loan and Treasury bonds were traded on the Stock Exchange, the increases ranging from 3 to 5/32nds, although the volume of sales continued light.

Activity in the market for short-term certificates and notes was only moderate with practically no change in prices.

Bankers
Acceptances

Dealers' offering rates on unindorsed prime bankers acceptances were further increased on August 23 by 1/4 per cent on short bills and 1/8 per cent on the longer maturities, their rates at present being 3 5/8 per cent for 30's, 3 3/4 per cent for 60's and 90's, and 3 7/8 per cent for 120-day bills.

The Federal Reserve Banks of Boston and New York report that they again increased their minimum buying rates on indorsed bills on August 23 and the rates now in effect are 1-15 days 3 3/8 per cent, 16-45 days 3 1/2 per cent, 46-120 days 3 3/4 per cent, and 5 to 6 months 4 per cent. The New York bank also reports that the rate on bills bought from dealers under sales contract agreements was also increased from 3 1/2 to 3 3/4 per cent.

Boston reports a poor supply and demand for bills in their district, the best demand being for short bills, with sales to out-of-town banks increasing slightly. Offerings to the reserve bank fell off sharply following the increase in rates. The volume of bills purchased and sold in the New York market was very small. The advance in dealers' offering rates, which increase was in accord with the movement of reserve bank buying rates, did not result in any appreciable demand. Dealers' portfolios continued to decline. The demand in Philadelphia was small with offerings only in moderate volume. Chicago reports a fair demand for bills at present rates, with a scarcity of long maturities.

OPERATIONS ACCOUNT UNITED STATES TREASURY

The Third Liberty Loan bonds aggregating \$34,425,500 included in purchases reported last week for future delivery, for the Cumulative Sinking Fund, were delivered August 24.

The only other Treasury transaction consummated during the week consisted of the purchase for redemption of \$6,300,000 September 15, 1926 Treasury Notes from a foreign correspondent.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to August 25, 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	\$ 74,329,000	\$ 72,635,000	\$1,694,000	0
New York	244,173,000	244,312,000	0	139,000
Philadelphia	80,346,000	83,011,000	0	2,665,000
Cleveland	103,676,000	103,761,000	0	85,000
Richmond	53,489,000	53,607,000	0	118,000
Atlanta	50,101,000	50,241,000	0	140,000
Chicago	144,650,000	145,268,000	0	618,000
St. Louis	45,340,000	45,340,000	0	0
Minneapolis	43,091,000	43,231,000	0	140,000
Kansas City	61,972,000	62,258,000	0	286,000
Dallas	43,739,000	43,231,000	508,000	0
San Francisco	95,378,000	93,389,000	1,989,000	0
Totals	<u>\$1,040,284,000</u>	<u>\$1,040,284,000</u>	<u>\$4,191,000</u>	<u>\$4,191,000</u>

The overages shown above are being adjusted.

The Federal Reserve Bank of St. Louis, which discontinued temporarily on August 20 their participation in System purchases of bills is, in accordance with their request, resuming participation as of August 26.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under the Committee's approval given at its meeting August 17 there was sold from the System Account during the week to a foreign correspondent \$490,000 of September 15, 1926 4 1/4% Treasury Notes, leaving the total holdings in the account at the close of business August 27, 1926 at \$222,947,500. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 9,772,500
New York	58,815,000
Philadelphia	5,484,000
Cleveland	14,716,000
Richmond	6,486,500
Atlanta	0
Chicago	29,243,500
St. Louis	15,299,500
Minneapolis	9,947,000
Kansas City	20,060,500
Dallas	20,587,000
San Francisco	32,536,000
Totals	<u>\$222,947,500</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 59,395,000
December 15, 1926	57,353,000
March 15, 1927	76,878,200
December 15, 1927	29,321,300
Totals	<u>\$222,947,500</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM AUGUST 19 TO AUGUST 25, 1926**

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

	<u>Sales</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 2,385,000	\$ 657,500	\$ 1,727,500
New York	14,357,500	3,957,000	10,400,500
Philadelphia	1,339,000	369,000	970,000
Cleveland	3,592,500	990,000	2,602,500
Richmond	1,583,500	436,500	1,147,000
Atlanta	0	0	0
Chicago	7,140,000	1,967,500	5,172,500
St. Louis	3,735,500	1,029,500	2,706,000
Minneapolis	2,429,500	669,500	1,760,000
Kansas City	4,896,500	1,349,500	3,547,000
Dallas	5,024,500	1,385,000	3,639,500
San Francisco	7,942,000	2,189,000	5,753,000
Totals	\$54,425,500	\$15,000,000	\$39,425,500

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 450	Second L/L bonds
Philadelphia	4,000,000	A-1927 Treas. Notes	4,001,000	Misc. Gov't Sec.
Cleveland	7,000,000	Treas. Notes	7,000,000	Third L/L bonds
Atlanta	223,450	Misc. Gov't Sec.	152,600	Misc. Gov't Sec.
St. Louis	4,065,000	A-1927 Treas. Notes	4,000,000	Third L/L bonds
Dallas	28,050	Misc. Gov't Sec.	0	-
San Francisco	1,550	Third L/L bonds		
Totals	\$15,318,050		\$15,154,050	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by Allotment</u>			<u>Matur-</u>	<u>Other Holdings</u>	
	<u>Aug. 18</u>	<u>Own Mkt.</u>	<u>Regular</u>	<u>From</u>	<u>ities</u>	<u>Holdings</u>	<u>Close Aug. 25/26</u>	
			<u>from</u>	<u>Boston</u>	<u>ies</u>	<u>Aug. 25</u>	<u>Sales</u>	<u>Other</u>
			<u>N.Y.</u>	<u>Port.</u>	<u>& Sales</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 19,526	\$ 3,464 R.	0	0	\$ 6,343*	\$ 16,647	\$ 797	0
New York	29,878	5,728 "	0	3,000	3,506	35,100	4,956	831
		10,936 A.						
Phila.	18,256	2,399 R.	0	0	1,776	18,879	0	0
Cleve.	24,972	500 "	1,990	500	1,997	25,965	0	519
Richmond	12,593	178 "	1,331	0	1,395	12,707	0	0
Atlanta	28,323	96 "	1,285	600	4,482	25,822	0	723
Chicago	35,221	362 "	1,999	0	4,108	33,474	1,717	0
St. Louis	8,993	0	244	0	820	8,417	0	0
Minn.	11,203	0	1,151	500	1,065	11,789	0	0
Kan. City	15,096	0	1,338	701	2,622	14,513	0	0
Dallas	11,301	615 "	1,153	300	1,123	12,246	0	0
San. Fran.	22,326	1,586 "	445	0	932	23,425	3,127	0
Totals	\$237,688	\$25,864	\$10,936	\$5,601	\$30,169	\$238,984	\$10,597	\$2,073

Bills held over night by N.Y. for distribution to other F. R. banks..... 2,962

Total \$5,035

*Includes \$5,601,000 sold to other Federal Reserve banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 25, 1926
(000 Omitted)

	<u>1-30 days</u> <u>3 1/8 - 3 1/2%</u>	<u>31-60 days</u> <u>3 1/2 - 3 7/8%</u>	<u>61-90 days</u> <u>3 1/2 - 3 7/8%</u>	<u>Over 90 days</u> <u>3 5/8 - 3 3/4%</u>	<u>Total</u>
Boston	\$ 1,150	\$ 99	\$2,127	\$ 88	\$ 3,464
New York	9,770	1,231	4,779	884	16,664
Philadelphia	888	995	516	0	2,399
Cleveland	0	0	500	0	500
Richmond	178	0	0	0	178
Atlanta	0	0	96	0	96
Chicago	340	21	1	0	362
Dallas	50	200	365	0	615
San Francisco	<u>513</u>	<u>723</u>	<u>262</u>	<u>88</u>	<u>1,586</u>
Totals	<u>\$12,889</u>	<u>\$3,269</u>	<u>\$8,646</u>	<u>\$1,060</u>	<u>\$25,864</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 25, 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	\$30,318	\$31,465	\$61,783
Sold	69,579	0	69,579
Matured	0	<u>30,169</u>	<u>30,169</u>
		\$ 1,296+	\$37,965-
		1,730+ (Net Change	1,730+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$39,261-</u>	<u>\$3,026+</u>	<u>\$36,235-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>Aug. 25, 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	\$ 2,305	\$ 65,888	0	0	\$58,604	\$194,420	\$321,217
Bills Purchased	<u>72,070</u>	<u>52,228</u>	<u>74,669</u>	<u>47,931</u>	<u>7,718</u>	<u>0</u>	<u>254,616</u>
Totals	<u>\$74,375</u>	<u>\$118,116</u>	<u>\$74,669</u>	<u>\$47,931</u>	<u>\$66,322</u>	<u>\$194,420</u>	<u>\$575,833</u>

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Form No. 131.

Office Correspondence

To All members of the Board.

From Mr. Noell.

FEDERAL RESERVE
BOARD

#2

Subject: _____

Date August 27, 1926.

SEARCHED INDEXED
SERIALIZED FILED
AUG 29 1926
FBI - ST. LOUIS
333

2-5166

For your information.

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

Please return to Secretary's Office.

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August 27, 1926.

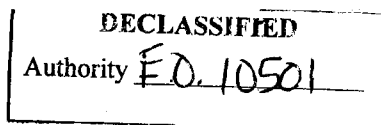
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 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 August 12 to August 18, 1926, inclusive, together with data received by the Committee from the Federal reserve banks.

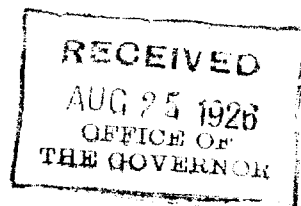
Very truly yours,

J. C. Noell,
Assistant Secretary.

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



FEDERAL RESERVE BANK
OF NEW YORK




CONFIDENTIAL

August 23, 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 August 12 to August 18, 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 AUGUST 18, 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 DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1925-							
Jan.	28	\$ 988,582	\$392,504	\$ 1,560	\$228,180	\$19,587	\$273,692
Feb.	25	1,129,698	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	346,365	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.	28	1,114,233	385,685	3,128	180,274	18,743	513,668
May	26	1,119,122	391,115	3,950	183,824	55,004	473,943
June	30	1,158,406	372,868	12,411	214,664	34,750	515,031
July	28	1,106,302	368,591	647	196,009	15,164	521,390
Aug.	11	1,148,861	364,946	735	217,443	13,525	549,011
"	18	1,151,884	358,173	1,845	240,993	13,129	534,544

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 18, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 18	Net Change	Balance Aug. 18	Net Change	Balance Aug. 18	Net Change
Boston	\$ 12,366	\$ 321-	\$ 19,526	\$ 429+	\$ 35,908	\$11,688+
New York	70,667	1,935-	29,878	1,216+	145,911	44,342-
Philadelphia	21,425	180-	18,256	260+	42,165	4,355+
Cleveland	37,816	284-	24,972	2,486+	39,717	3,173-
Richmond	8,989	213-	12,593	2,098+	45,327	661+
Atlanta	1,924	43-	28,323	2,878+	48,299	4,197+
Chicago	54,457	963-	35,221	5,196+	57,169	5,104+
St. Louis	23,857	142-	8,993	2,137+	37,735	7,390+
Minneapolis	19,287	327-	11,203	1,642+	12,896	3,542+
Kansas City	33,676	660-	15,096	1,975+	10,517	225-
Dallas	25,663	634-	11,301	1,726+	19,253	981+
San Francisco	48,036	1,071-	22,326	4,652+	39,647	4,645-
N.Y. holdovers & other bills			3,305	3,145-		
Totals	\$358,173	\$6,773-	\$240,993	\$23,550+	\$534,544	\$14,467-

COMMENT ON CHANGES WEEK ENDED AUGUST 18, 1926

An increase of approximately \$23,000,000 during the current statement week in System holdings of bankers acceptances was partially offset by decreases of about \$14,500,000 in bills discounted and about \$5,500,000 in Government securities, resulting in a net increase in total earning assets of \$3,000,000. These figures include minor changes in holdings under sales contract agreements.

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Money
Market

Stock Exchange call money loaned at $4\frac{1}{2}\%$ during the current week and offerings were generally in excess of the demand. Some loans were made outside of the Exchange as low as $4\frac{1}{4}$ per cent.

Time money was firm with most trading in 4 months and over the year loans at $4\frac{7}{8}$ and 5 per cent respectively.

In the commercial paper market supplies of new paper were only fair. There was some indication of improvement in the demand over last week. Sales continued to be made at $4\frac{1}{4}$ and $4\frac{1}{2}$ per cent.

Government
Security
Market

Trading in United States Liberty Loan and Treasury bonds was quiet with only minor recessions in prices of some of the longer term bonds.

There was very little demand in the market during the current week for the short-term certificates and notes and prices in general were about the same as last week.

Bankers
Acceptances

A further advance of $\frac{1}{8}$ per cent in dealers' rates on unindorsed prime bankers acceptances occurred on August 16, their offering rates now being as follows: $3\frac{3}{8}$ per cent for 30's, $3\frac{1}{2}$ per cent for 60's, $3\frac{5}{8}$ per cent for 90's and $3\frac{3}{4}$ per cent for 120 day maturities.

The Federal Reserve Banks of New York and Boston report that on August 16 they increased their minimum buying rates on indorsed bills so that the rates now in effect are as follows: 1 to 45 days $3\frac{3}{8}$ per cent, 46-90 days $3\frac{1}{2}$ per cent, 4 months $3\frac{5}{8}$ per cent and 5 to 6 months 4 per cent.

Boston reports a continued small supply of bills with little likelihood of improvement until commercial paper rates are increased. The demand, while improved, was largely from local banks, country banks being practically out of the market. Sales have been mostly of 30 and 90 day maturities. The Market in New York was inactive and unsettled. Offerings to the reserve bank were very heavy and dealers' portfolios made substantial declines. Bill market conditions in Philadelphia are reported as being much improved with a fair demand for bills at the increased rates. Chicago reports that the change in bill rates has had very little effect on their market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Purchases of Third $4\frac{1}{4}\%$ Liberty Loan bonds for the Cumulative Sinking Fund reported last week aggregating \$5,410,000 were delivered during the current week. Under additional authority from the Treasury further purchases of Thirds for the Sinking Fund have been made, totaling \$46,925,500 of which \$7,500,000 were purchased in the market and \$39,425,500 from the System Special Investment Account. Deliveries have been made during the week of \$12,500,000, the balance \$34,425,500 is to be delivered August 24.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to August 18, 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	\$ 76,466,000	\$ 70,842,000	\$5,624,000	\$ 0
New York	235,445,000	238,163,000	0	2,718,000
Philadelphia	77,947,000	80,961,000	0	3,014,000
Cleveland	100,686,000	101,199,000	0	513,000
Richmond	51,980,000	52,070,000	0	90,000
Atlanta	48,120,000	48,704,000	0	584,000
Chicago	142,289,000	141,681,000	608,000	0
St. Louis	45,096,000	45,096,000	0	0
Minneapolis	41,440,000	41,950,000	0	510,000
Kansas City	59,933,000	60,721,000	0	788,000
Dallas	41,671,000	41,950,000	0	279,000
San Francisco	93,347,000	91,083,000	2,264,000	0
Totals	<u>\$1,014,420,000</u>	<u>\$1,014,420,000</u>	<u>\$8,496,000</u>	<u>\$8,496,000</u>

The overages as shown above are being adjusted in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

At its meeting August 17 the Committee approved the following transactions which were effected during the current week:

Sale to foreign correspondents of \$7,337,000 Treasury Notes due Sept. 15, 1926.
Purchases from portfolios of certain reserve banks \$15,000,000 Third Liberty Loan bonds which, together with present System holdings of this issue amounting to \$24,425,500 are to be sold to the Treasury Department for the Cumulative Sinking Fund. \$10,000,000 were delivered on August 19, and the balance is to be delivered on Aug. 24.
Sale on August 19 from System Account to replace \$15,000,000 purchase of Thirds as follows:

To Cleveland	\$3,100,000	March 15, 1927	4 3/4%	Treas. Notes
" "	3,900,000	Dec. 15, 1927	4 1/2%	" "
" St. Louis	4,000,000	Dec. 15, 1927	4 1/2%	" "
" Philadelphia	4,000,000	Dec. 15, 1927	4 1/2%	" "

The result of the above transactions will leave the total holdings in the System Account at the close of August 24 at \$223,437,500. The participation by all Federal reserve banks and the classification of issues will be as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 9,794,000
New York	58,944,000
Philadelphia	5,496,000
Cleveland	14,748,500
Richmond	6,501,000
Atlanta	0
Chicago	29,308,000
St. Louis	15,333,000
Minneapolis	9,969,000
Kansas City	20,104,500
Dallas	20,632,000
San Francisco	32,607,500
Totals	<u>\$223,437,500</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 59,885,000
December 15, 1926	57,353,000
March 15, 1927	76,878,200
December 15, 1927	29,321,300

\$223,437,500

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4

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM AUGUST 12 TO AUGUST 18, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
(Participation in Sales)

Boston	\$ 321,500
New York	1,935,500
Philadelphia	180,500
Cleveland	484,000
Richmond	213,500
Atlanta	0
Chicago	962,500
St. Louis	503,500
Minneapolis	327,500
Kansas City	660,000
Dallas	678,000
San Francisco	<u>1,070,500</u>
 Total	 <u>\$7,337,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$ 200,000	Dec. 15, 1926 Ctf's.	0	-
Atlanta	153,000	Misc. Gov't Sec.	195,800	Misc. Gov't Sec.
St. Louis	361,650	Misc. Gov't Sec.	0	-
Minneapolis	582,850	Misc. Gov't Sec.	582,850	Misc. Gov't Sec.
Dallas	<u>43,850</u>	Misc. Gov't Sec.	<u>0</u>	-
 Totals	 <u>\$1,341,350</u>		 <u>\$778,650</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings <u>Aug. 11</u>	Purchased <u>Own Mkt.</u>	Rec'd by Allotment			Matur- ities & Sales	Holdings <u>Aug. 18</u>	Other Holdings <u>Close Aug. 18/26</u>	
			Regular from N.Y.	From Boston Port.				Sales <u>Contracts</u>	Other <u>Bills</u>
Boston	\$ 19,097	\$ 9,480 R.	0	0	\$ 9,051**	\$ 19,526	\$ 1,049	0	
New York	28,662	8,841 " 27,609 A.	0	2,501	7,475 2,651*	29,878	6,169	852	
Phila.	17,996	1,367 R.	0	500	1,607	18,256	0	0	
Cleveland	22,486	728 " 4,332	4,332	900	3,474	24,972	0	419	
Richmond	10,495	448 " 2,227	2,227	600	1,177	12,593	0	0	
Atlanta	25,445	2,651* 2,236	2,236	501	2,510	28,323	0	660	
Chicago	30,025	2,653 " 5,737	5,737	900	4,094	35,221	2,066	0	
St. Louis	6,856	0 2,087	2,087	600	550	8,993	0	0	
Minneapolis	9,561	0 2,158	2,158	0	516	11,203	0	0	
Kan. City	13,121	0 2,580	2,580	700	1,305	15,096	0	0	
Dallas	9,575	255 " 2,057	2,057	0	586	11,301	0	0	
San Fran.	<u>17,674</u>	<u>3,660</u> " <u>4,195</u>	<u>4,195</u>	<u>0</u>	<u>3,203</u>	<u>22,326</u>	<u>3,845</u>	<u>0</u>	
 Totals	 \$210,993	 \$57,692	 \$27,609	 \$7,202	 \$38,199	 \$237,688	 \$13,129	 \$1,931	

Bills held over night by New York for distribution to other F. R. Banks - - - 1,374
Total - - - - - \$3,305

*Sale to Atlanta from New York portfolio

**Includes \$7,202,000 sold to other Federal Reserve Banks

NOTE: R. indicates retained and A. indicates allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 18, 1926
(000 Omitted)

	1-30 days 3 1/8 - 3 1/2%	31-60 days 3 1/4 - 3 5/8%	61-90 days 3 1/4 - 3 5/8%	Over 90-days 3 3/8 - 3 3/4%	Total
Boston	\$ 3,772	\$ 1,304	\$ 2,986	\$1,418	\$ 9,480
New York	11,590	8,804	13,080	2,976	36,450
Philadelphia	824	82	461	0	1,367
Cleveland	283	445	0	0	728
Richmond	231	167	50	0	448
Atlanta	2,651	0	0	0	2,651
Chicago	434	854	1,365	0	2,653
Dallas	33	22	200	0	255
San Francisco	286	1,314	2,060	0	3,660
Totals	\$20,104	\$12,992	\$20,202	\$4,394	\$57,692

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 18, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$1,342	\$64,894	\$66,236
Sold	8,115	9,853	17,968
Matured	0	28,346	28,346
		\$26,695+	\$19,922+
		3,145- (Net Change	3,145- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	\$6,773-	\$23,550+	\$16,777+

(Including Sales Contracts)

Holdings Aug. 18, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 1,845	\$ 65,823	0	0	\$58,602	\$233,748	\$360,018
Bills Purchased	68,190	50,599	74,810	52,158	8,365	0	254,122
Totals	\$70,035	\$116,422	\$74,810	\$52,158	\$66,967	\$233,748	\$614,140

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 17, 1926.

To All members of the Board.

Subject: _____

From Mr. Noell.

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For your information.

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

Please return to Secretary's Office.

DECLASSIFIED
Authority EO 10501

August 17, 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 August 16th, 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 August 5 to August 11, 1926, inclusive, together with data received by the Committee from the Federal reserve banks.

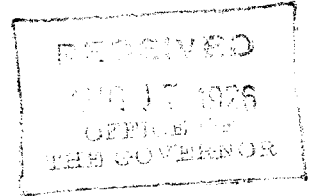
Very truly yours,

E. C. Noell,
Assistant 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



CONFIDENTIAL

August 16, 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 August 5 to August 11, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 AUGUST 11, 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	\$228,180	\$19,587	\$273,692
Feb.	25	1,129,698	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	346,365	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.	28	1,114,233	385,685	3,128	180,274	18,743	513,668
May	26	1,119,122	391,115	3,950	183,824	55,004	473,943
June	30	1,158,406	372,868	12,411	214,664	34,750	515,031
July	28	1,106,302	368,591	647	196,009	15,164	521,390
Aug.	4	1,149,517	369,655	565	209,582	18,910	547,605
"	11	1,148,861	364,946	735	217,443	13,525	549,011

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 11, 1926

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 11	Net Change	Balance Aug. 11	Net Change	Balance Aug. 11	Net Change
Boston	\$ 12,687	\$ 211-	\$ 19,097	\$2,126+	\$ 24,220	\$6,286-
New York	72,602	1,267-	28,662	4,350+	190,253	24,025+
Philadelphia	21,605	118-	17,996	309-	37,810	4,297-
Cleveland	38,100	317-	22,486	30-	42,890	6,343+
Richmond	9,202	140-	10,495	201-	44,666	1,518+
Atlanta	1,967	74+	25,445	1,516-	44,102	8+
Chicago	55,430	629-	30,025	1,870-	52,065	4,072-
St. Louis	23,999	329-	6,856	1,335+	30,345	4,853-
Minneapolis	19,614	214-	9,561	360+	9,354	1,439-
Kansas City	34,336	432-	13,121	370+	10,742	7,358-
Dallas	26,297	426-	9,575	59-	18,272	300+
San Francisco	49,107	700-	17,674	384+	44,292	2,483-
N.Y. holdovers and other bills			6,450	2,921+		
Totals	\$364,946	\$4,709-	\$217,443	\$7,861+	\$549,011	\$1,406+

COMMENT ON CHANGES WEEK ENDED AUGUST 11, 1926

The total earning assets of the System declined approximately \$700,000 during the current statement week. Increases of \$1,400,000 in bills discounted, and \$7,800,000 in outright purchases of bankers acceptances were partly offset by decreases of \$4,700,000 in outright purchases of Government securities and \$5,400,000 in bankers acceptances held under sales contracts.

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Money
Market

Stock Exchange call money opened and renewed on Monday at 4 1/4 per cent and advanced to 5 per cent on Tuesday as a result of deficits in the average reserves of leading New York City banks. On Wednesday, however, call money eased to 4 1/2 per cent due to the gain of funds in the market from incoming transfers and purchases made for the Treasury and the rate remained at this figure for the balance of the week.

Time money was firmer although trading was not very active. Most trading was in 3 to 6 months' loans at the rate of 4 3/4 per cent and the rates at the close of the week for loans of these maturities were 4 3/4 per cent bid, at 5 per cent offered.

The commercial paper market was quiet and fewer sales were made in the interior, due to the demand for funds in moving crops. Sales of prime names were mostly at 4 1/4 and 4 1/2 per cent.

Government
Security
Market

Accompanying firmer money conditions there were fractional recessions in prices of United States Liberty Loan and Treasury bonds. The volume of trading on the Exchange was moderate and the average yield of offered prices at the close of the week was approximately 2/100 of 1 per cent higher than last week.

Offerings of the short-term certificates and notes were also at prices to yield slightly higher percentages, the average gain over last week being approximately 5/100 of 1 per cent.

Bankers
Acceptances

On August 13 dealers increased their rates 1/8 per cent on unindorsed prime bankers acceptances. The increased rates were as follows: 3 1/4 per cent for 30's, 3 3/8 per cent for 60's, 3 1/2 per cent for 90's, and 3 5/8 per cent for 120-day maturities.

Boston reports there was no marked change in their bill market for the week ending August 11, 1926. Dealers reported some improvement in both supply and demand although new bills continue to be scarce. The market in New York was very quiet with a fair demand for 30 and 90-day bills. The supply was very poor and dealers' portfolios declined to the lowest point of the year. Philadelphia received reports from dealers which indicated that the general tone in the bill market was somewhat better. There was a slight increase in the number of bills made by the banks and the demand was firmer. Chicago reports that the market there continues to be dull with practically no new bills being offered.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were made during the week of the \$15,000,000 Third Liberty Loan 4 1/4 per cent bonds which were purchased in the market for account of the Cumulative Sinking Fund, as reported last week. Under authority from the Treasury an additional block of Third 4 1/4's, aggregating \$7,410,000 was purchased for the Sinking Fund for delivery as follows: \$2,000,000 on August 11, \$410,000 on August 13, \$3,000,000 on August 18, and \$2,000,000 on August 19.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to August 11, 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	\$ 74,188,000	\$ 66,944,000	\$7,244,000	0
New York	224,103,000	225,347,000	0	1,244,000
Philadelphia	76,080,000	76,506,000	0	426,000
Cleveland	94,726,000	95,629,000	0	903,000
Richmond	48,705,000	49,278,000	0	573,000
Atlanta	45,383,000	45,912,000	0	529,000
Chicago	132,999,000	133,885,000	0	886,000
St. Louis	42,409,000	42,999,000	0	590,000
Minneapolis	39,282,000	39,715,000	0	433,000
Kansas City	56,653,000	57,379,000	0	726,000
Dallas	39,359,000	39,715,000	0	356,000
San Francisco	85,492,000	86,070,000	0	578,000
Totals	<u>\$959,379,000</u>	<u>\$959,379,000</u>	<u>\$7,244,000</u>	<u>\$7,244,000</u>

The overage of the Boston bank is being adjusted by allotment direct to the banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of all members of the Committee, there was sold during the period to a foreign correspondent, \$4,800,000 Treasury Notes due September 15, 1926.

This left the total holdings of the System Account for the current statement week at \$270,200,000. The participation by all Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 11,843,000
New York	71,280,000
Philadelphia	6,646,500
Cleveland	17,835,000
Richmond	7,861,500
Atlanta	0
Chicago	35,443,000
St. Louis	18,542,500
Minneapolis	12,056,500
Kansas City	24,311,500
Dallas	24,949,500
San Francisco	<u>39,431,000</u>

Totals \$270,200,000

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 67,222,000
December 15, 1926	57,353,000
March 15, 1927	79,978,200
December 15, 1927	41,221,300
September 15, 1928	24,425,500
3rd L/L bonds	

\$270,200,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM AUGUST 5 TO AUGUST 11, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
 (Participation in Sales)

Boston	\$ 210,500
New York	1,266,500
Philadelphia	118,000
Cleveland	317,000
Richmond	139,500
Atlanta	0
Chicago	629,500
St. Louis	329,500
Minneapolis	214,000
Kansas City	432,000
Dallas	443,000
San Francisco	700,500
Total	<u>\$4,800,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$321,200	Misc. Gov't Sec.	\$247,050	Misc. Gov't Sec.
Minneapolis	588,400	Misc. Gov't Sec.	588,400	Misc. Gov't Sec.
Dallas	16,850	Misc. Gov't Sec.	0	-
Totals	<u>\$926,450</u>		<u>\$835,450</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Aug. 4	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings Aug. 11	Other Holdings Close Aug. 11/26	
			Regular N.Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 16,971	\$ 9,451 R.	\$ 0	\$ 0	\$ 7,325*	\$ 19,097	\$ 2,651	\$ 0
New York	24,312	6,186 "	0	2,400	4,236	28,662	3,182	882
		11,795 A.						
Phila.	18,305	2,424 R.	0	0	2,733	17,996	0	0
Cleve.	22,516	375 "	1,854	0	2,259	22,486	0	528
Richmond	10,696	0	1,366	0	1,566	10,495	0	0
Atlanta	26,961	75 "	1,129	200	2,920	25,445	0	700
Chicago	31,895	1,067 "	938	0	3,875	30,025	3,012	0
St. L.	5,521	0	1,405	0	70	6,856	0	0
Minneapolis	9,201	0	1,103	0	743	9,561	0	0
Kan. City	12,751	0	1,208	500	1,339	13,121	0	0
Dallas	9,634	88 "	768	0	915	9,575	0	0
San Fran.	17,290	621 "	2,024	0	2,261	17,674	4,680	0
Totals	\$206,053	\$32,082	\$11,795	\$3,100	\$30,242	\$210,993	\$13,525	\$2,110
Bills held over night by N. Y. for distribution to other F. R. Banks ... \$4,340								
Total \$6,450								

* Includes \$3,100,000 sold to other Federal reserve banks.

NOTE: R indicates retained and A indicates allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 11, 1926
(000 Omitted)

	1-30 days <u>3 1/8 - 3 1/4%</u>	31-60 days <u>3 1/4%</u>	61-90 days <u>3 1/4 - 3 3/8%</u>	Over 90-days <u>3 3/8%</u>	Total
Boston	\$ 3,014	\$ 730	\$ 2,960	\$ 747	\$ 9,451
New York	8,027	3,508	5,493	953	17,981
Philadelphia	256	290	1,878	0	2,424
Cleveland	0	0	375	0	375
Atlanta	0	0	75	0	75
Chicago	182	35	850	0	1,067
Dallas	13	75	0	0	88
San Francisco	273	345	3	0	621
Totals	<u>\$13,765</u>	<u>\$4,983</u>	<u>\$11,634</u>	<u>\$1,700</u>	<u>\$32,082</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 11, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

	(Excluding Sales Contracts)		
	Government Securities	Bankers Acceptances	Total
Purchased	\$ 926	\$35,182	\$36,108
Sold	5,635	3,100	8,735
Matured	0	<u>27,142</u>	<u>27,142</u>
		\$ 4,940+	\$ 231+
		2,921+ (Net Change	2,921+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$4,709-</u>	<u>\$ 7,861+</u>	<u>\$ 3,152+</u>

(Including Sales Contracts)

Holdings Aug. 11, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 735	0	\$ 73,160	0	\$58,372	\$233,414	\$365,681
Bills Purchased	<u>70,754</u>	<u>46,397</u>	<u>66,224</u>	<u>41,023</u>	<u>6,570</u>	<u>0</u>	<u>230,968</u>
Totals	<u>\$71,489</u>	<u>\$46,397</u>	<u>\$139,384</u>	<u>\$41,023</u>	<u>\$64,942</u>	<u>\$233,414</u>	<u>\$596,649</u>

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Authority EO 10501

Form No. 131.

Office Correspondence

To All Members of the Board

F. J. [Signature]
Mr. Noell

FEDERAL RESERVE
BOARD
2

Subject: 232

Date August 10, 1926

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

Governor Cressinger ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Cunningham *absent*
Mr. Miller *absent*
Col. McIntosh ✓

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Authority EO 10501

August 10, 1926

Dear Mr. Matteson:

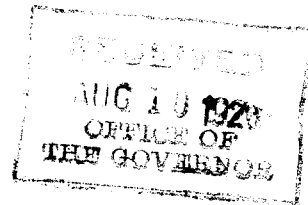
I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of August 9th, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from July 29th to August 4th, 1926, inclusive.

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.

DECLASSIFIED
Authority EO 10501



FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 9, 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 July 29 to August 4, 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 AUGUST 4, 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	\$228,180	\$19,587	\$273,692
Feb. 25	1,129,698	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	346,365	3,849	241,377	37,036	413,999
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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
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Apr. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
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Aug. 4	1,149,517	369,655	565	209,582	18,910	547,605

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 4, 1926

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 4	Net Change	Balance Aug. 4	Net Change	Balance Aug. 4	Net Change
Boston	\$ 12,898	1-	\$ 16,971	\$ 2,338+	\$ 30,506	\$ 3,076+
New York	73,869	0	24,312	789-	166,228	15,390+
Philadelphia	21,723	0	18,305	1,296+	42,107	1,169-
Cleveland	38,417	999+	22,516	2,031+	36,547	6,091+
Richmond	9,342	0	10,696	644+	43,148	1,068-
Atlanta	1,893	32+	26,961	1,954+	44,094	497+
Chicago	56,059	0	31,895	2,877+	56,137	2,400-
St. Louis	24,328	0	5,521	1,398+	35,198	4,814+
Minneapolis	19,828	0	9,201	457+	10,793	610+
Kansas City	34,768	0	12,751	649+	18,100	2,558+
Dallas	26,723	34+	9,634	944+	17,972	511-
San Francisco	49,807	0	17,290	280+	46,775	1,673-
N.Y. holdovers and other bills			3,529	506-		
Totals	\$369,655	\$1,064+	\$209,582	\$13,573+	\$547,605	\$26,215+

COMMENT ON CHANGES WEEK ENDED AUGUST 4, 1926

The total earning assets of the System were approximately \$43,000,000 greater than the previous week. The principal increases occurred in the amount of bills discounted, which advanced \$26,000,000, and in the amount of outright purchases of bankers acceptances which advanced \$13,000,000. Other smaller increases were \$3,000,000 in bankers acceptances held under sales contracts and \$1,000,000 in outright purchases of Government securities.

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Money
Market

Money conditions were firm during the early part of the week when Stock Exchange loans were made at the rates of 4 1/2 and 5 per cent. Call money eased to 4 per cent on Wednesday by which time the first of the month requirements had been taken care of. On Thursday, however, money again became firmer, due to currency withdrawals and outgoing commercial transfers, and the rate advanced to 4 1/2 per cent at which figure it closed for the week.

Time money was slightly firmer but the market continued quiet with a small volume of loans at the following rates: 60 days 4 1/2 per cent; 3 and 4 months' 4 5/8 per cent, and 5 and 6 months' 4 3/4 per cent.

New supplies of commercial paper were slightly larger during the week and sales of best names were mostly at 4 1/4 per cent with some sales at 4 and 4 1/2 per cent. The demand from buyers, which continued light, was mostly from the New England and interior markets.

Government
Security
Market

Prices of United States Liberty Loan and Treasury bonds were fractionally lower than last week. Trading on the New York Stock Exchange was of small volume, the total sales of all issues for the current week being only slightly over \$3,000,000.

The short-term certificate and note market was inactive with prices approximately 1/32nd of 1 per cent lower than last week.

Bankers
Acceptances

Unindorsed bills were offered at the following rates which are unchanged from those current during the past two weeks: 3 1/8 per cent for 30's, 3 1/4 per cent for 60's, 3 3/8 per cent for 90's, and 3 1/2 per cent for 120-day maturities.

Boston reports that the midsummer dullness characterized the market there. Dealers sales were slightly greater than during the previous week but consisted for the most part of a few large orders confined to 30 and 90-day bills. In New York the market continued very quiet and featureless. The supply of bills was light and with the exception of 30-day bills the demand was poor. Dealers report the aggregate of their portfolios to be approximately unchanged from last week. Philadelphia reports the market there is also quiet with a slight improvement in the amount of turnover. Chicago reports a very small demand being made for bills with practically no new bills coming into the market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions under authority from the Treasury consisted of the sale in the market of \$200,000 December 15, 1926 certificates from investment holdings of the Alien Property Custodian and the purchase in the market for delivery on August 10 and August 12 of an aggregate of \$15,000,000 Third 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to August 4, 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	\$ 67,837,000	\$ 64,698,000	\$3,139,000	0
New York	215,517,000	217,968,000	0	2,451,000
Philadelphia	73,656,000	73,939,000	0	283,000
Cleveland	92,497,000	92,421,000	76,000	0
Richmond	47,339,000	47,674,000	0	335,000
Atlanta	43,979,000	44,308,000	0	329,000
Chicago	130,994,000	129,393,000	1,601,000	0
St. Louis	41,004,000	41,395,000	0	391,000
Minneapolis	38,179,000	38,432,000	0	253,000
Kansas City	54,945,000	55,454,000	0	509,000
Dallas	38,503,000	38,432,000	71,000	0
San Francisco	<u>82,847,000</u>	<u>83,183,000</u>	<u>0</u>	<u>336,000</u>
Totals	<u>\$927,297,000</u>	<u>\$927,297,000</u>	<u>\$4,887,000</u>	<u>\$4,887,000</u>

The overages aggregating \$4,887,000, as shown in the above statement, are being adjusted in the usual manner.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The transaction carried over from the previous week consisting of the sale in the market from holdings of the System Account of \$1,500,000 March 15, 1927 Notes in exchange for a like amount of December 15, 1926 certificates was completed on July 29.

The total holdings of the System for the current statement week were unchanged at \$275,000,000. The participation by all Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 12,053,500
New York	72,546,500
Philadelphia	6,764,500
Cleveland	18,152,000
Richmond	8,001,000
Atlanta	0
Chicago	36,072,500
St. Louis	18,872,000
Minneapolis	12,270,500
Kansas City	24,743,500
Dallas	25,392,500
San Francisco	<u>40,131,500</u>

Totals \$275,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 72,022,000
December 15, 1926	57,353,000
March 15, 1927	79,978,200
December 15, 1927	41,221,300
September 15, 1928	24,425,500
3rd L/L bonds	

\$275,000,000

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JULY 29 TO AUGUST 4, 1926**
(Participation in Short-term Governments - Special Investment Account)

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 65,500	\$ 65,500
New York	395,500	395,500
Philadelphia	37,000	37,000
Cleveland	99,000	99,000
Richmond	43,500	43,500
Atlanta	0	0
Chicago	197,000	197,000
St. Louis	103,000	103,000
Minneapolis	67,000	67,000
Kansas City	135,000	135,000
Dallas	138,500	133,500
San Francisco	219,000	219,000
Totals	\$1,500,000	\$1,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 150	Second L/L bonds
Cleveland	1,000,000	A-1927 Treas. Notes	1,000	Misc. Gov't Sec.
Atlanta	88,200	Misc. Gov't Sec.	56,400	Misc. Gov't Sec.
St. Louis	250,000	Second L/L bonds	250,000	Treas. Bonds 1956
Dallas	33,550	Misc. Gov't Sec.	0	-
Totals	\$1,371,750		\$307,550	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 28	<u>Rec'd by Allotment</u>			Matur- ities & Sales	Holdings Aug. 4	<u>Other Holdings</u>	
		<u>Purchased</u> <u>Own Mkt.</u>	<u>Regular</u> <u>N. Y.</u>	<u>From</u> <u>Boston</u> <u>Portfolio</u>			<u>Close Aug. 4/26</u> <u>Sales</u>	<u>Other</u> <u>Contracts</u> <u>Bills</u>
Boston	\$ 14,633	\$ 5,619 R.	\$ 0	\$ 0	\$ 3,281x	\$16,971	\$ 2,909	0
N. Y.	25,101	5,918 "	0	1,100	7,807xx	24,312	8,422	928
		16,686 A.						
Phila.	17,009	2,338 R.	0	0	1,042	18,305	0	0
Cleve.	20,485	1,069 "	2,599	600	2,237	22,516	0	818
Richmond	10,052	75 "	1,656	0	1,087	10,696	0	0
Atlanta	25,007	2,742 "xx	1,401	400	2,589	26,961	0	688
Chicago	29,018	3,175 "	2,864	0	3,162	31,895	3,462	0
St. Louis	4,123	0	1,398	0	0	5,521	0	0
Minneapolis	8,744	0	1,470	0	1,013	9,201	0	0
Kan. City	12,102	0	1,877	0	1,228	12,751	0	0
Dallas	8,690	300 "	1,406	0	762	9,634	0	0
San Fran.	17,010	539 "	2,015	0	2,274	17,290	4,117	0
Totals	\$191,974	\$38,461	\$16,686	\$2,100	\$26,482	\$206,053	\$18,910	\$2,434
Bills held over night by New York for distribution to other F.R. Banks								1,095
Total								\$3,529

xIncludes \$2,100,000 sold to other Federal reserve banks.

xxIncludes \$2,672,000 sold to F.R.B. of Atlanta from N.Y. portfolio.

NOTE: R indicates retained and A indicates allotted in the above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 4, 1926
(000 Omitted)

	1-30 days 3 1/8 - 3 3/8%	31-60 days 3 1/4 - 3 3/4%	61-90 days 3 1/4 - 3 3/8%	Over 90-days 3 3/8%	Total
Boston	\$ 675	\$1,237	\$ 3,461	\$ 246	\$ 5,619
New York	13,532	1,886	5,511	1,675	22,604
Philadelphia	1,031	137	1,170	0	2,338
Cleveland	0	0	1,069	0	1,069
Richmond	0	75	0	0	75
Atlanta	2,672	0	70	0	2,742
Chicago	1,563	697	915	0	3,175
Dallas	48	14	238	0	300
San Francisco	406	133	0	0	539
Totals	\$19,927	\$4,179	\$12,434	\$1,921	\$38,461

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 4, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$2,871	\$40,561	\$43,432
Sold	1,807	4,772	6,579
Matured	0	21,710	21,710
		\$14,079+	\$15,143+
		506- (Net Change	506- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	\$1,064+	\$13,573+	\$14,637+

(Including Sales Contracts)

Holdings August 4, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 565	0	\$ 77,959	0	\$58,372	\$233,324	\$370,220
Bills Purchased	75,269	40,228	62,911	43,476	6,608	0	228,492
Totals	\$75,834	\$40,228	\$140,870	\$43,476	\$64,980	\$233,324	\$598,712

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

To All Members of the Board

Subject: # 2

From Mr. Eddy

Date August 3, 1926

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2-5495

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

✓ Governor Crissinger

Mr. Platt

Mr. Hamlin ✓

Mr. James ✓

Mr. Cunningham *absent*

Mr. Miller *absent*

Col. McIntosh ✓

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August 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 2nd instant, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from July 22 to July 28, 1926, inclusive.

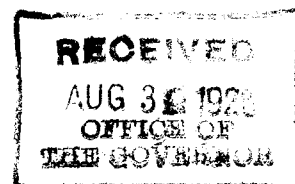
Very truly yours,

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

August 2, 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 July 22 to July 28, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

A handwritten signature in dark ink, 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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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 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	346,365	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	311,933	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.	28	1,214,233	385,685	3,128	180,274	18,743	513,668
May	26	1,119,122	391,115	3,950	183,824	55,004	473,943
June	30	1,158,406	372,868	12,411	214,664	34,750	515,031
July	21	1,102,165	370,733	12,364	198,921	18,518	495,429
"	28	1,105,302	368,591	647	196,009	15,164	521,390

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 28	Net Change	Balance July 28	Net Change	Balance July 28	Net Change
Boston	\$ 12,899	0	\$ 14,633	\$5,986-	\$ 27,430	\$ 3,320+
New York	73,869	0	25,101	3,038+	150,838	24,454+
Philadelphia	21,723	0	17,009	241+	43,276	1,082-
Cleveland	37,418	0	20,485	826-	30,456	4,199-
Richmond	9,342	0	10,052	703+	44,216	1,408+
Atlanta	1,861	7-	25,007	787-	43,597	257-
Chicago	56,059	0	29,018	2,191-	58,537	2,287+
St. Louis	24,328	2,139-	4,123	34-	30,384	4,750-
Minneapolis	19,828	0	8,744	679+	10,183	1,941+
Kansas City	34,768	0	12,102	910+	15,542	975-
Dallas	26,689	4+	8,690	21+	18,483	844+
San Francisco	49,807	0	17,010	508+	48,448	2,970+
N.Y. holdovers and other bills			4,035	812+		
Totals	\$368,591	\$2,142-	\$196,009	\$2,912-	\$521,390	\$25,961+

COMMENT ON CHANGES WEEK ENDED JULY 28, 1926

Total earning assets advanced \$4,000,000 during the period. Bills discounted increased \$26,000,000 while outright purchases of Government securities and bankers acceptances decreased \$2,000,000 and \$3,000,000 respectively. Other decreases consisted chiefly of investments held under sales contracts which decreased \$15,000,000 of which amount \$12,000,000 was in Government securities and \$3,000,000 in bankers acceptances.

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Money
Market

Stock Exchange call money loans for the current week, up until Friday noon, were steady at 4 per cent with a good volume of money on offer but demand somewhat lighter than in the previous week. On Friday, however, the banks, in anticipation of the requirement of funds for interest and dividend payments over the first of the month, found it necessary to withdraw large sums of money from the market with the result that at about 12 o'clock the call money rate advanced to 4 1/2 per cent and at 1 o'clock to 5 per cent. Loans aggregating approximately \$31,000,000 were made at the 5 per cent rate and call money closed for the week at this figure with a moderate amount of money remaining unloaned.

The time money market was very dull with a small amount of loans reported at the following rates; 90 days at 4 1/2 per cent, 4 and 5 months at 4 5/8 per cent and 6 months at 4 3/4 per cent.

The commercial paper market continued quiet with a slightly firmer tendency. Sales were principally to the larger institutions in the interior at rates of 4 and 4 1/4 per cent for the best names and 4 1/2 per cent for other good names.

Government
Security
Market

Prices of United States Government bonds were fractionally better although the market continued quiet. There was a fair volume of sales reported in the short-term certificate and note market and prices remained firm.

Bankers
Acceptances

Offerings of unindorsed bills by dealers continued at the following rates; 3 1/8 per cent for 30's, 3 1/4 per cent for 60's, 3 3/8 per cent for 90's and 3 1/2 per cent for 120 day maturities.

Boston reports a sharp falling off of sales with aggregate of dealers' portfolios showing a slight increase. Offerings of new bills were very scarce, which is not unusual for this time of the year. In New York the market was very quiet with little of special interest to report. Some preference was shown for bills of 30 and 90 day maturities and one or two dealers reduced their rates on some 90 day prime bills to 3 3/8 per cent bid and 3 1/4 per cent offered. Dealers' aggregate portfolios showed a slight decrease over last week. Philadelphia reports there is very little activity in the bill market. There was no improvement in the demand for bills which continues very light. Chicago reports that conditions in the bill market there continue dull.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were made during the week of the \$5,000,000 Third 4 1/4% Liberty Loan bonds which were purchased for the account of the Cumulative Sinking Fund as mentioned in last week's report. The only other transaction this week was the purchase for the account of the Alien Property Custodian of \$400,000 December 15, 1926 Certificates from the holdings of the System account.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to July 28, 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	\$ 64,318,000	\$ 62,193,000	\$ 2,125,000	0
New York	208,499,000	209,736,000	0	1,237,000
Philadelphia	71,318,000	71,076,000	242,000	0
Cleveland	88,229,000	88,842,000	0	613,000
Richmond	45,608,000	45,885,000	0	277,000
Atlanta	42,108,000	42,519,000	0	411,000
Chicago	124,955,000	124,382,000	573,000	0
St. Louis	39,606,000	39,606,000	0	0
Minneapolis	36,709,000	37,000,000	0	291,000
Kansas City	53,068,000	53,307,000	0	239,000
Dallas	36,797,000	37,000,000	0	203,000
San Francisco	<u>80,293,000</u>	<u>79,962,000</u>	<u>331,000</u>	<u>0</u>
Totals	<u>\$891,508,000</u>	<u>\$891,508,000</u>	<u>\$3,271,000</u>	<u>\$3,271,000</u>

On July 27 the Federal Reserve Bank of St. Louis resumed their participation in daily purchases of bills which they had temporarily discontinued on July 20, 1926 due to their reserve position at that time.

The overage of the Boston bank is being adjusted by allotment direct to the banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of all members of the Committee an exchange was effected during the current week in the investment holdings of three reserve banks (Philadelphia \$9,373,500, Atlanta \$1,280,000, San Francisco \$8,096,500); those banks selling to the System Account an aggregate of \$18,750,000 December 15, 1926 certificates which were replaced from the System holdings by a like amount of March 15, 1927 notes. An additional exchange of \$1,500,000 of the March 1927 notes for a like amount of December 15, 1926 certificates was effected in the market for delivery July 29. Other transactions were the sale of \$5,400,000 December 15, 1927 notes in the market and \$2,000,000 Dec. 15, 1926 certificates to a foreign correspondent, which were replaced by purchases of \$7,000,000 3rd Liberty Loan bonds in the market and \$400,000 December 15, 1926 certificates from the holdings of the Alien Property Custodian.

These transactions do not change the total holdings which remain at \$275,000,000. The participation by all Federal Reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 12,053,500
New York	72,546,500
Philadelphia	6,764,500
Cleveland	18,152,000
Richmond	8,001,000
Atlanta	0
Chicago	36,072,500
St. Louis	18,872,000
Minneapolis	12,270,500
Kansas City	24,743,500
Dallas	25,392,500
San Francisco	<u>40,131,500</u>
Totals	<u>\$275,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 72,022,000
December 15, 1926	57,353,000
March 15, 1927	79,978,200
December 15, 1927	41,221,300
September 15, 1928	24,425,500
3rd L/L bonds	

\$275,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JULY 22 TO JULY 28, 1926
(Participation in Short-term Governments - Special Investment Account)

	Purchases	Sales
Boston	\$ 1,146,000	\$1,146,000
New York	6,898,500	6,898,500
Philadelphia	643,000	643,000
Cleveland	1,726,000	1,726,000
Richmond	760,500	760,500
Atlanta	0	0
Chicago	3,430,500	3,430,500
St. Louis	1,795,000	1,795,000
Minneapolis	1,167,500	1,167,500
Kansas City	2,353,000	2,353,000
Dallas	2,414,000	2,414,000
San Francisco	3,816,000	3,816,000
Totals	\$26,150,000	\$26,150,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
Philadelphia	\$ 9,373,500	B-1927 Treas. Notes	\$ 9,373,500	B-1927 Treas. Notes
Atlanta	1,502,950	Misc. Gov't Sec.	1,510,400	Misc. Gov't Sec.
St. Louis	0	-	*2,139,000	TD-1926 Ctf's.
Minneapolis	503,200	Misc. Gov't Sec.	503,200	Misc. Gov't Sec.
Dallas	11,000	Misc. Gov't Sec.	6,500	Misc. Gov't Sec.
San Francisco	8,096,700	Misc. Gov't Sec.	8,096,500	TD-1926 Ctf's.
Totals	\$19,487,350		\$21,629,100	

*Includes \$2,138,500 sold to foreign correspondent

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 21	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings July 28	Other Holdings Close July 28/26	
			Regular N.Y.	From Boston Portfolio			Sales Contracts	Other Bills
Boston	\$ 20,619	\$ 3,924 R.	0	0	\$ 9,910*	\$ 14,633	\$ 3,944	0
N. Y.	22,063	5,415 "	0	2,650	5,027	25,101	5,854	904
		11,697 A.						
Phila.	16,768	2,097 R.	0	0	1,856	17,009	0	0
Cleve.	21,311	0	1,929	0	2,755	20,485	0	861
Rich.	9,349	121 "	1,108	657	1,183	10,052	0	0
Atlanta	25,794	0	1,099	703	2,589	25,007	0	686
Chicago	31,209	1,410 "	1,773	0	5,374	29,018	2,059	0
St. Louis	4,157	0	428	0	462	4,123	0	0
Minn.	8,065	0	982	702	1,005	8,744	0	0
Kan. City	11,192	0	1,293	501	884	12,102	0	0
Dallas	8,669	142 "	921	605	1,647	8,690	0	0
San Fran.	16,502	822 "	2,164	0	2,478	17,010	3,307	0
Totals	\$195,698	\$25,628	\$11,697	\$5,818	\$35,170	\$191,974	\$15,164	\$2,451
Bills held over night by New York for distribution to other F.R. Banks - - - - 1,584								
							Total - - - -	\$4,035

*Includes \$5,818 sold to other Federal reserve banks.

NOTE: R indicates retained and A indicates allotted in the above statement.

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

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 3/8%	61-90 days 3 1/4 - 3 3/8%	Over 90-days 3 3/8%	Total
Boston	\$ 541	\$ 339	\$ 2,362	\$ 682	\$ 3,924
New York	7,800	2,932	5,430	950	17,112
Philadelphia	795	620	682	0	2,097
Richmond	8	113	0	0	121
Chicago	137	144	1,129	0	1,410
Dallas	0	16	126	0	142
San Francisco	<u>449</u>	<u>84</u>	<u>289</u>	<u>0</u>	<u>822</u>
Totals	<u>\$9,730</u>	<u>\$4,248</u>	<u>\$10,018</u>	<u>\$1,632</u>	<u>\$25,628</u>

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

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$45,637	\$31,446	\$77,083
Sold	47,779	0	47,779
Matured	0	<u>35,170</u>	<u>35,170</u>
		\$ 3,724-	\$ 5,866-
		812+ (Net Change	812+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	<u>\$ 2,142-</u>	<u>\$ 2,912-</u>	<u>\$ 5,054-</u>

(Including Sales Contracts)

Holdings July 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	\$ 647	0	\$77,959	0	\$58,353	\$232,280	\$369,239
Bills Purchased	<u>66,796</u>	<u>41,517</u>	<u>57,216</u>	<u>40,799</u>	<u>4,845</u>	<u>0</u>	<u>211,173</u>
Totals	<u>\$67,443</u>	<u>\$41,517</u>	<u>\$135,175</u>	<u>\$40,799</u>	<u>\$63,198</u>	<u>\$232,280</u>	<u>\$580,412</u>

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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 27, 1926

To All Members of the Board

Subject:

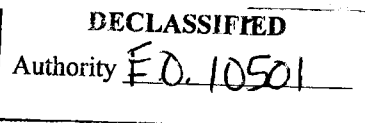
From Mr. Eddy

333

2-8495

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

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



July 27, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of July 26th, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from July 15th to July 21st, 1928, inclusive, together with data received from the Federal reserve banks.

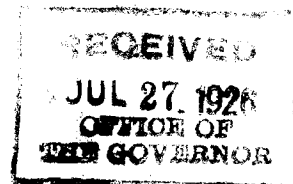
Very truly yours,

Walter L. Eddy,
Secretary

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

DECLASSIFIED
Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

July 26, 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 July 15 to July 21, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JULY 21, 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	\$ 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	346,365	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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 30	1,158,406	372,868	12,411	214,664	34,750	515,031
July 14	1,146,602	370,678	20,403	198,468	35,724	514,930
" 21	1,102,165	370,733	12,364	198,921	18,518	495,429

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 21	Net Change	Balance July 21	Net Change	Balance July 21	Net Change
Boston	\$ 12,899	0	\$ 20,619	\$3,033-	\$ 24,110	\$ 8,540-
New York	73,869	0	22,063	591+	126,384	19,138-
Philadelphia	21,723	0	16,768	1,183+	44,358	4,058-
Cleveland	37,418	4+	21,311	1,494+	34,655	5,403-
Richmond	9,342	0	9,349	427+	42,808	2,406+
Atlanta	1,868	23+	25,794	1,955+	43,854	5,210+
Chicago	56,059	1-	31,209	3,826+	56,250	3,021+
St. Louis	26,467	16+	4,157	2,812-	35,134	3,849+
Minneapolis	19,828	0	8,065	184+	8,242	1,970+
Kansas City	34,768	0	11,192	177+	16,517	470+
Dallas	26,685	13+	8,669	214-	17,639	2,211+
San Francisco	49,807	0	16,502	26-	45,478	1,499-
N.Y. holdovers and other bills			3,223	3,299-		
Totals	\$370,733	\$55+	\$198,921	\$ 453+	\$495,429	\$19,501-

COMMENT ON CHANGES WEEK ENDED JULY 21, 1926

Total earning assets of the System declined \$44,400,000 during the statement week. Bills discounted decreased \$19,500,000, while investments held under sales contracts decreased \$25,000,000 of which amount \$8,000,000 was in Government securities and \$17,000,000 in bankers acceptances.

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Market

With the exception of Monday morning when call money opened at $4\frac{1}{4}$ per cent the rate maintained for the week was 4 per cent. There was a liberal supply of money with an average daily turnover of \$21,000,000. Some street loans were reported at a slight fractional concession from the rate on the Exchange.

Time money of 3 - 5 months maturity was traded in at $4\frac{1}{2}$ per cent with a fairly large volume of business at this rate. While some money was offered at $4\frac{5}{8}$ per cent for loans carrying over the year end there were reports of only an occasional loan at this rate, the bulk of trading in this maturity being at $4\frac{3}{4}$ per cent.

The commercial paper market was quiet and the limited amount of new paper that came into the market was generally sold to the larger institutions in the interior. Most sales of prime names were at 4 per cent, other good names at $4\frac{1}{4}$ per cent, with an occasional sale at $4\frac{1}{2}$ per cent.

Government
Security
Market

There was some weakness in the market for United States Government bonds during the current week but recession in prices was only fractional with small volume of sales.

The short-term certificate and note market was quiet with only slight variation of prices.

Bankers
Acceptances

Dealers' offerings on unindorsed bills were at the following rates: $3\frac{1}{8}$ per cent for 30's, $3\frac{1}{4}$ per cent for 60's, $3\frac{3}{8}$ per cent for 90's, and $3\frac{1}{2}$ per cent for 120-day maturities. These rates are unchanged from those current last week.

Boston reports a ~~slackening~~ in the supply of bills and dealers' sales not so heavy as compared with the previous week, with bills of 90-day maturities in best demand. Offerings to the reserve bank were also lighter. In New York the market continued quiet with preference for 90-day bills. Dealers report supply and demand about equal with aggregate of their portfolios practically unchanged. Philadelphia reports that offerings of bills were not made freely but were still in excess of the demand which continues very light. Chicago reports market continues dull with supply small and demand light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Operations for account of United States Treasury consisted of the sale of \$200,000 December 1926 certificates for account of the Alien Property Custodian, and the purchase of \$5,000,000 Third Liberty Loan $4\frac{1}{4}$ per cent bonds for delivery July 22 and 23 for account of the Cumulative Sinking Fund.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The holdings in the System Special Investment Account continued unchanged from 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:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>REG. PARTICULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,053,500	September 15, 1926	\$ 72,022,000
New York	72,546,500	December 15, 1926	38,703,000
Philadelphia	6,764,500	March: 15, 1927	98,728,200
Cleveland	18,152,000	December 15, 1927	48,121,800
Richmond	8,001,000	September 15, 1928	17,425,500
Atlanta	0	3rd L/L bonds	
Chicago	36,072,500		
St. Louis	18,872,000		
Minneapolis	12,270,500		
Kansas City	24,743,500		
Dallas	25,392,500		
San Francisco	40,131,500		
Totals	\$275,000,000		\$275,000,000

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to July 21, 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	\$ 66,212,000	\$ 60,429,000	\$5,783,000	0
New York	200,434,000	203,688,000	0	3,254,000
Philadelphia	69,221,000	69,060,000	161,000	0
Cleveland	86,300,000	86,322,000	0	22,000
Richmond	43,722,000	44,373,000	0	651,000
Atlanta	40,306,000	41,007,000	0	701,000
Chicago	121,772,000	120,854,000	918,000	0
St. Louis	39,178,000	39,178,000	0	0
Minneapolis	35,025,000	35,740,000	0	715,000
Kansas City	51,274,000	51,795,000	0	521,000
Dallas	35,129,000	35,740,000	0	611,000
San Francisco	77,307,000	77,694,000	0	387,000
Totals	\$865,880,000	\$865,880,000	\$6,862,000	\$6,862,000

Owing to their reserve position the Federal Reserve Bank of St. Louis on July 20 sold from their portfolio bills of early maturities aggregating \$3,356,000 and temporarily discontinued their participation in current purchases. The distribution of these bills to the other participating banks is included in the figures shown above.

The overage of the Boston bank is being adjusted by allotment direct to the banks that are short of their pro rata share.

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 50	Second L/L Bond
Cleveland	3,500	B-1927 Treas. Notes	0	-
Atlanta	147,050	Misc. Gov't Sec.	124,100	Misc. Gov't Sec.
Chicago	0	-	1,000	Misc. Gov't Sec.
St. Louis	16,000	Second L/L bonds	0	-
Dallas	<u>13,650</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$190,200</u>		<u>\$125,150</u>	

BANKERS ACCEPTANCES
(000 Omitted)

(1926 Summary)						Other Holdings		
Holdings		Received by Allotment		Matur-	Close July 21/26			
July 14	Purchased	Regular	From Boston	ities	Holdings	Sales	Other	
	Own Mkt.	from N.Y.	Portfolio	& Sales	July 21	Contracts	Bills	
Boston	\$ 23,652	\$ 8,340 R.	0	0	\$11,373*	\$ 20,619	\$ 3,789	0
N.Y.	21,472	5,422 "	0	2,350	7,181**	22,063	7,438	766
	15,230 A.							
Phila.	15,585	2,554 R.	0	0	1,371	16,768	0	0
Cleve.	19,817	1,636 "	1,840	902	2,884	21,311	0	1,009
Rich.	8,922	100 "	1,381	900	1,954	9,349	0	0
Atlanta	23,839	2,182 "	1,308	801	2,336	25,794	0	691
Chicago	27,383	2,225 "	3,600	2,100	4,099	31,209	2,715	0
St.L.	6,969	0	858	904	4,574***	4,157	0	0
Minn.	7,881	0	1,058	553	1,427	8,065	0	0
Kan.City	11,015	0	1,584	1,000	2,407	11,192	0	0
Dallas	8,883	52 "	1,102	500	1,868	8,669	0	0
San Fr.	<u>16,528</u>	<u>555 "</u>	<u>2,499</u>	<u>0</u>	<u>3,080</u>	<u>16,502</u>	<u>4,576</u>	<u>0</u>
Totals	\$191,946	\$38,296	\$15,230	\$10,010	\$44,554	\$195,698	\$18,518	\$2,466
Bills held over night by New York for distribution to other F.R. Banks.....								757
Total.....								\$3,223

*Includes \$10,010,000 sold to other F.R. banks

**Includes 2,101,000 sold to F.R.B. of Atlanta from portfolio

***Includes 3,356,000 sold to System from portfolio

NOTE: R indicates retained and A indicates allotted in the above statement.

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Authority FD. 10501

5

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

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/8 - 3 1/2%	61-90 days 3 1/4 - 3 3/8%	Over 90-days 3 3/8 - 3 1/2%	Total
Boston	\$ 2,356	\$ 530	\$ 5,436	\$ 18	\$ 8,340
New York	12,791	1,734	4,866	1,261	20,652
Philadelphia	590	918	1,046	0	2,554
Cleveland	1,011	125	500	0	1,636
Richmond	75	25	0	0	100
Atlanta	2,101	4	77	0	2,182
Chicago	906	261	1,058	0	2,225
Dallas	27	0	25	0	52
San Francisco	164	154	237	0	555
Totals	\$20,021	\$3,751	\$13,245	\$1,279	\$38,296

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 21, 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	\$180	\$48,306	\$48,486
Sold	125	0	125
Matured	0	44,554	44,554
		\$ 3,752+	\$ 3,807+
		3,299- (Net Change	3,299- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$ 55+	\$ 453+	\$ 508+

(Including Sales Contracts)

Holdings <u>July 21, 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	\$12,364	0	\$77,959	0	\$60,590	\$232,184	\$383,097
Bills Purchased	69,220	48,269	48,889	46,754	4,307	0	217,439
Totals	\$81,584	\$48,269	\$126,848	\$46,754	\$64,897	\$232,184	\$600,536

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 20, 1926.

To / All Members of the Board

Subject: _____

From Mr. Eddy

333

2-5105

For your information:

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

Mr. Miller ✓

Mr. James ✓

Mr. Cunningham - absent

Mr. McIntosh - absent

Please return to Secretary's office.

DECLASSIFIED
Authority E.O. 10501

July 20, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 19th, addressed to Governor Grissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from July 8 to July 14, 1936, inclusive.

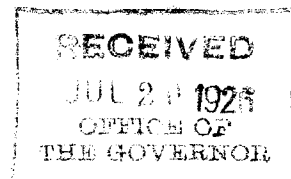
Very truly yours,

Walter L. Eddy,
Secretary.

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

DECLASSIFIED
Authority ED 10501

FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

July 19, 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 July 8 to July 14, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JULY 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
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June	30	1,158,406	372,868	12,411	214,664	34,750	515,031
July	7	1,233,553	369,453	5,864	197,238	40,331	612,567
July	14	1,146,602	370,678	20,403	198,468	35,724	514,930

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 14	Net Change	Balance July 14	Net Change	Balance July 14	Net Change
Boston	\$ 12,899	\$ 78+	\$ 23,652	\$3,291+	\$ 32,650	\$ 2,602-
New York	73,869	462+	21,472	383+	145,522	92,481-
Philadelphia	21,723	43+	15,585	1,128+	48,416	4,293+
Cleveland	37,414	115+	19,817	2,400-	40,058	213-
Richmond	9,342	51+	8,922	1,019-	40,402	3,706-
Atlanta	1,845	539-	23,839	3,821+	38,644	1,467+
Chicago	56,060	230+	27,383	1,052-	53,229	9,178-
St. Louis	26,451	120+	6,969	1,035-	31,285	5,283+
Minneapolis	19,828	78+	7,881	1,027-	6,272	5+
Kansas City	34,768	158+	11,015	93-	16,047	1,974-
Dallas	26,672	173+	8,883	298-	15,428	667+
San Francisco	49,807	256+	16,528	409-	46,977	802+
N.Y. holdovers and other bills			6,522	60-		
Totals	\$370,678	\$1,225+	\$198,468	\$1,230+	\$514,930	\$97,637-

COMMENT ON CHANGES WEEK ENDED JULY 14, 1926

Total earning assets of the System declined \$87,000,000 during the statement week. Bills discounted decreased \$97,600,000 as against increases in outright holdings of \$1,200,000 in Government securities and \$1,200,000 in acceptances. Government securities under sales contracts also advanced \$14,500,000 while similar holdings of acceptances declined \$4,600,000.

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Money
Market

Stock exchange call money during the early part of the week held steady and fairly firm at 4 1/2 per cent but subsequently became lower as a result of increased offerings following a substantial return of funds from the interior, and the rate closed on Friday, July 16, at 4 per cent the lowest since June 21. The easier tone was also reflected in a substantial reduction in borrowings at the reserve bank.

Time money was firmer and in greater demand. A few loans of the shorter maturities were arranged at 4 3/8 per cent. There was fairly heavy trading, however, in 3 to 6 months' maturities at 4 1/2 per cent, the highest since the early part of April.

There was a firmer tendency in the commercial paper, accompanying high rates for time loans. Out-of-town banks were the principal buyers and sales were generally at 4 per cent although a few names were offered at 4 1/4 per cent. The supply of paper was slightly larger than the previous week.

Government
Security
Market

The market for United States Government bonds continued rather quiet and there was a slight recession in prices of all issues. Short-term certificates and notes, however, held fairly firm.

Bankers
Acceptances

On July 15 New York dealers advanced their rates 1/8 per cent on 120-day unindorsed bills and are now bidding 3 5/8 and offering at 3 1/2 per cent. Offering rates on other maturities continued unchanged at 3 1/8 per cent for 30's, 3 1/4 per cent for 60's and 3 3/8 per cent for 90 day bills.

Boston reports that there was little or no change in the supply of bills, but the demand was somewhat less than the previous period. Offerings to the reserve bank were fairly heavy. In New York the market was rather quiet with a slight decrease in the supply and only a fair demand. There was a preference shown for 90-day bills, but the supply of this maturity was only fair. Dealers' aggregate portfolios declined slightly during the week. The Philadelphia and Chicago bill markets were generally dull. The demand in these districts continued light with few new bills offered.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Operations for account of United States Treasury consisted of purchases of \$47,600 par amount of Second Liberty Loan 4 1/4 per cent bonds for account of the Secretary of the Interior, Investment of Indian Funds, and \$142,200 Second Liberty Loan 4 1/4 per cent bonds for account of the Foreign Service Retirement and Disability Fund.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were sold from the System Account during the period to a foreign correspondent \$5,000,000 certificates due December 15, 1926 which were replaced through purchase in the market of other short-term Government issues.

The total holdings at the close of the statement week were accordingly unchanged at \$275,000,000; the participation by all Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,053,500	September 15, 1926	\$ 72,022,000
New York	72,546,500	December 15, 1926	38,703,000
Philadelphia	6,764,500	March 15, 1927	98,728,200
Cleveland	18,152,000	December 15, 1927	48,121,300
Richmond	8,001,000	September 15, 1928	17,425,500
Atlanta	0	3rd L/L bonds	
Chicago	36,072,500		
St. Louis	18,872,000		
Minneapolis	12,270,500		
Kansas City	24,743,500		
Dallas	25,392,500		
San Francisco	40,131,500		
Totals	<u>\$275,000,000</u>		<u>\$275,000,000</u>

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to July 14, 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	\$ 67,882,000	\$ 57,954,000	\$ 9,928,000	0
New York	192,662,000	195,204,000	0	2,542,000
Philadelphia	66,667,000	66,232,000	435,000	0
Cleveland	81,922,000	82,787,000	0	865,000
Richmond	41,341,000	42,252,000	0	911,000
Atlanta	38,116,000	38,886,000	0	770,000
Chicago	113,847,000	115,905,000	0	2,058,000
St. Louis	37,416,000	38,333,000	0	917,000
Minneapolis	33,413,000	33,972,000	0	559,000
Kansas City	48,690,000	49,674,000	0	984,000
Dallas	33,475,000	33,972,000	0	497,000
San Francisco	74,253,000	74,513,000	0	260,000
Totals	<u>\$829,684,000</u>	<u>\$829,684,000</u>	<u>\$10,363,000</u>	<u>\$10,363,000</u>

The overage of the Boston bank is being adjusted by allotment direct to the banks that are short of their pro rata share.

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

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

	Purchases	Sales	Net Increase
Boston	\$ 296,500	\$ 219,500	\$ 77,000
New York	1,780,500	1,319,000	461,500
Philadelphia	166,000	123,000	43,000
Cleveland	445,500	330,000	115,500
Richmond	196,500	145,500	51,000
Atlanta	0	0	0
Chicago	885,500	656,000	229,500
St. Louis	463,000	343,000	120,000
Minneapolis	301,000	223,000	78,000
Kansas City	607,500	450,000	157,500
Dallas	623,000	461,500	161,500
San Francisco	985,000	729,500	255,500
Totals	\$6,750,000	\$5,000,000	\$1,750,000 *

*Represents purchases during week ending July 7 and delivered during current week.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
Boston	0	-	\$ 150	Second L/L bonds
Atlanta	245,150	Misc. Gov't Sec.	784,050	Misc. Gov't Sec.
Dallas	12,900	Misc. Gov't Sec.	1,500	Misc. Gov't Sec.
Totals	\$258,050		\$785,700	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 7	Purchased Own Mkt.	Received by Allotment		Matur- ities & Sales	Other Holdings Close July 14/26		
			Regular from N.Y.	From Boston Portfolio		Holdings July 14	Sales Contracts	Other Bills
Boston	\$ 20,361	\$12,316 R.	0	0	\$ 9,025*	\$ 23,652	\$ 3,189	0
N. Y.	21,089	4,782 " 10,731 A.	0	5,000	9,399**	21,472	23,013	526
Phila.	14,457	3,156 R.	0	0	2,028	15,585	0	0
Cleve.	22,217	601 "	1,515	0	4,516	19,817	0	1,178
Richmond	9,941	0	908	0	1,927	8,922	0	0
Atlanta	20,018	4,909 "	1,003	0	2,091	23,839	0	667
Chicago	28,435	305 "	2,223	1,001	4,581	27,383	4,086	0
St. Louis	8,004	0	1,053	0	2,088	6,969	0	0
Minn.	8,908	0	740	301	2,068	7,881	0	0
Kan. City	11,108	0	1,025	700	1,818	11,015	0	0
Dallas	9,181	100 "	864	0	1,262	8,883	0	0
San Fr.	16,937	1,507 "	1,400	0	3,316	16,528	5,436	0
Totals	\$190,656	\$38,407	\$10,731	\$7,002	\$44,119	\$191,946	\$35,724	\$2,371
Bills held over night by New York for distribution to other F.R. Banks.....								4,151
Total.....								\$6,522

*Includes \$7,002,000 sold to other Federal Reserve Banks

**Includes \$4,840,000 sold to F.R.B. of Atlanta from portfolio

NOTE: R indicates retained and A indicates allotted in the above statement.

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

	<u>1-30 days</u> <u>3 1/8 - 3 1/4%</u>	<u>31-60 days</u> <u>3 1/4 - 3 3/8%</u>	<u>61-90 days</u> <u>3 1/4%</u>	<u>Over 90 days</u> <u>3 1/4 - 3 3/4%</u>	<u>Total</u>
Boston	\$ 4,161	\$1,974	\$ 5,813	\$ 368	\$12,316
New York	6,535	2,864	5,123	991	15,513
Philadelphia	662	994	1,500	0	3,156
Cleveland	0	0	601	0	601
Atlanta	4,868	0	41	0	4,909
Chicago	305	0	0	0	305
Dallas	0	0	0	100	100
San Francisco	<u>848</u>	<u>462</u>	<u>197</u>	<u>0</u>	<u>1,507</u>
Totals	<u>\$17,379</u>	<u>\$6,294</u>	<u>\$13,276</u>	<u>\$1,459</u>	<u>\$38,407</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 14, 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	\$7,009	\$45,409	\$52,418
Sold	5,784	0	5,784
Matured	0	<u>44,119</u>	<u>44,119</u>
		\$ 1,290+	\$ 2,515+
		60-	60-
		(Net Change	(Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$1,225+</u>	<u>\$1,230+</u>	<u>\$2,455+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>July 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	\$20,406	0	0	\$77,959	\$60,561	\$232,155	\$391,081
Bills Purchased	<u>97,158</u>	<u>35,544</u>	<u>55,064</u>	<u>43,035</u>	<u>3,391</u>	<u>0</u>	<u>234,192</u>
Totals	<u>\$117,564</u>	<u>\$35,544</u>	<u>\$55,064</u>	<u>\$120,994</u>	<u>\$63,952</u>	<u>\$232,155</u>	<u>\$625,273</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 14, 1926.

To All Members of the Board

Subject: #2

From Mr. Eddy

323

For your information.

Governor Cressinger

Mr. Platt ✓

Mr. Hamlin ✓

Mr. Miller - absent

Mr. James ✓

Mr. Cunningham - absent

Mr. McIntosh ✓

Please return to Secretary's office.

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July 14, 1926.

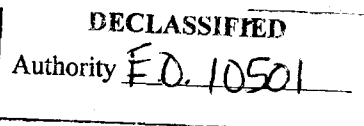
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 12th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from July 1 to July 7, 1926, inclusive.

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.



REC'D-BK OF JUL 14 1926

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

July 12, 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 July 1 to July 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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REC'D-BK. OP JUL 14 1926

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 7, 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	346,365	3,849	241,377	37,036	413,999
June 24	1,034,470	317,155	7,454	215,277	26,389	456,445
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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 30	1,158,406	372,868	12,411	214,644	34,750	515,031
July 7	1,233,553	369,453	5,864	197,238	40,331	612,567

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 7	Net Change	Balance July 7	Net Change	Balance July 7	Net Change
Boston	\$ 12,821	\$ 78-	\$ 20,361	\$ 3,619-	\$ 35,252	\$ 3,735-
New York	73,407	462-	21,089	3,507 -	238,003	135,514+
Philadelphia	21,680	43-	14,457	183-	44,123	11,301-
Cleveland	37,299	115-	22,217	997+	40,271	7,142-
Richmond	9,291	51-	9,941	715-	44,108	1,462-
Atlanta	2,384	46+	20,018	2,847-	37,177	1,993-
Chicago	55,830	229-	28,435	596-	62,407	27,180-
St. Louis	26,331	120-	8,004	283+	26,002	4,655-
Minneapolis	19,750	78-	8,908	226+	6,267	2,509+
Kansas City	34,610	158-	11,108	253-	18,021	2,541+
Dallas	26,499	1,872-	9,181	208-	14,761	2,467+
San Francisco	49,551	255-	16,937	1,005-	46,175	11,973+
N.Y. Holdovers and other bills			6,582	5,979-		
Totals	\$369,453	\$3,415-	\$197,238	\$17,406-	\$612,567	\$97,536+

COMMENT ON CHANGES WEEK ENDED JULY 7, 1926.

Total earning assets of the System advanced \$75,000,000 during the period. The increase in bills discounted of \$97,500,000 was only partially offset by declines in outright holdings of Government securities and bankers acceptances of \$3,400,000 and \$17,400,000 respectively. Securities held under sales contracts also declined \$6,500,000, while similar holdings of acceptances advanced \$5,600,000.

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Money
Market

Deficits in average reserves of leading New York City banks and consequent heavy borrowing at the Reserve Bank resulted in fairly firm money conditions during the week. Stock Exchange call loans held steady at 4 1/2 per cent, unchanged since July 1.

Time money was a shade firmer toward the close of the week. A fair volume of 3 to 6 months' loans was arranged at 4 3/8 per cent.

Trading in commercial paper was moderately active in the interior. The prevailing rate for prime names remained at 4 per cent although some sales of very choice names were reported in the Middle West at 3 3/4 per cent.

Government
Security
Market

United States Government bonds were only moderately active during the week and prices of all issues declined fractionally. Fourth Liberty Loan bonds were in best demand.

Trading in short-term certificates and notes continued in rather light volume.

Bankers
Acceptances

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

Boston reports that there was a moderate supply of bills although the volume was not as large as the previous period. The demand was fair and was confined mostly to 30 and 90-day maturities. Similar conditions prevailed in the New York market. There was a fair demand for bills but offerings were somewhat smaller and dealers' aggregate portfolios showed a slight decline during the period. Philadelphia and Chicago report there was practically no change in bill market conditions in their respective districts. Offerings were somewhat in excess of the demand which continued very light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Operations for account of United States Treasury consisted of the purchase of \$100,000 Second Liberty Loan 4 1/4 per cent bonds for account of the Secretary of the Interior - Investment of Indian Funds.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In order to supply certificates due December 15, 1926, which were not available in the market, there was sold with the approval of the Committee from System Account to a foreign correspondent \$5,000,000 certificates of this issue. This sale was replaced through purchase in the market of like amount of other short-term Governments. The total holdings were accordingly without change during the week at \$275,000,000; the participation by all Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,053,500	September 15, 1926	\$ 70,022,000
New York	72,546,500	December 15, 1926	42,703,000
Philadelphia	6,764,500	March 15, 1927	98,728,200
Cleveland	18,152,000	December 15, 1927	48,121,300
Richmond	8,001,000	September 15, 1928	15,425,500
Atlanta	0	3rd L/L. bonds	
Chicago	36,072,500		
St. Louis	18,872,000		
Minneapolis	12,270,500		
Kansas City	24,743,500		
Dallas	25,392,500		
San Francisco	40,131,500		
Totals	\$275,000,000		\$275,000,000

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to July 7, 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	\$ 62,568,000	\$ 55,604,000	\$ 6,964,000	\$ 0
New York	182,880,000	187,484,000	0	4,604,000
Philadelphia	63,511,000	63,547,000	0	36,000
Cleveland	79,806,000	79,430,000	376,000	0
Richmond	40,433,000	40,574,000	0	141,000
Atlanta	37,044,000	37,208,000	0	164,000
Chicago	110,318,000	111,205,000	0	887,000
St. Louis	36,363,000	36,655,000	0	292,000
Minneapolis	32,372,000	32,629,000	0	257,000
Kansas City	46,965,000	47,660,000	0	695,000
Dallas	32,511,000	32,629,000	0	118,000
San Francisco	71,346,000	71,492,000	0	146,000
Totals	\$796,117,000	\$796,117,000	\$7,340,000	\$7,340,000

The overages shown above are being adjusted in the usual manner by redistribution of bills to banks that are short of their pro rata share.

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

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

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>
Boston	\$ 142,500	\$ 219,500	\$ 77,000
New York	857,500	1,319,000	461,500
Philadelphia	80,000	123,000	43,000
Cleveland	214,500	330,000	115,500
Richmond	94,500	145,500	51,000
Atlanta	0	0	0
Chicago	426,500	656,000	229,500
St. Louis	223,000	343,000	120,000
Minneapolis	145,000	223,000	78,000
Kansas City	292,500	450,000	157,500
Dallas	300,000	461,500	161,500
San Francisco	474,000	729,500	255,500
Totals	<u>\$3,250,000</u>	<u>\$5,000,000</u>	<u>\$1,750,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 150	Second L/L Bonds
Atlanta	1,529,350	Misc. Gov't Sec.	1,482,250	Misc. Gov't Sec.
Dallas	5,000	Misc. Gov't Sec.	1,714,800	Misc. Gov't Sec.
San Francisco	<u>1,000</u>	Fourth L/L Bonds	<u>0</u>	-
Totals	<u>\$1,535,350</u>		<u>\$3,197,200</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Received by Allotment</u>		<u>Matur-</u>	<u>Other Holdings</u>		
	<u>June 30</u>	<u>Own Mkt.</u>	<u>Regular</u>	<u>From Boston</u>	<u>ities</u>	<u>Holdings</u>	<u>Sales</u>	<u>Other</u>
			<u>from N.Y.</u>	<u>Portfolio</u>	<u>& Sales</u>	<u>July 7</u>	<u>Contracts</u>	<u>Bills</u>
Boston	\$ 23,980	\$ 8,743 R.	0	0	\$12,362*	\$ 20,361	\$ 5,315	0
New York	24,596	1,041 "	0	3,204	7,752	21,089	26,696	473
		9,138 A.						
Philadel.	14,640	2,264 R.	0	0	2,447	14,457	0	0
Cleveland	21,220	1,423 "	1,362	1,700	3,488	22,217	0	1,370
Richmond	10,656	50 "	995	805	2,565	9,941	0	0
Atlanta	22,865	51 "	976	800	4,674	20,018	0	537
Chicago	29,031	616 "	1,824	1,206	4,242	28,435	2,716	0
St. Louis	7,721	0	877	899	1,493	8,004	0	0
Minn.	8,682	0	695	701	1,170	8,908	0	0
Kan. City	11,361	0	776	1,001	2,030	11,108	0	0
Dallas	9,389	223 "	588	500	1,519	9,181	0	0
San Fran.	<u>17,942</u>	<u>849 "</u>	<u>1,045</u>	<u>0</u>	<u>2,899</u>	<u>16,937</u>	<u>5,604</u>	<u>0</u>
Totals	\$202,083	\$24,398	\$9,138	\$10,816	\$46,641	\$190,656	\$40,331	\$2,420

Bills held over night by New York for distribution to other F.R. Banks - - - - - 4,162
Total - - - - - \$6,582

*Includes \$10,816,000 sold to other Federal reserve banks.

NOTE: R indicates retained and A indicates allotted in the above statement.

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

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 5/8%	61-90 days 3 1/4 - 3 3/8%	Over 90 days 3 3/8 - 3 3/4%	Total
Boston	\$ 5,084	\$ 296	\$3,096	\$267	\$ 8,743
New York	4,901	1,656	3,608	14	10,179
Philadelphia	537	504	1,223	0	2,264
Cleveland	429	103	891	0	1,423
Richmond	0	50	0	0	50
Atlanta	0	27	24	0	51
Chicago	305	293	18	0	616
Dallas	0	0	223	0	223
San Francisco	782	46	21	0	849
Totals	\$12,038	\$2,975	\$9,104	\$281	\$24,398

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 7, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 4,784	\$35,214	\$39,998
Sold	8,199	0	8,199
Matured	0	46,641	46,641
		\$11,427-	\$14,842-
		5,979- (Net Change	5,979- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	\$3,415-	\$17,406-	\$20,821-

(Including Sales Contracts)

Holdings July 7, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$ 5,865	0	0	\$75,959	\$64,560	\$228,933	\$375,317
Bills Purchased	103,690	38,395	49,794	42,534	3,156	0	237,569
Totals	\$109,555	\$38,395	\$49,794	\$118,493	\$67,716	\$228,933	\$612,886

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 7, 1926.

To All Members of the Board

Subject: #2

From Mr. Eddy

333

2-5406

For your information:

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

DECLASSIFIED
Authority EO 10501

July 7, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 6th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from June 24 to June 30, 1936, inclusive.

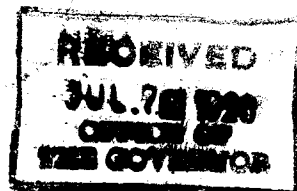
Very truly yours,

Walter L. Bldy,
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



CONFIDENTIAL

July 6, 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 June 24 to June 30, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JUNE 30, 1926

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

		TOTAL	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		EARNING	Outright	Sales	Outright	Sales	
-1925-		ASSETS	Purchases	Contracts	Purchases	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	346,365	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.	28	1,114,233	385,685	3,128	180,274	18,743	513,668
May	26	1,119,122	391,115	3,950	183,824	55,004	473,943
June	23	1,119,392	373,564	9,534	204,883	42,353	479,158
"	30	1,158,406	372,868	12,411	214,644	34,750	515,031

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 30, 1926
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	June 30	Change	June 30	Change	June 30	Change
Boston	\$ 12,899	0	\$ 23,980	\$11,949+	\$ 38,987	\$14,748+
New York	73,869	0	24,596	2,494-	102,489	10,224+
Philadelphia	21,723	0	14,640	595-	55,424	6,329+
Cleveland	37,414	61+	21,220	1,916-	47,413	1,438-
Richmond	9,342	0	10,656	979-	45,570	2,519-
Atlanta	2,338	496+	22,865	313-	39,170	2,655-
Chicago	56,059	0	29,031	21+	89,587	21,477+
St. Louis	26,451	51+	7,721	517+	30,657	114-
Minneapolis	19,828	0	8,682	1,405-	3,758	57+
Kansas City	34,768	0	11,361	819-	15,480	2,614-
Dallas	28,371	1,304-	9,389	421-	12,294	1,828-
San Francisco	49,806	0	17,942	49+	34,202	5,794-
N.Y. holdovers and other bills			12,561	6,167+		
Totals	\$372,868	\$696 -	\$214,644	\$ 9,761+	\$515,031	\$35,873+

COMMENT ON CHANGES WEEK ENDED JUNE 30, 1926

Total earning assets advanced \$39,000,000 during the statement week. Increases consisted chiefly of \$35,800,000 in bills discounted and \$9,700,000 in bankers acceptances purchased outright. Securities under sales contract also increased \$2,800,000 while similar holdings of acceptances declined \$7,600,000.

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Money
Market

Money conditions turned slightly firmer early in the week when call loans advanced to 5 per cent but on Wednesday, June 30, the rate was lowered to 4 1/2 per cent.

The shifting of funds to meet the heavy interest and dividend disbursements at the semi-annual period and the withdrawal of currency for holiday requirements were partially offset by the purchase for Treasury account of \$60,000,000 Third Liberty Loan bonds and money rates accordingly held fairly stable throughout the week. As a consequence the committee found it unnecessary to avail itself of the authority given at the last meeting to make temporary purchases for System account within a range of \$50,000,000 to relieve undue firmness in the money market over the end of the month.

Trading in time money continued quiet. A few loans of the longer maturities were negotiated at the slightly firmer rate of 4 3/8 per cent but in general the trading rate was unchanged at 4 1/4 per cent.

The commercial paper market was unchanged with prime names discounting at 4 per cent. There is some slight tendency to greater firmness.

Government
Security
Market

There was evidence of some selling early in the period of Liberty bonds coincident with the expiration on July 2 of the exemption from Federal surtax of the principal amount of \$50,000 of 4 and 4 1/4 per cent Liberty issues. Offerings, however, were well taken and prices held generally firm.

Short-term certificates and notes were only moderately active and quotations were fractionally lower.

Bankers
Acceptances

In the Boston market there was a noticeable increase in the demand for bills. The turnover this week was heavier than for the past several months. City institutions were the principal buyers. The New York market was rather quiet. The supply was somewhat smaller but accompanying firmer money conditions the demand continued only moderate. Dealers' aggregate portfolios showed a slight decline from last week. Philadelphia and Chicago report that there was very little activity in their respective markets. Offerings were small and the demand continued very light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for account of the United States Treasury not previously reported consisted of the following: Sales of \$829,000 Fourth Liberty Loan bonds for account Civil Service Retirement and Disability Fund, \$300,000 December 1926 certificates for account of the Alien Property Custodian, and \$20,000 notes due September 15, 1926, for account of the Harding Memorial Association; and purchases of \$46,150 Third Liberty Loan bonds for account of the Railroad Contingent Fund.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As referred to in the previous report, the Committee approved the sale to the Treasury on June 29 of \$30,000,000 Third Liberty Loan 4 1/4% bonds to apply on Treasury authorization for the purchase of \$60,000,000 bonds of this issue. Replacement of this sale was made through purchase in the Boston and New York markets of like aggregate amount of other short-term Governments.

The total holdings were accordingly without change at \$275,000,000; the participation by all Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,053,500	September 15, 1926	\$ 67,022,000
New York	72,546,500	December 15, 1926	47,703,000
Philadelphia	6,764,500	March 15, 1927	98,728,200
Cleveland	18,152,000	December 15, 1927	46,121,300
Richmond	8,001,000	September 15, 1928	15,425,500
Atlanta	0	3rd L/L bonds	
Chicago	36,072,500		
St. Louis	18,872,000		
Minneapolis	12,270,500		
Kansas City	24,743,500		
Dallas	25,392,500		
San Francisco	40,131,500		
Totals	<u>\$275,000,000</u>		<u>\$275,000,000</u>

The recommendation of the Committee at its last meeting that Federal reserve banks extend the repurchase agreement practice with recognized dealers in Government securities to include Third Liberty Loan bonds has been approved by the Federal Reserve Board. These bonds mature September 15, 1928 and have been declared by the Treasury as falling within the classification of the short-term Government debt.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to June 30, 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	\$ 64,641,000	\$ 53,896,000	\$10,745,000	0
New York	178,635,000	181,873,000	0	3,238,000
Philadelphia	61,247,000	61,595,000	0	348,000
Cleveland	75,321,000	76,990,000	0	1,669,000
Richmond	38,583,000	39,354,000	0	771,000
Atlanta	35,217,000	35,988,000	0	771,000
Chicago	106,672,000	107,789,000	0	1,117,000
St. Louis	34,587,000	35,435,000	0	848,000
Minneapolis	30,976,000	31,653,000	0	677,000
Kansas City	45,188,000	46,196,000	0	1,008,000
Dallas	31,200,000	31,653,000	0	453,000
San Francisco	65,452,000	69,297,000	155,000	0
Totals	<u>\$771,719,000</u>	<u>\$771,719,000</u>	<u>\$10,900,000</u>	<u>\$10,900,000</u>

The Committee arranged with the Boston bank to distribute its overage of \$10,800,000 direct to banks that were short of their pro rata share, as shown in above statement. This adjustment is to be completed on Tuesday, July 6.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM JUNE 24 to JUNE 30, 1926**

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

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 1,315,000	\$ 1,315,000
New York	7,914,000	7,914,000
Philadelphia	738,000	738,000
Cleveland	1,980,000	1,980,000
Richmond	873,000	873,000
Atlanta	0	0
Chicago	3,935,000	3,935,000
St. Louis	2,059,000	2,059,000
Minneapolis	1,338,500	1,338,500
Kansas City	2,699,500	2,699,500
Dallas	2,770,000	2,770,000
San Francisco	<u>4,378,000</u>	<u>4,378,000</u>
Totals	\$30,000,000	\$30,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 250	Second L/L bonds
Cleveland	61,000	Misc. Gov't Sec.	0	-
Atlanta	663,100	Misc. Gov't Sec.	167,700	Misc. Gov't Sec.
St. Louis	50,600	Misc. Gov't Sec.	0	-
Dallas	<u>326,850</u>	Misc. Gov't Sec.	<u>1,631,200</u>	Misc. Gov't Sec.
Totals	\$1,101,550		\$1,799,150	

**BANKERS ACCEPTANCES
 (000 Omitted)**

	<u>Holdings June 23</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities & Sales</u>	<u>Holdings June 30</u>	<u>Other Holdings Close June 30/26</u>	<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 12,031	\$13,708	Retained 0	\$ 1,759*	\$ 23,980	\$ 5,751	0	
New York	27,090	6,959	" 0	9,453**	24,596	20,205	536	
		15,203	Allotted			10,216***		
Philadelphia	15,235	3,157	Retained 0	3,752	14,640	0	0	
Cleveland	23,136	100	" 2,375	4,391	21,220	0	1,379	
Richmond	11,635	84	" 1,240	2,303	10,656	0	0	
Atlanta	23,178	2,971	" 1,495	4,779	22,865	0	430	
Chicago	29,010	1,510	" 3,090	4,579	29,031	2,757	0	
St. Louis	7,204	0	1,388	871	7,721	0	0	
Minneapolis	10,087	0	1,022	2,427	8,682	0	0	
Kansas City	12,180	0	1,770	2,589	11,361	0	0	
Dallas	9,810	192	" 1,009	1,622	9,389	0	0	
San Francisco	<u>17,893</u>	<u>1,790</u>	" 1,814	<u>3,555</u>	<u>17,942</u>	<u>6,037</u>	<u>0</u>	
Totals	\$198,489	\$45,674	\$15,203	\$42,080	\$202,083	\$34,750	\$2,345	

*Includes \$1,500,000 sold to F.R.B. New York for redistribution

**Includes \$2,900,000 sold to F.R.B. Atlanta from portfolio

***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 JUNE 30, 1926
(000 Omitted)

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 3/8%	61-90 days 3 1/4 - 3 3/8%	Over 90 days 3 3/4%	Total
Boston	\$ 3,450	\$ 304	\$ 9,954	0	\$13,708
New York	10,623	2,554	8,107	878	22,162
Philadelphia	924	369	1,864	0	3,157
Cleveland	100	0	0	0	100
Richmond	16	68	0	0	84
Atlanta	2,929	0	42	0	2,971
Chicago	1,225	15	270	0	1,510
Dallas	50	53	89	0	192
San Francisco	<u>746</u>	<u>422</u>	<u>622</u>	<u>0</u>	<u>1,790</u>
Totals	<u>\$20,063</u>	<u>\$3,785</u>	<u>\$20,948</u>	<u>\$878</u>	<u>\$45,674</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 30, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$1,102	\$45,674	\$46,776
Sold	1,798	0	1,798
Matured	0	<u>42,080</u>	<u>42,080</u>
		\$ 3,594+	\$ 2,898+
		<u>6,167+</u> (Net Change	<u>6,167+</u> (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 696-</u>	<u>\$ 9,761+</u>	<u>\$ 9,065+</u>

(Including Sales Contracts)

Holdings June 30, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 12,411	0	0	\$72,959	\$69,560	\$230,349	\$385,279
Bills Purchased	<u>113,053</u>	<u>45,322</u>	<u>51,826</u>	<u>36,326</u>	<u>2,867</u>	<u>0</u>	<u>249,394</u>
Totals	<u>\$125,464</u>	<u>\$45,322</u>	<u>\$51,826</u>	<u>\$109,285</u>	<u>\$72,427</u>	<u>\$230,349</u>	<u>\$634,673</u>

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Authority ED 10501

Form No. 131.

Office Correspondence

To All Members of the Board

From Mr. Eddy

FEDERAL RESERVE
BOARD

Subject: _____

Date June 29, 1926.

FEDERAL RESERVE BOARD FILE

333

2-5405

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

June 29, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 28, 1926, addressed to Governor Grissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from June 17 to June 23, 1926, inclusive.

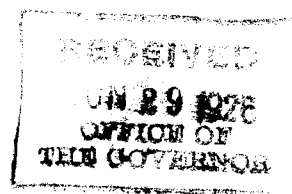
Very truly yours,

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



CONFIDENTIAL

June 28, 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 June 17 to June 23, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JUNE 23, 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	346,365	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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Nov. 25	1,326,121	315,713	16,586	326,924	32,534	624,714
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Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 16	1,119,426	478,950*	3,285	206,652	26,407	393,330
June 23	1,119,392	373,564	9,534	204,883	42,353	479,158

*Includes \$141,500,000 advance to Treasury special certificate of indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 23, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 23	Net Change	Balance June 23	Net Change	Balance June 23	Net Change
Boston	\$ 12,899	\$ 1,591+	\$ 12,031	\$ 729+	\$ 24,239	\$ 5,286+
New York	73,869	9,576+	27,090	991-	92,265	25,199+
Philadelphia	21,723	893+	15,235	480+	49,095	6,031+
Cleveland	37,353	2,446+	23,136	1,802+	48,851	4,492+
Richmond	9,342	1,056+	11,635	12-	48,089	2,651+
Atlanta	1,842	7-	23,178	4,401-	41,825	5,215+
Chicago	56,059	4,761+	29,010	1,202-	68,110	24,555+
St. Louis	26,400	2,547+	7,204	772+	30,771	7,859+
Minneapolis	19,828	1,619+	10,087	626-	3,701	448-
Kansas City	34,768	3,267+	12,180	588-	18,094	543-
Dallas	29,675	3,067+	9,810	1,164-	14,122	2,813+
San Francisco	49,806	5,298+	17,893	786-	39,996	2,718+
N.Y. holdovers and other bills			6,394	4,218+		
Totals	<u>\$373,564</u>	<u>\$36,114+</u>	<u>\$204,883</u>	<u>\$1,769-</u>	<u>\$479,158</u>	<u>\$85,828+</u>

COMMENT ON CHANGES WEEK ENDED JUNE 23, 1926

Total earning assets of the System were practically unchanged during the statement week. The redemption by the Treasury of special 1-day certificates aggregating \$141,500,000 was to a large extent offset by the repurchase of \$25,000,000 securities sold temporarily from System Account, new purchases of securities amounting to \$11,100,000 and an advance of \$85,800,000 in bills discounted. Sales contract holdings of acceptances and securities increased \$15,950,000 and \$6,250,000 respectively, while acceptances purchased outright declined \$1,800,000.

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2

Money
Market

The withdrawal of funds to the interior to replace funds previously transferred to New York by the Treasury and some additional income tax collections within this district resulted in slightly firmer money conditions. Stock Exchange call loans were placed during the greater part of the week at 4 1/4 per cent as compared with a range of 3 1/2 to 4 per cent last week.

Time money also continued firmer. There was a fair amount of trading in 3 to 6 months' loans at 4 1/4 per cent.

Commercial paper was moderately active and continued unchanged at 4 per cent for prime names.

Government
Security
Market

Trading in Government securities was in smaller volume than during recent previous weeks and prices in general were fractionally lower.

Accompanying firmer money, offerings of short-term certificates and notes were somewhat in excess of the demand and prices at the close of the week were on the average 3/32nds lower.

Bankers
Acceptances

Rates on 90-day unindorsed bills were advanced during the week 1/8 per cent and dealers are now bidding 3 1/2 per cent and offering at 3 3/8 per cent. Offering rates on other maturities continued unchanged at 3 1/8 per cent for 30's, 3 1/4 per cent for 60's, and 3 3/8 per cent for 120-day bills.

In the Boston market the increase in dealers' rates on 90-day bills resulted in a better demand for this maturity but the supply of all bills continued light and dealers' transactions decreased over the previous week. Accompanying firmer money conditions the bill market in New York was less active than last week. The supply was substantially in excess of demand as a result of which dealers advanced their rates on 90's which stimulated the buying somewhat in bills of this maturity. Offerings to the reserve bank were moderate and consisted mostly of short bills. Philadelphia and Chicago report that there was little activity in their respective districts. Very few new bills came into the market and the demand continued light.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there were purchased for account of the Alien Property Custodian \$250,000 Third 4 1/4 per cent Liberty Loan bonds.

The Treasury authorized the purchase of \$60,000,000 Third Liberty Loan bonds for delivery June 26, 29 and July 1, against which purchases of \$20,000,000 have been made in the New York and Chicago markets and \$30,000,000 from the System Special Investment Account, the latter being replaced by short-term Governments leaving an unexecuted balance of \$10,000,000. Deliveries which are made prior to July 1 are for account of Surplus Money and on July 1 are for account of the Cumulative Sinking Fund.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM JUNE 17 TO JUNE 23, 1926**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Repurchase Tem- porary Sales B-1927 Notes</u>	<u>Participation Open Market Purchases Short-term Gov'ts</u>	<u>Total</u>
Boston	\$ 1,096,000	\$ 495,000	\$ 1,591,000
New York	6,595,000	2,981,000	9,576,000
Philadelphia	615,000	277,500	892,500
Cleveland	1,650,000	746,000	2,396,000
Richmond	728,000	328,500	1,056,500
Atlanta	0	0	0
Chicago	3,279,000	1,482,500	4,761,500
St. Louis	1,715,000	775,500	2,490,500
Minneapolis	1,115,000	504,500	1,619,500
Kansas City	2,250,000	1,017,000	3,267,000
Dallas	2,308,500	1,043,500	3,352,000
San Francisco	3,648,500	1,649,000	5,297,500
Totals	\$25,000,000*	\$11,300,000	\$36,300,000

*Represents temporary sales during June 15 tax period.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 100	Second L/L bond
Cleveland	50,000	Misc. Gov't Sec.	0	-
Atlanta	686,650	Misc. Gov't Sec.	693,650	Misc. Gov't Sec.
St. Louis	57,000	Misc. Gov't Sec.	0	-
Dallas	15,100	Misc. Gov't Sec.	300,000	Second L/L bonds
Totals	\$808,750		\$993,750	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings June 16</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities & Sales</u>	<u>Holdings June 23</u>	<u>Other Holdings Close June 23/26 Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 11,302	\$ 3,429	Retained 0	\$ 2,700*	\$ 12,031	\$ 3,701	0
New York	28,081	8,061	" 0	9,052	27,090	29,642	515
		15,511	Allotted			4,146**	
Philadelphia	14,755	2,523	Retained 0	2,043	15,235	0	0
Cleveland	21,334	400	" 3,747	2,345	23,136	0	1,379
Richmond	11,647	0	1,592	1,604	11,635	0	0
Atlanta	27,579	5	" 513	4,919	23,178	0	354
Chicago	30,212	986	" 2,713	4,901	29,010	2,808	0
St. Louis	6,432	0	1,391	619	7,204	0	0
Minneapolis	10,713	0	1,100	1,726	10,087	0	0
Kansas City	12,768	0	1,596	2,184	12,180	0	0
Dallas	10,974	115	" 972	2,251	9,810	0	0
San Francisco	18,679	925	" 1,887	3,598	17,893	6,202	0
Totals	\$204,476	\$31,955	\$15,511	\$37,942	\$198,489	\$42,353	\$2,248

*Includes \$2,501,000 sold to F.R.B. New York for redistribution

**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 JUNE 23, 1926
(000 Omitted)

	<u>1 - 30 days</u> <u>3 1/8%</u>	<u>31 - 60 days</u> <u>3 1/4%</u>	<u>61 - 90 days</u> <u>3 1/4 - 3 3/8%</u>	<u>Over 90-days</u> <u>3 1/4%</u>	<u>Total</u>
Boston	\$ 1,041	\$ 206	\$2,182	0	\$ 3,429
New York	18,335	1,673	3,290	274	23,572
Philadelphia	152	1,317	1,054	0	2,523
Cleveland	0	400	0	0	400
Atlanta	0	0	5	0	5
Chicago	749	54	167	16	986
Dallas	50	0	65	0	115
San Francisco	<u>613</u>	<u>283</u>	<u>29</u>	<u>0</u>	<u>925</u>
Totals	<u>\$20,940</u>	<u>\$3,933</u>	<u>\$6,792</u>	<u>\$290</u>	<u>\$31,955</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 23, 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	\$37,107	\$31,955	\$69,062
Sold	993	0	993
Matured	0	<u>37,942</u>	<u>37,942</u>
		\$ 5,987-	\$30,127+
		4,218+ (Net Change	4,218+ (Net change
		1-day holdover	1-day holdover
		& other bills	& other bills
Totals	<u>\$36,114+</u>	<u>\$ 1,771-</u>	<u>\$34,345+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>June 23, 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	\$ 9,534	0	0	\$56,433	\$67,048	\$250,083	\$383,098
Bills Purchased	<u>113,420</u>	<u>50,908</u>	<u>51,812</u>	<u>28,393</u>	<u>2,703</u>	<u>0</u>	<u>247,236</u>
Totals	<u>\$122,954</u>	<u>\$50,908</u>	<u>\$51,812</u>	<u>\$84,826</u>	<u>\$69,751</u>	<u>\$250,083</u>	<u>\$630,334</u>

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Form No. 131.

Office Correspondence

To All Members of the Board

From Mr. Eddy

FEDERAL RESERVE
BOARD

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Subject: _____

FEDERAL RESERVE BOARD FILE

Date June 23, 1926.

333 •

2-2405

For your information:

- ✓ ~~Governor Crissinger~~ *absent*
- ✓ Mr. Platt
- ✓ Mr. Hamlin
- Mr. Miller *no there*
- ✓ Mr. James
- ~~Mr. Cunningham~~ *absent*
- Mr. McIntosh ✓

Please return to Secretary's office.

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June 23, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 22nd, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from June 10 to June 16, 1926, inclusive.

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
JUN 23 1926
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

June 22, 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 June 10 to June 16, 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 JUNE 16, 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 DISCOUNTED
		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	346,365	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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 9	1,128,578	414,705*	3,603	207,719	42,102	448,163
June 16	1,119,426	478,950**	3,285	206,652	26,407	393,330

*Includes \$4,000,000 advance to Treasury special certificate of indebtedness

**Includes \$141,500,000 advance to Treasury special certificates of indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 16, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 16	Net Change	Balance June 16	Net Change	Balance June 16	Net Change
Boston	\$ 11,308	\$ 7,157-	\$ 11,302	\$ 834-	\$ 18,953	\$ 3,599-
New York	64,293	15,566-	28,081	1,343-	67,066	46,947-
Philadelphia	20,830	3,385-	14,755	1,647+	43,064	2,307-
Cleveland	34,907	3,647-	21,334	1,010-	44,359	594+
Richmond	8,286	1,639-	11,647	474+	45,438	575-
Atlanta	1,849	1,998-	27,579	3,025+	36,610	1,378+
Chicago	51,298	7,384-	30,212	618+	43,555	2,756-
St. Louis	23,853	6,261-	6,432	1,445+	22,912	1,681-
Minneapolis	18,209	2,511-	10,713	1,109-	4,149	1,791-
Kansas City	31,501	6,538-	12,768	143+	18,637	1,480-
Dallas	26,608	8,956-	10,974	182+	11,309	167+
San Francisco	44,508	8,213-	18,679	1,029+	37,278	4,164+
N.Y. holdovers and other bills			2,176	5,334-		
Totals	\$337,450*	\$73,255-	\$206,652	\$1,067-	\$393,330	\$54,833-

* This balance does not include \$141,500,000 one-day advance to Treasury

COMMENT ON CHANGES WEEK ENDED JUNE 16, 1926

Total earning assets of the System decreased \$9,150,000 during the statement week. The reduction in Government security holdings of \$73,250,000, exclusive of Special certificate of indebtedness, resulted from large quarter tax date transactions as follows: Temporary sales under repurchase agreement of \$25,000,000, certificates maturing June 15, of \$25,649,000, sales to foreign accounts June 14 and 15 of \$49,813,000, and purchases in partial replacement of \$26,516,000. Further decreases consisted of \$54,800,000 in bills discounted, \$15,700,000 in bankers acceptances under sales contracts, and \$1,000,000 in acceptances purchased outright.

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Money Market

Temporary sales of \$25,000,000 securities from the System Account and the prepayment of loans aggregating \$50,000,000 at the reserve bank resulted in leading New York City banks entering the tax period with reserves substantially below requirements. As a consequence the surplus of funds on June 15, due to large disbursements by the Treasury in excess of income tax collections, was only temporary and by Friday when the banks averaged their reserves for the week call money rates were again at 4 per cent.

The time money market was fairly active and slightly firmer. Toward the close of the week loans of all maturities were negotiated at the single rate of 4 1/4 per cent.

Commercial paper continued unchanged at 4 per cent for prime names. Trading was limited to the rather small supply of offerings in the market and the week's turnover was in only moderate proportions.

Government Security Market

Trading in United States Government securities was very active and prices advanced in all issues of long-term bonds. The First Liberty Loan 3 1/2 per cent bonds were especially active and at the close of the week sold at 101 18/32, representing a net increase of 5/8 of a point. The demand for the 3 3/4 per cent Treasury bonds was somewhat in excess of offerings and prices advanced further to a new high of 101 29/32.

Transactions were also fairly heavy in short-term certificates and notes and prices continued firm.

Bankers Acceptances

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

Bill market conditions in Boston showed but little change over the previous week. Offerings increased slightly but the demand continued light. Sales to local banks increased somewhat but the demand from country banks fell off considerably. The New York market, however, was quite active during this period. The supply was slightly larger but was comprised mainly of bills of very short maturity. The fact that the Treasury made no new offering of securities on the fifteenth and the relatively easy money conditions resulted in a good demand for bills of the longer maturities. Dealers' combined portfolios accordingly declined moderately. Offerings to the reserve bank were light and were mainly from banks. The bill market in the Philadelphia and Chicago districts was inactive, the offering still in excess of the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

At the request of the Treasury there has been purchased for account of Surplus Money an aggregate of \$40,000,000 Third 4 1/4 per cent Liberty Loan bonds for delivery between June 21 and 28, at the Treasury's option. These purchases were made at private sale in the New York and Chicago markets.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Temporary sales from the System Account were made during the tax period aggregating \$25,000,000 to member banks in New York. These securities were all re-purchased by June 18.

Other transactions consisted of the sale to the Fiscal Agent of the British Government of \$35,352,000 June 15 certificates, sales to foreign correspondents aggregating \$14,461,000, and redemptions of \$1,173,500. In anticipation of these reductions in the account there was purchased earlier in the month an aggregate of \$30,556,500 which, together with purchases not previously reported of \$15,930,000, brought the total System holdings at the close of Monday, June 21, to \$270,500,000.

The participation by all Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 11,856,500
New York	71,359,500
Philadelphia	6,654,000
Cleveland	17,855,000
Richmond	7,870,500
Atlanta	0
Chicago	35,482,000
St. Louis	18,563,000
Minneapolis	12,069,500
Kansas City	24,338,500
Dallas	24,977,000
San Francisco	39,474,500
Totals	<u>\$270,500,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$ 50,522,000
December 15, 1926	45,203,000
March 15, 1927	83,228,200
December 15, 1927	46,121,300
September 15, 1928	45,425,500
3rd L/L bonds	
	<u>\$270,500,000</u>

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to June 16, 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	\$ 51,505,000	\$ 48,945,000	\$2,560,000	0
New York	163,615,000	165,606,000	0	1,991,000
Philadelphia	55,567,000	55,937,000	0	370,000
Cleveland	68,699,000	69,918,000	0	1,219,000
Richmond	35,667,000	35,817,000	0	150,000
Atlanta	33,133,000	32,451,000	682,000	0
Chicago	98,373,000	97,887,000	486,000	0
St. Louis	31,808,000	31,898,000	0	90,000
Minneapolis	28,854,000	28,824,000	30,000	0
Kansas City	41,822,000	41,953,000	0	131,000
Dallas	28,912,000	28,824,000	88,000	0
San Francisco	63,036,000	62,931,000	105,000	0
Totals	<u>\$700,991,000</u>	<u>\$700,991,000</u>	<u>\$3,951,000</u>	<u>\$3,951,000</u>

The overages shown above are being adjusted in the usual manner by redistribution of bills among banks that are short of their pro rata share.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM JUNE 10 TO JUNE 16, 1926**

	SYSTEM SPECIAL INVESTMENT ACCOUNT			
	<u>Purchases</u>	<u>Sales and Maturities</u>	<u>*Temporary Sales</u>	<u>Net Decrease</u>
Boston	\$ 863,500	\$ 2,235,000	\$ 1,096,000	\$ 2,467,500
New York	5,194,000	13,450,500	6,595,000	14,851,500
Philadelphia	484,000	1,254,000	615,000	1,385,000
Cleveland	1,299,000	3,365,500	1,650,000	3,716,500
Richmond	572,000	1,483,500	728,000	1,639,500
Atlanta	0	0	0	0
Chicago	2,582,500	6,687,500	3,279,000	7,384,000
St. Louis	1,351,000	3,499,000	1,715,000	3,863,000
Minneapolis	878,500	2,275,000	1,115,000	2,511,500
Kansas City	1,771,000	4,588,000	2,250,000	5,067,000
Dallas	1,818,000	4,708,000	2,308,500	5,198,500
San Francisco	2,873,000	7,440,500	3,648,500	8,216,000
Totals	\$19,686,500	\$50,986,500	\$25,000,000	\$56,300,000

*Securities sold temporarily to member banks under agreement to be repurchased on or before June 18, 1926.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales & Maturities</u>	<u>Issue</u>
Boston	0	-	\$4,689,200	Misc. Gov't Sec.
New York	0	-	714,500	Ctfs. of Ind.
Philadelphia	5,000,000	Misc. Gov't Sec.	7,000,000	Ctfs. of Ind.
Cleveland	2,329,000	Misc. Gov't Sec.	2,260,000	Ctfs. of Ind.
Atlanta	166,200	Misc. Gov't Sec.	2,163,850	Misc. Gov't Sec.
St. Louis	0	-	2,398,000	Ctfs. of Ind.
Kansas City	0	-	1,471,500	Ctfs. of Ind.
Dallas	71,100	Misc. Gov't Sec.	3,828,700	Misc. Gov't Sec.
San Francisco	2,900	Misc. Gov't Sec.	0	-
Totals	\$7,569,200		\$24,525,750	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings June 9</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities & Sales</u>	<u>Holdings June 16</u>	<u>Other Holdings Close June 16/26</u>	<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 12,136	\$ 4,813	Retained 0	\$ 5,647*	\$ 11,302	\$ 2,821	0	
New York	29,424	6,764	" 0	8,107**	28,081	15,067	713	
		17,666	Allotted			209***		
Philadelphia	13,108	3,336	Retained 0	1,689	14,755	0	0	
Cleveland	22,344	409	" 1,536	2,955	21,334	0	894	
Richmond	11,173	0	" 1,841	1,367	11,647	0	0	
Atlanta	24,554	4,542	" 2,017	3,534	27,579	0	360	
Chicago	29,594	1,413	" 2,647	3,442	30,212	2,055	0	
St. Louis	4,987	0	" 1,504	59	6,432	0	0	
Minneapolis	11,822	0	" 1,851	2,960	10,713	0	0	
Kansas City	12,625	0	" 2,411	2,268	12,768	0	0	
Dallas	10,792	107	" 1,577	1,502	10,974	0	0	
San Francisco	17,650	924	" 2,282	2,177	18,679	6,464	0	
Totals	\$200,209	\$39,974	\$17,666	\$35,707	\$204,476	\$26,407	\$1,967	

*Includes \$4,501,000 sold to F.R.B. New York for redistribution

**Includes \$3,600,000 sold to F.R.B. Atlanta from portfolio

***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 JUNE 16, 1926
(000 Omitted)

	<u>1-30 days</u> <u>3 1/8 - 3 1/4%</u>	<u>31-60 days</u> <u>3 1/4 - 3 3/8%</u>	<u>61-90 days</u> <u>3 1/4 - 3 3/8%</u>	<u>Over 90-days</u> <u>3 3/8%</u>	<u>Total</u>
Boston	\$ 1,392	\$2,790	\$ 631	\$ 0	\$ 4,813
New York	19,461	2,104	1,892	973	24,430
Philadelphia	272	632	2,432	0	3,336
Cleveland	0	409	0	0	409
Atlanta	4,536	2	4	0	4,542
Chicago	809	568	36	0	1,413
Dallas	0	46	46	15	107
San Francisco	723	45	156	0	924
Totals	<u>\$27,193</u>	<u>\$6,596</u>	<u>\$5,197</u>	<u>\$988</u>	<u>\$39,974</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 16, 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	\$27,255	\$39,974	\$67,229
Sold	78,762	0	78,762
Matured	21,748	35,707	57,455
		\$ 4,267+	\$68,988-
		5,334- (Net Change	5,334- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$73,255-</u>	<u>\$ 1,067-</u>	<u>\$74,322-</u>

	(Including Sales Contracts)						
<u>Holdings</u> <u>June 16, 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	\$144,785	\$ 0	\$ 0	\$53,633	\$64,552	\$219,265	\$482,235
Bills Purchased	98,038	52,537	48,717	30,827	3,040	0	233,159
Totals	<u>\$242,823</u>	<u>\$52,537</u>	<u>\$48,717</u>	<u>\$84,460</u>	<u>\$67,592</u>	<u>\$219,265</u>	<u>\$715,394</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 16, 1926.

To All Members of the Board

Subject: _____

Fr Mr. Eddy

2-8495

For your information.

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

absent

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

June 16, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 14th, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from June 3 to June 9, 1936, inclusive.

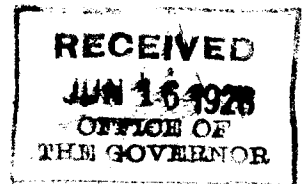
Very truly yours,

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



June 14, 1926

CONFIDENTIAL

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 June 3 to June 9, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JUNE 9, 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	346,365	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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 2	1,186,037	398,362	5,790	194,496	49,647	524,957
June 9	1,128,578	414,705*	3,603	207,719	42,102	448,163

*Includes \$4,000,000 advance to Treasury special certificate of indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

DURING WEEK ENDED JUNE 9, 1926

(000 OMITTED)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 9	Net Change	Balance June 9	Net Change	Balance June 9	Net Change
Boston	\$ 18,465	\$ 548+	\$ 12,136	\$ 1,766-	\$ 22,552	\$ 4,648-
New York	79,859	2,646+	29,424	3,074+	114,013	44,127-
Philadelphia	24,215	307+	13,108	3,328+	45,371	3,184-
Cleveland	38,554	825+	22,344	558-	43,765	2,992-
Richmond	9,925	364+	11,173	1,246+	46,013	1,041-
Atlanta	3,847	141-	24,554	2,193+	35,232	1,553+
Chicago	58,682	1,640+	29,594	4,869+	46,311	7,246-
St. Louis	30,114	1,372+	4,987	342+	24,593	9,812-
Minneapolis	20,720	557+	11,822	619-	5,940	1,069+
Kansas City	38,039	1,125+	12,625	1,136+	20,117	474+
Dallas	35,564	1,276+	10,792	823+	11,142	774+
San Francisco	52,721	1,824+	17,650	572-	33,114	7,614-
N.Y. holdovers and other bills			7,510	273-		
Totals	\$410,705*	\$12,343+	\$207,719	\$13,223+	\$448,163	\$76,794-

*This balance does not include \$4,000,000 one-day advance to Treasury.

COMMENT ON CHANGES WEEK ENDED JUNE 9, 1926

Total earning assets of the System declined \$57,000,000 during the statement week. The decrease of \$76,800,000 in bills discounted was partially offset by increases in outright holdings of Government securities of \$12,300,000 (exclusive of \$4,000,000 advance to Treasury on special certificates), and \$13,200,000 in bankers acceptances. Sales contract holdings of acceptances and securities also declined \$7,500,000 and \$2,200,000 respectively.

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Money
Market

The call money rate held steady at 4 per cent until Thursday, June 10, when it was reduced to $3\frac{3}{4}$ per cent, the lowest since June 3.

Time money was rather quiet with limited trading in 90 day loans at $4\frac{1}{8}$ per cent, and in the longer maturities at $4\frac{1}{4}$ per cent.

Commercial paper was fairly active in the Middle and South West at 4 per cent. Sales in New York were confined to a few special lots.

Government
Security
Market

The announcement by the Treasury that there would be no new financing on June 15 was followed by more active trading in all outstanding issues of Government securities and moderate advances in prices. The $3\frac{3}{4}$ per cent bonds of 1946/56 sold at a new high of 101 $\frac{22}{32}$ as compared with the issued-price of 100 $\frac{1}{2}$ on March 15.

Short-term certificates and notes were also strong and advanced from $\frac{2}{32}$ to $\frac{6}{32}$ over the levels of the previous week.

Bankers
Acceptances

Dealers' offering rates on 90-day bills became settled at $3\frac{1}{4}$ per cent as compared with a range of $3\frac{1}{4}$ to $3\frac{3}{8}$ per cent last week. Rates on other maturities continued unchanged at $3\frac{1}{8}$ per cent for 30's, $3\frac{1}{4}$ per cent for 60's, and $3\frac{3}{8}$ per cent for 120-day maturities.

Boston reports that the demand for bills fell off considerably, dealers' sales dropping from a high of \$15,000,000 a week ago to \$4,000,000 for this period. The supply continued limited with short bills in best demand. Offerings to the reserve bank were fairly heavy. In New York the market was very quiet. Both the supply and demand were much less than any recent week, the demand being considerably less than the supply. Bills of longer maturity were most desired, short bills being hard to move. The bill market in the Philadelphia and Chicago districts were inactive, the supply still in excess of the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for account of the United States Treasury during the period consisted of purchases for various accounts for delivery on June 15 as follows: \$900,000 Third Liberty Loan bonds and \$38,500 certificates due December 15, 1926 for account of the Alien Property Custodian; \$119,350 Fourth Liberty Loan $4\frac{1}{4}\%$ bonds for account of the Civil Service Retirement and Disability Fund; and \$89,250 Third Liberty Loan bonds for account of the General Railroad Contingent Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to June 9, 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	\$ 51,193,000	\$ 46,714,000	\$4,479,000	0
New York	156,851,000	158,275,000	0	1,424,000
Philadelphia	52,231,000	53,387,000	0	1,156,000
Cleveland	66,754,000	66,731,000	23,000	0
Richmond	33,826,000	34,223,000	0	397,000
Atlanta	30,174,000	30,857,000	0	683,000
Chicago	94,313,000	93,425,000	888,000	0
St. Louis	30,304,000	30,304,000	0	0
Minneapolis	27,003,000	27,549,000	0	546,000
Kansas City	39,411,000	40,041,000	0	630,000
Dallas	27,228,000	27,549,000	0	321,000
San Francisco	59,830,000	60,063,000	0	233,000
Totals	<u>\$669,118,000</u> ✓	<u>\$669,118,000</u>	<u>\$5,390,000</u>	<u>\$5,390,000</u>

The overages shown above are being adjusted in the usual manner by redistribution of bills among banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In connection with the replacement of June 15 maturities in the System Special Investment Account and for account of foreign correspondents, referred to in the previous report, further purchases have been made during the week, leaving an unexecuted balance of approximately \$10,000,000.

Of the \$40,000,000 purchased \$30,556,500 securities have already been delivered for the System Account and increase temporarily the holdings from \$275,000,000 to \$305,556,500 at the close of business June 11. The participation in this latter amount by all Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 13,393,000	June 15, 1926	\$ 36,525,500*
New York	80,607,000	September 15, 1926	51,183,000
Philadelphia	7,516,500	December 15, 1926	51,913,000
Cleveland	20,169,000	March 15, 1927	77,228,200
Richmond	8,891,000	December 15, 1927	44,031,300
Atlanta	0	September 15, 1928	44,675,500
Chicago	40,080,000	3rd L/L bonds	
St. Louis	20,969,000		
Minneapolis	13,633,500		
Kansas City	27,493,000		
Dallas	28,214,000		
San Francisco	44,590,500		
Totals	<u>\$305,556,500</u>		<u>\$305,556,500</u> ✓

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 June 12 and June 14 to member banks in New York and Chicago, at par flat, an aggregate of \$15,000,000 short-term Governments. These securities were sold subject to repurchase on or before June 18 at par flat, plus interest at 3% per annum for the number of days held.

*A block of \$35,352,000 June 15, 1926 Certificates has been sold to the Fiscal Agent of the British Government for delivery June 14.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM JUNE 3 TO JUNE 9, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
 (Participation in Purchases)

	<u>Miscellaneous Governments</u>
Boston	\$ 547,500
New York	2,783,000
Philadelphia	307,500
Cleveland	825,000
Richmond	364,000
Atlanta	0
Chicago	1,640,000
St. Louis	1,372,000
Minneapolis	557,500
Kansas City	1,125,000
Dallas	1,154,500
San Francisco	<u>1,824,000</u>
Total	<u>\$12,500,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	0	-	x \$137,000	TJ2-1926 Ctfs.
Atlanta	705,000	Misc. Gov't Sec.	846,350	Misc. Gov't Sec.
Dallas	<u>121,600</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$826,600</u>		<u>\$983,350</u>	

* Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES

	<u>(000 Omitted)</u>					<u>Other Holdings Close June 9/26</u>	
	<u>Holdings June 2</u>	<u>Purchased Own Market</u>	<u>Rec'd by Maturities Allotment</u>	<u>Holdings June 9</u>	<u>Sales Contracts</u>	<u>Other Bills</u>	
Boston	\$ 13,902	\$ 7,314	Retained 0	\$ 9,080 ^x	\$ 12,136	\$ 4,017	0
New York	26,350	10,165	" 0	7,091 ^{xx}	29,424	30,248	741
		17,046	Allotted			5,485 ^{xxx}	
Philadelphia	9,780	4,675	Retained 0	1,347	13,108	0	0
Cleveland	22,902	450	" 913	1,921	22,344	0	919
Richmond	9,927	320	" 1,976	1,050	11,173	0	0
Atlanta	22,361	3,331	" 2,103	3,241	24,554	0	365
Chicago	24,725	2,586	" 4,071	1,788	29,594	2,082	0
St. Louis	4,645	0	413	71	4,987	0	0
Minneapolis	12,441	0	1,818	2,437	11,822	0	0
Kansas City	11,489	0	2,124	988	12,625	0	0
Dallas	9,969	213	" 1,819	1,209	10,792	0	0
San Francisco	<u>18,222</u>	<u>783</u>	" 1,809	3,164	<u>17,650</u>	<u>5,755</u>	<u>0</u>
	<u>\$186,713</u>	<u>\$46,883</u>		<u>\$17,046</u>	<u>\$33,387</u>	<u>\$200,209</u>	<u>\$42,102</u>
				<u>\$33,387</u>		<u>\$42,102</u>	<u>\$2,025</u>

^x Includes \$8,001,000 sold to F. R. B. New York for redistribution.

^{xx} Includes \$3,328,000 sold to F. R. B. Atlanta from portfolio.

^{xxx} 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 JUNE 9, 1926
 (000 Omitted)

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/8 - 3 3/8%	61-90 days 3 1/4 - 3 1/2%	Over 90-days 3 3/8%	Total
Boston	\$ 1,483	\$ 2,459	\$3,372	0	\$ 7,314
New York	19,172	4,088	3,397	554	27,211
Philadelphia	2,366	1,458	851	0	4,675
Cleveland	200	250	0	0	450
Richmond	175	145	0	0	320
Atlanta	0	3,331	0	0	3,331
Chicago	889	1,072	625	0	2,586
Dallas	0	182	0	31	213
San Francisco	506	246	31	0	783
Totals	\$24,791	\$13,231	\$8,276	\$585	\$46,883

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 9, 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	\$13,326	\$46,883	\$60,209
Sold	983	0	983
Matured	0	33,387	33,387
		\$13,496+	\$25,839+
		273- (Net Change	273- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	\$12,343+	\$13,223+	\$25,566+

(Including Sales Contracts)

Holdings June 9, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-Days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 64,704	0	0	0	\$57,094	\$296,510	\$418,308
Bills Purchased	109,399	53,419	53,373	34,524	3,106	0	249,821
Totals	\$170,103	\$53,419	\$53,373	\$34,524	\$60,200	\$296,510	\$668,129

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Form No. 131.

Office Correspondence

To All Members of the Board

From Mr. Eddy

FEDERAL RESERVE
BOARD

Subject: _____

Date June 8, 1926.

333

2-8495

For your information.

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

June 8, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 7th, addressed to Governor Cristinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from May 27 to June 2, 1936, inclusive.

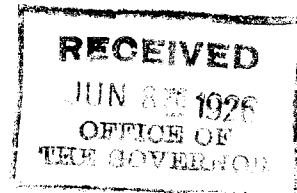
Very truly yours,

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



CONFIDENTIAL

June 7, 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 May 27 to June 2, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

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

W. B. Matteson
Secretary, 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 JUNE 2, 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 DISCOUNTED
		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
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May 26	1,119,122	391,115	3,950	183,824	55,004	473,943
June 2	1,186,037	398,362	5,790	194,496	49,647	524,957

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 2, 1926
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 2	Net Change	Balance June 2	Net Change	Balance June 2	Net Change
Boston	\$ 17,917	\$ 328+	\$ 13,902	\$ 2,127-	\$ 27,200	\$ 5,035-
New York	77,213	2,117+	26,350	7,372+	158,140	53,648+
Philadelphia	23,908	185+	9,780	1,160-	48,555	3,150-
Cleveland	37,729	506+	22,902	2,765+	46,757	708-
Richmond	9,561	218+	9,927	1,466+	47,054	870+
Atlanta	3,988	64+	22,361	817-	33,679	2,803-
Chicago	57,042	984+	24,725	2,114+	53,557	3,399+
St. Louis	28,742	0	4,645	3,489-	34,405	9,189+
Minneapolis	20,163	335+	12,441	527+	4,871	1,017-
Kansas City	36,914	675+	11,489	711+	19,643	398+
Dallas	34,288	740+	9,969	1,260+	10,368	666+
San Francisco	50,897	1,095+	18,222	3,013+	40,728	4,443-
N.Y. holdovers and other bills			7,783	963-		
Totals	\$398,362	\$7,247+	\$194,496	\$10,672+	\$524,957	\$51,014+

COMMENT ON CHANGES WEEK ENDED JUNE 2, 1926

Total earning assets of the System increased \$67,000,000 during the statement week. Advances in the various classes of holdings consisted of \$51,000,000 in bills discounted, \$10,700,000 in outright purchases of bankers acceptances, and \$7,300,000 in outright holdings of Government securities. Securities under sales contracts also increased \$1,900,000, while similar holdings of acceptances declined \$5,400,000.

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Money
Market

Deficits in average reserves of leading New York City banks at the beginning of the business week were reflected in an advance in call money on Tuesday, June 1, to 5 per cent, the highest since April 13, but the rate was easier as the week progressed.

Time money was slightly firmer at $4\frac{1}{8}$ to $4\frac{1}{4}$ per cent for all maturities except 60 days. Trading was generally dull with a few loans made in the longer maturities at $4\frac{1}{8}$ per cent.

The prevailing rate on prime commercial paper continued unchanged at 4 per cent. The demand was chiefly from Middle Western cities and was at least equal to the scarce supplies of new paper being created.

Government
Security
Market

Trading in United States Government securities was in moderate volume and prices of practically all issues made fractional advances. The longer term bonds were in good demand, especially the $3\frac{3}{4}$ s of 1946/56 which sold at 101 $\frac{1}{2}$, a full point above the subscription price on March 15.

United States Treasury certificates and notes continued firm.

Bankers
Acceptances

Rates on 90 day unindorsed bills were unsettled; some New York dealers on Friday, June 4, lowered their rates $\frac{1}{8}\%$ so that bills of this maturity are now being offered at a range of $3\frac{1}{4}\%$ to $3\frac{3}{8}\%$. Other rates continued unchanged at $3\frac{1}{8}\%$ for 30's, $3\frac{1}{4}\%$ for 60's, and $3\frac{3}{8}\%$ for 120 day maturities.

Boston reports that the supply of bills offered in the market continued small during the period. There was, however, a good demand for 90's at $3\frac{3}{8}$ per cent, and for maturities under 30-days. Dealers sales aggregated approximately \$15,000,000, the highest total for any week this year. The market in New York was also active with an increase in both the supply and demand. Bills moved freely with the result that there was a substantial decline in dealers' aggregate portfolios. Philadelphia reports slightly more activity than during the previous week. There was a good supply of offerings in the market but the demand which increased somewhat was still only fair. In the Chicago district the market continued dull and only a few new bills were offered.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for account of the United States Treasury during the period consisted of the sale of \$188,500 June 15, 1926 certificates for account of the Civil Service Retirement and Disability Fund, and the purchase of \$9,900 Third Liberty Loan $4\frac{1}{4}\%$ bonds for account of the General Railroad Contingent Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to June 2, 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	\$ 51,880,000	\$ 44,254,000	\$ 7,626,000	0
New York	146,686,000	149,841,000	0	3,155,000
Philadelphia	47,556,000	50,576,000	0	3,020,000
Cleveland	65,391,000	63,217,000	2,174,000	0
Richmond	31,530,000	32,114,000	0	584,000
Atlanta	28,068,000	28,748,000	0	680,000
Chicago	87,656,000	88,505,000	0	849,000
St. Louis	29,891,000	29,891,000	0	0
Minneapolis	25,185,000	25,792,000	0	607,000
Kansas City	37,287,000	37,933,000	0	646,000
Dallas	25,196,000	25,792,000	0	596,000
San Francisco	57,238,000	56,901,000	337,000	0
Totals	<u>\$633,564,000</u>	<u>\$633,564,000</u>	<u>\$10,137,000</u>	<u>\$10,137,000</u>

The shortages shown above were practically all taken care of through re-distribution of the overages by the end of the week.

Owing to their reserve position the Federal Reserve Bank of St. Louis sold from their portfolio bills amounting to \$4,000,000. These bills were redistributed to other participating banks and are reflected in the figures shown above. The St. Louis bank also requested to be relieved temporarily of their participation in daily System purchases.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The Open Market Investment Committee has approved the replacement in the System Account of June 15 maturities aggregating \$36,525,500 through the purchase in the market of other short-term Government obligations. There is also maturing on June 15 approximately \$14,000,000 certificates held by the New York bank for account of foreign correspondents which are to be replaced with other issues. Against these aggregate maturities of approximately \$50,000,000 there has been purchased \$38,000,000, of which \$12,500,000 have already been delivered for the System Account and the balance is to be delivered on or before June 15.

The total holdings in the System Account at the close of business Monday, June 7, amounted to \$287,500,000, the participation in which by all Federal reserve banks and the classification of holdings were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 12,601,500
New York	76,701,000
Philadelphia	7,072,500
Cleveland	18,977,500
Richmond	8,365,500
Atlanta	0
Chicago	37,711,000
St. Louis	18,872,500
Minneapolis	12,828,000
Kansas City	25,868,500
Dallas	26,546,500
San Francisco	41,955,500
Totals	<u>\$287,500,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 36,525,500*
September 15, 1926	48,122,000
December 15, 1926	51,913,000
March 15, 1927	73,008,200
December 15, 1927	38,031,300
September 15, 1928	39,900,000
3rd L/L bonds	
	<u>\$287,500,000</u>

*A block of \$35,400,000 June 15 certificates has been sold to the Fiscal Agent of the British Government, for delivery June 14.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM MAY 27 TO JUNE 2, 1926**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
(Participation in Purchases)

	<u>Miscellaneous Governments</u>
Boston	\$ 328,500
New York	2,493,000
Philadelphia	184,500
Cleveland	495,000
Richmond	218,000
Atlanta	0
Chicago	984,000
St. Louis	0
Minneapolis	335,000
Kansas City	675,000
Dallas	692,500
San Francisco	<u>1,094,500</u>
Total	<u>\$7,500,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 50	Second L/L 4 1/4% bonds
New York	\$188,550	Misc. C. of I.	* 564,000	TJ2-1926 Ctfs.
Cleveland	11,000	Misc. Gov't Securities	0	-
Atlanta	220,650	Misc. Gov't Securities	155,950	Misc. Gov't Securities
Dallas	<u>47,800</u>	Misc. Gov't Securities	<u>0</u>	-
Totals	<u>\$467,950</u>		<u>\$720,000</u>	

*Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings May 26</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities & Sales</u>	<u>Holdings June 2</u>	<u>Other Holdings Close June 2, 1926</u>	<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 16,029	\$ 9,071	Retained 0	\$11,198*	\$13,902	\$ 4,820	0	
New York	18,978	11,371	" 0	3,999	26,350	34,386	789	
		22,399	Allotted			5,468***		
Philadelphia	10,940	1,945	Retained 0	3,105	9,780	0	0	
Cleveland	20,137	3,108	" 2,629	2,972	22,902	0	1,092	
Richmond	8,461	2	" 1,838	374	9,927	0	0	
Atlanta	23,178	0	" 2,449	3,266	22,361	0	434	
Chicago	22,611	557	" 4,054	2,497	24,725	4,871	0	
St. Louis	8,134	0	" 1,785	5,274**	4,645	0	0	
Minneapolis	11,914	0	" 1,919	1,392	12,441	0	0	
Kansas City	10,778	0	" 2,685	1,974	11,489	0	0	
Dallas	8,709	18	" 1,827	585	9,969	0	0	
San Francisco	<u>15,209</u>	<u>1,487</u>	" 3,213	<u>1,687</u>	<u>18,222</u>	<u>5,570</u>	<u>0</u>	
Totals	<u>\$175,078</u>	<u>\$49,958</u>	<u>\$22,399</u>	<u>\$38,323</u>	<u>\$186,713</u>	<u>\$49,647</u>	<u>\$2,315</u>	

*Includes \$5,001,000 sold to F. R. B. N. Y. from portfolio

**Includes \$4,040,000 sold to F. R. B. N. Y. from portfolio

***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 JUNE 2, 1926
 (000 Omitted)

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 3/8%	61-90 days 3 1/4 - 3 3/8%	Over 90-days 3 3/8%	Total
Boston	\$ 2,093	\$ 354	\$ 6,624	0	\$ 9,071
New York	17,916	7,741	6,447	1,666	33,770
Philadelphia	903	257	785	0	1,945
Cleveland	882	2,226	0	0	3,108
Richmond	2	0	0	0	2
Chicago	215	21	321	0	557
Dallas	0	18	0	0	18
San Francisco	264	213	1,010	0	1,487
Totals	\$22,275	\$10,830	\$15,187	\$1,666	\$49,958

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 2, 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	\$ 7,967	\$49,958	\$57,925
Sold	720	0	720
Matured	0	38,323	38,323
		\$11,635+	\$18,882+
		963- (Net Change	963- (Net Change
		1-day holdover	1-day holdover
		& Other Bills)	& Other Bills)
Totals	\$7,247+	\$10,672+	\$17,919+

(Including Sales Contracts)

Holdings June 2, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Government Securities	\$ 63,029	0	0	0	\$54,006	\$287,117	\$404,152
Bills Purchased	100,917	56,109	52,318	32,431	2,368	0	244,143
Totals	\$163,946	\$56,109	\$52,318	\$32,431	\$56,374	\$287,117	\$648,295

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 2, 1926.

To All Members of the Board

Subject: _____

From Mr. Eddy

322

2-3495

For your information:

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

Please return to Secretary's office.

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June 3, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 1st, addressed to Governor Grissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from May 20 to May 26, 1936 inclusive.

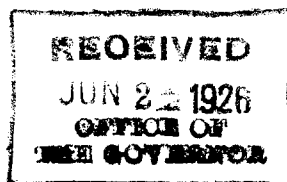
Very truly yours,

Walter L. Ediy,
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

June 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 May 20 to May 26, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

A handwritten signature in dark ink, 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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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 26, 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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 19	1,126,264	390,995	7,630	149,210	77,282	489,861
" 26	1,119,122	391,115	3,950	183,824	55,004	473,943

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED MAY 26, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 26	Change	May 26	Change	May 26	Change
Boston	\$ 17,589	0	\$ 16,029	\$ 6,562*	\$ 32,235	\$ 234-
New York	75,096	370-	18,978	8,224+	104,492	10,797-
Philadelphia	23,723	0	10,940	1,373-	51,705	5,715+
Cleveland	37,223	40+	20,137	5,238+	47,465	9,500-
Richmond	9,343	0	8,461	1,654+	46,184	1,951+
Atlanta	3,924	136-	23,178	554+	36,482	3,041+
Chicago	56,058	0	22,611	6,244+	50,158	4,321-
St. Louis	28,742	400+ \times	8,134	847+	25,216	1,017-
Minneapolis	19,828	0	11,914	27+	5,888	2,294-
Kansas City	36,239	0	10,778	1,526+	19,245	587-
Dallas	33,548	184+	8,709	649+	9,702	1,182+
San Francisco	49,802	2+	15,209	870+	45,171	943+
N. Y. holdovers and other bills			8,746	3,592+		
Totals	\$391,115	\$120+	\$183,824	\$34,614+	\$473,943	\$15,918-

COMMENT ON CHANGES WEEK ENDED MAY 26, 1926

Total earning assets of the System declined \$7,200,000 during the statement week. Decreases of \$15,900,000 in bills discounted, \$22,300,000 in acceptances held under sales contracts, and \$3,700,000 securities under sales contracts, were only partially offset by an increase of \$34,600,000 in outright purchases of bankers acceptances.

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Money
Market

Call money during the greater part of the week ranged from $3\frac{1}{2}$ to 4 per cent until Friday, May 28, when following a renewal charge of $3\frac{3}{4}$ per cent, the rate advanced to $4\frac{1}{2}$ per cent with the bulk of the day's business going at the higher figure. This temporary firmness reflected the first of the month requirements for dividend and interest payments and the fairly heavy demand for currency to meet holiday needs.

Time money was in light demand but quotations continued steady at the rates previously current. Most of the trading was at 4 per cent although a few loans of 5 and 6 months' maturity were arranged at $4\frac{1}{8}$ per cent.

Rates for prime commercial paper were prevailingly 4 per cent. Interior institutions continue to take most of the available supply.

Government
Security
Market

Trading in United States Government securities was rather quiet during the week. The demand was about equal to offerings in the market and prices held generally firm for all issues.

On May 26 New York dealers advanced their rates $\frac{1}{8}$ per cent on 90-day unindorsed bills and are now bidding $3\frac{1}{2}$ and offering at $3\frac{3}{8}$ per cent. Offering rates on other maturities continued unchanged at $3\frac{1}{8}$ per cent for 30's, $3\frac{1}{4}$ per cent for 60's, and $3\frac{3}{8}$ per cent for 120-day bills.

In the Boston market the supply of bills fell off slightly while the demand still continued light. Dealers' aggregate portfolios showed a decline from the previous week but this was due to shipments to their offices in other cities rather than sales in the market. The New York market was very active particularly the last day of the period and the Thursday and Friday following. The advance of $\frac{1}{8}$ per cent in dealers' bid and offered rates on 90-day bills brought a good demand for long maturities whereas prior to the change the buying was moderate and confined mostly to short bills. The relatively firm money conditions resulted in a substantial increase in the supply of bills in the market. The advance in dealers' rates corrected the situation in that the supply of long bills was curtailed and the demand stimulated. Offerings to the reserve bank were substantial and largely from dealers in adjustment of their position to the new rate level. Philadelphia reports that there was little change in the acceptance market in that district since the previous week. Offerings were fairly plentiful with but little demand. In the Chicago market the demand for bills continued very light and dealers are carrying rather large portfolios. The increase in rate for 90-day bills had some stimulating effect although dealers report that the market as a whole was very dull.

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 \$300,000 $3\frac{3}{4}$ per cent certificates due December 15, 1926.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to May 26, 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	\$ 47,810,000	\$ 41,232,000	\$6,578,000	0
New York	135,315,000	138,913,000	0	3,598,000
Philadelphia	45,611,000	47,122,000	0	1,511,000
Cleveland	59,654,000	58,900,000	754,000	0
Richmond	29,690,000	29,524,000	166,000	0
Atlanta	25,619,000	26,158,000	0	539,000
Chicago	83,045,000	82,461,000	584,000	0
St. Louis	28,106,000	28,673,000	0	567,000
Minneapolis	23,266,000	23,633,000	0	367,000
Kansas City	34,602,000	35,343,000	0	741,000
Dallas	23,351,000	23,633,000	0	282,000
San Francisco	52,538,000	53,015,000	0	477,000
Totals	\$588,607,000	\$588,607,000	\$8,082,000	\$8,082,000

The overages shown above are being adjusted in the usual manner by re-distribution of bills among banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The holdings in the System Special Investment Account continued unchanged from 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	40,131,500
Totals	\$275,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1926	\$ 36,525,500
September 15, 1926	44,522,000
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	

\$275,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM MAY 20 TO MAY 26, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	0	-	*\$370,000	TJ2-1926 Ctfs.
Cleveland	40,000	Misc. Gov't Securities	0	"
Atlanta	281,500	Misc. Gov't Securities	417,800	Misc. Gov't Securities
St. Louis	400,000	Third L/L bonds	0	-
Dallas	184,250	Misc. Gov't Securities	0	-
San Francisco	1,350	Misc. Gov't Securities	0	-
TOTALS	\$907,100		\$787,800	

*Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Maturities</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>May 19</u>	<u>Own Market</u>	<u>Allotment</u>	<u>& Sales</u>	<u>May 26</u>	<u>Sales</u>	<u>Other</u>
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 9,467	\$10,426	Retained 0	\$ 3,864	\$ 16,029	\$ 6,191	0
New York	10,754	9,981	" 0	1,757	18,978	38,912	901
		27,176	Allotted			6,601**	
Philadelphia	12,313	2,841	Retained 0	4,214*	10,940	0	0
Cleveland	14,899	1,989	" 4,658	1,409	20,137	0	872
Richmond	6,807	652	" 2,370	1,368	8,461	0	0
Atlanta	22,624	0	" 2,330	1,776	23,178	0	372
Chicago	16,367	2,664	" 6,285	2,705	22,611	4,427	0
St. Louis	7,287	0	" 2,293	1,446	8,134	0	0
Minneapolis	11,887	0	" 1,885	1,858	11,914	0	0
Kansas City	9,252	0	" 2,842	1,316	10,778	0	0
Dallas	8,060	72	" 1,904	1,327	8,709	0	0
San Francisco	14,339	983	" 2,609	2,722	15,209	5,474	0
Totals	\$144,056	\$56,784	\$27,176	\$25,762	\$175,078	\$55,004	\$2,145

* Includes \$2,010,000 sold to F. R. B. New York from portfolio

**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 MAY 26, 1926
(000 Omitted)

	1-30 days 3 1/8 - 3 3/8%	31-60 days 3 1/4 - 3 3/8%	61-90 days 3 1/4 - 3 3/8%	Over 90-days 3 1/4 - 3 3/8%	Total
Boston	\$ 6,710	\$ 1,517	\$ 2,199	0	\$10,426
New York	18,649	9,508	8,575	425	37,157
Philadelphia	379	2,462	0	0	2,841
Cleveland	565	1,424	0	0	1,989
Richmond	130	422	100	0	652
Chicago	1,258	478	928	0	2,664
Dallas	0	0	56	16	72
San Francisco	627	356	0	0	983
Totals	\$28,318	\$16,167	\$11,858	\$441	\$56,784

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 26, 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	\$908	\$56,784	\$57,692
Sold	788	0	788
Matured	0	25,762	25,762
		\$31,022+	\$31,142+
		3,592+ (Net Change	3,592+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$120+	\$34,614+	\$34,734+

(Including Sales Contracts)

Holdings May 26, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 3,950	\$57,614	0	0	\$50,406	\$283,095	\$395,065
Bills Purchased	108,875	49,157	60,064	19,490	1,242	0	238,828
Totals	\$112,825	\$106,771	\$60,064	\$19,490	\$51,648	\$283,095	\$633,893

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Form No. 131.

Office Correspondence

To All Members of the Board

From Mr. Eddy

FEDERAL RESERVE
BOARD

Subject: #2

Date May 26, 1926.

333

2-1115

For your information:

Governor Cressinger ✓

Mr. Platt ✓

Mr. Hamlin ←

Mr. Miller ←

Mr. James ✓

Mr. Cunningham ✓

Please return to Secretary's Office.

DECLASSIFIED
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May 26, 1926.

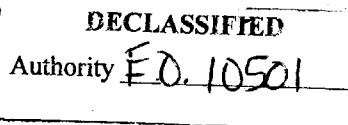
Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of May 24th, 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 May 13 to May 19, 1926 inclusive.

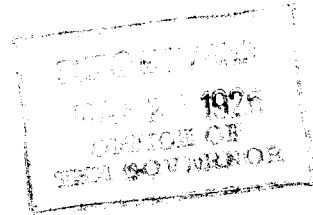
Very truly yours,

Walter L. Eddy,
Secretary.

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



FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

May 24, 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 May 13 to May 19, 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 FD-10501

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 19, 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. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 12	1,112,874	389,497	6,765	149,401	78,761	476,414
" 19	1,126,264	390,995	7,630	149,210	77,282	489,861

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 19, 1926**

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 19	Net Change	Balance May 19	Net Change	Balance May 19	Net Change
Boston	\$ 17,589	\$ 300+	\$ 9,467	\$5,152-	\$ 32,469	\$10,297+
New York	75,466	183-	10,754	2,105+	115,289	8,244+
Philadelphia	23,723	0	12,313	1,569+	45,990	626+
Cleveland	37,183	65+	14,899	35-	56,965	12,419-
Richmond	9,343	0	6,807	0	44,233	1,168+
Atlanta	4,060	286+	22,624	454+	33,441	2,821+
Chicago	56,058	0	16,367	510-	54,479	737-
St. Louis	38,342	1,000+	7,287	171-	26,233	4,006+
Minneapolis	19,828	0	11,887	2,053-	8,182	1,062+
Kansas City	36,239	0	9,252	165-	19,832	1,204+
Dallas	33,364	30+	8,060	282+	8,520	869-
San Francisco	49,800	0	14,339	258+	44,228	1,956-
N.Y. holdovers and other bills			5,154	3,227+		
Totals	\$390,995	\$1,498+	\$149,210	\$ 191-	\$489,861	\$13,447+

COMMENT ON CHANGES WEEK ENDED MAY 19, 1926

Total earning assets of the System advanced \$13,400,000 during the statement week. This increase was made up almost entirely of bills discounted, the other classes of holdings showing only minor changes.

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Money
Market

Money conditions continued easy during the first half of the week with call loans holding steady at 3 3/4 per cent but reflecting deficits in average reserves of leading New York City banks money rates turned firmer toward the close of the week and call loans advanced on Thursday May 20 to 4 per cent and still further on Friday to 4 1/2 per cent, highest since April 30.

Time funds were unchanged at 3 3/4 to 4 1/4 per cent for all maturities. Trading was generally quiet and most of the loans were arranged at 4 per cent.

Commercial paper was slightly easier with an increasing amount of sales being made at 3 3/4 per cent but the larger proportion of the trading was at 4 per cent. The demand continued to come from Middle West and New England.

Government
Security
Market

United States Government security market was rather quiet during the week. The firmer call money rates were reflected in a lighter demand for practically all issues and prices eased off slightly.

Bankers
Acceptances

New York dealers in bankers acceptances increased their bid and offered rates on May 18 1/8 per cent on all maturities except 30-day bills and are now offering 30-day maturities at 3 1/8 per cent, 60's and 90's at 3 1/4 per cent and 120's at 3 3/8 per cent.

Bill market conditions in Boston were practically unchanged from the previous week. Offerings increased slightly but the demand still continued light. The lack of demand for bills in the New York market, accompanied by slightly firmer money conditions, resulted in dealers' portfolios being at the record high point of about \$120,000,000 early in the period. The increase in dealers rates together with reductions on May 20th of the buying rates of the Federal Reserve Bank of New York, stimulated the demand somewhat but mainly for the shorter maturities, and portfolios declined moderately from the peak. Philadelphia reports that offerings of bills showed some increase toward the end of the period but the demand was only fair. The demand for bills in the Chicago market continues small and dealers are accumulating fairly large portfolios.

OPERATIONS ACCOUNT UNITED STATES TREASURY

The Treasury authorized the New York bank to sell from the holdings of the Alien Property Custodian \$15,100,000 certificates maturing June 15, 1926 at par, for delivery on various dates from May 21 to June 11, to the fiscal agent of the British Government, for use in making its June 15 payment to the United States Treasury. These sales are to be replaced through the purchase simultaneously in the market of a like aggregate amount of Third 4 1/4% Liberty Loan bonds.

In order to complete the total required by the British Government of \$50,500,000 the Open Market Investment Committee approved the sale from the System Account of \$35,400,000 June certificates for delivery on June 14.

On Treasury authority there was purchased during the period for account of the Cumulative Sinking Fund \$1,832,250 Third 4 1/4% Liberty Loan bonds.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to May 19, 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	\$ 37,384,000	\$ 37,398,000	\$ 0	\$ 14,000
New York	125,334,000	126,315,000	0	981,000
Philadelphia	44,780,000	42,740,000	2,040,000	0
Cleveland	53,007,000	53,423,000	0	416,000
Richmond	26,668,000	26,785,000	0	117,000
Atlanta	23,289,000	23,419,000	0	130,000
Chicago	74,096,000	74,793,000	0	697,000
St. Louis	25,813,000	25,934,000	0	121,000
Minneapolis	21,381,000	21,442,000	0	61,000
Kansas City	31,760,000	32,057,000	0	297,000
Dallas	21,375,000	21,442,000	0	67,000
San Francisco	<u>48,946,000</u>	<u>48,085,000</u>	<u>861,000</u>	<u>0</u>
Totals	<u>\$533,833,000</u>	<u>\$533,833,000</u>	<u>\$2,901,000</u>	<u>\$2,901,000</u>

The overages shown above are being adjusted in the usual manner by re-distribution of bills among banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The total holdings in the System Special Investment Account continued unchanged from 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 \$275,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June	15, 1926	\$ 36,525,500
September	15, 1926	44,522,000
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		

\$275,000,000

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 Authority EO 10501

4

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM MAY 13 TO MAY 19, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 300,000	B-1927 Treas. Notes	\$.600	Second L/L Bonds
New York	0		*183,000	TJ2-1926 Ctls
Cleveland	65,000	Third L/L bonds	0	
Atlanta	862,700	Misc. Gov't Sec.	576,900	Misc. Gov't Sec.
St. Louis	1,000,000	Third L/L bonds *	0	
Dallas	30,000	Misc. Gov't Sec.	0	
Totals	\$2,257,700		\$760,500	

*Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Maturities</u>	<u>Holdings</u>	<u>Other</u>	<u>Other</u>	
	<u>May 12</u>	<u>Own Market</u>	<u>Allotment</u>	<u>& Sales</u>	<u>May 19</u>	<u>Close May 19/26</u>	<u>Other</u>	
						<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 14,619	\$ 2,404	Retained	0	\$ 7,556	\$ 9,467	\$ 8,341	0
New York	8,649	8,162	"	0	** 6,057	10,754	59,549	845
		21,306	Allotted				3,204*	
Philadelphia	10,744	4,348	Retained	0	2,779	12,313	0	0
Cleveland	14,934	200	"	3,065	3,300	14,899	0	744
Richmond	6,807	0		1,919	1,919	6,807	0	0
Atlanta	22,170	29	"	4,052	3,627	22,624	0	361
Chicago	16,877	332	"	4,060	4,902	16,367	4,152	0
St. Louis	7,458	0		1,557	1,728	7,287	0	0
Minneapolis	13,940	0		1,282	3,335	11,887	0	0
Kansas City	9,417	0		1,819	1,984	9,252	0	0
Dallas	7,778	69	"	1,415	1,202	8,060	0	0
San Francisco	14,081	1,543	"	2,137	3,422	14,339	5,240	0
Totals	\$147,474	\$38,393		\$21,306	\$41,811	\$144,056	\$77,282	\$1,950

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

** Includes \$2,503,000 sold to F. R. B. Atlanta from portfolio.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM MAY 13 TO MAY 19, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 300,000	B-1927 Treas. Notes	\$.600	Second L/L Bonds
New York	0		*183,000	TJ2-1926 Ctfs
Cleveland	65,000	Third L/L bonds	0	
Atlanta	862,700	Misc. Gov't Sec.	576,900	Misc. Gov't Sec.
St. Louis	1,000,000	Third L/L bonds	0	
Dallas	<u>30,000</u>	Misc. Gov't Sec.	<u>0</u>	
Totals	<u>\$2,257,700</u>		<u>\$760,500</u>	

*Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Maturities</u>	<u>Holdings</u>	<u>Other Holdings</u>		
	<u>May 12</u>	<u>Own Market</u>	<u>Allotment</u>	<u>& Sales</u>	<u>May 19</u>	<u>Close May 19/26</u>		
						<u>Sales</u>	<u>Other</u>	
						<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 14,619	\$ 2,404	Retained	0	\$ 7,556	\$ 9,467	\$ 8,341	0
New York	8,649	8,162	"	0	** 6,057	10,754	59,549	845
		21,306	Allotted				3,204*	
Philadelphia	10,744	4,348	Retained	0	2,779	12,313	0	0
Cleveland	14,934	200	"	3,065	3,300	14,899	0	744
Richmond	6,807	0		1,919	1,919	6,807	0	0
Atlanta	22,170	29	"	4,052	3,627	22,624	0	361
Chicago	16,877	332	"	4,060	4,902	16,367	4,152	0
St. Louis	7,458	0		1,557	1,728	7,287	0	0
Minneapolis	13,940	0		1,282	3,335	11,887	0	0
Kansas City	9,417	0		1,819	1,984	9,252	0	0
Dallas	7,778	69	"	1,415	1,202	8,060	0	0
San Francisco	<u>14,081</u>	<u>1,543</u>	"	<u>2,137</u>	<u>3,422</u>	<u>14,339</u>	<u>5,240</u>	<u>0</u>
Totals	<u>\$147,474</u>	<u>\$38,393</u>		<u>\$21,306</u>	<u>\$41,811</u>	<u>\$144,056</u>	<u>\$77,282</u>	<u>\$1,950</u>

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

** Includes \$2,503,000 sold to F. R. B. Atlanta from portfolio.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 19, 1926
 (000 Omitted)

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 1/2%	61-90 days 3 1/2 - 3 5/8%	Over 90-days 3 1/2%	Total
Boston	\$ 648	\$ 601	\$1,155	0	\$ 2,404
New York	8,864	20,581	23	0	29,468
Philadelphia	1,234	3,048	66	0	4,348
Cleveland	0	200	0	0	200
Atlanta	0	0	29	0	29
Chicago	225	107	0	0	332
Dallas	5	25	0	39	69
San Francisco	549	987	7	0	1,543
Totals	\$11,525	\$25,549	\$1,280	\$39	\$38,393

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 19, 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	\$2,258	\$38,393	\$40,651
Sold	760	0	760
Matured	0	41,811	41,811
		\$ 3,418-	\$ 1,920-
		3,227+ (Net Change	3,227+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$1,498+	\$ 191-	\$ 1,307+

(Including Sales Contracts)

<u>Holdings</u> <u>May 19, 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	\$ 7,630	\$57,984	0	0	\$50,406	\$282,605	\$398,625
Bills Purchased	123,897	38,335	54,232	8,341	1,687	0	226,492
Totals	\$131,527	\$96,319	\$54,232	\$8,341	\$52,093	\$282,605	\$625,117

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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

To All Members of the Board

2 Subject: _____

From Mr. Eddy

Eddy

FEDERAL RESERVE BOARD

Date May 18, 1926.

332 •

2-8495

For your information:

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

Please return to Secretary's Office.

DECLASSIFIED
Authority EO 10501

May 18, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of May 17th enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from May 6 to May 13, 1936 inclusive.

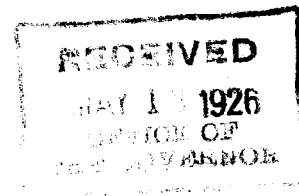
Very truly yours,

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



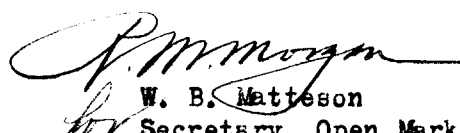
CONFIDENTIAL

May 17, 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 May 6 to May 12, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
for 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

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 12, 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 DISCOUNTED
		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
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Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
Apr. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
May 5	1,168,026	388,881	6,445	157,091	56,293	547,181
" 12	1,112,874	389,497	6,765	149,401	78,761	476,414

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

DURING WEEK ENDED MAY 12, 1926

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 12	Change	May 12	Change	May 12	Change
Boston	\$ 17,289	\$ 1-	\$ 14,619	\$2,940+	\$ 22,172	\$ 2,804+
New York	75,649	1,121-	8,649	958-	107,045	59,131-
Philadelphia	23,723	0	10,744	816-	45,364	955-
Cleveland	37,118	2+	14,934	568-	69,384	22,328+
Richmond	9,343	0	6,807	264-	43,065	2,159-
Atlanta	3,774	86+	22,170	1,232+	30,620	4,524-
Chicago	56,058	0	16,877	1,059-	55,216	11,898-
St. Louis	27,342	1,600+	7,458	379+	22,227	4,009-
Minneapolis	19,828	0	13,940	2,198-	7,120	345-
Kansas City	36,239	55+	9,417	93-	18,628	2,523-
Dallas	33,334	5-	7,778	876-	9,389	587-
San Francisco	49,800	0	14,081	569-	46,184	9,768-
N.Y. holdovers and other bills			1,927	4,840-		
Totals	\$389,497	\$ 616+	\$149,401	\$7,690-	\$476,414	\$70,767-

COMMENT ON CHANGES WEEK ENDED MAY 12, 1926

Total earning assets of the System declined \$55,200,000 during the statement week. The decreases of \$70,800,000 in bills discounted and \$7,700,000 in bankers acceptances purchased outright were partially offset by an increase of \$22,000,000 in acceptances held under sales contracts.

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2

Money
Market

There was very little change in money conditions during the week ending May 14. Call money continued easy and steady, the rates covering a range of 3 1/2 to 4 per cent, the same as last week.

Quoted rates for time money were unchanged at 3 3/4 to 4 1/4 per cent. Funds were in good supply but trading was rather dull and most loans were placed at 4 per cent.

Commercial paper was quite active due to demand from interior institutions but the supply of new paper coming into the market continued rather small. The prevailing rate is 4 per cent with occasional sales at 3 3/4 per cent.

Government
Security
Market

Trading in United States Government securities was only moderately active with a better demand for long-term bonds than for short maturities. Prices of all issues held generally firm throughout the week.

Bankers
Acceptances

Rates on unindorsed bills continued unchanged during the period, dealers offering maturities up to 90 days at 3 1/8 and 120-day bills at 3 1/4 per cent.

Boston reports that the supply of bills coming into the market was slightly larger than the previous period but the demand still continued very light. Dealers report difficulty in moving long bills, the demand being mostly for 30 to 60-day maturities. The market in New York was less active than last week. The supply, although somewhat smaller, was substantially larger than the demand. Dealers' aggregate portfolios at the close of the period were at the record high point of about \$120,000,000. Philadelphia reports that offerings of bills in the market were only fair but in excess of the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under Treasury authority there were purchased \$205,000 Third Liberty Loan 4 1/4 per cent bonds for account of the Interstate Commerce Commission - General Railroad Contingent Fund, and \$350,000 Second Liberty Loan 4 1/4 per cent bonds 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 May 12, 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	\$ 36,981,000	\$ 35,026,000	\$ 1,955,000	\$ 0
New York	117,172,000	118,521,000	0	1,349,000
Philadelphia	40,432,000	40,029,000	403,000	0
Cleveland	49,742,000	50,034,000	0	292,000
Richmond	24,749,000	25,091,000	0	342,000
Atlanta	21,711,000	21,725,000	0	14,000
Chicago	69,704,000	70,049,000	0	345,000
St. Louis	24,256,000	24,240,000	16,000	0
Minneapolis	20,099,000	20,085,000	14,000	0
Kansas City	29,941,000	30,024,000	0	83,000
Dallas	19,891,000	20,085,000	0	194,000
San Francisco	<u>45,266,000</u>	<u>45,035,000</u>	<u>231,000</u>	<u>0</u>
Totals	<u>\$499,944,000</u>	<u>\$499,944,000</u>	<u>\$2,619,000</u>	<u>\$2,619,000</u>

The overages shown above are being adjusted in the regular way by re-distribution of bills among banks that are short of their pro rata share.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The total holdings in the System Special Investment Account continued unchanged from 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:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,054,000	June 15, 1926	\$ 36,525,500
New York	72,546,000	September 15, 1926	44,522,000
Philadelphia	6,765,000	December 15, 1926	50,203,000
Cleveland	18,152,500	March 15, 1927	66,728,200
Richmond	8,002,000	December 15, 1927	37,121,300
Atlanta	0	September 15, 1928	39,900,000
Chicago	36,071,000	3rd L/L bonds	
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>		<u>\$275,000,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM MAY 6 TO MAY 12, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 1,000	Misc. Gov't Sec.
New York	0	-	* 1,121,000	TJ2-1926 Ctfs.
Cleveland	2,000	TJ2-1926 Ctfs.	0	-
Atlanta	238,250	Misc. Gov't Sec.	152,450	Misc. Gov't Sec.
St. Louis	1,600,000	Third L/L Bonds	0	-
Kansas City	55,600	Misc. Gov't Sec.	0	-
Dallas	39,950	Misc. Gov't Sec.	45,100	Misc. Gov't Sec.
Totals	\$1,935,800		\$1,319,550	

*Represents sales from temporary holdings to a foreign correspondent as a reinvestment of proceeds of maturing bills.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings May 5</u>	<u>Purchased Own Market</u>	<u>Rec'd by Allotment</u>	<u>Maturities and Sales</u>	<u>Holdings May 12</u>	<u>Other Holdings Close May 12/26 Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 11,679	\$ 3,629 Retained	0	\$.689	\$ 14,619	\$ 8,872	0
New York	9,607	6,970 "	0	7,928*	8,649	60,658	874
		17,138 Allotted					
Philadelphia	11,560	2,363 Retained	0	3,179	10,744	0	0
Cleveland	15,502	0	2,646	3,214	14,934	0	784
Richmond	7,071	0	860	1,124	6,807	0	0
Atlanta	20,938	43 "	3,674	2,485	22,170	0	269
Chicago	17,936	100 "	3,669	4,828	16,877	4,316	0
St. Louis	7,079	0	1,534	1,155	7,458	0	0
Minneapolis	16,138	0	1,234	3,432	13,940	0	0
Kansas City	9,510	0	1,728	1,821	9,417	0	0
Dallas	8,654	0	678	1,554	7,778	0	0
San Francisco	14,650	420 "	1,115	2,104	14,081	4,915	0
Totals	\$150,324	\$30,663	\$17,138	\$33,513	\$147,474	\$78,761	\$1,927

*Includes \$2,502,000 sold to F. R. B. Atlanta from portfolio.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 12, 1926
 (000 Omitted)

	1-30 days <u>3 1/8 - 3 1/4%</u>	31-60 days <u>3 1/4%</u>	61-90 days <u>3 1/2%</u>	Over 90 days <u>-</u>	<u>Total</u>
Boston	\$ 1,998	\$ 1,631	0	0	\$ 3,629
New York	10,165	12,166	1,777	0	24,108
Philadelphia	1,305	1,058	0	0	2,363
Atlanta	0	7	36	0	43
Chicago	0	100	0	0	100
San Francisco	<u>284</u>	<u>136</u>	<u>0</u>	<u>0</u>	<u>420</u>
Totals	<u>\$13,752</u>	<u>\$15,098</u>	<u>\$1,813</u>	<u>0</u>	<u>\$30,663</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 12, 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	\$1,935	\$30,663	\$32,598
Sold	1,319	0	1,319
Matured	0	<u>33,513</u>	<u>33,513</u>
		\$ 2,850-	\$ 2,234-
		2,410- (Net Change	2,410- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	<u>\$616+</u>	<u>\$ 5,260-</u>	<u>\$ 4,644-</u>

(Including Sales Contracts)

Holdings <u>May 12, 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	\$ 6,765	0	\$ 58,167	0	\$50,406	\$280,924	\$396,262
Bills Purchased	<u>136,092</u>	<u>36,946</u>	<u>42,420</u>	<u>10,019</u>	<u>2,685</u>	<u>0</u>	<u>228,162</u>
Totals	<u>\$142,857</u>	<u>\$36,946</u>	<u>\$100,587</u>	<u>\$10,019</u>	<u>\$53,091</u>	<u>\$280,924</u>	<u>\$624,424</u>

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Form No. 131.

Office Correspondence

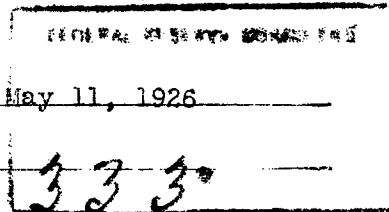
FEDERAL RESERVE
BOARD

Date May 11, 1926

To All Members of the Board

Subject: _____

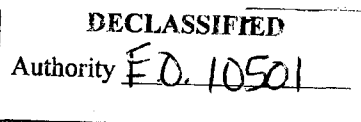
from Mr. Noell



2-8495

For your information.

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



May 11, 1926

Dear Sir:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 10th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from April 29th to May 5th, 1926, inclusive.

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
MAY 11 1926
FEDERAL RESERVE BANK OF NEW YORK

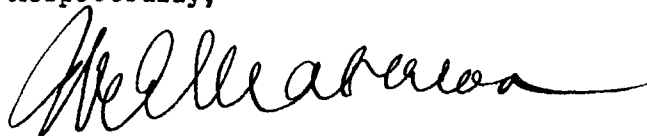
CONFIDENTIAL

May 10, 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 29 to May 5, 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 MAY 5, 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
May 5	1,168,026	388,881	6,445	157,091	56,293	547,181

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 5, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 5	Net Change	Balance May 5	Net Change	Balance May 5	Net Change
Boston	\$ 17,290	\$ 1+	\$ 11,679	\$ 5,514-	\$ 19,368	\$ 5,739-
New York	76,770	2,902+	9,607	20+	166,176	25,540+
Philadelphia	23,723	0	11,560	1,627-	46,319	2,973-
Cleveland	37,116	6+	15,502	2,532-	47,056	3,780-
Richmond	9,343	0	7,071	1,807-	45,224	2,107+
Atlanta	3,688	226+	20,938	4,024-	35,144	1,051-
Chicago	56,058	0	17,936	3,544-	67,114	5,851+
St. Louis	25,742	0	7,079	1,140-	26,236	2,514+
Minneapolis	19,828	0	16,138	3,032-	7,465	519+
Kansas City	36,184	0	9,510	1,241-	21,151	533+
Dallas	33,339	61+	8,654	1,127-	9,976	392+
San Francisco	49,800	0	14,650	1,952-	55,952	9,600+
N.Y. holdovers and other bills			6,767	4,337+		
Totals	\$388,881	\$3,196+	\$157,091	\$23,183-	\$547,181	\$33,513+

COMMENT ON CHANGES WEEK ENDED MAY 5, 1926

Total earning assets of the System made a further advance during the week of \$53,800,000. Increases were as follows: \$33,500,000 in bills discounted, \$3,200,000 in Government securities held outright, \$3,300,000 in securities held under sales contracts, and \$37,500,000 in bankers acceptances under sales contract agreements; while bankers acceptances held outright decreased \$23,200,000.

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Money
Market

Call money after ruling steady at 3 1/2 per cent early in the period advanced to 4 per cent on Wednesday and held at that figure throughout the balance of the week. Withdrawals of funds to the interior and continued exports of gold to Canada contributed to the firmer money conditions at mid-week.

Quoted rates for time money were unchanged at 3 3/4 to 4 1/4 per cent depending on the maturity. Funds were plentiful and the few loans consummated were generally placed at 4 per cent.

Commercial paper was slightly easier at 4 per cent with a few very choice names going at 3 3/4 per cent. Trading was moderately active, interior institutions continuing to be the principal buyers.

Government
Security
Market

United States Government bonds were fairly active during the period but the volume of transactions on the Stock Exchange was not as large as in recent weeks. The Fourth 4 1/4 per cent Liberty issue continued in best demand and established a new high price for the year with sales at 103 7/32.

Short-term certificates and notes were only moderately active and prices of the different issues averaged 1/32 lower than last week.

Bankers
Acceptances

Dealers' offering rates on unindorsed bills continued at the levels previously current at 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 district there was a slight increase in the supply of bills over the previous week but the demand still continued small. Except for bills purchased from dealers under sales contracts, offerings to the reserve bank were the lowest for any week this year. The bill market in New York was fairly active during the early part of the period with the supply moderate and a fairly good demand. Toward the close of the week, however, accompanying firmer money conditions the demand fell off and offerings in the market increased substantially. Philadelphia and Chicago report that the bill market in their districts was very quiet. Offerings were somewhat in excess of the demand which has been very light.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

There was consummated during the period covered by this report an exchange in the investment holdings of the Alien Property Custodian consisting of the sale of \$6,000,000 certificates of indebtedness maturing June 15, 1926, and the purchase in replacement of a like amount of Third 4 1/4% Liberty Loan bonds. This exchange transaction was authorized by the Treasury in order to meet the strong demand for a round amount of certificates maturing June 15, 1926, which were unavailable in the market.

At the request of the Treasury there was also sold from the Alien Property Custodian Account \$300,000 face amount of 3 3/4% certificates maturing December 15, 1926.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to May 5, 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	\$ 33,352,000	\$ 33,055,000	\$ 297,000	0
New York	110,202,000	112,044,000	0	1,842,000
Philadelphia	38,069,000	37,776,000	293,000	0
Cleveland	47,096,000	47,218,000	0	122,000
Richmond	23,889,000	23,683,000	206,000	0
Atlanta	20,496,000	20,317,000	179,000	0
Chicago	65,935,000	66,106,000	0	171,000
St. Louis	22,722,000	22,832,000	0	110,000
Minneapolis	18,865,000	18,959,000	0	94,000
Kansas City	28,213,000	28,334,000	0	121,000
Dallas	19,213,000	18,959,000	254,000	0
San Francisco	<u>43,731,000</u>	<u>42,500,000</u>	<u>1,231,000</u>	<u>0</u>
Totals	<u>\$471,783,000</u>	<u>\$471,783,000</u>	<u>\$2,460,000</u>	<u>\$2,460,000</u>

The shortages shown above were subsequently taken care of through allotment of purchases by the end of the week, with the exception of the shortage of the New York Bank.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The total holdings in the System Special Investment Account continued unchanged from 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:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 12,054,000	June 15, 1926	\$ 36,525,500
New York	72,546,000	September 15, 1926	44,522,000
Philadelphia	6,765,000	December 15, 1926	50,203,000
Cleveland	18,152,500	March 15, 1927	66,728,200
Richmond	8,002,000	December 15, 1927	37,121,300
Atlanta	0	September 15, 1928	39,900,000
Chicago	36,071,000	3rd L/L bonds	
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>		<u>\$275,000,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM APRIL 29 TO MAY 5, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 1,000	Misc. Gov't Sec.	0	-
*New York	2,902,000	TJ -1926 Ctfs.	0	-
Cleveland	5,500	TJ2-1926 Ctfs.	0	-
Atlanta	390,300	Misc. Gov't Sec.	164,550	Misc. Gov't Sec.
Dallas	<u>61,200</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$3,360,000</u>		<u>\$164,550</u>	

*Represents temporary holdings which will be used in reinvesting the proceeds of bills of later maturities which the New York bank is holding for a foreign correspondent.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>April 28</u>	<u>Purchased</u> <u>Own Market</u>	<u>Rec'd by</u> <u>Allotment</u>	<u>Maturities</u>	<u>Holdings</u> <u>May 5</u>	<u>Other Holdings</u> <u>Close May 5/26</u>	<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 17,193	\$ 672 Retained	0	\$ 6,186	\$ 11,679	\$ 6,725	0	
New York	9,587	2,283 " 6,909 Allotted	0	2,263	9,607	43,220	655	
Philadelphia	13,187	327 Retained	0	1,954	11,560	0	0	
Cleveland	18,034	100 "	1,171	3,803	15,502	0	975	
Richmond	8,878	0	391	2,198	7,071	0	0	
Atlanta	24,962	17 "	409	4,450	20,938	0	362	
Chicago	21,480	165 "	1,837	5,546	17,936	2,795	0	
St. Louis	8,219	0	646	1,786	7,079	0	0	
Minneapolis	19,170	0	375	3,407	16,138	0	0	
Kansas City	10,751	0	770	2,011	9,510	0	0	
Dallas	9,781	39 "	338	1,504	8,654	0	0	
San Francisco	<u>16,602</u>	<u>1,438</u> "	<u>972</u>	<u>4,362</u>	<u>14,650</u>	<u>3,553</u>	<u>0</u>	
Totals	<u>\$177,844</u>	<u>\$11,950</u>	<u>\$6,909</u>	<u>\$39,470</u>	<u>\$150,324</u>	<u>\$56,293</u>	<u>\$1,992</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 MAY 5, 1926

(000 Omitted)

	1-30 days 3 1/8 - 3 1/4%	31-60 days 3 1/4 - 3 1/2%	61-90 days 3 1/4 - 3 1/2%	Over 90 days 3 1/2 - 4%	Total
Boston	\$ 201	\$ 471	\$ 0	\$ 0	\$ 672
New York	6,183	1,839	685	485	9,192
Philadelphia	222	105	0	0	327
Cleveland	0	100	0	0	100
Atlanta	0	0	17	0	17
Chicago	0	165	0	0	165
Dallas	0	0	0	39	39
San Francisco	883	555	0	0	1,438
Totals	\$7,489	\$3,235	\$702	\$524	\$11,950

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 5, 1926
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$3,360	\$11,950	\$15,310
Sold	164	0	164
Matured	0	39,470	39,470
		\$27,520-	\$24,324-
		4,337+ (Net Change	4,337+ (Net Change
		1-day holdover	1 day holdover
		& other bills)	& other bills)
Totals	\$3,196+	\$23,183-	\$20,013-

(Including Sales Contracts)

Holdings May 5, 1926	Within 15-days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 6,445	0	\$59,171	0	\$50,406	\$279,304	\$395,326
Bills Purchased	126,997	36,959	33,098	12,669	3,661	0	213,384
Totals	\$133,442	\$36,959	\$92,269	\$12,669	\$54,067	\$279,304	\$608,710