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Authority FD. 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

FEDERAL RESERVE BOARD FILE

Date January 5, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

33301

2-0495
G.P.O.

For your information:

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

Please return to Secretary's office.

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Authority EO 10501

January 5, 1937.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of January 4th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 23 to December 29, 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

RECEIVED
JAN 5 1927
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

January 4, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from December 23 to December 29, 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 DECEMBER 29, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	26,355	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	540,063
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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 24	1,270,681	298,269	1,635	303,220	37,409	627,604
Dec. 22	1,420,019	304,789	9,617	315,905	71,688	715,424
Dec. 29	1,409,529	310,725	6,479	307,372	71,426	710,931

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 29, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 29	Change	Dec. 29	Change	Dec. 29	Change
Boston	\$ 9,861	0	\$ 33,970	\$3,984+	\$ 70,922	\$13,372+
New York	61,593	5,909+	48,713	5,523-	173,655	589-
Philadelphia	20,077	0	26,040	1,464+	62,226	163-
Cleveland	35,743	1+	32,568	1,818-	97,147	2,597-
Richmond	7,235	0	13,147	232+	25,278	4,183-
Atlanta	1,772	58-	21,757	96+	42,759	2,337-
Chicago	46,956	60-	45,515	817-	136,631	13,264+
St. Louis	20,644	0	7,730	201-	32,516	10,958-
Minneapolis	16,761	0	13,061	215-	4,860	419-
Kansas City	28,014	0	18,283	1,443-	11,234	441-
Dallas	22,312	144+	15,538	239+	5,555	3,353-
San Francisco	39,757	0	24,338	1,574-	48,148	6,089-
N.Y. holdovers and other bills			6,712	2,957-		
Totals	\$310,725	\$5,936+	\$307,372	\$8,533-	\$710,931	\$ 4,493-

COMMENT ON CHANGES WEEK ENDED DECEMBER 29, 1926

Total earning assets of the System decreased approximately \$10,500,000 for the current statement week. Decreases of about \$4,500,000 in bills discounted, \$8,500,000 in outright purchases of bankers acceptances and \$3,500,000 in investments held under sales contracts were partly offset by an increase of about \$6,000,000 in outright purchases of Government securities. This increase consisted mostly of a temporary purchase by New York for resale.

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Money
Market

Stock Exchange call money opened and renewed on Monday at 5 1/2 per cent and was unchanged until Thursday, the 30th, when the rate firmed to 6 per cent reflecting the usual end of the year adjustments. Although there was a heavy turnover at this rate, a fair amount of money remained unlent, due to the influx of loanable funds following the advance in rate, and with the average reserves of the leading city banks well above requirements, money eased to 5 per cent on Friday.

The time money market reflected an easier tendency during the latter part of the week when loans of all dates were made at 4 5/8 and 4 3/4 per cent as compared with the previous flat rate of 4 3/4 per cent. A fair amount of 90-day loans to be dated after the first of the year were arranged at 4 5/8 per cent.

The commercial paper market in New York and other cities was quiet with nominal quotations of 4 1/4 - 4 1/2 per cent. Although the larger proportion of sales were at the higher rate, there were indications of lower rates to be offered next month.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds was very active and strong reflecting the investment of a large volume of surplus funds at the end of the year. Closing prices at the end of the week showed an average increase over the previous week of about 10/32s, while new high levels were reached during the week for several issues as follows: Fourth 4 1/4s at 103 18/32, Treasury 4s - 1944-54 at 106 11/32, Treasury 4 1/4s - 1947-52 at 110 8/32 and Treasury 3 3/4s - 1946-56 at 103 9/32.

The market for short-term Certificates of indebtedness and Treasury Notes was firm although the demand was not as strong as for the longer term U. S. Government bonds. Offerings by dealers at the end of the week were at prices to yield from about 2.96 to 3.18 per cent according to maturity as compared with 2.97 to 3.21 per cent last week.

Bankers
Acceptances

Dealers lowered their offering rate 1/8 per cent on 90-day unindorsed bankers acceptances. Their offering rates at the close of the statement week for prime bankers acceptances without banking indorsement, according to maturities, were as follows: 3 5/8 per cent 30's, 3 3/4 per cent for 60's and 90's, and 3 7/8 per cent for 120-day bills.

Boston reports that the market in their district reflected very little change in the conditions that prevailed during the previous statement week. Although there was a slight improvement in the supply it was still inadequate to meet the demand with distribution continuing to be quite narrow. Offerings to the reserve bank, excluding bills offered under sales contracts, aggregated \$5,800,000 as compared with \$2,600,000 in the previous week. The New York market was moderately active. While the volume of dealers' purchases was somewhat larger this week than last, the amount of their sales to the outside market was relatively small. Offerings to the reserve bank were principally from dealers and consisted chiefly of bills of short maturities. Commitments to the reserve bank under sale contracts showed a decrease over last week of approximately 10 per cent. Philadelphia also reports their bill market was moderately active. Offerings from dealers showed a slight decrease during the week while offerings from banks were somewhat better. In Chicago dealers reported some falling off in demand due to the lowering of the rate on 90-day bills.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions during the current week, authorized by the Treasury, consisted of purchases in the market of \$500,000 Third 4 1/4s for account of Surplus Money in the Treasury and \$7,200,000 Third 4 1/4s for account Cumulative Sinking Fund. There was also sold from holdings of the Alien Property Custodian to the Cumulative Sinking Fund \$47,000,000 Third 4 1/4s which were replaced by purchase of a like amount of Second 4 1/4s in New York and Chicago.

SYSTEM PURCHASES FOR BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to December 29, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 121,656,000	\$ 118,029,000	\$4,627,000	0
New York	392,649,000	395,759,000	0	3,110,000
Philadelphia	135,193,000	134,890,000	303,000	0
Cleveland	168,276,000	168,606,000	0	330,000
Richmond	88,017,000	88,330,000	0	313,000
Atlanta	89,114,000	88,796,000	318,000	0
Chicago	236,026,000	236,052,000	0	26,000
St. Louis	68,523,000	68,523,000	0	0
Minneapolis	71,156,000	71,467,000	0	311,000
Kansas City	100,711,000	101,166,000	0	455,000
Dallas	71,720,000	71,467,000	253,000	0
San Francisco	151,794,000	151,750,000	44,000	0
Totals	\$1,694,835,000	\$1,694,835,000	\$4,545,000	\$4,545,000

The overages shown in the above statement are being adjusted in the usual manner by making distribution to other reserve banks.

The Federal Reserve Bank of St. Louis resumed their participation in daily purchases of bills commencing with the purchases made on December 29, which were allotted and charged on December 30, 1926.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account for the week ending December 29, 1926, the amount remaining at \$206,064,000. The participation by 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	\$ 9,031,500	March 15, 1927	\$ 7,491,000
New York	54,362,000	June 15, 1927	126,947,000
Philadelphia	5,069,000	September 15, 1927	42,779,500
Cleveland	13,603,000	December 15, 1927	28,846,500
Richmond	5,994,000		
Atlanta	0		
Chicago	27,029,000		
St. Louis	14,141,500		
Minneapolis	9,193,000		
Kansas City	18,541,000		
Dallas	19,027,000		
San Francisco	30,073,000		
Totals	\$206,064,000		\$206,064,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM DECEMBER 23 TO DECEMBER 29, 1926

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$5,909,000	Misc. Gov't Sec.	0	-
Atlanta	11,300	Misc. Gov't Sec.	69,150	Misc. Gov't Sec.
Chicago	0	-	59,400	Misc. Gov't Sec.
Dallas	<u>143,650</u>	Various L/L bonds	<u>0</u>	-
Totals	<u>\$6,063,950</u>		<u>\$128,500</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings Dec. 22</u>	<u>Purchased Own Mkt.</u>	<u>Received by</u>		<u>Holdings Dec. 29</u>	<u>Other Holdings Close Dec. 29/26</u>	
			<u>Allotment from N. Y.</u>	<u>Matur- ities</u>		<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 29,986	\$ 5,849 R.	0	\$ 1,865	\$ 33,970	\$ 12,041	0
New York	54,236	6,087 " 15,366 A.	0	11,610	48,713	47,988	1,880
Phila.	24,576	4,220 R.	0	2,756	26,040	0	0
Cleveland	34,386	287 "	2,555	4,660	32,568	0	1,920
Richmond	12,915	105 "	1,673	1,546	13,147	0	0
Atlanta	21,661	685 "	1,290	1,879	21,757	0	1,448
Chicago	46,332	744 "	3,878	5,439	45,515	4,596	0
St. Louis	7,931	0	0	201	7,730	0	0
Minneapolis	13,276	0	1,720	1,935	13,061	0	0
Kansas City	19,726	0	1,895	3,338	18,283	0	0
Dallas	15,299	388 "	1,234	1,383	15,538	131	0
San Fran.	<u>25,912</u>	<u>766 "</u>	<u>1,121</u>	<u>3,461</u>	<u>24,338</u>	<u>6,670</u>	<u>0</u>
Totals	<u>\$306,236</u>	<u>\$34,497</u>	<u>\$15,366</u>	<u>\$40,073</u>	<u>\$300,660</u>	<u>\$71,426</u>	<u>\$5,248</u>
Bills held overnight by New York for distribution to other F. R. Banks - - -							<u>1,464</u>
Total - - - - -							<u>\$6,712</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 29, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4 - 4%	Total
Boston	\$2,687	\$ 981	\$2,148	\$ 33	\$ 5,849
New York	6,444	9,798	4,134	1,077	21,453
Philadelphia	293	2,607	1,320	0	4,220
Cleveland	263	24	0	0	287
Richmond	0	105	0	0	105
Atlanta	0	525	160	0	685
Chicago	22	722	0	0	744
Dallas	0	125	114	149	388
San Francisco	30	703	33	0	766
Totals	<u>\$9,739</u>	<u>\$15,590</u>	<u>\$7,909</u>	<u>\$1,259</u>	<u>\$34,497</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 29, 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	\$ 6,065	\$34,497	\$40,562
Sold	129	0	129
Matured	0	<u>40,073</u>	<u>40,073</u>
		\$ 5,576-	\$ 360+
		2,957- (Net Change	2,957- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	<u>\$ 5,936+</u>	<u>\$ 8,533-</u>	<u>\$ 2,597-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>December 29, 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</u> <u>6 Months</u>	<u>Total</u>
Gov't Securities	\$ 6,479	0	0	\$36,757	\$133,899	\$140,069	\$317,204
Bills Purchased	<u>155,744</u>	<u>76,818</u>	<u>90,963</u>	<u>49,382</u>	<u>5,891</u>	<u>0</u>	<u>378,798</u>
Totals	<u>\$162,223</u>	<u>\$76,818</u>	<u>\$90,963</u>	<u>\$86,139</u>	<u>\$139,790</u>	<u>\$140,069</u>	<u>\$696,002</u>

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Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD

#2

Date December 29, 1926
333

To All Members of the Board

Subject: _____

From Mr. Eddy

2-8496
G.P.O.

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

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

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Authority EO 10501

December 29, 1926

Dear Sir:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 28th instant, addressed to Governor Crissinger, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from December 16th to December 22nd, 1926, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary

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

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Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 28 1926
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

December 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 December 16 to December 22, 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 DECEMBER 22, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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
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Apr. 28	1,114,233	385,685	3,128	180,274	18,743	513,668
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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
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Sept- 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 24	1,270,681	298,269	1,635	303,220	37,409	627,604
Dec. 15	1,427,235*	477,165*	1,074	315,711	68,414	562,307
* 22	1,420,019	304,789	9,617	315,905	71,688	715,424

*Includes \$188,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED DECEMBER 22, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 22	Net Change	Balance Dec. 22	Net Change	Balance Dec. 22	Net Change
Boston	\$ 9,861	\$ 681+	\$ 29,986	\$ 2,786-	\$ 57,550	\$12,699+
New York	55,684	4,089+	54,236	3,846+	174,244	74,215+
Philadelphia	20,077	382+	24,576	657-	62,389	9,321+
Cleveland	35,742	1,069+	34,386	729+	99,744	11,002+
Richmond	7,235	451+	12,915	663+	29,461	1,818+
Atlanta	1,830	19+	21,661	2,134-	45,096	224-
Chicago	47,016	2,033+	46,332	735-	123,367	23,430+
St. Louis	20,644	1,075+	7,931	4,918-	43,474	8,290+
Minneapolis	16,761	692+	13,276	307+	5,279	1,282+
Kansas City	28,014	1,395+	19,726	259+	11,675	4,922-
Dallas	22,168	1,476+	15,299	1,121+	8,908	218+
San Francisco	39,757	2,262+	25,912	1,798+	54,237	15,988+
N.Y. holdovers and other bills			9,669	2,701+		
Totals	\$304,789	\$15,624+	\$315,905	\$194+	\$715,424	\$153,117+

COMMENT ON CHANGES WEEK ENDED DEC. 22, 1926

Total earning assets of the System show a decrease of \$7,200,000 but after excluding the special one-day advance to the Treasury last week of \$188,000,000 show an increase of \$180,700,000. This increase is made up by advance of approximately \$153,100,000 in bills discounted, \$11,800,000 in investments held under sales contracts, and \$15,600,000 and \$200,000 in outright purchases of Government securities and bankers acceptances respectively. The increase in investments held under sales contracts consisted of \$8,500,000 Government securities and \$3,300,000 bankers acceptances.

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Money
Market

Stock Exchange call money was seasonably firmer opening on Monday at 5 per cent and advancing to 5 1/2 per cent late that day. This rate prevailed from Monday afternoon to Thursday when it advanced to 6 per cent, the highest since September 30. Although there was a good demand for money there appeared to be a readiness to lend on the part of the large New York City Banks. The increase in the rate caused an influx of funds into the market and notwithstanding the usual week-end requirements, money eased to 5 1/2 per cent shortly after noon on Friday.

Time money was sympathetically firmer with practically all trading being confined to a flat rate of 4 3/4 per cent as compared with 4 5/8 and 4 3/4 per cent last week.

The commercial paper market continued quiet with both the supply and demand small. Sales of prime names were at 4 1/4 and 4 1/2 per cent with the greater proportion at the latter rate.

Government
Security
Market

Accompanying firmer money conditions the market for United States Liberty Loan and Treasury bonds was less active and slightly easier, although offerings of bonds in large blocks continue to be scarce. The closing prices at the end of the week showed an average decrease over last week of approximately 3/32nds.

The market for short-term certificates of indebtedness and Treasury Notes was also slightly easier with dealers' offerings at the end of the week at prices to yield approximately 2.97 to 3.21 per cent according to maturity, as compared with 2.85 to 3.17 per cent last week.

Bankers
Acceptances

Dealers' offering rates for unindorsed bankers acceptances were unchanged from the previous week as follows: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, and 3 7/8 per cent for 90' and 120-day bills.

Boston reports some falling off in the supply and demand which was not unexpected at this time of the year. Total purchases of dealers were in excess of the previous week due to one dealer making large purchases of bills from acceptors. Distribution was rather poor with 30 and 90-day maturities in best demand. Offerings to the reserve bank were smallest since the last week in April. The New York market showed a decided moderation in activity with the volume of dealers' purchases and sales about 40 per cent less this week than last. The demand was only fair and somewhat in excess of the supply, while distribution continued to be chiefly of 90-day bills for foreign orders. Maturities in dealers' portfolios were again heavy and their sales to the reserve bank consisted principally of short bills. The aggregate of dealers' portfolios and their commitments to the reserve bank under sales contracts showed a moderate decrease. Chicago reports their market was more active during the period covered by this report than any other during the past several months owing to the low yield on short-term Government securities at their present prices. There was, however, a scarcity of bills of short maturity.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current week consisted of purchases through various Federal reserve banks of \$19,500,000 Third Liberty Loan 4 1/4% bonds for account of Surplus Money in the Treasury and sales from holdings of the Alien Property Custodian of \$5,000,000 Third 4 1/4's to account of Surplus Money in the Treasury, and \$10,000,000 Third 4 1/4's to account Cumulative Sinking Fund. These sales from the holdings of the Alien Property Custodian were replaced by purchases in the market of \$15,000,000 Second 4 1/4's.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to December 22, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 115,807,000	\$ 115,614,000	\$ 193,000	0
New York	386,562,000	387,480,000	0	918,000
Philadelphia	130,973,000	132,130,000	0	1,157,000
Cleveland	165,434,000	165,156,000	278,000	0
Richmond	86,239,000	86,260,000	0	21,000
Atlanta	87,139,000	86,726,000	413,000	0
Chicago	231,403,000	231,222,000	181,000	0
St. Louis	68,523,000	68,523,000	0	0
Minneapolis	69,436,000	69,743,000	0	307,000
Kansas City	98,816,000	99,096,000	0	280,000
Dallas	70,099,000	69,743,000	356,000	0
San Francisco	<u>149,907,000</u>	<u>148,645,000</u>	<u>1,262,000</u>	<u>0</u>
Totals	<u><u>\$1,660,338,000</u></u>	<u><u>\$1,660,338,000</u></u>	<u><u>\$2,683,000</u></u>	<u><u>\$2,683,000</u></u>

The overages shown in the above statement are being adjusted in the usual manner of making distribution to other reserve banks.

Owing to their reserve position the Federal Reserve Bank of St. Louis on December 20 temporarily discontinued their participation in daily purchases of bills. They also sold on December 21 their holdings of bills with maturities up to January 11, 1927 amounting to \$5,360,000, the distribution of which is included in the figures shown above.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transactions effected in the System Account during the current statement week consisted of the delivery of \$15,500,000 3 1/2% Treasury certificates of indebtedness due September 15, 1927, which were purchased by various Federal reserve banks as reported last week. These transactions left the total holdings in the account at \$206,064,000, the participation by Federal reserve banks and the classification of issues being as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 9,031,500	March	15, 1927	\$ 7,491,000
New York	54,362,000	June	15, 1927	126,947,000
Philadelphia	5,069,000	September	15, 1927	42,779,500
Cleveland	13,603,000	December	15, 1927	28,846,500
Richmond	5,994,000			
Atlanta	0			
Chicago	27,029,000			
St. Louis	14,141,500			
Minneapolis	9,193,000			
Kansas City	18,541,000			
Dallas	19,027,000			
San Francisco	<u>30,073,000</u>			
Totals	<u><u>\$206,064,000</u></u>			<u><u>\$206,064,000</u></u>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM DECEMBER 16 TO DECEMBER 22, 1926**

**GOVERNMENT SECURITIES - SPECIAL INVESTMENT ACCOUNT
 (Participation in Purchases)**

Boston	\$ 680,000
New York	4,089,000
Philadelphia	381,500
Cleveland	1,023,000
Richmond	451,000
Atlanta	0
Chicago	2,033,000
St. Louis	1,063,500
Minneapolis	691,500
Kansas City	1,394,500
Dallas	1,431,000
San Francisco	2,262,000
Totals	\$15,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 1,000	Misc. Gov't Sec.	0	-
Cleveland	46,600	Third L/L bonds	0	-
Atlanta	84,300	Misc. Gov't Sec.	65,650	Misc. Gov't Securities
St. Louis	78,000	TS-1927 Ctfs.	66,000	Third L/L bonds
Dallas	44,900	L/L bonds	400	Second L/L bonds
Totals	\$254,800		\$132,050	

**BANKERS ACCEPTANCES
 (000 Omitted)**

	Holdings Dec. 15	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings Dec. 22	Other Holdings Close Dec. 22/26	
			Regular from N.Y.	From Boston Port.			Sales	Other Bills
Boston	\$ 32,772	\$ 2,633 R.	0	0	\$ 5,419****	\$ 29,986	\$ 8,381	0
New York	50,390	13,502 A. 8,765 R.*	0	701	5,620	54,236	52,941	1,808
Phila.	25,233	3,102 "	0	0	3,759	24,576	0	0
Cleveland	33,657	1,841 R.** 1,963	0	300	3,375	34,386	0	1,798
Richmond	12,252	384 " 1,729	0	0	1,450	12,915	0	0
Atlanta	23,795	716 " 1,763	0	900	5,513	21,661	0	1,430
Chicago	47,067	1,518 " 1,584	0	0	3,837	46,332	3,552	0
St. Louis	12,849	0	744	500	6,162x	7,931	0	0
Minn.	12,969	0	1,460	400	1,553	13,276	0	0
Kan. City	19,467	0	1,791	700	2,232	19,726	0	0
Dallas	14,178	663 " 1,485	0	0	1,027	15,299	0	0
San Fran.	24,114	2,821 "*** 983	0	0	2,006	25,912	6,814	0
Totals	\$308,743	\$35,945	\$13,502	\$3,501	\$41,953	\$306,236	\$71,688	\$5,036

Bills held overnight by New York for distribution to other F. R. Banks - - - - 4,633
 Total - - - - - \$9,669

*Includes \$3,157,000 sold to N. Y. from St. Louis portfolio
 **Includes 1,191,000 sold to Cleveland from St. Louis portfolio
 ***Includes 1,013,000 sold to San Francisco from St. Louis portfolio
 ****Includes 3,501,000 sold to other F. R. Banks
 xIncludes 5,361,000 sold to other F. R. 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 DECEMBER 22, 1926
 (000 Omitted)

	1-30 days <u>3 1/2%</u>	31-60 days <u>3 1/2 - 3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4%</u>	<u>Total</u>
Boston	\$ 1,047	\$ 967	\$ 611	\$ 8	\$ 2,633
New York	10,367	6,371	4,434	1,095	22,267
Philadelphia	417	938	1,747	0	3,102
Cleveland	1,341	500	0	0	1,841
Richmond	0	216	168	0	384
Atlanta	654	40	0	22	716
Chicago	350	978	190	0	1,518
Dallas	29	0	374	260	663
San Francisco	<u>1,941</u>	<u>674</u>	<u>192</u>	<u>14</u>	<u>2,821</u>
Totals	<u>\$16,146</u>	<u>\$10,684</u>	<u>\$7,716</u>	<u>\$1,399</u>	<u>\$35,945</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 22, 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	\$15,756	\$39,446	\$55,202
Sold	132	0	132
Matured	0	41,953	41,953
	_____	\$ 2,507-	\$13,117+
	_____	2,701+ (Net Change	2,701+ (Net Change
	_____	1-day holdover	1-day holdover
	_____	& other bills)	& other bills)
Totals	<u>\$15,624+</u>	<u>\$ 194+</u>	<u>\$15,818+</u>

(Including Sales Contracts)

Holdings <u>December 22, 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>
Government Securities	\$ 9,617	0	0	\$36,057	\$133,899	\$134,833	\$314,406
Bills Purchased	<u>157,087</u>	<u>80,459</u>	<u>86,642</u>	<u>56,469</u>	<u>6,936</u>	<u>0</u>	<u>387,593</u>
Totals	<u>\$166,704</u>	<u>\$80,459</u>	<u>\$86,642</u>	<u>\$92,526</u>	<u>\$140,835</u>	<u>\$134,833</u>	<u>\$701,999</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 22, 1926.

To All Members of the Board

#2

Subject: _____

From Mr. Eddy

333*

2-8496
G.P.O.

For your information:

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

Please return to Secretary's office.

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December 22, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of December 26th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 9 to December 15, 1936, inclusive.

Very truly yours,

Walter L. Rilly,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

December 20, 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 December 9 to December 15, 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 DECEMBER 15, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	26,355	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	540,063
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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,530
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 24	1,270,681	298,269	1,635	303,220	37,409	627,604
Dec. 8	1,321,861	308,233	15,350	301,647	89,342	604,726
Dec. 15	1,427,235*	477,165*	1,074	315,711	68,414	562,307

* Includes \$188,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 15, 1926
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 15	Change	Dec. 15	Change	Dec. 15	Change
Boston	\$ 9,180	\$ 818-	\$ 32,772	\$ 2,266-	\$ 44,851	\$ 675+
New York	51,595	4,910-	50,390	4,959+	100,029	59,987-
Philadelphia	19,695	460-	25,233	880-	53,068	7,710+
Cleveland	34,673	1,229-	33,657	2,089+	88,742	4,812+
Richmond	6,784	542-	12,252	277+	27,643	2,150+
Atlanta	1,811	74-	23,795	167-	45,320	1,549-
Chicago	44,983	2,441-	47,067	4,700+	99,937	1,099+
St. Louis	19,569	1,153-	12,849	1,813+	35,184	7,246+
Minneapolis	16,069	831-	12,969	206+	3,997	140-
Kansas City	26,619	2,206-	19,467	1,549+	16,597	3,478+
Dallas	20,692	1,689-	14,178	336+	8,690	3,531-
San Francisco	37,495	2,715-	24,114	1,119+	38,249	4,382-
N.Y. holdovers and other bills			6,968	329+		
Totals	\$289,165*	\$19,068-	\$315,711	\$14,064+	\$562,307	\$42,419-

*This balance does not include \$188,000,000 one-day advance to Treasury.

COMMENT ON CHANGES WEEK ENDED DEC. 15, 1926

Total earning assets of the System which show an increase of \$105,000,000 due to the inclusion of the special 1-day advance to the Treasury \$188,000,000. Decreases of approximately \$42,000,000 in bills discounted, \$19,000,000 in outright purchases of Government securities, and \$35,000,000 in investments held under sales contracts were partly offset by an increase of \$14,000,000 in outright purchases of bankers acceptances. The decrease in investments held under sales contracts consisted of \$14,000,000 Government securities and \$21,000,000 bankers acceptances.

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Money
Market

Stock Exchange call money was relatively steady over the Treasury financing period. The rate varied during the week from 4 1/2 to 5 per cent, closing on Friday at the latter figure. Money conditions eased slightly on the fifteenth due to the large Treasury disbursements in excess of income tax collections in the New York market and heavy incoming commercial transfers, probably occasioned by similar conditions in other districts, all of which resulted in the retirement of a large amount of reserve bank credit. In the latter part of the week money conditions were slightly firmer, accompanying the loss of funds to the market as a result of heavy income tax collections, together with substantial currency withdrawals and outgoing transfers.

Trading in time money was more active with loans of all maturities at 4 5/8 and 4 3/4 per cent.

The commercial paper market was rather quiet with very little new paper being offered and some improvement in the demand from outside markets. While sales of prime names were principally at 4 1/2 per cent, some very choice names sold at 4 1/4 per cent.

Government
Security
Market

The market for short-term Government certificates of indebtedness and Treasury Notes continued strong and active. The new 3 1/4 per cent certificates due September 15, 1927 were offered by dealers at the close of the week at a premium of 3/32, at which price they yield approximately 3.11 per cent. Other issues of certificates and notes were offered at prices to yield from about 2.85 to 3.17 per cent according to maturity.

The United States Liberty Loan and Treasury bond market also continued strong and active. The First, Second, Third and Fourth 4 1/4's and the Treasury bonds sold at or near the high levels of the year, while new high levels for all time were reached for Fourth 4 1/4's at 103 11/32, Treasury 4's 1944-54 at 106 1/32, and Treasury 3 3/4's 1946-56 at 103 1/32.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were well established this week at the following rates: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, and 3 7/8 per cent for 90 and 120-day bills.

Boston reports that the supply of bills in their district was still very small and inadequate to meet the demand. Bills of 90-day maturities moved freely while local banks continued to be the principal buyers. Offerings to the reserve bank were lighter this week than last. The New York market continued active. The volume of purchases and sales to the outside market were about equal and considerably larger than last week, while the distribution consisted in a large measure of 90-day bills for foreign accounts. Sales to the reserve bank were composed chiefly of bills of short maturities. Dealers reduced their commitments to the reserve bank under sales contracts this week approximately 25 per cent. Some improvement was reflected in the Philadelphia market during the current week. Offerings were fairly heavy with bills of short maturities predominating. The demand was considerably better than in the previous week. Chicago also reports an increased activity in their bill market with some fairly large amounts purchased by local banks.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current statement week consisted of the purchase in the market of \$15,000,000 Second 4 1/4's, \$5,000,000 Fourth 4 1/4's, and \$399,000 Sept. 15, 1927 certificates for account of the Alien Property Custodian; and \$1,050,650 Fourth 4 1/4's for account of the Interstate Commerce Commission. These purchases were made in partial replacement of holdings of certificates which matured December 15, 1926.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to December 15, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 116,674,000	\$ 113,151,000	\$3,523,000	\$ 0
New York	377,094,000	379,034,000	0	1,940,000
Philadelphia	127,871,000	129,315,000	0	1,444,000
Cleveland	161,330,000	161,637,000	0	307,000
Richmond	84,126,000	84,149,000	0	23,000
Atlanta	83,761,000	84,615,000	0	854,000
Chicago	228,300,000	226,295,000	2,005,000	0
St. Louis	67,279,000	67,766,000	0	487,000
Minneapolis	67,576,000	67,983,000	0	407,000
Kansas City	96,326,000	96,985,000	0	659,000
Dallas	67,951,000	67,983,000	0	32,000
San Francisco	146,103,000	145,478,000	625,000	0
Totals	<u>\$1,624,391,000</u>	<u>\$1,624,391,000</u>	<u>\$6,153,000</u>	<u>\$6,153,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week consisted of the redemption and exchange of \$4,349,500 December 15, 1926 certificates of indebtedness and sales of short-term Government securities to foreign correspondents of \$56,444,000, the major portion being a replacement of the December 15 maturities. Delivery was also made on December 4 and 9 of the balance of \$3,250,000 December 15, 1926 certificates which were sold to the fiscal agent of the British Government as previously reported. Replacement of the foregoing sales was made by purchases of certificates and notes as follows: \$31,750,000 in the market, \$13,942,000 by various Federal reserve banks, and \$13,162,500 from foreign correspondents. These purchases, together with \$2,175,000 September 15, 1927 new 3 1/4% certificates which were received by allotment on the System's exchange subscription, result in the total holdings in the account being \$206,064,000. This total makes allowance for the delivery of \$15,500,000 of the new 3 1/4% certificates purchased in various districts which was not completed until December 18. The participation by Federal reserve banks and the classification of issues is as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 9,031,500	March 15, 1927	\$ 7,491,000
New York	54,362,000	June 15, 1927	126,947,000
Philadelphia	5,069,000	September 15, 1927	42,779,500
Cleveland	13,603,000	December 15, 1927	28,846,500
Richmond	5,994,000		
Atlanta	0		
Chicago	27,029,000		
St. Louis	14,141,500		
Minneapolis	9,193,000		
Kansas City	18,541,000		
Dallas	19,027,000		
San Francisco	30,073,000		
Totals	<u>\$206,064,000</u>		<u>\$206,064,000</u>

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 Authority EO 10501

**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM DECEMBER 9 TO DECEMBER 15, 1926**
 (Participation in Short-term Governments - Special Investment Account)

	<u>Sales and Maturities</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 2,717,000	\$ 1,899,500	\$ 817,500
New York	16,347,000	11,437,000	4,910,000
Philadelphia	1,525,000	1,066,000	459,000
Cleveland	4,091,000	2,862,000	1,229,000
Richmond	1,802,500	1,260,500	542,000
Atlanta	0	0	0
Chicago	8,128,000	5,687,000	2,441,000
St. Louis	4,252,500	2,975,500	1,277,000
Minneapolis	2,764,500	1,934,000	830,500
Kansas City	5,575,500	3,901,500	1,674,000
Dallas	5,722,000	4,003,500	1,718,500
San Francisco	9,043,500	6,328,000	2,715,500
Totals	\$61,968,500	\$43,354,500	\$18,614,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	0	-	\$ 1,000	Misc. Gov't Sec.
Atlanta	108,000	Misc. Gov't Sec.	182,000	Misc. Gov't Sec.
St. Louis	176,700	Misc. Gov't Sec.	52,000	TD-1926 Ctf.
Kansas City	390,000	TS-1927 Ctf.	921,500	TD-1926 Ctf.
Dallas	29,850	Liberty Loan bonds	200	Second L/L bonds
Totals	\$704,550		\$1,156,700	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Dec. 8	Rec'd by Allotment			Matur- ities & Sales	Holdings Dec. 15	Other Holdings	
		Purchased Own Mkt.	Regular from N.Y.	From Boston Port.			Close Sales Contracts	Dec. 15/26 Other Bills
Boston	\$ 35,038	\$ 6,751 R.	0	0	\$ 9,017*	\$ 32,772	\$ 2,664	0
New York	45,431	9,566 "	0	2,800	7,405	50,390	55,057	987
		19,998 A.						
Phila.	26,113	3,056 R.	0	0	3,936	25,233	0	0
Cleve.	31,568	727 "	3,606	600	2,844	33,657	0	1,697
Richmond	11,975	327 "	1,618	0	1,668	12,252	0	0
Atlanta	23,962	142 "	1,325	1,100	2,734	23,795	0	1,529
Chicago	42,367	3,682 "	4,907	0	3,889	47,067	4,079	0
St. Louis	11,036	0	1,832	800	819	12,849	0	0
Minn.	12,763	0	1,451	600	1,845	12,969	0	0
Kan. City	17,918	0	2,096	900	1,447	19,467	0	0
Dallas	13,842	367 "	1,437	400	1,868	14,178	168	0
San Fran.	22,995	1,894 "	1,726	0	2,501	24,114	6,446	0
Totals	\$295,008	\$46,510	\$19,998	\$7,200	\$39,973	\$308,743	\$68,414	\$4,213

Bills held overnight by New York for distribution to other F. R. Banks - - 2,755

Total - - - - - \$6,968

*Includes \$7,200,000 sold to other Federal reserve banks.

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

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 Authority EO 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 15, 1926

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 1,046	\$ 1,180	\$ 3,318	\$ 1,207	\$ 6,751
New York	12,979	7,006	8,853	726	29,564
Philadelphia	522	34	2,500	0	3,056
Cleveland	0	0	727	0	727
Richmond	0	327	0	0	327
Atlanta	132	10	0	0	142
Chicago	1,026	991	1,665	0	3,682
Dallas	0	51	240	76	367
San Francisco	879	964	51	0	1,894
Totals	<u>\$16,584</u>	<u>\$10,563</u>	<u>\$17,354</u>	<u>\$ 2,009</u>	<u>\$46,510</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 15, 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	\$44,058	\$53,710	\$97,768
Sold	59,855	0	59,855
Matured	3,271	29,975	43,246
		<u>\$13,735+</u>	<u>\$ 5,333-</u>
		329+ (Net Change 1-day holdover & other bills)	329+ (Net Change 1-day holdover & other bills)
Totals	<u>\$19,068-</u>	<u>\$14,064+</u>	<u>\$ 5,004-</u>

(Including Sales Contracts and Special 1-day Certificate of Indebtedness)

<u>Holdings December 15, 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	\$189,074	0	0	\$ 35,927	\$133,654	\$119,584	\$478,239
Bills Purchased	142,583	77,340	97,685	59,468	7,049	0	384,125
Totals	<u>\$331,657</u>	<u>\$77,340</u>	<u>\$97,685</u>	<u>\$ 95,395</u>	<u>\$140,703</u>	<u>\$119,584</u>	<u>\$862,364</u>

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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

2

FEDERAL RESERVE BOARD

Date December 15, 1926.

To All Members of the Board

Subject: _____

From Mr. Eddy

333

2-5485
G.P.O.

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

December 15, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of December 13th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 2 to December 8, 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

December 13, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from December 2 to December 8, 1926
inclusive, together with data received by the Committee
from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority EO 10501

CONFIDENTIAL
 REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 8, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	26,355	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	540,063
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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 24	1,270,681	298,269	1,635	303,220	37,409	627,604
Dec. 1	1,322,111	298,018	7,890	290,075	78,088	645,476
Dec. 8	1,321,861	308,233	15,350	301,647	89,342	604,726

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED DECEMBER 8, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 8	Change	Dec. 8	Change	Dec. 8	Change
Boston	\$ 9,998	\$ 433+	\$ 35,038	\$ 5,437+	\$ 44,176	\$10,632-
New York	56,505	2,606+	45,431	2,239+	160,016	19,905+
Philadelphia	20,155	243+	26,113	115+	45,358	14,964-
Cleveland	35,902	653+	31,568	2,478+	83,930	8,040+
Richmond	7,326	287+	11,975	163-	25,493	3,712-
Atlanta	1,885	16+	23,962	2,648-	46,869	3,317-
Chicago	47,424	1,296+	42,367	1,074+	98,838	18,632-
St. Louis	20,722	880+	11,036	604+	27,938	8,007-
Minneapolis	16,900	441+	12,763	374-	4,137	191-
Kansas City	28,825	889+	17,918	701+	13,119	2,608-
Dallas	22,381	1,028+	13,842	645-	12,221	2,131-
San Francisco	40,210	1,443+	22,995	1,533+	42,631	4,501-
N. Y. holdovers and other bills			6,639	1,221+		
Totals	\$308,233	\$10,215+	\$301,647	\$11,572+	\$604,726	\$40,750-

COMMENT ON CHANGES WEEK ENDED DECEMBER 8, 1926

There was a decrease of \$250,000 in the total earning assets of the System for the current week. The approximate changes in earning assets by classification were as follows: Bills discounted decreased \$40,750,000 while investments held under sales contracts increased \$18,700,000 and outright purchases of Government securities and bankers acceptances increased \$10,200,000 and \$11,600,000 respectively. The increase in investments held under sales contracts consisted of \$7,500,000 Government securities and \$11,200,000 bankers acceptances.

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2

Money
Market

Stock Exchange call money opened and renewed on Monday at 4 1/2 per cent and advanced successively to 5 1/2 per cent as member bank borrowings increased, due to their reserve position. On Tuesday call money opened at 5 per cent and this rate prevailed until Thursday noon when it was lowered to 4 1/2 per cent, remaining at this rate for the balance of the week. Although the market lost funds on Thursday in commercial and agency transactions there was a substantial surplus of bank reserves at the opening of business and New York City banks reduced considerably their use of reserve bank credit and money rates turned easier. Notwithstanding the usual week end currency requirements there was a sufficient supply of funds on Friday to meet the demand and the rate was steady.

The time money market was quiet and slightly firmer. Although trading was principally at 4 3/4 per cent some six months' loans were arranged in the latter part of the week at 4 5/8 per cent.

The commercial paper market continued quiet and unchanged from last week in respect to the supply and demand. Sales of prime names were principally at 4 1/2 per cent, with some exceptional names of rediscount maturity at 4 1/4 per cent.

Government
Security
Market

The offering by the Treasury of new 3 1/4 per cent certificates dated December 15, 1926 due September 15, 1927 was heavily oversubscribed. The psychological effect of this issue and the strong demand for other issues of short-term Government securities and notes, for reinvestment purposes, was reflected in the market by dealers' offerings of the latter issues at the end of the week at prices to yield from about 3 to 3.20 per cent, according to maturity.

The market for United States Liberty Loan and Treasury bonds was sympathetically strong and active; practically all issues were in good demand and they showed an average gain in price of about 8/32nds over the previous week's close. A new high level was reached during the week when Treasury 4s of 1944-54 sold at 106 1/32 and Treasury 3 3/4s of 1945-56 sold at 102 29/32nds.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 3 5/8 per cent for 30's, 3 5/8 to 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 3 7/8 to 4 per cent for 120-day bills. The advance of 1/8 per cent in all but the 30-day maturities was not general, some dealers advancing rates in all but 30-day bills while the other dealers advanced the rate on 90-day bills only.

Boston reports that the market in their district was rather inactive during the first part of the statement week, with the supply of bills very small. Toward the end of the period the demand from local banks was good while out-of-town banks continued to be poor buyers. Offerings to the reserve bank, which were principally by local banks, were almost 100% greater this week than last. In New York the market was active and while the supply of bills was good offerings were not as large in volume as in the previous week. The demand was poor, in view of rather firm money conditions, and dealers' portfolios and their commitments to reserve banks under sales contracts showed an increase of about 10% over the previous week. Sales of bills to the reserve bank were made chiefly by banks. The bill market in Philadelphia was dull and although there was a fairly good supply of bills the demand was light. Chicago's report indicates that the market there was very quiet.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current statement week consisted of the sale of \$650,000 aggregate amount of Dec. 15, 1926 certificates of indebtedness.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to December 8, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 117,123,000	\$ 109,894,000	\$7,229,000	\$ 0
New York	364,728,000	368,337,000	0	3,609,000
Philadelphia	124,815,000	125,594,000	0	779,000
Cleveland	156,397,000	156,986,000	0	589,000
Richmond	82,181,000	81,824,000	357,000	0
Atlanta	81,194,000	82,290,000	0	1,096,000
Chicago	219,711,000	219,784,000	0	73,000
St. Louis	64,647,000	65,441,000	0	794,000
Minneapolis	65,525,000	66,123,000	0	598,000
Kansas City	93,330,000	94,194,000	0	864,000
Dallas	65,747,000	66,123,000	0	376,000
San Francisco	142,484,000	141,292,000	1,192,000	0
Totals	\$1,577,882,000	\$1,577,882,000	\$8,778,000	\$8,778,000

The overages shown in the above statement are being adjusted in the usual manner of making weekly distribution to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week and not previously reported consisted of a sale to a foreign correspondent of \$3,138,000 March 15, 1927 Treasury Notes and purchases in the market and from the Alien Property Custodian and a foreign correspondent of \$16,017,000 short-term Government securities. Delivery was also made during the week of \$3,000,000 of the \$12,250,000 December 15, 1926 certificates which were sold to the fiscal agent of the British Government as previously reported. These transactions left the total holdings in the System Account for the week ending December 8 temporarily at \$209,178,000. The participation by Federal reserve banks and the classification of issues was as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 9,169,000	December 15, 1926	\$ 7,599,500
New York	55,183,000	March 15, 1927	29,543,000
Philadelphia	5,146,500	June 15, 1927	132,939,000
Cleveland	13,809,000	December 15, 1927	39,096,500
Richmond	6,085,000		
Atlanta	0		
Chicago	27,437,000		
St. Louis	14,355,000		
Minneapolis	9,332,000		
Kansas City	18,820,500		
Dallas	19,314,500		
San Francisco	30,526,500		
Totals	\$209,178,000		\$209,178,000

In addition, there have been further transactions in the System Account consisting of forward sales to foreign correspondents, and purchases of short maturities to replace such sales; also purchases to replace the certificates maturing December 15, 1926. These purchases and sales, which will be consummated during the present week, will bring the total holdings in the Account on or about December 15 to approximately \$200,000,000.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM DECEMBER 2 TO DECEMBER 8, 1926**
 (Participation in Short-term Governments - Special Investment Account)

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,236,000	\$ 1,803,000	\$ 433,000
New York	13,459,500	10,853,000	2,606,500
Philadelphia	1,255,000	1,012,000	243,000
Cleveland	3,368,000	2,715,500	652,500
Richmond	1,483,500	1,197,000	286,500
Atlanta	0	0	0
Chicago	6,691,500	5,396,000	1,295,500
St. Louis	3,501,000	2,823,500	677,500
Minneapolis	2,276,000	1,835,500	440,500
Kansas City	4,590,500	3,701,500	889,000
Dallas	4,711,000	3,798,000	913,000
San Francisco	7,445,000	6,003,000	1,442,000
Totals	\$51,017,000	\$41,138,000	\$9,879,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$129,900	Misc. Gov't Sec.	\$114,350	Misc. Gov't Sec.
St. Louis	201,900	Misc. Gov't Sec.	0	-
Dallas	115,050	Liberty Loan bonds	0	-
San Francisco	1,000	Liberty Loan bonds	0	-
Totals	\$447,850		\$114,350	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Dec. 1	Purchased Own Mt.	Rec'd by Allotment			Holdings Dec. 8	Other Holdings Close Dec. 8/26	
			Regular N.Y.	From Boston Port.	Matur- ities & Sales		Sales Contracts	Other Bills
Boston	\$ 29,601	\$10,149 R.	0	0	\$ 4,712*	\$35,038	\$ 4,733	0
New York	43,192	8,151 " 13,556 A.	0	1,200	7,112	45,431	74,717	1,031
Phila.	25,998	2,923 R.	0	0	2,808	26,113	0	0
Cleve.	29,090	942 " 2,691	2,691	800	1,955	31,568	0	1,532
Richmond	12,138	1,144 " 1,260	1,260	300	2,867	11,975	0	0
Atlanta	26,610	441 " 0	0	0	3,089	23,962	0	1,590
Chicago	41,293	2,248 " 3,580	3,580	0	4,754	42,367	3,680	0
St. Louis	10,432	0 " 1,260	1,260	400	1,056	11,036	0	0
Minn.	13,137	0 " 1,106	1,106	200	1,680	12,763	0	0
Kan. City	17,217	0 " 1,669	1,669	400	1,368	17,918	0	0
Dallas	14,487	173 " 707	707	0	1,525	13,842	161	0
San Fran.	21,462	2,802 " 1,283	1,283	0	2,552	22,995	6,051	0
Totals	\$284,657	\$42,529	\$13,556	\$3,300	\$35,478	\$295,008	\$89,342	\$4,153

Bills held overnight by New York for distribution to other F. R. Banks - - - 2,486
 Total - - - - - \$6,639

*Includes \$3,300,000 sold to other F. R. banks

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

DECLASSIFIED
 Authority EO 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 8, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 3/4 - 3 7/8%	Over 90 days 3 3/4 - 4%	Total
Boston	\$ 819	\$ 920	\$ 7,599	\$ 811	\$10,149
New York	6,758	8,204	6,102	643	21,707
Philadelphia	2,289	520	114	0	2,923
Cleveland	740	0	0	202	942
Richmond	243	538	363	0	1,144
Atlanta	128	92	221	0	441
Chicago	563	1,685	0	0	2,248
Dallas	50	0	112	11	173
San Francisco	894	996	912	0	2,802
Totals	<u>\$12,484</u>	<u>\$12,955</u>	<u>\$15,423</u>	<u>\$1,667</u>	<u>\$42,529</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 8, 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	\$51,465	\$45,829	\$97,294
Sold	41,250	0	41,250
Matured	0	35,478	35,478
		\$10,351+	\$20,566+
		1,221+ (Net Change	1,221+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$10,215+</u>	<u>\$11,572+</u>	<u>\$21,787+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>December 8, 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	\$ 24,025	0	0	0	\$57,979	\$241,579	\$323,583
Bills Purchased	150,949	72,986	105,149	54,301	7,604	0	390,989
Totals	<u>\$174,974</u>	<u>\$72,986</u>	<u>\$105,149</u>	<u>\$54,301</u>	<u>\$65,583</u>	<u>\$241,579</u>	<u>\$714,572</u>

DECLASSIFIED
Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 8, 1926.

To All Members of the Board

2

Subject: 333

From Mr. Eddy

2-8496
G.P.O.

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

December 8, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of December 6th, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from November 25 to December 1, 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

December 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 November 25 to December 1, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority EO 10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 1, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
June 24	\$1,034,470	\$317,155	\$ 7,454	\$215,277	\$26,389	\$455,445
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Dec. 1	1,322,111	298,018	7,890	290,075	78,088	645,476

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 1	Change	Dec. 1	Change	Dec. 1	Change
Boston	\$ 9,565	\$ 8-	\$ 29,601	\$ 578-	\$ 54,808	\$ 7,288+
New York	53,899	48-	43,192	598-	140,111	8,861-
Philadelphia	19,912	3-	25,998	2,864-	60,322	14,170+
Cleveland	35,249	259-	29,090	721-	75,890	1,055+
Richmond	7,039	5-	12,138	1,616-	29,205	6,702-
Atlanta	1,869	11+	26,610	3,552-	50,186	1,404-
Chicago	46,128	24-	41,293	1,505-	117,470	10,583+
St. Louis	19,842	79+	10,432	658+	35,945	3,104+
Minneapolis	16,459	9-	13,137	617+	4,328	744-
Kansas City	27,936	17-	17,217	1,340-	15,727	2,029-
Dallas	21,353	60+	14,487	70-	14,352	75-
San Francisco	38,767	28-	21,462	477-	47,132	1,487+
N. Y. holdovers and other bills			5,418	1,099-		
Totals	\$298,018	\$251-	\$290,075	\$13,145-	\$645,476	\$17,872+

COMMENT ON CHANGES WEEK ENDED DECEMBER 1, 1926

Total earning asset holdings of the System showed an increase of approximately \$51,400,000 for the current statement week. Increases of \$17,900,000 in bills discounted and \$46,900,000 in investments held under sales contracts were partly offset by decreases of \$13,150,000 and \$250,000 in outright purchases of bankers acceptances and Government securities respectively. Increase in investments held under sales contracts consisted of \$6,200,000 Government securities and \$40,700,000 bankers acceptances.

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Money
Market

Call money rates this week averaged 1/2 per cent higher than last week, reflecting requirements for funds for the usual first of the month transactions and holiday currency. Stock Exchange call money opened and renewed on Monday at 5 per cent and advanced to 5 1/2 per cent shortly after noon. From Tuesday to Thursday noon the rate varied between 5 and 5 1/2 per cent, but shortly after noon on Thursday was lowered to 4 1/2 per cent and remained at this figure for the balance of the week, as a substantial excess of average bank reserves had been accumulated, thereby permitting some retirement of reserve bank credit.

The time money market was sympathetically slightly firmer early in the week but subsequently returned to the previous level of 4 5/8 per cent and at this rate there was a fairly active market in all maturities of loans.

There was a slackening in the demand for commercial paper due to the firmer money conditions, with the supply of new paper coming into the market still relatively small. Sales of primo names continued to be made principally at 4 1/2 per cent, with the exceptional names at 4 1/4 per cent.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds was less active and slightly weaker. While prices of First 3 1/2s and Second 4 1/4 per cent Liberty Loan bonds showed slight fractional gains over the previous week's close, the prices of all the other issues showed an average decrease of about 5/32 of 1 per cent.

The demand for short-term certificates of indebtedness and Treasury notes continued strong and active. Dealers' offerings of December 15, 1926 certificates and March 15, 1927 notes at the end of the week were at prices to yield about 3.15 and 3.10 per cent respectively, which prices were unchanged from those prevailing at the close of the previous week. The June 15, 1927 certificates and December 15, 1927 notes were offered at prices to yield approximately 3.26 and 3.37 per cent respectively as compared with 3.38 and 3.42 per cent the previous week.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued to be made at the following rates: 3 5/8 per cent for 30's and 60's, 3 3/4 per cent for 90's and 3 7/8 per cent for 120-day bills. The volume of bills offered to dealers during the current statement week was considerably greater than during the previous period and with the demand lighter, dealers' portfolios showed an increase of about 36 per cent.

Boston reported a good increase in the supply of bills as compared with the previous period and a slowing up in the demand which heretofore had been good. Bills did not move freely and dealers reported the aggregate of their portfolios to be the largest since last July. The supply of bills in the New York market increased considerably with sales to the outside market very poor. There was some preference shown for the short maturities although a fair amount of 90-day bills was purchased for foreign accounts. The amount of dealers commitments to the reserve bank under sales contracts showed a considerable increase over the previous statement week to the highest point in many months. The Philadelphia market was comparatively quiet. The supply of bills was good while the demand was very small. Chicago reported that their market was quiet with the supply and demand about even.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the week consisted of the sale in the market of \$400,000 December 15, 1926 - 3 3/4 per cent certificates and the exchange with the fiscal agent of the British Government of \$12,000,000 of these certificates for a like amount of June 15, 1927 - 3 1/2 per cent certificates. All of these transactions were for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to December 1, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 110,274,000	\$ 106,917,000	\$3,357,000	\$ 0
New York	355,377,000	358,555,000	0	3,178,000
Philadelphia	121,892,000	122,191,000	0	299,000
Cleveland	151,964,000	152,733,000	0	769,000
Richmond	79,477,000	79,698,000	0	221,000
Atlanta	80,753,000	80,164,000	589,000	0
Chicago	213,883,000	213,830,000	53,000	0
St. Louis	62,987,000	63,315,000	0	328,000
Minneapolis	64,219,000	64,422,000	0	203,000
Kansas City	91,261,000	91,642,000	0	381,000
Dallas	64,867,000	64,422,000	445,000	0
San Francisco	138,399,000	137,464,000	935,000	0
Totals	<u>\$1,535,353,000</u>	<u>\$1,535,353,000</u>	<u>\$5,379,000</u>	<u>\$5,379,000</u>

The overages shown in the above statement are being adjusted in the usual manner of making weekly distribution to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week and not previously reported, consisted of sales to foreign correspondents and the market of \$9,883,200 Certificates of Indebtedness and Treasury Notes, and purchase in the market of \$15,701,200 short-term Government securities. Delivery was also made during the week of \$6,000,000 of the \$12,250,000 December 15, 1926 certificates of indebtedness sold to the fiscal agent of the British Government as reported last week. These transactions left the total holdings in the System Account for the week ending December 1 temporarily at \$199,299,000. The participation by Federal reserve banks and the classification of issues was as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 8,736,000	December 15, 1926	\$ 42,052,500
New York	52,576,500	March 15, 1927	28,561,000
Philadelphia	4,903,500	June 15, 1927	92,539,000
Cleveland	13,156,500	December 15, 1927	36,146,500
Richmond	5,798,500		
Atlanta	0		
Chicago	26,141,500		
St. Louis	13,677,500		
Minneapolis	8,891,500		
Kansas City	17,931,500		
Dallas	18,401,500		
San Francisco	29,084,500		
Totals	<u>\$199,299,000</u>		<u>\$199,299,000</u>

On December 2 an additional sale was made to the fiscal agent of the British Government of \$35,000,000 December 15, 1926 certificates of indebtedness in exchange for a like amount of June 15, 1927 certificates, both transactions being at par and interest.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM NOVEMBER 25 TO DECEMBER 1, 1926**
 (Participation in Short-term Governments - Special Investment Account)

	<u>Sales</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 696,000	\$ 688,000	\$ 8,000
New York	4,190,200	4,142,200	48,000
Philadelphia	390,500	387,000	3,500
Cleveland	1,048,000	1,037,000	11,000
Richmond	461,500	456,500	5,000
Atlanta	0	0	0
Chicago	2,083,500	2,060,000	23,500
St. Louis	1,090,000	1,078,000	12,000
Minneapolis	709,000	700,000	9,000
Kansas City	1,429,000	1,412,000	17,000
Dallas	1,467,000	1,449,500	17,500
San Francisco	<u>2,318,500</u>	<u>2,291,000</u>	<u>27,500</u>
Totals	<u><u>\$15,883,200</u></u>	<u><u>\$15,701,200</u></u>	<u><u>\$182,000</u></u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	0	-	\$247,500	TD-1926 Cdfs.
Atlanta	39,950	Liberty Loan bonds	29,050	Misc. Gov't Sec.
St. Louis	91,500	TJ-1927 Cdfs.	0	-
Dallas	<u>76,900</u>	Misc. Gov't Sec.	0	-
Totals	<u><u>\$208,350</u></u>		<u><u>\$276,550</u></u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Nov. 24	Rec'd by Allotment			Matur- ities & Sales	Holdings Dec. 1	Other Holdings Close Dec. 1/26	
		Purchased Own Mkt.	Regular from N.Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 30,179	\$ 5,490 R.	0	0	\$ 6,068*	\$ 29,601	\$ 4,709	0
New York	43,790	5,358 " "	0	500	6,456	43,192	63,261	1,047
		13,140 A.						
Phila.	28,862	1,978 R.	0	0	4,842	25,998	0	0
Cleveland	29,811	0	2,266	700	3,687	29,090	0	1,579
Richmond	13,754	110 "	1,168	0	2,894	12,138	0	0
Atlanta	30,162	575 "	431	0	4,558	26,610	0	1,774
Chicago	42,798	1,199 "	3,116	0	5,820	41,293	3,088	0
St. Louis	9,774	0	1,150	600	1,092	10,432	0	0
Minn.	12,520	0	926	500	809	13,137	0	0
Kan. City	18,557	0	1,402	700	3,442	17,217	0	0
Dallas	14,557	720 "	970	0	1,760	14,487	0	0
San Fran.	<u>21,939</u>	<u>1,783 "</u>	<u>1,711</u>	<u>0</u>	<u>3,971</u>	<u>21,462</u>	<u>7,030</u>	<u>0</u>
Totals	<u><u>\$296,703</u></u>	<u><u>\$30,353</u></u>	<u><u>\$13,140</u></u>	<u><u>\$3,000</u></u>	<u><u>\$45,399</u></u>	<u><u>\$284,657</u></u>	<u><u>\$78,088</u></u>	<u><u>\$4,400</u></u>

Bills held overnight by New York for distribution to other F. R. Banks - - 1,018
 Total - - - - - \$5,418

*Includes \$3,000,000 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 DECEMBER 1, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 995	\$1,215	\$2,255	\$1,025	\$ 5,490
New York	6,486	6,412	3,598	2,002	18,498
Philadelphia	961	883	134	0	1,978
Richmond	110	0	0	0	110
Atlanta	0	78	465	32	575
Chicago	25	565	609	0	1,199
Dallas	75	79	415	151	720
San Francisco	<u>1,240</u>	<u>405</u>	<u>138</u>	<u>0</u>	<u>1,783</u>
Totals	<u>\$9,892</u>	<u>\$9,637</u>	<u>\$7,614</u>	<u>\$3,210</u>	<u>\$30,353</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 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	\$15,909	\$33,353	\$49,262
Sold	16,160	0	16,160
Matured	0	<u>45,399</u>	<u>45,399</u>
		<u>\$12,046-</u>	<u>\$12,297-</u>
		1,099- (Net Change	1,099- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 251-</u>	<u>\$13,145-</u>	<u>\$13,396-</u>

(Including Sales Contracts)

Holdings December 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	\$ 51,023	0	0	0	\$56,998	\$197,887	\$305,908
Bills Purchased	<u>141,706</u>	<u>65,051</u>	<u>103,995</u>	<u>47,883</u>	<u>9,528</u>	<u>0</u>	<u>368,163</u>
Totals	<u>\$192,729</u>	<u>\$65,051</u>	<u>\$103,995</u>	<u>\$47,883</u>	<u>\$66,526</u>	<u>\$197,887</u>	<u>\$674,071</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date December 1, 1926.

To All Members of the Board

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Subject: _____

From Mr. Eddy

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2-8496
G P O

For your information:

- Governor Crissinger ✓
- Mr. Platt ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James ✓
- Mr. Cunningham ✓
- ~~Mr. [unclear]~~ ✓ *absent*

Please return to Secretary's office.

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December 1, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 29th, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from November 18 to November 24, 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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FEDERAL RESERVE BANK
OF NEW YORK

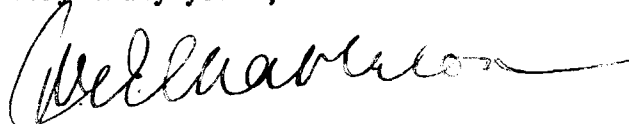
CONFIDENTIAL

November 29, 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 November 18 to November 24, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



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 NOVEMBER 24, 1926

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	26,355	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	540,063
Mar. 31	1,225,537	326,833	3,004	210,886	38,747	632,391
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	3,582	290,696	16,845	631,923
Nov. 17	1,225,533	298,591	9,539	304,552	43,330	566,987
Nov. 24	1,270,681	298,269	1,635	303,220	37,409	627,604

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 24	Net Change	Balance Nov. 24	Net Change	Balance Nov. 24	Net Change
Boston	\$ 9,573	\$ 23-	\$ 30,179	\$ 609+	\$ 47,520	\$ 6,361+
New York	53,947	137-	43,790	3,496+	148,972	58,739+
Philadelphia	19,915	13-	28,862	122+	46,152	4,178+
Cleveland	35,508	34-	29,811	1,638-	74,835	1,146-
Richmond	7,044	15-	13,754	1,048-	35,907	267+
Atlanta	1,858	10+	30,162	3,367-	51,590	3,828+
Chicago	46,152	68-	42,798	142+	106,887	7,614+
St. Louis	19,763	66+	9,774	95-	32,841	5,529-
Minneapolis	16,468	23-	12,520	1,543-	5,072	4,180-
Kansas City	27,953	46-	18,557	161+	17,756	2,935-
Dallas	21,293	35+	14,557	117-	14,427	1,335-
San Francisco	38,795	74-	21,939	1,433-	45,645	5,245-
N.Y. holdovers and other bills			6,517	3,379+		
Totals	\$298,269	\$322-	\$303,220	\$1,332-	\$627,604	\$60,617+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 24, 1926

Total earning asset holdings of the System showed an increase of approximately \$45,100,000 for the current statement week. An increase of \$60,600,000 in bills discounted was partly offset by decreases of about \$13,800,000 in investments held under sales contracts and \$1,300,000 and \$300,000 in outright purchases of bankers acceptances and Government securities respectively. The decrease in investments held under sales contracts consisted of \$5,900,000 bankers acceptances and \$7,900,000 Government securities.

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Money
Market

Stock Exchange call money opened and renewed on Monday at 4 1/2 per cent and loaned at this rate until Friday noon when it advanced to 5 per cent. The increase was largely due to substantial transfers to the interior and withdrawals of currency for the week-end. These losses of funds to the market resulted in the calling forth of a large amount of reserve bank credit and money rates turned firmer.

Time money market was quiet with nominal quotations slightly lower. Actual trading, which was largely in 3 and 4 month loans, was conducted at 4 5/8 per cent, a decline of about 1/8 per cent from the previous week.

The demand for commercial paper continued good from the interior markets. Sales were generally at 4 1/2 per cent with some very choice names selling at 4 1/4 per cent. The volume of sales was limited by the small supply of new paper which came into the market.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds was active and strong. The volume of trading on the New York Stock Exchange was the largest since last July, with the Fourth 4 1/4's and Treasury bonds in best demand. Fractional gains were made in practically all issues, while the Treasury bonds again reached new high levels during the week when they sold at the following prices: 4's of 1944-54 at 105 26/32; 4 1/4's of 1947-52 at 110; and 3 3/4's of 1946-56 at 102 22/32.

The market for short-term certificates of indebtedness and Treasury Notes was also strong and active with the demand greater than the supply. All issues were in good demand with offerings by dealers at the end of the week at prices to yield on the average about 1/10 of 1 per cent less than the previous week's close.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the rates established November 11 which were as follows: 3 5/8 per cent for 30's and 60's, 3 3/4 per cent for 90's, and 3 7/8 per cent for 120-day bills. With money conditions firmer at the end of the week, there was a better supply of bills in the market as compared with earlier in the week and the aggregate of dealers' portfolios showed an increase of about 9 per cent over last week.

Boston reports that some improvement was shown in the demand for bills in their market, but the supply continued to be poor. The demand which was principally for shorter maturities was almost entirely local. Offerings to the reserve bank continued light. The market in New York was less active during the period covered by this report than the last period although there was some fair buying by banks for foreign correspondents. The demand decreased at the end of the week, accompanying firmer money, and dealers again increased the amount of their commitment to the reserve bank under sales contracts which they had reduced earlier in the week. The Philadelphia market was only moderately active. While there was a fair amount of bills offered, the demand was rather quiet. Chicago's report for the week indicates that there was little activity in their market. The demand continued light and apparently no improvement was shown in the supply over the previous week when practically no new bills were being made.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the week consisted of the sale in the market of \$3,000,000 Dec. 15, 1926 certificates and the purchase in replacement of a like amount of Second 4 1/4% Liberty Loan bonds for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to November 24, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 107,784,000	\$ 104,792,000	\$2,992,000	\$ 0
New York	349,519,000	351,574,000	0	2,055,000
Philadelphia	119,914,000	119,763,000	151,000	0
Cleveland	148,998,000	149,698,000	0	700,000
Richmond	78,199,000	78,180,000	19,000	0
Atlanta	79,747,000	78,646,000	1,101,000	0
Chicago	209,569,000	209,581,000	0	12,000
St. Louis	61,236,000	61,797,000	0	561,000
Minneapolis	62,793,000	63,208,000	0	415,000
Kansas City	89,159,000	89,821,000	0	662,000
Dallas	63,177,000	63,208,000	0	31,000
San Francisco	134,905,000	134,732,000	173,000	0
Totals	<u>\$1,505,000,000</u>	<u>\$1,505,000,000</u>	<u>\$4,436,000</u>	<u>\$4,436,000</u>

The overages shown in the above statement are being adjusted in the usual manner of making weekly distribution to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In order to meet the demand of a foreign correspondent on Wednesday, November 24, for \$519,000 March 15, 1927 Treasury Notes, which were not available in the market for immediate delivery, the sale was made to them from holdings in the System Account. This sale was replaced by purchase in the market for delivery on Friday, November 26, of a like amount of these notes at the same price as the sale. This transaction left the total holdings in the System Special Investment Account for the week ending November 24 temporarily at \$199,481,000. The participation by Federal reserve banks and the classification of issues was as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 8,744,000	December 15, 1926	\$ 47,652,500
New York	52,624,500	March 15, 1927	31,650,200
Philadelphia	4,907,000	June 15, 1927	85,007,000
Cleveland	13,167,500	December 15, 1927	35,171,300
Richmond	5,803,500		
Atlanta	0		
Chicago	26,165,000		
St. Louis	13,689,500		
Minneapolis	8,900,500		
Kansas City	17,948,500		
Dallas	18,419,000		
San Francisco	29,112,000		
Totals	<u>\$199,481,000</u>		<u>\$199,481,000</u>

At the request of the Treasury we have agreed to sell from this account to the fiscal agents of the British government a total of \$12,250,000 of the 3 3/4% certificates of indebtedness due December 15, 1926. These are to be replaced by the purchase of other short-term "Governments." This will leave a balance of approximately \$35,000,000 of December 15 maturities in this account to be replaced.

In addition to this there will mature on December 15, for account of foreign correspondents, approximately \$80,000,000 of certificates of indebtedness, most of which, we anticipate, they will desire to have replaced, either by exchange for a possible new Treasury offering, or by the purchase of other short-term "Governments."

This will constitute a large order for execution at or about that period.

DECLASSIFIED
 Authority EO 10501

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

GOVERNMENT SECURITIES - SPECIAL INVESTMENT ACCOUNT
 (Participation in Sales)

Boston	\$ 23,000
New York	137,000
Philadelphia	13,000
Cleveland	34,500
Richmond	15,000
Atlanta	0
Chicago	68,000
St. Louis	35,500
Minneapolis	23,000
Kansas City	46,500
Dallas	48,000
San Francisco	<u>75,500</u>
Total.....	<u>\$519,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 96,450 Misc. Gov't Securities		\$ 86,750 Misc. Gov't Securities	
St. Louis	101,000 Misc. Gov't Securities		0	-
Dallas	113,350 Misc. Gov't Securities		30,000 Third L/L bonds	
San Francisco	<u>1,000 Misc. Gov't Securities</u>		<u>0</u>	-
Totals	<u>\$311,800</u>		<u>\$116,750</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Nov.17	Purchased Own Mkt.	Rec'd by Allotment			Matur- ities & Sales	Holdings Nov.24	Other Holdings Close Nov.24/26	
			Regular N.Y.	From Boston Port.	From Matur- ities & Sales			Sales Contracts	Other Bills
Boston	\$ 29,570	\$ 4,845 R.	0	0	\$ 4,236*	\$ 30,179	\$ 2,562	0	
New York	40,294	5,586 " 8,943 A.	0	1,500	3,590	43,790	25,042	869	
Phila.	28,740	2,930 R.	0	0	2,808	28,862	0	0	
Cleve.	31,449	194 " 1,422	1,422	0	3,254	29,811	0	1,092	
Richmond	14,802	451 " 887	887	300	2,686	13,754	0	0	
Atlanta	33,529	1,670 " 847	847	0	5,884	30,162	0	1,801	
Chicago	42,656	1,517 " 2,273	2,273	500	4,148	42,798	2,914	0	
St. Louis	9,869	0 813	813	300	1,208	9,774	0	0	
Minn.	14,063	0 827	827	0	2,370	12,520	0	0	
Kan. City	18,396	0 969	969	400	1,208	18,557	0	0	
Dallas	14,674	360 " 401	401	0	878	14,557	21	0	
San Fran.	<u>23,372</u>	<u>1,077 " 504</u>	<u>504</u>	<u>0</u>	<u>3,014</u>	<u>21,939</u>	<u>6,870</u>	<u>0</u>	
Totals	\$301,414	\$27,573	\$8,943	\$3,000	\$35,284	\$296,703	\$37,409	\$3,762	
Bills held over night by New York for distribution to other F.R. banks....								<u>2,755</u>	
Total.....								<u>\$6,517</u>	

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

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

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 Authority EO 10501

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

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4 1/8%</u>	<u>Total</u>
Boston	\$ 937	\$1,686	\$1,332	\$ 890	\$ 4,845
New York	5,734	3,171	5,210	414	14,529
Philadelphia	1,075	630	1,225	0	2,930
Cleveland	89	0	0	105	194
Richmond	0	30	421	0	451
Atlanta	1,540	107	23	0	1,670
Chicago	191	1,188	138	0	1,517
Dallas	52	110	80	118	360
San Francisco	<u>449</u>	<u>429</u>	<u>133</u>	<u>66</u>	<u>1,077</u>
Totals	<u>\$10,067</u>	<u>\$7,351</u>	<u>\$8,562</u>	<u>\$1,593</u>	<u>\$27,573</u>

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

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$311	\$30,573	\$30,884
Sold	633	0	633
Matured	0	<u>35,284</u>	<u>35,284</u>
	—	\$ 4,711-	\$ 5,033-
	—	<u>3,379+</u> (Net Change 1-day holdover and other bills)	<u>3,379+</u> (Net Change 1-day holdover and other bills)
Totals	<u>\$322-</u>	<u>\$1,332-</u>	<u>\$1,654-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>Nov. 24, 1926</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 1,635	\$ 48,981	0	0	\$60,094	\$189,194	\$299,904
Bills Purchased	<u>114,422</u>	<u>59,899</u>	<u>101,734</u>	<u>54,270</u>	<u>10,304</u>	<u>0</u>	<u>340,629</u>
Totals	<u>\$116,057</u>	<u>\$108,880</u>	<u>\$101,734</u>	<u>\$54,270</u>	<u>\$70,398</u>	<u>\$189,194</u>	<u>\$640,533</u>

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Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date November 23, 1926.

To All Members of the Board

21

Subject: 333

From Mr. Eddy

2-3495
GPO

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

November 23, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of November 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 November 11 to November 17, 1936, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary.

Mr. S. 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

RECEIVED
NOV 22 1926
FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 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 November 11 to November 17, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority FD 10501

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

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	26,355	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
March 31	1,225,537	326,833	3,004	210,886	38,747	632,391
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 10	1,224,181	298,529	1,838	308,499	31,402	581,413
Nov. 17	1,225,533	298,591	9,539	304,552	43,330	566,987

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 17	Net Change	Balance Nov. 17	Net Change	Balance Nov. 17	Net Change
Boston	\$ 9,596	\$13-	\$ 29,570	\$1,402-	\$ 41,159	\$16,984+
New York	54,084	0	40,294	4-	90,233	25,805-
Philadelphia	19,928	0	28,740	1,662+	41,974	1,831+
Cleveland	35,542	0	31,449	1,049+	75,981	6,069-
Richmond	7,059	1-	14,802	435-	35,640	695+
Atlanta	1,848	35-	33,529	1,899-	47,762	1,773+
Chicago	46,220	0	42,656	4+	99,273	3,817-
St. Louis	19,697	87+	9,869	690+	38,370	1,206+
Minneapolis	16,491	9+	14,063	186+	9,252	468-
Kansas City	27,999	0	18,396	13+	20,691	4,847+
Dallas	21,258	15+	14,674	368-	15,762	170-
San Francisco	38,869	0	23,372	575+	50,890	5,433-
N.Y. holdovers and other bills			3,138	4,018-		
Totals	\$298,591	\$62+	\$304,552	\$3,947-	\$566,987	\$14,426-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 17, 1926

Total earning asset holdings of the System showed an increase of approximately \$1,300,000 for the current statement week. An increase of \$19,600,000, in investments held under sales contracts was almost counter balanced by decreases of \$14,400,000 in bills discounted and \$3,900,000 in outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of \$7,700,000 in Government securities and \$11,900,000 in bankers acceptances.

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Money
Market

Stock Exchange call money opened and renewed on Monday at 4 1/2 per cent and ruled at this rate for the balance of the week with the exception of the period from Monday noon to Wednesday noon when the rate was 5 per cent.

The time money market was dull with an easier tendency at the end of the week. Most of the trading continued to be at 4 3/4 per cent.

The commercial paper market was quiet in New York City, but was rather active in other districts. The supply was less than the demand and although the larger proportion of the sales was made at 4 1/2 per cent, offerings and sales at 4 1/4 per cent continued to increase.

Government
Security
Market

There was a good volume of trading reported in the market for short-term Certificates of Indebtedness and Treasury Notes with the best demand being for the December 15, 1926 - 3 3/4 per cent Certificates and March 15, 1927 - 4 3/4 per cent Treasury Notes, which issues were offered by dealers at prices to yield about 3.25 and 3.20 per cent respectively. Dealers' offerings of the other issues were at prices to yield about 3.44 per cent for June 15, 1927 - 3 1/2 per cent Certificates and 3.56 per cent for the December 15, 1927 - 4 1/2 per cent Treasury Notes.

The market for United States Liberty Loan and Treasury bonds was firm and a little less active this week than last. Average prices at the close of the week were about 2/32s higher than last week's close, while new high levels were reached during the week for Treasury 4s of 1944-54 at 104 31/32 and Treasury 4 1/4s of 1947-52 at 109.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were continued at the rates established November 11, which tended to increase the supply and resulted in an increase in their portfolios of about fifteen per cent. Due to an increase in the demand, however, dealers' portfolios have returned to approximately their former levels.

Boston reports that their bill market was quiet during the past week. The supply of bills continued small which condition was accompanied by a slight falling off in the demand. Dealers reported that bills did not move freely and that sales were principally to local banks. Offerings to the reserve bank were the lightest since last August. The market in New York continued to show a good amount of activity. While there was a good demand, the supply of bills was somewhat in excess of demand, which declined slightly due to firmer money conditions. With the firming of money, dealers increased their sales contract commitment somewhat at the reserve bank. In Philadelphia the acceptance market showed a little improvement. The supply of bills continued good and the demand was somewhat better. Chicago reported a quiet market with bills not moving freely and practically no new bills being made.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury, purchases were made in the New York, Cleveland and Chicago markets of \$3,250,000 Third 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund.

There was also purchased in the market \$300,000 Second 4 1/4 per cent Liberty Loan bonds for account of the Alien Property Custodian.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to November 17, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 105,939,000	\$ 102,862,000	\$3,077,000	\$ 0
New York	342,432,000	345,232,000	0	2,800,000
Philadelphia	116,984,000	117,557,000	0	573,000
Cleveland	147,382,000	146,941,000	441,000	0
Richmond	76,561,000	76,801,000	0	240,000
Atlanta	77,230,000	77,267,000	0	37,000
Chicago	205,279,000	205,721,000	0	442,000
St. Louis	60,123,000	60,418,000	0	295,000
Minneapolis	61,966,000	62,105,000	0	139,000
Kansas City	87,791,000	88,167,000	0	376,000
Dallas	62,416,000	62,105,000	311,000	0
San Francisco	<u>133,324,000</u>	<u>132,251,000</u>	<u>1,073,000</u>	<u>0</u>
Totals	<u>\$1,477,427,000</u>	<u>\$1,477,427,000</u>	<u>\$4,902,000</u>	<u>\$4,902,000</u>

The overages shown in the above statement are being adjusted in the usual manner of making weekly distribution to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account for the week ending November 17, 1926, the amount remaining at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	<u>29,187,500</u>
Totals	<u>\$200,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 47,652,500
March 15, 1927	32,169,200
June 15, 1927	85,007,000
December 15, 1927	35,171,300
Totals	<u>\$200,000,000</u>

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 Authority EO 10501

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 12,450	Second L. L. bonds
Richmond	0	-	1,000	Second L. L. bonds
Atlanta	159,150	Misc. Gov't Sec.	194,500	Misc. Gov't Securities
St. Louis	87,500	Misc. Gov't Sec.	0	-
Minneapolis	9,000	Misc. Gov't Sec.	0	-
Dallas	<u>15,200</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$270,850</u>		<u>\$207,950</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u> Nov. 10	<u>Purchased</u> Own Mkt.	<u>Rec'd by Allotment</u>			<u>Holdings</u> Nov. 17	<u>Other Holdings</u> Close Nov. 17/26	
			<u>Regular</u> from N.Y.	<u>From</u> Boston Port.	<u>Matur-</u> ities & Sales		<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 30,972	\$ 5,591 R.	0	0	\$ 6,993*	\$ 29,570	\$ 2,284	0
New York	40,298	5,730 " 16,786 A.	0	3,000	8,734	40,294	32,431	1,068
Phila.	27,078	3,859 R.	0	0	2,197	28,740	0	0
Cleveland	30,400	1,093 "	2,857	600	3,501	31,449	0	967
Richmond	15,237	100 "	1,421	0	1,956	14,802	0	0
Atlanta	35,428	199 "	1,070	0	3,168	33,529	0	534
Chicago	42,652	535 "	3,898	500	4,929	42,656	3,360	0
St. Louis	9,179	0	1,407	300	1,017	9,869	0	0
Minn.	13,877	0	1,169	200	1,183	14,063	0	0
Kan. City	18,383	0	1,609	500	2,096	18,396	0	0
Dallas	15,042	265 "	958	0	1,591	14,674	0	0
San Fran.	<u>22,797</u>	<u>1,855 "</u>	<u>2,397</u>	<u>0</u>	<u>3,677</u>	<u>23,372</u>	<u>5,255</u>	<u>0</u>
Totals	\$301,343	\$36,013	\$16,786	\$5,100	\$41,042	\$301,414	\$43,330	\$2,569

Bills held overnight by New York for distribution to other F. R. banks - - - - 569

Total - - - - - \$3,138

*Includes \$5,100,000 sold to other Federal Reserve banks.

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

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 Authority EO 10501

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

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4%</u>	Total
Boston	\$ 868	\$1,005	\$ 2,593	\$1,125	\$ 5,591
New York	7,420	4,952	8,469	1,675	22,516
Philadelphia	1,600	1,344	915	0	3,859
Cleveland	50	1,043	0	0	1,093
Richmond	0	0	100	0	100
Atlanta	0	199	0	0	199
Chicago	94	288	153	0	535
Dallas	0	80	80	105	265
San Francisco	<u>1,471</u>	<u>294</u>	<u>17</u>	<u>73</u>	<u>1,855</u>
Totals	<u>\$11,503</u>	<u>\$9,205</u>	<u>\$12,327</u>	<u>\$2,978</u>	<u>\$36,013</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 17, 1926 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$270	\$41,113	\$41,383
Sold	208	0	208
Matured	0	<u>41,042</u>	<u>41,042</u>
		\$ 71+	\$ 133+
		4,013- (Net Change	4,018- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$62+</u>	<u>\$3,947-</u>	<u>\$3,885-</u>

(Including Sales Contracts)

Holdings Nov. 17, 1926	Within <u>15 days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91-days <u>5 months</u>	Over 6 <u>months</u>	Total
Gov't Securities	\$ 9,539	\$ 48,981	0	0	\$60,610	\$189,000	\$308,130
Bills Purchased	<u>118,061</u>	<u>57,686</u>	<u>96,883</u>	<u>63,310</u>	<u>11,942</u>	<u>0</u>	<u>347,882</u>
Totals	<u>\$127,600</u>	<u>\$106,667</u>	<u>\$96,883</u>	<u>\$63,310</u>	<u>\$72,552</u>	<u>\$189,000</u>	<u>\$656,012</u>

DECLASSIFIED
Authority EO 10501

Form No. 131.

Office Correspondence

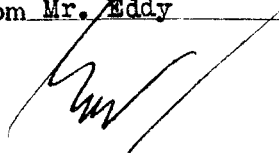
FEDERAL RESERVE
BOARD

FEDERAL RESERVE BOARD FILE
Date November 19, 1926.

To All Members of the Board

2
Subject:

From Mr. Eddy



333

2-8495
G.P.O.

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

November 19, 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 November 15th, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from November 4 to November 10, 1926, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary.

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

DECLASSIFIED
Authority EO. 10501

REC'D-BK. OP NOV 17 1926

RECEIVED
NOV 17 1926
OFFICE OF
THE DIRECTOR

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 15, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from November 4 to November 10, 1926
inclusive, together with data received by the Committee
from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority EO 10501

CONFIDENTIAL

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

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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	26,355	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	682,391
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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 3	1,312,842	298,431	3,915	297,514	34,584	675,898
" 10	1,224,181	298,529	1,838	308,499	31,402	581,413

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Nov. 10	Change	Nov. 10	Change	Nov. 10	Change
Boston	\$ 9,609	0	\$ 30,972	\$ 2,469+	\$ 24,175	\$ 200+
New York	54,084	0	40,298	686+	116,038	56,365-
Philadelphia	19,928	0	27,078	884+	40,143	1,438+
Cleveland	35,542	0	30,400	1,758+	82,050	12,790+
Richmond	7,050	1+	15,237	888+	34,945	419-
Atlanta	1,883	4-	35,428	3,519+	45,989	4,472-
Chicago	46,220	0	42,652	685+	103,090	27,554-
St. Louis	19,610	0	9,179	1,797+	37,164	7,374-
Minneapolis	16,482	4-	13,877	490+	9,720	780-
Kansas City	27,999	0	18,383	673+	15,844	709-
Dallas	21,243	10+	15,042	774+	15,932	3,662-
San Francisco	38,869	1+	22,797	168+	56,323	7,578-
N.Y. holdovers and other bills			7,156	3,806-		
Totals	\$298,529	\$ 98+	\$308,499	\$10,985+	\$581,413	\$94,485-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 10, 1926

Total earning assets of the System showed a decrease of \$88,600,000 for the current statement week. The approximate changes in earning assets, by classification, were as follows: Bills discounted decreased \$94,500,000 and investments held under sales contracts decreased \$5,100,000. This latter item consisted of \$3,100,000 bankers acceptances and \$2,000,000 Government securities. These decreases were partly offset by an increase of \$11,000,000 in outright purchases of bankers acceptances.

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Money
Market

Stock Exchange call money after renewing on Monday at 4 1/2 per cent, which rate had been in effect since October 21, eased to 4 1/4 per cent on Tuesday and remained at this rate until Friday afternoon. The week-end currency requirements and transfers to the interior withdrew funds from the market on Friday and necessitated the calling forth of an additional amount of reserve bank credit, which was accompanied by an advance in the rate to 4 1/2 per cent in the last hour of trading.

Time money was dull with the rate tendency slightly easier. Actual trading, however, continued to be chiefly at 4 3/4 per cent.

Some improvement in the demand for commercial paper accompanied easier money conditions and dealers' sales were to some extent limited by the small amount of paper they were able to offer. Although sales of prime names were principally at 4 1/2 per cent, offerings at 4 1/4 per cent were becoming more numerous at the end of the week.

Government
Security
Market

The market for United States Liberty Loan and Treasury Bonds was strong and active. There were fractional increases in prices of practically all issues of these bonds during the week, while the Treasury bonds reached new high levels at the following prices: Treasury 4s - 1944/54 at 104 30/32, Treasury 4 1/4s - 1947/52 at 108 31/32 and Treasury 3 3/4s - 1946/56 at 102 10/32.

The market for short-term Certificates of Indebtedness and Treasury Notes was quiet during the current week. Buy and sell orders received in the market were about evenly divided and prices remained approximately unchanged from those prevailing at the close of the previous week.

Bankers
Acceptances

The acceptance market showed an easier tendency the latter part of the week when most of the dealers lowered their offering rates 1/8 per cent on 60 and 90-day unindorsed bankers acceptances. After these changes went into effect offering rates, according to maturities, were as follows: 3 5/8 per cent for 30s and 60s, 3 3/4 per cent for 90s and 3 7/8 per cent for 120-day bills. As a result of these new quotations, banks sold more freely to the dealers.

Boston reports that the supply of bills in their market during the past week was rather limited. Bills moved freely with some preference shown for 30 and 90-day maturities. While buying was principally by local banks, there was some improvement shown in the buying by country banks. Accompanying easier money conditions there was more activity in the New York market this week, with a considerable increase in the volume of sales and purchases. The demand was slightly in excess of the supply, which condition permitted dealers to reduce the aggregate of their portfolios until the latter part of the week when there was an increase. The market in Philadelphia was generally quiet. Offerings continued to be fairly heavy and the demand light. Chicago also reports the market quiet with bills of all maturities offered in excess of the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury, purchases were made during the week in the New York and Chicago markets of \$4,675,000 Third 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund.

Other transactions consisted of a sale of \$6,000,000 December 15, 1926 Certificates of Indebtedness, and the purchase in the market of a like amount of Second 4 1/4% Liberty Loan Bonds for Alien Property Custodian Account.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4 to November 10, 1926 and amount each bank now holds in excess or short of its pro rata share under apportionment plan 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	\$ 105,448,000	\$ 100,341,000	\$5,107,000	0
New York	333,702,000	336,949,000	0	3,247,000
Philadelphia	113,125,000	114,676,000	0	1,551,000
Cleveland	142,832,000	143,340,000	0	508,000
Richmond	75,040,000	75,000,000	40,000	0
Atlanta	75,961,000	75,466,000	495,000	0
Chicago	200,346,000	200,679,000	0	333,000
St. Louis	58,416,000	58,617,000	0	201,000
Minneapolis	60,597,000	60,665,000	0	68,000
Kansas City	85,682,000	86,006,000	0	324,000
Dallas	61,193,000	60,665,000	528,000	0
San Francisco	<u>129,072,000</u>	<u>129,010,000</u>	<u>62,000</u>	<u>0</u>
Totals	\$1,441,414,000	\$1,441,414,000	\$6,232,000	\$6,232,000

The overages shown in the above statement are being adjusted in the usual manner of making weekly distribution to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account for the week ending November 10, 1926, the amount remaining at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	<u>29,187,500</u>
Totals	<u>\$200,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 47,652,500
March 15, 1927	32,169,200
June 15, 1927	85,007,000
December 15, 1927	<u>35,171,300</u>
Totals	<u>\$200,000,000</u>

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 150	Second L/L bonds
Richmond	1,000	Misc. Gov't Sec.	0	-
Atlanta	71,950	Misc. Gov't Sec.	75,950	Misc. Gov't Securities
Minneapolis	0	-	4,000	Misc. Gov't Securities
Dallas	118,500	Misc. Gov't Sec.	15,000	Second L/L bonds
San Francisco	<u>1,000</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$192,450</u>		<u>\$95,100</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> Nov. 3	<u>Purchased</u> Own Mkt.	<u>Rec'd by Allotment</u>			<u>Holdings</u> Nov. 10	<u>Other Holdings</u> Close Nov. 10/26	
			<u>Regular</u> from N.Y.	<u>From</u> Boston Port.	<u>Matur-</u> ities & Sales		<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 28,503	\$ 8,056 R.	0	0	\$ 5,587**	\$ 30,972	\$ 2,657	0
New York	39,612	6,626 " 21,951 A.	0	1,700	7,640*	40,298	19,512	1,047
Phila.	26,194	3,432 R.	0	0	2,548	27,078	0	0
Cleveland	28,642	0	3,483	500	2,225	30,400	0	1,180
Richmond	14,349	259 "	1,863	0	1,234	15,237	0	0
Atlanta	31,909	3,777 "*"	1,897	500	2,655	35,428	0	1,745
Chicago	41,967	732 "	4,624	0	4,671	42,652	2,833	0
St. Louis	7,382	0	1,907	500	610	9,179	0	0
Minn.	13,387	0	1,432	500	1,442	13,877	0	0
Kan. City	17,710	0	2,210	500	2,037	18,383	0	0
Dallas	14,268	592 "	1,461	0	1,279	15,042	0	0
San Fran.	<u>22,629</u>	<u>709 "</u>	<u>3,074</u>	<u>0</u>	<u>3,615</u>	<u>22,797</u>	<u>6,400</u>	<u>0</u>
Totals	\$286,552	\$46,134	\$21,951	\$4,200	\$35,543	\$301,343	\$31,402	\$3,972
Bills held overnight by New York for distribution to other F. R. banks - - -							-	<u>3,184</u>
Total - - - - -							-	<u>\$7,156</u>

*Includes \$3,210,000 sold to Atlanta from New York portfolio.
 **Includes \$4,200,000 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 NOVEMBER 10, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 1,415	\$ 2,590	\$ 3,212	\$ 839	\$ 8,056
New York	8,846	6,441	11,540	1,750	28,577
Philadelphia	550	713	2,169	0	3,432
Richmond	259	0	0	0	259
Atlanta	3,750	0	0	27	3,777
Chicago	183	544	5	0	732
Dallas	40	150	319	83	592
San Francisco	150	167	383	9	709
Totals	\$15,193	\$10,605	\$17,628	\$2,708	\$46,134

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 10, 1926
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$193	\$50,334	\$50,527
Sold	95	0	95
Matured	0	35,543	35,543
		\$14,791+	\$14,889+
		3,806- (Net Change 1-day holdover & other bills)	3,806- (Net Change 1-day holdover & other bills)
Totals	\$98+	\$10,985+	\$11,083+

(Including Sales Contracts)

Holdings Nov. 10, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$ 1,838	0	\$48,929	0	\$60,610	\$188,990	\$300,367
Bills Purchased	100,826	70,252	90,048	69,254	9,521	0	339,901
Totals	\$102,664	\$70,252	\$138,977	\$69,254	\$70,131	\$188,990	\$640,268

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Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD

Date November 9, 1926.

To All Members of the Board

#21
Subject: _____

From Mr. Eddy

222

2-3405
GPO

For your information:

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

Please return to Secretary's office.

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November 9, 1926.

Dear Mr. Matteson:

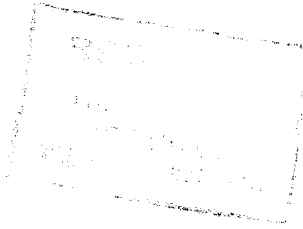
I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 8th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 28 to November 3, 1926, inclusive.

Very truly yours,

Walter L. Eldy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 8, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to
the Open Market Investment Committee for the Federal Re-
serve System for the period from October 28 to November
3, 1926 inclusive, together with data received by the
Committee from the Federal Reserve Banks.

Respectfully,

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 3, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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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Oct. 28	1,250,087	314,933	9,824	297,453	31,264	589,994
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-1926-						
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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
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Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 27	1,242,138	297,592	2,582	290,696	16,845	631,923
Nov. 3	1,312,842	298,431	3,915	297,514	34,584	675,898

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Nov. 3	Change	Nov. 3	Change	Nov. 3	Change
Boston	\$ 9,609	0	\$ 28,503	\$5,390-	\$ 23,975	\$ 8,430-
New York	54,084	0	39,612	4,769+	172,403	40,056+
Philadelphia	19,928	0	26,194	179+	38,705	2,211-
Cleveland	35,542	852+	28,642	1,877+	69,260	4,862-
Richmond	7,059	1-	14,349	648+	35,364	6,502-
Atlanta	1,887	21+	31,909	590-	50,461	2,889-
Chicago	46,220	0	41,967	1,651+	130,644	24,563+
St. Louis	19,610	0	7,382	1,666+	44,538	2,367+
Minneapolis	16,486	0	13,387	62-	10,500	1,599-
Kansas City	27,999	0	17,710	62+	16,553	2,591+
Dallas	21,139	33-	14,268	210+	19,594	476-
San Francisco	38,868	0	22,629	1,028+	63,901	1,367+
N. Y. holdovers and other bills			10,962	770+		
Totals	\$298,431	\$839+	\$297,514	\$6,818+	\$675,898	\$43,975+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 3, 1926

Total earning assets of the System showed an increase of \$70,700,000 for the current statement week. The principal increases in earning assets, by classification, were \$44,000,000 in bills discounted, \$17,700,000 in bankers acceptances held under sales contracts and \$6,800,000 in outright purchases of bankers acceptances. Other increases consisted of about \$800,000 in outright purchases of Government securities and \$1,300,000 in Government securities held under sales contracts.

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Money
Market

Stock Exchange call money loaned at a constant rate of 4 1/2 per cent during the entire week, which was also the prevailing rate for the preceding week. The demand for new loans was only normal and, notwithstanding transfers of funds to the interior which necessitated some increase in the use of reserve bank credit, call money remained relatively easy.

Time money was dull and easy. The principal activity was in 4 months' loans which were placed at 4 3/4 per cent. In the latter part of the week all maturities were quoted at a flat rate of 4 3/4 per cent.

The commercial paper market was somewhat less active. The demand was not sustained as well as last week but the majority of prime names continued to be offered at 4 1/2 per cent.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds continued firm and fairly active. There was, however, only a very slight variation in prices.

Trading in United States short-term Certificates of Indebtedness and Treasury Notes was also fairly active. Prices continued firm with dealers' offerings at the end of the week at prices to yield from about 3.38 to 3.56 per cent, according to maturities.

Bankers
Acceptances

At the end of the week dealers reduced their rates 1/8 per cent on 4 months' bills and are now offering them at 3 7/8 per cent. Offering rates for all maturities are as follows: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90 and 120-day bills.

Boston reports that the supply of acceptances was greater than in the previous week, although not sufficient to meet the demand which is almost entirely local. There appears to be a slight preference for the short maturities and dealers have noticed several large blocks of cotton bills coming into the market. In New York the supply was greater than the demand and as there was not a sufficient supply of funds at moderate rates dealers made heavy sales to the Reserve Bank under sales contract. Philadelphia reports the acceptance market more active, with fairly heavy offerings and a continued light demand. Chicago advises that their market continued quiet although a somewhat better demand was reflected for 90-day bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury there was sold from holdings of the Alien Property Custodian to the Cumulative Sinking Fund, for delivery November 9, \$12,000,000 Third 4 1/4% Liberty Loan bonds. This sale was replaced by a purchase in the market of \$12,000,000 Second Converted 4 1/4% Liberty Loan bonds for the account of the Alien Property Custodian.

There was also purchased during the week \$5,550,000 Third 4 1/4% Liberty Loan bonds for the account of the Cumulative Sinking Fund as follows:

\$5,450,000 in the market
100,000 from F. R. B. Dallas, account member bank

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

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

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 101,592,000	\$ 97,336,000	\$4,256,000	0
New York	325,376,000	327,076,000	0	1,700,000
Philadelphia	109,693,000	111,242,000	0	1,549,000
Cleveland	138,849,000	139,048,000	0	199,000
Richmond	72,918,000	72,854,000	64,000	0
Atlanta	72,997,000	73,320,000	0	323,000
Chicago	194,990,000	194,670,000	320,000	0
St. Louis	56,009,000	56,471,000	0	462,000
Minneapolis	58,665,000	58,948,000	0	283,000
Kansas City	82,972,000	83,430,000	0	458,000
Dallas	59,140,000	58,948,000	192,000	0
San Francisco	<u>125,289,000</u>	<u>125,147,000</u>	<u>142,000</u>	<u>0</u>
Totals	<u>\$1,398,490,000</u>	<u>\$1,398,490,000</u>	<u>\$4,974,000</u>	<u>\$4,974,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account for the week ending November 3, 1926, the amount remaining at \$ 200,000,000. The participation by 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	\$ 8,767,000	December 15, 1926	\$42,802,500
New York	52,761,500	March 15, 1927	54,919,200
Philadelphia	4,920,000	June 15, 1927	67,457,000
Cleveland	13,202,000	December 15, 1927	34,821,300
Richmond	5,818,500		
Atlanta	0		
Chicago	26,233,000		
St. Louis	13,725,000		
Minneapolis	8,923,500		
Kansas City	17,995,000		
Dallas	18,467,000		
San Francisco	<u>29,187,500</u>		
Totals	<u>\$200,000,000</u>		<u>\$200,000,000</u>

With the approval of all members of the Committee, there was sold on November 5 from the System Account to a foreign correspondent \$25,000,000 Treasury Notes due March 15, 1927 to be replaced as soon as possible. Replacement has already been made by purchases in the market of a like amount of short-term Government securities.

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 Authority FD-10501

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 50	Second L/L bonds
Cleveland	852,500	TJ-1926 Ctf's.	0	-
Richmond	0	-	1,000	L/L bonds
Atlanta	386,850	L/L bonds	365,500	Misc. Gov't Securities
St. Louis	85,000	Second L/L bonds	85,000	Treas. Bonds of 1956
Dallas	<u>17,050</u>	Misc. L/L bonds	<u>50,000</u>	Second L/L bonds
Totals	<u>\$1,341,400</u>		<u>\$501,550</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> Oct. 27	<u>Purchased</u> Own Mkt.	<u>Rec'd by Allotment</u>		<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> Nov. 3	<u>Other Holdings</u> <u>Close Nov. 3/26</u>	
			<u>Regular</u> from N.Y.	<u>From</u> Boston Port.			<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 33,893	\$ 6,856 R.	0	0	\$12,246*	\$ 28,503	\$ 2,751	0
New York	34,843	6,540 " 18,293 A.	0	3,400	5,171	39,612	24,047	1,010
Phila.	26,015	3,136 R.	0	0	2,957	26,194	0	0
Clevo.	26,765	75 "	2,602	2,400	3,200	28,642	0	1,382
Richmond	13,701	452 "	1,489	600	1,893	14,349	0	0
Atlanta	32,499	59 "	1,497	600	2,746	31,909	0	1,949
Chicago	40,316	1,435 "	4,218	700	4,702	41,967	2,945	0
St. Louis	5,716	0	1,463	800	597	7,382	0	0
Minn.	13,449	0	1,297	600	1,959	13,387	0	0
Kan. City	17,648	0	1,817	1,000	2,755	17,710	0	0
Dallas	14,058	454 "	1,376	0	1,620	14,268	45	0
San Fran.	<u>21,601</u>	<u>870 "</u>	<u>2,534</u>	<u>0</u>	<u>2,376</u>	<u>22,629</u>	<u>4,796</u>	<u>0</u>
Totals	\$280,504	\$38,170	\$18,293	\$10,100	\$42,222	\$286,552	\$34,584	\$4,341

Bills held overnight by New York for distribution to other F. R. Banks - - - 6,621

Total - - - - - \$10,962

*Includes \$10,100,000 sold to other F. R. 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 NOVEMBER 3, 1926
 (OOO Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4%</u>	<u>Totals</u>
Boston	\$ 1,177	\$ 521	\$ 4,891	\$ 267	\$ 6,856
New York	9,891	5,457	8,792	693	24,833
Philadelphia	243	523	2,370	0	3,136
Cleveland	0	25	50	0	75
Richmond	195	223	34	0	452
Atlanta	0	15	0	44	59
Chicago	65	171	1,199	0	1,435
Dallas	0	255	99	100	454
San Francisco	<u>350</u>	<u>259</u>	<u>261</u>	<u>0</u>	<u>870</u>
Totals	<u>\$11,921</u>	<u>\$7,449</u>	<u>\$17,696</u>	<u>\$1,104</u>	<u>\$38,170</u>

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

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$1,341	\$48,270	\$49,611
Sold	502	0	502
Matured	0	<u>42,222</u>	<u>42,222</u>
		\$ 6,048+	\$ 6,887+
		770+ (Net Change	770+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$839+</u>	<u>\$6,818+</u>	<u>\$7,657+</u>

(Including Sales Contracts)

<u>Holdings</u> Nov. 3, 1926	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 Months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$ 3,915	0	\$ 44,079	0	\$83,358	\$170,994	\$302,346
Bills Purchased	<u>105,231</u>	<u>67,019</u>	<u>84,738</u>	<u>64,329</u>	<u>10,781</u>	<u>0</u>	<u>332,008</u>
Totals	<u>\$109,146</u>	<u>\$67,019</u>	<u>\$128,817</u>	<u>\$64,329</u>	<u>\$94,139</u>	<u>\$170,994</u>	<u>\$634,444</u>

DECLASSIFIED
Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date November 2, 1926.

To All Members of the Board

Subject: _____

From Mr. Eddy

333

2-9495
GPO

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

November 3, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 1st, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 21 to October 27, 1936, inclusive.

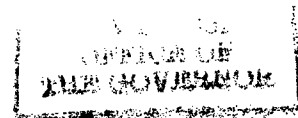
Very truly yours,

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

November 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 October 21 to October 27, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

W. E. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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 Authority EO 10501

CONFIDENTIAL
REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 27, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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
March 31	1,225,537	326,833	3,004	210,886	38,747	632,391
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 20	1,188,910	297,469	9,495	277,125	15,699	586,622
" 27	1,242,138	297,592	2,582	290,696	16,845	631,923

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 27	Net Change	Balance Oct. 27	Net Change	Balance Oct. 27	Net Change
Boston	\$ 9,609	0	\$ 33,893	\$ 3,780+	\$ 32,405	\$ 8,461+
New York	54,084	0	34,843	2,277+	132,347	23,258+
Philadelphia	19,928	0	26,015	894+	40,916	6,881-
Cleveland	34,690	0	26,765	1,231+	74,122	1,017-
Richmond	7,060	1+	13,701	491+	41,866	5,748-
Atlanta	1,866	32-	32,499	33+	53,350	2,799-
Chicago	46,220	0	40,316	2,664+	106,081	22,085+
St. Louis	19,610	0	5,716	1,979+	42,171	1,986-
Minneapolis	16,486	0	13,449	259+	12,099	563-
Kansas City	27,999	0	17,648	119+	13,962	420+
Dallas	21,172	154+	14,058	636-	20,070	3,737+
San Francisco	38,868	0	21,601	1,537-	62,534	6,334+
N.Y. holdovers and other bills			10,192	2,017+		
Totals	\$297,592	\$123+	\$290,696	\$13,571+	\$631,923	\$45,301+

COMMENT ON CHANGES WEEK ENDED OCTOBER 27, 1926

Total earning assets of the System showed an increase of \$53,000,000 for the current statement week. Increases of about \$45,000,000 in bills discounted, \$14,000,000 in outright purchases of bankers acceptances and \$1,000,000 in bankers acceptances held under sales contracts were partly offset by a decrease of \$7,000,000 in Government securities held under sales contracts.

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Money
Market

Stock Exchange call money loaned at 4 1/2 per cent all week, which is the same rate that prevailed for most of the previous week. Transfers of funds to the interior and withdrawals of currency for week-end and month-end circulation were followed by a substantial increase in the amount of reserve bank credit in use, but, notwithstanding preparations for first of the month payments, the rate for call money was unchanged.

Time money rates continued to ease. At the end of the week there was a fairly large volume of 90 day loans placed at 4 3/4 per cent and some four or six months' loans at 4 7/8 per cent.

Easier conditions also prevailed in the commercial paper market. The demand was more active but sales were limited by the small supply of paper in the market. Sales of prime names were generally at 4 1/2 per cent.

Government
Securities

The market for U. S. Liberty Loan and Treasury bonds was fairly active. The short-term issues were firm while the longer-term issues at the end of the week showed an average increase of about 10/32 over the previous week's close.

Trading in short-term Government Certificates of Indebtedness and Treasury Notes was inactive. Prices of all issues continued firm with some preference shown in the demand for the 3 1/2 per cent Certificates of Indebtedness due June 15, 1927.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued to be made at the following rates: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills.

Boston reports that the supply of bills in their market was smaller than during the previous week and was not equal to the demand, which continued good. The distribution appeared to have been somewhat broader and bills of all maturities moved freely at the offered rates with some preference shown for 30 and 90 day maturities. Offerings to the reserve bank which were made principally by local institutions were very heavy. The supply of bills in New York was substantially less than in the preceding week. Dealers reported a fairly good volume of sales which resulted in a moderate reduction in their portfolios. The market in Philadelphia continued quiet. While offerings of bills were only fair they were in excess of the demand. Some new bills were offered in the Chicago market but the demand was negligible. Dealers reported the aggregate of their portfolios to be quite large.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were made during the week of \$4,800,000 Third 4 1/4 per cent Liberty Loan bonds which were purchased for account of the Cumulative Sinking Fund, as reported last week.

Under authority from the Treasury additional purchases were made in the New York and Chicago markets of \$6,500,000 Third 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund. Delivery has been made of \$3,000,000 of these bonds and the balance of \$3,500,000 is to be delivered on Monday, November 1.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to October 27, 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	\$ 104,836,000	\$ 94,664,000	\$10,172,000	0
New York	315,436,000	318,297,000	0	2,861,000
Philadelphia	106,557,000	108,188,000	0	1,631,000
Cleveland	133,772,000	135,231,000	0	1,459,000
Richmond	70,376,000	70,945,000	0	569,000
Atlanta	70,841,000	71,411,000	0	570,000
Chicago	188,637,000	189,326,000	0	689,000
St. Louis	53,746,000	54,562,000	0	816,000
Minneapolis	56,768,000	57,422,000	0	654,000
Kansas City	80,155,000	81,140,000	0	985,000
Dallas	57,311,000	57,422,000	0	111,000
San Francisco	<u>121,885,000</u>	<u>121,712,000</u>	<u>173,000</u>	<u>0</u>
Totals	<u>\$1,360,320,000</u>	<u>\$1,360,320,000</u>	<u>\$10,345,000</u>	<u>\$10,345,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account since the last report, the amount remaining at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	<u>29,187,500</u>
Totals	<u>\$200,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 42,802,500
March 15, 1927	54,919,200
June 15, 1927	67,457,000
December 15, 1927	<u>34,821,300</u>
Totals	<u>\$200,000,000</u>

DECLASSIFIED
 Authority EO 10501

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>		<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	Boston	\$ 550	2nd L/L bonds
Richmond	1,000	Misc. Gov't Sec.	Richmond	0	-
Atlanta	202,000	" " "	Atlanta	234,050	Misc. Gov't Securities
Dallas	<u>163,550</u>	" " "	Dallas	<u>10,000</u>	3 3/4% Treasury bonds
Totals	<u>\$366,550</u>			<u>\$244,600</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Oct. 20</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd by Allotment</u>			<u>Holdings</u> <u>Oct. 27</u>	<u>Other Holdings</u> <u>Close Oct. 27/26</u>	
			<u>Regular</u> <u>from</u> <u>N.Y.</u>	<u>From</u> <u>Boston</u> <u>Part.</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>		<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 30,113	\$13,212 R.	\$ 0	\$ 0	\$ 9,432*	\$ 33,893	\$ 403	\$ 0
New York	32,566	7,191 R. 16,493 A.	0	2,500	7,414	34,843	6,909	1,054
Phila.	25,121	2,920 R.	0	0	2,026	26,015	0	0
Cleve.	25,534	191 "	2,717	1,400	3,077	26,765	0	1,383
Richmond	13,210	175 "	1,684	0	1,368	13,701	0	0
Atlanta	32,466	247 "	1,353	500	2,067	32,499	0	2,330
Chicago	37,652	1,588 "	3,962	1,000	3,886	40,316	4,172	0
St. Louis	3,737	0	1,363	700	84	5,716	0	0
Minn.	13,190	0	1,112	500	1,353	13,449	0	0
Kan. City	17,529	0	1,696	800	2,377	17,648	0	0
Dallas	14,694	326 R.	890	0	1,852	14,058	93	0
San Fran.	<u>23,138</u>	<u>1,529 "</u>	<u>1,716</u>	<u>0</u>	<u>4,782</u>	<u>21,601</u>	<u>5,268</u>	<u>0</u>
Totals	\$268,950	\$43,872	\$16,493	\$7,400	\$39,718	\$280,504	\$16,845	\$4,767

Bills held over night by New York for distribution to other F. R. Banks - - - 5,425
 Total - - - - - \$10,192

*Includes \$7,400,000 sold to other Federal Reserve Banks

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

DECLASSIFIED
 Authority EO 10501

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

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$1,990	\$1,728	\$ 7,497	\$1,997	\$13,212
New York	6,823	5,759	9,450	1,652	23,684
Philadelphia	80	655	2,185	0	2,920
Cleveland	0	0	191	0	191
Richmond	0	0	175	0	175
Atlanta	50	75	114	8	247
Chicago	277	818	493	0	1,588
Dallas	47	53	150	76	326
San Francisco	347	638	544	0	1,529
Totals	<u>\$9,614</u>	<u>\$9,726</u>	<u>\$20,799</u>	<u>\$3,733</u>	<u>\$43,872</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 27, 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	\$367	\$51,272	\$51,639
Sold	244	0	244
Matured	0	39,718	39,718
		<u>\$11,554+</u>	<u>\$11,677+</u>
		2,017+ (Net Change 1-day holdover & other bills)	2,017+ (Net Change 1-day holdover & other bills)
Totals	<u>\$123+</u>	<u>\$13,571+</u>	<u>\$13,694+</u>

(Including Sales Contracts)

Holdings October 27, 1926	Within <u>15-days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91-days <u>6 months</u>	Over 6 <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 2,582	0	\$ 44,079	0	\$83,358	\$170,155	\$300,174
Bills Purchased	<u>80,100</u>	<u>62,260</u>	<u>84,092</u>	<u>67,887</u>	<u>13,202</u>	<u>0</u>	<u>307,541</u>
Totals	<u>\$82,682</u>	<u>\$62,260</u>	<u>\$128,171</u>	<u>\$67,887</u>	<u>\$96,560</u>	<u>\$170,155</u>	<u>\$607,715</u>

DECLASSIFIED
Authority EO 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date October 26, 1926.

To All Members of the Board

Subject: 333 *

From Mr. Eddy

2-6496
G P O

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

October 26, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 25th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee, for the period from October 14 to October 20, 1936, inclusive.

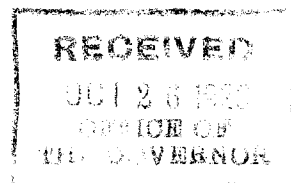
Very truly yours,

Walter E. 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



October 25, 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 October 14 to October 20, 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.

Enclosure

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 20, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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
March 31	1,225,537	326,833	3,004	210,886	38,747	632,391
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 13	1,307,081	296,223	11,945	282,397	28,915	703,901
" 20	1,188,910	297,469	9,495	277,125	15,699	586,622

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 20	Change	Oct. 20	Change	Oct. 20	Change
Boston	\$ 9,609	1-	\$ 30,113	\$ 1,654+	\$ 23,944	\$ 23,760-
New York	54,084	0	32,566	927+	109,089	95,181-
Philadelphia	19,928	0	25,121	1,220+	47,797	5,599-
Cleveland	34,690	1,000+	25,534	420-	75,139	952+
Richmond	7,059	0	13,210	472+	47,614	1,881+
Atlanta	1,898	49-	32,466	3,165+	56,149	3,879+
Chicago	46,220	0	37,652	18-	83,996	2,501-
St. Louis	19,610	92+	3,737	1,919+	44,157	6,547+
Minneapolis	16,486	0	13,190	52-	12,662	2,524+
Kansas City	27,999	0	17,529	456+	13,542	2,605+
Dallas	21,018	107+	14,694	1,575+	16,333	41+
San Francisco	38,868	1-	23,138	2,250+	56,200	8,667-
N.Y. holdovers and other bills			8,175	1,580+		
Totals	\$297,469	\$1,246+	\$277,125	\$14,728+	\$586,622	\$117,279-

COMMENT ON CHANGES WEEK ENDED OCTOBER 20, 1926

Total earning assets of the System show a decrease of \$118,000,000 for the current statement week. Decreases of \$117,000,000 in bills discounted and \$15,000,000 in investments held under sales contracts were partly offset by increases in outright purchases of about \$14,000,000 bankers acceptances and \$1,000,000 government securities. The decrease in investments held under sales contracts consisted of about \$13,000,000 bankers acceptances and \$1,000,000 government securities.

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Money
Market

Stock Exchange call money was easier this week and with the exception of Monday morning when call money opened at 5 per cent and Thursday afternoon when it closed at 4 per cent, the prevailing rate for the period was 4 1/2 per cent. Loans made outside of the Stock Exchange during the week were at 4 and 4 1/2 per cent with perhaps the greater proportion at the higher rate. Easier money was largely due to a heavy flow of funds from other districts. This condition is probably temporary and somewhat firmer conditions are expected this week.

The time money market was dull and the rate tendency was slightly easier. Some 60-day loans were placed at 4 7/8 per cent, but loans of longer maturities continued to command 5 per cent.

The commercial paper market appeared slightly easier with some improvement in the investment demand. The greater proportion of sales of prime names, at the end of the week, was at 4 1/2 per cent whereas sales in the early part of the week were mostly at 4 3/4 per cent.

Government
Security
Market

The market for short-term Government Certificates of Indebtedness and Treasury Notes was fairly active with the longest term issue being in best demand. Dealers' offerings at the end of the week were at prices to yield from about 3.48 to 3.56 per cent according to maturity.

The U. S. Liberty Loan and Treasury bond market continued firm accompanying easier money conditions. There was a good volume of trading with the Fourth Liberty Loan bonds in best demand. Although Second Converted Liberty Loan bonds showed a recession in price of 2/32, the other issues of 4 1/4 and 3 3/4 per cent bonds showed an average increase in price of approximately 3/32 over last week's close.

Bankers
Acceptances

Offerings by dealers of unindorsed bankers acceptances were at the following rates: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills. These rates have been in effect for the past six weeks.

There was a substantial increase in the supply of bills in the Boston market. The demand, which was good, was confined principally to the larger local institutions. However, bills for the most part moved freely at the offered rates with a continued preference for 30 and 90 day bills. In New York the sales of bills increased considerably but were slightly less than the seasonal offerings. The demand was good for bills with maturities up to 90 days and some good buying was done for out-of-town and foreign accounts. The market in Philadelphia was quiet and while offerings of bills continued fairly heavy the demand was light. Offerings of bills in Chicago were also in excess of the demand and dealers reported the aggregate of their portfolios to be quite large.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Delivery was made on October 19 of the \$6,500,000 Third 4 1/4 per cent Liberty Loan bonds purchased for account of the Cumulative Sinking Fund, as reported last week.

Other operations during the week for account of the United States Treasury consisted of a sale in the market of \$500,000 December 15, 1926 Certificates of Indebtedness for account of the Alien Property Custodian, and purchase in the New York and Chicago markets of \$6,300,000 Third 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund. In reference to this latter purchase, delivery was made during the week of \$1,500,000 Third 4 1/4s and the balance \$4,800,000 is to be delivered by Tuesday, October 26.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to October 20, 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	\$ 99,024,000	\$ 91,593,000	\$7,431,000	0
New York	305,745,000	308,207,000	0	2,462,000
Philadelphia	103,637,000	104,678,000	0	1,041,000
Cleveland	129,464,000	130,844,000	0	1,380,000
Richmond	68,517,000	68,751,000	0	234,000
Atlanta	68,740,000	69,217,000	0	477,000
Chicago	182,087,000	183,184,000	0	1,097,000
St. Louis	51,683,000	52,368,000	0	685,000
Minneapolis	55,156,000	55,667,000	0	511,000
Kansas City	77,659,000	78,508,000	0	849,000
Dallas	56,095,000	55,667,000	428,000	0
San Francisco	<u>118,641,000</u>	<u>117,764,000</u>	<u>877,000</u>	<u>0</u>
Totals	<u>\$1,316,448,000</u>	<u>\$1,316,448,000</u>	<u>\$8,736,000</u>	<u>\$8,736,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account since the last report, the amount remaining at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	<u>29,187,500</u>
Totals	<u>\$200,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 42,802,500
March 15, 1927	54,919,200
June 15, 1927	67,457,000
December 15, 1927	<u>34,821,300</u>
Totals	<u>\$200,000,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM OCTOBER 13 TO OCTOBER 20, 1926.

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>		<u>Sales</u>	<u>Issue</u>
Cleveland	\$1,000,000	Treas. Notes - A-1927	Boston	\$ 350	2nd L/L bonds
Atlanta	523,200	Misc. Gov't Sec.	Atlanta	474,400	Misc. Gov't Sec.
St. Louis	91,500	" " "	San Francisco	1,000	" " "
Dallas	<u>107,300</u>	" " "			
Totals	<u>\$1,722,000</u>			<u>\$475,750</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>Oct. 13</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd by Allotment</u>			<u>Holdings</u> <u>Oct. 20</u>	<u>Other Holdings</u> <u>Close Oct. 20/26</u>	
			<u>from</u> <u>N.Y.</u>	<u>From</u> <u>Boston</u> <u>Port.</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>		<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 28,459	\$10,244 R.	\$ 0	\$ 0	\$ 8,590*	\$ 30,113	\$ 1,619	\$ 0
New York	31,639	6,937 " 17,274 A.	0	2,000	8,010**	32,566	4,867	1,064
Phila.	23,901	2,131 R.	0	0	911	25,121	0	0
Cleve.	25,954	0	2,782	800	4,002	25,534	0	1,241
Richmond	12,738	399 R.	1,474	300	1,701	13,210	0	0
Atlanta	29,301	3,806 "**	1,362	0	2,003	32,466	0	1,966
Chicago	37,670	932 "	3,765	1,200	5,915	37,652	4,375	0
St. Louis	1,818	0	1,452	500	33	3,737	0	0
Minn.	13,242	0	1,119	400	1,571	13,190	0	0
Kan. City	17,073	0	1,616	600	1,760	17,529	0	0
Dallas	13,119	967 R.	1,280	0	672	14,694	0	0
San Fran.	<u>20,888</u>	<u>2,167 R.</u>	<u>2,424</u>	<u>1,100</u>	<u>3,441</u>	<u>23,138</u>	<u>4,838</u>	<u>0</u>
Totals	\$255,802	\$44,857	\$17,274	\$6,900	\$38,609	\$268,950	\$15,699	\$4,271
Bills held over night by New York for distribution to other F. R. Banks - - -						3,904		
Total - - - - -						<u>\$8,175</u>		

*Includes \$6,900,000 sold to other Federal Reserve Banks.
 **Includes \$3,735,000 sold to Atlanta from New York 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 OCTOBER 20, 1926
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$3,293	\$1,384	\$5,050	\$517	\$10,244
New York	4,014	1,617	1,272	34	6,937
Philadelphia	52	541	1,538	0	2,131
Richmond	10	165	224	0	399
Atlanta	27	0	44	0	71
Chicago	488	429	15	0	932
Dallas	207	492	212	56	967
San Francisco	<u>966</u>	<u>612</u>	<u>555</u>	<u>34</u>	<u>2,167</u>
Totals	<u><u>\$9,057</u></u>	<u><u>\$5,240</u></u>	<u><u>\$8,910</u></u>	<u><u>\$641</u></u>	<u><u>\$23,848</u></u>

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

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$1,722	\$51,757	\$53,479
Sold	476	0	476
Matured	0	<u>38,609</u>	<u>38,609</u>
		<u>\$13,148+</u>	<u>\$14,394+</u>
		1,580+ (Net Change	1,580+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
	<u>\$1,246+</u>	<u>\$14,728+</u>	<u>\$15,974+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>October 30, 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>
Govt. Securities	\$ 9,495	0	\$ 44,054	0	\$83,355	\$170,060	\$306,964
Bills Purchased	<u>81,062</u>	<u>61,678</u>	<u>77,042</u>	<u>62,677</u>	<u>10,365</u>	<u>0</u>	<u>292,824</u>
Totals	<u><u>\$90,557</u></u>	<u><u>\$61,678</u></u>	<u><u>\$121,096</u></u>	<u><u>\$62,677</u></u>	<u><u>\$93,720</u></u>	<u><u>\$170,060</u></u>	<u><u>\$599,788</u></u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date October 19, 1926.

To All Members of the Board

1

Subject: _____

From Mr. Eddy

333

2-9496
GPO

For your information:

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

Please return to Secretary's office.

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October 19, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 18th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 7 to October 13, 1936, inclusive.

Very truly yours,

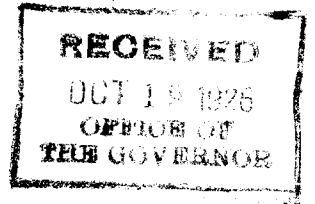
Walter L. Eddy,
Secretary.

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

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REC'D-BK. OP OCT 19 1926 ✓

FEDERAL RESERVE BANK
OF NEW YORK



October 18, 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 October 7 to October 13, 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.

Enclosure

DECLASSIFIED
 Authority FD-10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 13, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
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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
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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-						
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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. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 6	1,206,886	296,070	10,265	256,248	17,014	623,589
" 13	1,307,081	296,223	11,945	262,397	28,915	703,901

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 13	Change	Oct. 13	Change	Oct. 13	Change
Boston	\$ 9,610	0	\$ 28,459	\$2,421+	\$ 47,704	\$17,240+
New York	54,084	0	31,639	7,207+	204,270	52,407+
Philadelphia	19,928	0	23,901	447+	53,396	6,925+
Cleveland	33,690	0	25,954	898-	74,187	15,271+
Richmond	7,059	0	12,738	660-	45,733	2,569+
Atlanta	1,849	30+	29,301	1,175-	52,270	3,013-
Chicago	46,220	0	37,670	1,701-	86,497	6,991-
St. Louis	19,518	0	1,818	1,281+	37,610	3,392-
Minneapolis	16,486	0	13,242	0	10,138	2,645+
Kansas City	27,999	0	17,073	1,057+	10,937	290+
Dallas	20,911	123+	13,119	593-	16,292	3,506-
San Francisco	38,869	0	20,888	1,503-	64,867	133-
N.Y. holdovers and other bills			6,595	266+		
Totals	\$296,223	\$153+	\$262,397	\$6,149+	\$703,901	\$80,312+

COMMENT ON CHANGES WEEK ENDED OCTOBER 13, 1926

Total earning assets of the System advanced \$100,000,000 for the current statement week. Bills discounted increased \$80,000,000 and outright purchases of bankers acceptances and investments held under sales contracts increased \$6,000,000 and \$14,000,000 respectively. The increase in investments held under sales contracts consisted of about \$2,000,000 in Government securities and \$12,000,000 in bankers acceptances.

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Money
Market

Stock Exchange call money was steadier this week and with the exception of Wednesday afternoon when call money advanced to 5 1/2 per cent, the prevailing rate for the period was 5 per cent. Loans made outside of the Stock Exchange were also at the 5 per cent rate.

Time money at the end of the week showed an easier tendency. However, with the exception of 30 day maturities which were placed at 4 3/4 per cent, loans continued to be made at 5 per cent.

The commercial paper market in New York was quiet while the New England and Middle West markets, though only fairly active, continued to be the chief buying centers. Sales of prime names were at 4 1/2 and 4 3/4 per cent with the larger proportion at the higher rate.

Government
Security
Market

There was a further average increase in prices of U. S. Liberty Loan and Treasury bonds over last week of approximately 1/8 of 1 per cent. Practically all issues were in good demand and a fairly large volume of trading was recorded.

The market for short-term Government Certificates of Indebtedness and Treasury Notes continued quiet with a fairly good demand for the shortest and longest term issues. Prices were at levels to yield from about 3.50 to 3.60 per cent according to maturity.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued to be made at the following rates: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills.

Boston reports that the supply of bills in their market continued small. The local demand was good with a continued preference shown for 30 and 90 day bills. The market in New York was more active during the current week with purchases slightly in excess of sales. Some improvement was reflected in the sales to local banks, with a fair amount of buying for foreign accounts. Dealers' portfolios showed a slight increase over last week. There was a little more activity in the Philadelphia market with a good supply of new bills. The demand, which was fair, was principally from local banks. Some new bills came into the Chicago market and dealers reported a fair demand for all maturities.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Delivery was made during the week of \$10,000,000 Third Liberty Loan 4 1/4 per cent bonds which were purchased for account of the Cumulative Sinking Fund as reported last week.

Under authority from the Treasury an additional purchase was made in the New York and Chicago markets of \$6,500,000 Third Liberty Loan 4 1/4 per cent bonds for account of the Cumulative Sinking Fund, for delivery and payment on October 19.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to October 13, 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	\$ 95,680,000	\$ 88,714,000	\$6,966,000	\$ 0
New York	296,808,000	298,749,000	0	1,941,000
Philadelphia	101,506,000	101,388,000	118,000	0
Cleveland	125,882,000	126,732,000	0	850,000
Richmond	66,343,000	66,695,000	0	352,000
Atlanta	67,307,000	67,161,000	146,000	0
Chicago	176,190,000	177,427,000	0	1,237,000
St. Louis	49,731,000	50,312,000	0	581,000
Minneapolis	53,637,000	54,022,000	0	385,000
Kansas City	75,443,000	76,040,000	0	597,000
Dallas	53,848,000	54,022,000	0	174,000
San Francisco	112,950,000	114,063,000	0	1,113,000
Totals	\$1,275,325,000	\$1,275,325,000	\$7,230,000	\$7,230,000

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account since the last report, the amount remaining at \$200,000,000. The participation by 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	\$ 8,767,000	December 15, 1926	\$ 42,802,500
New York	52,761,500	March 15, 1927	54,919,200
Philadelphia	4,920,000	June 15, 1927	67,457,000
Cleveland	13,202,000	December 15, 1927	34,821,300
Richmond	5,818,500		
Atlanta	0		
Chicago	26,233,000		
St. Louis	13,725,000		
Minneapolis	8,923,500		
Kansas City	17,995,000		
Dallas	18,467,000		
San Francisco	29,187,500		
Totals	\$200,000,000		\$200,000,000

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

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 91,400	Misc. Gov't Sec.	\$61,950	Misc. Gov't Sec.
Dallas	<u>122,800</u>	Misc. L/L bonds	<u>0</u>	
Totals	<u>\$214,200</u>		<u>\$61,950</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>Oct. 6th</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd by Allotment</u>			<u>Holdings</u> <u>Oct. 13</u>	<u>Other Holdings</u> <u>Close Oct. 13/26</u>	
			<u>Regular</u> <u>from</u> <u>N.Y.</u>	<u>From</u> <u>Boston</u> <u>Port.</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>		<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 26,038	\$ 9,173 R.	\$ 0	0	\$ 6,752*	\$ 28,459	\$ 2,162	0
New York	24,432	7,152 "	0	3,000	2,945	31,639	18,564	894
		15,593 A.						
Phila.	23,454	2,517 R.	0	0	2,070	23,901	0	0
Cleve.	26,852	217 "	2,570	0	3,685	25,954	0	1,284
Richmond	13,398	247 "	1,530	0	2,437	12,738	0	0
Atlanta	30,476	682 "	1,664	0	3,521	29,301	0	1,960
Chicago	39,371	375 "	3,831	0	5,907	37,670	4,338	0
St. Louis	537	0	1,281	0	0	1,818	0	0
Minn.	13,242	0	1,116	500	1,616	13,242	0	0
Kan. City	16,016	0	1,650	500	1,093	17,073	0	0
Dallas	13,712	271 "	1,306	0	2,170	13,119	95	0
San Fran.	<u>22,391</u>	<u>1,021</u> "	<u>645</u>	<u>0</u>	<u>3,169</u>	<u>20,888</u>	<u>3,756</u>	<u>0</u>
Totals	\$249,919	\$37,248	\$15,593	\$4,000	\$35,365	\$255,802	\$28,915	\$4,138
Bills held over night by New York for distribution to other F. R. Banks ..						2,457		
Total						\$6,595		

* Includes \$4,000,000 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 OCTOBER 13, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4-4%	Total
Boston	\$1,261	\$ 745	\$ 6,374	\$ 793	\$ 9,173
New York	7,130	3,626	10,416	1,573	22,745
Philadelphia	17	338	2,162	0	2,517
Cleveland	0	100	117	0	217
Richmond	86	11	150	0	247
Atlanta	265	50	313	54	682
Chicago	35	181	159	0	375
Dallas	0	110	125	36	271
San Francisco	232	609	151	29	1,021
Totals	\$9,026	\$5,770	\$19,967	\$2,485	\$37,248

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 13, 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	\$215	\$41,248	\$41,463
Sold	62	0	62
Matured	0	<u>35,365</u>	<u>35,365</u>
		\$ 5,883+	\$ 6,036+
		266+(Net Change 1-day holdover & other bills)	266+(Net Change 1-day holdover & other bills)
	<u>\$153+</u>	<u>\$ 6,149+</u>	<u>\$ 6,302+</u>

(Including Sales Contracts)

Holdings October 13, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 11,945	0	0	\$44,054	\$83,355	\$168,814	\$308,168
Bills Purchased	<u>91,107</u>	<u>55,152</u>	<u>76,556</u>	<u>55,991</u>	<u>12,506</u>	<u>0</u>	<u>291,312</u>
Totals	\$103,052	\$55,152	\$76,556	\$100,045	\$95,861	\$168,814	\$599,480

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date October 12, 1926.

To All Members of the Board

Subject: _____

From Mr. Eddy

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For your information:

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

Please return to Secretary's office.

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Authority EO 10501

October 12, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 11th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 30 to October 6, 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

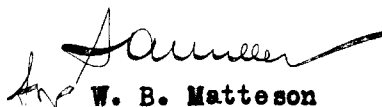
CONFIDENTIAL

October 11, 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 September 30 to October 6, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 6, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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
March 31	1,225,537	326,833	3,004	210,886	38,747	632,391
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 29	1,297,994	286,951	15,090	247,431	28,192	716,630
Oct. 6	1,206,886	296,070	10,265	256,248	17,014	623,589

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 6	Change	Oct. 6	Change	Oct. 6	Change
Boston	\$ 9,610	\$ 394+	\$ 26,038	\$ 454+	\$ 30,464	\$32,083-
New York	54,084	2,374+	24,432	1,025+	151,863	45,777-
Philadelphia	19,928	221+	23,454	95+	46,471	583-
Cleveland	33,690	594+	26,852	1,482+	58,916	8,180+
Richmond	7,059	261+	13,398	1,110+	43,164	3,190-
Atlanta	1,819	0	30,476	1,867+	55,283	3,357-
Chicago	46,220	1,181+	39,371	2,704+	93,488	1,135-
St. Louis	19,518	617+	537	124-	41,002	6,647-
Minneapolis	16,486	401+	13,242	788+	7,493	969+
Kansas City	27,999	810+	16,016	1,303+	10,647	1,347-
Dallas	20,788	952+	13,712	1,075+	19,798	4,377-
San Francisco	38,869	1,314+	22,391	1,045-	65,000	3,694-
N.Y. holdovers and other bills			6,329	1,917-		
Totals	\$296,070	\$9,119+	\$256,248	\$8,817+	\$623,589	\$93,041-

COMMENT ON CHANGES WEEK ENDED OCTOBER 6, 1926

Total earning assets of the System show a decrease of approximately \$91,000,000 for the current statement week. Decreases of about \$93,000,000 in bills discounted and \$16,000,000 in investments held under sales contracts were partly offset by increases in outright purchases of \$9,000,000 Government securities and \$9,000,000 bankers acceptances. The decrease in investments held under sales contracts consisted of \$5,000,000 Government securities and \$11,000,000 bankers acceptances.

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Money
Market

During the early part of the current week offerings of Stock Exchange call money were far in excess of the demand and call money gradually eased to 4 per cent by Wednesday after opening and renewing on Monday at 5 1/2 per cent. In the latter part of the week the market lost funds through week-end currency withdrawals and commercial transfers to the interior, and call money advanced to 5 per cent on Friday.

Time money eased from the high levels of the previous week and actual trading in all maturities was at 5 per cent. The demand for new loans, however, was rather light.

There was some improvement in the demand for commercial paper, accompanying easier money conditions, and sales which were principally to institutions in the interior were made at 4 1/2 to 4 3/4 per cent, with perhaps the larger proportion at the higher rate. Supplies of new paper remained relatively light.

Government
Security
Market

Trading in U. S. Government Liberty Loan and Treasury bonds continued moderately active with prices at the close of the week registering an average increase of about 1/8 of 1 per cent over the previous week's close.

The market for short-term Government Certificates of Indebtedness and Treasury Notes was quiet without any definite trend. Prices were at levels to yield about 3.53 to 3.67 per cent according to maturity.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills. These rates have prevailed for the past month.

Boston reports no marked change of conditions in their bill market. The supply remained fair while the demand was good from local banks only. Preference was for 30 and 90-day maturities. The market in New York was quiet with the supply of bills slightly in excess of the demand. There was a fair increase in the amount of out-of-town sales while total purchases were lighter than during the previous week. In Philadelphia the market continued inactive. Although offerings increased during the week the demand was light. Chicago reports there has been a fair demand in their market for bills maturing within 60 days. Bills of longer maturities did not move freely and very few new bills came into the market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were made during the week of \$4,500,000 Third Liberty Loan 4 1/4s which were purchased for account of the Cumulative Sinking Fund as reported last week.

Under authority from the Treasury purchases were made during the week of \$112,600 Second Liberty Loan 4 1/4s for account of the Secretary of the Interior, and \$20,000,000 Third Liberty Loan 4 1/4s for account of the Cumulative Sinking Fund. In reference to the latter transaction, delivery of \$10,000,000 was completed and the balance of \$10,000,000 is to be delivered on October 13.

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- 3 -

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to October 6, 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	\$ 90,507,000	\$ 86,107,000	\$4,400,000	\$ 0
New York	286,656,000	290,182,000	0	3,526,000
Philadelphia	98,989,000	98,408,000	581,000	0
Cleveland	123,095,000	123,007,000	88,000	0
Richmond	64,567,000	64,833,000	0	266,000
Atlanta	64,961,000	65,299,000	0	338,000
Chicago	171,984,000	172,212,000	0	228,000
St. Louis	48,450,000	48,450,000	0	0
Minneapolis	52,021,000	52,532,000	0	511,000
Kansas City	73,293,000	73,805,000	0	512,000
Dallas	52,271,000	52,532,000	0	261,000
San Francisco	<u>111,284,000</u>	<u>110,711,000</u>	<u>573,000</u>	<u>0</u>
Totals	<u>\$1,238,078,000</u>	<u>\$1,238,078,000</u>	<u>\$5,642,000</u>	<u>\$5,642,000</u>

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

Beginning October 4 the Federal Reserve Bank of St. Louis resumed participation in daily purchases of bills.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As mentioned in the last report, the sale of \$5,000,000 March 15, 1927 Treasury Notes from System Account holdings to a foreign correspondent and the replacement by purchase in the market of a like amount of short-term Government securities of other issues was consummated during the week.

This left the total holdings of the System Account for the current statement week at \$200,000,000. 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	\$ 8,767,000	December 15, 1926	\$ 42,802,500
New York	52,761,500	March 15, 1927	54,919,200
Philadelphia	4,920,000	June 15, 1927	67,457,000
Cleveland	13,202,000	December 15, 1927	34,821,300
Richmond	5,818,500		
Atlanta	0		
Chicago	26,233,000		
St. Louis	13,725,000		
Minneapolis	8,923,500		
Kansas City	17,995,000		
Dallas	18,467,000		
San Francisco	<u>29,187,500</u>		
Totals	<u>\$200,000,000</u>		<u>\$200,000,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM SEPTEMBER 30 TO OCTOBER 6, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
 (Participation in Short-term Governments)

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 613,500	\$ 219,000	\$ 394,500
New York	3,693,000	1,319,000	2,374,000
Philadelphia	344,500	123,000	221,500
Cleveland	924,000	330,000	594,000
Richmond	407,500	145,500	262,000
Atlanta	0	0	0
Chicago	1,836,500	656,000	1,180,500
St. Louis	960,500	343,000	617,500
Minneapolis	624,500	223,000	401,500
Kansas City	1,260,000	450,000	810,000
Dallas	1,292,500	461,500	831,000
San Francisco	<u>2,043,500</u>	<u>730,000</u>	<u>1,313,500</u>
Totals	<u>\$14,000,000</u>	<u>\$5,000,000</u>	<u>\$9,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 100	Second L/L bonds
Atlanta	135,400	Misc. Gov't Sec.	134,800	Misc. Gov't Sec.
Dallas	<u>153,200</u>	Misc. Gov't Sec.	<u>32,000</u>	Fourth L/L bonds
Totals	<u>\$288,600</u>		<u>\$166,900</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Sept. 29	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings Oct. 6	Other Holdings Close Oct. 6/26	
			Regular N.Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 25,584	\$ 6,476 R.	0	0	\$6,022***	\$ 26,038	\$ 2,142	0
New York	23,407	7,493 R.* 12,939 A.	0	600	7,068**	24,432	9,167	883
Phila.	23,359	1,922 R.	0	0	1,827	23,454	0	0
Cleve.	25,370	1,013 "	2,420.	901	2,852	26,852	0	1,240
Richmond	12,288	325 "	1,408	500	1,123	13,398	0	0
Atlanta	28,609	2,896 "**	1,350	500	2,479	30,476	0	1,664
Chicago	36,667	1,056 "	3,455	1,001	2,808*	39,371	2,646	0
St. Louis	661	0	537	0	661	537	0	0
Minn.	12,454	0	1,161	600	973	13,242	0	0
Kan. City	14,713	0	1,500	601	798	16,016	0	0
Dallas	12,637	300 "	1,108	300	633	13,712	47	0
San Fran.	<u>23,436</u>	<u>2,023 "</u>	<u>0</u>	<u>0</u>	<u>3,068</u>	<u>22,391</u>	<u>3,012</u>	<u>0</u>
Totals	\$239,185	\$36,443	\$12,939	\$5,003	\$30,312	\$249,919	\$17,014	\$3,787
Bills held over night by New York for distribution to other F.R. Banks - - -								<u>2,542</u>
Total - - - - -								<u>\$6,329</u>

*Includes \$100,000 sold to New York from Chicago portfolio
 **Includes \$2,607,000 sold to Atlanta from New York portfolio
 ***Includes \$5,003,000 sold to other F. R. Banks

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

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 Authority EO 10501

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

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4 - 3 7/8%	Total
Boston	\$ 934	\$ 513	\$ 2,612	\$ 2,417	\$ 6,476
New York	8,666	2,935	7,173	1,658	20,432
Philadelphia	168	231	1,523	0	1,922
Cleveland	0	0	1,013	0	1,013
Richmond	100	175	50	0	325
Atlanta	2,752	34	110	0	2,896
Chicago	402	654	0	0	1,056
Dallas	60	25	21	194	300
San Francisco	350	1,136	305	232	2,023
Totals	\$13,432	\$5,703	\$12,807	\$4,501	\$36,443

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 6, 1926 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$14,287	\$41,446	\$55,733
Sold	5,168	0	5,168
	0	<u>30,312</u>	<u>30,312</u>
		\$11,134+	\$20,253+
		1,917-(Net Change 1-day holdover & other bills)	1,917-(Net Change 1-day holdover & other bills)
Totals	\$ 9,119+	\$ 9,217+	\$18,336+

(Including Sales Contracts)

Holdings October 6, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$10,265	0	0	\$44,054	\$83,353	\$168,663	\$306,335
Bills Purchased	<u>77,575</u>	<u>56,753</u>	<u>82,448</u>	<u>44,400</u>	<u>12,086</u>	<u>0</u>	<u>273,262</u>
Totals	\$87,840	\$56,753	\$82,448	\$88,454	\$95,439	\$168,663	\$579,597

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

2

Date October 5, 1926.

333

To All Members of the Board

Subject: _____

From Mr. Eddy

[Handwritten signature]

For your information:

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

Please return to Secretary's office.

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Authority EO 10501

October 5, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 4th, addressed to Governor Crissinger, enclosing report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 23 to September 29, 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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RECEIVED
OCT 5 1926
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

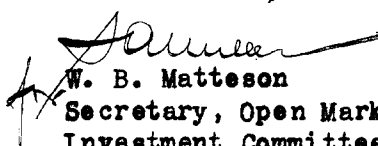
PERSONAL

October 4, 1926

S i r :

We are enclosing, for your files, report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal reserve System for the period from September 23 to September 29, 1926 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

DECLASSIFIED
 Authority EO 10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 29, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 25	\$1,040,699	\$339,692	\$ 5,059	\$287,644	\$19,361	\$377,641
April 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 22	1,240,911	295,376	9,792	254,175	16,232	661,636
" 29	1,297,994	286,951	15,090	247,431	28,192	716,630

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 29, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 29	Change	Sept. 29	Change	Sept. 29	Change
Boston	\$ 9,216	\$ 394-	\$ 25,584	\$2,953+	\$ 62,547	\$22,611+
New York	51,710	2,374-	23,407	6,392-	197,640	8,788+
Philadelphia	19,707	221-	23,359	1,001+	47,054	1,903+
Cleveland	33,096	649-	25,370	617-	50,736	383+
Richmond	6,798	262-	12,288	155+	46,354	578+
Atlanta	1,819	18-	28,609	3,303-	58,640	644+
Chicago	45,039	1,181-	36,667	2,168-	94,623	23,689+
St. Louis	18,901	617-	661	100-	47,649	5,428-
Minneapolis	16,085	401-	12,454	606+	6,524	1,153-
Kansas City	27,189	810-	14,713	34+	11,994	4,952-
Dallas	19,836	186-	12,637	838+	24,175	815+
San Francisco	37,555	1,312-	23,436	704-	66,694	7,116+
N.Y. holdovers and other bills			8,246	953+		
Totals	\$286,951	\$8,425-	\$247,431	\$6,744-	\$716,630	\$54,994+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 29, 1926

Total earning assets of the System show an increase of \$57,000,000 for the current statement week. Increases of about \$55,000,000 in bills discounted and \$17,000,000 in investments held under sales contracts were partly offset by decreases of \$8,000,000 and \$7,000,000 in outright purchases of Government securities and bankers acceptances respectively. Increases in investments held under sales contracts consisted of \$5,000,000 in Government securities and \$12,000,000 in bankers acceptances.

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Money
Market

Stock Exchange call money was firm throughout the entire week, opening and renewing on Monday at 5 per cent and advancing to 6 per cent on Thursday, the 30th, due to requirements of funds for heavy interest and dividend payments on October 1. Although a substantial volume of new loans was placed on Thursday at an average rate of 5.92 per cent a fair amount of money remained unlent at the close representing the influx of funds following the advance in the rate. On Friday call money opened and renewed at 5 1/2 per cent and prevailed at this figure for the balance of the day.

Time money was quiet and firmer with 60-day loans towards the end of the week placed at 5 1/8 per cent and over the year maturities at 5 1/4 per cent. This is the highest rate for time money since December 1923.

In the commercial paper market, there was only a small supply of new paper with the demand fairly active. Sales continued to be made chiefly in the interior districts at 4 1/2 and 4 3/4 per cent.

Government
Security
Market

Trading in United States Government Liberty Loan and Treasury Bonds on the New York Stock Exchange during the week was in moderate volume with a slight fractional reduction in prices in general over last week's close.

There was a good demand in the market for the short-term Government Certificates of Indebtedness and Treasury Notes. Prices were approximately the same as last week.

Bankers
Acceptances

Rates at which dealers offered unindorsed bankers acceptances continued unchanged at 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills.

Boston reports some improvement in the supply of bills with an increased demand, especially from local institutions. Bills moved freely with 30's and 90's in best demand. Although the market in New York was fairly active throughout the week bills did not move freely because of firmer money conditions over the end of the month. The out-of-town demand was good but total bills purchased was somewhat in excess of sales. In Philadelphia the market continued dull with the supply rather low and prime bills somewhat scarce. The demand, while light, showed some improvement. Chicago reports there was some demand for bills by banks. The supply was equal to the demand and dealers reported a few new cotton bills coming into the market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were made during the week of \$8,440,000 Third 4 1/4's which were purchased for account of the Cumulative Sinking Fund as reported last week.

Under authority of the Treasury additional purchases of \$22,800,000 Third 4 1/4's for this account were made in the New York and Chicago markets, of which amount \$18,300,000 was delivered during the current week and the balance, \$4,500,000, is to be delivered by Tuesday, October 5. Other transactions consisted of sales in the market of \$1,000,000 Second 4 1/4's for the account of the Secretary of the Interior, and \$300,000 December 15, 1926 certificates for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to September 29, 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	\$ 89,033,000	\$ 83,776,000	\$5,257,000	0
New York	278,563,000	282,190,000	0	3,627,000
Philadelphia	97,067,000	95,744,000	1,323,000	0
Cleveland	118,761,000	119,677,000	0	916,000
Richmond	62,334,000	62,835,000	0	501,000
Atlanta	62,822,000	63,301,000	0	479,000
Chicago	166,473,000	167,550,000	0	1,077,000
St. Louis	47,913,000	47,913,000	0	0
Minneapolis	50,259,000	50,867,000	0	608,000
Kansas City	71,192,000	71,807,000	0	615,000
Dallas	50,563,000	50,867,000	0	304,000
San Francisco	109,261,000	107,714,000	1,547,000	0
Totals	<u>\$1,204,241,000</u>	<u>\$1,204,241,000</u>	<u>\$8,127,000</u>	<u>\$8,127,000</u>

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

The Federal Reserve Bank of St. Louis, on September 21, temporarily discontinued participation in daily purchases of bills as previously reported.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under approval of the Committee given at its meeting September 10, 1926 a sale was made during the statement week, from holdings of the System Account, of \$9,000,000 March 15, 1927 Treasury Notes to a foreign correspondent. A further sale to foreign correspondents was also made after the close of the statement week, from the System Account, of \$5,000,000 Treasury Notes of this issue. These sales were replaced by purchases in the New York and Chicago markets of a like amount of Certificates of Indebtedness and Treasury Notes as follows:

\$5,200,000	December 15, 1926	Certificates of Indebtedness
6,300,000	June 15, 1927	" " "
<u>2,500,000</u>	December 15, 1927	Treasury Notes
\$14,000,000		

After completion of these transactions the total holdings in the System Account at the close of business October 4, 1926 will be \$200,000,000. The participation by all Federal reserve banks and the classification of issues by maturities will be as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	29,187,500
Totals	<u>\$200,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 42,802,500
March 15, 1927	54,919,200
June 15, 1927	67,457,000
December 15, 1927	34,821,300

\$200,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM SEPTEMBER 23 TO SEPTEMBER 29, 1926

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT
 (Participation in Sales)

Boston	\$ 394,500
New York	2,374,000
Philadelphia	221,500
Cleveland	594,000
Richmond	262,000
Atlanta	0
Chicago	1,180,500
St. Louis	617,500
Minneapolis	401,500
Kansas City	810,000
Dallas	831,000
San Francisco	<u>1,313,500</u>
Total	<u>\$9,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$ 645,000	Third L/L bonds	\$700,000	Third L/L bonds
Atlanta	209,600	Misc. Gov't Sec.	227,750	Misc. Gov't Sec.
Dallas	656,650	Liberty Loan bonds	12,000	Fourth L/L bonds
San Francisco	<u>2,000</u>	Misc. Gov't Sec.	<u>0</u>	-
Totals	<u>\$1,513,250</u>		<u>\$937,750</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> Sept. 22	<u>Purchased</u> Own Acct.	<u>Rec'd by Allotment</u>			<u>Matur- ities & Sales</u>	<u>Holdings</u> Sept. 29	<u>Other Holdings</u> Close Sept. 29/26	
			<u>Regular</u> from N.Y.	<u>From</u> Boston Port.	<u>From</u> Boston Port.			<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 22,631	\$ 7,368 R.	0	0	\$ 4,415**	\$ 25,584	\$ 724	0	
New York	29,799	6,095 " 11,375 A.**	0	0	12,487	23,407	22,393	1,296	
Phila.	22,358	2,141 R.	0	0	1,140	23,359	0	0	
Cleve.	25,987	101 "	1,918	801	3,437	25,370	0	1,240	
Richmond	12,133	210 "	1,160	800	2,015	12,288	0	0	
Atlanta	31,912	67 "	1,706	0	5,076	28,609	0	1,634	
Chicago	38,835	368 "	2,473	0	5,009	36,667	1,782	0	
St. Louis	761	0	0	0	100	661	0	0	
Minn.	11,848	0	993	700	1,087	12,454	0	0	
Kan. City	14,679	0	1,218	700	1,884	14,713	0	0	
Dallas	11,799	215 "	1,046	500	923	12,637	131	0	
San Fran.	<u>24,140</u>	<u>1,567 "</u>	<u>861</u>	<u>0</u>	<u>3,132</u>	<u>23,436</u>	<u>3,162</u>	<u>0</u>	
Totals	\$246,882	\$29,507	\$11,375*	\$3,501	\$40,705	\$239,185	\$28,192	\$4,170	
Bills held over night by New York for distribution to other F.R. Banks - - - -							-	-	4,076
							Total - - - -	-	\$8,246

*Includes sale from St. Louis' portfolio of \$3,251,000 held over by N.Y. in previous week.
 **Includes \$3,501,000 sold to other F. R. 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 SEPTEMBER 29, 1926
 (000 Omitted)

	1-30 days 3 1/2 - 3 3/4%	31-60 days 3 1/2 - 4%	61-90 days 3 3/4 - 4%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 2,872	\$1,206	\$3,172	\$ 118	\$ 7,368
New York	9,566	2,941	3,702	1,261	17,470
Philadelphia	535	290	1,316	0	2,141
Cleveland	0	0	101	0	101
Richmond	125	10	75	0	210
Atlanta	40	0	17	10	67
Chicago	75	190	103	0	368
Dallas	0	0	64	151	215
San Francisco	<u>580</u>	<u>581</u>	<u>406</u>	<u>0</u>	<u>1,567</u>
Totals	<u>\$13,793</u>	<u>\$5,218</u>	<u>\$8,956</u>	<u>\$1,540</u>	<u>\$29,507</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
 BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 29, 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	\$1,513	\$33,008	\$34,521
Sold	9,938	0	9,938
Matured	0	<u>40,705</u>	<u>40,705</u>
		\$ 7,697-	\$16,122-
		953+ (Net Change 1-day holdover & other bills)	953+ (Net Change 1-day holdover & other bills)
Totals	<u>\$8,425-</u>	<u>\$ 6,744-</u>	<u>\$15,169-</u>

(Including Sales Contracts)

Holdings Sept. 29, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 Months	Total
Gov't Securities	\$ 15,090	\$ 0	0	\$38,853	\$88,353	\$159,745	\$302,041
Bills Purchased	<u>88,824</u>	<u>55,497</u>	<u>73,136</u>	<u>50,171</u>	<u>7,995</u>	<u>0</u>	<u>275,623</u>
Totals	<u>\$103,914</u>	<u>\$55,497</u>	<u>\$73,136</u>	<u>\$89,024</u>	<u>\$96,348</u>	<u>\$159,745</u>	<u>\$577,664</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 2, 1926.

To All Members of the Board

2
Subject:

From Mr. Eddy

333

2-415

For your information:

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

Please return to Secretary's office.

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September 28, 1926.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of September 27th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 16 to September 22, 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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Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

SEP 28 1926
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

September 27, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from September 16 to September 22,
1926 inclusive, together with data received by the Com-
mittee 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 SEPTEMBER 22, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
March 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
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Sept. 30	1,257,024	313,745	29,161	241,855	26,455	633,188
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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 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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 8	1,196,235	305,456	6,828	245,161	20,823	614,267
" 15	1,319,736*	487,331*	690	243,711	18,769	565,535
" 22	1,240,911	295,376	9,792	254,175	16,232	661,636

*Includes \$192,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 22, 1926
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 22	Net Change	Balance Sept. 22	Net Change	Balance Sept. 22	Net Change
Boston	\$ 9,610	\$ 1-	\$22,631	\$ 751-	\$ 39,936	\$ 1,609-
New York	54,084	0	29,799	4,535+	188,852	42,455+
Philadelphia	19,928	0	22,358	145-	45,151	400-
Cleveland	33,745	77+	25,987	1,639+	50,353	6,357+
Richmond	7,060	1+	12,133	842+	45,776	239-
Atlanta	1,837	108-	31,912	4,160+	57,996	3,181+
Chicago	46,220	0	38,835	2,711+	70,934	17,396+
St. Louis	19,518	0	761	6,860-	53,077	16,294+
Minneapolis	16,486	0	11,848	542+	7,677	1,554-
Kansas City	27,999	0	14,679	120+	16,946	3,516+
Dallas	20,022	75+	11,799	199-	23,360	17-
San Francisco	38,867	0	24,140	1,583+	61,578	10,730+
N.Y. holdovers and other bills			7,293	2,287+		
Totals	\$295,376	\$ 44+	\$254,175	\$10,464+	\$661,636	\$96,101+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 22, 1926

Total earning assets of the System show a decrease of \$78,800,000 but after excluding the special one-day advance to the Treasury last week of \$192,000,000, show an increase of \$113,000,000. Bills discounted increased \$96,000,000 and bankers acceptances purchased outright \$10,500,000, while sales contract holdings of Government securities increased \$9,000,000 and bankers acceptances decreased \$2,500,000.

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Money
Market

New York banks began the week with impaired reserves and the market continued to lose funds on Monday through income tax collections and transfers of commercial funds to the interior and Stock Exchange call money advanced to 5 1/2 per cent after opening and renewing at 5 per cent. In following days borrowing at the Reserve Banks increased and there was some gain through transfers. On Thursday money rates eased to 5 per cent and remained at this figure for the balance of the week.

Time money, although slightly firmer, was quiet with a few loans at all maturities at 5 per cent.

The demand for commercial paper was only fair with sales principally to country banks in the Middle West and New England at 4 1/2 and 4 3/4 per cent. The supply of new paper was small with indications that borrowers are obtaining loans direct from banks more cheaply than through the open market.

Government
Security
Market

Prices of United States Liberty Loan and Treasury bonds showed a fractional net gain over last week although the volume of sales on the New York Stock Exchange was smaller than during the past few weeks.

There was a fair amount of activity in the short-term Government security market and prices were at levels to yield from 3.54 to 3.69 per cent, according to maturity, against 3.45 to 3.55 per cent last week.

Bankers
Acceptances

Dealers' offering rates on unindorsed bankers acceptances were as follows: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's, and 4 per cent for 120-day bills. These rates are unchanged from those prevalent during the past two weeks.

Boston reports that the amount of bills purchased by dealers during the week decreased considerably. The demand exceeded the supply with indications that bills moved freely at the offered rates, with 30 to 60-day maturities in best demand. In New York the market was fairly active throughout the week with the supply and demand about equal. There was a good demand for prime member bank bills but dealers reported some difficulty in filling orders due to the scarcity of this class of paper. The market in Philadelphia was inactive. Offerings were not as heavy as last week and the demand continued to be very light. Chicago reports that there appears to be plenty of bills in the market to meet the demand and dealers report increasing activity.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury an aggregate of \$27,200,000 Third Liberty Loan 4 1/4 per cent bonds were purchased during the week as follows:

\$5,000,000 from holdings of System Account
18,000,000 in New York market
3,500,000 by Federal Reserve Bank of Chicago in their market
700,000 by Federal Reserve Bank of Cleveland in their market

Deliveries were made during the current statement week of \$18,760,000 and the balance of \$8,440,000 is to be delivered by Monday, September 27.

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Authority EO 10501

3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to September 22, 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	\$ 85,166,000	\$ 81,710,000	\$3,456,000	\$ 0
New York	272,468,000	275,108,000	0	2,640,000
Philadelphia	94,926,000	93,383,000	1,543,000	0
Cleveland	115,941,000	116,726,000	0	785,000
Richmond	60,164,000	61,065,000	0	901,000
Atlanta	61,049,000	61,531,000	0	482,000
Chicago	163,632,000	163,419,000	213,000	0
St. Louis	47,913,000	47,913,000	0	0
Minneapolis	48,566,000	49,392,000	0	826,000
Kansas City	69,274,000	70,037,000	0	763,000
Dallas	48,802,000	49,392,000	0	590,000
San Francisco	106,833,000	105,058,000	1,775,000	0
Totals	\$1,174,734,000	\$1,174,734,000	\$6,987,000	\$6,987,000

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

Owing to their reserve position, the Federal Reserve Bank of St. Louis on September 21 and 22 sold the balance of their bill holdings, and temporarily discontinued participation in daily purchases. These bills were distributed to the other participating banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week there was sold from the holdings of the System Account \$5,000,000 Third 4 1/4% to the Treasurer of United States, account Cumulative Sinking Fund, and \$2,000,000 March 15, 1927 Treasury Notes to the market which were replaced by purchases in the market of \$4,500,000 December 15, 1926 and \$2,500,000 June 15, 1927 certificates. These transactions leave the total holdings in the System Account unchanged at \$200,000,000. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 8,767,000	December 15, 1926	\$ 37,602,500
New York	52,761,500	March 15, 1927	68,919,200
Philadelphia	4,920,000	June 15, 1927	61,157,000
Cleveland	13,202,000	December 15, 1927	32,321,300
Richmond	5,818,500		
Atlanta	0		
Chicago	26,233,000		
St. Louis	13,725,000		
Minneapolis	8,923,500		
Kansas City	17,995,000		
Dallas	18,467,000		
San Francisco	29,187,500		
Totals	\$200,000,000		\$200,000,000

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM SEPTEMBER 16 TO SEPTEMBER 22, 1926**
 (Participation in Short-term Governments - Special Investment Account)

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 306,500	\$ 306,500
New York	1,846,500	1,846,500
Philadelphia	172,000	172,000
Cleveland	462,000	462,000
Richmond	203,500	203,500
Atlanta	0	0
Chicago	918,500	918,500
St. Louis	480,500	480,500
Minneapolis	312,500	312,500
Kansas City	629,500	629,500
Dallas	646,500	646,500
San Francisco	1,022,000	1,022,000
Totals	\$7,000,000	\$7,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 1,150	Second L/L bonds
Cleveland	78,000	TJ-1926 Ctf's.	500	TJ-1926 Ctf's.
Richmond	1,000	Misc. Gov't Sec.	0	-
Atlanta	74,950	Misc. Gov't Sec.	183,100	Misc. Gov't Sec.
Dallas	75,950	Liberty Loan bonds	1,000	Misc. Gov't Sec.
Totals	\$229,900		\$185,750	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Sept. 15	Purchased Own Mkt.	<u>Rec'd by Allotment</u>			Holdings Sept. 22	<u>Other Holdings Close Sept. 22/26</u>	
			Regular N. Y.	From Boston Port.	Matur- ities \$ Sales		Sales Contracts	Other Bills
Boston	\$ 23,382	\$ 6,356 R.	0	0	\$ 7,107**	\$ 22,631	\$ 614	0
New York	25,264	10,386 R.***	0	1,300	3,832*	29,799	10,547	1,147
		17,159 A.***			3,319			
Phila.	22,503	2,362 R.	0	0	2,507	22,358	0	0
Cleveland	24,348	487 "	2,911	1,101	2,860	25,987	0	1,115
Richmond	11,291	160 "	1,493	800	1,611	12,133	0	0
Atlanta	27,752	556 "	1,504	801	2,533	31,912	0	609
		3,832*						
Chicago	36,124	2,206 R.	3,894	1,300	4,689	38,835	1,914	0
St. Louis	7,621	0	824	0	7,684***	761	0	0
Minn.	11,306	0	1,299	601	1,358	11,848	0	0
Kan. City	14,559	0	1,791	700	2,371	14,679	0	0
Dallas	11,998	337 "	1,462	0	1,998	11,799	0	0
San Fran.	22,557	2,860 "	1,981	0	3,258	24,140	3,157	0
Totals	\$238,705	\$46,701	\$17,159	\$6,603	\$45,127	\$246,882	\$16,232	\$2,871
Bills held over night by New York for distribution to other F. R. Banks - - -								4,422***
Total - - - - -								\$7,293

*Sale to Atlanta from New York portfolio

**Includes \$6,603,000 sold to other F. R. banks

***Includes sale of \$7,015,000 from St. Louis 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 SEPTEMBER 22, 1926

(000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 7/8%	61-90 days 3 3/4 - 4%	Over 90 days 3 3/4 - 4%	Total
Boston	\$ 2,456	\$ 654	\$2,765	\$ 481	\$ 6,356
New York	16,691	4,169	5,437	1,248	27,545
Philadelphia	0	0	239	2,123	2,362
Cleveland	487	0	0	0	487
Richmond	0	100	60	0	160
Atlanta	4,332	50	6	0	4,388
Chicago	737	568	901	0	2,206
Dallas	50	0	106	181	337
San Francisco	<u>1,256</u>	<u>1,583</u>	<u>21</u>	<u>0</u>	<u>2,860</u>
Totals	<u>\$26,009</u>	<u>\$7,124</u>	<u>\$9,535</u>	<u>\$4,033</u>	<u>\$46,701</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 22, 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	\$230	\$52,668	\$52,898
Sold	186	0	186
Matured	0	<u>44,491</u>	<u>44,491</u>
		\$ 8,177+	\$ 8,221+
		2,287+ (Net Change	2,287+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	<u>\$ 44+</u>	<u>\$10,464+</u>	<u>\$10,508+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>Sept. 22, 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	\$ 9,792	0	0	\$38,852	\$97,353	\$159,171	\$305,168
Bills Purchased	<u>83,679</u>	<u>55,581</u>	<u>70,409</u>	<u>51,565</u>	<u>9,173</u>	<u>0</u>	<u>270,407</u>
Totals	<u>\$ 93,471</u>	<u>\$55,581</u>	<u>\$70,409</u>	<u>\$90,417</u>	<u>\$106,526</u>	<u>\$159,171</u>	<u>\$575,575</u>

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Form No. 131.

Office Correspondence

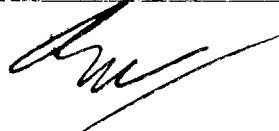
FEDERAL RESERVE
BOARD

Date September 21, 1926.

To All Members of the Board

Subject: _____

From Mr. Eddy



RECORDED
333

For your information:

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

Please return to Secretary's office.

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September 21, 1936.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of September 20th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 9 to September 15, 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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SEP 21 1926
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

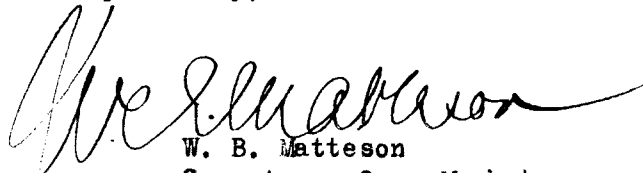
CONFIDENTIAL

September 20, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from September 9 to September 15, 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 MAR INVESTMENT COMMITTEE WEEK END SEPTEMBER 15, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
		Purchases	Contracts	Purchases	Contracts	
-1925-						
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	1,225,597	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. 25	1,150,171	318,912	2,305	244,019	10,597	570,638
Sept. 8	1,196,235	305,456	6,828	245,161	20,823	614,267
" 15	1,319,736*	487,331*	690	243,711	18,769	565,535

* Includes \$192,000,000 advance to Treasury Special Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED SEPTEMBER 15, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 15	Change	Sept. 15	Change	Sept. 15	Change
Boston	\$ 9,611	\$ 437-	\$ 23,382	\$3,319+	\$ 41,545	\$ 3,724+
New York	54,084	2,631-	25,264	2,433-	146,397	46,211-
Philadelphia	19,928	195-	22,503	1,352+	45,560	3,372+
Cleveland	33,668	658-	24,348	979-	43,996	6,491+
Richmond	7,059	391-	11,291	559-	46,015	387+
Atlanta	1,945	5+	27,752	1,346-	54,815	6,505+
Chicago	46,220	1,308-	36,124	229+	53,538	5,543-
St. Louis	19,518	775-	7,621	1,036-	36,783	1,174-
Minneapolis	16,486	445-	11,306	11-	9,231	5,885-
Kansas City	27,999	918-	14,559	57-	13,430	361+
Dallas	19,947	916-	11,998	399+	23,377	885-
San Francisco	38,867	1,455-	22,557	1,290+	50,848	9,874-
N.Y. holdovers & other bills			5,006	1,619-		
Totals	\$295,332*	\$10,124-	\$243,711	\$1,450-	\$565,535	\$48,732-

*This balance does not include \$192,000,000 one-day advance to Treasury

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 15, 1926

Total earning assets of the System which show an increase of \$123,500,000 reflect, after excluding the special one-day advance to the Treasury of \$192,000,000, a decrease of \$68,500,000. This decrease was made up principally of \$48,700,000 in bills discounted, and \$8,000,000 in holdings under sales contracts of which \$2,000,000 was in bills and \$6,000,000 in Government securities. Outright holdings of Government securities other than the \$192,000,000 special one-day advance to the Treasury decreased approximately \$10,000,000.

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Call
Money

The Stock Exchange call money rate for the first part of the current week continued firm at 5 per cent, but temporarily eased to 4 1/2 per cent on Thursday following the heavy Government disbursement in this district on September 15 and incoming transfers, probably due to similar conditions in other districts. On Friday, however, continued collections of tax payments here and in the interior caused heavy withdrawal of funds from the market and this, with the usual week-end currency withdrawals, caused money to advance to the 5 per cent level again in the last hour.

Time money was fairly active during the latter part of the week with trading in 90-day and 4 to 6 months' maturities at 4 7/8 and 5 per cent respectively.

There was a better demand for commercial paper with a slight tendency toward higher rates. Sales were about evenly divided at 4 1/2 and 4 3/4 per cent. The supply of new bills in the market, however, continued small.

Government
Security
Market

United States Liberty Loan bonds and Treasury bonds sold during the current week at prices fractionally lower than last week. There was a moderate volume of trading on the New York Stock Exchange which was confined principally to Liberty Loan bonds.

The new Treasury 3 1/2 per cent certificates of indebtedness were offered by dealers at par to yield 3.49 per cent and the other issues of short-term Government securities were offered at prices to yield from 3.45 to 3.55 per cent according to maturity.

Bankers
Acceptances

Dealers' offering rates on unindorsed bankers acceptances remained unchanged at 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's and 4 per cent for 120-day bills.

Boston dealers report a slight increase in the supply of bills while the demand, which was practically negligible from country banks, was slightly in excess of the supply. Thirtyand ninety day maturities seemed in best demand. The market in New York was more active during this week, the supply and demand, which were about equal, showing substantial increases. In Philadelphia offerings of bankers bills improved a little during the week but the demand continued light. Chicago reports an increased supply of bills with an increasing demand especially from country banks.

OPERATIONS ACCOUNT UNITED STATES TREASURY

There were purchased for the Treasury during the current statement week \$1,449,500 of June 15, 1927 certificates for account of the Alien Property Custodian, and \$59,850 of Third Liberty Loan bonds for the Interstate Commerce Commission, 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 September 15, 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	\$ 85,413,000	\$ 78,767,000	\$6,646,000	0
New York	260,782,000	265,017,000	0	4,235,000
Philadelphia	92,564,000	90,019,000	2,545,000	0
Cleveland	111,442,000	112,522,000	0	1,080,000
Richmond	57,711,000	58,542,000	0	831,000
Atlanta	54,356,000	55,176,000	0	820,000
Chicago	156,232,000	157,533,000	0	1,301,000
St. Louis	47,088,000	47,088,000	0	0
Minneapolis	46,666,000	47,290,000	0	624,000
Kansas City	66,783,000	67,514,000	0	731,000
Dallas	47,003,000	47,290,000	0	287,000
San Francisco	101,992,000	101,274,000	718,000	0
Totals	\$1,128,032,000	\$1,128,032,000	\$9,909,000	\$9,909,000

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

The Federal Reserve Bank of St. Louis resumed their participation in daily purchases of bills on September 13.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account this week consist of the delivery of \$9,395,000 September 15, 1926 Treasury Notes sold in the market during the previous week; sales in the market and to foreign correspondents of \$18,892,000 certificates and notes maturing in December 1926 and March 1927, and purchases in the market and from foreign correspondents of \$18,312,000, consisting of \$5,000,000 Third Liberties and \$13,312,000 June and December 1927 certificates and notes. There was also exchanged for the new 3 1/2% certificates due June 15, 1927 \$50,000,000 of the 4 1/4% Treasury Notes maturing September 15, 1926. These transactions which were made under the Committee's approval given at its meeting September 10 make the total holdings in the System Account at the close of business September 15 \$200,000,000. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,767,000
New York	52,761,500
Philadelphia	4,920,000
Cleveland	13,202,000
Richmond	5,818,500
Atlanta	0
Chicago	26,233,000
St. Louis	13,725,000
Minneapolis	8,923,500
Kansas City	17,995,000
Dallas	18,467,000
San Francisco	29,187,500
Totals	\$200,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

December 15, 1926	\$ 33,102,500
March 15, 1927	70,919,200
June 15, 1927	58,657,000
December 15, 1927	32,321,300
September 15, 1928	5,000,000
3rd L/L bonds	
Totals	\$200,000,000

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ITEMIZED STATEMENT -- TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM SEPT. 9 TO SEPT. 15, 1926

SYSTEM SPECIAL INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales and Maturities</u>	<u>Net Decrease</u>
Boston	\$ 2,994,000	\$ 3,431,000	\$ 437,000
New York	18,021,500	20,653,000	2,631,500
Philadelphia	1,680,500	1,925,500	245,000
Cleveland	4,509,500	5,167,500	658,000
Richmond	1,987,000	2,277,500	290,500
Atlanta	0	0	0
Chicago	8,960,000	10,268,500	1,308,500
St. Louis	4,687,500	5,372,000	684,500
Minneapolis	3,048,000	3,493,000	445,000
Kansas City	6,146,500	7,044,500	898,000
Dallas	6,308,000	7,229,500	921,500
San Francisco	<u>9,969,500</u>	<u>11,425,000</u>	<u>1,455,500</u>
Totals	<u>\$68,312,000</u>	<u>\$78,287,000</u>	<u>\$9,975,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	\$ 50,000	June 15, 1927 C/I	0	-
Cleveland	4,501,500	June 15, 1927 C/I	4,501,500	Sept. 15, 1926 T/N
Richmond	0	-	100,000	Sept. 15, 1926 T/N
Atlanta	338,250	Misc. Gov't Sec.	333,250	Sept. 15, 1926 T/N
St. Louis	0	-	90,000	Sept. 15, 1926 T/N
Minneapolis	895,750	Misc. Gov't Sec.	895,750	Misc. Gov't Sec.
Kansas City	470,000	June 15, 1927 C/I	490,000	Sept. 15, 1926 T/N
Dallas	4,950	Misc. Gov't Sec.	0	-
San Francisco	<u>750,000</u>	June 15, 1927 C/I	<u>750,000</u>	Sept. 15, 1926 T/N
Totals	<u>\$7,010,450</u>		<u>\$7,160,500</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Sept. 8	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings Sept. 15	Other Holdings Close Sept. 15/26		
			Regular N.Y.	From Port.			Sales Contracts	Other Bills	
Boston	\$ 20,063	\$ 8,789 R	0	0	\$ 5,470**	\$ 23,382	\$ 832	0	
New York	27,696	2,781 "	0	1,000	3,035*	25,264	9,818	1,137	
		10,654 A			3,178				
Phila.	21,151	4,663 R	0	0	3,311	22,503	0	0	
Cleveland	25,327	197 "	1,835	0	3,011	24,348	0	1,115	
Richmond	11,850	0	890	601	2,050	11,291	0	0	
Atlanta	29,098	18 "	956	400	5,754	27,752	0	1,342	
		3,035*							
Chicago	35,895	521 "	2,283	1,100	3,675	36,124	2,758	0	
St. Louis	8,657	0	245	0	1,281	7,621	0	0	
Minn.	11,317	0	805	600	1,416	11,306	0	0	
Kan. City	14,616	0	989	600	1,646	14,559	0	0	
Dallas	11,599	394 "	784	300	1,079	11,998	0	0	
San Fran.	21,267	1,995	1,867	0	2,572	22,557	5,361	0	
Totals	\$238,536	\$33,047	\$10,654	\$4,601	\$37,478	\$238,705	\$18,769	\$3,594	
Bills held over night by New York for distribution to other F.R. Banks								<u>1,412</u>	
							Total.....	\$5,006	

*Sale to Atlanta from New York portfolio

**Includes \$4,601,000 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 SEPTEMBER 15, 1926
 (000 Omitted)

	1-30 days 3 1/2-3 5/8%	31-60 days 3 1/2-3 7/8%	61-90 days 3 3/4-3 7/8%	Over 90-days 3 3/4-4%	Total
Boston	\$ 3,236	\$ 806	\$ 3,165	\$1,582	\$ 8,789
New York	4,707	2,523	5,273	932	13,435
Philadelphia	162	241	4,260	0	4,663
Cleveland	0	0	197	0	197
Atlanta	3,053	0	0	0	3,053
Chicago	311	59	151	0	521
Dallas	0	100	148	146	394
San Francisco	<u>561</u>	<u>1,322</u>	<u>112</u>	<u>0</u>	<u>1,995</u>
Totals	<u>\$12,030</u>	<u>\$5,051</u>	<u>\$13,306</u>	<u>\$2,660</u>	<u>\$33,047</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 15, 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	\$75,323	\$37,647	\$112,970
Sold	29,444	0	29,444
Matured	56,003	<u>37,478</u>	<u>93,481</u>
		\$ 169+	\$ 9,955-
		1,619- (Net Change 1-day holdover & other bills)	1,619- (Net Change 1-day holdover & other bills)
	<u>\$10,124-</u>	<u>\$ 1,450-</u>	<u>\$ 11,574-</u>

(Including Sales Contracts and Special 1-day Certificate of Indebtedness)

Holdings Sept. 15, 1926	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 Months	Over 6 months	Total
Gov't Securities	\$192,690	0	0	\$34,354	\$ 99,352	\$161,625	\$488,021
Bills Purchased	<u>81,131</u>	<u>49,684</u>	<u>63,460</u>	<u>56,445</u>	<u>11,760</u>	<u>0</u>	<u>262,430</u>
Totals	<u>\$273,821</u>	<u>\$49,684</u>	<u>\$63,460</u>	<u>\$90,799</u>	<u>\$111,112</u>	<u>\$161,625</u>	<u>\$750,501</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 14, 1926

To All Members of the Board

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Subject: _____

From Mr. Noell

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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 ✓

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September 14, 1926

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 13th instant, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 2nd to September 8th, 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.

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FEDERAL RESERVE BANK
OF NEW YORK

SEP 14 1926
RECEIVED
FEDERAL RESERVE BANK OF NEW YORK

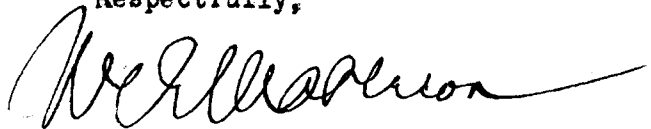
CONFIDENTIAL

September 13, 1926

S i r :

Enclosed is a report of transactions in Govern-
ment securities and bankers acceptances as reported to the
Open Market Investment Committee for the Federal Reserve
System for the period from September 2 to September 8, 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 SEPTEMBER 8, 1926

Holdings of Earning Assets of Federal Reserve Banks from March 25, 1925 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1925-						
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	214,664	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	3,600	242,868	10,613	626,348
" 8	1,196,235	305,456	6,828	245,161	20,823	614,267

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED SEPTEMBER 8, 1926

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 8	Change	Sept. 8	Change	Sept. 8	Change
Boston	\$ 10,048	\$ 438-	\$ 20,063	\$1,920-	\$ 37,821	\$ 8,243-
New York	56,715	2,638-	27,696	167-	192,608	16,365+
Philadelphia	20,123	246-	21,151	2,123+	42,188	3,423-
Cleveland	34,326	660-	25,327	1,198-	37,505	4,038+
Richmond	7,450	291-	11,850	707-	45,628	2,021-
Atlanta	1,940	57+	29,098	66+	48,310	1,856-
Chicago	47,528	1,312-	35,895	1,202+	59,081	10,912-
St. Louis	20,293	686-	8,657	88+	37,957	1,309-
Minneapolis	16,931	446-	11,317	461-	15,116	1,102-
Kansas City	28,917	900-	14,616	261+	13,069	728+
Dallas	20,863	889-	11,599	243+	24,262	999-
San Francisco	40,322	1,459-	21,267	874-	60,722	3,347-
N.Y. holdovers & other bills			6,625	3,637+		
Totals	\$305,456	\$9,908-	\$245,161	\$2,293+	\$614,267	\$12,081-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 8, 1926

Total earning assets of the System decreased approximately \$6,000,000 during the current statement week. Decreases of about \$12,000,000 in bills discounted and \$9,000,000 in outright purchases of Government securities were partially offset by increases of \$2,000,000 in outright purchases of bankers acceptances and \$13,000,000 in investments held under sales contracts. This latter increase of \$13,000,000 in investments held under sales contracts was comprised of \$3,000,000 in Government securities and \$10,000,000 in bankers acceptances.

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Call
Money

Stock Exchange call money which was unchanged since September 1 at 4 1/2 per cent opened and renewed on September 7 at this rate but at noon hour advanced to 5 per cent and remained at this figure for the balance of the week. Call money was firm and a substantial amount of reserve bank credit was called forth in order to offset the loss of funds to the market through currency withdrawals and transfers to the interior.

There was only a small demand for time money in the market with some 90-day loans at 4 7/8 per cent, and 4 to 6 months' loans at 5 per cent.

In the commercial paper market there was a slight improvement in the demand but sales were light due to the limited supply. Sales were principally at 4 1/2 per cent with some at 4 3/4 per cent.

Government
Security
Market

An easier tone prevailed in the United States Government bond market this week. There was a fairly large volume of trading and prices were fractionally lower than at the close of business last week.

Prices of United States short-term certificates and notes were at approximately the same levels as last week. The market, however, was to some degree stimulated by the new 9 months' issue of 3 1/2 per cent certificates of indebtedness due June 15, 1927, which issue was heavily oversubscribed.

Bankers
Acceptances

There was no change in dealers' offering rates on unindorsed bankers acceptances which were as follows: 3 5/8 per cent for 30's, 3 3/4 per cent for 60's, 3 7/8 per cent for 90's and 4 per cent for 120-day bills.

Boston reports that although the market as a whole has been inactive there was some improvement in the demand. Supply of new bills continues scarce with dealers' portfolios small. In New York the market continued quiet. There was, however, fairly good buying of 90-day bills for foreign accounts and by country banks. Dealers' aggregate portfolios showed a slight increase over last week. The market in Philadelphia continued quiet with bills somewhat scarcer during the week and demand light. The demand for bills in Chicago was fair but the supply of new bills was very small.

OPERATIONS ACCOUNT UNITED STATES TREASURY

The only transaction during the current statement week was the delivery on September 7 of the \$1,500,000 Second 4 1/4% L/L bonds which were purchased in the market, as previously reported, for the account of the Secretary of the Interior, account of Osage Indians.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of purchases of bankers acceptances from January 4 to September 8, 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	\$ 81,225,000	\$ 76,684,000	\$4,541,000	0
New York	257,001,000	257,873,000	0	872,000
Philadelphia	87,901,000	87,638,000	263,000	0
Cleveland	109,410,000	109,545,000	0	135,000
Richmond	56,220,000	56,756,000	0	536,000
Atlanta	52,983,000	53,390,000	0	407,000
Chicago	152,328,000	153,366,000	0	1,038,000
St. Louis	46,842,000	46,842,000	0	0
Minneapolis	45,261,000	45,802,000	0	541,000
Kansas City	65,194,000	65,728,000	0	534,000
Dallas	45,526,000	45,802,000	0	276,000
San Francisco	98,130,000	98,595,000	0	465,000
Totals	\$1,098,021,000	\$1,098,021,000	\$4,804,000	\$4,804,000

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

The Federal Reserve Bank of St. Louis temporarily discontinued their participation in daily purchases of bills from September 3 to September 11.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In addition to the sale from the System Account of \$5,000,000 December 15, 1926 certificates to a foreign correspondent on September 7, as mentioned in the previous report, there were sold to the market \$9,395,000 September 15, 1926 4 1/4% Treasury Notes. This will leave the total holdings in the System Account at the close of business September 13, 1926 at \$200,580,000. The participation by all Federal reserve banks and the classification of issues by maturities were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 8,792,500
New York	52,914,500
Philadelphia	4,934,000
Cleveland	13,240,000
Richmond	5,835,500
Atlanta	0
Chicago	26,309,000
St. Louis	13,765,000
Minneapolis	8,949,500
Kansas City	18,047,500
Dallas	18,520,500
San Francisco	29,272,000

Totals **\$200,580,000**

RECAPITULATION OF HOLDINGS BY MATURITIES

September 15, 1926	\$50,000,000
December 15, 1926	44,380,500
March 15, 1927	76,878,200
December 15, 1927	29,321,300

\$200,580,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM SEPTEMBER 2 TO SEPTEMBER 8, 1926

GOVERNMENT SECURITIES - SPECIAL INVESTMENT ACCOUNT
 (Participation in Sales)

Boston	\$ 438,000
New York	2,638,000
Philadelphia	246,000
Cleveland	660,000
Richmond	291,000
Atlanta	0
Chicago	1,312,000
St. Louis	686,000
Minneapolis	446,000
Kansas City	900,000
Dallas	924,000
San Francisco	<u>1,459,000</u>
Total	<u>\$10,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 100	L/L bonds
Atlanta	\$194,150	Misc. Gov't Sec.	137,300	Misc. Gov't Securities
Dallas	<u>35,400</u>	L/L bonds	<u>0</u>	-
Totals	<u>\$229,550</u>		<u>\$137,400</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings <u>Sept. 1</u>	Purchased <u>Own Mkt.</u>	Rec'd by Allotment			Matur- ities & <u>Sales</u>	Holdings <u>Sept. 8</u>	Other Holdings	
			Regular <u>from N.Y.</u>	From <u>Boston Port.</u>				<u>Close Sept. 8/26</u>	<u>Sales</u>
							<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 21,983	\$ 6,318 R	0	0	\$ 8,238**	\$ 20,063	\$ 564	0	
New York	27,863	4,049 " 9,739 A	0	3,600	3,600* 4,216	27,696	13,472	1,232	
Phila.	19,028	2,765 R	0	2,000	2,652	21,151	0	0	
Cleveland	26,525	831 "	1,860	0	3,889	25,327	0	873	
Richmond	12,557	100 "	1,159	0	1,966	11,850	0	0	
Atlanta	29,032	186 " 3,600*	714	0	4,434	29,098	0	890	
Chicago	34,693	354 "	2,507	0	1,659	35,895	1,889	0	
St. Louis	8,569	0	522	0	434	8,657	0	0	
Minn.	11,778	0	982	0	1,343	11,317	0	0	
Kan. City	14,355	0	905	600	1,244	14,616	0	0	
Dallas	11,356	269 "	722	0	748	11,599	0	0	
San Fran.	<u>22,141</u>	<u>1,050 "</u>	<u>368</u>	<u>0</u>	<u>2,292</u>	<u>21,267</u>	<u>4,898</u>	<u>0</u>	
Totals	\$239,880	\$29,261	\$9,739	\$6,200	\$36,715	\$238,536	\$20,823	\$2,995	

bills held over night by New York for distribution to other F. R. Banks 3,630

Total.....\$6,625

*Sale to Atlanta from New York portfolio
 **Includes \$6,200,000 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 SEPTEMBER 8, 1926
 (000 Omitted)

	1-30 days <u>\$ 1/2-3 5/8%</u>	31-60 days <u>3 1/2-3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90-days <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$ 198	\$ 342	\$3,056	\$2,722	\$ 6,318
New York	6,602	2,834	3,049	1,303	13,788
Philadelphia	572	331	1,862	0	2,765
Cleveland	0	0	831	0	831
Richmond	0	0	100	0	100
Atlanta	3,600	0	186	0	3,786
Chicago	0	0	354	0	354
Dallas	50	200	0	19	269
San Francisco	475	187	388	0	1,050
Totals	<u>\$11,497</u>	<u>\$3,894</u>	<u>\$9,826</u>	<u>\$4,044</u>	<u>\$29,261</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 8, 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	\$ 229	\$35,461	\$35,690
Sold	10,137	0	10,137
Matured	0	<u>36,705</u>	<u>36,705</u>
		\$ 1,244-	\$11,152-
		3,637+(Net Change	3,637+(Net Change
		1-day holdover	1-day holdover
		of other bills)	of other bills)
Totals	<u>\$9,908-</u>	<u>\$ 2,393+</u>	<u>\$ 7,515-</u>

(Including Sales Contract

<u>Holdings</u> <u>September 8, 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	\$ 72,226	0	0	0	\$45,632	\$194,426	\$312,284
Bills Purchased	<u>90,732</u>	<u>49,831</u>	<u>65,387</u>	<u>48,682</u>	<u>11,352</u>	<u>0</u>	<u>265,984</u>
Totals	<u>\$162,958</u>	<u>\$49,831</u>	<u>\$65,387</u>	<u>\$48,682</u>	<u>\$56,984</u>	<u>\$194,426</u>	<u>\$578,268</u>