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Form No. 181.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date May 4, 1927.

To All Members of the Board

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

From Mr. Eddy

2-9405  
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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Authority E.O. 10501

May 4, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of May 3rd, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from April 21 to April 27, 1927, inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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

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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
MAY 3 1927  
FEDERAL RESERVE BANK OF NEW YORK


CONFIDENTIAL

May 3, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from April 21 to April 27, 1927 in-  
clusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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**CONFIDENTIAL**  
 REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 27, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 30  | 1,049,034                  | 311,587               | 41,516             | 184,755               | 52,654             | 456,023    |
| Apr. 20  | 996,168                    | 313,203               | 19,626             | 196,841               | 50,555             | 414,443    |
| Apr. 27  | 1,005,577                  | 314,332               | 3,993              | 194,007               | 47,892             | 443,553    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 27, 1927  
 (000 Omitted)

|                                    | GOVERNMENT SECURITIES |                 | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED    |                  |
|------------------------------------|-----------------------|-----------------|---------------------|-----------------|---------------------|------------------|
|                                    | Balance<br>April 27   | Net<br>Change   | Balance<br>April 27 | Net<br>Change   | Balance<br>April 27 | Net<br>Change    |
| Boston                             | \$ 9,373              | \$ 0            | \$ 18,937           | \$2,096+        | \$ 14,347           | \$ 7,868-        |
| New York                           | 55,460                | 988+            | 23,396              | 1,174+          | 116,114             | 29,008+          |
| Philadelphia                       | 19,687                | 0               | 12,450              | 795+            | 47,247              | 7,547+           |
| Cleveland                          | 36,675                | 23+             | 19,206              | 351+            | 49,925              | 2,370-           |
| Richmond                           | 7,099                 | 0               | 9,509               | 974-            | 22,313              | 4,063-           |
| Atlanta                            | 3,960                 | 88+             | 10,754              | 608-            | 34,383              | 2,384-           |
| Chicago                            | 46,346                | 0               | 27,278              | 645-            | 62,907              | 4,019+           |
| St. Louis                          | 27,659                | 0               | 18,999              | 3,320-          | 17,199              | 4,416+           |
| Minneapolis                        | 16,542                | 0               | 11,965              | 623-            | 6,748               | 57-              |
| Kansas City                        | 27,595                | 1-              | 11,599              | 874-            | 15,363              | 3,431+           |
| Dallas                             | 24,864                | 31+             | 9,515               | 235-            | 5,145               | 502+             |
| San Francisco                      | 39,072                | 0               | 15,943              | 203-            | 51,862              | 3,071-           |
| N. Y. holdovers<br>and other bills |                       |                 | 4,456               | 232+            |                     |                  |
| <b>Totals</b>                      | <b>\$314,332</b>      | <b>\$1,129+</b> | <b>\$194,007</b>    | <b>\$2,834-</b> | <b>\$443,553</b>    | <b>\$29,110+</b> |

COMMENT ON CHANGES WEEK ENDED APRIL 27, 1927

Total earning assets of the System showed an increase of \$9,409,000 for the current statement week. The approximate changes by classification consisted of increases of \$29,100,000 bills discounted, \$1,130,000 outright purchases of Government securities, and decreases of \$18,300,000 investments held under sales contract and \$2,830,000 outright purchases of bankers acceptances. The decrease in investments held under sales contracts consisted of about \$15,600,000 Government securities and \$2,700,000 bankers acceptances.

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Money  
Market

Accompanying some movement of commercial funds from the interior, call money remained at 4 per cent until Friday. On that day, however, withdrawals of currency for the week-end coincided with preparations for the usual first of the month interest and dividend disbursements, thereby causing an advance in the call rate to 5 per cent, the highest since February 25.

Nominal quotations of 4 1/4 per cent bid, 4 3/8 per cent offered for 60-day loans, and 4 3/8 per cent bid, 4 1/2 per cent offered for 90 day to 6 months' loans, were unchanged from the levels established late in the previous week. Activity was generally confined to 60-90 day loans which were placed at 4 3/8 per cent.

The commercial paper market was quiet during the past week. Interior banks, which have been the chief buyers of paper, evidenced little interest in dealers' offerings. Due, however, to the limited demands being made on them by open market borrowers, dealers were not pressed to make sales, and rates remained at 4 - 4 1/4 per cent for prime name.

Government  
Security  
Market

The market for United States Liberty Loan and Treasury bonds was rather dull. The volume of trading during the week was moderate with prices at the end of the week showing a decline of from 1 to 10/32 from the previous week's close. The market for United States Certificates of Indebtedness and Treasury Notes was quiet with some preference shown in the demand for issues maturing next September and March. Dealers' offering prices at the end of the week were at levels to yield from about 3.46 to 3.53 per cent to maturity.

Bankers  
Acceptances

Dealers' offering rates on unindorsed bankers acceptances continued unchanged as follows: 3 1/2 per cent for 30's, 3 1/2 to 3 5/8 per cent for 60's, 3 5/8 per cent for 90's, and 3 3/4 per cent for 120-day bills.

Boston reports some improvement in the supply of new bills in their district, with a better demand for bills maturing up to 45 days. While bills with short maturities moved very freely dealers reported some difficulty in moving bills of longer maturities. Offerings to the reserve bank showed a slight increase over the previous week. In the New York market dealers purchases and sales were both good and substantially in excess of last week, with the supply slightly larger than the demand. Sales of 90-day bills for foreign account were quite heavy, while those for local account were light. The aggregate of dealers' portfolios increased moderately while offerings to the reserve bank for System Account were considerably less than during any week for the past month. The Philadelphia market also showed some improvement with offerings substantially in excess of the demand which continued to be for short bills. Chicago reports their market was dull with banks as principal buyers. The demand was chiefly for bills with maturities under 60 days, with very few new bills offered.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated for the United States Treasury during the week consisted of the sale of \$500,000, June 15, 1927 3 1/2% certificates of indebtedness for account of the Government Life Insurance Fund, and purchases of \$1,923,500 March 15, 1928 3 1/4% certificates of indebtedness for account of Mixed Claims Commission and \$5,000,000 Second 4 1/4% Liberty Loan bonds for account of Surplus Money.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 39,322,000               | \$ 36,648,000                    | \$2,674,000                      | \$ 0                              |
| New York      | 121,902,000                 | 124,987,000                      | 0                                | 3,085,000                         |
| Philadelphia  | 40,968,000                  | 41,574,000                       | 0                                | 606,000                           |
| Cleveland     | 52,466,000                  | 51,965,000                       | 501,000                          | 0                                 |
| Richmond      | 25,609,000                  | 25,984,000                       | 0                                | 375,000                           |
| Atlanta       | 26,716,000                  | 25,984,000                       | 732,000                          | 0                                 |
| Chicago       | 72,933,000                  | 73,026,000                       | 0                                | 93,000                            |
| St. Louis     | 28,743,000                  | 28,743,000                       | 0                                | 0                                 |
| Minneapolis   | 20,582,000                  | 20,784,000                       | 0                                | 202,000                           |
| Kansas City   | 30,686,000                  | 31,178,000                       | 0                                | 492,000                           |
| Dallas        | 21,471,000                  | 21,057,000                       | 414,000                          | 0                                 |
| San Francisco | <u>42,380,000</u>           | <u>41,848,000</u>                | <u>532,000</u>                   | <u>0</u>                          |
| <b>Totals</b> | <u><u>\$523,778,000</u></u> | <u><u>\$523,778,000</u></u>      | <u><u>\$4,853,000</u></u>        | <u><u>\$4,853,000</u></u>         |

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

The Federal Reserve Bank of St. Louis discontinued their participation in daily purchases of bills during period April 25 to April 27, 1927 inclusive.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the holdings in the System Special investment Account since the last report, the amount remaining at \$201,343,500. 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  | \$ 8,825,500                | June 15, 1927                                   | 3 1/2% C/I     | \$ 47,366,000               |
| New York                                      | 53,116,000                  | Sept. 15, 1927                                  | 3 1/4% " "     | 64,043,500                  |
| Philadelphia                                  | 4,952,500                   | " 15, 1927                                      | 3 1/8% " "     | 8,300,000                   |
| Cleveland                                     | 13,291,500                  | Dec. 15, 1927                                   | 4 1/2% T/N     | 26,634,000                  |
| Richmond                                      | 5,857,500                   | March 15, 1928                                  | 3 1/4% C/I     | 10,000,000                  |
| Atlanta                                       | 0                           | Sept. 15, 1928                                  | 4 1/4% 3rd L/L | 25,000,000                  |
| Chicago                                       | 26,409,500                  | March 15, 1932                                  | 3 1/2% T/N     | 20,000,000                  |
| St. Louis                                     | 13,817,500                  |   |                |                             |
| Minneapolis                                   | 8,984,000                   |   |                |                             |
| Kansas City                                   | 18,115,500                  |   |                |                             |
| Dallas  | 18,591,000                  |   |                |                             |
| San Francisco                                 | <u>29,383,000</u>           |   |                |                             |
| <b>Totals</b>                                 | <u><u>\$201,343,500</u></u> |   |                | <u><u>\$201,343,500</u></u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM APRIL 21 TO APRIL 27, 1927

GOVERNMENT SECURITIES

|             | <u>Purchases</u>   | <u>Issue</u>      | <u>Sales</u>     | <u>Issue</u>           |
|-------------|--------------------|-------------------|------------------|------------------------|
| New York    | \$ 988,000*        | June 15, 1927 C/I | 0                | -                      |
| Cleveland   | 23,500             | June 15, 1927 C/I | 0                | -                      |
| Atlanta     | 304,500            | Misc. Gov't Sec.  | 217,100          | Misc. Gov't Securities |
| Kansas City | 0                  | -                 | 1,000            | Misc. Gov't Securities |
| Dallas      | <u>31,300</u>      | Misc. Gov't Sec.  | <u>0</u>         | -                      |
| Totals      | <u>\$1,347,300</u> |                   | <u>\$218,100</u> |                        |

\*Hold temporarily in investment account.

BANKERS ACCEPTANCES  
 (000 Omitted)

|             | Holdings<br><u>April 20</u> | Purchased<br><u>Own Mkt.</u> | Received by<br><u>Allotment from N. Y.</u> | Matur-<br><u>ities &amp; Sales</u> | Holdings<br><u>April 27</u> | Other Holdings           |                |
|-------------|-----------------------------|------------------------------|--|------------------------------------|-----------------------------|--------------------------|----------------|
|             |                             |                              |  |                                    |                             | <u>Close April 27/27</u> |                |
|             |                             |                              |  |                                    |                             | <u>Sales</u>             | <u>Other</u>   |
|             |                             |                              |  |                                    |                             | <u>Contracts</u>         | <u>Bills</u>   |
| Boston      | \$ 16,841                   | \$ 3,870 R.                  | 0  | \$ 1,774                           | \$ 18,937                   | \$ 6,177                 | 0              |
| New York    | 22,222                      | 6,557 "                      | 0  | 5,383                              | 23,396                      | 29,330                   | 860            |
|             |                             | 8,913 A.                     |  |                                    |                             |                          |                |
| Phila.      | 11,655                      | 3,256 R.                     | 0  | 2,461                              | 12,450                      | 0                        | 0              |
| Cleveland   | 18,855                      | 1,421 "                      | 2,005                                      | 3,075                              | 19,206                      | 0                        | 990            |
| Richmond    | 10,483                      | 0                            | 443  | 1,417                              | 9,509                       | 0                        | 0              |
| Atlanta     | 11,362                      | 180 "                        | 256  | 1,044                              | 10,754                      | 0                        | 897            |
| Chicago     | 27,923                      | 1,700 "                      | 1,696                                      | 4,041                              | 27,278                      | 4,344                    | 0              |
| St. Louis   | 22,319                      | 0                            | 1,052                                      | 4,372                              | 18,999                      | 0                        | 0              |
| Minneapolis | 12,588                      | 0                            | 911  | 1,534                              | 11,965                      | 0                        | 0              |
| Kan. City   | 12,473                      | 0                            | 1,343                                      | 2,217                              | 11,599                      | 0                        | 0              |
| Dallas      | 9,750                       | 910 "                        | 809  | 1,954                              | 9,515                       | 610                      | 0              |
| San Fran.   | <u>16,146</u>               | <u>1,329</u> "               | <u>398</u>                                 | <u>1,930</u>                       | <u>15,943</u>               | <u>7,431</u>             | <u>0</u>       |
| Totals      | <u>\$192,617</u>            | <u>\$28,136</u>              | <u>\$8,913</u>                             | <u>\$31,202</u>                    | <u>\$189,551</u>            | <u>\$47,892</u>          | <u>\$2,747</u> |

Bills held overnight by New York for distribution to other F. R. Banks - - 1,709

Total - - - - - \$4,456

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 27, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 3/4%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4%</u> | Over 90-days<br><u>3 3/4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|-----------------|
| Boston        | \$ 2,683                           | \$ 1,172                            | \$ 15                       | 0                             | \$ 3,870        |
| New York      | 7,191                              | 6,879                               | 573                         | 827                           | 15,470          |
| Philadelphia  | 1,943                              | 1,313                               | 0                           | 0                             | 3,256           |
| Cleveland     | 1,421                              | 0                                   | 0                           | 0                             | 1,421           |
| Atlanta       | 150                                | 30                                  | 0                           | 0                             | 180             |
| Chicago       | 501                                | 1,199                               | 0                           | 0                             | 1,700           |
| Dallas        | 538                                | 321                                 | 0                           | 51                            | 910             |
| San Francisco | <u>1,270</u>                       | <u>59</u>                           | <u>0</u>                    | <u>0</u>                      | <u>1,329</u>    |
| <b>Totals</b> | <u>\$15,697</u>                    | <u>\$10,973</u>                     | <u>\$588</u>                | <u>\$878</u>                  | <u>\$28,136</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 27, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Including Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u> | <u>Total</u>     |
|---------------|----------------------------------|--------------------------------|------------------|
| Purchased     | \$1,347                          | \$28,136                       | \$29,483         |
| Sold          | 218                              | 0                              | 218              |
| Matured       | 0                                | <u>31,202</u>                  | <u>31,202</u>    |
|               |                                  | \$ 3,066-                      | \$ 1,937-        |
|               |                                  | 232+ (Net Change               | 232+ (Net Change |
|               |                                  | 1-day holdover                 | 1-day holdover   |
|               |                                  | and other bills)               | and other bills) |
| <b>Totals</b> | <u>\$1,129+</u>                  | <u>\$2,834-</u>                | <u>\$1,705-</u>  |

(Excluding Sales Contracts)

| <u>Holdings<br/>April 27, 1927</u> | <u>Within<br/>15 days</u> | <u>16-30<br/>days</u> | <u>31-60<br/>days</u> | <u>61-90<br/>days</u> | <u>91-days<br/>6 months</u> | <u>Over 6<br/>months</u> | <u>Total</u>     |
|------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|------------------|
| Gov't Securities                   | 0                         | 0                     | \$50,227              | 0                     | \$86,366                    | \$177,739                | \$314,332        |
| Bills Purchased                    | <u>73,255</u>             | <u>68,003</u>         | <u>38,412</u>         | <u>10,815</u>         | <u>3,522</u>                | <u>0</u>                 | <u>194,007</u>   |
| <b>Totals</b>                      | <u>\$73,255</u>           | <u>\$68,003</u>       | <u>\$88,639</u>       | <u>\$10,815</u>       | <u>\$89,888</u>             | <u>\$177,739</u>         | <u>\$508,339</u> |



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*Mr. Lmead ✓*  
*Miss Brown ✓*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
APR 27 1927  
DIVISION OF  
RESEARCH & STATISTICS

CONFIDENTIAL

April 26, 1927

Mr. E. A. Goldenweiser,  
Acting Director, Division of Research and Statistics,  
Federal Reserve Board,  
Washington, D. C.

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from April 14 to April 20, 1927 in-  
clusive, together with data received by the Committee  
from the Federal reserve banks.

Very truly yours,

*W. B. Metteson*  
W. B. Metteson  
Secretary, Open Market  
Investment Committee

Encl. (1)

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*For week April 14 - 20, 1927*

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 20, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |           | BANKERS ACCEPTANCES |           | BILLS      |
|----------|----------------------------|-----------------------|-----------|---------------------|-----------|------------|
|          |                            | Outright              | Sales     | Outright            | Sales     | DISCOUNTED |
|          |                            | Purchases             | Contracts | Purchases           | Contracts |            |
| -1926-   |                            |                       |           |                     |           |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990  | \$279,321           | \$16,096  | \$448,557  |
| Feb. 24  | 1,185,406                  | 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             | 10,507    | 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. 24  | 1,270,681                  | 298,269               | 1,635     | 303,220             | 37,409    | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479     | 307,372             | 71,426    | 710,931    |
| -1927-   |                            |                       |           |                     |           |            |
| Jan. 26  | 972,249                    | 301,851               | 914       | 269,362             | 32,465    | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428       | 243,934             | 36,255    | 397,929    |
| Mar. 30  | 1,049,034                  | 311,587               | 41,516    | 184,755             | 52,654    | 456,023    |
| Apr. 13  | 1,040,335                  | 312,535               | 42,809    | 203,923             | 52,801    | 425,767    |
| Apr. 20  | 996,168                    | 313,203               | 19,626    | 196,841             | 50,555    | 414,443    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 20, 1927  
(000 Omitted)

|                                    | GOVERNMENT SECURITIES |        | BANKERS ACCEPTANCES |          | BILLS DISCOUNTED |           |
|------------------------------------|-----------------------|--------|---------------------|----------|------------------|-----------|
|                                    | Balance               | Net    | Balance             | Net      | Balance          | Net       |
|                                    | April 20              | Change | April 20            | Change   | April 20         | Change    |
| Boston                             | \$ 9,373              | \$ 0   | \$ 16,841           | \$ 639+  | \$ 22,215        | \$ 2,755- |
| New York                           | 54,472                | 0      | 22,222              | 9,952-   | 87,106           | 56,101-   |
| Philadelphia                       | 19,687                | 0      | 11,655              | 283+     | 39,700           | 2,813+    |
| Cleveland                          | 36,652                | 28+    | 18,855              | 447-     | 52,295           | 775+      |
| Richmond                           | 7,099                 | 0      | 10,483              | 1,137+   | 26,376           | 6,796+    |
| Atlanta                            | 3,872                 | 589+   | 11,362              | 893+     | 36,767           | 9,081+    |
| Chicago                            | 46,346                | 0      | 27,923              | 863+     | 58,888           | 20,369+   |
| St. Louis                          | 27,659                | 0      | 22,319              | 1,266+   | 12,783           | 48-       |
| Minneapolis                        | 16,542                | 0      | 12,588              | 4,908+   | 6,805            | 1,424+    |
| Kansas City                        | 27,596                | 1+     | 12,473              | 445+     | 11,932           | 1,333+    |
| Dallas                             | 24,833                | 50+    | 9,750               | 592+     | 4,643            | 680+      |
| San Francisco                      | 39,072                | 0      | 16,146              | 146-     | 54,933           | 4,369+    |
| N. Y. holdovers<br>and other bills |                       |        | 4,224               | 7,563-   |                  |           |
| Totals                             | \$313,203             | \$668+ | \$196,841           | \$7,082- | \$414,443        | \$11,324- |

COMMENT ON CHANGES WEEK ENDED APRIL 20, 1927

Total earning assets of the System showed a decrease of \$44,167,000 for the current statement week. The approximate changes by classification consisted of decreases of \$11,300,000 bills discounted, \$25,400,000 investments held under sales contracts, and \$7,100,000 outright purchases of bankers acceptances, and an increase of \$650,000 outright purchases of Government securities. The decrease in investments held under sales contracts consisted of \$23,200,000 Government securities and \$2,200,000 bankers acceptances.

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Money  
Market

Reflecting the favorable reserve position of New York City banks at the beginning of the week and some further movement of commercial funds from the interior, call money declined to 4 per cent on Monday and remained at this level for the balance of the week. Offerings of loanable funds were large and some loans were placed outside the Exchange at 3 3/4 per cent. New York City banks' loans at the reserve bank fluctuated between 60 and 100 million dollars during the week.

Time money after holding firm at 4 1/2 per cent in the first part of the week showed an easier tendency toward the end of the week when 60-day loans were quoted at 4 1/4 per cent bid, 4 3/8 per cent offered, and 3 to 6 months' loans at 4 3/8 per cent bid, 4 1/2 per cent offered. At these levels there was active trading in 60-day loans at 4 3/8 per cent, and some activity in the longer maturities at 4 3/8 per cent and 4 1/2 per cent.

Conditions in the commercial paper market were unchanged during the week. Sales, which were chiefly to interior institutions, were made at 4 and 4 1/4 per cent, and dealers' lists remained fairly small due to the limited demands being made on them by open market borrowers.

Government  
Security  
Market

Accompanying easier money conditions during the week the market for United States Liberty Loan and Treasury bonds reflected a somewhat stronger tendency with the volume of trading both on and off the New York Stock Exchange considerably larger than during the past several weeks. The Treasury bonds were in best demand and showed increases in prices at the end of the week of from 8 to 20/32nds.

The short-term Certificates of Indebtedness and Treasury Notes were also in better demand during the week, with preference shown for the certificates maturing in June and September of this year. Dealers' offering prices at the close of the week were approximately the same as at the previous week's close, and at levels to yield from about 3.46 to 3.53 per cent to maturity.

Bankers  
Acceptances

Dealers offerings of unindorsed bankers acceptances were unchanged at the following rates: 3 1/2 per cent for 30's, 3 1/2 to 3 5/8 per cent for 60's, 3 5/8 per cent for 90's, 3 3/4 per cent for 120-day bills.

Boston reports that there was no material change of conditions in their bill market. A slight improvement was noticed in the supply of bills but the larger portion of this increase represented bills purchased from other than acceptors and indorsers. Dealers' sales to local banks fell off moderately while their offerings to the reserve bank increased about \$1,600,000. The supply of bills in New York market was good and very much in excess of the demand which decreased considerably to a low point since the first week in last December. Buying for foreign orders fell off substantially and sales for local account were very poor. The aggregate of dealers' portfolios increased heavily. The bill market in Philadelphia was quiet and inactive. Offerings were light and mainly from dealers and the demand dull. Chicago reports there was practically no investment demand for bills in their district due to the rates at which short maturities of Government securities were offered. There was some buying by banks of short bills for the purpose of creating Federal reserve funds.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions effected during the current week, under authority from the Treasury, consisted of the purchases of \$20,000,000 Second 4 1/4 per cent Liberty Loan bonds for account of Surplus Money, and \$300,000 March 15, 1928 certificates for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 35,452,000         | \$ 34,461,000                    | \$ 991,000                       | \$ 0                              |
| New York      | 115,345,000           | 118,152,000                      | 0                                | 2,807,000                         |
| Philadelphia  | 37,712,000            | 39,387,000                       | 0                                | 1,675,000                         |
| Cleveland     | 49,040,000            | 49,231,000                       | 0                                | 191,000                           |
| Richmond      | 25,166,000            | 24,617,000                       | 549,000                          | 0                                 |
| Atlanta       | 26,280,000            | 24,617,000                       | 1,663,000                        | 0                                 |
| Chicago       | 69,537,000            | 68,925,000                       | 612,000                          | 0                                 |
| St. Louis     | 27,691,000            | 27,946,000                       | 0                                | 255,000                           |
| Minneapolis   | 19,671,000            | 19,690,000                       | 0                                | 19,000                            |
| Kansas City   | 29,343,000            | 29,538,000                       | 0                                | 195,000                           |
| Dallas        | 19,752,000            | 19,690,000                       | 62,000                           | 0                                 |
| San Francisco | 40,653,000            | 39,388,000                       | 1,265,000                        | 0                                 |
| <b>Totals</b> | <u>\$495,642,000</u>  | <u>\$495,642,000</u>             | <u>\$5,142,000</u>               | <u>\$5,142,000</u>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of the Committee, there was sold in the market during the week from holdings in the System Account, \$20,000,000 June 15, 1927 - 3 1/2 per cent certificates at par and interest in exchange for a like amount of 3 1/2 per cent Treasury notes due March 15, 1930-32 at 99 15/16 and interest. This transaction left the total holdings in the account unchanged at \$201,343,500. 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  | \$ 8,825,500         | June 15, 1927                                   | 3 1/2% C. of I. \$47,366,000   |
| New York                                      | 53,116,000           | Sept. 15, 1927                                  | 3 1/8% " " " 8,300,000         |
| Philadelphia                                  | 4,952,500            | Sept. 15, 1927                                  | 3 1/4% " " " 64,043,500        |
| Cleveland                                     | 13,291,500           | Dec. 15, 1927                                   | 4 1/2% Treas. Notes 26,634,000 |
| Richmond                                      | 5,857,500            | Mar. 15, 1928                                   | 3 1/4% C. of I. 10,000,000     |
| Atlanta                                       | 0                    | Sept. 15, 1928                                  | 4 1/4% 3rd L/L bds 25,000,000  |
| Chicago                                       | 26,409,500           | Mar. 15, 1930-32                                | 3 1/2% Tr. Notes 20,000,000    |
| St. Louis                                     | 13,817,500           |   |                                |
| Minneapolis                                   | 8,984,000            |   |                                |
| Kansas City                                   | 18,115,500           |   |                                |
| Dallas  | 18,591,000           |   |                                |
| San Francisco                                 | 29,383,000           |   |                                |
| <b>Totals</b>                                 | <u>\$201,343,500</u> |   | <u>\$201,343,500</u>           |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM APRIL 14 TO APRIL 20, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>   | <u>Issue</u>     | <u>Sales</u>       | <u>Issue</u>      |
|---------------|--------------------|------------------|--------------------|-------------------|
| Cleveland     | \$5,450,000        | Misc. Gov't Sec. | \$5,421,500        | June 15, 1927 G/I |
| Atlanta       | 731,200            | Misc. Gov't Sec. | 142,750            | Misc. Gov't Sec.  |
| Kansas City   | 1,000              | L/L bonds        | 0                  | -                 |
| Dallas        | <u>50,300</u>      | Misc. Gov't Sec. | <u>0</u>           | -                 |
| <b>Totals</b> | <u>\$6,232,500</u> |                  | <u>\$5,564,250</u> |                   |

BANKERS ACCEPTANCES  
 (000 Omitted)

|               | <u>Holdings</u><br><u>April 13</u> | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Rec'd by Allotment</u>                     |   |   | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br><u>April 20</u> | <u>Other Holdings</u><br><u>Close Apr. 20/27</u> |                  |
|---------------|------------------------------------|-------------------------------------|---|---|---|---|------------------------------------|--|------------------|
|               |                                    |                                     | <u>Regular</u><br><u>from</u><br><u>N. Y.</u> | <u>From</u><br><u>N. Y.</u><br><u>Port.</u> | <u>From</u><br><u>N. Y.</u><br><u>Port.</u> |   |                                    | <u>Sales</u>                                     | <u>Contracts</u> |
| Boston        | \$ 16,202                          | \$ 3,325 R.                         | 0   | \$ 350                                      | \$ 3,036                                    | \$ 16,841   | \$ 7,139                           | 0  |                  |
| New York      | 32,174                             | 3,118 " 19,775 A.                   | 0   | 0   | 13,070*                                     | 22,222  | 31,452                             | 893  |                  |
| Phila.        | 11,372                             | 2,113 R.                            | 0   | 0   | 1,830                                       | 11,655  | 0                                  | 0  |                  |
| Cleveland     | 19,302                             | 167 "                               | 3,037   | 0   | 3,651                                       | 18,855  | 0                                  | 959  |                  |
| Richmond      | 9,346                              | 649 "                               | 1,946   | 0   | 1,458                                       | 10,483  | 0                                  | 0  |                  |
| Atlanta       | 10,469                             | 1,711 "                             | 1,437   | 0   | 2,255                                       | 11,362  | 0                                  | 1,191  |                  |
| Chicago       | 27,060                             | 1,205 "                             | 4,358   | 0   | 4,700                                       | 27,923  | 3,988                              | 0  |                  |
| St. Louis     | 21,053                             | 0                                   | 2,599   | 0   | 1,333                                       | 22,319  | 0                                  | 0  |                  |
| Minn.         | 7,680                              | 0                                   | 1,486   | 5,019                                       | 1,597                                       | 12,588  | 0                                  | 0  |                  |
| Kan. City     | 12,028                             | 0                                   | 2,125   | 0   | 1,680                                       | 12,473  | 0                                  | 0  |                  |
| Dallas        | 9,158                              | 114 "                               | 1,454   | 0   | 976   | 9,750   | 626                                | 0  |                  |
| San Fran.     | <u>16,292</u>                      | <u>1,722 "</u>                      | <u>1,333</u>                                  | <u>0</u>                                    | <u>3,201</u>                                | <u>16,146</u>                                       | <u>7,350</u>                       | <u>0</u>   |                  |
| <b>Totals</b> | <b>\$192,136</b>                   | <b>\$33,899</b>                     | <b>\$19,775</b>                               | <b>\$5,369</b>                              | <b>\$38,787</b>                             | <b>\$192,617</b>                                    | <b>\$50,555</b>                    | <b>\$3,043</b>                                   |                  |

Bills held overnight by New York for distribution to other F.R. Banks - - - - 1,181

Total - - - - - \$4,224

\*Includes \$5,369,000 sold to Federal Reserve Banks of Boston and Minneapolis.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 20, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 7/8%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90-days<br><u>3 3/4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|-----------------|
| Boston        | \$ 1,058                           | \$ 2,267                            | 0                                   | 0                             | \$ 3,325        |
| New York      | 14,239                             | 7,418                               | 1,042                               | 194                           | 22,893          |
| Philadelphia  | 1,585                              | 528                                 | 0                                   | 0                             | 2,113           |
| Cleveland     | 161                                | 0                                   | 6                                   | 0                             | 167             |
| Richmond      | 222                                | 327                                 | 100                                 | 0                             | 649             |
| Atlanta       | 1,670                              | 0                                   | 41                                  | 0                             | 1,711           |
| Chicago       | 316                                | 889                                 | 0                                   | 0                             | 1,205           |
| Dallas        | 20                                 | 15                                  | 18                                  | 61                            | 114             |
| San Francisco | <u>1,619</u>                       | <u>103</u>                          | <u>0</u>                            | <u>0</u>                      | <u>1,722</u>    |
| <b>Totals</b> | <u>\$20,890</u>                    | <u>\$11,547</u>                     | <u>\$1,207</u>                      | <u>\$255</u>                  | <u>\$33,899</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 20, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Including Sales Contracts)

|               | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u>       |  |
|---------------|------------------------------|----------------------------|--------------------|--|
| Purchased     | \$6,232                      | \$39,268                   | \$45,500           |  |
| Sold          | 5,564                        | 0                          | 5,564              |  |
| Matured       | 0                            | <u>38,787</u>              | <u>38,787</u>      |  |
|               |                              | \$ 481+                    | \$ 1,149+          |  |
|               |                              | 7,563- (Net change         | 7,563- (Net Change |  |
|               |                              | 1-day holdover             | 1-day holdover     |  |
|               |                              | and other bills)           | and other bills)   |  |
| <b>Totals</b> | <u>\$668+</u>                | <u>\$7,082-</u>            | <u>\$6,414-</u>    |  |

(Excluding Sales Contracts)

| <u>Holdings</u><br><u>April 20, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91-days-</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|------------------|
| Gov't Securities                         | 0                               | 0                           | \$49,215                    | 0                           | \$86,334                           | \$177,654                      | \$313,203        |
| Bills Purchased                          | <u>69,276</u>                   | <u>68,368</u>               | <u>43,282</u>               | <u>12,263</u>               | <u>3,652</u>                       | <u>0</u>                       | <u>196,841</u>   |
| <b>Totals</b>                            | <u>\$69,276</u>                 | <u>\$68,368</u>             | <u>\$92,497</u>             | <u>\$12,263</u>             | <u>\$89,986</u>                    | <u>\$177,654</u>               | <u>\$510,044</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date April 20, 1927.

To All Members of the Board

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

From Mr. Eddy

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.

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April 30, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of April 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 April 7 to April 13, 1927, 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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APR 18 1927  
RECEIVED  
FEDERAL RESERVE BANK  
OF NEW YORK

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

April 18, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from April 7 to April 13, 1927 in-  
clusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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CONFIDENTIAL  
 REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 13, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 30  | 1,049,034                  | 311,587               | 41,515             | 184,755               | 52,654             | 456,023    |
| Apr. 6   | 985,604                    | 312,099               | 29,836             | 195,945               | 43,276             | 401,948    |
| Apr. 13  | 1,040,335                  | 312,535               | 42,809             | 203,923               | 52,801             | 425,767    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 13, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED    |                  |
|-----------------------------------|-----------------------|---------------|---------------------|-----------------|---------------------|------------------|
|                                   | Balance<br>April 13   | Net<br>Change | Balance<br>April 13 | Net<br>Change   | Balance<br>April 13 | Net<br>Change    |
| Boston                            | \$ 9,373              | 0             | \$ 16,202           | \$4,052-        | \$ 24,970           | \$ 1,391+        |
| New York                          | 54,472                | 0             | 32,174              | 5,017+          | 143,207             | 39,989+          |
| Philadelphia                      | 19,687                | 0             | 11,372              | 429+            | 36,887              | 1,112+           |
| Cleveland                         | 36,624                | 19+           | 19,302              | 332+            | 51,520              | 6,709+           |
| Richmond                          | 7,099                 | 1+            | 9,346               | 276-            | 19,580              | 582-             |
| Atlanta                           | 3,283                 | 414+          | 10,469              | 268+            | 27,686              | 2,407-           |
| Chicago                           | 46,346                | 0             | 27,060              | 730+            | 38,579              | 22,150-          |
| St. Louis                         | 27,659                | 0             | 21,053              | 274+            | 12,831              | 1,997+           |
| Minneapolis                       | 16,542                | 0             | 7,680               | 137+            | 5,381               | 225+             |
| Kansas City                       | 27,595                | 1-            | 12,028              | 19+             | 10,599              | 91+              |
| Dallas                            | 24,783                | 3+            | 9,158               | 306+            | 3,963               | 93+              |
| San Francisco                     | 39,072                | 0             | 16,292              | 993-            | 50,564              | 2,649-           |
| N.Y. holdovers<br>and other bills |                       |               | 11,787              | 5,787+          |                     |                  |
| <b>Totals</b>                     | <b>\$312,535</b>      | <b>\$436+</b> | <b>\$203,923</b>    | <b>\$7,978+</b> | <b>\$425,767</b>    | <b>\$23,819+</b> |

COMMENT ON CHANGES WEEK ENDED APRIL 13, 1927

Total earning assets of the System showed an increase of about \$54,700,000 for the current statement week. The approximate increases, by classification, were \$23,800,000 bills discounted, \$400,000 and \$8,000,000 in outright purchases of Government securities and bankers acceptances respectively, and \$22,500,000 in investments held under sales contracts. This latter increase consisted of \$13,000,000 Government securities and \$9,500,000 bankers acceptances.

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Money  
Market

all money remained at 4 1/2 per cent throughout the week. New York City banks entered the period with a substantial deficit in reserves caused by the repayment of loans at the Reserve Bank on the preceding Saturday, but, due to the transfers of funds to the New York market from other districts, were able to present a favorable reserve position at the end of the week without any material change in the amount of Reserve Bank accommodation in use.

Time money for 60 days to 6 months was quoted toward the close of the week at 4 1/2 per cent bid and offered, as against a bid rate of 4 3/8 per cent in recent weeks. The tone of the market was firm and a considerable amount of renewal loans was arranged at 4 1/2 per cent.

Commercial paper continued to be sold in fair volume at 4 and 4 1/4 per cent in districts outside of New York City. In general, sales were about equal to new supplies of paper being created by users of the open market.

Government  
Security  
Market

The market for United States Liberty Loan and Treasury bonds was quiet and soft. Although the volume of trading on the New York Stock Exchange during the week ending Saturday, April 16, was less than during several weeks past, there was a good volume of buying reported in the "over the counter" market, on offerings of large blocks of the shorter term bonds. Prices at the end of the week showed a decline of approximately 2/32 for Liberty Loan bonds and from 10 to 16/32 for the Treasury bonds.

Offerings in the market of short-term certificates of indebtedness and Treasury notes were somewhat in excess of the demand with the volume of trading reported as being only fair. Dealers' offering prices at the close of the week were approximately 2/32 lower than at the previous week's close. Yields at the offering prices were from about 3.39 to 3.51 per cent to maturity.

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances were unchanged at the following rates: 3 1/2 per cent for 30s, 3 1/2 to 3 5/8 per cent for 60s, 3 5/8 per cent for 90s, and 3 3/4 per cent for 120-day bills.

Boston reports the market in their district remained dull and uninteresting. A slight improvement was noticed in the supply but the demand fell off perceptibly and was only for bills with maturities up to 60 days. Prevailing rates being unattractive for corporations, savings banks and individuals, practically all buying was for the larger local institutions. Offerings to the reserve bank were very light. In New York the aggregate of dealers' sales during the statement week was in heavy volume and slightly in excess of their purchases. Buying of 90-day bills for foreign account were in substantial amount, while sales for local account were light. Sales to the reserve bank, for System account, increased slightly and consisted chiefly of short maturities. The Philadelphia market showed a little improvement over the previous week. Although offerings from both banks and dealers increased in volume, the demand was only fair and mainly for short bills. Chicago reports their bill market was dull with the aggregate of dealers' portfolios reflecting a substantial increase.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected during the current week, under authority from the Treasury, consisted of the purchase of \$1,650,000 March 15, 1928 - 3 1/4 per cent certificates of indebtedness for account of the Alien Property Custodian, and \$12,000,000 Second 4 1/4 per cent Liberty Loan bonds for account of Surplus Money and the sale of \$1,000,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness for account of the Government Life Insurance Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 31,777,000         | \$ 32,136,000                    | 0                                | \$ 359,000                        |
| New York      | 112,577,000           | 110,179,000                      | 2,398,000                        | 0                                 |
| Philadelphia  | 35,599,000            | 36,729,000                       | 0                                | 1,130,000                         |
| Cleveland     | 45,836,000            | 45,909,000                       | 0                                | 73,000                            |
| Richmond      | 22,571,000            | 22,956,000                       | 0                                | 385,000                           |
| Atlanta       | 23,132,000            | 22,956,000                       | 176,000                          | 0                                 |
| Chicago       | 63,974,000            | 64,274,000                       | 0                                | 300,000                           |
| St. Louis     | 25,092,000            | 25,607,000                       | 0                                | 515,000                           |
| Minneapolis   | 18,185,000            | 18,361,000                       | 0                                | 176,000                           |
| Kansas City   | 27,218,000            | 27,545,000                       | 0                                | 327,000                           |
| Dallas        | 18,184,000            | 18,361,000                       | 0                                | 177,000                           |
| San Francisco | <u>37,598,000</u>     | <u>36,730,000</u>                | <u>868,000</u>                   | <u>0</u>                          |
| Totals        | <u>\$461,743,000</u>  | <u>\$461,743,000</u>             | <u>\$3,442,000</u>               | <u>\$3,442,000</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 holdings in the System Special Investment Account since the last report, the amount remaining at \$201,343,500. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

|               |                      |                |        |               |                      |
|---------------|----------------------|----------------|--------|---------------|----------------------|
| Boston        | \$ 8,825,500         | June 15, 1927  | 3 1/2% | C. of I.      | \$67,366,000         |
| New York      | 53,116,000           | Sept. 15, 1927 | 3 1/8% | " " "         | 8,300,000            |
| Philadelphia  | 4,952,500            | Sept. 15, 1927 | 3 1/4% | " " "         | 64,043,500           |
| Cleveland     | 13,291,500           | Dec. 15, 1927  | 4 1/2% | Treas. Notes  | 26,634,000           |
| Richmond      | 5,857,500            | Mar. 15, 1928  | 3 1/4% | C. of I.      | 10,000,000           |
| Atlanta       | 0                    | Sept. 15, 1928 | 4 1/4% | 3rd. L/L bds. | 25,000,000           |
| Chicago       | 26,409,500           |                |        |               |                      |
| St. Louis     | 13,817,500           |                |        |               |                      |
| Minneapolis   | 8,984,000            |                |        |               |                      |
| Kansas City   | 18,115,500           |                |        |               |                      |
| Dallas        | 18,591,000           |                |        |               |                      |
| San Francisco | <u>29,383,000</u>    |                |        |               |                      |
| Totals        | <u>\$201,343,500</u> |                |        |               | <u>\$201,343,500</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM APRIL 7 TO APRIL 13, 1927

GOVERNMENT SECURITIES

|           | <u>Purchases</u> | <u>Issue</u>      | <u>Sales</u>    | <u>Issue</u>     |
|-----------|------------------|-------------------|-----------------|------------------|
| Cleveland | \$ 18,200        | Third L/L bonds   | 0               | -                |
| Richmond  | 1,000            | Various L/L bonds | 0               | -                |
| Atlanta   | 506,600          | Misc. Gov't Sec.  | 91,250          | Misc. Gov't Sec. |
| Dallas    | <u>3,000</u>     | Various L/L bonds | <u>0</u>        | -                |
| Totals    | <u>\$528,800</u> |                   | <u>\$91,250</u> |                  |

BANKERS ACCEPTANCES  
 (OOO Omitted)

|   | Holdings<br>April 6 | Purchased<br>Own Mkt. | <u>Rec'd by Allotment</u> |                         | Matur-<br>ities &<br>Sales | Holdings<br>April 13 | <u>Other Holdings</u><br>Close Apr. 13/27 |                 |
|---|---------------------|-----------------------|---------------------------|-------------------------|----------------------------|----------------------|---|-----------------|
|   |                     |                       | Regular<br>from<br>N.Y.   | From<br>Boston<br>Port. |                            |                      | Sales<br>Contracts                        | Other<br>Bills  |
| Boston  | \$ 20,254           | \$ 1,662 R            | 0                         | 0                       | \$ 5,714*                  | \$ 16,202            | \$ 6,256                                  | 0               |
| New York  | 27,157              | 10,223 "<br>15,346 A  | 0                         | 500                     | 5,706                      | 32,174               | 34,631                                    | 945             |
| Phila.  | 10,943              | 2,441 R               | 0                         | 0                       | 2,012                      | 11,372               | 0   | 0               |
| Cleveland   | 18,970              | 632 "                 | 2,687                     | 0                       | 2,987                      | 19,302               | 0   | 907             |
| Richmond  | 9,622               | 0                     | 1,156                     | 0                       | 1,432                      | 9,346                | 0   | 0               |
| Atlanta   | 10,201              | 484 "                 | 1,206                     | 0                       | 1,422                      | 10,469               | 0   | 1,143           |
| Chicago   | 26,330              | 838 "                 | 3,319                     | 0                       | 3,427                      | 27,060               | 4,118                                     | 0               |
| St. Louis   | 20,779              | 0                     | 1,777                     | 700                     | 2,203                      | 21,053               | 0   | 0               |
| Minn.   | 7,543               | 0                     | 1,125                     | 300                     | 1,288                      | 7,680                | 0   | 0               |
| Kan. City   | 12,009              | 0                     | 1,604                     | 500                     | 2,085                      | 12,028               | 0   | 0               |
| Dallas  | 8,852               | 21 "                  | 1,240                     | 0                       | 955                        | 9,158                | 92  | 0               |
| San Fran.   | <u>17,285</u>       | <u>1,589</u> "        | <u>1,232</u>              | <u>0</u>                | <u>3,814</u>               | <u>16,292</u>        | <u>7,704</u>                              | <u>0</u>        |
| Totals  | \$189,945           | \$33,236              | \$15,346                  | \$2,000                 | \$33,045                   | \$192,136            | \$52,801                                  | \$2,995         |
| Bills held over night by New York for distribution to other F. R. Banks - - - - |                     |                       |                           |                         |                            |                      | -   | 8,792           |
| Total - - - - -   |                     |                       |                           |                         |                            |                      | -   | <u>\$11,787</u> |

\* Includes \$2,000,000 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 APRIL 13, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 3/4% | 61-90 days<br>3 3/4% | Over 90-days<br>3 3/4 - 3 7/8% | Total           |
|---------------|-----------------------------|------------------------------|----------------------|--------------------------------|-----------------|
| Boston        | \$ 286                      | \$ 1,376                     | 0                    | 0                              | \$ 1,662        |
| New York      | 8,424                       | 12,446                       | 3,501                | 1,198                          | 25,569          |
| Philadelphia  | 344                         | 2,068                        | 29                   | 0                              | 2,441           |
| Cleveland     | 632                         | 0                            | 0                    | 0                              | 632             |
| Atlanta       | 380                         | 100                          | 4                    | 484                            | 484             |
| Chicago       | 285                         | 553                          | 0                    | 0                              | 838             |
| Dallas        | 0                           | 10                           | 0                    | 11                             | 21              |
| San Francisco | <u>1,495</u>                | <u>0</u>                     | <u>52</u>            | <u>42</u>                      | <u>1,589</u>    |
| <b>Totals</b> | <u>\$11,846</u>             | <u>\$16,553</u>              | <u>\$3,586</u>       | <u>\$1,735</u>                 | <u>\$33,236</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 13, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Including Sales Contracts)

|               | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u>       |
|---------------|------------------------------|----------------------------|--------------------|
| Purchased     | \$529                        | \$35,236                   | \$35,765           |
| Sold          | 93                           | 0                          | 93                 |
| Matured       | 0                            | <u>33,045</u>              | <u>33,045</u>      |
|               |                              | \$ 2,191+                  | \$ 2,627+          |
|               |                              | 5,787+ (Net Change         | 5,787+ (Net Change |
|               |                              | 1-day holdover             | 1-day holdover     |
|               |                              | and other bills)           | and other bills)   |
| <b>Totals</b> | <u>\$436+</u>                | <u>\$7,978+</u>            | <u>\$8,414+</u>    |

(Excluding Sales Contracts)

| Holdings<br>April 13, 1927 | Within<br>15 days | 16-30<br>days   | 31-60<br>days   | 31-90<br>days   | 91-days<br>6 months | Over 6<br>months | Total            |
|----------------------------|-------------------|-----------------|-----------------|-----------------|---------------------|------------------|------------------|
| Gov't Securities           | 0                 | 0               | 0               | \$73,825        | \$84,928            | \$153,782        | \$312,535        |
| Bills Purchased            | <u>122,602</u>    | <u>64,950</u>   | <u>50,274</u>   | <u>15,152</u>   | <u>3,746</u>        | <u>0</u>         | <u>256,724</u>   |
| <b>Totals</b>              | <u>\$122,602</u>  | <u>\$64,950</u> | <u>\$50,274</u> | <u>\$88,977</u> | <u>\$88,674</u>     | <u>\$153,782</u> | <u>\$569,259</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date April 13, 1927.

To All Members of the Board

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

From Mr. Eddy

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.

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April 13, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of April 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 March 31 to April 6, 1927, 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

April 11, 1927

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from March 31 to April 6, 1927 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 6, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 30  | 1,049,034                  | 311,587               | 41,515             | 184,755               | 52,654             | 456,023    |
| Apr. 6   | 985,604                    | 312,099               | 29,836             | 195,945               | 43,276             | 401,948    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED APRIL 6, 1927  
 (000 Omitted)

|                                    | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED   |                  |
|------------------------------------|-----------------------|---------------|---------------------|------------------|--------------------|------------------|
|                                    | Balance<br>April 6    | Net<br>Change | Balance<br>April 6  | Net<br>Change    | Balance<br>April 6 | Net<br>Change    |
| Boston                             | \$ 9,373              | \$ 3+         | \$ 20,254           | \$ 1,169-        | \$ 23,579          | \$26,308-        |
| New York                           | 54,472                | 5+            | 27,157              | 6,735+           | 103,218            | 17,081-          |
| Philadelphia                       | 19,687                | 1+            | 10,943              | 2,137-           | 35,775             | 14,186-          |
| Cleveland                          | 36,605                | 1+            | 18,970              | 169+             | 44,811             | 10,915+          |
| Richmond                           | 7,098                 | 1-            | 9,622               | 1,182+           | 20,162             | 49+              |
| Atlanta                            | 2,869                 | 437+          | 10,201              | 805+             | 30,093             | 562-             |
| Chicago                            | 46,346                | 3+            | 26,330              | 54-              | 60,729             | 13,879-          |
| St. Louis                          | 27,659                | 2+            | 20,779              | 835+             | 10,834             | 7,134-           |
| Minneapolis                        | 16,542                | 2+            | 7,543               | 918+             | 5,156              | 617-             |
| Kansas City                        | 27,596                | 2+            | 12,009              | 1,155+           | 10,508             | 1,877+           |
| Dallas                             | 24,780                | 56+           | 8,852               | 481+             | 3,870              | 333+             |
| San Francisco                      | 39,072                | 3+            | 17,285              | 1,438+           | 53,213             | 12,518+          |
| N. Y. holdovers<br>and other bills |                       |               | 6,000               | 832+             |                    |                  |
| <b>Totals</b>                      | <b>\$312,099</b>      | <b>\$512+</b> | <b>\$195,945</b>    | <b>\$11,190+</b> | <b>\$401,948</b>   | <b>\$54,075-</b> |

COMMENT ON CHANGES WEEK ENDED APRIL 6, 1927

Total earning assets of the System showed a decrease of about \$63,400,000 for the current statement week. The approximate changes, by classification, consisted of decreases in bills discounted of \$54,100,000 and investments held under sales contracts of \$21,100,000, and increases in outright purchases of \$11,200,000 bankers acceptances and \$500,000 Government securities. The decrease in investments held under sales contracts was made up of \$9,378,000 bankers acceptances and \$11,679,000 Government securities.

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Money  
Market

Call money on the New York Stock Exchange declined to 4 per cent early in the week although New York City banks' loans at the Reserve bank remained fairly high. There were heavy transfers of funds to the interior throughout the period so that by Thursday the call rate reverted to 4 1/2 per cent and City banks were forced to increase their indebtedness at the Reserve bank to over \$200,000,000 on Friday in order to balance their reserve position.

Time money for maturities of 60 days to 6 months continued to be quoted at 4 3/8 per cent bid, 4 1/2 per cent offered. Trading on practically all days was conducted only at the asked rate.

Commercial paper dealers reported slightly larger supplies of paper on hand, reflecting some increase in seasonal borrowing. Buying demand for paper at 4 and 4 1/4 per cent remained fairly active in interior markets.

Government  
Security  
Market

The volume of trading in United States Government bonds during the week was normal as compared with the corresponding period the past two years. Prices were somewhat irregular, the First 3 1/2s and Treasury 3 3/4s showing gains at the end of the week of about 8/32, while the First 4s and Treasury 4 1/4s showed a decline of 18/32 and 10/32 respectively. Other issues of Government bonds registered a decline of from 1 to 3/32.

Accompanying firmer money conditions at the end of the week, prices of short-term Government certificates and Treasury notes were slightly lower with the demand only fair.

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 3 1/2 per cent for 30s, 3 1/2 to 3 5/8 per cent for 60s, 3 5/8 per cent for 90s and 3 3/4 per cent for 120-day bills.

Boston reports the market in their district was very dull with little activity. The supply continued small with the demand fair from only a few of the larger local institutions. Preference was shown for 30 and 60-day bills, with bills of longer maturity hard to move. Dealers' portfolios showed a slight increase over the previous week. In New York dealers purchases held up in good volume and were substantially in excess of the demand. Sales for local account were light and buying for foreign account fell off moderately. Sales to the reserve bank increased considerably and consisted chiefly of short bills. The aggregate of dealers' portfolios showed a substantial increase over last week. The Philadelphia market continued dull with offerings less than during the previous period. The demand was light and principally for 90-day bills. Chicago reports that the demand in their market continued fair for bills with maturities up to 60 days with very little buying of the longer maturities.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current week consisted of a purchase in the market of \$5,000,000 Second 4 1/4s for account of Surplus Money, and the sale of \$5,000,000 Fourth 4 1/4s and purchase of \$2,500,000 June 15, 1927 - 3 1/2 per cent certificates for account of the Government Life Insurance Fund.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <u>Bills Acquired</u> | <u>Bills Entitled to acquire</u> | <u>Bills Over Pro Rata Share</u> | <u>Bills Short Pro Rata Share</u> |
|---------------|-----------------------|----------------------------------|----------------------------------|-----------------------------------|
| Boston        | \$ 32,115,000         | \$ 29,856,000                    | \$2,259,000                      | 0                                 |
| New York      | 101,852,000           | 102,362,000                      | 0                                | 510,000                           |
| Philadelphia  | 33,158,000            | 34,123,000                       | 0                                | 965,000                           |
| Cleveland     | 42,517,000            | 42,652,000                       | 0                                | 135,000                           |
| Richmond      | 21,415,000            | 21,327,000                       | 88,000                           | 0                                 |
| Atlanta       | 21,442,000            | 21,327,000                       | 115,000                          | 0                                 |
| Chicago       | 59,817,000            | 59,714,000                       | 103,000                          | 0                                 |
| St. Louis     | 22,615,000            | 23,313,000                       | 0                                | 698,000                           |
| Minneapolis   | 16,760,000            | 17,058,000                       | 0                                | 298,000                           |
| Kansas City   | 25,114,000            | 25,591,000                       | 0                                | 477,000                           |
| Dallas        | 16,923,000            | 17,058,000                       | 0                                | 135,000                           |
| San Francisco | 34,777,000            | 34,124,000                       | 653,000                          | 0                                 |
| <b>Totals</b> | <b>\$428,505,000</b>  | <b>\$428,505,000</b>             | <b>\$3,218,000</b>               | <b>\$3,218,000</b>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week there was sold to the Fiscal Agent of the British Government \$10,000,000 September 15, 1927 - 3 1/8% certificates of indebtedness, which sale was replaced by purchase in the market of a like amount of Third 4 1/4% Liberty Loan bonds. A purchase was also made of \$20,000 March 15, 1928 - 3 1/4% certificates. These transactions left the total holdings in the System Account at \$201,343,500. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

|               |                      |
|---------------|----------------------|
| Boston        | \$ 8,825,500         |
| New York      | 53,116,000           |
| Philadelphia  | 4,952,500            |
| Cleveland     | 13,291,500           |
| Richmond      | 5,857,500            |
| Atlanta       | 0                    |
| Chicago       | 26,409,500           |
| St. Louis     | 13,817,500           |
| Minneapolis   | 8,984,000            |
| Kansas City   | 18,115,500           |
| Dallas        | 18,591,000           |
| San Francisco | 29,383,000           |
| <b>Totals</b> | <b>\$201,343,500</b> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|                |                      |                      |
|----------------|----------------------|----------------------|
| June 15, 1927  | 3 1/2% Cert. of Ind. | \$67,366,000         |
| Sept. 15, 1927 | 3 1/8% " " "         | 8,300,000            |
| Sept. 15, 1927 | 3 1/4% " " "         | 64,043,500           |
| Dec. 15, 1927  | 4 1/2% Treas. Notes  | 26,634,000           |
| March 15, 1928 | 3 1/4% Cert. of Ind. | 10,000,000           |
| Sept. 15, 1928 | 4 1/4% 3rd L/L bonds | 25,000,000           |
| <b>Totals</b>  |                      | <b>\$201,343,500</b> |

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 Authority EO 10501

**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM MARCH 31 TO APRIL 6, 1927**

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

|               | Purchases           | Sales               |
|---------------|---------------------|---------------------|
| Boston        | \$ 439,500          | \$ 438,500          |
| New York      | 2,643,000           | 2,638,000           |
| Philadelphia  | 246,500             | 246,000             |
| Cleveland     | 661,500             | 660,000             |
| Richmond      | 291,000             | 291,000             |
| Atlanta       | 0                   | 0                   |
| Chicago       | 1,314,500           | 1,311,500           |
| St. Louis     | 688,000             | 686,000             |
| Minneapolis   | 447,000             | 446,000             |
| Kansas City   | 901,500             | 900,000             |
| Dallas        | 925,500             | 923,500             |
| San Francisco | 1,462,000           | 1,459,500           |
| <b>Totals</b> | <b>\$10,020,000</b> | <b>\$10,000,000</b> |

**OTHER TRANSACTIONS IN GOVERNMENT SECURITIES**

|               | Purchases        | Issue              | Sales           | Issue             |
|---------------|------------------|--------------------|-----------------|-------------------|
| Richmond      | 0                | -                  | \$ 1,000        | Various L/L bonds |
| Atlanta       | 462,950          | Misc. Gov't Sec.   | 26,450          | Misc. Gov't Sec.  |
| Minneapolis   | 1,000            | Misc. L/L bonds    | 0               | -                 |
| Dallas        | 53,950           | Various Gov't Sec. | 0               | -                 |
| <b>Totals</b> | <b>\$517,900</b> |                    | <b>\$27,450</b> |                   |

**BANKERS ACCEPTANCES  
 (000 Omitted)**

|  | Holdings<br>March 30 | Purchased<br>Own Mkt. | Rec'd by Allotment      |                         | Matur-<br>ities &<br>Sales | Holdings<br>April 6 | Other Holdings<br>Close April 6/27 |                |                |
|--|----------------------|-----------------------|-------------------------|-------------------------|----------------------------|---------------------|------------------------------------|----------------|----------------|
|  |                      |                       | Regular<br>from<br>N.Y. | From<br>Boston<br>Port. |                            |                     | Sales<br>Contracts                 | Other<br>Bills |                |
| Boston   | \$ 21,423            | \$ 5,080 R            | 0                       | 0                       | \$ 6,249**                 | \$ 20,254           | \$ 6,187                           | 0              |                |
| New York   | 20,422               | 12,338 **<br>19,530 A | 0                       | 1,000                   | 6,603                      | 27,157              | 26,442                             | 935            |                |
| Phila.   | 13,080               | 2,070 R               | 0                       | 0                       | 4,207*                     | 10,943              | 0                                  | 0              |                |
| Cleveland  | 18,801               | 772 "                 | 3,005                   | 0                       | 3,608                      | 18,970              | 0                                  | 1,764          |                |
| Richmond   | 8,440                | 562 "                 | 1,583                   | 500                     | 1,463                      | 9,622               | 0                                  | 0              |                |
| Atlanta  | 9,396                | 540 "                 | 1,560                   | 300                     | 1,595                      | 10,201              | 0                                  | 951            |                |
| Chicago  | 26,384               | 1,503 "               | 4,198                   | 0                       | 5,755                      | 26,330              | 3,374                              | 0              |                |
| St. Louis  | 19,944               | 0                     | 2,170                   | 800                     | 2,135                      | 20,779              | 0                                  | 0              |                |
| Minneapolis  | 6,625                | 0                     | 1,359                   | 400                     | 841                        | 7,543               | 0                                  | 0              |                |
| Kan. City  | 10,854               | 0                     | 1,916                   | 700                     | 1,461                      | 12,009              | 0                                  | 0              |                |
| Dallas   | 8,371                | 159 "                 | 1,349                   | 300                     | 1,327                      | 8,852               | 75                                 | 0              |                |
| San Fran.  | 15,847               | 1,501 "               | 2,390                   | 0                       | 2,453                      | 17,285              | 7,198                              | 0              |                |
| <b>Totals</b>  | <b>\$179,587</b>     | <b>\$44,055</b>       | <b>\$19,530</b>         | <b>\$4,000</b>          | <b>\$37,697</b>            | <b>\$189,945</b>    | <b>\$43,276</b>                    | <b>\$3,650</b> |                |
| Bills held over night by New York for distribution to other F.R. banks |                      |                       |                         |                         |                            |                     | -                                  | -              | 2,350          |
| <b>Total</b>   |                      |                       |                         |                         |                            |                     | <b>-</b>                           | <b>-</b>       | <b>\$6,000</b> |

\* Includes \$2,000,000 sold to New York from Philadelphia portfolio  
 \*\* 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 APRIL 6, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4%</u> | Over 90 days<br><u>3 3/4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|-----------------|
| Boston        | \$ 3,770                           | \$ 1,310                            | 0                           | 0                             | \$ 5,080        |
| New York      | 18,480                             | 11,826                              | 689                         | 873                           | 31,868          |
| Philadelphia  | 748                                | 1,322                               | 0                           | 0                             | 2,070           |
| Cleveland     | 772                                | 0                                   | 0                           | 0                             | 772             |
| Richmond      | 12                                 | 77                                  | 473                         | 0                             | 562             |
| Atlanta       | 368                                | 50                                  | 72                          | 50                            | 540             |
| Chicago       | 160                                | 1,343                               | 0                           | 0                             | 1,503           |
| Dallas        | 50                                 | 93                                  | 0                           | 16                            | 159             |
| San Francisco | 197                                | 0                                   | 1,304                       | 0                             | 1,501           |
| <b>Totals</b> | <u>\$24,557</u>                    | <u>\$16,021</u>                     | <u>\$2,538</u>              | <u>\$939</u>                  | <u>\$44,055</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 6, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Including Sales Contracts)

|               | <u>Government Securities</u> | <u>Bankers Acceptances</u>                             | <u>Total</u>   |
|---------------|------------------------------|--|--|
| Purchased     | \$10,538                     | \$48,055   | \$58,593   |
| Sold          | 10,026                       | 0  | 10,026   |
| Matured       | 0                            | 37,697   | 37,697   |
|               |                              | <u>\$10,358+</u>                                       | <u>\$10,870+</u>                                       |
|               |                              | 832+ (Net Change<br>1-day holdover<br>and other bills) | 832+ (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <u>\$ 512+</u>               | <u>\$11,190+</u>                                       | <u>\$11,702+</u>                                       |

(Excluding Sales Contracts)

| <u>Holdings</u><br><u>April 6, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91 days -</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|---|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------------|--------------------------------|------------------|
| Gov't Securities                        | \$ 29,836                       | 0                           | 0                           | \$73,825                    | \$84,928                            | \$153,346                      | \$341,935        |
| Bills Purchased                         | 107,296                         | 68,371                      | 48,143                      | 12,820                      | 2,591                               | 0                              | 239,221          |
| <b>Totals</b>                           | <u>\$137,132</u>                | <u>\$68,371</u>             | <u>\$48,143</u>             | <u>\$86,645</u>             | <u>\$87,519</u>                     | <u>\$153,346</u>               | <u>\$581,156</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date April 6, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8395  
GPO

For your information:

Governor Cripsinger ✓  
Mr. Platt ✓  
Mr. Hamlin ✓  
Mr. Miller ✓  
Mr. James ✓  
Mr. Cunningham ✓  
Mr. McIntosh ✓

Please return to Secretary's office.

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April 6, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of April 5th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from March 24 to March 30, 1927, 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

RECORDED  
MAY 1 1927

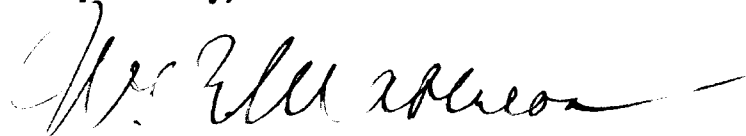
CONFIDENTIAL

April 5, 1927

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from March 24 to March 30, 1927 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 30, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 23  | 1,032,643*                 | 321,488*              | 20,759             | 186,457               | 44,802             | 457,137    |
| " 30     | 1,049,000                  | 311,587               | 41,515             | 184,755               | 52,654             | 456,023    |

\*Includes \$3,000,000 Special 1-day Treasury Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 30, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |                 | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED    |                  |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------|---------------------|------------------|
|                                   | Balance<br>March 30   | Net<br>Change   | Balance<br>March 30 | Net<br>Change   | Balance<br>March 30 | Net<br>Change    |
| Boston                            | \$ 9,372              | 0               | \$ 21,423           | \$2,756+        | \$ 49,887           | \$17,183+        |
| New York                          | 54,467                | 7,055-          | 20,422              | 4,917-          | 120,299             | 20,345-          |
| Philadelphia                      | 19,686                | 0               | 13,080              | 281+            | 49,961              | 4,694+           |
| Cleveland                         | 36,604                | 0               | 18,801              | 227-            | 33,896              | 3,563-           |
| Richmond                          | 7,099                 | 1+              | 8,440               | 785-            | 20,113              | 12+              |
| Atlanta                           | 2,432                 | 127+            | 9,396               | 552-            | 30,655              | 1,819-           |
| Chicago                           | 46,343                | 0               | 26,384              | 847-            | 74,508              | 14,087+          |
| St. Louis                         | 27,657                | 0               | 19,944              | 2,525+          | 17,968              | 2,970+           |
| Minneapolis                       | 16,540                | 1-              | 6,625               | 349+            | 5,773               | 193-             |
| Kansas City                       | 27,594                | 0               | 10,854              | 137-            | 8,631               | 1,547-           |
| Dallas                            | 24,724                | 27+             | 8,371               | 118-            | 3,537               | 180+             |
| San Francisco                     | 39,069                | 0               | 15,847              | 619-            | 40,695              | 12,773-          |
| N.Y. holdovers<br>and other bills |                       |                 | 5,168               | 589+            |                     |                  |
| <b>Totals</b>                     | <b>\$311,587</b>      | <b>\$6,901-</b> | <b>\$184,755</b>    | <b>\$1,702-</b> | <b>\$456,023</b>    | <b>\$ 1,114-</b> |

COMMENT ON CHANGES WEEK ENDED MARCH 30, 1927

Total earning assets of the System exclusive of the special 1-day Treasury certificate of indebtedness held last week showed an increase of approximately \$19,400,000 for the current statement week. The principal changes by classification consisted of decreases of about \$1,100,000 bills discounted, \$6,900,000 and \$1,700,000 in outright purchases of Government securities and bankers acceptances respectively, and increases in investments held under sales contract of \$20,750,000 Government securities and \$7,850,000 bankers acceptances.

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Money  
Market

Reflecting the usual end of the month requirements for credit and currency and March 31 window dressing, call money was quoted at 4 1/2 per cent practically all week. An outflow of funds to the interior on the first two days of April, however, resulted in an increase of 50 million dollars on Saturday in borrowing by New York City banks.

In the time money market, practically all loans were arranged at the single rate of 4 1/2 per cent. Renewals of maturing loans constituted the bulk of the business.

There was little change in the commercial paper market during the past week. Dealers continued to report a prevailing rate of 4 to 4 1/4 per cent.

Government  
Security  
Market

The market for United States Government bonds continued quiet and soft. With the exception of the prices of Treasury 3 3/4s of 1946/56 which showed a decline of 11/32 at the close of the week, prices were about the same as at the previous week's close.

The short-term certificate of indebtedness and Treasury Note market also continued quiet, although there was some good buying in the issues of certificates maturing September 15, 1927 which were offered by dealers at the end of the week at prices to yield about 3.25 per cent, representing an advance of 2/32. Dealers' offering prices of the other issues were at levels to yield about 3.17 per cent for June 15, 1927-3 1/2s, 3.35 per cent for December 15, 1927-4 1/2s, 3.32 per cent for March 15, 1928-3 1/4s, and 3.50 per cent for the new 3 1/2 per cent Treasury Notes due 1930/32.

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 3 1/2 per cent for 30s and 60s, 3 5/8 per cent for 90s, and 3 3/4 per cent for 120-day bills.

Boston reports that the bill market in their district was very quiet with little interest being shown. The supply was very limited with the demand fair for bills maturing in 30 and 60 days. While the amount of purchases and sales by dealers was about equal their portfolios showed a decrease of 2 1/2 million which was caused by the forwarding of bills to offices in other districts. An outstanding feature in the New York market this week was the purchase by one of the dealers from a bank of an exceptionally heavy block of bills which was sold the same day to an industrial concern. Apart from this dealers purchases increased moderately and were substantially in excess of their sales and their portfolios increased considerably. Sales for local account decreased moderately while orders from abroad held up in good volume. Philadelphia reports little change in their bill market with offerings only fair and the demand light. Chicago also reports conditions unchanged from last week, the demand continuing good for short bills and dealers carrying a fairly large amount of 90-day bills in their portfolios.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current week consisted of purchases of \$5,000,000 Second 4 1/4% Liberty Loan bonds for account of Surplus Money, and \$598,500 March 15, 1928 - 3 1/4 per cent certificates of indebtedness for account of Mixed Claims Investments, and \$250,000 of the same issue of certificates for account of the Alien Property Custodian.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 31,035,000         | \$ 26,971,000                    | \$4,064,000                      | \$ 0                              |
| New York      | 88,514,000            | 92,471,000                       | 0                                | 3,957,000                         |
| Philadelphia  | 33,088,000            | 30,826,000                       | 2,262,000                        | 0                                 |
| Cleveland     | 38,740,000            | 38,531,000                       | 209,000                          | 0                                 |
| Richmond      | 18,770,000            | 19,266,000                       | 0                                | 496,000                           |
| Atlanta       | 19,043,000            | 19,266,000                       | 0                                | 223,000                           |
| Chicago       | 54,116,000            | 53,944,000                       | 172,000                          | 0                                 |
| St. Louis     | 19,645,000            | 20,411,000                       | 0                                | 766,000                           |
| Minneapolis   | 15,001,000            | 15,410,000                       | 0                                | 409,000                           |
| Kansas City   | 22,498,000            | 23,118,000                       | 0                                | 620,000                           |
| Dallas        | 15,115,000            | 15,410,000                       | 0                                | 295,000                           |
| San Francisco | 30,886,000            | 30,827,000                       | 59,000                           | 0                                 |
| <b>Totals</b> | <b>\$386,451,000</b>  | <b>\$386,451,000</b>             | <b>\$6,766,000</b>               | <b>\$6,766,000</b>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the holdings in the System Special Investment Account since the last report, the amount remaining at \$201,323,500. 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  | \$ 8,824,500         | June 15, 1927                                   | 3 1/2% Cert. of Ind. \$67,366,000 |
| New York                                      | 53,111,000           | Sept. 15, 1927                                  | 3 1/8% " " " 18,300,000           |
| Philadelphia                                  | 4,952,000            | Sept. 15, 1927                                  | 3 1/4% " " " 64,043,500           |
| Cleveland                                     | 13,290,000           | Dec. 15, 1927                                   | 4 1/2% Treas. Notes 26,634,000    |
| Richmond                                      | 5,857,500            | March 15, 1928                                  | 3 1/4% Cert. of Ind. 9,980,000    |
| Atlanta                                       | 0                    | Sept. 15, 1928                                  | 4 1/4% 3rd L/Lbonds 15,000,000    |
| Chicago                                       | 26,406,500           |   |                                   |
| St. Louis                                     | 13,815,500           |   |                                   |
| Minneapolis                                   | 8,983,000            |   |                                   |
| Kansas City                                   | 18,114,000           |   |                                   |
| Dallas  | 18,589,000           |   |                                   |
| San Francisco                                 | 29,380,500           |   |                                   |
| <b>Totals</b>                                 | <b>\$201,323,500</b> |   | <b>\$201,323,500</b>              |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM MARCH 24 TO MARCH 30, 1927

GOVERNMENT SECURITIES

|             | <u>Purchases</u> | <u>Issue</u>       | <u>Sales</u>       | <u>Issue</u>             |
|-------------|------------------|--------------------|--------------------|--------------------------|
| New York    | 0                | -                  | *\$7,200,000       | TM-1928 Cert. of Ind.    |
| Richmond    | 1,000            | Liberty Loan bonds | 0                  | -                        |
| Atlanta     | 195,600          | Misc. Gov't Sec.   | 68,600             | L/L bonds & Treas. Notes |
| Minneapolis | 0                | -                  | 1,000              | Various L/L bonds        |
| Dallas      | <u>26,600</u>    | Various L/L bonds  | <u>0</u>           | -                        |
| Totals      | <u>\$223,200</u> |                    | <u>\$7,269,600</u> |                          |

\*These certificates were held temporarily for resale to Foreign Account.

BANKERS ACCEPTANCES  
 (000 Omitted)

|   | <u>Holdings</u> | <u>Purchased</u> | <u>Rec'd by</u>  | <u>From</u>     | <u>Matur-</u> | <u>ities &amp; Holdings</u> | <u>Other Holdings</u>   | <u>Sales</u>     | <u>Other</u>            |
|---|-----------------|------------------|------------------|-----------------|---------------|-----------------------------|-------------------------|------------------|-------------------------|
|   | <u>March 23</u> | <u>Own Mkt.</u>  | <u>from N.Y.</u> | <u>New York</u> | <u>Sales</u>  | <u>March 30</u>             | <u>Close Mar. 30/27</u> | <u>Contracts</u> | <u>Bills</u>            |
| Boston  | \$ 18,667       | \$ 4,077 R       | 0                | 0               | \$ 1,321      | \$ 21,423                   | \$ 6,150                | 0                | 0                       |
| New York  | 25,339          | 4,789 "          | 0                | 0               | 9,706*        | 20,422                      | 34,548                  | 989              | 0                       |
|   |                 | 10,022 A         |                  |                 |               |                             |                         |                  |                         |
| Phila.  | 12,799          | 2,645 R          | 0                | 0               | 2,364         | 13,080                      | 0                       | 0                | 0                       |
| Cleveland   | 19,028          | 1,208 "          | 1,900            | 0               | 3,335         | 18,801                      | 0                       | 1,862            | 0                       |
| Richmond  | 9,225           | 0                | 732              | 0               | 1,517         | 8,440                       | 0                       | 0                | 0                       |
| Atlanta   | 9,948           | 157 "            | 311              | 0               | 1,020         | 9,396                       | 0                       | 1,001            | 0                       |
| Chicago   | 27,231          | 1,608 "          | 1,576            | 0               | 4,031         | 26,384                      | 4,210                   | 0                | 0                       |
| St. Louis   | 17,419          | 0                | 1,743            | 2,505           | 1,723         | 19,944                      | 0                       | 0                | 0                       |
| Minneapolis   | 6,276           | 0                | 829              | 0               | 480           | 6,625                       | 0                       | 0                | 0                       |
| Kan. City   | 10,991          | 0                | 1,284            | 0               | 1,421         | 10,854                      | 0                       | 0                | 0                       |
| Dallas  | 8,489           | 129 "            | 768              | 0               | 1,015         | 8,371                       | 714                     | 0                | 0                       |
| San Fran.   | <u>16,466</u>   | <u>918 "</u>     | <u>879</u>       | <u>0</u>        | <u>2,416</u>  | <u>15,847</u>               | <u>7,032</u>            | <u>0</u>         | <u>0</u>                |
| Totals  | \$181,878       | \$25,553         | \$10,022         | \$2,505         | \$30,349      | \$179,587                   | \$52,654                | \$3,852          | 0                       |
| Bills held over night by New York for distribution to other F. R. Banks |                 |                  |                  |                 |               |                             |                         |                  | - 1,316                 |
|   |                 |                  |                  |                 |               |                             |                         |                  | Total - - - - - \$5,168 |

\*Includes \$2,505,000 sold to Federal Reserve Bank of St. Louis

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 30, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 5/8% | 61-90 days<br>3 3/4% | Over 90-days<br>3 3/4 - 4% | Total           |
|---------------|-----------------------------|------------------------------|----------------------|----------------------------|-----------------|
| Boston        | \$ 1,220                    | \$ 2,653                     | \$ 200               | \$ 4                       | \$ 4,077        |
| New York      | 8,252                       | 3,864                        | 2,109                | 586                        | 14,811          |
| Philadelphia  | 1,562                       | 1,083                        | 0                    | 0                          | 2,645           |
| Cleveland     | 1,208                       | 0                            | 0                    | 0                          | 1,208           |
| Atlanta       | 100                         | 0                            | 0                    | 57                         | 157             |
| Chicago       | 199                         | 1,409                        | 0                    | 0                          | 1,608           |
| Dallas        | 0                           | 12                           | 9                    | 108                        | 129             |
| San Francisco | 830                         | 0                            | 86                   | 2                          | 918             |
| <b>Totals</b> | <b>\$13,371</b>             | <b>\$9,021</b>               | <b>\$2,404</b>       | <b>\$757</b>               | <b>\$25,553</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 30, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | Government<br>Securities | Bankers<br>Acceptances | Total            |
|---------------|--------------------------|------------------------|------------------|
| Purchased     | \$ 369                   | \$28,058               | \$28,427         |
| Sold          | 7,270                    | 0                      | 7,270            |
| Matured       | 0                        | 30,349                 | 30,349           |
|               | -----                    | \$2,291-               | \$9,192-         |
|               | -----                    | 589+                   | 589+             |
|               | -----                    | (Net Change            | (Net Change      |
|               | -----                    | 1-day holdover         | 1-day holdover   |
|               | -----                    | and other bills)       | and other bills) |
| <b>Totals</b> | <b>\$6,901-</b>          | <b>\$1,702-</b>        | <b>\$8,603-</b>  |

(Including Sales Contracts)

| Holdings              | Within<br>15 days | 16-30<br>days   | 31-60<br>days   | 61-90<br>days   | 91-days<br>6 months | Over 6<br>months | Total            |
|-----------------------|-------------------|-----------------|-----------------|-----------------|---------------------|------------------|------------------|
| <u>March 30, 1927</u> |                   |                 |                 |                 |                     |                  |                  |
| Gov't Securities      | \$ 41,515         | 0               | 0               | \$73,825        | \$76,478            | \$161,284        | \$353,102        |
| Bills Purchased       | 115,041           | 53,777          | 53,125          | 13,242          | 2,224               | 0                | 237,409          |
| <b>Totals</b>         | <b>\$156,556</b>  | <b>\$53,777</b> | <b>\$53,125</b> | <b>\$87,067</b> | <b>\$78,702</b>     | <b>\$161,284</b> | <b>\$590,511</b> |

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Form No. 181.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 30, 1927.

To All Members of the Board

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

From Mr. Eddy

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.

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March 30, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of March 29th, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from March 17 to March 23, 1927, inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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



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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OFFICE OF  
THE GOVERNOR

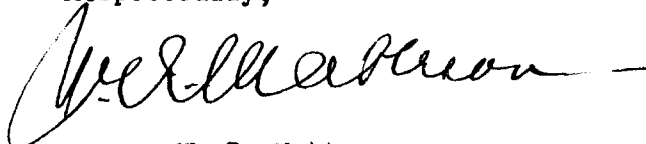
CONFIDENTIAL

March 29, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 17 to March 23, 1927 in-  
clusive, together with data received by the Committee from  
the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 23, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 16  | 1,026,732*                 | 472,769*              | 2,571              | 190,243               | 28,627             | 330,522    |
| Mar. 23  | 1,032,643**                | 321,488**             | 20,759             | 186,457               | 44,802             | 457,137    |

\* Includes \$177,500,000 Special 1-day Treasury Certificate of Indebtedness

\*\* Includes 3,000,000 Special 1-day Treasury Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 23, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |           | BANKERS ACCEPTANCES |          | BILLS DISCOUNTED |            |
|-----------------------------------|-----------------------|-----------|---------------------|----------|------------------|------------|
|                                   | Balance               | Net       | Balance             | Net      | Balance          | Net        |
|                                   | March 23              | Change    | March 23            | Change   | March 23         | Change     |
| Boston                            | \$ 9,372              | \$ 1,096+ | \$ 18,667           | \$ 790-  | \$ 32,704        | \$ 5,987+  |
| New York                          | 61,522                | 1,650+    | 25,339              | 7,133-   | 140,644          | 91,078+    |
| Philadelphia                      | 19,686                | 2,114+    | 12,799              | 826-     | 45,267           | 11,654+    |
| Cleveland                         | 36,604                | 1,688+    | 19,028              | 227-     | 37,459           | 522-       |
| Richmond                          | 7,098                 | 727+      | 9,225               | 211+     | 20,101           | 281+       |
| Atlanta                           | 2,305                 | 345+      | 9,948               | 580-     | 32,474           | 1,631+     |
| Chicago                           | 46,343                | 3,279+    | 27,231              | 271-     | 60,521           | 1,462-     |
| St. Louis                         | 27,657                | 2,831+    | 17,419              | 8,576+   | 14,998           | 1,807+     |
| Minneapolis                       | 16,541                | 1,116+    | 6,276               | 1,675-   | 5,966            | 2,454+     |
| Kansas City                       | 27,594                | 2,246+    | 10,991              | 536-     | 10,178           | 749+       |
| Dallas                            | 24,697                | 2,478+    | 8,489               | 704-     | 3,357            | 254-       |
| San Francisco                     | 39,069                | 3,649+    | 16,466              | 525-     | 53,468           | 13,212+    |
| N.Y. holdovers<br>and other bills |                       |           | 4,579               | 694+     |                  |            |
| Totals                            | \$318,488*            | \$23,219+ | \$186,457           | \$3,786- | \$457,137        | \$126,615+ |

\* This balance does not include \$3,000,000 Special 1-day Treasury Cert. of Ind.

COMMENT ON CHANGES WEEK ENDED MARCH 23, 1927

Total earning assets of the System, exclusive of the special 1-day Treasury certificates of indebtedness, increased about \$180,400,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$126,600,000 bills discounted, \$23,200,000 outright purchases of Government securities, and \$34,400,000 in investments held under sales contracts, and a decrease of \$3,800,000 outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of about \$18,200,000 Government securities and \$16,200,000 bankers acceptances.

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Money  
Market

Reserves of New York City banks were substantially in deficit at the opening of the week and additional tax collections and transfers to other districts caused further losses of funds to the market. These losses were only partly offset by security purchases for System Account and consequently member banks increased their indebtedness to the Reserve Bank to between 100 and 150 millions in order to strengthen their reserve position. Reflecting this condition, call money, after renewing at 4 per cent on Monday, advanced on Tuesday to 4 1/2 per cent, and for the balance of the week the rate was at this level for at least part of each day.

Demand for time money continued quiet. Actual trading in 60-day to 6 months maturity was at 4 3/8 and 4 1/2 per cent.

The commercial paper market remained fairly active during the week. Sales to interior institutions were made at 4 and 4 1/4 per cent, and were about equal to new supplies of paper coming into dealers' hands.

Government  
Security  
Market

The market for United States Government bonds during the week was quiet and soft. The volume of trading was less than during the preceding two weeks, with prices fractionally lower.

The short-term certificates of indebtedness and Treasury note market was also quiet and with the exception of the 4 1/2 per cent Treasury notes, which declined about 4/32 in price, dealers' offering prices were about the same as at the previous week's close.

Bankers  
Acceptances

Dealers' offering rates for unindorsed bankers acceptances continued unchanged as follows: 3 1/2 per cent for 30s, 3 1/2 to 3 5/8 per cent for 60s, 3 5/8 per cent for 90s and 3 3/4 per cent for 120-day bills.

In Boston dealers reported no improvement in the supply of bills which was still very limited. The demand locally was very poor, while out-of-town buying showed some improvement due principally to tax requirements over April 1. Offerings to the reserve bank were very light. In New York the exceptionally heavy buying for foreign account, which prevailed during the previous week eased off substantially to normal volume. Dealers' total sales were good and slightly in excess of their purchases which decreased moderately. Offerings to the reserve bank continued to be chiefly from banks and consisted mainly of short bills. The Philadelphia acceptance market showed little change. While offerings were slightly improved, the demand was limited and for small amounts. Chicago reports a scarcity in their market of bills of short maturities with dealers carrying a fairly large volume of 90-day bills in their portfolios.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury, there was purchased in the market during the current statement week \$8,911,000 - March 15, 1928 - 3 1/4 per cent certificates of indebtedness for account of Mixed Claims Investments.

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ITEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 26,958,000         | \$ 25,218,000                    | \$1,740,000                      | \$ 0                              |
| New York      | 83,724,000            | 86,461,000                       | 0                                | 2,737,000                         |
| Philadelphia  | 30,443,000            | 28,823,000                       | 1,620,000                        | 0                                 |
| Cleveland     | 35,632,000            | 36,027,000                       | 0                                | 395,000                           |
| Richmond      | 18,038,000            | 18,014,000                       | 24,000                           | 0                                 |
| Atlanta       | 18,575,000            | 18,014,000                       | 561,000                          | 0                                 |
| Chicago       | 50,932,000            | 50,438,000                       | 494,000                          | 0                                 |
| St. Louis     | 17,902,000            | 18,648,000                       | 0                                | 746,000                           |
| Minneapolis   | 14,172,000            | 14,408,000                       | 0                                | 236,000                           |
| Kansas City   | 21,214,000            | 21,615,000                       | 0                                | 401,000                           |
| Dallas        | 14,218,000            | 14,408,000                       | 0                                | 190,000                           |
| San Francisco | 29,089,000            | 28,823,000                       | 266,000                          | 0                                 |
| <b>Totals</b> | <b>\$360,897,000</b>  | <b>\$360,897,000</b>             | <b>\$4,705,000</b>               | <b>\$4,705,000</b>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The Open Market Investment Committee at its meeting held in Washington on March 21, 1927, agreed that it would be desirable to replace immediately the \$25,000,000 securities which matured on March 15 and purchases were accordingly made in New York and other markets of \$25,000,000 short-term Governments. These purchases increased the holdings in the account to \$201,323,500. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

|               |                      |                |        |                |                      |
|---------------|----------------------|----------------|--------|----------------|----------------------|
| Boston        | \$ 8,824,500         | June 15, 1927  | 3 1/2% | Cert. of Ind.  | \$67,366,000         |
| New York      | 53,111,000           | Sept. 15, 1927 | 3 1/8% | " " "          | 18,300,000           |
| Philadelphia  | 4,952,000            | Sept. 15, 1927 | 3 1/4% | " " "          | 64,043,500           |
| Cleveland     | 13,290,000           | Dec. 15, 1927  | 4 1/2% | Treas. Notes   | 26,634,000           |
| Richmond      | 5,857,500            | Mar. 15, 1928  | 3 1/4% | Cert. of Ind.  | 9,980,000            |
| Atlanta       | 0                    | Sept. 15, 1928 | 4 1/4% | 3rd L/L. bonds | 15,000,000           |
| Chicago       | 26,406,500           |                |        |                |                      |
| St. Louis     | 13,815,500           |                |        |                |                      |
| Minneapolis   | 8,983,000            |                |        |                |                      |
| Kansas City   | 18,114,000           |                |        |                |                      |
| Dallas        | 18,589,000           |                |        |                |                      |
| San Francisco | 29,380,500           |                |        |                |                      |
| <b>Totals</b> | <b>\$201,323,500</b> |                |        |                | <b>\$201,323,500</b> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM MARCH 17 TO MARCH 23, 1927

GOVERNMENT SECURITIES - SPECIAL INVESTMENT ACCOUNT  
 (Participation in Purchases)

|               |                            |
|---------------|----------------------------|
| Boston        | \$ 1,096,000               |
| New York      | 6,595,000                  |
| Philadelphia  | 615,000                    |
| Cleveland     | 1,650,000                  |
| Richmond      | 727,500                    |
| Atlanta       | 0                          |
| Chicago       | 3,279,000                  |
| St. Louis     | 1,715,500                  |
| Minneapolis   | 1,115,500                  |
| Kansas City   | 2,249,500                  |
| Dallas        | 2,308,500                  |
| San Francisco | <u>3,648,500</u>           |
| Totals        | <u><u>\$25,000,000</u></u> |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

|              | <u>Purchases</u>   | <u>Issue</u>      | <u>Sales</u>       | <u>Issue</u>       |
|--------------|--------------------|-------------------|--------------------|--------------------|
| New York     | 0                  | -                 | \$4,800,000        | TM-1928 C/I        |
| Philadelphia | 1,500,000          | TS-2-1927 C/I     | 1,000              | Liberty Loan bonds |
| Cleveland    | 42,000             | Various C/I       | 4,000              | TM-1928 C/I        |
| Atlanta      | 505,200            | Misc. Gov't Sec.  | 160,400            | Misc. Gov't Sec.   |
| St. Louis    | 1,830,500          | L/L bonds & T/N   | 715,000            | Second L/L bonds   |
| Kansas City  | 601,700            | A-1930-2 T/N      | 605,200            | L/L bonds & C/I    |
| Dallas       | <u>170,250</u>     | Various L/L bonds | <u>1,050</u>       | Third L/L bonds    |
| Totals       | <u>\$4,649,650</u> |                   | <u>\$6,286,650</u> |                    |

BANKERS ACCEPTANCES  
 (000 Omitted)

|   | <u>Holdings</u><br>March 16 | <u>Purchased</u><br>Own Mkt. | <u>Rec'd by Allotment</u>      |                                  |                                   | <u>Holdings</u><br>March 23 | <u>Other Holdings</u><br>Close Mar. 23/27 |                  |                       |
|---|-----------------------------|------------------------------|--------------------------------|----------------------------------|-----------------------------------|-----------------------------|---|------------------|-----------------------|
|   |                             |                              | <u>Regular</u><br>from<br>N.Y. | <u>From</u><br>New York<br>Port. | <u>Matur-</u><br>ities &<br>Sales |                             | <u>Sales</u>                              | <u>Contracts</u> | <u>Other</u><br>Bills |
|   |                             |                              |                                |                                  |                                   |                             |   |                  |                       |
| Boston  | \$ 19,457                   | \$ 1,913 R.                  | 0                              | 0                                | \$ 2,703                          | \$18,667                    | \$ 9,615                                  | 0                |                       |
| New York  | 32,472                      | 8,235 "<br>13,768 A.         | 0                              | 0                                | 15,368*                           | 25,339                      | 24,939                                    | 1,008            |                       |
| Phila.  | 13,625                      | 2,547 R.                     | 0                              | 0                                | 3,373                             | 12,799                      | 0   | 0                |                       |
| Cleveland   | 19,255                      | 361 "                        | 1,816                          | 0                                | 2,404                             | 19,028                      | 0   | 1,795            |                       |
| Richmond  | 9,014                       | 383 "                        | 1,500                          | 0                                | 1,672                             | 9,225                       | 0   | 0                |                       |
| Atlanta   | 10,528                      | 806 "                        | 936                            | 0                                | 2,322                             | 9,948                       | 0   | 929              |                       |
| Chicago   | 27,502                      | 2,115 "                      | 1,390                          | 0                                | 3,776                             | 27,231                      | 3,651                                     | 0                |                       |
| St. Louis   | 8,843                       | 0                            | 1,941                          | 7,505                            | 870                               | 17,419                      | 0   | 0                |                       |
| Minneapolis   | 7,951                       | 0                            | 1,389                          | 0                                | 3,064                             | 6,276                       | 0   | 0                |                       |
| Kan. City   | 11,527                      | 0                            | 2,055                          | 0                                | 2,591                             | 10,991                      | 0   | 0                |                       |
| Dallas  | 9,193                       | 73 "                         | 1,179                          | 0                                | 1,956                             | 8,489                       | 625                                       | 0                |                       |
| San Fran.   | <u>16,991</u>               | <u>988 "</u>                 | <u>1,562</u>                   | <u>0</u>                         | <u>3,075</u>                      | <u>16,466</u>               | <u>5,972</u>                              | <u>0</u>         |                       |
| Totals  | \$186,358                   | \$31,189                     | \$13,768                       | \$7,505                          | \$43,174                          | \$181,878                   | \$44,802                                  | \$3,732          |                       |
| Bills held overnight by New York for distribution to other F.R. Banks - - - |                             |                              |                                |                                  |                                   |                             |   | 847              |                       |
| Total - - - - -   |                             |                              |                                |                                  |                                   |                             |   | <u>\$4,579</u>   |                       |

\*Includes \$7,505,000 sold to Federal Reserve Bank of St. Louis.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 23, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 3/4% | 61-90 days<br>3 3/4 - 4% | Over 90-days<br>3 3/4% | Total           |
|---------------|-----------------------------|------------------------------|--------------------------|------------------------|-----------------|
| Boston        | \$ 272                      | \$ 1,602                     | \$ 39                    | 0                      | \$ 1,913        |
| New York      | 7,380                       | 11,902                       | 2,148                    | 573                    | 22,003          |
| Philadelphia  | 1,014                       | 1,533                        | 0                        | 0                      | 2,547           |
| Cleveland     | 169                         | 192                          | 0                        | 0                      | 361             |
| Richmond      | 252                         | 131                          | 0                        | 0                      | 383             |
| Atlanta       | 721                         | 34                           | 51                       | 0                      | 806             |
| Chicago       | 214                         | 1,901                        | 0                        | 0                      | 2,115           |
| Dallas        | 5                           | 0                            | 50                       | 18                     | 73              |
| San Francisco | 623                         | 338                          | 27                       | 0                      | 988             |
| <b>Totals</b> | <b>\$10,650</b>             | <b>\$17,633</b>              | <b>\$2,315</b>           | <b>\$591</b>           | <b>\$31,189</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 23, 1927  
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     | \$29,506                     | \$38,694                   | \$68,200         |
| Sold          | 6,287                        | 0                          | 6,287            |
| Matured       | 0                            | 43,174                     | 43,174           |
|               |                              | \$ 4,480-                  | \$18,739+        |
|               |                              | 694+ (Net Change           | 694+ (Net Change |
|               |                              | 1-day holdover             | 1-day holdover   |
|               |                              | and other bills)           | and other bills) |
| <b>Totals</b> | <b>\$23,219+</b>             | <b>\$3,786-</b>            | <b>\$19,433+</b> |

(Including Sales Contracts)

| <u>Holdings</u><br><u>March 23, 1927</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                         | \$ 23,760             | 0                 | 0                 | \$73,825          | \$76,478                | \$168,184            | \$342,247        |
| Bills Purchased                          | 102,980               | 58,518            | 56,206            | 11,999            | 1,556                   | 0                    | 231,259          |
| <b>Totals</b>                            | <b>\$126,740</b>      | <b>\$58,518</b>   | <b>\$56,206</b>   | <b>\$85,824</b>   | <b>\$78,034</b>         | <b>\$168,184</b>     | <b>\$573,506</b> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 9, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8495  
G P O



For your information:

- Governor Crissinger ✓
- Mr. Platt ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James *absent*
- Mr. Cunningham *absent*
- Mr. McIntosh ✓ *absent - \$100*

Please return to Secretary's office.

DECLASSIFIED  
Authority E.O. 10501

March 9, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of March 7th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 24 to March 2, 1927, inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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



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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
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THE GOVERNOR

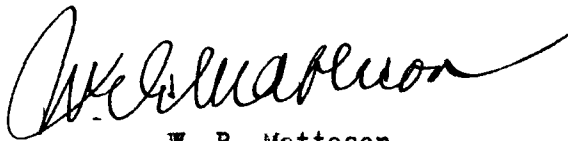
CONFIDENTIAL

March 7, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from February 24 to March 2, 1927  
inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 2, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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               | 3,582              | 290,696               | 16,845             | 631,923    |
| Nov. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 2   | 1,036,641                  | 305,410               | 5,564              | 223,404               | 65,619             | 434,644    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 2, 1927  
 (000 Omitted)

|                                    | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED   |                  |
|------------------------------------|-----------------------|---------------|---------------------|------------------|--------------------|------------------|
|                                    | Balance<br>March 2    | Net<br>Change | Balance<br>March 2  | Net<br>Change    | Balance<br>March 2 | Net<br>Change    |
| Boston                             | \$ 9,614              | 0             | \$ 30,878           | \$ 6,916-        | \$ 34,484          | \$ 777+          |
| New York                           | 54,118                | 0             | 33,902              | 317+             | 114,713            | 25,878+          |
| Philadelphia                       | 19,928                | 0             | 17,138              | 3,222-           | 34,329             | 496+             |
| Cleveland                          | 36,598                | 100+          | 24,143              | 3,113-           | 36,572             | 7,656-           |
| Richmond                           | 7,059                 | 1-            | 10,664              | 54+              | 23,597             | 718+             |
| Atlanta                            | 2,221                 | 12-           | 11,373              | 1,128-           | 29,887             | 4,515+           |
| Chicago                            | 46,161                | 0             | 30,087              | 3,419-           | 74,835             | 9,540+           |
| St. Louis                          | 22,534                | 530+          | 8,658               | 1,199-           | 16,507             | 117+             |
| Minneapolis                        | 16,481                | 0             | 9,619               | 152-             | 3,309              | 882-             |
| Kansas City                        | 27,569                | 1+            | 12,694              | 907-             | 7,513              | 2,903-           |
| Dallas                             | 24,252                | 12+           | 9,854               | 2,286-           | 2,804              | 737-             |
| San Francisco                      | 38,875                | 0             | 19,871              | 1,471+           | 56,094             | 8,906+           |
| N. Y. holdovers<br>and other bills |                       |               | 4,523               | 30-              |                    |                  |
| <b>Totals</b>                      | <b>\$305,410</b>      | <b>\$630+</b> | <b>\$223,404</b>    | <b>\$20,530-</b> | <b>\$434,644</b>   | <b>\$36,715+</b> |

COMMENT ON CHANGES WEEK ENDED MARCH 2, 1927

Total earning assets of the System increased approximately \$51,300,000 for the current statement week. Increases of about \$36,700,000 in bills discounted, \$34,500,000 in investments held under sales contracts, and \$600,000 in outright purchases of Government securities were partly offset by a decrease of \$20,500,000 in outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of about \$29,350,000 bankers acceptances, \$5,150,000 Government securities.

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2

Money  
Market

The call loan renewal rate which had been 4 1/2 per cent for a few days at the first of the month, declined to 4 per cent on March 2, and the Stock Exchange rate for new loans was steady at this level for the balance of the week. Money was generally firm at this rate and borrowings of New York City banks ranged from 75 to 100 million dollars.

In the time money market, the rate tendency was slightly firmer but demand for funds was very light. Loans were arranged at 4 3/8 and 4 1/2 per cent, while in the previous week trading was principally at 4 3/8 per cent.

The commercial paper market was less active during the past week than in recent previous weeks. A fair amount of paper, however, was sold to interior institutions, principally at 4 per cent though there was some increase in sales at 4 1/4 per cent. Supplies of new paper continued limited, and consequently dealers' lists showed only small increases.

Government  
Security  
Market

Accompanying firmer money conditions during the fore part of the week, the volume of trading in United States Government bonds was somewhat lighter than last week. There was, however, considerably more activity during the latter part of the week with prices of all issues firm and at approximately the same level as at the previous week's close. New high levels were reached during the week for Treasury 4s of 1944-54 at 107 6/32, Treasury 4 1/4s of 1947-52 at 111 18/32 and Treasury 3 3/4s of 1946-56 at 104 16/32.

During the latter part of the week there was also a considerable amount of activity in the market for short-term Government Certificates of Indebtedness and Treasury Notes. All issues maturing subsequent to March 15 were in good demand with dealers' offerings at prices to yield from about 3.12 to 3.17 per cent according to maturity, as compared with from 3.15 to 3.25 per cent last week.

Bankers  
Acceptances

Most of the dealers lowered their rates 1/8 per cent on 30 and 90-day bills this week. Their offering rates for unindorsed bankers acceptances, according to maturity, were as follows: 3 1/2 per cent for 30s, 3 5/8 per cent for 60 and 90s, and 3 3/4 per cent for 120-day bills.

Boston reports some improvement in the supply of bills in their district, purchases by dealers during the statement week amounting to approximately \$8,000,000, the largest amount so far this year. The demand, which was almost entirely from the larger local institutions, was only fair and principally for short bills. Offerings to the reserve bank were less this week than last. In New York the scarcity of new bills, which was in evidence during the previous week, disappeared and the supply during the week covered by this report again recovered to about the normal volume that has prevailed for the past several months. Dealers' sales also showed a good improvement and the total was about equal to their purchases. While buying for local accounts fell off moderately, there was some good buying of 90-day bills for foreign accounts. Offerings to the reserve bank were light while the amount of dealers' commitments held under sales contracts increased considerably. The market in Philadelphia continued quiet. Offerings which consisted principally of short bills were lighter than the previous period and the demand was exceptionally light. Chicago reports their bill market was dull although there was a fair demand for short bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury during the current statement week a purchase was made in the market of \$2,000,000 Third Liberty Loan 4 1/4 per cent bonds for account of Surplus Money in the Treasury.

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Authority EO 10501

3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 25,113,000         | \$ 19,755,000                    | \$ 5,358,000                     | 0                                 |
| New York      | 64,270,000            | 67,732,000                       | 0                                | 3,462,000                         |
| Philadelphia  | 23,120,000            | 22,580,000                       | 540,000                          | 0                                 |
| Cleveland     | 28,193,000            | 28,222,000                       | 0                                | 29,000                            |
| Richmond      | 13,752,000            | 14,112,000                       | 0                                | 360,000                           |
| Atlanta       | 14,053,000            | 14,112,000                       | 0                                | 59,000                            |
| Chicago       | 38,954,000            | 39,512,000                       | 0                                | 558,000                           |
| St. Louis     | 13,450,000            | 14,112,000                       | 0                                | 662,000                           |
| Minneapolis   | 10,759,000            | 11,287,000                       | 0                                | 528,000                           |
| Kansas City   | 16,145,000            | 16,933,000                       | 0                                | 788,000                           |
| Dallas        | 11,122,000            | 11,287,000                       | 0                                | 165,000                           |
| San Francisco | <u>23,293,000</u>     | <u>22,580,000</u>                | <u>713,000</u>                   | <u>0</u>                          |
| Totals        | <u>\$282,224,000</u>  | <u>\$282,224,000</u>             | <u>\$ 6,611,000</u>              | <u>\$6,611,000</u>                |

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

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        | \$ 8,766,000      |
| New York      | 52,762,000        |
| Philadelphia  | 4,919,500         |
| Cleveland     | 13,202,500        |
| Richmond      | 5,818,500         |
| Atlanta       | 0                 |
| Chicago       | 26,233,500        |
| St. Louis     | 13,725,000        |
| Minneapolis   | 8,923,500         |
| Kansas City   | 17,995,000        |
| Dallas        | 18,466,500        |
| San Francisco | <u>29,188,000</u> |

Totals \$200,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

|                    |               |
|--------------------|---------------|
| March 15, 1927     | \$ 29,957,500 |
| June 15, 1927      | 103,344,000   |
| September 15, 1927 | 36,709,500    |
| December 15, 1927  | 24,959,000    |
| September 15, 1928 |               |
| 3rd L/L bonds      | 5,030,000     |

\$200,000,000

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 Authority FD. 10501

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM FEBRUARY 24 TO MARCH 2, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>          | <u>Issue</u>        | <u>Sales</u>            | <u>Issue</u>        |
|---------------|---------------------------|---------------------|-------------------------|---------------------|
| Cleveland     | \$ 100,000                | B-1927 Treas. Notes | 0                       | -                   |
| Richmond      | 0                         | -                   | 1,000                   | Misc. Gov't Sec.    |
| Atlanta       | 93,600                    | Various Gov't Sec.  | 106,400                 | Various Gov't Sec.  |
| St. Louis     | 529,900                   | Various L/L bonds   | 0                       | -                   |
| Kansas City   | 1,000                     | B-1927 Treas. Notes | 0                       | -                   |
| Dallas        | <u>427,800</u>            | Various L/L bonds   | <u>416,800</u>          | Treas. 3 3/4% bonds |
| <b>Totals</b> | <b><u>\$1,152,300</u></b> |                     | <b><u>\$524,200</u></b> |                     |

BANKERS ACCEPTANCES  
 (000 Omitted)

|               | <u>Holdings</u><br><u>Feb. 23</u> | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Rec'd by Allotment</u>                    |  |                             | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br><u>Mar. 2</u> | <u>Other Holdings</u><br><u>Close Mar. 2/27</u> |                              |
|---------------|-----------------------------------|-------------------------------------|--|--|-----------------------------|---|----------------------------------|---|------------------------------|
|               |                                   |                                     | <u>Regular</u><br><u>from</u><br><u>N.Y.</u> | <u>From</u><br><u>Boston</u><br><u>Port.</u> | <u>From</u><br><u>Other</u> |   |                                  | <u>Sales</u><br><u>Contracts</u>                | <u>Other</u><br><u>Bills</u> |
| Boston        | \$ 37,704                         | \$ 8,020 R.                         | 0  | 0  | \$14,936*                   | \$ 30,878   | \$ 9,390                         | 0   |                              |
| New York      | 33,585                            | 7,327 " 15,320 A.                   | 0  | 4,300  | 11,310                      | 33,902  | 43,818                           | 936   |                              |
| Phila.        | 20,360                            | 2,502 R.                            | 0  | 0  | 5,724                       | 17,138  | 0                                | 0   |                              |
| Cleveland     | 27,256                            | 1,245 "                             | 1,570  | 0  | 5,928                       | 24,143  | 1,533                            | 1,547   |                              |
| Richmond      | 10,610                            | 345 "                               | 1,302  | 0  | 1,593                       | 10,664  | 0                                | 0   |                              |
| Atlanta       | 12,501                            | 590 "                               | 1,301  | 300  | 3,319                       | 11,373  | 0                                | 857   |                              |
| Chicago       | 33,506                            | 1,301 "                             | 3,624  | 1,100  | 9,444                       | 30,087  | 4,049                            | 0   |                              |
| St. Louis     | 9,857                             | 0                                   | 1,291  | 1,000  | 3,490                       | 8,658   | 0                                | 0   |                              |
| Minn.         | 9,771                             | 0                                   | 1,029  | 800  | 1,981                       | 9,619   | 0                                | 0   |                              |
| Kan. City     | 13,601                            | 0                                   | 1,506  | 1,300  | 3,713                       | 12,694  | 0                                | 0   |                              |
| Dallas        | 12,140                            | 400 "                               | 665  | 600  | 3,951                       | 9,854   | 18                               | 0   |                              |
| San Fran.     | <u>18,400</u>                     | <u>1,813 "</u>                      | <u>3,032</u>                                 | <u>0</u>                                     | <u>3,374</u>                | <u>19,871</u>                                       | <u>6,811</u>                     | <u>0</u>  |                              |
| <b>Totals</b> | <b>\$239,381</b>                  | <b>\$38,863</b>                     | <b>\$15,320</b>                              | <b>\$9,400</b>                               | <b>\$68,763</b>             | <b>\$218,881</b>                                    | <b>\$65,619</b>                  | <b>\$3,340</b>                                  |                              |

Bills held overnight by New York for distribution to other F. R. Banks - - - - 1,183

Total - - - - - \$4,523

\*Includes \$9,400,000 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 MARCH 2, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 7/8% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4 - 3 7/8% | Totals          |
|---------------|-----------------------------|------------------------------|------------------------------|--------------------------------|-----------------|
| Boston        | \$ 495                      | \$ 7,012                     | \$ 352                       | \$ 161                         | \$ 8,020        |
| New York      | 7,478                       | 11,646                       | 2,474                        | 1,049                          | 22,647          |
| Philadelphia  | 414                         | 872                          | 1,216                        | 0                              | 2,502           |
| Cleveland     | 1,245                       | 0                            | 0                            | 0                              | 1,245           |
| Richmond      | 195                         | 40                           | 110                          | 0                              | 345             |
| Atlanta       | 100                         | 40                           | 424                          | 26                             | 590             |
| Chicago       | 182                         | 838                          | 281                          | 0                              | 1,301           |
| Dallas        | 325                         | 0                            | 20                           | 55                             | 400             |
| San Francisco | 649                         | 942                          | 203                          | 19                             | 1,813           |
| <b>Totals</b> | <u>\$11,083</u>             | <u>\$21,390</u>              | <u>\$5,080</u>               | <u>\$1,310</u>                 | <u>\$38,863</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 2, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | Government<br>Securities | Bankers<br>Acceptances                                | Total   |
|---------------|--------------------------|---|---|
| Purchased     | \$1,153                  | \$48,263  | \$49,416  |
| Sold          | 523                      | 0   | 523   |
| Matured       | 0                        | 68,763  | 68,763  |
|               |                          | \$20,500-   | \$19,870-   |
|               |                          | 30- (Net Change<br>1-day holdover<br>and other bills) | 30- (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <u>\$630+</u>            | <u>\$20,530-</u>                                      | <u>\$19,900-</u>                                      |

(Including Sales Contracts)

| <u>Holdings</u><br>March 2, 1927 | Within<br>15 days | 16-30<br>days   | 31-60<br>days   | 61-90<br>days   | 91-days<br>6 months | Over 6<br>months | Total            |
|----------------------------------|-------------------|-----------------|-----------------|-----------------|---------------------|------------------|------------------|
| Gov't Securities                 | \$ 48,060         | 0               | \$ 0            | 0               | \$110,482           | \$152,432        | \$310,974        |
| Bills Purchased                  | 142,585           | 65,826          | 55,236          | 21,815          | 3,561               | 0                | 289,023          |
| <b>Totals</b>                    | <u>\$190,645</u>  | <u>\$65,826</u> | <u>\$55,236</u> | <u>\$21,815</u> | <u>\$114,043</u>    | <u>\$152,432</u> | <u>\$599,997</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 4, 1927.

To All Members of the Board

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

From Mr. Eddy

2-3496  
G P O

For your information:

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

Mr. Miller ✓

~~Mr. [unclear]~~

~~Mr. Cunningham~~

Mr. McIntosh ✓ *absent from*

Please return to Secretary's office.

DECLASSIFIED  
Authority E.O. 10501

March 4, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 28th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 17 to February 23, 1927, 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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MAR - 1 1927  
OFFICE OF  
THE GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

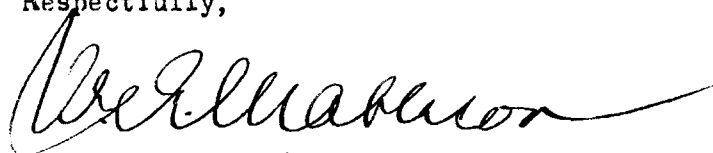
CONFIDENTIAL

February 28, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from February 17 to February 23, 1927  
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**  
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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 23, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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                  | 385,625               | 3,122              | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 9   | 988,748                    | 302,482               | 2,196              | 251,757               | 50,748             | 379,065    |
| Feb. 16  | 1,025,278                  | 304,147               | 7,676              | 245,365               | 69,620             | 396,470    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 23, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |               | BILLS DISCOUNTED   |               |
|-----------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
|                                   | Balance<br>Feb. 23    | Net<br>Change | Balance<br>Feb. 23  | Net<br>Change | Balance<br>Feb. 23 | Net<br>Change |
| Boston                            | \$ 9,614              | 0             | \$ 37,794           | \$8,259+      | \$ 35,261          | \$12,766+     |
| New York                          | 54,118                | 0             | 33,585              | 3,371-        | 89,335             | 12,270-       |
| Philadelphia                      | 19,928                | 0             | 20,360              | 2,503-        | 33,833             | 496-          |
| Cleveland                         | 36,498                | 0             | 27,256              | 1,905+        | 44,228             | 546+          |
| Richmond                          | 7,060                 | 0             | 10,610              | 429+          | 22,879             | 2,242-        |
| Atlanta                           | 2,233                 | 24+           | 12,501              | 1,310-        | 25,372             | 254+          |
| Chicago                           | 46,161                | 1+            | 33,506              | 22+           | 65,295             | 13,576-       |
| St. Louis                         | 22,004                | 590+          | 9,857               | 27+           | 16,390             | 788+          |
| Minneapolis                       | 16,481                | 0             | 9,771               | 329-          | 4,191              | 241-          |
| Kansas City                       | 27,568                | 0             | 13,601              | 1,555-        | 10,416             | 832+          |
| Dallas                            | 24,240                | 17+           | 12,140              | 394-          | 3,541              | 712+          |
| San Francisco                     | 38,875                | 1+            | 18,400              | 178-          | 47,188             | 14,386+       |
| N.Y. holdovers<br>and other bills |                       |               | 4,553               | 2,433-        |                    |               |
| Totals                            | \$304,780             | \$633+        | \$243,934           | \$1,431-      | \$397,929          | \$ 1,459+     |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 23, 1927

Total earning assets of the System decreased about \$40,000,000 for the current statement week. The approximate changes, by classification, consisted of \$33,350,000 bankers acceptances and \$7,250,000 Government securities held under sales contracts, and \$1,400,000 in outright purchases of bankers acceptances, and increases of \$1,450,000 in bills discounted and \$650,000 in outright purchases of Government securities.

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Money  
Market

Call money remained easy during the first part of the week; renewals were arranged at 4 per cent and on one day the new loan rate declined to 3 3/4 per cent. Later in the week, however, as some funds were transferred to the interior and banks made good their reserves which had been deficient all week, a large amount of reserve bank credit was called into use and the rate on new call loans advanced on Friday to 5 per cent, the highest since January 5.

Nominal quotations of 4 3/8 per cent bid, 4 1/2 per cent offered for all maturities of time money were unchanged during the week. Actual loans were arranged at 4 3/8 per cent up until Friday when, in sympathy with the higher call money rate, no loans were made lower than 4 1/2 per cent.

Commercial paper was in continued good demand by interior institutions but the New York market was generally quiet. The bulk of the prime names sold at 4 per cent. Paper dealers again reported difficulty in acquiring sufficient amounts of new paper from open market borrowers.

Government  
Security  
Market

The market for United States Government bonds was strong and active. Although the demand continued good for the Second, Third and Fourth 4 1/4 per cent Liberty Loan bonds the principal demand during the latter half of the current week was for the longer term Treasury bonds. On a large volume of trading the Treasury bonds advanced in price about 16/32 and reached new high levels for all time at 107 5/32 for Treasury 4s - 1944/54, 111 18/32 for Treasury 4 1/4s - 1947/52, and 104 16/32 for Treasury 3 3/4s - 1946/56.

The short-term certificate of indebtedness and Treasury Note market continued quiet and dealers' offerings at the end of the week were at prices to yield from about 3 to 3 1/4 per cent according to maturity.

Bankers  
Acceptances

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

Boston reports that dealers' sales during the statement week showed a substantial increase with the larger local institutions as principal buyers which, with the supply of new bills coming into the market being small, resulted in dealers' portfolios dropping about \$4,000,000 to \$12,700,000. Offerings to the reserve bank from local member banks were quite heavy. While the demand for bills in the New York market continued good and in approximately the same volume as during the preceding week, the supply decreased substantially. Sales to the reserve bank, by banks and dealers, for System Account were light. Dealers' portfolios and their commitments to the reserve bank under sales contracts were considerably reduced. The Philadelphia market was quiet. The supply was moderate and the demand only fair with preference shown for 90 day bills. Chicago also reports that the bill market in their district was quiet with few new bills coming into the market and the demand principally for short bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury purchases were made in the market during the statement week of \$4,000,000 Second 4 1/4s for account of the Alien Property Custodian, \$2,500,000 Third 4 1/4s for account of Surplus Money in the Treasury, and \$250,000 First 4 1/4s for account of the Secretary of the Interior.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <u>Bills Acquired</u> | <u>Bills Entitled<br/>to Acquire</u> | <u>Bills Over<br/>Pro Rata Share</u> | <u>Bills Short<br/>Pro Rata Share</u> |
|---------------|-----------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Boston        | \$ 26,493,000         | \$ 17,011,000                        | \$ 9,482,000                         | \$ 0                                  |
| New York      | 52,642,000            | 58,323,000                           | 0                                    | 5,681,000                             |
| Philadelphia  | 20,618,000            | 19,443,000                           | 1,175,000                            | 0                                     |
| Cleveland     | 25,378,000            | 24,302,000                           | 1,076,000                            | 0                                     |
| Richmond      | 12,105,000            | 12,152,000                           | 0                                    | 47,000                                |
| Atlanta       | 11,862,000            | 12,152,000                           | 0                                    | 290,000                               |
| Chicago       | 32,929,000            | 34,024,000                           | 0                                    | 1,095,000                             |
| St. Louis     | 11,159,000            | 12,152,000                           | 0                                    | 993,000                               |
| Minneapolis   | 8,930,000             | 9,719,000                            | 0                                    | 789,000                               |
| Kansas City   | 13,339,000            | 14,581,000                           | 0                                    | 1,242,000                             |
| Dallas        | 9,118,000             | 9,719,000                            | 0                                    | 601,000                               |
| San Francisco | <u>18,448,000</u>     | <u>19,443,000</u>                    | <u>0</u>                             | <u>995,000</u>                        |
| Totals        | <u>\$243,021,000</u>  | <u>\$243,021,000</u>                 | <u>\$11,733,000</u>                  | <u>\$11,733,000</u>                   |

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

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        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,202,500           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | <u>29,188,000</u>    |
| Totals        | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|           |               |                      |
|-----------|---------------|----------------------|
| March     | 15, 1927      | \$ 29,957,500        |
| June      | 15, 1927      | 103,344,000          |
| September | 15, 1927      | 36,709,500           |
| December  | 15, 1927      | 24,959,000           |
| September | 15, 1928      |                      |
|           | 3rd L/L bonds | 5,030,000            |
| Totals    |               | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM FEBRUARY 17 TO FEBRUARY 24, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u> | <u>Issue</u>       | <u>Sales</u>     | <u>Issue</u>       |
|---------------|------------------|--------------------|------------------|--------------------|
| Atlanta       | \$138,000        | Various Gov't Sec. | \$113,700        | Various Gov't Sec. |
| Chicago       | 1,000            | Various L/L bonds  | 0                | -                  |
| St. Louis     | 590,000          | Fourth L/L bonds   | 0                | -                  |
| Dallas        | 19,100           | Various L/L bonds  | 1,500            | Second L/L bonds   |
| San Francisco | <u>1,000</u>     | Various L/L bonds  | <u>0</u>         | -                  |
| <b>Totals</b> | <u>\$749,100</u> |                    | <u>\$115,200</u> |                    |

BANKERS ACCEPTANCES  
 (000 Omitted)

|               | <u>Holdings</u>  | <u>Purchased</u> | <u>Received by</u> | <u>Matur-</u>      | <u>Holdings</u>  | <u>Other Holdings</u>   |                |
|---------------|------------------|------------------|--------------------|--------------------|------------------|-------------------------|----------------|
|               | <u>Feb. 16</u>   | <u>Own Mkt.</u>  | <u>Allotment</u>   | <u>ities &amp;</u> | <u>Feb. 23</u>   | <u>Close Feb. 23/27</u> | <u>Other</u>   |
|               |                  |                  | <u>from N.Y.</u>   | <u>Sales</u>       |                  | <u>Sales</u>            | <u>Bills</u>   |
|               |                  |                  |                    |                    |                  | <u>Contracts</u>        |                |
| Boston        | \$ 29,535        | \$12,319 R.      | 0                  | \$ 4,060           | \$ 37,794        | \$ 8,244                | 0              |
| New York      | 36,956           | 6,083 "          | 0                  | 9,454              | 33,585           | 17,530                  | 1,105          |
|               |                  | 14,375 A.        |                    |                    |                  |                         |                |
| Phila.        | 22,863           | 2,268 R.         | 0                  | 4,771              | 20,360           | 0                       | 0              |
| Cleveland     | 25,351           | 3,089 "          | 2,394              | 3,578              | 27,256           | 1,533                   | 1,162          |
| Richmond      | 10,181           | 949 "            | 1,359              | 1,879              | 10,610           | 0                       | 0              |
| Atlanta       | 13,811           | 700 "            | 1,478              | 3,488              | 12,501           | 0                       | 973            |
| Chicago       | 33,484           | 1,704 "          | 2,990              | 4,672              | 33,506           | 4,380                   | 0              |
| St. Louis     | 9,830            | 0                | 1,593              | 1,566              | 9,857            | 0                       | 0              |
| Minneapolis   | 10,100           | 0                | 1,242              | 1,571              | 9,771            | 0                       | 0              |
| Kan. City     | 15,156           | 0                | 1,813              | 3,368              | 13,601           | 0                       | 0              |
| Dallas        | 12,534           | 145 "            | 874                | 1,413              | 12,140           | 0                       | 0              |
| San Fran.     | <u>18,578</u>    | <u>814 "</u>     | <u>632</u>         | <u>1,624</u>       | <u>18,400</u>    | <u>4,568</u>            | <u>0</u>       |
| <b>Totals</b> | <b>\$238,379</b> | <b>\$42,446</b>  | <b>\$14,375</b>    | <b>\$41,444</b>    | <b>\$239,381</b> | <b>\$36,255</b>         | <b>\$3,240</b> |

Bills held overnight by New York for distribution to other F. R. Banks - - - 1,313

Total - - - - - \$4,553

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 23, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 3/4%</u> | 31-60 days<br><u>3 1/2 - 3 7/8%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90 days<br><u>3 3/4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|-----------------|
| Boston        | \$ 4,195                           | \$ 4,565                            | \$ 3,540                            | \$ 19                         | \$12,319        |
| New York      | 6,373                              | 9,450                               | 3,432                               | 1,203                         | 20,458          |
| Philadelphia  | 957                                | 690                                 | 621                                 | 0                             | 2,268           |
| Cleveland     | 3,089                              | 0                                   | 0                                   | 0                             | 3,089           |
| Richmond      | 364                                | 435                                 | 150                                 | 0                             | 949             |
| Atlanta       | 700                                | 0                                   | 0                                   | 0                             | 700             |
| Chicago       | 222                                | 1,402                               | 80                                  | 0                             | 1,704           |
| Dallas        | 40                                 | 105                                 | 0                                   | 0                             | 145             |
| San Francisco | <u>319</u>                         | <u>458</u>                          | <u>37</u>                           | <u>0</u>                      | <u>814</u>      |
| <b>Totals</b> | <u>\$16,259</u>                    | <u>\$17,105</u>                     | <u>\$7,860</u>                      | <u>\$1,222</u>                | <u>\$42,446</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 23, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u>                                  | <u>Total</u>  |
|---------------|----------------------------------|---|---|
| Purchased     | \$749                            | \$42,446  | \$43,195  |
| Sold          | 116                              | 0   | 116   |
| Matured       | 0                                | <u>41,444</u>   | <u>41,444</u>   |
|               | —                                | <u>\$1,002+</u>   | <u>\$1,635+</u>   |
|               | —                                | <u>2,433-</u> (Net Change<br>1-day holdover<br>and other bills) | <u>2,433-</u> (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <u>\$633+</u>                    | <u>\$1,431-</u>   | <u>\$ 798-</u>  |

(Including Sales Contracts)

| <u>Holdings</u><br><u>February 23, 1927</u> | <u>Within<br/>15 days</u> | <u>16-30<br/>days</u> | <u>31-60<br/>days</u> | <u>61-90<br/>days</u> | <u>91-days<br/>6 months</u> | <u>Over 6<br/>months</u> | <u>Total</u>     |
|---|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|------------------|
| Gov't Securities                            | \$ 428                    | \$ 42,385             | 0                     | 0                     | \$110,467                   | \$151,928                | \$305,208        |
| Bills Purchased                             | <u>140,345</u>            | <u>61,531</u>         | <u>51,939</u>         | <u>23,234</u>         | <u>3,140</u>                | <u>0</u>                 | <u>280,189</u>   |
| <b>Totals</b>                               | <u>\$140,773</u>          | <u>\$103,916</u>      | <u>\$51,939</u>       | <u>\$23,234</u>       | <u>\$113,607</u>            | <u>\$151,928</u>         | <u>\$585,397</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 23rd, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8486  
G.P.O.

For your information:

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

Please return to Secretary's office.

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February 23, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 21st, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 10 to February 16, 1927, inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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



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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
FEB 23 1927  
OFFICE OF  
THE GOVERNOR

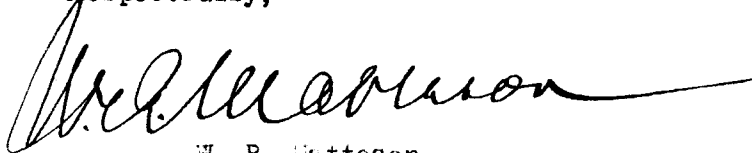
CONFIDENTIAL

February 21, 1927

S i r :

Enclosed please find report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from February 10 to February 16, 1927 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 16, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS<br>DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts |                     |
| -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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931             |
| -1927-   |                            |                       |                    |                       |                    |                     |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157             |
| Feb. 9   | 988,748                    | 302,482               | 2,196              | 251,757               | 50,748             | 379,065             |
| Feb. 16  | 1,025,278                  | 304,147               | 7,676              | 245,365               | 69,620             | 396,470             |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 16, 1927  
(000 Omitted)

|                                   | GOVERNMENT SECURITIES |                 | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED   |                  |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------|--------------------|------------------|
|                                   | Balance<br>Feb. 16    | Net<br>Change   | Balance<br>Feb. 16  | Net<br>Change   | Balance<br>Feb. 16 | Net<br>Change    |
| Boston                            | \$ 9,614              | 0               | \$ 29,535           | \$ 549-         | \$ 22,495          | \$ 1,392-        |
| New York                          | 54,118                | 0               | 36,956              | 238+            | 101,605            | 4,673+           |
| Philadelphia                      | 19,928                | 0               | 22,863              | 130+            | 34,329             | 89-              |
| Cleveland                         | 36,498                | 1,166+          | 25,351              | 752+            | 43,682             | 4,948-           |
| Richmond                          | 7,060                 | 0               | 10,181              | 450-            | 25,121             | 3,461+           |
| Atlanta                           | 2,209                 | 194+            | 13,811              | 145-            | 25,118             | 286+             |
| Chicago                           | 46,160                | 0               | 33,484              | 3,064-          | 78,871             | 9,815+           |
| St. Louis                         | 21,414                | 297+            | 9,830               | 1,432-          | 15,602             | 3,924+           |
| Minneapolis                       | 16,481                | 0               | 10,100              | 38-             | 4,432              | 603+             |
| Kansas City                       | 27,568                | 0               | 15,156              | 612-            | 9,584              | 1,549+           |
| Dallas                            | 24,223                | 8+              | 12,534              | 225-            | 2,829              | 7+               |
| San Francisco                     | 38,874                | 0               | 18,578              | 1,381-          | 32,802             | 484-             |
| N.Y. holdovers<br>and other bills |                       |                 | 6,986               | 384+            |                    |                  |
| <b>Totals</b>                     | <b>\$304,147</b>      | <b>\$1,665+</b> | <b>\$245,365</b>    | <b>\$6,392-</b> | <b>\$396,470</b>   | <b>\$17,405+</b> |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 16, 1927

Total earning assets of the System increased about \$36,500,000 for the current statement week. The principal changes consisted of increases of about \$17,400,000 in bills discounted, \$1,700,000 in outright purchases of Government securities, and \$24,400,000 in investments held under sales contracts, and a decrease of approximately \$6,400,000 in outright purchases of bankers acceptances.

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Money  
Market

Transfers to the interior early in the week caused a temporary rise in call money to 4 1/2 per cent. Subsequently, however, a heavy influx of funds to this market from other districts was accompanied by a reduction in the volume of reserve bank credit in use and the rate for new call loans on two successive days declined to 3 3/4 per cent, the lowest since June 1926. The call loan renewal rate throughout the period remained at 4 per cent.

Both demand for and offerings of time funds were rather small during the week. Actual loans for practically all maturities were generally made at 4 3/8 per cent.

Activity in the commercial paper market was restricted more by the small supply of paper than by the investment demand which continued active in the interior. Prime paper sold for the most part at 4 per cent with some trading at variations of 1/4 per cent above and below this rate.

GOVERNMENT  
SECURITY  
MARKET

The market for United States Liberty Loan and Treasury bonds was more active this week than last with prices at approximately the same level as at the previous week's close. Second, Third and Fourth 4 1/4's were in best demand with offerings of large blocks continuing to be scarce.

The market for short-term Certificates of Indebtedness and Treasury Notes was quiet and slightly firmer. Offerings by dealers at the end of the week were at prices to yield from about 3 to 3.28 per cent according to maturity.

Bankers  
Acceptances

Dealers' offering rates for unindorsed bankers acceptances were as follows: 3 5/8 per cent for 30s and 60s, and 3 3/4 per cent for 90 and 120-day bills. This represents an advance of 1/8 per cent from the rates in effect at the close of the previous statement week, on all but 60-day bills.

Boston reports the bill market in their district as very quiet. While the supply of bills was very small it was more than sufficient to take care of the demand which was very poor. Dealers' portfolios were larger this week than any week in the past fourteen months. Offerings to the reserve bank were very light. The market in New York was moderately active, with the supply of bills holding up in good volume and the demand fair. While purchases for foreign accounts were light, buying for local accounts showed a slight increase. Sales to the reserve bank from banks and dealers were less this week than last and consisted chiefly of short bills. The aggregate of dealers portfolios showed a moderate increase. Philadelphia reports there was a moderate amount of bills with maturities up to 90 days offered in their market, while Chicago reports very few new bills coming into their market with a fair demand for bills maturing in 60 days.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for the United States Treasury during the current statement week consisted of the sale of \$700,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness, \$3,320,000 Treasury 4s of 1944-54 and \$700,000 Treasury 3 3/4s of 1946-56, and a purchase of \$4,020,000 Second 4 1/4s all for account of the Alien Property Custodian and purchases in New York and Chicago of \$7,500,000 Third 4 1/4s for account of Surplus Money in the Treasury.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 14,174,000         | \$ 14,040,000                    | \$ 134,000                       | \$ 0                              |
| New York      | 46,558,000            | 48,136,000                       | 0                                | 1,578,000                         |
| Philadelphia  | 18,350,000            | 16,047,000                       | 2,303,000                        | 0                                 |
| Cleveland     | 19,895,000            | 20,057,000                       | 0                                | 162,000                           |
| Richmond      | 9,797,000             | 10,030,000                       | 0                                | 233,000                           |
| Atlanta       | 9,684,000             | 10,030,000                       | 0                                | 346,000                           |
| Chicago       | 28,235,000            | 28,081,000                       | 154,000                          | 0                                 |
| St. Louis     | 9,566,000             | 10,030,000                       | 0                                | 464,000                           |
| Minneapolis   | 7,688,000             | 8,021,000                        | 0                                | 333,000                           |
| Kansas City   | 11,526,000            | 12,034,000                       | 0                                | 508,000                           |
| Dallas        | 8,099,000             | 8,021,000                        | 78,000                           | 0                                 |
| San Francisco | 17,002,000            | 16,047,000                       | 955,000                          | 0                                 |
| Totals        | <u>\$200,574,000</u>  | <u>\$200,574,000</u>             | <u>\$3,624,000</u>               | <u>\$3,624,000</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        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,202,500           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | 29,188,000           |
| Totals        | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|           |               |                      |
|-----------|---------------|----------------------|
| March     | 15, 1927      | \$ 29,957,500        |
| June      | 15, 1927      | 103,344,000          |
| September | 15, 1927      | 36,709,500           |
| December  | 15, 1927      | 24,959,000           |
| September | 15, 1928      |                      |
|           | 3rd L/L bonds | 5,030,000            |
| Totals    |               | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM FEBRUARY 10 TO FEBRUARY 16, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>   | <u>Issue</u>       | <u>Sales</u>     | <u>Issue</u>           |
|---------------|--------------------|--------------------|------------------|------------------------|
| Cleveland     | \$1,166,050        | Third L/L bonds    | 0                | -                      |
| Atlanta       | 285,250            | Misc. Gov't Sec.   | 90,950           | Misc. Gov't Sec.       |
| St. Louis     | 297,650            | Liberty Loan bonds | 0                | -                      |
| Dallas        | 17,500             | Various L/L bonds  | 10,000           | First L/L 4 1/4% bonds |
| <b>Totals</b> | <u>\$1,766,450</u> |                    | <u>\$100,950</u> |                        |

BANKERS ACCEPTANCES  
 (000 Omitted)

|               | <u>Holdings</u><br>Feb. 9 | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Received by</u><br><u>Allotment</u><br><u>from N. Y.</u> | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br>Feb. 16 | <u>Other Holdings</u><br><u>Close Feb. 16/27</u> |                              |
|---------------|---------------------------|-------------------------------------|---|---|----------------------------|--|------------------------------|
|               |                           |                                     |   |   |                            | <u>Sales</u><br><u>Contracts</u>                 | <u>Other</u><br><u>Bills</u> |
| Boston        | \$ 30,084                 | \$ 1,846 R                          | 0   | \$ 2,395  | \$ 29,535                  | \$ 9,213   | 0                            |
| New York      | 36,718                    | 10,831 "<br>16,538 A                | 0   | 10,593  | 36,956                     | 48,359   | 1,192                        |
| Phila.        | 22,733                    | 3,750 R                             | 0   | 3,620   | 22,863                     | 0  | 0                            |
| Cleveland     | 24,599                    | 648 "                               | 3,515   | 3,411   | 25,351                     | 1,533  | 1,105                        |
| Richmond      | 10,631                    | 120 "                               | 1,375   | 1,945   | 10,181                     | 0  | 0                            |
| Atlanta       | 13,956                    | 111 "                               | 1,557   | 1,813   | 13,811                     | 0  | 904                          |
| Chicago       | 36,548                    | 1,481 "                             | 2,816   | 7,361   | 33,484                     | 4,705  | 0                            |
| St. Louis     | 11,262                    | 0                                   | 1,659   | 3,091   | 9,830                      | 0  | 0                            |
| Minn.         | 10,138                    | 0                                   | 1,383   | 1,421   | 10,100                     | 0  | 0                            |
| Kan. City     | 15,768                    | 0                                   | 2,061   | 2,673   | 15,156                     | 0  | 0                            |
| Dallas        | 12,759                    | 460 "                               | 1,097   | 1,782   | 12,534                     | 0  | 0                            |
| San Fran.     | 19,959                    | 1,747 "                             | 1,075   | 4,203   | 18,578                     | 5,810  | 0                            |
| <b>Totals</b> | <u>\$245,155</u>          | <u>\$37,532</u>                     | <u>\$16,538</u>   | <u>\$44,308</u>                                     | <u>\$238,379</u>           | <u>\$69,620</u>                                  | <u>\$3,201</u>               |

Bills held over night by New York for distribution to other F. R. Banks - - - 3,785  
 Total - - - - - \$6,986

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 16, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 3/4% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4 - 4% | Total           |
|---------------|-----------------------------|------------------------------|------------------------------|----------------------------|-----------------|
| Boston        | \$ 192                      | \$ 1,654                     | 0                            | 0                          | \$ 1,846        |
| New York      | 11,673                      | 12,304                       | 3,285                        | 107                        | 27,369          |
| Philadelphia  | 1,401                       | 1,507                        | 842                          | 0                          | 3,750           |
| Cleveland     | 648                         | 0                            | 0                            | 0                          | 648             |
| Richmond      | 70                          | 39                           | 11                           | 0                          | 120             |
| Atlanta       | 0                           | 100                          | 11                           | 0                          | 111             |
| Chicago       | 425                         | 1,056                        | 0                            | 0                          | 1,481           |
| Dallas        | 0                           | 100                          | 125                          | 235                        | 460             |
| San Francisco | 438                         | 601                          | 708                          | 0                          | 1,747           |
| <b>Totals</b> | <u>\$14,847</u>             | <u>\$17,361</u>              | <u>\$4,982</u>               | <u>\$342</u>               | <u>\$37,532</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 16, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u> | <u>Total</u>     |
|---------------|----------------------------------|--------------------------------|------------------|
| Purchased     | \$1,766                          | \$37,532                       | \$39,298         |
| Sold          | 101                              | 0                              | 101              |
| Matured       | 0                                | 44,308                         | 44,308           |
|               |                                  | \$ 6,776-                      | \$ 5,111-        |
|               |                                  | 384+ (Net Change               | 384+ (Net Change |
|               |                                  | 1-day holdover                 | 1-day holdover   |
|               |                                  | and other bills)               | and other bills) |
| <b>Totals</b> | <u>\$1,665+</u>                  | <u>\$ 6,392-</u>               | <u>\$ 4,727-</u> |

(Including Sales Contracts)

| <u>Holdings<br/>February 16, 1927</u> | <u>Within<br/>15 days</u> | <u>16-30<br/>days</u> | <u>31-60<br/>days</u> | <u>61-90<br/>days</u> | <u>91-days<br/>6 months</u> | <u>Over 6<br/>months</u> | <u>Total</u>     |
|---------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|------------------|
| Gov't Securities                      | \$ 7,676                  | \$ 42,385             | 0                     | 0                     | \$110,428                   | \$151,334                | \$311,823        |
| Bills Purchased                       | 175,233                   | 68,623                | 49,505                | 18,734                | 2,890                       | 0                        | 314,985          |
| <b>Totals</b>                         | <u>\$182,909</u>          | <u>\$111,008</u>      | <u>\$49,505</u>       | <u>\$18,734</u>       | <u>\$113,318</u>            | <u>\$151,334</u>         | <u>\$626,808</u> |

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Form No. 181.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 23, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8495  
GPO

For your information:

- ✓ Governor Crissinger
- ✓ Mr. Platt
- Mr. Hanlin ✓
- Mr. Miller ✓
- Mr. James ✓
- ~~Mr. Cunningham~~
- Mr. McIntosh ✓

Please return to Secretary's Office.

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March 23, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of March 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 March 10 to March 17, 1927, inclusive.

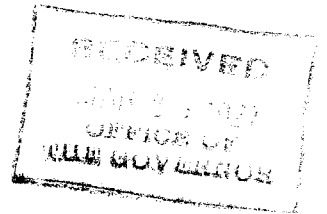
Very truly yours,

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

March 22, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 10 to March 17, 1927 in-  
clusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,

W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK END MARCH 16, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1926-   |                            |                       |                    |                       |                    |            |
| Jan. 27  | \$1,118,687                | \$363,073             | \$ 1,990           | \$279,321             | \$16,096           | \$448,557  |
| Feb. 24  | 1,185,406                  | 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               | 10,507             | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 9   | 989,553                    | 305,889               | 1,040              | 207,290               | 57,395             | 415,939    |
| Mar. 16  | 1,026,732*                 | 472,769*              | 2,571              | 190,243               | 28,627             | 330,522    |

\* Includes \$177,500,000 Special 1-day Treasury Certificate of Indebtedness.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 16, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |                  | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED |                  |
|-----------------------------------|-----------------------|------------------|---------------------|------------------|------------------|------------------|
|                                   | Balance               | Net              | Balance             | Net              | Balance          | Net              |
|                                   | March 16              | Change           | March 16            | Change           | March 16         | Change           |
| Boston                            | \$ 8,276              | \$1,336-         | \$ 19,457           | \$ 2,086-        | \$ 26,717        | \$10,083-        |
| New York                          | 59,872                | 5,754+           | 32,472              | 1,502-           | 49,566           | 63,556-          |
| Philadelphia                      | 17,572                | 2,356-           | 13,625              | 356-             | 33,613           | 392-             |
| Cleveland                         | 34,916                | 1,682-           | 19,255              | 1,407-           | 37,981           | 7,004+           |
| Richmond                          | 6,371                 | 688-             | 9,014               | 631-             | 19,820           | 3,367-           |
| Atlanta                           | 1,960                 | 360-             | 10,528              | 76-              | 30,843           | 2,863+           |
| Chicago                           | 43,064                | 3,097-           | 27,502              | 1,176-           | 61,983           | 18,545-          |
| St. Louis                         | 24,826                | 1,996+           | 8,843               | 120+             | 13,191           | 2,407+           |
| Minneapolis                       | 15,425                | 1,056-           | 7,951               | 1,127-           | 3,512            | 461+             |
| Kansas City                       | 25,348                | 2,221-           | 11,527              | 541-             | 9,429            | 2,378+           |
| Dallas                            | 22,219                | 2,116-           | 9,193               | 4+               | 3,611            | 902+             |
| San Francisco                     | 35,420                | 3,456-           | 16,691              | 2,887-           | 40,256           | 5,489-           |
| N.Y. holdovers<br>and other bills |                       |                  | 3,885               | 5,382-           |                  |                  |
| <b>Totals</b>                     | <b>\$295,269*</b>     | <b>\$10,620-</b> | <b>\$190,243</b>    | <b>\$17,047-</b> | <b>\$330,522</b> | <b>\$85,417-</b> |

\* This balance does not include \$177,500,000 Special 1-day Treasury Cert. of Ind.

COMMENT ON CHANGES WEEK ENDED MARCH 16, 1927

Total earning assets of the System show an increase of \$37,179,000 due to the inclusion of the special 1-day Treasury certificate to cover the overdraft. The approximate changes, by classification, excluding the special 1-day Treasury certificate consisted of decreases of \$85,400,000 bills discounted, \$17,000,000 and \$10,700,000 in outright purchases of bankers acceptances and Government securities respectively, and \$27,200,000 in investments held under sales contracts, making a total decrease of \$140,300,000. The changes in investments held under sales contracts consisted of a decrease of \$28,700,000 bankers acceptances, and an increase of \$1,500,000 Government securities.

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Money  
Market

Call money on the New York Stock Exchange was generally steady over the quarterly Treasury financing period. Throughout the week the call rate continued at 4 per cent except on the 16th when there was a temporary decline for a few hours to 3 1/2 per cent. New York City banks entered the reserve week with a substantial accumulated deficit in average reserves, which, together with the retirement of reserve bank credit, and the sale to City banks of participations in the special certificate to cover the Treasurer's overdraft with this bank served to offset the large net Treasury disbursements for interest and maturing notes. Later in the week, as income tax collections assumed large proportions, more Government funds were withdrawn from depositaries, and commercial funds transferred to the interior, the participation of City banks in the Treasury certificate was terminated and member banks increased their use of Reserve Bank accommodation.

In a rather dull time money market, trading in 60-90 day loans was conducted for the most part at 4 3/8 per cent and in longer maturities at 4 3/8 and 4 1/2 per cent.

The New York City demand for commercial paper was somewhat more active than in recent weeks and the continuance of a fair demand from interior banks was reported. In general, dealers are able to sell paper at 4 and 4 1/4 per cent about as quickly as the somewhat limited supplies are received from users of the open market.

Government  
Securities

Trading in United States Government bonds both on and off the New York Stock Exchange continued active with the long-term bonds being in best demand. While prices of Liberty Loan bonds at the end of the week were fractionally lower than at the previous week's close, the prices of Treasury bonds were much higher. New high levels were established during the week for Treasury 4s of 1944-54 at 108 28/32, Treasury 4 1/4s of 1947-52 at 114 31/32 and Treasury 3 3/4s of 1946-56 at 106 12/32.

The supply of short-term Government certificates of indebtedness and Treasury notes in the market was somewhat in excess of the demand and prices were fractionally lower. This was especially true with regard to the new 6-month and 1-year certificates both issues being offered rather freely at as low as 99 29/32.

Bankers  
Acceptances

Offerings of dealers' unindorsed bankers acceptances continued at the following rates: 3 1/2 per cent for 30s, 3 1/2 to 3 3 5/8 per cent for 60s, 3 5/8 per cent for 90s and 3 3/4 per cent for 120-day bills.

Boston reports that the supply of bills in their market continued small and inadequate to meet a very limited demand which was confined to a few of the larger institutions. Dealers' portfolios were \$2,000,000 less than the previous week and aggregated approximately \$10,500,000. Offerings to the Reserve bank continued light. In New York the supply of bills continued good and in about the same volume as in the preceding week. The demand for local account increased substantially and purchases for foreign account were exceptionally heavy with the net result that the aggregate demand was very much in excess of the supply. Dealers' total sales were the largest reported since the week ending June 2, 1926 and their portfolios decreased about 34 per cent. Offerings to the Reserve bank for System Account were very light. The Philadelphia market continued inactive. While the volume of offerings decreased substantially it was still in excess of the demand which was unusually light. In Chicago dealers reported a good demand for bills with the supply small.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current statement week consisted of exchanges in the market of \$21,730,000 certificates and \$20,000,000 Second 4 1/4s for \$2,189,500 new 3 1/4 per

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cent certificates and \$40,000,000 Fourth 4 1/4s for account of the Alien Property Custodian; \$18,089,300 Second 4 1/4s for \$17,442,100 Fourth 4 1/4s for account of the Government Life Insurance Fund, and the sale of \$30,500,000 Second 4 1/4s for account of the Civil Service Retirement and Disability Fund in order to meet the demand in the market for bonds to be used in exchange for the new 3 1/2 per cent Treasury notes. There was also sold in the market \$202,150 Second 4 1/4s for account of the District of Columbia Teachers' Retirement Fund.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 25,045,000         | \$ 23,079,000                    | \$1,966,000                      | 0                                 |
| New York      | 75,489,000            | 79,128,000                       | 0                                | 3,639,000                         |
| Philadelphia  | 27,896,000            | 26,379,000                       | 1,517,000                        | 0                                 |
| Cleveland     | 33,455,000            | 32,971,000                       | 484,000                          | 0                                 |
| Richmond      | 16,155,000            | 16,486,000                       | 0                                | 331,000                           |
| Atlanta       | 16,838,000            | 16,486,000                       | 347,000                          | 0                                 |
| Chicago       | 47,427,000            | 46,160,000                       | 1,267,000                        | 0                                 |
| St. Louis     | 15,961,000            | 16,486,000                       | 0                                | 525,000                           |
| Minneapolis   | 12,783,000            | 13,186,000                       | 0                                | 403,000                           |
| Kansas City   | 19,159,000            | 19,782,000                       | 0                                | 623,000                           |
| Dallas        | 12,966,000            | 13,186,000                       | 0                                | 220,000                           |
| San Francisco | 26,539,000            | 26,379,000                       | 160,000                          | 0                                 |
| Totals        | <u>\$329,708,000</u>  | <u>\$329,708,000</u>             | <u>\$5,741,000</u>               | <u>\$5,741,000</u>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Special Investment Account during the current statement week consisted of the redemption of \$14,557,500 March 15, 1927 - 4 3/4 per cent Treasury notes and the sale of \$24,394,000 short-term Government securities to Foreign correspondents and \$22,225,000 to the market, and purchases of \$21,000,000 from holdings of the Alien Property Custodian and \$16,500,000 in the market. Although a temporary sale was made on March 14 to a New York City bank for one day of \$10,000,000 June 15, 1927 - 3 1/2 per cent certificates from holdings of the System Account, the temporary sales made on and after March 15 were represented by a participation by the New York City banks in a one-day special certificate issued by the Treasury to the Federal Reserve Bank of New York to cover the overdraft. These transactions left the total holdings in the System Account for the week ending March 16 temporarily at \$176,323,500. 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  | \$ 7,728,500         | June 15, 1927                                   | 3 1/2% Cert. of Ind. \$67,366,000 |
| New York                                      | 46,516,000           | Sept. 15, 1927                                  | 3 1/4% " " " 64,043,500           |
| Philadelphia                                  | 4,337,000            | Sept. 15, 1927                                  | 3 1/8% " " " 5,000,000            |
| Cleveland                                     | 11,640,000           | Dec. 15, 1927                                   | 4 1/2% Treas. Notes 26,634,000    |
| Richmond                                      | 5,130,000            | Sept. 15, 1928                                  | 4 1/4% 3rd L/L bonds 13,280,000   |
| Atlanta                                       | 0                    |   |                                   |
| Chicago                                       | 23,127,500           |   |                                   |
| St. Louis                                     | 12,100,000           |   |                                   |
| Minneapolis                                   | 7,867,500            |   |                                   |
| Kansas City                                   | 15,864,500           |   |                                   |
| Dallas  | 16,280,500           |   |                                   |
| San Francisco                                 | 25,732,000           |   |                                   |
| Totals  | <u>\$176,323,500</u> |   | <u>\$176,323,500</u>              |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM MARCH 10 TO MARCH 16, 1927

SYSTEM SPECIAL INVESTMENT ACCOUNT

|               | <u>Sales and<br/>Maturities</u> | <u>Purchases</u>    | <u>Net<br/>Decrease</u> |
|---------------|---------------------------------|---------------------|-------------------------|
| Boston        | \$ 2,681,000                    | \$ 1,643,500        | \$ 1,037,500            |
| New York      | 16,139,000                      | 9,893,000           | 6,246,000               |
| Philadelphia  | 1,504,500                       | 922,000             | 582,500                 |
| Cleveland     | 4,038,000                       | 2,475,500           | 1,562,500               |
| Richmond      | 1,779,500                       | 1,091,000           | 688,500                 |
| Atlanta       | 0                               | 0                   | 0                       |
| Chicago       | 8,025,000                       | 4,919,000           | 3,106,000               |
| St. Louis     | 4,198,500                       | 2,573,500           | 1,625,000               |
| Minneapolis   | 2,729,500                       | 1,673,500           | 1,056,000               |
| Kansas City   | 5,504,500                       | 3,374,000           | 2,130,500               |
| Dallas        | 5,648,500                       | 3,462,500           | 2,186,000               |
| San Francisco | 8,928,500                       | 5,472,500           | 3,456,000               |
| <b>Totals</b> | <b>\$61,176,500</b>             | <b>\$37,500,000</b> | <b>\$23,676,500</b>     |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

|               | <u>Purchases</u>    | <u>Issue</u>     | <u>Sales</u>        | <u>Issue</u>     |
|---------------|---------------------|------------------|---------------------|------------------|
| Boston        | \$ 18,550           | Third L/L bonds  | \$ 318,550          | Misc. Gov't Sec. |
| New York      | *12,000,000         | TM-1928 Ctfs.    | 633,950             | Second L/L bonds |
|               | 633,950             | T/N of 1930-32   |                     |                  |
| Philadelphia  | 8,600,000           | Misc. Gov't Sec. | 10,373,500          | B-1927 Notes     |
| Cleveland     | 380,400             | T/N of 1930-32   | 500,100             | Misc. Gov't Sec. |
| Atlanta       | 1,377,750           | Misc. Gov't Sec. | 1,737,950           | Misc. Gov't Sec. |
| Chicago       | 8,500               | Cert. of Ind.    | 0                   | -                |
| St. Louis     | 5,632,350           | Misc. Gov't Sec. | 2,011,350           | Misc. Gov't Sec. |
| Kansas City   | 153,500             | TM-1928 Ctfs.    | 243,900             | B-1927 Notes     |
| Dallas        | 69,900              | Misc. Gov't Sec. | 0                   | -                |
| <b>Totals</b> | <b>\$28,874,900</b> |                  | <b>\$15,819,300</b> |                  |

\* Held temporarily for resale to foreign correspondent.

BANKERS ACCEPTANCES  
 (000 Omitted)

|   | <u>Holdings<br/>March 9</u> | <u>Purchased<br/>Own Mkt.</u> | <u>Rec'd by Allot-<br/>ment from N.Y.</u> | <u>Matur-<br/>ities &amp;<br/>Sales</u> | <u>Holdings<br/>March 16</u> | <u>Other Holdings<br/>Close Mar. 16/27</u> |                        |
|---|-----------------------------|-------------------------------|---|---|------------------------------|--|------------------------|
|   |                             |                               |   |   |                              | <u>Sales<br/>Contracts</u>                 | <u>Other<br/>Bills</u> |
| Boston  | \$ 21,543                   | \$ 2,276 R.                   | 0   | \$ 4,362                                | \$ 19,457                    | \$ 8,459                                   | 0                      |
| New York  | 33,974                      | 3,766 " 6,106 A.              | 0   | 5,268                                   | 32,472                       | 8,737                                      | 987                    |
| Phila.  | 13,981                      | 2,417 R.                      | 0   | 2,773                                   | 13,625                       | 0  | 0                      |
| Cleveland   | 20,662                      | 1,376 "                       | 266                                       | 3,049                                   | 19,255                       | 1,533                                      | 1,666                  |
| Richmond  | 9,645                       | 180 "                         | 887                                       | 1,698                                   | 9,014                        | 0  | 0                      |
| Atlanta   | 10,604                      | 785 "                         | 507                                       | 1,368                                   | 10,528                       | 0  | 756                    |
| Chicago   | 28,678                      | 2,267 "                       | 348                                       | 3,791                                   | 27,502                       | 3,633                                      | 0                      |
| St. Louis   | 8,723                       | 0                             | 882                                       | 762                                     | 8,843                        | 0  | 0                      |
| Minn.   | 9,078                       | 0                             | 726                                       | 1,853                                   | 7,951                        | 0  | 0                      |
| Kan. City   | 12,068                      | 0                             | 1,113                                     | 1,654                                   | 11,527                       | 0  | 0                      |
| Dallas  | 9,189                       | 156 "                         | 734                                       | 886                                     | 9,193                        | 0  | 0                      |
| San Fran.   | 19,878                      | 920 "                         | 643                                       | 4,450                                   | 16,991                       | 6,265                                      | 0                      |
|   | <u>\$198,023</u>            | <u>\$20,249</u>               | <u>\$6,106</u>                            | <u>\$31,914</u>                         | <u>\$186,358</u>             | <u>\$28,627</u>                            | <u>\$3,409</u>         |
| Bills held over night by N.Y. for distribution to other F. R. Banks |                             |                               |   |   |                              |  | 476                    |
| <b>Total</b>  |                             |                               |   |   |                              |  | <b>-\$3,885</b>        |

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 16, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 7/8% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4% | Total           |
|---------------|-----------------------------|------------------------------|------------------------------|------------------------|-----------------|
| Boston        | \$ 521                      | \$ 1,750                     | \$ 5                         | \$ 0                   | \$ 2,276        |
| New York      | 3,564                       | 5,860                        | 339                          | 109                    | 9,872           |
| Philadelphia  | 951                         | 1,390                        | 76                           | 0                      | 2,417           |
| Cleveland     | 1,319                       | 57                           | 0                            | 0                      | 1,376           |
| Richmond      | 130                         | 0                            | 50                           | 0                      | 180             |
| Atlanta       | 550                         | 230                          | 5                            | 0                      | 785             |
| Chicago       | 18                          | 2,249                        | 0                            | 0                      | 2,267           |
| Dallas        | 0                           | 46                           | 0                            | 110                    | 156             |
| San Francisco | 207                         | 713                          | 0                            | 0                      | 920             |
| <b>Totals</b> | <b>\$7,260</b>              | <b>\$12,295</b>              | <b>\$475</b>                 | <b>\$219</b>           | <b>\$20,249</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 16, 1927  
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     | \$66,378                     | \$20,249                   | \$86,627           |
| Sold          | 49,896                       | 0                          | 49,896             |
| Matured       | 27,102                       | 31,914                     | 59,016             |
|               | _____                        | \$11,665-                  | \$22,285-          |
|               | _____                        | 5,382- (Net Change         | 5,382- (Net Change |
|               | _____                        | 1-day holdover             | 1-day holdover     |
|               | _____                        | and other bills)           | and other bills)   |
| <b>Totals</b> | <b>\$10,620-</b>             | <b>\$17,047-</b>           | <b>\$27,667-</b>   |

(Including Sales Contracts)

| Holdings              | Within 15 days   | 16-30 days      | 31-60 days      | 61-90 days      | 91-days 6 Months | Over 6 months    | Total            |
|-----------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <u>March 16, 1927</u> |                  |                 |                 |                 |                  |                  |                  |
| Gov't Securities      | \$180,071        | 0               | 0               | \$73,825        | \$81,195         | \$140,249        | \$475,340        |
| Bills Purchased       | 89,509           | 58,439          | 52,369          | 15,563          | 2,990            | 0                | 218,870          |
| <b>Totals</b>         | <b>\$269,580</b> | <b>\$58,439</b> | <b>\$52,369</b> | <b>\$89,388</b> | <b>\$84,185</b>  | <b>\$140,249</b> | <b>\$694,210</b> |

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Form No. 181.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 17, 1960

To All Members of the Board

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

From Mr. Eddy

2-8496  
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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March 17, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of March 14th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from March 3 to March 9, 1927, 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

March 14, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from March 3 to March 9, 1927 inclu-  
sive, together with data received by the Committee from  
the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 9, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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               | 3,582              | 290,696               | 16,845             | 631,923    |
| Nov. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 2   | 1,036,641                  | 305,410               | 5,564              | 223,404               | 65,619             | 434,644    |
| Mar. 9   | 989,553                    | 305,889               | 1,040              | 207,290               | 57,395             | 415,939    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 9, 1927  
 (000 Omitted)

|                                    | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED   |                  |
|------------------------------------|-----------------------|---------------|---------------------|------------------|--------------------|------------------|
|                                    | Balance<br>March 9    | Net<br>Change | Balance<br>March 9  | Net<br>Change    | Balance<br>March 9 | Net<br>Change    |
| Boston                             | \$ 9,614              | 0             | \$ 21,543           | \$ 9,335-        | \$ 36,800          | \$ 2,316+        |
| New York                           | 54,118                | 0             | 33,974              | 72+              | 113,122            | 1,591-           |
| Philadelphia                       | 19,928                | 0             | 13,981              | 3,157-           | 34,005             | 324-             |
| Cleveland                          | 36,598                | 0             | 20,662              | 3,481-           | 30,977             | 5,595-           |
| Richmond                           | 7,059                 | 0             | 9,645               | 1,019-           | 23,187             | 410-             |
| Atlanta                            | 2,320                 | 99+           | 10,604              | 769-             | 27,980             | 1,907-           |
| Chicago                            | 46,161                | 0             | 28,678              | 1,409-           | 80,528             | 5,693+           |
| St. Louis                          | 22,830                | 296+          | 8,723               | 65+              | 10,784             | 5,723-           |
| Minneapolis                        | 16,481                | 0             | 9,078               | 541-             | 3,051              | 258-             |
| Kansas City                        | 27,569                | 0             | 12,068              | 626-             | 7,051              | 462-             |
| Dallas                             | 24,336                | 84+           | 9,189               | 665-             | 2,709              | 95-              |
| San Francisco                      | 38,876                | 1+            | 19,878              | 7+               | 45,745             | 10,349-          |
| N. Y. holdovers<br>and other bills |                       |               | 9,267               | 4,744+           |                    |                  |
| <b>Totals</b>                      | <b>\$305,890</b>      | <b>\$480+</b> | <b>\$207,290</b>    | <b>\$16,114-</b> | <b>\$415,939</b>   | <b>\$18,705-</b> |

COMMENT ON CHANGES WEEK ENDED MARCH 9, 1927

Total earning assets of the System decreased about \$47,000,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$18,700,000 bills discounted, \$16,100,000 outright purchases of bankers acceptances, and \$12,700,000 investments held under sales contracts, and an increase of \$500,000 in outright purchases of Government securities. The decrease in investments held under sales contracts consisted of \$8,200,000 bankers acceptances and \$4,500,000 Government securities.

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Money  
Market

Money continued at 4 per cent during the week although borrowings of New York City banks at this bank averaged about 100 million dollars. Toward the close of the week a slightly firmer tendency was reflected in smaller offerings of loanable funds and by the fact that no loans were placed in the outside market at concessions from the Exchange rate.

The demand for time loans became more active as the week progressed and actual lending rates stiffened slightly. Trading on Friday was conducted only at 4 1/2 per cent, as against 4 3/8 and 4 1/2 per cent earlier in the week.

Demand for commercial paper by institutions outside of New York City continued fairly active during the past week and sales of prime names were made at 4 and 4 1/4 per cent, a slightly higher level than in recent weeks. A continued small volume of requests for new loans by open market borrowers was reported by dealers.

Government  
Security  
Market

Following the Secretary of the Treasury's announcements early in the week of the plan for refunding the United States Government 4 3/4 per cent Treasury notes due March 15, 1927 with two new issues of certificates of indebtedness, one issue for six months at 3 1/8 per cent and the other for one year at 3 1/4 per cent, and the offering of new 3-5 year 3 1/2 per cent Treasury notes in exchange for Second 4 1/4 per cent Liberty Loan bonds, the Government bond market became very active and strong. The turnover of Government bonds both on and off the New York Stock Exchange was exceptionally heavy and practically all issues advanced sharply to the highest levels of their history.

The market for short-term Government certificates of indebtedness and Treasury notes was also very active with dealers' offerings at the close of the week including all of the new issues dated March 15, 1927 (which are quoted on a when issued basis) at prices to yield from about 3.10 per cent for the June 15, 1927 - 3 1/2 per cent certificates to 3.45 per cent for the 3 1/2 per cent Treasury notes due 1930-32, according to maturity.

Bankers  
Acceptances

Offerings by dealers of unindorsed bankers acceptances were at the following rates: 3 1/2 per cent for 30s, 3 1/2 to 3 5/8 per cent for 60s, 3 5/8 per cent for 90s and 3 3/4 per cent for 120-day bills.

Boston reports a decided falling off in the supply and demand for the week under review. Although short bills were in best demand, they did not move freely. Offerings to the reserve bank were approximately \$3,000,000 as compared to \$8,000,000 in the previous week. In New York dealers purchases continued good and were substantially in excess of the demand. Buying of 90-day bills for foreign accounts increased moderately while purchases for local accounts fell off decidedly. Offerings to the reserve bank were light and chiefly from banks. Dealers' portfolios increased moderately. Philadelphia reports the market in their district was very quiet with offerings moderate and demand very weak, while Chicago reports that their market during the week was more active than for past several months with a scarcity of bills of short maturities.

OPERATIONS ACCOUNTS UNITED STATES TREASURY

Transactions for delivery during the current statement week, under authority from the Treasury, consisted of the sale of \$20,000,000 Second 4 1/4s and \$400,000 June 15, 1927 - 3 1/2 per cent certificates, and purchase of \$20,000,000 Fourth 4 1/4s, all for account of the Alien Property Custodian and the purchase of \$10,000,000 Fourth 4 1/4s for account of Surplus Money in the Treasury.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <u>Bills Acquired</u> | <u>Bills Entitled to Acquire</u> | <u>Bills Over Pro Rata Share</u> | <u>Bills Short Pro Rata Share</u> |
|---------------|-----------------------|----------------------------------|----------------------------------|-----------------------------------|
| Boston        | \$ 22,769,000         | \$ 21,661,000                    | \$1,108,000                      | 0                                 |
| New York      | 71,723,000            | 74,268,000                       | 0                                | 2,545,000                         |
| Philadelphia  | 25,479,000            | 24,759,000                       | 720,000                          | 0                                 |
| Cleveland     | 31,813,000            | 30,946,000                       | 867,000                          | 0                                 |
| Richmond      | 15,088,000            | 15,474,000                       | 0                                | 386,000                           |
| Atlanta       | 15,541,000            | 15,474,000                       | 67,000                           | 0                                 |
| Chicago       | 44,812,000            | 43,325,000                       | 1,487,000                        | 0                                 |
| St. Louis     | 15,079,000            | 15,474,000                       | 0                                | 395,000                           |
| Minneapolis   | 12,057,000            | 12,376,000                       | 0                                | 319,000                           |
| Kansas City   | 18,046,000            | 18,567,000                       | 0                                | 521,000                           |
| Dallas        | 12,076,000            | 12,376,000                       | 0                                | 300,000                           |
| San Francisco | 24,976,000            | 24,759,000                       | 217,000                          | 0                                 |
| Totals        | \$309,459,000         | \$309,459,000                    | \$4,466,000                      | \$4,466,000                       |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Special Investment Account during the current statement week consisted of a purchase in the New York and Chicago markets of \$15,400,000 aggregate amount of short-term Government securities in replacement for a like amount of June 15, 1927 - 3 1/2 per cent certificates sold to a foreign correspondent for delivery March 15, 1927; and the prior redemption of \$15,400,000 - 4 3/4 per cent Treasury notes due March 15, 1927. These transactions left the total holdings in the System Account for the week ending March 9 at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

|               |               |
|---------------|---------------|
| Boston        | \$ 8,766,000  |
| New York      | 52,762,000    |
| Philadelphia  | 4,919,500     |
| Cleveland     | 13,202,500    |
| Richmond      | 5,818,500     |
| Atlanta       | 0             |
| Chicago       | 26,233,500    |
| St. Louis     | 13,725,000    |
| Minneapolis   | 8,923,500     |
| Kansas City   | 17,995,000    |
| Dallas        | 18,466,500    |
| San Francisco | 29,188,000    |
| Totals        | \$200,000,000 |

|           |               |               |
|-----------|---------------|---------------|
| March     | 15, 1927      | \$ 14,557,500 |
| June      | 15, 1927      | 104,344,000   |
| September | 15, 1927      | 41,459,500    |
| December  | 15, 1927      | 27,359,000    |
| September | 15, 1928      |               |
|           | 3rd L/L bonds | 12,280,000    |
|           |               | \$200,000,000 |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM MARCH 3 TO MARCH 9, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>     | <u>Issue</u>           | <u>Sales</u>        | <u>Issue</u>      |
|---------------|----------------------|------------------------|---------------------|-------------------|
| Atlanta       | \$131,400            | Misc. Gov't Securities | \$31,850            | Various L/L bonds |
| St. Louis     | 296,000              | Various L/L bonds      | 0                   | -                 |
| Dallas        | 86,050               | Misc. Gov't Securities | 2,500               | Fourth L/L bonds  |
| San Francisco | <u>1,000</u>         | Various L/L bonds      | <u>0</u>            | -                 |
| <br>Totals    | <br><u>\$514,450</u> |                        | <br><u>\$34,350</u> |                   |

BANKERS ACCEPTANCES  
 (000 Omitted)

|  | Holdings<br><u>Mar. 2</u> | Purchased<br><u>Own Mkt.</u> | <u>Rec'd by Allotment</u>  |  |   | Holdings<br><u>Mar. 9</u> | <u>Other Holdings</u><br><u>Close Mar. 9/27</u> |                  |                              |
|--|---------------------------|------------------------------|----------------------------|--|---|---------------------------|---|------------------|------------------------------|
|  |                           |                              | <u>from</u><br><u>N.Y.</u> | <u>From</u><br><u>Boston</u><br><u>Port.</u> | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> |                           | <u>Sales</u>                                    | <u>Contracts</u> | <u>Other</u><br><u>Bills</u> |
| Boston   | \$ 30,878                 | \$2,956 R.                   | 0                          | 0  | \$12,291*   | \$21,543                  | \$10,715  | 0                |                              |
| New York   | 33,902                    | 5,452 " 11,227 A.            | 0                          | 2,000  | 7,380   | 33,974                    | 35,311  | 1,057            |                              |
| Phila.   | 17,138                    | 2,359 R.                     | 0                          | 0  | 5,516   | 13,981                    | 0   | 0                |                              |
| Cleveland  | 24,143                    | 1,667 " 1,953                | 1,953                      | 0  | 7,101   | 20,662                    | 1,533   | 1,425            |                              |
| Richmond   | 10,664                    | 0                            | 936                        | 400  | 2,355   | 9,645                     | 0   | 0                |                              |
| Atlanta  | 11,373                    | 449 " 1,039                  | 1,039                      | 0  | 2,257   | 10,604                    | 0   | 787              |                              |
| Chicago  | 30,087                    | 2,628 " 2,630                | 2,630                      | 600  | 7,267   | 28,678                    | 3,905   | 0                |                              |
| St. Louis  | 8,658                     | 0                            | 930                        | 700  | 1,565   | 8,723                     | 0   | 0                |                              |
| Minn.  | 9,619                     | 0                            | 697                        | 600  | 1,838   | 9,078                     | 0   | 0                |                              |
| Kan. City  | 12,694                    | 0                            | 1,101                      | 800  | 2,527   | 12,068                    | 0   | 0                |                              |
| Dallas   | 9,854                     | 19 " 1,074                   | 1,074                      | 200  | 1,958   | 9,189                     | 97  | 0                |                              |
| San Fran.  | <u>19,871</u>             | <u>816 " 867</u>             | <u>867</u>                 | <u>0</u>                                     | <u>1,676</u>  | <u>19,878</u>             | <u>5,834</u>                                    | <u>0</u>         |                              |
| <br>Totals   | <br>\$218,881             | <br>\$27,573                 | <br>\$11,227               | <br>\$5,300                                  | <br>\$53,731  | <br>\$198,023             | <br>\$57,395                                    | <br>\$3,269      |                              |
| Bills held overnight by New York for foreign correspondents            |                           |                              |                            |  |   |                           |   | -                | 5,874                        |
| Bills held overnight by New York for distribution to other F. R. Banks |                           |                              |                            |  |   |                           |   | -                | 124                          |
| Total  |                           |                              |                            |  |   |                           |   | -                | <u>\$9,267</u>               |

\*Includes \$5,300,000 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 MARCH 9, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90-days<br><u>3 3/4 - 4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------|
| Boston        | \$ 395                             | \$ 2,448                            | \$ 26                               | \$ 87                             | \$ 2,956        |
| New York      | 4,957                              | 7,866                               | 3,465                               | 391                               | 16,679          |
| Philadelphia  | 666                                | 1,326                               | 367                                 | 0                                 | 2,359           |
| Cleveland     | 1,667                              | 0                                   | 0                                   | 0                                 | 1,667           |
| Atlanta       | 295                                | 50                                  | 104                                 | 0                                 | 449             |
| Chicago       | 957                                | 1,671                               | 0                                   | 0                                 | 2,628           |
| Dallas        | 0                                  | 0                                   | 0                                   | 19                                | 19              |
| San Francisco | 273                                | 483                                 | 27                                  | 33                                | 816             |
| <b>Totals</b> | <u>\$9,210</u>                     | <u>\$13,844</u>                     | <u>\$3,989</u>                      | <u>\$530</u>                      | <u>\$27,573</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 9, 1927  
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     | \$514                        | \$32,873                   | \$33,387            |
| Sold          | 34                           | 0                          | 34                  |
| Matured       | 0                            | <u>53,731</u>              | <u>53,731</u>       |
|               |                              | <del>\$20,858</del>        | <del>\$20,378</del> |
|               |                              | 4,744+ (Net Change         | 4,744+ (Net Change  |
|               |                              | 1-day holdover             | 1-day holdover      |
|               |                              | and other bills)           | and other bills)    |
| <b>Totals</b> | <u>\$480+</u>                | <u>\$16,114</u>            | <u>\$15,634</u>     |

(Including Sales Contracts)

| <u>Holdings</u>      | <u>Within</u>    | <u>16-30</u>    | <u>31-60</u>    | <u>61-90</u>    | <u>91-days</u>   | <u>Over 6</u>    | <u>Total</u>     |
|----------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <u>March 9, 1927</u> | <u>15 days</u>   | <u>days</u>     | <u>days</u>     | <u>days</u>     | <u>6 months</u>  | <u>months</u>    |                  |
| Gov't Securities     | \$ 28,142        | 0               | 0               | 0               | \$111,543        | \$167,244        | \$306,929        |
| Bills Purchased      | <u>126,376</u>   | <u>57,634</u>   | <u>54,832</u>   | <u>22,587</u>   | <u>3,256</u>     | <u>0</u>         | <u>264,685</u>   |
| <b>Totals</b>        | <u>\$154,518</u> | <u>\$57,634</u> | <u>\$54,832</u> | <u>\$22,587</u> | <u>\$114,799</u> | <u>\$167,244</u> | <u>\$571,614</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 9, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8495  
GPO



For your information:

- Governor Crissinger ✓
- Mr. Platt ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James *absent*
- Mr. Cunningham *absent*
- Mr. McIntosh ✓ *absent - \$100*

Please return to Secretary's office.

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March 9, 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 March 7th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 24 to March 2, 1937, 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

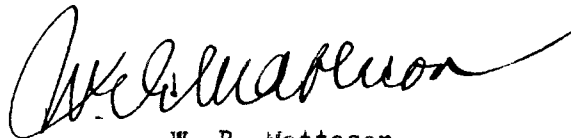
CONFIDENTIAL

March 7, 1927

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from February 24 to March 2, 1927 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 2, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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               | 3,582              | 290,696               | 16,845             | 631,923    |
| Nov. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |
| Mar. 2   | 1,036,641                  | 305,410               | 5,564              | 223,404               | 65,619             | 434,644    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MARCH 2, 1927  
(000 Omitted)

|                                    | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |               | BILLS DISCOUNTED   |               |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
|                                    | Balance<br>March 2    | Net<br>Change | Balance<br>March 2  | Net<br>Change | Balance<br>March 2 | Net<br>Change |
| Boston                             | \$ 9,614              | 0             | \$ 30,878           | \$ 6,916-     | \$ 34,484          | \$ 777-       |
| New York                           | 54,118                | 0             | 33,902              | 317+          | 114,713            | 25,878+       |
| Philadelphia                       | 19,928                | 0             | 17,138              | 3,222-        | 34,329             | 496+          |
| Cleveland                          | 36,598                | 100+          | 24,143              | 3,113-        | 36,572             | 7,656-        |
| Richmond                           | 7,059                 | 1-            | 10,664              | 54+           | 23,597             | 718+          |
| Atlanta                            | 2,221                 | 12-           | 11,373              | 1,128-        | 29,887             | 4,515+        |
| Chicago                            | 46,161                | 0             | 30,087              | 3,419-        | 74,835             | 9,540+        |
| St. Louis                          | 22,534                | 530+          | 8,658               | 1,199-        | 16,507             | 117+          |
| Minneapolis                        | 16,481                | 0             | 9,619               | 152-          | 3,309              | 882-          |
| Kansas City                        | 27,569                | 1+            | 12,694              | 907-          | 7,513              | 2,903-        |
| Dallas                             | 24,252                | 12+           | 9,854               | 2,286-        | 2,804              | 737-          |
| San Francisco                      | 38,875                | 0             | 19,871              | 1,471+        | 56,094             | 8,906+        |
| N. Y. holdovers<br>and other bills |                       |               | 4,523               | 30-           |                    |               |
| Totals                             | \$305,410             | \$630+        | \$223,404           | \$20,530-     | \$434,644          | \$36,715+     |

COMMENT ON CHANGES WEEK ENDED MARCH 2, 1927

Total earning assets of the System increased approximately \$51,300,000 for the current statement week. Increases of about \$36,700,000 in bills discounted, \$34,500,000 in investments held under sales contracts, and \$600,000 in outright purchases of Government securities were partly offset by a decrease of \$20,500,000 in outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of about \$29,350,000 bankers acceptances, \$5,150,000 Government securities.

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Money  
Market

The call loan renewal rate which had been 4 1/2 per cent for a few days at the first of the month, declined to 4 per cent on March 2, and the Stock Exchange rate for new loans was steady at this level for the balance of the week. Money was generally firm at this rate and borrowings of New York City banks ranged from 75 to 100 million dollars.

In the time money market, the rate tendency was slightly firmer but demand for funds was very light. Loans were arranged at 4 3/8 and 4 1/2 per cent, while in the previous week trading was principally at 4 3/8 per cent.

The commercial paper market was less active during the past week than in recent previous weeks. A fair amount of paper, however, was sold to interior institutions, principally at 4 per cent though there was some increase in sales at 4 1/4 per cent. Supplies of new paper continued limited, and consequently dealers' lists showed only small increases.

Government  
Security  
Market

Accompanying firmer money conditions during the fore part of the week, the volume of trading in United States Government bonds was somewhat lighter than last week. There was, however, considerably more activity during the latter part of the week with prices of all issues firm and at approximately the same level as at the previous week's close. New high levels were reached during the week for Treasury 4s of 1944-54 at 107 6/32, Treasury 4 1/4s of 1947-52 at 111 18/32 and Treasury 3 3/4s of 1946-56 at 104 16/32.

During the latter part of the week there was also a considerable amount of activity in the market for short-term Government Certificates of Indebtedness and Treasury Notes. All issues maturing subsequent to March 15 were in good demand with dealers' offerings at prices to yield from about 3.12 to 3.17 per cent according to maturity, as compared with from 3.15 to 3.25 per cent last week.

Bankers  
Acceptances

Most of the dealers lowered their rates 1/8 per cent on 30 and 90-day bills this week. Their offering rates for unindorsed bankers acceptances, according to maturity, were as follows: 3 1/2 per cent for 30s, 3 5/8 per cent for 60 and 90s, and 3 3/4 per cent for 120-day bills.

Boston reports some improvement in the supply of bills in their district, purchases by dealers during the statement week amounting to approximately \$8,000,000, the largest amount so far this year. The demand, which was almost entirely from the larger local institutions, was only fair and principally for short bills. Offerings to the reserve bank were less this week than last. In New York the scarcity of new bills, which was in evidence during the previous week, disappeared and the supply during the week covered by this report again recovered to about the normal volume that has prevailed for the past several months. Dealers' sales also showed a good improvement and the total was about equal to their purchases. While buying for local accounts fell off moderately, there was some good buying of 90-day bills for foreign accounts. Offerings to the reserve bank were light while the amount of dealers' commitments held under sales contracts increased considerably. The market in Philadelphia continued quiet. Offerings which consisted principally of short bills were lighter than the previous period and the demand was exceptionally light. Chicago reports their bill market was dull although there was a fair demand for short bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury during the current statement week a purchase was made in the market of \$2,000,000 Third Liberty Loan 4 1/4 per cent bonds for account of Surplus Money in the Treasury.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 25,113,000         | \$ 19,755,000                    | \$ 5,358,000                     | 0                                 |
| New York      | 64,270,000            | 67,732,000                       | 0                                | 3,462,000                         |
| Philadelphia  | 23,120,000            | 22,580,000                       | 540,000                          | 0                                 |
| Cleveland     | 28,193,000            | 28,222,000                       | 0                                | 29,000                            |
| Richmond      | 13,752,000            | 14,112,000                       | 0                                | 360,000                           |
| Atlanta       | 14,053,000            | 14,112,000                       | 0                                | 59,000                            |
| Chicago       | 38,954,000            | 39,512,000                       | 0                                | 558,000                           |
| St. Louis     | 13,450,000            | 14,112,000                       | 0                                | 662,000                           |
| Minneapolis   | 10,759,000            | 11,287,000                       | 0                                | 528,000                           |
| Kansas City   | 16,145,000            | 16,933,000                       | 0                                | 788,000                           |
| Dallas        | 11,122,000            | 11,287,000                       | 0                                | 165,000                           |
| San Francisco | <u>23,293,000</u>     | <u>22,580,000</u>                | <u>713,000</u>                   | <u>0</u>                          |
| Totals        | <u>\$282,224,000</u>  | <u>\$282,224,000</u>             | <u>\$ 6,611,000</u>              | <u>\$6,611,000</u>                |

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

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        | \$ 8,766,000      |
| New York      | 52,762,000        |
| Philadelphia  | 4,919,500         |
| Cleveland     | 13,202,500        |
| Richmond      | 5,818,500         |
| Atlanta       | 0                 |
| Chicago       | 26,233,500        |
| St. Louis     | 13,725,000        |
| Minneapolis   | 8,923,500         |
| Kansas City   | 17,995,000        |
| Dallas        | 18,466,500        |
| San Francisco | <u>29,188,000</u> |

Totals \$200,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

|                    |               |
|--------------------|---------------|
| March 15, 1927     | \$ 29,957,500 |
| June 15, 1927      | 103,344,000   |
| September 15, 1927 | 36,709,500    |
| December 15, 1927  | 24,959,000    |
| September 15, 1928 |               |
| 3rd L/L bonds      | 5,030,000     |

\$200,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM FEBRUARY 24 TO MARCH 2, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>   | <u>Issue</u>        | <u>Sales</u>     | <u>Issue</u>        |
|---------------|--------------------|---------------------|------------------|---------------------|
| Cleveland     | \$ 100,000         | B-1927 Treas. Notes | 0                | -                   |
| Richmond      | 0                  | -                   | 1,000            | Misc. Gov't Sec.    |
| Atlanta       | 93,600             | Various Gov't Sec.  | 106,400          | Various Gov't Sec.  |
| St. Louis     | 529,900            | Various L/L bonds   | 0                | -                   |
| Kansas City   | 1,000              | B-1927 Treas. Notes | 0                | -                   |
| Dallas        | <u>427,800</u>     | Various L/L bonds   | <u>416,800</u>   | Treas. 3 3/4% bonds |
| <b>Totals</b> | <u>\$1,152,300</u> |                     | <u>\$524,200</u> |                     |

BANKERS ACCEPTANCES  
(000 Omitted)

|               | Holdings<br><u>Feb. 23</u> | Purchased<br><u>Own Mkt.</u> | <u>Rec'd by Allotment</u>             |                                       |                  | Matur-<br>ities &<br><u>Sales</u> | Holdings<br><u>Mar. 2</u> | <u>Other Holdings</u><br><u>Close Mar. 2/27</u> |  |
|---------------|----------------------------|------------------------------|---------------------------------------|---------------------------------------|------------------|-----------------------------------|---------------------------|---|--|
|               |                            |                              | <u>Regular</u><br>from<br><u>N.Y.</u> | <u>From</u><br>Boston<br><u>Port.</u> | <u>Contracts</u> |                                   |                           | <u>Other</u><br><u>Bills</u>                    |  |
| Boston        | \$ 37,704                  | \$ 8,020 R.                  | 0                                     | 0                                     | \$14,936*        | \$ 30,878                         | \$ 9,390                  | 0   |  |
| New York      | 33,585                     | 7,327 " 15,320 A.            | 0                                     | 4,300                                 | 11,310           | 33,902                            | 43,818                    | 936   |  |
| Phila.        | 20,360                     | 2,502 R.                     | 0                                     | 0                                     | 5,724            | 17,138                            | 0                         | 0   |  |
| Cleveland     | 27,256                     | 1,245 "                      | 1,570                                 | 0                                     | 5,928            | 24,143                            | 1,533                     | 1,547   |  |
| Richmond      | 10,610                     | 345 "                        | 1,302                                 | 0                                     | 1,593            | 10,664                            | 0                         | 0   |  |
| Atlanta       | 12,501                     | 590 "                        | 1,301                                 | 300                                   | 3,319            | 11,373                            | 0                         | 857   |  |
| Chicago       | 33,506                     | 1,301 "                      | 3,624                                 | 1,100                                 | 9,444            | 30,087                            | 4,049                     | 0   |  |
| St. Louis     | 9,857                      | 0                            | 1,291                                 | 1,000                                 | 3,490            | 8,658                             | 0                         | 0   |  |
| Minn.         | 9,771                      | 0                            | 1,029                                 | 800                                   | 1,981            | 9,619                             | 0                         | 0   |  |
| Kan. City     | 13,601                     | 0                            | 1,506                                 | 1,300                                 | 3,713            | 12,694                            | 0                         | 0   |  |
| Dallas        | 12,140                     | 400 "                        | 665                                   | 600                                   | 3,951            | 9,854                             | 18                        | 0   |  |
| San Fran.     | <u>18,400</u>              | <u>1,813 "</u>               | <u>3,032</u>                          | <u>0</u>                              | <u>3,374</u>     | <u>19,871</u>                     | <u>6,811</u>              | <u>0</u>  |  |
| <b>Totals</b> | <b>\$239,381</b>           | <b>\$38,863</b>              | <b>\$15,320</b>                       | <b>\$9,400</b>                        | <b>\$68,763</b>  | <b>\$218,881</b>                  | <b>\$65,619</b>           | <b>\$3,340</b>                                  |  |

Bills held overnight by New York for distribution to other F. R. Banks - - - - 1,183

Total - - - - - \$4,523

\*Includes \$9,400,000 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 MARCH 2, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 7/8% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4 - 3 7/8% | Totals          |
|---------------|-----------------------------|------------------------------|------------------------------|--------------------------------|-----------------|
| Boston        | \$ 495                      | \$ 7,012                     | \$ 352                       | \$ 161                         | \$ 8,020        |
| New York      | 7,478                       | 11,646                       | 2,474                        | 1,049                          | 22,647          |
| Philadelphia  | 414                         | 872                          | 1,216                        | 0                              | 2,502           |
| Cleveland     | 1,245                       | 0                            | 0                            | 0                              | 1,245           |
| Richmond      | 195                         | 40                           | 110                          | 0                              | 345             |
| Atlanta       | 100                         | 40                           | 424                          | 26                             | 590             |
| Chicago       | 182                         | 838                          | 281                          | 0                              | 1,301           |
| Dallas        | 325                         | 0                            | 20                           | 55                             | 400             |
| San Francisco | 649                         | 942                          | 203                          | 19                             | 1,813           |
| <b>Totals</b> | <b>\$11,083</b>             | <b>\$21,390</b>              | <b>\$5,080</b>               | <b>\$1,310</b>                 | <b>\$38,863</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 2, 1927  
 AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u>                        | <u>Total</u>  |
|---------------|----------------------------------|---|---|
| Purchased     | \$1,153                          | \$48,263  | \$49,416  |
| Sold          | 523                              | 0   | 523   |
| Matured       | 0                                | 68,763  | 68,763  |
|               |                                  | \$20,500-   | \$19,870-   |
|               |                                  | 30- (Net Change<br>1-day holdover<br>and other bills) | 30- (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <b>\$630+</b>                    | <b>\$20,530-</b>                                      | <b>\$19,900-</b>                                      |

(Including Sales Contracts)

| <u>Holdings<br/>March 2, 1927</u> | <u>Within<br/>15 days</u> | <u>16-30<br/>days</u> | <u>31-60<br/>days</u> | <u>61-90<br/>days</u> | <u>91-days<br/>6 months</u> | <u>Over 6<br/>months</u> | <u>Total</u>     |
|-----------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|------------------|
| Gov't Securities                  | \$ 48,060                 | 0                     | \$ 0                  | 0                     | \$110,482                   | \$152,432                | \$310,974        |
| Bills Purchased                   | 142,585                   | 65,826                | 55,236                | 21,815                | 3,561                       | 0                        | 289,023          |
| <b>Totals</b>                     | <b>\$190,645</b>          | <b>\$65,826</b>       | <b>\$55,236</b>       | <b>\$21,815</b>       | <b>\$114,043</b>            | <b>\$152,432</b>         | <b>\$599,997</b> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date March 4, 1937.

To All Members of the Board

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

From Mr. Eddy

2-8496  
G P O

For your information:

Governor Crissinger ✓

Mr. Platt ✓

Mr. Hamlin ✓

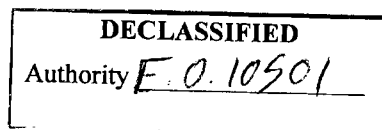
Mr. Miller ✓

~~Mr. [unclear]~~

~~Mr. Cunningham~~

Mr. McIntosh ✓ *about [unclear]*

Please return to Secretary's office.



March 4, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 28th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 17 to February 23, 1927, 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

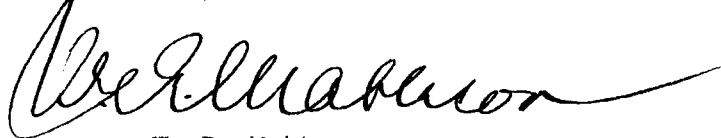
CONFIDENTIAL

February 28, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from February 17 to February 23, 1927  
inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 23, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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                  | 385,625               | 3,122              | 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. 24  | 1,270,681                  | 298,269               | 1,635              | 303,220               | 37,409             | 627,604    |
| Dec. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 9   | 988,748                    | 302,482               | 2,196              | 251,757               | 50,748             | 379,065    |
| Feb. 16  | 1,025,278                  | 304,147               | 7,676              | 245,365               | 69,620             | 396,470    |
| Feb. 23  | 985,326                    | 304,880               | 428                | 243,934               | 36,255             | 397,929    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 23, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |        | BANKERS ACCEPTANCES |          | BILLS DISCOUNTED |           |
|-----------------------------------|-----------------------|--------|---------------------|----------|------------------|-----------|
|                                   | Balance               | Net    | Balance             | Net      | Balance          | Net       |
|                                   | Feb. 23               | Change | Feb. 23             | Change   | Feb. 23          | Change    |
| Boston                            | \$ 9,614              | 0      | \$ 37,794           | \$8,259+ | \$ 35,261        | \$12,766+ |
| New York                          | 54,118                | 0      | 33,585              | 3,371-   | 89,335           | 12,270-   |
| Philadelphia                      | 19,928                | 0      | 20,360              | 2,503-   | 33,833           | 496-      |
| Cleveland                         | 36,498                | 0      | 27,256              | 1,905+   | 44,228           | 546+      |
| Richmond                          | 7,060                 | 0      | 10,610              | 429+     | 22,879           | 2,242-    |
| Atlanta                           | 2,233                 | 24+    | 12,501              | 1,310-   | 25,372           | 254+      |
| Chicago                           | 46,161                | 1+     | 33,506              | 22+      | 65,295           | 13,576-   |
| St. Louis                         | 22,004                | 590+   | 9,857               | 27+      | 16,390           | 788+      |
| Minneapolis                       | 16,481                | 0      | 9,771               | 329-     | 4,191            | 241-      |
| Kansas City                       | 27,568                | 0      | 13,601              | 1,555-   | 10,416           | 832+      |
| Dallas                            | 24,240                | 17+    | 12,140              | 394-     | 3,541            | 712+      |
| San Francisco                     | 38,875                | 1+     | 18,400              | 178-     | 47,188           | 14,386+   |
| N.Y. holdovers<br>and other bills |                       |        | 4,553               | 2,433-   |                  |           |
| Totals                            | \$304,780             | \$633+ | \$243,934           | \$1,431- | \$397,929        | \$ 1,459+ |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 23, 1927

Total earning assets of the System decreased about \$40,000,000 for the current statement week. The approximate changes, by classification, consisted of \$33,350,000 bankers acceptances and \$7,250,000 Government securities held under sales contracts, and \$1,400,000 in outright purchases of bankers acceptances, and increases of \$1,450,000 in bills discounted and \$650,000 in outright purchases of Government securities.

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Money  
Market

Call money remained easy during the first part of the week; renewals were arranged at 4 per cent and on one day the new loan rate declined to 3 3/4 per cent. Later in the week, however, as some funds were transferred to the interior and banks made good their reserves which had been deficient all week, a large amount of reserve bank credit was called into use and the rate on new call loans advanced on Friday to 5 per cent, the highest since January 5.

Nominal quotations of 4 3/8 per cent bid, 4 1/2 per cent offered for all maturities of time money were unchanged during the week. Actual loans were arranged at 4 3/8 per cent up until Friday when, in sympathy with the higher call money rate, no loans were made lower than 4 1/2 per cent.

Commercial paper was in continued good demand by interior institutions but the New York market was generally quiet. The bulk of the prime names sold at 4 per cent. Paper dealers again reported difficulty in acquiring sufficient amounts of new paper from open market borrowers.

Government  
Security  
Market

The market for United States Government bonds was strong and active. Although the demand continued good for the Second, Third and Fourth 4 1/4 per cent Liberty Loan bonds the principal demand during the latter half of the current week was for the longer term Treasury bonds. On a large volume of trading the Treasury bonds advanced in price about 16/32 and reached new high levels for all time at 107 5/32 for Treasury 4s - 1944/54, 111 18/32 for Treasury 4 1/4s - 1947/52, and 104 16/32 for Treasury 3 3/4s - 1946/56.

The short-term certificate of indebtedness and Treasury Note market continued quiet and dealers' offerings at the end of the week were at prices to yield from about 3 to 3 1/4 per cent according to maturity.

Bankers

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

Boston reports that dealers' sales during the statement week showed a substantial increase with the larger local institutions as principal buyers which, with the supply of new bills coming into the market being small, resulted in dealers' portfolios dropping about \$4,000,000 to \$12,700,000. Offerings to the reserve bank from local member banks were quite heavy. While the demand for bills in the New York market continued good and in approximately the same volume as during the preceding week, the supply decreased substantially. Sales to the reserve bank, by banks and dealers, for System Account were light. Dealers' portfolios and their commitments to the reserve bank under sales contracts were considerably reduced. The Philadelphia market was quiet. The supply was moderate and the demand only fair with preference shown for 90 day bills. Chicago also reports that the bill market in their district was quiet with few new bills coming into the market and the demand principally for short bills.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury purchases were made in the market during the statement week of \$4,000,000 Second 4 1/4s for account of the Alien Property Custodian, \$2,500,000 Third 4 1/4s for account of Surplus Money in the Treasury, and \$250,000 First 4 1/4s for account of the Secretary of the Interior.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 26,493,000         | \$ 17,011,000                    | \$ 9,482,000                     | \$ 0                              |
| New York      | 52,642,000            | 58,323,000                       | 0                                | 5,681,000                         |
| Philadelphia  | 20,618,000            | 19,443,000                       | 1,175,000                        | 0                                 |
| Cleveland     | 25,378,000            | 24,302,000                       | 1,076,000                        | 0                                 |
| Richmond      | 12,105,000            | 12,152,000                       | 0                                | 47,000                            |
| Atlanta       | 11,862,000            | 12,152,000                       | 0                                | 290,000                           |
| Chicago       | 32,929,000            | 34,024,000                       | 0                                | 1,095,000                         |
| St. Louis     | 11,159,000            | 12,152,000                       | 0                                | 993,000                           |
| Minneapolis   | 8,930,000             | 9,719,000                        | 0                                | 789,000                           |
| Kansas City   | 13,339,000            | 14,581,000                       | 0                                | 1,242,000                         |
| Dallas        | 9,118,000             | 9,719,000                        | 0                                | 601,000                           |
| San Francisco | <u>18,448,000</u>     | <u>19,443,000</u>                | <u>0</u>                         | <u>995,000</u>                    |
| <b>Totals</b> | <u>\$243,021,000</u>  | <u>\$243,021,000</u>             | <u>\$11,733,000</u>              | <u>\$11,733,000</u>               |

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

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        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,202,500           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | <u>29,188,000</u>    |
| <b>Totals</b> | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|                    |                      |
|--------------------|----------------------|
| March 15, 1927     | \$ 29,957,500        |
| June 15, 1927      | 103,344,000          |
| September 15, 1927 | 36,709,500           |
| December 15, 1927  | 24,959,000           |
| September 15, 1928 |                      |
| 3rd L/L bonds      | 5,030,000            |
| <b>Totals</b>      | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM FEBRUARY 17 TO FEBRUARY 24, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>        | <u>Issue</u>       | <u>Sales</u>            | <u>Issue</u>       |
|---------------|-------------------------|--------------------|-------------------------|--------------------|
| Atlanta       | \$138,000               | Various Gov't Sec. | \$113,700               | Various Gov't Sec. |
| Chicago       | 1,000                   | Various L/L bonds  | 0                       | -                  |
| St. Louis     | 590,000                 | Fourth L/L bonds   | 0                       | -                  |
| Dallas        | 19,100                  | Various L/L bonds  | 1,500                   | Second L/L bonds   |
| San Francisco | <u>1,000</u>            | Various L/L bonds  | <u>0</u>                | -                  |
| <b>Totals</b> | <b><u>\$749,100</u></b> |                    | <b><u>\$115,200</u></b> |                    |

BANKERS ACCEPTANCES  
(000 Omitted)

|               | <u>Holdings</u><br><u>Feb. 16</u> | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Received by</u><br><u>Allotment</u><br><u>from N.Y.</u> | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br><u>Feb. 23</u> | <u>Other Holdings</u><br><u>Close Feb. 23/27</u> |                              |
|---------------|-----------------------------------|-------------------------------------|--|---|-----------------------------------|--|------------------------------|
|               |                                   |                                     |  |   |                                   | <u>Sales</u><br><u>Contracts</u>                 | <u>Other</u><br><u>Bills</u> |
| Boston        | \$ 29,535                         | \$12,319 R.                         | 0  | \$ 4,060  | \$ 37,794                         | \$ 8,244   | 0                            |
| New York      | 36,956                            | 6,083 "<br>14,375 A.                | 0  | 9,454   | 33,585                            | 17,530   | 1,105                        |
| Phila.        | 22,863                            | 2,268 R.                            | 0  | 4,771   | 20,360                            | 0  | 0                            |
| Cleveland     | 25,351                            | 3,089 "                             | 2,394  | 3,578   | 27,256                            | 1,533  | 1,162                        |
| Richmond      | 10,181                            | 949 "                               | 1,359  | 1,879   | 10,610                            | 0  | 0                            |
| Atlanta       | 13,811                            | 700 "                               | 1,478  | 3,488   | 12,501                            | 0  | 973                          |
| Chicago       | 33,484                            | 1,704 "                             | 2,990  | 4,672   | 33,506                            | 4,380  | 0                            |
| St. Louis     | 9,830                             | 0                                   | 1,593  | 1,566   | 9,857                             | 0  | 0                            |
| Minneapolis   | 10,100                            | 0                                   | 1,242  | 1,571   | 9,771                             | 0  | 0                            |
| Kan. City     | 15,156                            | 0                                   | 1,813  | 3,368   | 13,601                            | 0  | 0                            |
| Dallas        | 12,534                            | 145 "                               | 874  | 1,413   | 12,140                            | 0  | 0                            |
| San Fran.     | <u>18,578</u>                     | <u>814 "</u>                        | <u>632</u>   | <u>1,624</u>  | <u>18,400</u>                     | <u>4,568</u>                                     | <u>0</u>                     |
| <b>Totals</b> | <b>\$238,379</b>                  | <b>\$42,446</b>                     | <b>\$14,375</b>  | <b>\$41,444</b>                                     | <b>\$239,381</b>                  | <b>\$36,255</b>                                  | <b>\$3,240</b>               |

Bills held overnight by New York for distribution to other F. R. Banks - - - 1,313

Total - - - - - \$4,553

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 23, 1927  
 (000 Omitted)

|               | 1-30 days       |        | 31-60 days      |        | 61-90 days     |        | Over 90 days   |  | Total           |
|---------------|-----------------|--------|-----------------|--------|----------------|--------|----------------|--|-----------------|
|               | 3 1/2 -         | 3 3/4% | 3 1/2 -         | 3 7/8% | 3 3/4 -        | 3 7/8% | 3 3/4%         |  |                 |
| Boston        | \$ 4,195        |        | \$ 4,565        |        | \$ 3,540       |        | \$ 19          |  | \$12,319        |
| New York      | 6,373           |        | 9,450           |        | 3,432          |        | 1,203          |  | 20,458          |
| Philadelphia  | 957             |        | 690             |        | 621            |        | 0              |  | 2,268           |
| Cleveland     | 3,089           |        | 0               |        | 0              |        | 0              |  | 3,089           |
| Richmond      | 364             |        | 435             |        | 150            |        | 0              |  | 949             |
| Atlanta       | 700             |        | 0               |        | 0              |        | 0              |  | 700             |
| Chicago       | 222             |        | 1,402           |        | 80             |        | 0              |  | 1,704           |
| Dallas        | 40              |        | 105             |        | 0              |        | 0              |  | 145             |
| San Francisco | <u>319</u>      |        | <u>458</u>      |        | <u>37</u>      |        | <u>0</u>       |  | <u>814</u>      |
| <b>Totals</b> | <b>\$16,259</b> |        | <b>\$17,105</b> |        | <b>\$7,860</b> |        | <b>\$1,222</b> |  | <b>\$42,446</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 23, 1927  
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     | \$749                        | \$42,446                   | \$43,195                  |
| Sold          | 116                          | 0                          | 116                       |
| Matured       | 0                            | <u>41,444</u>              | <u>41,444</u>             |
|               |                              | <u>\$1,002+</u>            | <u>\$1,635+</u>           |
|               |                              | <u>2,433-</u> (Net Change  | <u>2,433-</u> (Net Change |
|               |                              | 1-day holdover             | 1-day holdover            |
|               |                              | and other bills)           | and other bills)          |
| <b>Totals</b> | <b>\$633+</b>                | <b>\$1,431-</b>            | <b>\$ 798-</b>            |

(Including Sales Contracts)

| <u>Holdings</u><br><u>February 23, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91-days</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|---|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|------------------|
| Gov't Securities                            | \$ 428                          | \$ 42,385                   | 0                           | 0                           | \$110,467                         | \$151,928                      | \$305,206        |
| Bills Purchased                             | <u>140,345</u>                  | <u>61,531</u>               | <u>51,939</u>               | <u>23,234</u>               | <u>3,140</u>                      | <u>0</u>                       | <u>280,189</u>   |
| <b>Totals</b>                               | <b>\$140,773</b>                | <b>\$103,916</b>            | <b>\$51,939</b>             | <b>\$23,234</b>             | <b>\$113,607</b>                  | <b>\$151,928</b>               | <b>\$585,397</b> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 23rd, 1927.

To All Members of the Board

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

From Mr. Eddy

2-3406  
G.P.O.

For your information:

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

Please return to Secretary's office.

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Authority E.O. 10501

February 23, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 21st, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 10 to February 16, 1927, inclusive.

Very truly yours,

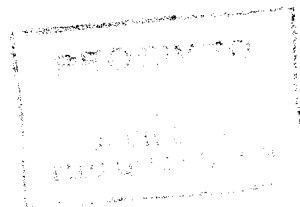
Walter L. Eddy,  
Secretary.

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



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Authority F.O. 10501

FEDERAL RESERVE BANK  
OF NEW YORK



CONFIDENTIAL

February 21, 1927

S i r :

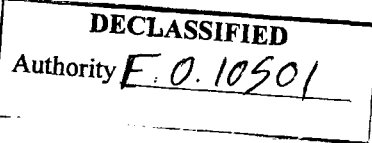
Enclosed please find report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from February 10 to February 16, 1927 inclusive, together with data received by the Committee from the Federal reserve banks.

Respectfully,

W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 16, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 9   | 988,748                    | 302,482               | 2,196              | 251,757               | 50,748             | 379,065    |
| Feb. 16  | 1,025,278                  | 304,147               | 7,676              | 245,365               | 69,620             | 396,470    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 16, 1927  
(000 Omitted)

|                                   | GOVERNMENT SECURITIES |                 | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED   |                  |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------|--------------------|------------------|
|                                   | Balance<br>Feb. 16    | Net<br>Change   | Balance<br>Feb. 16  | Net<br>Change   | Balance<br>Feb. 16 | Net<br>Change    |
| Boston                            | \$ 9,614              | 0               | \$ 29,535           | \$ 549-         | \$ 22,495          | \$ 1,392-        |
| New York                          | 54,118                | 0               | 36,956              | 238+            | 101,605            | 4,673+           |
| Philadelphia                      | 19,928                | 0               | 22,863              | 130+            | 34,329             | 89-              |
| Cleveland                         | 36,498                | 1,166+          | 25,351              | 752+            | 43,682             | 4,948-           |
| Richmond                          | 7,060                 | 0               | 10,181              | 450-            | 25,121             | 3,461+           |
| Atlanta                           | 2,209                 | 194+            | 13,811              | 145-            | 25,118             | 286+             |
| Chicago                           | 46,160                | 0               | 33,484              | 3,064-          | 78,871             | 9,815+           |
| St. Louis                         | 21,414                | 297+            | 9,830               | 1,432-          | 15,602             | 3,924+           |
| Minneapolis                       | 16,481                | 0               | 10,100              | 38-             | 4,432              | 603+             |
| Kansas City                       | 27,568                | 0               | 15,156              | 612-            | 9,584              | 1,549+           |
| Dallas                            | 24,223                | 8+              | 12,534              | 225-            | 2,829              | 7+               |
| San Francisco                     | 38,874                | 0               | 18,578              | 1,381-          | 32,802             | 484-             |
| N.Y. holdovers<br>and other bills |                       |                 | 6,986               | 384+            |                    |                  |
| <b>Totals</b>                     | <b>\$304,147</b>      | <b>\$1,665+</b> | <b>\$245,365</b>    | <b>\$6,392-</b> | <b>\$396,470</b>   | <b>\$17,405+</b> |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 16, 1927

Total earning assets of the System increased about \$36,500,000 for the current statement week. The principal changes consisted of increases of about \$17,400,000 in bills discounted, \$1,700,000 in outright purchases of Government securities, and \$24,400,000 in investments held under sales contracts, and a decrease of approximately \$6,400,000 in outright purchases of bankers acceptances.

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Money  
Market

Transfers to the interior early in the week caused a temporary rise in call money to 4 1/2 per cent. Subsequently, however, a heavy influx of funds to this market from other districts was accompanied by a reduction in the volume of reserve bank credit in use and the rate for new call loans on two successive days declined to 3 3/4 per cent, the lowest since June 1926. The call loan renewal rate throughout the period remained at 4 per cent.

Both demand for and offerings of time funds were rather small during the week. Actual loans for practically all maturities were generally made at 4 3/8 per cent.

Activity in the commercial paper market was restricted more by the small supply of paper than by the investment demand which continued active in the interior. Prime paper sold for the most part at 4 per cent with some trading at variations of 1/4 per cent above and below this rate.

GOVERNMENT  
SECURITY  
MARKET

The market for United States Liberty Loan and Treasury bonds was more active this week than last with prices at approximately the same level as at the previous week's close. Second, Third and Fourth 4 1/4's were in best demand with offerings of large blocks continuing to be scarce.

The market for short-term Certificates of Indebtedness and Treasury Notes was quiet and slightly firmer. Offerings by dealers at the end of the week were at prices to yield from about 3 to 3.28 per cent according to maturity.

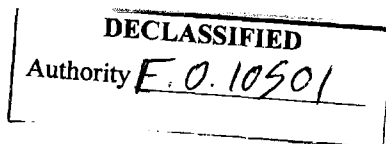
Bankers  
Acceptances

Dealers' offering rates for unindorsed bankers acceptances were as follows: 3 5/8 per cent for 30s and 60s, and 3 3/4 per cent for 90 and 120-day bills. This represents an advance of 1/8 per cent from the rates in effect at the close of the previous statement week, on all but 60-day bills.

Boston reports the bill market in their district as very quiet. While the supply of bills was very small it was more than sufficient to take care of the demand which was very poor. Dealers' portfolios were larger this week than any week in the past fourteen months. Offerings to the reserve bank were very light. The market in New York was moderately active, with the supply of bills holding up in good volume and the demand fair. While purchases for foreign accounts were light, buying for local accounts showed a slight increase. Sales to the reserve bank from banks and dealers were less this week than last and consisted chiefly of short bills. The aggregate of dealers portfolios showed a moderate increase. Philadelphia reports there was a moderate amount of bills with maturities up to 90 days offered in their market, while Chicago reports very few new bills coming into their market with a fair demand for bills maturing in 60 days.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions for the United States Treasury during the current statement week consisted of the sale of \$700,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness, \$3,320,000 Treasury 4s of 1944-54 and \$700,000 Treasury 3 3/4s of 1946-56, and a purchase of \$4,020,000 Second 4 1/4s all for account of the Alien Property Custodian and purchases in New York and Chicago of \$7,500,000 Third 4 1/4s for account of Surplus Money in the Treasury.



SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 14,174,000         | \$ 14,040,000                    | \$ 134,000                       | \$ 0                              |
| New York      | 46,558,000            | 48,136,000                       | 0                                | 1,578,000                         |
| Philadelphia  | 18,350,000            | 16,047,000                       | 2,303,000                        | 0                                 |
| Cleveland     | 19,895,000            | 20,057,000                       | 0                                | 162,000                           |
| Richmond      | 9,797,000             | 10,030,000                       | 0                                | 233,000                           |
| Atlanta       | 9,684,000             | 10,030,000                       | 0                                | 346,000                           |
| Chicago       | 28,235,000            | 28,081,000                       | 154,000                          | 0                                 |
| St. Louis     | 9,566,000             | 10,030,000                       | 0                                | 464,000                           |
| Minneapolis   | 7,688,000             | 8,021,000                        | 0                                | 333,000                           |
| Kansas City   | 11,526,000            | 12,034,000                       | 0                                | 508,000                           |
| Dallas        | 8,099,000             | 8,021,000                        | 78,000                           | 0                                 |
| San Francisco | 17,002,000            | 16,047,000                       | 955,000                          | 0                                 |
| <b>Totals</b> | <b>\$200,574,000</b>  | <b>\$200,574,000</b>             | <b>\$3,624,000</b>               | <b>\$3,624,000</b>                |

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        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,202,500           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | 29,188,000           |
| <b>Totals</b> | <b>\$200,000,000</b> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|               |          |                      |
|---------------|----------|----------------------|
| March         | 15, 1927 | \$ 29,957,500        |
| June          | 15, 1927 | 103,344,000          |
| September     | 15, 1927 | 36,709,500           |
| December      | 15, 1927 | 24,959,000           |
| September     | 15, 1928 | 0                    |
| 3rd L/L bonds |          | 5,030,000            |
| <b>Totals</b> |          | <b>\$200,000,000</b> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS FROM FEBRUARY 10 TO FEBRUARY 16, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>   | <u>Issue</u>       | <u>Sales</u>     | <u>Issue</u>           |
|---------------|--------------------|--------------------|------------------|------------------------|
| Cleveland     | \$1,166,050        | Third L/L bonds    | 0                | -                      |
| Atlanta       | 285,250            | Misc. Gov't Sec.   | 90,950           | Misc. Gov't Sec.       |
| St. Louis     | 297,650            | Liberty Loan bonds | 0                | -                      |
| Dallas        | 17,500             | Various L/L bonds  | 10,000           | First L/L 4 1/4% bonds |
| <b>Totals</b> | <b>\$1,766,450</b> |                    | <b>\$100,950</b> |                        |

BANKERS ACCEPTANCES  
(000 Omitted)

|               | <u>Holdings</u>  | <u>Purchased</u> | <u>Received by</u> | <u>Matur-</u>      | <u>Holdings</u>  | <u>Other Holdings</u>   |                |
|---------------|------------------|------------------|--------------------|--------------------|------------------|-------------------------|----------------|
|               | <u>Feb. 9</u>    | <u>Own Mkt.</u>  | <u>Allotment</u>   | <u>ities &amp;</u> | <u>Feb. 16</u>   | <u>Sales</u>            | <u>Other</u>   |
|               |                  |                  | <u>from N. Y.</u>  | <u>Sales</u>       |                  | <u>Contracts</u>        | <u>Bills</u>   |
|               |                  |                  |                    |                    |                  | <u>Close Feb. 16/27</u> |                |
| Boston        | \$ 30,084        | \$ 1,846 R       | 0                  | \$ 2,395           | \$ 29,535        | \$ 9,213                | 0              |
| New York      | 36,718           | 10,831 "         | 0                  | 10,593             | 36,956           | 48,359                  | 1,192          |
|               |                  | 16,538 A         |                    |                    |                  |                         |                |
| Phila.        | 22,733           | 3,750 R          | 0                  | 3,620              | 22,863           | 0                       | 0              |
| Cleveland     | 24,599           | 648 "            | 3,515              | 3,411              | 25,351           | 1,533                   | 1,105          |
| Richmond      | 10,631           | 120 "            | 1,375              | 1,945              | 10,181           | 0                       | 0              |
| Atlanta       | 13,956           | 111 "            | 1,557              | 1,813              | 13,811           | 0                       | 904            |
| Chicago       | 36,548           | 1,481 "          | 2,816              | 7,361              | 33,484           | 4,705                   | 0              |
| St. Louis     | 11,262           | 0                | 1,659              | 3,091              | 9,830            | 0                       | 0              |
| Minn.         | 10,138           | 0                | 1,383              | 1,421              | 10,100           | 0                       | 0              |
| Kan. City     | 15,768           | 0                | 2,061              | 2,673              | 15,156           | 0                       | 0              |
| Dallas        | 12,759           | 460 "            | 1,097              | 1,782              | 12,534           | 0                       | 0              |
| San Fran.     | 19,959           | 1,747 "          | 1,075              | 4,203              | 18,578           | 5,810                   | 0              |
| <b>Totals</b> | <b>\$245,155</b> | <b>\$37,532</b>  | <b>\$16,538</b>    | <b>\$44,308</b>    | <b>\$238,379</b> | <b>\$69,620</b>         | <b>\$3,201</b> |

Bills held over night by New York for distribution to other F. R. Banks - - - 3,785  
 Total - - - - - \$6,986

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 16, 1927  
(OOO Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 3/4% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4 - 4% | Total           |
|---------------|-----------------------------|------------------------------|------------------------------|----------------------------|-----------------|
| Boston        | \$ 192                      | \$ 1,654                     | 0                            | 0                          | \$ 1,846        |
| New York      | 11,673                      | 12,304                       | 3,285                        | 107                        | 27,369          |
| Philadelphia  | 1,401                       | 1,507                        | 842                          | 0                          | 3,750           |
| Cleveland     | 648                         | 0                            | 0                            | 0                          | 648             |
| Richmond      | 70                          | 39                           | 11                           | 0                          | 120             |
| Atlanta       | 0                           | 100                          | 11                           | 0                          | 111             |
| Chicago       | 425                         | 1,056                        | 0                            | 0                          | 1,481           |
| Dallas        | 0                           | 100                          | 125                          | 235                        | 460             |
| San Francisco | 438                         | 601                          | 708                          | 0                          | 1,747           |
| <b>Totals</b> | <u>\$14,847</u>             | <u>\$17,361</u>              | <u>\$4,982</u>               | <u>\$342</u>               | <u>\$37,532</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 16, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
(OOO Omitted)

(Excluding Sales Contracts)

|               | Government<br>Securities | Bankers<br>Acceptances | Total            |
|---------------|--------------------------|------------------------|------------------|
| Purchased     | \$1,766                  | \$37,532               | \$39,298         |
| Sold          | 101                      | 0                      | 101              |
| Matured       | 0                        | 44,308                 | 44,308           |
|               |                          | \$ 6,776-              | \$ 5,111-        |
|               |                          | 384+ (Net Change       | 384+ (Net Change |
|               |                          | 1-day holdover         | 1-day holdover   |
|               |                          | and other bills)       | and other bills) |
| <b>Totals</b> | <u>\$1,665+</u>          | <u>\$ 6,392-</u>       | <u>\$ 4,727-</u> |

(Including Sales Contracts)

| Holdings<br>February 16, 1927 | Within<br>15 days | 16-30<br>days    | 31-60<br>days   | 61-90<br>days   | 91-days<br>6 months | Over 6<br>months | Total            |
|-------------------------------|-------------------|------------------|-----------------|-----------------|---------------------|------------------|------------------|
| Gov't Securities              | \$ 7,676          | \$ 42,385        | 0               | 0               | \$110,428           | \$151,334        | \$311,823        |
| Bills Purchased               | 175,233           | 68,623           | 49,505          | 18,734          | 2,890               | 0                | 314,985          |
| <b>Totals</b>                 | <u>\$182,909</u>  | <u>\$111,008</u> | <u>\$49,505</u> | <u>\$18,734</u> | <u>\$113,318</u>    | <u>\$151,334</u> | <u>\$626,808</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 9, 1927.

To All Members of the Board

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

From Mr. Eddy

2-9895  
G.P.O.

For your information:

- Governor Crissinger ✓
- Mr. Platt ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- ~~Mr. Jones~~
- Mr. Cunningham ✓
- Mr. McIntosh ✓

Please return to Secretary's office.

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February 9, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 7th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from January 27 to February 2, 1927, 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

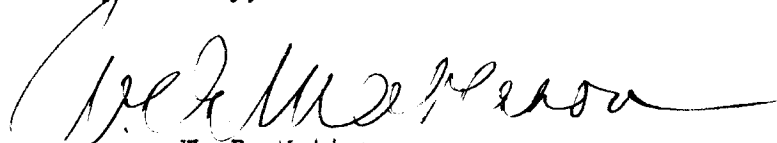
CONFIDENTIAL

February 7, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from January 27 to February 2, 1927  
inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 2, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |
| Feb. 2   | 1,028,722                  | 301,903               | 1,976              | 276,425               | 52,647             | 393,271    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 2, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |        | BANKERS ACCEPTANCES |          | BILLS DISCOUNTED |           |
|-----------------------------------|-----------------------|--------|---------------------|----------|------------------|-----------|
|                                   | Balance               | Net    | Balance             | Net      | Balance          | Net       |
|                                   | Feb. 2                | Change | Feb. 2              | Change   | Feb. 2           | Change    |
| Boston                            | \$ 9,614              | \$ 4-  | \$ 31,564           | \$1,486+ | \$ 26,288        | \$ 2,969+ |
| New York                          | 54,118                | 0      | 44,985              | 2,771+   | 76,743           | 16,551+   |
| Philadelphia                      | 19,928                | 0      | 23,906              | 2,100-   | 36,199           | 1,014+    |
| Cleveland                         | 35,333                | 10-    | 26,824              | 287+     | 53,639           | 2,454+    |
| Richmond                          | 7,059                 | 1-     | 11,149              | 778-     | 22,805           | 1,573+    |
| Atlanta                           | 1,812                 | 15+    | 14,376              | 1,010-   | 28,402           | 331+      |
| Chicago                           | 46,160                | 0      | 36,922              | 1,405-   | 76,957           | 5,678-    |
| St. Louis                         | 20,765                | 0      | 11,306              | 1,005+   | 13,104           | 724+      |
| Minneapolis                       | 16,481                | 10-    | 11,110              | 525+     | 3,926            | 371-      |
| Kansas City                       | 27,568                | 0      | 15,586              | 696-     | 10,248           | 740-      |
| Dallas                            | 24,192                | 62+    | 13,392              | 178+     | 3,954            | 159-      |
| San Francisco                     | 38,873                | 0      | 19,969              | 1,106-   | 41,006           | 9,446+    |
| N.Y. holdovers<br>and other bills |                       |        | 15,246              | 7,906+   |                  |           |
| Totals                            | \$301,903             | \$52+  | \$276,425           | \$7,063+ | \$393,271        | \$28,114+ |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 2, 1927

There was an increase of \$56,500,000 in the total earning assets of the System during the statement week. This increase consisted of about \$28,100,000 in bills discounted, \$7,100,000 in outright purchases of bankers acceptances, and \$21,250,000 in investments held under sales contracts, of which amount \$20,200,000 was bankers acceptances and \$1,050,000 Government securities.

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Money  
Market

Call money continued easy over the first of the month. Loans were arranged on the Exchange at 4 per cent, unchanged since January 21, and at the close of successive days large amounts of funds remained unlent. Additional indication of ease in money conditions was the placing of some loans in the outside market at 3 3/4 per cent.

Demand for time money was more active and quoted rates of 4 3/8 per cent bid, 4 1/2 per cent offered for all maturities, were slightly lower than a week ago. On several days 60-90-day loans were arranged at 4 3/8 per cent but trading in 4 to 6 months maturities continued at 4 1/2 per cent.

Although a good demand for commercial paper continued from interior banks, the volume of dealers' sales was restricted somewhat by the rather small supply. Prime paper continued to sell at 4 and 4 1/4 per cent.

Government  
Security  
Market

While trading in the United States Liberty Loan and Treasury bond market was quiet, the undertone was firm. There was a good demand for Second, Third and Fourth 4 1/4s with offerings of large blocks scarce. New high levels were reached during the week for Fourth 4 1/4s at 103 28/32, Treasury 4 1/4s - 1947-52 at 110 29/32 and Treasury 3 3/4s - 1946-56 at 103 27/32.

The market for short-term certificates of indebtedness and Treasury notes was also quiet with prices about 1/32 per cent lower than at the previous week's close.

Bankers  
Acceptances

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

Boston reports there was very little changed in their bill market from last week. The supply continued small with the demand good only for short bills. Because of the poor local demand, dealers forwarded most of their bills to offices in other cities. Offerings to the reserve bank continued light. While the demand in the New York market continued to increase, it was still very much less than the supply which was exceptionally heavy. Although purchases for local accounts showed a marked improvement and buying for foreign accounts continued very good, the aggregate of dealers' portfolios showed an increase of approximately 24 per cent over the previous week. Offerings to the reserve bank and dealers' commitments held under sales contracts showed a moderate increase. In Philadelphia the market showed some improvement with the supply substantial and demand fair. Preference was shown for bills of 90-day maturity. Chicago reports very little activity in their bill market with the supply and demand about equal.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authorization from the Treasury during the week there was sold in the market from holdings of the Alien Property Custodian \$800,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$11,917,000          | \$ 9,325,000                     | \$2,592,000                      | \$ 0                              |
| New York      | 31,323,000            | 31,970,000                       | 0                                | 647,000                           |
| Philadelphia  | 10,924,000            | 10,658,000                       | 266,000                          | 0                                 |
| Cleveland     | 13,150,000            | 13,321,000                       | 0                                | 171,000                           |
| Richmond      | 6,218,000             | 6,661,000                        | 0                                | 443,000                           |
| Atlanta       | 6,350,000             | 6,661,000                        | 0                                | 311,000                           |
| Chicago       | 18,207,000            | 18,650,000                       | 0                                | 443,000                           |
| St. Louis     | 6,244,000             | 6,661,000                        | 0                                | 417,000                           |
| Minneapolis   | 5,006,000             | 5,327,000                        | 0                                | 321,000                           |
| Kansas City   | 7,437,000             | 7,992,000                        | 0                                | 555,000                           |
| Dallas        | 5,372,000             | 5,327,000                        | 45,000                           | 0                                 |
| San Francisco | 11,063,000            | 10,658,000                       | 405,000                          | 0                                 |
| Totals        | <u>\$133,211,000</u>  | <u>\$133,211,000</u>             | <u>\$3,308,000</u>               | <u>\$3,308,000</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 sales of \$1,000,000 each of June 15, 1927 - 3 1/2 per cent certificates of indebtedness and March 15, 1927 - 4 3/4 per cent Treasury notes and purchases of a like amount of December 15, 1927 - 4 1/2 per cent Treasury notes and Third 4 1/4 per cent Liberty Loan bonds. These transactions left the total holdings in the account unchanged at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

|               |                      |
|---------------|----------------------|
| Boston        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,203,000           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | 29,187,500           |
| Totals        | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|                                     |                      |
|-------------------------------------|----------------------|
| March 15, 1927                      | \$ 22,637,500        |
| June 15, 1927                       | 105,344,000          |
| September 15, 1927                  | 44,029,500           |
| December 15, 1927                   | 24,959,000           |
| September 15, 1928<br>3rd L/L bonds | 3,030,000            |
| Totals                              | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM JANUARY 27 TO FEBRUARY 2, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>       | <u>Issue</u>      | <u>Sales</u>           | <u>Issue</u>       |
|---------------|------------------------|-------------------|------------------------|--------------------|
| Boston        | 0                      | -                 | \$ 4,000               | Second L/L bonds   |
| Cleveland     | 0                      | -                 | 10,000                 | TJ-1927 Cts.       |
| Richmond      | 0                      | -                 | 1,000                  | Liberty Loan bonds |
| Atlanta       | 26,350                 | Misc. Gov't Sec.  | 11,350                 | Various L/L bonds  |
| Minneapolis   | 0                      | -                 | 10,000                 | Liberty Loan bonds |
| Dallas        | <u>62,200</u>          | Various L/L bonds | <u>0</u>               | -                  |
| <b>Totals</b> | <b><u>\$88,550</u></b> |                   | <b><u>\$36,350</u></b> |                    |

BANKERS ACCEPTANCES  
 (000 Omitted)

|   | <u>Holdings</u><br><u>Jan. 26</u> | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Rec'd by</u><br><u>Allotment</u><br><u>from N.Y.</u> | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br><u>Feb. 2</u> | <u>Other Holdings</u><br><u>Close Feb. 2/27</u> |                              |
|---|-----------------------------------|-------------------------------------|---|---|----------------------------------|---|------------------------------|
|   |                                   |                                     |   |   |                                  | <u>Sales</u><br><u>Contracts</u>                | <u>Other</u><br><u>Bills</u> |
| Boston  | \$ 30,078                         | \$ 4,474 R.                         | 0   | \$ 2,988  | \$ 31,564                        | \$ 6,550  | 0                            |
| New York  | 42,214                            | 13,269 "<br>22,112 A.               | 0   | 10,498  | 44,985                           | 35,120  | 2,434                        |
| Phila.  | 26,096                            | 2,102 R.                            | 0   | 4,202   | 23,996                           | 0   | 0                            |
| Cleveland   | 26,537                            | 713 "                               | 4,237   | 4,663   | 26,824                           | 500   | 1,641                        |
| Richmond  | 11,927                            | 0                                   | 2,112   | 2,890   | 11,149                           | 0   | 0                            |
| Atlanta   | 15,386                            | 135 R.                              | 2,059   | 3,204   | 14,376                           | 0   | 1,004                        |
| Chicago   | 38,327                            | 869 "                               | 3,749   | 6,023   | 36,922                           | 3,993   | 0                            |
| St. Louis   | 10,301                            | 0                                   | 2,243   | 1,238   | 11,306                           | 0   | 0                            |
| Minn.   | 10,585                            | 0                                   | 1,769   | 1,244   | 11,110                           | 0   | 0                            |
| Kan. City   | 16,282                            | 0                                   | 2,684   | 3,380   | 15,586                           | 0   | 0                            |
| Dallas  | 13,214                            | 311 "                               | 1,806   | 1,939   | 13,392                           | 0   | 0                            |
| San Fran.   | <u>21,075</u>                     | <u>1,720 "</u>                      | <u>1,453</u>  | <u>4,279</u>  | <u>19,969</u>                    | <u>6,484</u>                                    | <u>0</u>                     |
| <b>Totals</b>   | <b>\$262,022</b>                  | <b>\$45,705</b>                     | <b>\$22,112</b>   | <b>\$46,548</b>                                     | <b>\$261,179</b>                 | <b>\$52,647</b>                                 | <b>\$5,079</b>               |
| Bills held overnight by N. Y. for distribution to other F. R. Banks |                                   |                                     |   |   |                                  |   | 6,300                        |
| " " " " " " " " foreign correspondents                              |                                   |                                     |   |   |                                  |   | <u>3,867</u>                 |
| <b>Total</b>  |                                   |                                     |   |   |                                  |   | <b><u>\$15,246</u></b>       |

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 2, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4%</u> | Over 90 days<br><u>3 3/4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|-----------------|
| Boston        | \$ 2,111                           | \$ 2,363                            | 0                           | 0                             | \$ 4,474        |
| New York      | 26,215                             | 7,097                               | 968                         | 1,101                         | 35,381          |
| Philadelphia  | 1,123                              | 979                                 | 0                           | 0                             | 2,102           |
| Cleveland     | 376                                | 0                                   | 337                         | 0                             | 713             |
| Atlanta       | 68                                 | 40                                  | 27                          | 0                             | 135             |
| Chicago       | 119                                | 750                                 | 0                           | 0                             | 869             |
| Dallas        | 0                                  | 125                                 | 50                          | 136                           | 311             |
| San Francisco | <u>810</u>                         | <u>866</u>                          | <u>44</u>                   | <u>0</u>                      | <u>1,720</u>    |
| <b>Totals</b> | <u>\$30,822</u>                    | <u>\$12,220</u>                     | <u>\$1,426</u>              | <u>\$1,237</u>                | <u>\$45,705</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 2, 1927  
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     | \$88                         | \$45,705   | \$45,793   |
| Sold          | 36                           | 0  | 36   |
| Matured       | 0                            | <u>46,548</u>  | <u>46,548</u>  |
|               |                              | \$ <del>843</del>  | \$ <del>791</del>  |
|               |                              | 7,906+ (Net Change<br>1-day holdover<br>and other bills) | 7,906+ (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <u>\$52+</u>                 | <u>\$7,063+</u>  | <u>\$ 7,115+</u>   |

(Including Sales Contracts)

| <u>Holdings</u><br><u>February 2, 1927</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                           | \$ 1,976              | 0                 | \$ 43,379         | 0                 | \$112,388               | \$146,136            | \$303,879        |
| Bills Purchased                            | <u>153,851</u>        | <u>93,787</u>     | <u>60,322</u>     | <u>16,810</u>     | <u>4,302</u>            | <u>0</u>             | <u>329,072</u>   |
| <b>Totals</b>                              | <u>\$155,827</u>      | <u>\$93,787</u>   | <u>\$103,701</u>  | <u>\$16,810</u>   | <u>\$116,690</u>        | <u>\$146,136</u>     | <u>\$632,951</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 15, 1927.

To All Members of the Board

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

From Mr. Noell

2-3406  
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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February 15, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board, your letter of February 14th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from February 3 to February 9, 1927, 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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RECEIVED  
FEB 15 1927  
OFFICE OF  
THE GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

February 14, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from February 3 to February 9, 1927  
inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 9, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date  
 (000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS<br>DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts |                     |
| -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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931             |
| -1927-   |                            |                       |                    |                       |                    |                     |
| Jan. 26  | 372,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157             |
| Feb. 2   | 1,028,722                  | 301,903               | 1,976              | 276,425               | 52,647             | 393,271             |
| Feb. 9   | 988,748                    | 302,482               | 2,196              | 251,757               | 50,748             | 379,065             |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED FEBRUARY 9, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |               | BILLS DISCOUNTED  |               |
|-----------------------------------|-----------------------|---------------|---------------------|---------------|-------------------|---------------|
|                                   | Balance<br>Feb. 9     | Net<br>Change | Balance<br>Feb. 9   | Net<br>Change | Balance<br>Feb. 9 | Net<br>Change |
| Boston                            | \$ 9,614              | 0             | \$ 30,084           | \$ 1,480-     | \$ 23,887         | \$ 2,401-     |
| New York                          | 54,118                | 0             | 36,718              | 8,267-        | 96,932            | 20,189+       |
| Philadelphia                      | 19,928                | 0             | 22,733              | 1,263-        | 34,418            | 1,781-        |
| Cleveland                         | 35,332                | 1-            | 24,599              | 2,225-        | 48,630            | 5,009-        |
| Richmond                          | 7,060                 | 1+            | 10,631              | 518-          | 21,660            | 1,145-        |
| Atlanta                           | 2,015                 | 203+          | 13,956              | 420-          | 24,832            | 3,570-        |
| Chicago                           | 46,160                | 0             | 36,548              | 374-          | 69,056            | 7,901-        |
| St. Louis                         | 21,117                | 352+          | 11,262              | 44-           | 11,678            | 1,426-        |
| Minneapolis                       | 16,481                | 0             | 10,138              | 972-          | 3,829             | 97-           |
| Kansas City                       | 27,568                | 0             | 15,768              | 182+          | 8,035             | 2,213-        |
| Dallas                            | 24,215                | 23+           | 12,759              | 683-          | 2,822             | 1,132-        |
| San Francisco                     | 38,874                | 1+            | 19,959              | 10-           | 33,286            | 7,720-        |
| N.Y. holdovers<br>and other bills |                       |               | 6,602               | 8,644-        |                   |               |
| Totals                            | \$302,482             | \$579+        | \$251,757           | \$24,668-     | \$379,065         | \$14,206-     |

COMMENT ON CHANGES WEEK ENDED FEBRUARY 9, 1927

Total earning assets of the System decreased about \$40,000,000 for the current statement week. The principal changes consisted of decreases of approximately \$24,700,000 in outright purchases of bankers acceptances, \$14,200,000 in bills discounted, and \$1,800,000 in bankers acceptances held under sales contracts. Other changes consisted of increases of about \$600,000 in outright purchases of Government securities and \$200,000 in Government securities held under sales contracts.

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2

Money  
Market

Easy conditions continued to prevail in the call money market during the past week although transfers of funds to the interior necessitated increased borrowing at the New York bank. The Stock Exchange call loan rate was unchanged at 4 per cent while, in the outside market, there continued to be transactions at  $3\frac{3}{4}$  per cent.

In the time money market, the rate tendency was also easy and by the end of the week the rate was  $4\frac{3}{8}$  per cent for all maturities of loans. Activity, however, was rather limited.

There was a continued good demand for commercial paper by banks outside of New York City but supplies were again rather inadequate. Prime paper of nearly all the larger open market borrowers sold at 4 per cent with the smaller names at  $4\frac{1}{4}$  per cent.

Government  
Security  
Market

The market for United States Liberty Loan and Treasury bonds continued quiet and firm with trading somewhat limited by the scarcity of offerings of large blocks of bonds. The average price of all issues at the end of the week was at approximately the same level as at the previous week's close, while new high levels were reached during the week for Fourth 4  $\frac{1}{4}$ s at 103  $\frac{29}{32}$ , Treasury 4  $\frac{1}{4}$ s - 1947/52 at 110  $\frac{31}{32}$  and Treasury 3  $\frac{3}{4}$ s - 1946/55 at 104.

The market for short-term certificates of indebtedness and Treasury notes was also quiet with limited trading and rates steady.

Bankers  
Acceptances

During the statement week most of the dealers lowered their rates  $\frac{1}{8}$  per cent on 30-day and four, five and six months' unendorsed bankers' acceptances. Their offering rates for this class of bills according to maturity were as follows:  $3\frac{1}{2}$  to  $3\frac{5}{8}$  per cent for 30s, and  $3\frac{5}{8}$  per cent for 60, 90 and 120-day bills.

Boston reports that the supply of bills in their market during the statement week continued small. While figures submitted by dealers show that their sales doubled since the last report, the demand was very limited with only a few of the larger local institutions as buyers. Offerings to the reserve bank were about \$1,500,000 less than the previous week. There was a considerable decrease in both the supply and demand in the New York market this week. Although buying for foreign accounts continued in good volume, purchases for local accounts were only moderate, and dealers portfolios continued very large. Offerings to the reserve bank were light and consisted chiefly of short bills. The Philadelphia market was only moderately active. Offerings consisted almost entirely of short maturities with the demand fair and principally for 90-day bills. In Chicago, dealers reported a fair demand for bills maturing in about 60 days and very little activity in bills of longer maturity.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury a sale was consummated during the statement week of \$100,000 June 15, 1927 -  $3\frac{1}{2}$  per cent certificates of indebtedness from holdings of the Alien Property Custodian.

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Authority EO 10501

3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 12,328,000         | \$ 11,413,000                    | \$ 915,000                       | \$ 0                              |
| New York      | 35,727,000            | 39,129,000                       | 0                                | 3,402,000                         |
| Philadelphia  | 14,600,000            | 13,044,000                       | 1,556,000                        | 0                                 |
| Cleveland     | 15,732,000            | 16,304,000                       | 0                                | 572,000                           |
| Richmond      | 8,302,000             | 8,153,000                        | 149,000                          | 0                                 |
| Atlanta       | 8,016,000             | 8,153,000                        | 0                                | 137,000                           |
| Chicago       | 23,928,000            | 22,827,000                       | 1,111,000                        | 0                                 |
| St. Louis     | 7,907,000             | 8,153,000                        | 0                                | 246,000                           |
| Minneapolis   | 6,305,000             | 6,520,000                        | 0                                | 215,000                           |
| Kansas City   | 9,465,000             | 9,782,000                        | 0                                | 317,000                           |
| Dallas        | 6,542,000             | 6,520,000                        | 22,000                           | 0                                 |
| San Francisco | <u>14,180,000</u>     | <u>13,044,000</u>                | <u>1,136,000</u>                 | <u>0</u>                          |
| <b>Totals</b> | <u>\$163,042,000</u>  | <u>\$163,042,000</u>             | <u>\$4,889,000</u>               | <u>\$4,889,000</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 a sale to the Federal Reserve Bank of Cleveland of \$7,320,000 September 15, 1927 - 3 1/4 per cent certificates of indebtedness in exchange for a like amount of March 15, 1927 - 4 3/4 per cent Treasury notes - both at a price to yield 3.30 per cent to maturity; and sales to the market and a foreign correspondent of \$2,000,000 June 15, 1927 certificates and \$1,200,000 Third 4 1/4s respectively, which were replaced by purchase in the market of a like amount of Third 4 1/4s. These transactions left the total holdings in the account unchanged at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

|               |                      |
|---------------|----------------------|
| Boston        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,202,500           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | <u>29,188,000</u>    |
| <b>Totals</b> | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|               |               |                      |
|---------------|---------------|----------------------|
| March         | 15, 1927      | \$ 29,957,500        |
| June          | 15, 1927      | 103,344,000          |
| September     | 15, 1927      | 36,709,500           |
| December      | 15, 1927      | 24,959,000           |
| September     | 15, 1928      |                      |
|               | 3rd L/L bonds | 5,030,000            |
| <b>Totals</b> |               | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM FEBRUARY 3 TO FEBRUARY 9, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u> | <u>Issue</u>        | <u>Sales</u>     | <u>Issue</u>        |
|---------------|------------------|---------------------|------------------|---------------------|
| Cleveland     | 0                | -                   | \$ 1,000         | Liberty Loan bonds  |
| Richmond      | 1,000            | Liberty Loan bonds  | 0                | -                   |
| Atlanta       | 321,300          | Various Gov't Sec.  | 118,450          | Various L/L bonds   |
| St. Louis     | 352,000          | Various L/L bonds   | 0                | -                   |
| Kansas City   | 100,000          | A-1927 Treas. Notes | 100,000          | A-1927 Treas. Notes |
| Dallas        | 22,850           | Various L/L bonds   | 0                | -                   |
| San Francisco | <u>1,000</u>     | Liberty Loan bonds  | <u>0</u>         | -                   |
| <b>Totals</b> | <u>\$798,150</u> |                     | <u>\$219,450</u> |                     |

BANKERS ACCEPTANCES  
 (000 Omitted)

|  | <u>Holdings</u><br>Feb. 2 | <u>Purchased</u><br>Own Mkt. | <u>Rec'd by Allotment</u>      |                                | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br>Feb. 9 | <u>Other Holdings</u><br><u>Close Feb. 9/27</u> |                       |
|--|---------------------------|------------------------------|--------------------------------|--------------------------------|---|---------------------------|---|-----------------------|
|  |                           |                              | <u>Regular</u><br>from<br>N.Y. | <u>From</u><br>Boston<br>Port. |   |                           | <u>Sales</u><br>Contracts                       | <u>Other</u><br>Bills |
| Boston   | \$ 31,564                 | \$ 2,911 R.                  | 0                              | 0                              | \$ 4,391*   | \$30,084                  | \$ 8,380  | 0                     |
| New York   | 44,985                    | 4,404 " 14,571 A.            | 0                              | 0                              | 12,671  | 36,718                    | 30,788  | 1,578                 |
| Phila.   | 23,996                    | 3,676 R.                     | 0                              | 0                              | 4,939   | 22,733                    | 0   | 0                     |
| Cleveland  | 26,824                    | 40 "                         | 2,542                          | 0                              | 4,807   | 24,599                    | 442   | 1,716                 |
| Richmond   | 11,149                    | 404 "                        | 1,180                          | 500                            | 2,602   | 10,631                    | 0   | 0                     |
| Atlanta  | 14,376                    | 124 "                        | 1,241                          | 300                            | 2,085   | 13,956                    | 0   | 976                   |
| Chicago  | 36,922                    | 1,920 "                      | 3,311                          | 500                            | 6,105   | 36,548                    | 4,815   | 0                     |
| St. Louis  | 11,306                    | 0                            | 1,263                          | 400                            | 1,707   | 11,262                    | 0   | 0                     |
| Minneapolis  | 11,110                    | 0                            | 999                            | 300                            | 2,271   | 10,138                    | 0   | 0                     |
| Kan. City  | 15,586                    | 0                            | 1,528                          | 500                            | 1,846   | 15,768                    | 0   | 0                     |
| Dallas   | 13,392                    | 193 "                        | 977                            | 0                              | 1,803   | 12,759                    | 0   | 0                     |
| San Fran.  | <u>19,969</u>             | <u>1,587</u> "               | <u>1,530</u>                   | <u>0</u>                       | <u>3,127</u>  | <u>19,959</u>             | <u>6,323</u>                                    | <u>0</u>              |
| <b>Totals</b>  | <u>\$261,179</u>          | <u>\$29,830</u>              | <u>\$14,571</u>                | <u>\$2,500</u>                 | <u>\$48,354</u>                                     | <u>\$245,155</u>          | <u>\$50,748</u>                                 | <u>\$4,270</u>        |
| Bills held overnight by New York for distribution to other F. R. Banks - - - |                           |                              |                                |                                |   |                           |   | <u>2,332</u>          |
| Total - - - - -  |                           |                              |                                |                                |   |                           |   | <u>\$6,602</u>        |

\*Includes \$2,500,000 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 FEBRUARY 9, 1927  
(000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90-days<br><u>3 3/4 - 4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------|
| Boston        | \$ 1,106                           | \$ 1,744                            | \$ 61                               | 0                                 | \$ 2,911        |
| New York      | 9,851                              | 7,089                               | 1,611                               | 424                               | 18,975          |
| Philadelphia  | 1,944                              | 1,693                               | 39                                  | 0                                 | 3,676           |
| Cleveland     | 40                                 | 0                                   | 0                                   | 0                                 | 40              |
| Richmond      | 102                                | 227                                 | 75                                  | 0                                 | 404             |
| Atlanta       | 74                                 | 0                                   | 24                                  | 26                                | 124             |
| Chicago       | 495                                | 1,425                               | 0                                   | 0                                 | 1,920           |
| Dallas        | 0                                  | 0                                   | 0                                   | 193                               | 193             |
| San Francisco | <u>787</u>                         | <u>789</u>                          | <u>7</u>                            | <u>4</u>                          | <u>1,587</u>    |
| <b>Totals</b> | <u>\$14,399</u>                    | <u>\$12,967</u>                     | <u>\$1,817</u>                      | <u>\$647</u>                      | <u>\$29,830</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 9, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
(000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u> | <u>Total</u>       |
|---------------|----------------------------------|--------------------------------|--------------------|
| Purchased     | \$798                            | \$32,330                       | \$33,128           |
| Sold          | 219                              | 0                              | 219                |
| Matured       | 0                                | <u>48,354</u>                  | <u>48,352</u>      |
|               |                                  | <u>\$16,024-</u>               | <u>\$15,443-</u>   |
|               |                                  | 8,644- (Net Change             | 8,644- (Net Change |
|               |                                  | 1-day holdover                 | 1-day holdover     |
|               |                                  | and other bills)               | and other bills)   |
| <b>Totals</b> | <u>\$579+</u>                    | <u>\$24,668-</u>               | <u>\$24,087-</u>   |

(Including Sales Contracts)

| Holdings<br>February 9, 1927 | Within<br>15 days | 16-30<br>days   | 31-60<br>days   | 61-90<br>days   | 91-days<br>6 months | Over 6<br>Months | <u>Total</u>     |
|------------------------------|-------------------|-----------------|-----------------|-----------------|---------------------|------------------|------------------|
| Gov't Securities             | \$ 2,196          | 0               | \$43,379        | 0               | \$112,388           | \$146,715        | \$304,678        |
| Bills Purchased              | <u>137,494</u>    | <u>95,699</u>   | <u>48,816</u>   | <u>15,775</u>   | <u>4,721</u>        | <u>0</u>         | <u>302,505</u>   |
| <b>Totals</b>                | <u>\$139,690</u>  | <u>\$95,699</u> | <u>\$92,195</u> | <u>\$15,775</u> | <u>\$117,109</u>    | <u>\$146,715</u> | <u>\$607,183</u> |

FRASER

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date January 26, 1937.

To All Members of the Board

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

From Mr. Eddy

2-8896  
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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January 26, 1927.

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 24th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from January 13 to January 19, 1927, 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  
JAN 27 1927

FEDERAL RESERVE BANK  
OF NEW YORK

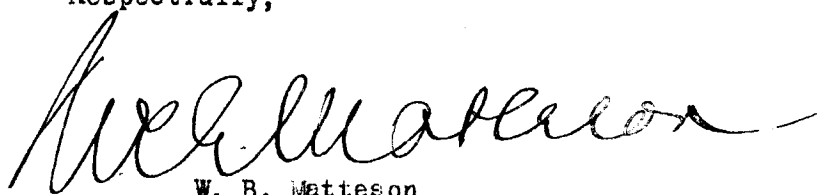
CONFIDENTIAL

January 24, 1927

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from January 13 to January 19, 1927 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 JANUARY 19, 1927****Holdings of Earning Assets of Federal Reserve Banks from June 24, 1925 to Date**  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>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             | 183,078               | 26,498             | 462,356    |
| 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             | 540,063    |
| 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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 12  | 1,143,171                  | 301,376               | 9,675              | 293,128               | 45,014             | 490,478    |
| Jan. 19  | 1,068,661                  | 301,569               | 11,173             | 273,521               | 63,839             | 416,059    |

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED JANUARY 19, 1927**  
(000 Omitted)

|                                    | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED   |                  |
|------------------------------------|-----------------------|---------------|---------------------|------------------|--------------------|------------------|
|                                    | Balance<br>Jan. 19    | Net<br>Change | Balance<br>Jan. 19  | Net<br>Change    | Balance<br>Jan. 19 | Net<br>Change    |
| Boston                             | \$ 9,595              | 0             | \$ 29,131           | \$ 3,087-        | \$ 19,245          | \$16,702-        |
| New York                           | 54,118                | 0             | 42,996              | 6,288-           | 89,020             | 38,199-          |
| Philadelphia                       | 19,928                | 0             | 24,843              | 562-             | 37,757             | 6-               |
| Cleveland                          | 35,343                | 1+            | 27,110              | 1,940-           | 58,631             | 11,950-          |
| Richmond                           | 7,060                 | 1+            | 12,676              | 1,244-           | 21,096             | 440+             |
| Atlanta                            | 1,825                 | 18+           | 17,341              | 722-             | 30,885             | 2,444-           |
| Chicago                            | 46,160                | 0             | 37,622              | 3,515-           | 90,169             | 8,026+           |
| St. Louis                          | 20,515                | 141+          | 9,968               | 511-             | 16,491             | 4,259-           |
| Minneapolis                        | 16,491                | 0             | 10,671              | 1,204-           | 4,089              | 636+             |
| Kansas City                        | 27,468                | 0             | 17,537              | 881-             | 10,854             | 90+              |
| Dallas                             | 24,194                | 33+           | 13,609              | 992-             | 5,340              | 1,798-           |
| San Francisco                      | 38,872                | 0             | 23,112              | 889-             | 32,482             | 8,253-           |
| N. Y. holdovers<br>and other bills |                       |               | 6,905               | 2,228+           |                    |                  |
| <b>Totals</b>                      | <b>\$301,569</b>      | <b>\$194+</b> | <b>\$273,521</b>    | <b>\$19,607-</b> | <b>\$416,059</b>   | <b>\$74,419-</b> |

**COMMENT ON CHANGES WEEK ENDED JANUARY 19, 1927**

The total earning assets of the System decreased about \$73,500,000 for the current statement week. The principal changes consisted of decreases of approximately \$74,400,000 in bills discounted and \$19,600,000 in outright purchases of bankers acceptances, and increases in investments held under sales contracts of \$1,500,000 Government securities and \$18,800,000 bankers acceptances.

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Money  
Market

New York call money during the first part of the week remained at 4 1/2 per cent, the level established late in the previous week. However, as a result of gains to this market the call loan rate reverted to 4 per cent about the middle of the week, while loans were reported in the outside market at 3 3/4 per cent.

The time money market was generally rather inactive. Maturities from 60 days to 6 months were quoted at 4 1/2 per cent, unchanged from last week.

Activity in the commercial paper market diminished somewhat during the past week due to the fact that dealers portfolios had been depleted by the active business of the previous week and little new paper was offered by borrowers. The demand for paper from Middle Western institutions, however, remained active. The prevailing rate on prime paper continued to be 4 1/4 per cent with some choice names moving at 4 per cent.

Government  
Security  
Market

While trading in United States Liberty Loan and Treasury bonds on the New York Stock Exchange was less active this week than last, there was a fair amount of activity reported in the outside "over the counter" market. Prices of Second and Third 4 1/4's were fractionally lower while the longer term bonds were fractionally higher. New high levels were reached during the week for First 4 1/4's at 103 13/32, Fourth 4 1/4's at 103 27/32, Treasury 4s 1944-54 at 106 27/32, Treasury 4 1/4's 1947-52 at 110 28/32, and Treasury 3 3/4s 1946-56 at 103 24/32.

The market for short-term Government certificates and Treasury notes was quiet. The June 15 and September 15, 1927 issues of certificates of indebtedness were firm while the March 15 and December 15, 1927 Treasury notes were slightly easier.

Bankers  
Acceptances

Dealers' offerings of unendorsed bankers acceptances during the statement week remained unchanged at the following rates: 3 5/8 per cent for 30, 60 and 90's and 3 3/4 per cent for 120-day bills. After the close of the statement week however, a majority of dealers were offering 90-day bills at 3 3/4 per cent, representing an advance of 1/8 per cent.

Boston reported a further slowing down of the bill market in their district. The supply continued poor while the demand showed a decided falling off. Offerings to the reserve bank were the smallest since last April, due principally to the fact that their rate was above dealers' offered rates. Dealers' portfolios and their offerings to the reserve bank under sales contracts increased five million and four million respectively. In New York dealers' purchases held up in good volume and were substantially in excess of the demand. There was a decided falling off in the demand for foreign accounts, while sales to local accounts, although light, showed a slight improvement. The local demand was chiefly for short bills. Offerings to the reserve bank were less this week than last, while the amount of dealers' commitments held under sales contracts was larger. The market in Philadelphia showed a slight improvement during the current statement week. Offerings were fairly heavy but were again confined almost entirely to short bills. The demand continued fair with preference for 90-day bills. In Chicago dealers reported a good supply of bills available and a fair demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions authorized by the Treasury during the current statement week consisted of purchases in the market of \$40,500 Fourth 4 1/4s for account of the General Railroad Contingent Fund and \$10,000,000 Third 4 1/4s for account of Surplus Money in the Treasury.

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3

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 4,273,000          | \$ 3,891,000                     | \$ 382,000                       | 0                                 |
| New York      | 11,511,000            | 13,343,000                       | 0                                | 1,832,000                         |
| Philadelphia  | 5,635,000             | 4,448,000                        | 1,187,000                        | 0                                 |
| Cleveland     | 5,424,000             | 5,559,000                        | 0                                | 135,000                           |
| Richmond      | 2,562,000             | 2,780,000                        | 0                                | 218,000                           |
| Atlanta       | 2,721,000             | 2,780,000                        | 0                                | 59,000                            |
| Chicago       | 7,616,000             | 7,783,000                        | 0                                | 167,000                           |
| St. Louis     | 2,432,000             | 2,780,000                        | 0                                | 348,000                           |
| Minneapolis   | 1,984,000             | 2,223,000                        | 0                                | 239,000                           |
| Kansas City   | 2,853,000             | 3,335,000                        | 0                                | 482,000                           |
| Dallas        | 2,243,000             | 2,223,000                        | 20,000                           | 0                                 |
| San Francisco | <u>6,339,000</u>      | <u>4,448,000</u>                 | <u>1,891,000</u>                 | <u>0</u>                          |
| Totals        | <u>\$55,593,000</u>   | <u>\$55,593,000</u>              | <u>\$3,480,000</u>               | <u>\$3,480,000</u>                |

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

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        | \$ 8,766,000         |
| New York      | 52,762,000           |
| Philadelphia  | 4,919,500            |
| Cleveland     | 13,203,000           |
| Richmond      | 5,818,500            |
| Atlanta       | 0                    |
| Chicago       | 26,233,500           |
| St. Louis     | 13,725,000           |
| Minneapolis   | 8,923,500            |
| Kansas City   | 17,995,000           |
| Dallas        | 18,466,500           |
| San Francisco | <u>29,187,500</u>    |
| Totals        | <u>\$200,000,000</u> |

RECAPITULATION OF HOLDINGS BY MATURITIES

|                                     |                      |
|-------------------------------------|----------------------|
| March 15, 1927                      | \$ 14,791,000        |
| June 15, 1927                       | 106,344,000          |
| September 15, 1927                  | 44,029,500           |
| December 15, 1927                   | 32,805,500           |
| September 15, 1928<br>3rd L/L bonds | 2,030,000            |
| Totals                              | <u>\$200,000,000</u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM JANUARY 13 TO JANUARY 19, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u> | <u>Issue</u>             | <u>Sales</u>     | <u>Issue</u>      |
|---------------|------------------|--------------------------|------------------|-------------------|
| Cleveland     | \$ 1,000         | Liberty Loan bonds       | 0                | -                 |
| Richmond      | 1,000            | Liberty Loan bonds       | 0                | -                 |
| Atlanta       | 135,750          | L/L bonds & Treas. Notes | 118,300          | L/L bonds & C/I   |
| St. Louis     | 141,150          | L/L bonds                | 0                | -                 |
| Dallas        | <u>362,100</u>   | L/L bonds                | <u>329,000</u>   | Treas. 4s of 1954 |
| <b>Totals</b> | <u>\$641,000</u> |                          | <u>\$447,300</u> |                   |

BANKERS ACCEPTANCES  
 (000 Omitted)

|   | Holdings<br>Jan. 12 | Purchased<br>Own Mkt. | Rec'd by Allotment      |                         |                       | Matur-<br>ities &<br>Sales | Holdings<br>Jan. 19 | Other holdings<br>Close Jan. 19/27 |                |
|---|---------------------|-----------------------|-------------------------|-------------------------|-----------------------|----------------------------|---------------------|------------------------------------|----------------|
|   |                     |                       | Regular<br>from<br>N.Y. | From<br>Boston<br>Port. |                       |                            |                     | Sales<br>Contracts                 | Other<br>Bills |
| Boston  | \$ 32,218           | \$ 2,157 R.           | 0                       | 0                       | \$ 5,244 <sup>x</sup> | \$ 29,131                  | \$10,592            | 0                                  |                |
| New York  | 49,284              | 5,713 "<br>10,259 A.  | 0                       | 500                     | 12,501                | 42,996                     | 43,380              | 2,078                              |                |
| Phila.  | 25,405              | 3,046 R.              | 0                       | 0                       | 3,608                 | 24,843                     | 0                   | 0                                  |                |
| Cleveland   | 29,050              | 580 "                 | 1,971                   | 0                       | 4,491                 | 27,110                     | 0                   | 1,462                              |                |
| Richmond  | 13,920              | 90 "                  | 676                     | 0                       | 2,010                 | 12,676                     | 0                   | 0                                  |                |
| Atlanta   | 18,063              | 297 "                 | 700                     | 600                     | 2,319                 | 17,341                     | 0                   | 1,224                              |                |
| Chicago   | 41,137              | 873 "                 | 2,387                   | 0                       | 6,775                 | 37,622                     | 3,532               | 0                                  |                |
| St. Louis   | 10,479              | 0                     | 963                     | 300                     | 1,774                 | 9,968                      | 0                   | 0                                  |                |
| Minn.   | 11,875              | 0                     | 954                     | 0                       | 2,158                 | 10,671                     | 0                   | 0                                  |                |
| Kan. City   | 18,418              | 0                     | 1,039                   | 400                     | 2,320                 | 17,537                     | 0                   | 0                                  |                |
| Dallas  | 14,601              | 298 "                 | 758                     | 0                       | 2,048                 | 13,609                     | 35                  | 0                                  |                |
| San Fran.   | <u>24,001</u>       | <u>2,527 "</u>        | <u>811</u>              | <u>0</u>                | <u>4,227</u>          | <u>23,112</u>              | <u>6,300</u>        | <u>0</u>                           |                |
| <b>Totals</b>   | <b>\$288,451</b>    | <b>\$25,840</b>       | <b>\$10,259</b>         | <b>\$1,800</b>          | <b>\$49,475</b>       | <b>\$266,616</b>           | <b>\$63,839</b>     | <b>\$4,764</b>                     |                |
| Bills held overnight by New York for distribution to other F.R. Banks - - - |                     |                       |                         |                         |                       |                            |                     | <u>2,141</u>                       |                |
| Total - - - - -   |                     |                       |                         |                         |                       |                            |                     | <u>\$6,905</u>                     |                |

<sup>x</sup>Includes \$1,800,000 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 JANUARY 19, 1927.  
(000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 3/4%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90 days<br><u>3 3/4 - 3 7/8%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|-----------------|
| Boston        | \$ 712                             | \$ 1,410                            | \$ 35                               | 0                                     | \$ 2,157        |
| New York      | 8,149                              | 4,992                               | 1,466                               | 1,365                                 | 15,972          |
| Philadelphia  | 750                                | 1,937                               | 359                                 | 0                                     | 3,046           |
| Cleveland     | 0                                  | 339                                 | 241                                 | 0                                     | 580             |
| Richmond      | 75                                 | 15                                  | 0                                   | 0                                     | 90              |
| Atlanta       | 25                                 | 50                                  | 185                                 | 37                                    | 297             |
| Chicago       | 141                                | 732                                 | 0                                   | 0                                     | 873             |
| Dallas        | 37                                 | 134                                 | 29                                  | 98                                    | 298             |
| San Francisco | <u>975</u>                         | <u>1,460</u>                        | <u>54</u>                           | <u>38</u>                             | <u>2,527</u>    |
| <b>Totals</b> | <u>\$10,864</u>                    | <u>\$11,069</u>                     | <u>\$2,369</u>                      | <u>\$1,538</u>                        | <u>\$25,840</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 19, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
(000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government<br/>Securities</u> | <u>Bankers<br/>Acceptances</u>                           | <u>Total</u>   |
|---------------|----------------------------------|--|--|
| Purchased     | \$641                            | \$27,640   | \$28,281   |
| Sold          | 447                              | 0  | 447  |
| Matured       | 0                                | <u>49,475</u>  | <u>49,475</u>  |
|               |                                  | \$21,835-  | \$21,641-  |
|               |                                  | 2,228+ (Net Change<br>1-day holdover<br>and other bills) | 2,228+ (Net Change<br>1-day holdover<br>and other bills) |
| <b>Totals</b> | <u>\$194+</u>                    | <u>\$19,607-</u>   | <u>\$19,413-</u>   |

(Including Sales Contracts)

| <u>Holdings<br/>January 19, 1927</u> | <u>Within<br/>15 days</u> | <u>16-30<br/>days</u> | <u>31-60<br/>days</u> | <u>61-90<br/>days</u> | <u>91-days<br/>6 months</u> | <u>Over 6<br/>months</u> | <u>Total</u>     |
|--------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|------------------|
| Gov't Securities                     | \$ 11,173                 | 0                     | \$43,356              | 0                     | \$113,328                   | \$144,885                | \$312,742        |
| Bills Purchased                      | <u>147,001</u>            | <u>71,170</u>         | <u>90,754</u>         | <u>21,060</u>         | <u>7,375</u>                | <u>0</u>                 | <u>337,360</u>   |
| <b>Totals</b>                        | <u>\$158,174</u>          | <u>\$71,170</u>       | <u>\$134,110</u>      | <u>\$21,060</u>       | <u>\$120,703</u>            | <u>\$144,885</u>         | <u>\$650,102</u> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date February 2, 1927.

To All Members of the Board

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

From Mr. Eddy

3-3405  
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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February 3, 1927.

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 31st, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from January 20 to January 26, 1927, inclusive.

Very truly yours,

Walter L. Eday,  
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

January 31, 1927

S i r :

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from January 20 to January 26, 1927 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 JANUARY 26, 1927

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

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1925-   |                            |                       |                    |                       |                    |            |
| 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  | 1,118,637                  | 353,073               | 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  | 1,150,172                  | 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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 19  | 1,068,661                  | 301,569               | 11,173             | 273,521               | 63,839             | 416,059    |
| Jan. 26  | 972,249                    | 301,851               | 914                | 269,362               | 32,465             | 365,157    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 26, 1927  
(000 Omitted)

|                                   | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |               | BILLS DISCOUNTED   |               |
|-----------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
|                                   | Balance<br>Jan. 26    | Net<br>Change | Balance<br>Jan. 26  | Net<br>Change | Balance<br>Jan. 26 | Net<br>Change |
| Boston                            | \$ 9,618              | \$ 23+        | \$ 30,073           | \$ 947+       | \$ 23,319          | \$ 4,074+     |
| New York                          | 54,118                | 0             | 42,214              | 782-          | 60,192             | 28,828-       |
| Philadelphia                      | 19,928                | 0             | 26,096              | 1,253+        | 35,185             | 2,572-        |
| Cleveland                         | 35,343                | 0             | 26,537              | 573-          | 51,185             | 7,446-        |
| Richmond                          | 7,060                 | 0             | 11,927              | 749-          | 21,232             | 136+          |
| Atlanta                           | 1,797                 | 28-           | 15,386              | 1,955-        | 28,071             | 2,814-        |
| Chicago                           | 46,160                | 0             | 38,327              | 705+          | 82,635             | 7,534-        |
| St. Louis                         | 20,765                | 250+          | 10,301              | 333+          | 12,380             | 4,111-        |
| Minneapolis                       | 16,491                | 0             | 10,585              | 86-           | 4,297              | 208+          |
| Kansas City                       | 27,568                | 100+          | 16,282              | 1,255-        | 10,988             | 134+          |
| Dallas                            | 24,130                | 64-           | 13,214              | 295-          | 4,113              | 1,227-        |
| San Francisco                     | 38,873                | 1+            | 21,075              | 2,037-        | 31,560             | 922-          |
| N.Y. holdovers<br>and other bills |                       |               | 7,340               | 435+          |                    |               |
| Totals                            | \$301,851             | \$282+        | \$269,362           | \$4,159-      | \$365,157          | \$50,902-     |

COMMENT ON CHANGES WEEK ENDED JANUARY 26, 1927

Total earning assets of the System decreased about \$96,400,000 for the statement week, declining to the lowest point since January 21, 1925. Approximate decreases by classifications were \$50,900,000 in bills discounted, \$4,150,000 in outright purchases of bankers acceptances and \$41,600,000 in investments held under sales contracts, while outright purchases of Government securities increased about \$300,000. The decrease in investments held under sales contracts consisted of about \$10,200,000 Government securities and \$31,400,000 bankers acceptances.

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Money  
Market

The demand for Stock Exchange call money was light throughout the week and the rate continued at 4 per cent. Notwithstanding heavy transfers to the interior on Friday and the approach of the month-end, money conditions were unchanged.

There was little activity in the time money market, and 4 1/2 per cent continued the ruling rate for all maturities of loans.

The commercial paper market continued moderately active during the past week. Supplies of new paper received from borrowers were quickly absorbed by investing institutions, so that the amount of paper in dealers' portfolios remained small. Owing to the active demand from the Middle West, rates on prime paper showed further slight ease and sales at 4 and 4 1/4 per cent became more evenly divided.

Government  
Security  
Market

There was very little change in the market for United States Liberty Loan and Treasury bonds. While this week's closing prices of Third 4 1/4s and Treasury 3 3/4s of 1946-56 and 4 1/4s of 1947-52 were about 2/32 lower than last week's prices, other issues were at about the previous week's levels.

The market for short-term certificates of indebtedness and Treasury notes continued quiet. Dealers' offered September 15, 1927, 3 1/4 per cent certificates at the end of the week at par and the other issues to yield approximately 3.40 per cent for March 15, 1927, 4 3/4 per cent notes, 3.31 per cent for June 15, 1927, 3 1/2 per cent certificates, and 3.43 per cent for December 15, 1927, 4 1/2 per cent notes.

Bankers  
Acceptances

Dealers' offerings of unendorsed bankers acceptances during the current statement week were at the following rates: 3 5/8 per cent for 30s and 60s, 3 5/8 to 3 3/4 per cent for 90s and 3 3/4 per cent for 120-day bills. The supply of bills in the market continued good and substantially in excess of the demand.

Boston reports a slight improvement in the supply and demand with the supply somewhat heavier than the demand. Bills of short maturity moved freely at offered rates, while country banks ceased to be a factor in the market. Dealers' portfolios showed an increase of about \$2,000,000 during the week due to bills being sent them from their offices in other districts. Offerings to the reserve banks continued light. The demand in the New York market showed a good increase although it was still considerably less than the supply which was fairly heavy. While purchases for local accounts were quite moderate there was a substantial amount of buying of 90-day bills for foreign accounts. Offerings to the reserve bank were moderately larger this week than last while the amount of dealers' commitments held under sales contracts decreased considerably. Philadelphia and Chicago both report the market in their districts to be moderately active with the demand in the latter market principally for bills of long maturities.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authorization from the Treasury a purchase was made in the market during the statement week of \$9,950,000 Third 4 1/4 per cent Liberty Loan bonds for the account of Surplus Money in the Treasury.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES.

Purchases of bankers acceptances since the beginning of the year, and amount each bank now holds in excess or short of its pro rata share under apportionment plan now in effect:

|               | <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        | \$ 7,443,000               | \$ 6,125,000                     | \$1,318,000                      | \$ 0                              |
| New York      | 18,053,000                 | 21,001,000                       | 0                                | 2,948,000                         |
| Philadelphia  | 8,822,000                  | 7,001,000                        | 1,821,000                        | 0                                 |
| Cleveland     | 8,200,000                  | 8,750,000                        | 0                                | 550,000                           |
| Richmond      | 4,106,000                  | 4,376,000                        | 0                                | 270,000                           |
| Atlanta       | 4,156,000                  | 4,376,000                        | 0                                | 220,000                           |
| Chicago       | 13,589,000                 | 12,251,000                       | 1,338,000                        | 0                                 |
| St. Louis     | 4,001,000                  | 4,376,000                        | 0                                | 375,000                           |
| Minneapolis   | 3,237,000                  | 3,400,000                        | 0                                | 262,000                           |
| Kansas City   | 4,753,000                  | 5,250,000                        | 0                                | 497,000                           |
| Dallas        | 3,255,000                  | 3,499,000                        | 0                                | 244,000                           |
| San Francisco | <u>7,890,000</u>           | <u>7,001,000</u>                 | <u>889,000</u>                   | <u>0</u>                          |
| <b>Totals</b> | <u><u>\$87,505,000</u></u> | <u><u>\$87,505,000</u></u>       | <u><u>\$5,366,000</u></u>        | <u><u>\$5,366,000</u></u>         |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of the Committee, an exchange was effected during the early part of the current statement week, which consisted of a sale from holdings in the System Account to the Federal Reserve Bank of San Francisco of \$8,846,500 December 15, 1927, 4 1/2 per cent. Treasury notes at 100 31/32 to yield approximately 3.39 per cent in exchange for a like amount of March 15, 1927, 4 3/4 per cent. Treasury notes purchased from them at a price to yield 3.30 per cent to maturity. These transactions left the total holdings in the account unchanged 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  | \$ 8,766,000                | March 15, 1927                                  | \$ 23,637,500               |
| New York                                      | 52,762,000                  | June 15, 1927                                   | 106,344,000                 |
| Philadelphia                                  | 4,019,500                   | September 15, 1927                              | 44,029,500                  |
| Cleveland                                     | 13,203,000                  | December 15, 1927                               | 23,959,000                  |
| Richmond                                      | 5,818,500                   | September 15, 1928                              |                             |
| Atlanta                                       | 0                           | 3rd L/L bonds                                   | 2,030,000                   |
| Chicago                                       | 26,233,500                  |   |                             |
| St. Louis                                     | 13,725,000                  |   |                             |
| Minneapolis                                   | 8,923,500                   |   |                             |
| Kansas City                                   | 17,995,000                  |   |                             |
| Dallas  | 18,466,500                  |   |                             |
| San Francisco                                 | <u>29,187,500</u>           |   |                             |
| <b>Totals</b>                                 | <u><u>\$200,000,000</u></u> |   | <u><u>\$200,000,000</u></u> |

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS FROM JANUARY 20 TO JANUARY 26, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>        | <u>Issue</u>       | <u>Sales</u>            | <u>Issue</u>     |
|---------------|-------------------------|--------------------|-------------------------|------------------|
| Boston        | \$ 22,550               | Second L/L bonds   | 0                       | -                |
| Atlanta       | 60,200                  | Misc. Gov't Sec.   | 87,450                  | Misc. Gov't Sec. |
| St. Louis     | 250,000                 | Fourth L/L bonds   | 0                       | -                |
| Kansas City   | 100,000                 | TJ-1927 Ctfs.      | 0                       | -                |
| Dallas        | 85,950                  | L/L & Treas. Bonds | 150,050                 | L/L bonds        |
| San Francisco | <u>1,000</u>            | L/L bonds          | <u>0</u>                | -                |
| <b>Totals</b> | <b><u>\$519,700</u></b> |                    | <b><u>\$237,500</u></b> |                  |

BANKERS ACCEPTANCES  
 (000 Omitted)

|  | <u>Holdings</u><br><u>Jan. 19</u> | <u>Purchased</u><br><u>Own Mkt.</u> | <u>Rec'd by</u><br><u>Allotment</u><br><u>from N.Y.</u> | <u>Matur-</u><br><u>ities</u> * | <u>Holdings</u><br><u>Jan. 26</u> | <u>Other Holdings</u><br><u>Close Jan. 26/27</u> |                              |
|--|-----------------------------------|-------------------------------------|---|---------------------------------|-----------------------------------|--|------------------------------|
|  |                                   |                                     |   |                                 |                                   | <u>Sales</u><br><u>Contracts</u>                 | <u>Other</u><br><u>Bills</u> |
| Boston   | \$ 29,131                         | \$ 3,170 R.                         | 0   | \$ 2,223                        | \$ 30,078                         | \$ 11,398  | 0                            |
| New York   | 42,996                            | 6,541 " 15,422 A.                   | 0   | 7,323                           | 42,214                            | 12,895   | 2,896                        |
| Phila.   | 24,843                            | 3,187 R.                            | 0   | 1,934                           | 26,096                            | 0  | 0                            |
| Cleveland  | 27,110                            | 200 "                               | 2,576   | 3,349                           | 26,537                            | 0  | 1,366                        |
| Richmond   | 12,676                            | 101 "                               | 1,642   | 2,492                           | 11,927                            | 0  | 0                            |
| Atlanta  | 17,341                            | 166 "                               | 1,460   | 3,581                           | 15,386                            | 0  | 1,231                        |
| Chicago  | 37,622                            | 2,374 "                             | 3,599   | 5,268                           | 38,327                            | 2,668  | 0                            |
| St. Louis  | 9,968                             | 0                                   | 1,569   | 1,236                           | 10,301                            | 0  | 0                            |
| Minn.  | 10,671                            | 0                                   | 1,253   | 1,339                           | 10,585                            | 0  | 0                            |
| Kan. City  | 17,537                            | 0                                   | 1,900   | 3,155                           | 16,282                            | 0  | 0                            |
| Dallas   | 13,609                            | 67 "                                | 945   | 1,407                           | 13,214                            | 74   | 0                            |
| San Fran.  | <u>23,112</u>                     | <u>1,073 "</u>                      | <u>478</u>  | <u>3,588</u>                    | <u>21,075</u>                     | <u>5,430</u>                                     | <u>0</u>                     |
| <b>Totals</b>  | <b>\$266,616</b>                  | <b>\$32,301</b>                     | <b>\$15,422</b>   | <b>\$36,895</b>                 | <b>\$262,022</b>                  | <b>\$32,465</b>                                  | <b>\$5,493</b>               |
| Bills held overnight by N.Y. for distribution to other F. R. Banks - - - - - |                                   |                                     |   |                                 |                                   | 1,847  |                              |
| Total - - - - -  |                                   |                                     |   |                                 |                                   | <u>\$7,340</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 JANUARY 26, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 7/8% | 61-90 days<br>3 3/4 - 3 7/8% | Over 90-days<br>3 3/4 - 3 7/8% | Total           |
|---------------|-----------------------------|------------------------------|------------------------------|--------------------------------|-----------------|
| Boston        | \$ 1,214                    | \$ 1,590                     | \$ 366                       | \$ 0                           | \$ 3,170        |
| New York      | 9,570                       | 10,750                       | 1,546                        | 97                             | 21,963          |
| Philadelphia  | 285                         | 2,502                        | 400                          | 0                              | 3,187           |
| Cleveland     | 0                           | 200                          | 0                            | 0                              | 200             |
| Richmond      | 0                           | 45                           | 56                           | 0                              | 101             |
| Atlanta       | 162                         | 0                            | 4                            | 0                              | 166             |
| Chicago       | 966                         | 1,408                        | 0                            | 0                              | 2,374           |
| Dallas        | 0                           | 0                            | 30                           | 37                             | 67              |
| San Francisco | 604                         | 366                          | 68                           | 35                             | 1,073           |
| <b>Totals</b> | <b>\$12,801</b>             | <b>\$16,861</b>              | <b>\$2,470</b>               | <b>\$169</b>                   | <b>\$32,301</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 26, 1927  
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     | \$520                        | \$32,301                   | \$32,821         |
| Sold          | 238                          | 0                          | 238              |
| Matured       | 0                            | 36,895                     | 36,895           |
|               |                              | \$ 4,594-                  | \$ 4,312-        |
|               |                              | 435+ (Net Change           | 435+ (Net Change |
|               |                              | 1-day holdover             | 1-day holdover   |
|               |                              | and other bills)           | and other bills) |
| <b>Totals</b> | <b>\$282+</b>                | <b>\$4,159-</b>            | <b>\$3,877-</b>  |

(Including Sales Contracts)

| <u>Holdings</u><br><u>January 26, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91-days</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|------------------|
| Gov't Securities                           | \$ 914                          | 0                           | \$ 43,356                   | 0                           | \$113,328                         | \$145,167                      | \$302,765        |
| Bills Purchased                            | 123,999                         | 72,313                      | 81,778                      | 17,618                      | 6,119                             | 0                              | 301,827          |
| <b>Totals</b>                              | <b>\$124,913</b>                | <b>\$72,313</b>             | <b>\$125,134</b>            | <b>\$17,618</b>             | <b>\$119,447</b>                  | <b>\$145,167</b>               | <b>\$604,592</b> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date January 19, 1927.

To All Members of the Board

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

From Mr. Eddy

2-8485  
GPO

For your information:

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

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JAN 20 1927

Please return to Secretary's office.

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January 19, 1927.

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 17th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from January 6 to January 12, 1927, 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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JAN 17 1927  
FEDERAL RESERVE BANK  
OF NEW YORK

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

January 17, 1927

S i r :

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from January 6 to January 12, 1927  
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 ENDING JANUARY 12, 1927

Holdings of Earning Assets of Federal Reserve Banks from September 30, 1925 to Date  
(000 Omitted)

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>Contracts | DISCOUNTED |
| -1925-   |                            |                       |                    |                       |                    |            |
| 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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 5   | 1,339,813                  | 300,949               | 12,924             | 310,383               | 78,454             | 633,482    |
| Jan. 12  | 1,143,171                  | 301,376               | 9,675              | 293,128               | 45,014             | 490,478    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 12, 1927  
(000 Omitted)

|                                   | GOVERNMENT SECURITIES |               | BANKERS ACCEPTANCES |                  | BILLS DISCOUNTED   |                   |
|-----------------------------------|-----------------------|---------------|---------------------|------------------|--------------------|-------------------|
|                                   | Balance<br>Jan. 12    | Net<br>Change | Balance<br>Jan. 12  | Net<br>Change    | Balance<br>Jan. 12 | Net<br>Change     |
| Boston                            | \$ 9,595              | 0             | \$ 32,218           | \$ 3,142-        | \$ 35,947          | \$ 6,872-         |
| New York                          | 54,118                | 0             | 49,284              | 3,888-           | 127,219            | 48,840+           |
| Philadelphia                      | 19,928                | 0             | 25,405              | 232-             | 37,763             | 15,907-           |
| Cleveland                         | 35,342                | 1-            | 29,050              | 1,633-           | 70,581             | 3,614-            |
| Richmond                          | 7,059                 | 0             | 13,920              | 300+             | 20,656             | 3,350-            |
| Atlanta                           | 1,807                 | 13+           | 18,063              | 2,575-           | 33,329             | 6,296-            |
| Chicago                           | 46,160                | 0             | 41,137              | 1,559-           | 82,143             | 37,818-           |
| St. Louis                         | 20,374                | 96+           | 10,479              | 1,454+           | 20,750             | 5,564-            |
| Minneapolis                       | 16,491                | 0             | 11,875              | 736-             | 3,453              | 1,128-            |
| Kansas City                       | 27,468                | 0             | 18,418              | 248+             | 10,764             | 3,880-            |
| Dallas                            | 24,161                | 317+          | 14,601              | 689-             | 7,138              | 1,013+            |
| San Francisco                     | 38,872                | 1+            | 24,001              | 339+             | 40,735             | 10,748-           |
| N.Y. holdovers<br>and other bills |                       |               | 4,677               | 5,142-           |                    |                   |
| <b>Totals</b>                     | <b>\$301,375</b>      | <b>\$426+</b> | <b>\$293,128</b>    | <b>\$17,255-</b> | <b>\$490,478</b>   | <b>\$143,004-</b> |

COMMENT ON CHANGES WEEK ENDED JANUARY 12, 1927

Total earning assets of the System decreased about \$196,600,000 for the current statement week. The approximate decreases, by classification, were as follows: bills discounted \$143,000,000, outright purchases of bankers acceptances \$17,200,000 and investments held under sales contracts \$36,700,000. This latter item consisted of \$33,500,000 in bankers acceptances and \$3,200,000 in Government securities. There was a minor increase of \$426,000 in outright purchases of Government securities.

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Money  
Market

The continued return of currency from circulation, a movement of commercial funds from the interior, and gold imports (chiefly from Canada) resulted in further ease in call money rates, and borrowings of New York City banks at the Reserve Bank were reduced further to \$60,000,000 on January 13, at which amount they were 30 million deficient in their reserves. Call loans, after renewing early in the week at 4 1/2 and 4 1/4 per cent, declined to 4 per cent, and were steady at this rate except for a rise in the new low rate to 4 1/2 per cent at the close of the week, when outgoing transfers and week-end currency withdrawals occasioned the calling forth of an additional amount of Reserve Bank credit.

The time money market was active and rates were quoted at slightly lower levels. During the larger part of the week, actual loans for practically all maturities were arranged at the single rate of 4 1/2 per cent.

The commercial paper market was more active than in recent months. Middlewestern institutions were actively in the market, and a fair business was transacted in New England, but the New York City demand showed little improvement. The prevailing rate for prime names is 4 1/4 per cent, though in interior districts some paper is being sold at 4 per cent. Supplies of new paper coming into the market are increasing seasonally, but are being quickly absorbed by bank investors.

Government  
Security  
Market

The market for United States Liberty Loan and Treasury bonds was active and slightly stronger. While prices of the First 3 1/2's and Second and Third 4 1/4's were fractionally lower, the prices of other issues were fractionally higher. New high levels were reached at the close of the week for First 4 1/4's at 103 10/32, Fourth 4 1/4's at 103 23/32, Treasury 4's of 1944-54 at 106 17/32, Treasury 4 1/4's of 1947-52 at 110 17/32, and Treasury 3 3/4's of 1946-56 at 103 20/32.

The market for short-term Certificates of Indebtedness and Treasury Notes was quiet and slightly easier. Offerings by dealers at the end of the week were at prices from 2 to 4/32nds lower than at the previous week's close.

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances, effective from January 11, were at the following rates: 3 5/8 per cent for 30's, 60's and 90's, and 3 3/4 per cent for 120-day bills. During the week covered by this report there were some indications of a softening of rates, and exceptionally heavy buying in ninety-day bills took place for foreign accounts, which superimposed upon the easier trend, resulting in a reduction in dealers' rates of 1/8 per cent on all maturities in excess of 60 days.

Boston reports that with the exception of a general slowing down, the market conditions in their district showed no material change. The supply and demand was very limited with the demand just about sufficient to move the small supply freely. Offerings to the reserve bank were considerably less this week than last. In the New York market the supply of bills continued good although the volume was substantially less than during the preceding week. While the local demand was quite light there was a heavy demand for foreign accounts, as referred to above. Offerings to the reserve bank were light and chiefly from banks. The amount of dealers' commitments to the reserve bank under sales

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contracts was reduced considerably. The market in Philadelphia was moderately active. Offerings were confined almost entirely to short bills with a continued scarcity of member names. Some improvement was reflected in the demand which was mainly for 90-day bills. In Chicago dealers reported an increased demand, particularly for bills of 90-day maturity.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 6 to January 12, 1927, and amount each bank now holds in excess or short of its pro rata share under apportionment plan put into effect at the beginning of the year:

|               | <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        | \$ 3,916,000          | \$ 2,055,000                     | \$1,861,000                      | \$ 0                              |
| New York      | 5,298,000             | 7,047,000                        | 0                                | 1,749,000                         |
| Philadelphia  | 2,589,000             | 2,349,000                        | 240,000                          | 0                                 |
| Cleveland     | 2,873,000             | 2,936,000                        | 0                                | 63,000                            |
| Richmond      | 1,597,000             | 1,468,000                        | 129,000                          | 0                                 |
| Atlanta       | 932,000               | 1,468,000                        | 0                                | 536,000                           |
| Chicago       | 4,356,000             | 4,111,000                        | 245,000                          | 0                                 |
| St. Louis     | 1,169,000             | 1,468,000                        | 0                                | 299,000                           |
| Minneapolis   | 1,030,000             | 1,174,000                        | 0                                | 144,000                           |
| Kansas City   | 1,414,000             | 1,762,000                        | 0                                | 348,000                           |
| Dallas        | 1,186,000             | 1,174,000                        | 12,000                           | 0                                 |
| San Francisco | <u>3,001,000</u>      | <u>2,349,000</u>                 | <u>652,000</u>                   | <u>0</u>                          |
| Totals        | <u>\$29,361,000</u>   | <u>\$29,361,000</u>              | <u>\$3,139,000</u>               | <u>\$3,139,000</u>                |

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

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        | \$ 8,766,000      |
| New York      | 52,762,000        |
| Philadelphia  | 4,919,500         |
| Cleveland     | 13,203,000        |
| Richmond      | 5,818,500         |
| Atlanta       | 0                 |
| Chicago       | 26,233,500        |
| St. Louis     | 13,725,000        |
| Minneapolis   | 8,923,500         |
| Kansas City   | 17,995,000        |
| Dallas        | 18,466,500        |
| San Francisco | <u>29,187,500</u> |

Totals \$200,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

|           |               |               |
|-----------|---------------|---------------|
| March     | 15, 1927      | \$ 14,791,000 |
| June      | 15, 1927      | 106,344,000   |
| September | 15, 1927      | 44,029,500    |
| December  | 15, 1927      | 32,805,500    |
| September | 15, 1928      |               |
|           | 3rd L/L bonds | 2,030,000     |

\$200,000,000

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JANUARY 6 TO JANUARY 12, 1927

GOVERNMENT SECURITIES

|               | <u>Purchases</u>          | <u>Issue</u>     | <u>Sales</u>              | <u>Issue</u>     |
|---------------|---------------------------|------------------|---------------------------|------------------|
| Cleveland     | 0                         | -                | 1,000                     | L/L bonds        |
| Atlanta       | 2,001,500                 | Misc. Gov't Sec. | 1,988,050                 | Misc. Gov't Sec. |
| St. Louis     | 95,650                    | L/L bonds        | 0                         | -                |
| Dallas        | 317,150                   | Misc. Gov't Sec. | 0                         | -                |
| San Francisco | <u>1,000</u>              | L/L bonds        | <u>0</u>                  | -                |
| <b>Totals</b> | <b><u>\$2,415,300</u></b> |                  | <b><u>\$1,989,050</u></b> |                  |

BANKERS ACCEPTANCES  
 (000 Omitted)

|  | <u>Holdings</u><br>Jan. 5 | <u>Purchased</u><br>Own Mkt. | <u>Rec'd by Allotment</u>       |                                |                                | <u>Matur-</u><br><u>ities &amp;</u><br><u>Sales</u> | <u>Holdings</u><br>Jan. 12 | <u>Other Holdings</u><br><u>Close Jan. 12/27</u> |                       |
|--|---------------------------|------------------------------|---------------------------------|--------------------------------|--------------------------------|---|----------------------------|--|-----------------------|
|  |                           |                              | <u>Regular</u><br>from<br>N. Y. | <u>From</u><br>Boston<br>Port. | <u>From</u><br>Boston<br>Port. |   |                            | <u>Sales</u><br>Contracts                        | <u>Other</u><br>Bills |
| Boston   | \$ 35,360                 | \$ 3,916 R.                  | 0                               | 0                              | \$ 7,058*                      | \$ 32,218   | \$ 6,483                   | 0  |                       |
| New York   | 53,172                    | 5,297 " 13,481 A.            | 0                               | 1,000                          | 10,185                         | 49,284  | 26,727                     | 1,533  |                       |
| Phila.   | 25,637                    | 2,589 R.                     | 0                               | 0                              | 2,821                          | 25,405  | 0                          | 0  |                       |
| Cleveland  | 30,683                    | 436 "                        | 2,437                           | 1,000                          | 5,506                          | 29,050  | 0                          | 1,581  |                       |
| Richmond   | 13,620                    | 465 "                        | 1,132                           | 300                            | 1,597                          | 13,920  | 0                          | 0  |                       |
| Atlanta  | 20,638                    | 284 "                        | 648                             | 0                              | 3,507                          | 18,063  | 0                          | 1,130  |                       |
| Chicago  | 42,696                    | 1,002 "                      | 3,353                           | 800                            | 6,714                          | 41,137  | 5,442                      | 0  |                       |
| St. Louis  | 9,025                     | 0                            | 1,169                           | 600                            | 315                            | 10,479  | 0                          | 0  |                       |
| Minneapolis  | 12,611                    | 0                            | 1,030                           | 300                            | 2,066                          | 11,875  | 0                          | 0  |                       |
| Kan. City  | 18,170                    | 0                            | 1,414                           | 600                            | 1,766                          | 18,418  | 0                          | 0  |                       |
| Dallas   | 15,290                    | 377 "                        | 809                             | 0                              | 1,875                          | 14,601  | 241                        | 0  |                       |
| San Fran.  | <u>23,662</u>             | <u>1,512 "</u>               | <u>1,489</u>                    | <u>0</u>                       | <u>2,662</u>                   | <u>24,001</u>                                       | <u>6,121</u>               | <u>0</u>   |                       |
| <b>Totals</b>  | <b>\$300,564</b>          | <b>\$29,359</b>              | <b>\$13,481</b>                 | <b>\$4,600</b>                 | <b>\$46,072</b>                | <b>\$288,451</b>                                    | <b>\$45,014</b>            | <b>\$4,244</b>                                   |                       |
| Bills held overnight by New York for distribution to other F. R. Banks - - - |                           |                              |                                 |                                |                                |   |                            | <u>436</u>                                       |                       |
| Total - - - - -  |                           |                              |                                 |                                |                                |   |                            | <u>\$4,677</u>                                   |                       |

\*Includes \$4,600,000 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 JANUARY 12, 1927  
 (000 Omitted)

|               | 1-30 days<br>3 1/2 - 3 5/8% | 31-60 days<br>3 1/2 - 3 3/4% | 61 - 90 days<br>3 3/4% | Over 90 days<br>3 3/4 - 4 1/8% | Total           |
|---------------|-----------------------------|------------------------------|------------------------|--------------------------------|-----------------|
| Boston        | \$ 833                      | \$ 2,654                     | \$ 318                 | \$ 111                         | \$ 3,916        |
| New York      | 7,355                       | 8,338                        | 954                    | 2,131                          | 18,778          |
| Philadelphia  | 468                         | 994                          | 1,127                  | 0                              | 2,589           |
| Cleveland     | 0                           | 0                            | 436                    | 0                              | 436             |
| Richmond      | 0                           | 170                          | 295                    | 0                              | 465             |
| Atlanta       | 0                           | 0                            | 276                    | 8                              | 284             |
| Chicago       | 214                         | 773                          | 15                     | 0                              | 1,002           |
| Dallas        | 0                           | 252                          | 70                     | 55                             | 377             |
| San Francisco | 633                         | 659                          | 183                    | 37                             | 1,512           |
| <b>Totals</b> | <b>\$9,503</b>              | <b>\$13,840</b>              | <b>\$3,674</b>         | <b>\$2,342</b>                 | <b>\$29,359</b> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 12, 1927  
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|               | <u>Government</u><br><u>Securities</u> | <u>Bankers</u><br><u>Acceptances</u> | <u>Total</u>       |
|---------------|--|--------------------------------------|--------------------|
| Purchased     | \$2,415                                | \$33,959                             | \$36,374           |
| Sold          | 1,989                                  | 0                                    | 1,989              |
| Matured       | 0                                      | 46,072                               | 46,072             |
|               |  | \$12,113-                            | \$11,687-          |
|               |  | 5,142- (Net Change                   | 5,142- (Net Change |
|               |  | 1-day holdover                       | 1-day holdover     |
|               |  | and other bills)                     | and other bills)   |
| <b>Totals</b> | <b>\$ \$426+</b>                       | <b>\$17,255-</b>                     | <b>\$16,829-</b>   |

(Including Sales Contracts)

| <u>Holdings</u><br><u>January 12, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91-days</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|------------------|
| Gov't Securities                           | \$ 9,675                        | 0                           | 0                           | \$43,356                    | \$113,328                         | \$144,692                      | \$311,051        |
| Bills Purchased                            | 130,158                         | 78,201                      | 95,654                      | 27,344                      | 6,785                             | 0                              | 338,142          |
| <b>Totals</b>                              | <b>\$139,833</b>                | <b>\$78,201</b>             | <b>\$95,654</b>             | <b>\$70,700</b>             | <b>\$120,113</b>                  | <b>\$144,692</b>               | <b>\$649,193</b> |

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Form No. 131.

# Office Correspondence

FEDERAL RESERVE  
BOARD

Date January 10, 1927.

To All Members of the Board

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

From Mr. Eddy

2-5405  
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 E.O. 10501

January 12, 1927.

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 10th, 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 30, 1926 to January 6, 1927, inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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



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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JAN 12 1927  
2 10 PM '27  
THE FEDERAL RESERVE BANK OF NEW YORK

CONFIDENTIAL

January 10, 1927

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 30, 1926 to January 5,  
1927 inclusive, together with data received by the Committee  
from the Federal reserve banks.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl. (1)

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 Authority EO 10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 5, 1927

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

|          | TOTAL<br>EARNING<br>ASSETS | GOVERNMENT SECURITIES |                    | BANKERS ACCEPTANCES   |                    | BILLS      |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
|          |                            | Outright<br>Purchases | Sales<br>Contracts | Outright<br>Purchases | Sales<br>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. 29  | 1,409,529                  | 310,725               | 6,479              | 307,372               | 71,426             | 710,931    |
| -1927-   |                            |                       |                    |                       |                    |            |
| Jan. 5   | 1,339,813                  | 300,949               | 12,924             | 310,383               | 78,454             | 633,482    |

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JANUARY 5, 1927  
 (000 Omitted)

|                                   | GOVERNMENT SECURITIES |                 | BANKERS ACCEPTANCES |                 | BILLS DISCOUNTED  |                  |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------|-------------------|------------------|
|                                   | Balance<br>Jan. 5     | Net<br>Change   | Balance<br>Jan. 5   | Net<br>Change   | Balance<br>Jan. 5 | Net<br>Change    |
| Boston                            | \$ 9,595              | \$ 266-         | \$ 35,360           | \$1,390+        | \$ 42,819         | \$28,103-        |
| New York                          | 54,118                | 7,475-          | 53,172              | 4,459+          | 176,059           | 2,404+           |
| Philadelphia                      | 19,928                | 149-            | 25,637              | 403-            | 53,670            | 8,556-           |
| Cleveland                         | 35,343                | 400-            | 30,683              | 1,885-          | 74,195            | 22,952-          |
| Richmond                          | 7,059                 | 176-            | 13,620              | 473+            | 24,006            | 1,272-           |
| Atlanta                           | 1,794                 | 22+             | 20,638              | 1,119-          | 39,625            | 3,134-           |
| Chicago                           | 46,160                | 796-            | 42,696              | 2,819-          | 119,961           | 16,670-          |
| St. Louis                         | 20,278                | 366-            | 9,025               | 1,295+          | 26,314            | 6,202-           |
| Minneapolis                       | 16,491                | 270-            | 12,611              | 450-            | 4,581             | 279-             |
| Kansas City                       | 27,468                | 546-            | 18,170              | 113-            | 14,644            | 3,410+           |
| Dallas                            | 23,844                | 1,532+          | 15,290              | 248-            | 6,125             | 570+             |
| San Francisco                     | 38,871                | 886-            | 23,662              | 676-            | 51,483            | 3,335+           |
| N.Y. holdovers<br>and other bills |                       |                 | 9,819               | 3,107+          |                   |                  |
| <b>Totals</b>                     | <b>\$300,949</b>      | <b>\$9,776-</b> | <b>\$310,383</b>    | <b>\$3,011+</b> | <b>\$633,482</b>  | <b>\$77,449-</b> |

COMMENT ON CHANGES WEEK ENDED JANUARY 5, 1927

Total earning assets of the System decreased approximately \$69,700,000 for the current statement week. Decreases of about \$77,400,000 in bills discounted and \$9,800,000 in outright purchases of Government securities were partly offset by increases of about \$3,000,000 in outright purchases of bankers acceptances and \$13,500,000 in investments held under sales contracts. This latter item consisted of \$6,500,000 Government securities and \$7,000,000 bankers acceptances.

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Money  
Market

Following the turn of the year, money rates generally showed easier tendencies. Stock Exchange call money opened and renewed on Monday at 5 per cent, eased to 4 1/4 per cent on Thursday and closed the week at 4 1/2 per cent. On Monday, January 10, the New York City Banks owed us about 100 million dollars.

Reflecting an easier tone in the time money market, 3 to 6 months' loans on some days were placed as low as 4 1/2 per cent, the lowest since August and the balance of the trading was at 4 5/8 per cent. The commercial paper market was somewhat more active, due principally to a better bank demand for paper in the Middle West. Sales of prime names were chiefly at 4 1/4 per cent, with some at 4 and 4 1/2 per cent.

Government  
Security  
Market

The market for United States Liberty Loan and Treasury bonds was active and firm. The average price of all issues at the end of the week remained approximately at the same level as the previous week's close. The Second and Third 4 1/4's were slightly easier, while the Treasury bonds reached new high levels during the week at the following prices: Treasury 4's of 1944/54 at 106 11/32, Treasury 4 1/4's of 1947/52 at 110 10/32, and Treasury 3 3/4's of 1946/56 at 103 13/32.

There was a moderate amount of trading in the short-term Certificates of Indebtedness and Treasury Note market, with prices slightly easier. Offerings by dealers at the end of the week were at prices to yield from about 3.10 to 3.18 per cent according to maturity, as compared with 2.96 to 3.18 per cent last week.

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 3/4 per cent for 90's, and 3 7/8 per cent for 120-day bills. Almost all of the dealers lowered their offering rate 1/8 per cent on 60-day bills, bidding 3 3/4 per cent and offering 3 5/8 per cent.

Boston reports a slight increase in the supply of bills in their market with some falling off in the demand. Bills of short maturity were in best demand while out-of-town banks continued to be poor buyers. Offerings to the reserve bank were somewhat larger this week than last. The New York market was fairly active. The supply of bills increased approximately 30 per cent over the previous week and was considerably in excess of the demand. Preference was shown for bills of 90-day maturity. The local demand was light and the volume of dealers' sales was moderate, with distribution chiefly on foreign orders. Offerings to the reserve bank from bankers and dealers increased in volume and consisted mostly of short bills. The market in Philadelphia showed very little change during the statement week. While a moderate amount of bills was offered the demand was very light. In Chicago dealers reported some new bills coming into the market although the market as a whole continued quiet.

The transactions for the United States Treasury during the week covered by this report consisted of sales from the holdings of the Alien Property Custodian to the Cumulative Sinking Fund of \$37,000,000 Third 4 1/4 per cent Liberty Loan bonds which were replaced by purchases in the New York and Chicago markets of a like amount of Second 4 1/4 per cent Liberty Loan bonds. These transactions were consummated on December 30 and 31, 1926 and were included in last week's report.

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SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances from January 4, 1926 to January 5, 1927 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        | \$ 125,660,000         | \$ 121,036,000                   | \$4,624,000                      | 0                                 |
| New York      | 403,931,000            | 405,641,000                      | 0                                | 1,710,000                         |
| Philadelphia  | 137,815,000            | 138,327,000                      | 0                                | 512,000                           |
| Cleveland     | 171,828,000            | 172,902,000                      | 0                                | 1,074,000                         |
| Richmond      | 90,231,000             | 90,478,000                       | 0                                | 247,000                           |
| Atlanta       | 91,524,000             | 90,944,000                       | 580,000                          | 0                                 |
| Chicago       | 241,275,000            | 242,067,000                      | 0                                | 792,000                           |
| St. Louis     | 70,077,000             | 70,671,000                       | 0                                | 594,000                           |
| Minneapolis   | 72,859,000             | 73,186,000                       | 0                                | 327,000                           |
| Kansas City   | 103,094,000            | 103,744,000                      | 0                                | 650,000                           |
| Dallas        | 73,419,000             | 73,186,000                       | 233,000                          | 0                                 |
| San Francisco | <u>156,086,000</u>     | <u>155,617,000</u>               | <u>469,000</u>                   | <u>0</u>                          |
| Totals        | <u>\$1,737,799,000</u> | <u>\$1,737,799,000</u>           | <u>\$5,906,000</u>               | <u>\$5,906,000</u>                |

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week consisted of temporary purchases, in anticipation of orders from foreign correspondents, of \$14,539,000 aggregate amount of short-term Government securities and the sale of \$20,603,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness of which amount \$20,000,000 was sold to a foreign correspondent and \$603,000 to the market, both sales at a price to yield 3.15 per cent to maturity. These transactions left the total holdings in the account on January 5 at \$200,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

|               |                   |
|---------------|-------------------|
| Boston        | \$ 8,766,000      |
| New York      | 52,762,000        |
| Philadelphia  | 4,919,500         |
| Cleveland     | 13,203,000        |
| Richmond      | 5,818,500         |
| Atlanta       | 0                 |
| Chicago       | 26,233,500        |
| St. Louis     | 13,725,000        |
| Minneapolis   | 8,923,500         |
| Kansas City   | 17,995,000        |
| Dallas        | 18,466,500        |
| San Francisco | <u>29,187,500</u> |

Totals \$200,000,000

RECAPITULATION OF HOLDINGS BY MATURITIES

|                    |               |
|--------------------|---------------|
| March 15, 1927     | \$ 14,791,000 |
| June 15, 1927      | 106,344,000   |
| September 15, 1927 | 44,029,500    |
| December 15, 1927  | 32,805,500    |
| September 15, 1928 |               |
| 3rd L/L bonds      | 2,030,000     |

\$200,000,000

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM DECEMBER 30, 1926 TO JANUARY 5, 1927.**  
(Participation in Short-term Governments - Special Investment Account)

|               | <u>Sales</u>        | <u>Purchases</u>    | <u>Net Decrease</u> |
|---------------|---------------------|---------------------|---------------------|
| Boston        | \$ 903,000          | \$ 637,500          | \$ 265,500          |
| New York      | 5,435,000           | 3,835,000           | 1,600,000           |
| Philadelphia  | 506,500             | 357,000             | 149,500             |
| Cleveland     | 1,360,000           | 960,000             | 400,000             |
| Richmond      | 599,500             | 424,000             | 175,500             |
| Atlanta       | 0                   | 0                   | 0                   |
| Chicago       | 2,702,500           | 1,907,000           | 795,500             |
| St. Louis     | 1,414,000           | 997,500             | 416,500             |
| Minneapolis   | 919,000             | 649,500             | 269,500             |
| Kansas City   | 1,854,000           | 1,308,000           | 546,000             |
| Dallas        | 1,902,500           | 1,342,000           | 560,500             |
| San Francisco | <u>3,007,000</u>    | <u>2,121,500</u>    | <u>885,500</u>      |
| <b>Totals</b> | <u>\$20,603,000</u> | <u>\$14,539,000</u> | <u>\$6,064,000</u>  |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

|               | <u>Purchases</u>   | <u>Issue</u>         | <u>Sales</u>       | <u>Issue</u>                                       |
|---------------|--------------------|----------------------|--------------------|--|
| New York      | \$ 34,200          | Treas. Bonds of 1954 | *\$5,909,000       | C. of I. & Treas. Notes                            |
| Atlanta       | 186,850            | Misc. Gov't Sec.     | 164,600            | Misc. Gov't Sec.                                   |
| St. Louis     | 50,000             | A-1927 Treas. Notes  | 0                  | -  |
| Dallas        | 2,438,600          | Misc. Gov't Sec.     | 346,000            | Misc. Gov't Sec.                                   |
| San Francisco | <u>0</u>           | -                    | <u>1,000</u>       | Misc. Gov't Sec.                                   |
| <b>Totals</b> | <u>\$2,709,650</u> |                      | <u>\$6,420,600</u> | *These securities were held temporarily for resale |

BANKERS ACCEPTANCES

(000 Omitted)

|               | Holdings<br>Dec. 29 | Purchased<br>Own Mkt. | Rec'd by Allotment |                         | Matur-<br>ities &<br>Sales | Holdings<br>Jan. 5 | Other Holdings<br>Close Jan. 5/27 |                |
|---------------|---------------------|-----------------------|--------------------|-------------------------|----------------------------|--------------------|-----------------------------------|----------------|
|               |                     |                       | Regular<br>N.Y.    | From<br>Boston<br>Port. |                            |                    | Sales<br>Contracts                | Other<br>Bills |
| Boston        | \$ 33,970           | \$ 7,404 R.           | 0                  | 0                       | \$ 6,014*                  | \$ 35,360          | \$ 6,797                          | 0              |
| New York      | 48,713              | 9,482 " 18,746 A.     | 0                  | 1,800                   | 6,823                      | 53,172             | 60,031                            | 1,544          |
| Phila.        | 26,040              | 2,622 R.              | 0                  | 0                       | 3,025                      | 25,637             | 0                                 | 0              |
| Cleveland     | 32,568              | 0                     | 3,152              | 400                     | 5,437                      | 30,683             | 0                                 | 1,915          |
| Richmond      | 13,147              | 346 "                 | 1,468              | 400                     | 1,741                      | 13,620             | 0                                 | 0              |
| Atlanta       | 21,757              | 1,040 "               | 1,370              | 0                       | 3,529                      | 20,638             | 0                                 | 1,257          |
| Chicago       | 45,515              | 1,090 "               | 4,159              | 0                       | 8,068                      | 42,696             | 4,835                             | 0              |
| St. Louis     | 7,730               | 0                     | 1,554              | 0                       | 259                        | 9,025              | 0                                 | 0              |
| Minn.         | 13,061              | 0                     | 1,303              | 400                     | 2,153                      | 12,611             | 0                                 | 0              |
| Kan. City     | 18,283              | 0                     | 1,883              | 500                     | 2,496                      | 18,170             | 0                                 | 0              |
| Dallas        | 15,538              | 525 "                 | 1,174              | 0                       | 1,947                      | 15,290             | 881                               | 0              |
| San Fran.     | <u>24,338</u>       | <u>1,609 "</u>        | <u>2,683</u>       | <u>0</u>                | <u>4,968</u>               | <u>23,662</u>      | <u>5,910</u>                      | <u>0</u>       |
| <b>Totals</b> | <u>\$300,660</u>    | <u>\$42,864</u>       | <u>\$18,746</u>    | <u>\$3,500</u>          | <u>\$46,460</u>            | <u>\$300,564</u>   | <u>\$78,454</u>                   | <u>\$4,716</u> |

Bills held overnight by N.Y. for distribution to other F. R. Banks - - - - - 5,103  
Total - - - - - \$9,819

\*Includes \$3,500,000 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 JANUARY 5, 1927  
 (000 Omitted)

|               | 1-30 days<br><u>3 1/2 - 3 5/8%</u> | 31-60 days<br><u>3 1/2 - 3 7/8%</u> | 61-90 days<br><u>3 3/4 - 3 7/8%</u> | Over 90-days<br><u>3 3/4 - 4%</u> | <u>Total</u>    |
|---------------|------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------|
| Boston        | \$ 2,181                           | \$ 2,376                            | \$ 2,674                            | \$ 173                            | \$ 7,404        |
| New York      | 12,912                             | 10,833                              | 3,282                               | 1,201                             | 28,228          |
| Philadelphia  | 269                                | 1,425                               | 928                                 | 0                                 | 2,622           |
| Richmond      | 120                                | 226                                 | 0                                   | 0                                 | 346             |
| Atlanta       | 380                                | 660                                 | 0                                   | 0                                 | 1,040           |
| Chicago       | 191                                | 597                                 | 302                                 | 0                                 | 1,090           |
| Dallas        | 475                                | 50                                  | 0                                   | 0                                 | 525             |
| San Francisco | <u>812</u>                         | <u>662</u>                          | <u>135</u>                          | <u>0</u>                          | <u>1,609</u>    |
| Totals        | <u>\$17,340</u>                    | <u>\$16,829</u>                     | <u>\$ 7,321</u>                     | <u>\$1,374</u>                    | <u>\$42,864</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND  
BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 5, 1927 AND  
HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES  
 (000 Omitted)

(Excluding Sales Contracts)

|           | <u>Government</u><br><u>Securities</u> | <u>Bankers</u><br><u>Acceptances</u>                   | <u>Total</u>   |
|-----------|--|--|--|
| Purchased | \$17,249                               | \$46,564   | \$63,813   |
| Sold      | 27,025                                 | 0  | 27,025   |
| Matured   | 0                                      | <u>46,660</u>  | <u>46,660</u>  |
|           |  | \$ 96-   | \$ 9,872-  |
|           |  | 3,107+ (Net Change<br>1-day holdover<br>& other bills) | 3,107+ (Net Change<br>1-day holdover<br>& other bills) |
| Totals    | <u>\$ 9,776-</u>                       | <u>\$ 3,011+</u>                                       | <u>\$ 6,765-</u>                                       |

(Including Sales Contracts)

| <u>Holdings</u><br><u>January 5, 1927</u> | <u>Within</u><br><u>15 days</u> | <u>16-30</u><br><u>days</u> | <u>31-60</u><br><u>days</u> | <u>61-90</u><br><u>days</u> | <u>91-days</u><br><u>6 months</u> | <u>Over 6</u><br><u>months</u> | <u>Total</u>     |
|---|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------|------------------|
| Gov't Securities                          | \$ 12,923                       | 0                           | 0                           | \$43,362                    | \$113,297                         | \$144,291                      | \$313,873        |
| Bills Purchased                           | <u>170,212</u>                  | <u>78,150</u>               | <u>98,299</u>               | <u>36,144</u>               | <u>6,032</u>                      | <u>0</u>                       | <u>388,837</u>   |
| Totals                                    | <u>\$183,135</u>                | <u>\$78,150</u>             | <u>\$98,299</u>             | <u>\$79,506</u>             | <u>\$119,329</u>                  | <u>\$144,291</u>               | <u>\$702,710</u> |