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Authority EO. 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 12, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-8495
G P O

For your information:

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

Please return to Secretary's office.

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July 12, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 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 June 30 to July 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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Authority EO 10501

RECEIVED
JUL 18 1927
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

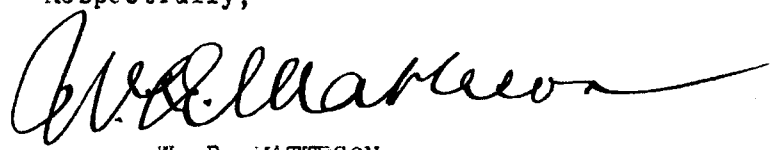
CONFIDENTIAL

July 11, 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 June 30 to July 6, 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 JULY 6, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

-1926-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 6	1,081,579	367,296	7,172	178,714	20,329	506,768

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 6	Change	July 6	Change	July 6	Change
Boston	\$ 14,643	\$ 358+	\$ 14,685	\$ 1,785+	\$ 28,662	\$21,303-
New York	66,363	1,250+	28,327	2,178-	144,838	41,732+
Philadelphia	27,162	400+	13,206	83+	47,420	10,388-
Cleveland	45,393	771+	16,405	1,611-	43,136	788-
Richmond	15,826	5,250+	8,320	504+	24,753	2,632+
Atlanta	9,838	162+	8,997	113+	32,272	355+
Chicago	54,397	750+	22,879	3,859-	75,655	3,411+
St. Louis	19,833	10,000-	10,967	472-	33,557	187+
Minneapolis	18,482	200+	6,710	464-	9,178	4,904+
Kansas City	29,491	300+	9,313	438-	14,438	1,223+
Dallas	25,617	266+	9,403	3+	6,305	387+
San Francisco	40,251	450+	14,048	910+	46,554	7,105+
N.Y. holdovers and other bills			15,454	2,183+		
Totals	\$367,296	\$157+	\$178,714	\$4,449-	\$506,768	\$29,457+

COMMENT ON CHANGES WEEK ENDED JULY 6, 1927

Total earning assets of the System showed an increase of \$10,449,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$200,000 in outright purchases of Government securities and \$29,400,000 in bills discounted, and decreases of \$4,400,000 in outright purchases of bankers acceptances and \$14,700,000 in investments held under sales contracts. The latter decrease consisted of \$2,100,000 Government securities and \$12,600,000 bankers acceptances.

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Money
Market

Reflecting the completion of mid-year transactions and the return of currency from holiday circulation, Stock Exchange call money eased during the week to 4 per cent. Large supplies of funds were on offer throughout the period and there was only a slight demand for new loans, with the result that substantial amounts of money remained unlent on the Exchange at the close of each day. Further evidence of ease was the placing of some loans in the outside market at rates as low as 3 3/4 per cent, and toward the end of the week at 3 1/2 per cent.

The tone of the time money market was also slightly easier, although nominal quotations of 4 1/2 per cent bid, 4 5/8 per cent offered were unchanged during the week. Sixty and ninety day loans were placed at 4 1/2 per cent, but money for over the end of the year continued at 4 5/8 per cent.

The New York City market for commercial paper continued quiet, but a fair amount of business was transacted in the Middle West and New England at 4 1/4 per cent. Dealers reported having slightly larger supplies of paper in their portfolios than a week ago, due partly to increased borrowing by commercial concerns.

Government
Security
Market

Although the volume of trading in Liberty Loan and Treasury bonds was quiet the undertone in the market was somewhat better this week than last. Prices were approximately unchanged from the previous week's close. The market for short-term Certificates of Indebtedness and Treasury Notes was also quiet with dealers offering prices unchanged from last week.

Bankers

Dealers' offerings of unindorsed bankers acceptances continued 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 to 3 3/4 per cent for 90's, and 3 3/4 per cent for 120-day bills. Most of the dealers, however, were bidding 3 3/4 per cent for 90-day bills and offering at 3 5/8 per cent.

Boston reports their bill market was dull with the supply less than last week and the demand fair for short bills only, with buying confined to the larger local institutions. Ninety-day bills remained difficult to move. The change in dealers' rates several weeks ago seemingly had little effect upon the demand for bills of this maturity. Dealers' portfolios declined to a low point for the year. In the New York market the supply of bills declined during the week to the lowest volume since last February and with two exceptions to the lowest level since last September. This probably reflects the seasonal decrease in the use of acceptance credits which may be expected during the summer months. The demand was heavy and was mainly for 90-day bills for foreign account. As a result dealers' portfolios were substantially reduced. Philadelphia reports their bill market extremely quiet with offerings fair and the demand negligible. Chicago also reports that the market in their district was quiet with the demand for short bills only and very few new bills being made.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury during the week purchases were made in New York and other districts of \$10,000,000 aggregate amount Second 4 1/4% Liberty Loan bonds for account of Surplus Money, for delivery during week beginning July 11.

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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 the 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	\$ 62,331,000	\$ 58,265,000	\$4,066,000	\$ 0
New York	196,573,000	199,099,000	0	2,526,000
Philadelphia	67,343,000	66,278,000	1,065,000	0
Cleveland	82,085,000	82,846,000	0	761,000
Richmond	41,184,000	41,424,000	0	240,000
Atlanta	40,854,000	41,424,000	0	570,000
Chicago	115,451,000	116,257,000	0	806,000
St. Louis	49,649,000	50,486,000	0	837,000
Minneapolis	32,692,000	33,135,000	0	443,000
Kansas City	48,983,000	49,704,000	0	721,000
Dallas	33,736,000	33,408,000	328,000	0
San Francisco	<u>67,996,000</u>	<u>66,551,000</u>	<u>1,445,000</u>	<u>0</u>
Totals	<u>\$838,877,000</u>	<u>\$838,877,000</u>	<u>\$6,904,000</u>	<u>\$6,904,000</u>

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

The approval of all the banks has been obtained to the revised ratios of apportionment of System purchases of bills in order to bring about a distribution in line with present conditions and estimated requirements for the balance of the year, and the new ratios were put into effect commencing with purchases made on July 8, 1927.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total holdings in the System Special Investment Account during the current statement week, the amount remaining at \$250,498,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 13,936,500
New York	65,006,800
Philadelphia	11,977,500
Cleveland	20,358,000
Richmond	14,584,500
Atlanta	5,139,000
Chicago	34,469,500
St. Louis	5,371,500
Minneapolis	10,924,000
Kansas City	19,908,500
Dallas	18,263,500
San Francisco	<u>30,559,000</u>
Totals	<u>\$250,498,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 15,712,500
Sept. 15, 1927	3 1/4% "	7,795,000
Dec. 15, 1927	4 1/2% T/N	7,548,000
Mar. 15, 1928	3 1/4% C/I	83,098,000
Sept. 15, 1928	4 1/4% 3rd L/L	79,595,000
Mar. 15, 1932	3 1/2% T/N	36,749,800
June 15, 1947	3 3/8% T/B	20,000,000
Totals		<u>\$250,498,300</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JUNE 30 TO JULY 6, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 400,000	-
New York	1,250,000	-
Philadelphia	400,000	-
Cleveland	500,000	-
Richmond	5,250,000	-
Atlanta	250,000	-
Chicago	750,000	-
St. Louis	-	10,000,000
Minneapolis	200,000	-
Kansas City	300,000	-
Dallas	250,000	-
San Francisco	450,000	-
Totals	\$10,000,000	\$10,000,000 *

* Temporary sale by St. Louis from their participation in System Account to other banks.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	42,000	Second L/L bonds
Cleveland	421,000	Second L/L bonds	150,200	Second L/L bonds
Atlanta	336,300	Misc. Gov't Sec.	423,900	Misc. Gov't Sec.
Dallas	16,450	Misc. Gov't Sec.	0	-
Totals	\$773,750		\$616,100	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings <u>June 29</u>	Purchased <u>Own Mkt.</u>	<u>Rec'd by Allotment</u>		Matur- <u>ities & Sales</u>	Holdings <u>July 6</u>	<u>Other Holdings</u> <u>Close July 6/27</u>	
			<u>from N. Y.</u>	<u>From Boston Port.</u>			<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 12,900	\$ 5,549 R.	0	0	\$ 3,764*	\$ 14,685	\$ 3,247	\$ 874
New York	30,505	4,305 " 4,719 A.	0	500	6,983	28,327	9,018	3,473
Phila.	13,123	2,580 R.	0	0	2,497	13,206	0	1,119
Cleve.	18,016	422 "	887	300	3,220	16,405	0	2,561
Richmond	8,824	332 "	483	300	1,619	8,320	0	606
Atlanta	8,884	0	483	300	670	8,997	0	1,433
Chicago	26,738	855 "	355	0	5,069	22,879	3,197	1,609
St. Louis	11,439	0	638	700	1,810	10,967	0	501
Minn.	7,174	0	441	300	1,205	6,710	0	350
Kan. City	9,751	0	589	500	1,527	9,313	0	431
Dallas	9,400	668 "	284	0	949	9,403	0	408
San Fran.	13,138	2,382 "	559	0	2,031	14,048	4,867	815
Totals	\$169,892	\$21,812	\$4,719	\$2,900	\$31,344	\$163,260	\$20,329	\$14,180
Bills held overnight by N.Y. for distribution to other Federal Reserve banks -								1,274
Total - - - - -								\$15,454

*Includes \$2,900,000 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 ENDED JULY 6, 1927
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90 days 3 3/4 - 4%	Total
Boston	\$2,363	\$1,960	\$ 718	\$ 508	\$ 5,549
New York	2,418	4,555	1,274	777	9,024
Philadelphia	1,078	1,502	0	0	2,580
Cleveland	422	0	0	0	422
Richmond	87	175	70	0	332
Chicago	217	636	2	0	855
Dallas	160	320	160	28	668
San Francisco	<u>2,147</u>	<u>235</u>	<u>0</u>	<u>0</u>	<u>2,382</u>
Totals	<u>\$8,892</u>	<u>\$9,383</u>	<u>\$2,224</u>	<u>\$1,313</u>	<u>\$21,812</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 6, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$10,773	\$24,712	\$35,485
Sold	10,616	0	10,616
Matured	0	<u>31,344</u>	<u>31,344</u>
		\$ 6,632-	\$ 6,475-
		2,183+ (Net Change	2,183+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$157+</u>	<u>\$ 4,449-</u>	<u>\$ 4,292-</u>

(Including Sales Contracts)

<u>Holdings July 6, 1927</u>	Within 15-days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 months	Total
Gov't Securities	\$ 7,172	0	0	\$31,037	\$30,911	\$305,349	\$374,469
Bills Purchased	<u>75,641</u>	<u>51,953</u>	<u>45,647</u>	<u>20,233</u>	<u>5,569</u>	<u>0</u>	<u>199,043</u>
Totals	<u>\$82,813</u>	<u>\$51,953</u>	<u>\$45,647</u>	<u>\$51,270</u>	<u>\$36,480</u>	<u>\$305,349</u>	<u>\$573,512</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 6, 1927.

To All Members of the Board

Subject: _____

From Mr. Hoell

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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July 6, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 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 June 23 to June 29, 1927, inclusive.

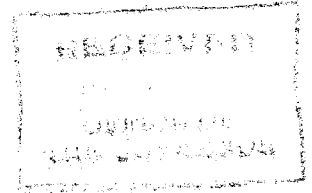
Very truly yours,

J. C. Hoell,
Assistant Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

July 5, 1927

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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 June 23 to June 29, 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 JUNE 29, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to date
(000 Omitted)

-1926-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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	521,319
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Apr. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 22	992,542	365,874	3,467	172,722	10,495	438,684
" 29	1,071,130	367,140	9,262	163,163	32,955	477,311

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 29, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 29	Net Change	Balance June 29	Net Change	Balance June 29	Net Change
Boston	\$ 14,285	\$ 44+	\$ 12,900	\$ 757-	\$ 49,965	\$22,023+
New York	65,113	13+	30,505	3,176+	103,106	8,081+
Philadelphia	26,763	3+	13,123	191+	57,808	11,212+
Cleveland	44,622	259+	18,016	1,248+	43,924	12,511+
Richmond	10,576	2+	8,824	374+	22,121	2,516-
Atlanta	9,576	94+	8,884	115-	31,917	719-
Chicago	53,647	7+	26,738	1,377+	72,244	3,488-
St. Louis	29,833	503+	11,439	626+	33,370	7,151+
Minneapolis	18,282	2+	7,174	107-	4,274	2,599-
Kansas City	29,191	4+	9,751	688+	13,215	4,649-
Dallas	25,351	328+	9,400	1,796+	5,918	97-
San Francisco	39,801	7+	13,138	356+	39,449	8,283-
N.Y. holdovers and other bills			13,271	1,588+		
Totals	\$367,140	\$1,266+	\$183,163	\$10,441+	\$477,311	\$38,627+

COMMENT ON CHANGES WEEK ENDED JUNE 29, 1927

Total earning assets of the System showed an increase of \$78,588,000 for the current statement week. The approximate changes, by classification, consisted of increases in outright purchases of \$1,200,000 Government securities, \$10,400,000 bankers acceptances, and \$38,600,000 in bills discounted, and \$28,200,000 in investments held under sales contracts. The latter increase consisted of \$5,800,000 Government securities and \$22,400,000 bankers acceptances.

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Money
Market

Call money was distinctly firmer during the past week, reflecting banks' preparations for the half-year end statements, heavy payments of interest and dividends on July 1, and large withdrawals of currency for circulation over the holiday. The call loan renewal rate advanced to 5 per cent on Tuesday, the highest since January 5, 1927, and remained at this rate for the balance of the week. There were, however, reductions in the Exchange new loan rate to 4 1/2 per cent on several days, and in the outside market there were concessions throughout the period from the Exchange rate.

Time money continued to be quoted at 4 1/2 per cent bid, 4 5/8 per cent asked. There was some trading in 60-90 day loans at 4 1/2 per cent, but for the most part activity was in the longer dates at 4 5/8 per cent.

Due to month-end influences, the demand for commercial paper was somewhat less active than in the previous week, but a fair amount of paper was sold in the interior at a prevailing rate of 4 1/4 per cent. Supplies of new paper coming into the market were also somewhat smaller than usual in the past week.

Government
Security
Market

Accompanying firmer money conditions the market for United States Liberty Loan and Treasury bonds was slightly weaker. The volume of trading during the week was very moderate while prices of practically all issues were fractionally lower.

The volume of trading in short-term certificates of indebtedness and Treasury notes was also very moderate. At the end of the week dealers' offerings of the issues maturing next September and December were at prices about 1/32 lower than last week, while their offerings of 3 1/4 per cent certificates due next March and 3 1/2 per cent notes due 1930-32 continued at par to yield approximately 3.25 to 3.50 per cent respectively.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued practically 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 to 3 3/4 per cent for 90s, and 3 3/4 per cent for 120-day bills.

Boston reports little change in their bill market with the supply small and demand only fair. The change in brokers' rates last week on 90-day bills apparently had little effect upon the demand for bills of this maturity as they remained difficult to move. The market in New York was inactive and unsettled, the supply of bills was slightly less in volume as compared with last week but considerably in excess of the demand which was light and chiefly for short bills. Dealers' portfolios increased substantially. In Philadelphia the market continued quiet with offerings of bills small and limited entirely to short bills. Chicago also reports that the market in their district continued quiet with the demand fair for short maturities and 90-day bills hard to move.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current week consisted of a sale of \$50,000 - 3 1/4 per cent certificates maturing September 15, 1927 for account of the Harding Memorial Association, and purchases of \$432,000 - 3 1/4 per cent certificates maturing March 15, 1928 for account of Mixed Claims, \$2,000,000. Fourth 4 1/4s for account of the Government Life Insurance Fund, and \$22,342,000. Second 4 1/4s for account of Surplus Money. This latter item was purchased by various Federal reserve banks and was exclusive of any Second 4 1/4s which were purchased by the Treasury on tenders of bonds accepted by them under Treasury Circular No. 384, dated June 16, 1927.

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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 the 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	\$ 59,682,000	\$ 56,769,000	\$2,913,000	0
New York	191,768,000	193,969,000	0	2,201,000
Philadelphia	64,763,000	64,568,000	195,000	0
Cleveland	80,476,000	80,708,000	0	232,000
Richmond	40,069,000	40,355,000	0	286,000
Atlanta	40,071,000	40,355,000	0	284,000
Chicago	114,241,000	113,264,000	977,000	0
St. Louis	48,311,000	48,981,000	0	670,000
Minneapolis	31,951,000	32,280,000	0	329,000
Kansas City	47,894,000	48,422,000	0	528,000
Dallas	32,784,000	32,553,000	231,000	0
San Francisco	<u>65,055,000</u>	<u>64,841,000</u>	<u>214,000</u>	<u>0</u>
Totals	<u>\$817,065,000</u>	<u>\$817,065,000</u>	<u>\$4,530,000</u>	<u>\$4,530,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of the members of the Open Market Investment Committee, an exchange was effected during the week of \$20,000,000 Second 4 1/4 per cent Liberty Loan bonds for a like amount of the new 3 3/8 per cent Treasury bonds, pursuant to the terms stated in the offering of the Secretary of the Treasury dated May 31, 1927. An exchange was also effected in the market of \$5,000,000 Second 4 1/4 per cent Liberty Loan bonds at 100 15/32 for a like amount of Third 4 1/4 per cent Liberty Loan bonds at 100 31/32, both prices not and interest, and a purchase from the Treasury, account of the Harding Memorial Association of \$50,000 - 3 1/4 per cent certificates maturing September 15, 1927 at par. These transactions left the total holdings in the account at the close of business June 29 at \$250,498,300; the participation by Federal reserve banks and classification of issues being as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 13,536,500	Sept. 15, 1927 3 1/8% C/I	\$ 15,712,500
New York	63,756,800	Sept. 15, 1927 3 1/4% "	7,795,000
Philadelphia	11,577,500	Dec. 15, 1927 4 1/2% T/N	7,548,000
Cleveland	19,858,000	Mar. 15, 1928 3 1/4% C/I	83,098,000
Richmond	9,334,500	Sept. 15, 1928 4 1/4% 3rd L/L	79,595,000
Atlanta	4,889,000	Mar. 15, 1932 3 1/2% T/N	36,749,800
Chicago	33,719,500	June 15, 1947 3 3/8% T/B	20,000,000
St. Louis	15,371,500		
Minneapolis	10,724,000		
Kansas City	19,608,500		
Dallas	18,013,500		
San Francisco	<u>30,109,000</u>		
Totals	<u>\$250,498,300</u>		<u>\$250,498,300</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM JUNE 23 TO JUNE 29, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,353,500	\$ 1,351,000	\$ 2,500
New York	6,375,500	6,363,000	12,500
Philadelphia	1,158,000	1,155,500	2,500
Cleveland	1,986,000	1,982,000	4,000
Richmond	933,500	931,500	2,000
Atlanta	489,000	488,000	1,000
Chicago	3,372,000	3,365,000	7,000
St. Louis	1,537,000	1,534,000	3,000
Minneapolis	1,072,000	1,070,000	2,000
Kansas City	1,961,000	1,957,000	4,000
Dallas	1,801,500	1,798,000	3,500
San Francisco	3,011,000	3,005,000	6,000
Totals	\$25,050,000 *	\$25,000,000 *	\$50,000

* Includes exchange \$20,000,000 Second 4 1/4s for like amount of new 3 3/8% Treasury Bonds.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sold</u>	<u>Issue</u>
Boston	\$ 42,000	Second L/L 4 1/4s	0	-
Cleveland	255,200	Misc. Gov't Sec.	0	-
Atlanta	350,300	Misc. Gov't Sec.	256,500	Misc. Gov't Sec.
St. Louis	500,000	Treas. Bonds of 1947	0	-
Dallas	325,500	Misc. Gov't Sec.	0	-
Totals	\$1,473,000		\$256,500	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings June 22	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Holdings		Other Holdings Close June 29/27	
			Regular from N.Y.	From Boston Port.	Sales	June 29	Sales Contracts	Other Bills
Boston	\$ 13,657	\$ 5,213 R	0	0	\$ 5,970**	\$ 12,900	\$ 3,220	\$ 800
New York	27,329	7,552 " 13,309 A	0	700	5,076*	30,505	23,779	3,464
Phila.	12,932	2,582 R	0	0	2,391	13,123	0	1,025
Cleveland	16,768	662 "	2,325	300	2,039	18,016	0	1,846
Richmond	8,450	160 "	1,175	300	1,261	8,824	0	555
Atlanta	8,999	105 "	1,060	0	1,280	8,884	0	1,299
Chicago	25,361	2,345 "	1,939	0	2,907	26,738	2,400	1,474
St. Louis	10,813	0	1,628	700	1,702	11,439	0	459
Minn.	7,281	0	904	400	1,411	7,174	0	320
Kan. City	9,063	0	1,439	500	1,251	9,751	0	395
Dallas	7,604	2,584**	1,204	0	1,992	9,400	265	374
San Fran.	12,782	1,022 "	1,635	0	2,301	13,138	3,291	746
Totals	\$161,039	\$35,534	\$13,309	\$2,900	\$29,581	\$169,892	\$32,955	\$12,757
Bills held over night by New York for distribution to other F.R. Banks - - - -								514
Total - - - - -								\$13,271

* Includes \$2,006,000 sold to Dallas from New York Portfolio

** Includes \$2,900,000 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 ENDED JUNE 29, 1927
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4% - 4%	Total
Boston	\$ 1,582	\$ 1,812	\$ 815	\$1,004	\$ 5,213
New York	6,041	9,974	3,027	1,819	20,861
Philadelphia	972	1,298	312	0	2,582
Cleveland	662	0	0	0	662
Richmond	35	25	100	0	160
Atlanta	100	0	5	0	105
Chicago	173	2,172	0	0	2,345
Dallas	2,312	136	15	121	2,584
San Francisco	859	0	163	0	1,022
Totals	\$12,736	\$15,417	\$4,437	\$2,944	\$35,534

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 29, 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	\$26,522	\$38,434	\$64,956
Sold	25,256	0	25,256
Matured	0	<u>29,581</u>	<u>29,581</u>
		\$ 8,853+	\$10,119+
		1,588+(Net Change 1-day holdover and other bills)	1,588+(Net Change 1-day holdover and other bills)
Totals	\$ 1,266+	\$10,441+	\$11,707+

(Including Sales Contracts)

<u>Holdings June 29, 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	\$ 9,262	0	0	\$31,032	\$34,632	\$301,476	\$376,402
Bills Purchased	<u>91,041</u>	<u>50,539</u>	<u>46,176</u>	<u>22,064</u>	<u>6,298</u>	<u>0</u>	<u>216,118</u>
Totals	\$100,303	\$50,539	\$46,176	\$53,096	\$40,930	\$301,476	\$592,520

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Form 131.

Office Correspondence

FEDERAL RESERVE BOARD

Date June 29, 1921.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-0004
GPO

For your information:

- Governor Crissinger ✓
- ~~Mr. Eddy~~ ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James ✓
- Mr. Cunningham ✓
- Mr. McIntosh ✓

Please return to Secretary's office.

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June 29, 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 June 27th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 16 to June 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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RECEIVED
JUN 27 1927

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 27, 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 June 16 to June 22, 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 JUNE 22, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 8	1,060,781	430,715	7,348	163,238	58,397	399,283
" 15	1,091,970*	544,617*	2,607	159,053	23,451	360,942
" 22	992,542	365,874	3,467	172,722	10,495	438,684

*Includes \$185,000,000 Special 1-day Treasury Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 22, 1927
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 22	Net Change	Balance June 22	Net Change	Balance June 22	Net Change
Boston	\$ 14,241	\$ 334+	\$ 13,657	\$ 2,811+	\$ 27,942	\$ 4,640+
New York	65,100	1,576+	27,329	4,322+	95,025	36,081+
Philadelphia	26,760	287+	12,932	432-	46,596	7,370+
Cleveland	44,363	512+	16,768	397-	31,413	27,705-
Richmond	10,574	232+	8,450	121+	24,637	5,047+
Atlanta	9,582	9-	8,999	27+	32,636	1,162+
Chicago	53,640	825+	25,361	584+	75,732	31,211+
St. Louis	29,330	500+	10,813	614-	26,219	9,193+
Minneapolis	18,280	265+	7,281	268+	6,873	721+
Kansas City	29,187	484+	9,063	112-	17,864	2,265+
Dallas	25,023	507+	7,604	775-	6,015	273+
San Francisco	39,794	744+	12,782	601+	47,732	7,484+
N.Y. holdovers and other bills			11,683	7,265+		
Totals	\$365,874	\$6,257+	\$172,722	\$13,669+	\$438,684	\$77,742+

COMMENT ON CHANGES WEEK ENDED JUNE 22, 1927

Total earning assets of the System, exclusive of the special 1-day Treasury certificates of indebtedness issued last week to cover the overdraft, show an increase of \$85,572,000 for the current statement week. The approximate changes, by classification, consisted of increases in outright purchases of \$6,250,000 Government securities, \$13,700,000 bankers acceptances, and \$77,750,000 in bills discounted, and a net decrease of \$12,000,000 in investments held under sales contracts. The latter item was made up of a decrease of \$12,900,000 bankers acceptances and an increase of \$900,000 Government securities.

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Money
Market

Call money was steady at 4 per cent throughout the week ended Jun. 5. The supply of funds offered on call remained ample and, accompanying a rather light demand for new loans, moderately large amounts of money were unlent at the close of each day. A considerable deficit in actual bank reserves at the beginning of the week, heavy transfers of commercial funds to the interior, and continued income tax collections were offset by the retirement of the balance of the participations of New York City banks in the special Treasury certificate with the New York bank, and by security purchases for the Treasury, and consequently member bank borrowing at the Reserve Bank remained of small volume.

The time money market, on the other hand, showed a firmer tendency. By the end of the week, all maturities were quoted at 4 1/2 per cent bid, 4 5/8 per cent offered. The principal activity was in 6 months' loans which were placed at 4 5/8 per cent, the highest rate since early in January.

The commercial paper market continued fairly active due to buying by interior institutions. The larger proportion of the sales was at 4 1/4 per cent with the balance at 4 and 4 1/2 per cent. Dealers' portfolio of prime paper remained small as users of the open market continued to request only a moderate amount of accommodation.

Government
Security
Market

There was a slightly better undertone in the market for United States Liberty Loan and Treasury bonds during the week. The volume of trading was moderate and prices of the Liberty Loan bonds were firm while prices of the Treasury bonds advanced from 19 to 30/32 to levels yielding about 3.33% to maturity. The new 3 3/8 per cent Treasury bonds were offered by dealers at the end of the week at the issue price of 100 16/32 to yield 3.33 per cent.

The market for United States Treasury certificates and notes continued quiet with very little change in dealers' offering prices, which were at levels to yield from about 3 to 3 1/2 per cent according to maturity. There were practically no offerings of the certificates maturing next September in the market.

Bankers
Acceptances

During the early part of the statement week dealers' offering rates on unindorsed bankers acceptances were as follows: 3 1/2 per cent for 30s, 3 1/2 to 3 5/8 per cent for 60s, 3 5/8 for 90s and 3 3/4 per cent for 120-day bills. On June 20, however, all but one of the dealers advanced the rate on 90-day bills 1/8 per cent, bidding 3 7/8 per cent, offering at 3 3/4 per cent.

Boston reports their bill market was very dull with the supply less than last week and the local demand only fair. Dealers advanced the rate 1/8 per cent on 90-day bills with the hope of moving bills of this maturity. The market in New York was unsettled and less active. The demand for bills was substantially in excess of the supply which was of normal volume. Dealers' sales consisted mainly of short bills for local account while buying of 90-day bills for foreign accounts fell off considerably. Dealers' portfolios showed a substantial decrease. In Philadelphia the market showed very little change during the week. Short bills continued to be offered freely and a slight improvement was noticed in the demand. Chicago reports that the market in their district continues very quiet with the demand restricted almost entirely to bills of short maturities.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority of the Treasury there was purchased during the week \$5,000,000 Second 4 1/4 per cent Liberty Loan bonds for account of Surplus Money in the Treasury. There was also delivered and paid during the latter part of the week \$15,000,000 of the \$51,000,000 Second 4 1/4 per cent Liberty Loan bonds which the Treasury accepted from tenders of bonds pursuant to Treasury Circular No. 384, dated June 16, 1927.

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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	\$ 57,369,000	\$ 54,469,000	\$2,900,000	\$ 0
New York	183,516,000	186,082,000	0	2,566,000
Philadelphia	62,181,000	61,939,000	242,000	0
Cleveland	77,189,000	77,422,000	0	233,000
Richmond	38,434,000	38,712,000	0	278,000
Atlanta	38,906,000	38,712,000	194,000	0
Chicago	109,957,000	108,664,000	1,293,000	0
St. Louis	45,983,000	46,667,000	0	684,000
Minneapolis	30,647,000	30,967,000	0	320,000
Kansas City	45,955,000	46,450,000	0	495,000
Dallas	31,002,000	31,240,000	0	238,000
San Francisco	<u>62,398,000</u>	<u>62,213,000</u>	<u>185,000</u>	<u>0</u>
Totals	<u>\$783,537,000</u>	<u>\$783,537,000</u>	<u>\$4,814,000</u>	<u>\$4,814,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account during the current statement week consisted of sales of \$22,600,000 and purchases of \$28,792,000 short-term Government securities, which, as mentioned in last week's report, left the total holdings in the account at the close of business June 22, 1927 at \$250,448,300.

The participation by Federal reserve banks and the classification of issues at the close of business June 22 were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 13,534,000
New York	63,744,300
Philadelphia	11,575,000
Cleveland	19,854,000
Richmond	9,332,500
Atlanta	4,888,000
Chicago	33,712,500
St. Louis	15,368,500
Minneapolis	10,722,000
Kansas City	19,604,500
Dallas	18,010,000
San Francisco	<u>30,103,000</u>
Totals	<u>\$250,448,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 15,712,500
Sept. 15, 1927	3 1/4% "	7,745,000
Nov. 15, 1927	4 1/4% 2nd L/L	25,000,000
Dec. 15, 1927	4 1/2% T/N	7,548,000
Mar. 15, 1928	3 1/4% C/I	83,098,000
Sept. 15, 1928	4 1/4 3rd L/L	74,595,000
Mar. 15, 1932	3 1/2% T/N	36,749,800
		<u>\$250,448,300</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM JUNE 16 TO JUNE 22, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,555,500	\$ 1,221,000	\$ 334,500
New York	7,328,500	5,752,000	1,576,500
Philadelphia	1,430,500	1,144,000	286,500
Cleveland	2,283,000	1,792,000	491,000
Richmond	1,073,500	842,500	231,000
Atlanta	561,500	441,000	120,500
Chicago	3,875,500	3,042,000	833,500
St. Louis	1,767,000	1,386,500	380,500
Minneapolis	1,232,500	967,500	265,000
Kansas City	2,254,000	1,769,500	484,500
Dallas	2,070,500	1,625,500	445,000
San Francisco	3,460,000	2,716,500	743,500
Totals	\$28,892,000	\$22,700,000	\$6,192,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$ 20,950	Treasury Bonds of 1947	0	-
Atlanta	413,400	Misc. Gov't Sec.	543,550	Misc. Gov't Sec.
Chicago	0	-	8,500	TS2-1927 C/I
St. Louis	120,000	Treasury Bonds of 1947	0	-
Dallas	112,950	Misc. Gov't Sec.	32,000	Second L/L bonds
Totals	\$667,300		\$604,050	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings <u>June 15</u>	Purchased <u>Own Mkt.</u>	Rec'd by <u>Allotment</u>	Matur- <u>ities &</u>	Holdings <u>June 22</u>	Other Holdings	
						<u>Sales</u>	<u>Other</u>
			<u>from N.Y.</u>	<u>Sales</u>	<u>June 22</u>	<u>Contracts</u>	<u>Bills</u>
Boston	\$ 10,846	\$ 5,919 R	0	\$ 3,108	\$ 13,657	\$ 4,408	\$ 541
New York	23,007	7,942 " 17,361 A	0	3,620	27,329	0	3,782
Phila.	13,364	2,393 R	0	2,825	12,932	0	693
Cleve.	17,165	786 "	2,857	4,040	16,768	0	1,413
Richmond	8,329	160 "	1,836	1,875	8,450	0	375
Atlanta	8,972	610 "	1,360	1,943	8,999	0	1,221
Chicago	24,777	2,812 "	2,182	4,410	25,361	1,995	996
St. Louis	11,427	0	2,542	0	10,813	0	310
Minneapolis	7,013	0	1,468	1,200	7,281	0	217
Kan. City	9,175	0	2,254	2,366	9,063	0	267
Dallas	8,379	68 "	1,111	1,954	7,604	292	253
San Fran.	12,181	1,211 "	1,751	2,361	12,782	3,800	505
Totals	\$154,635	\$39,262	\$17,361	\$29,702	\$161,039	\$10,495	\$10,573
Bills held over night by New York for distribution to other F.R. Banks - - -							<u>1,110</u>
Total - - - - -							<u>\$11,683</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JUNE 22, 1927
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4%	Over 90-days 3 3/4 - 4%	Total
Boston	\$ 4,020	\$ 1,899	0	0	\$ 5,919
New York	10,834	12,428	815	1,226	25,303
Philadelphia	834	1,551	8	0	2,393
Cleveland	786	0	0	0	786
Richmond	115	45	0	0	160
Atlanta	600	1	9	0	610
Chicago	22	2,786	4	0	2,812
Dallas	0	0	24	44	68
San Francisco	882	329	0	0	1,211
Totals	<u>\$18,093</u>	<u>\$19,039</u>	<u>\$860</u>	<u>\$1,270</u>	<u>\$39,262</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 22, 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	\$29,559	\$39,262	\$68,821
Sold	23,302	0	23,302
Matured	0	32,858	32,858
		\$ 6,404+	\$12,661+
		7,265+(Net Change	7,265+(Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 6,257+</u>	<u>\$13,669+</u>	<u>\$19,926+</u>

(Including Sales Contracts)

Holdings June 22, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 months	Total
Gov't Securities	\$ 3,467	0	0	\$30,949	\$59,365	\$275,560	\$369,341
Bills Purchased	64,146	51,198	45,481	18,628	3,764	0	183,217
Totals	<u>\$67,613</u>	<u>\$51,198</u>	<u>\$45,481</u>	<u>\$49,577</u>	<u>\$63,129</u>	<u>\$275,560</u>	<u>\$552,558</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 22, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-6095
GPO

For your information:

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

Please return to Secretary's office.

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Authority EO 10501

June 22, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention to the members of the Federal Reserve Board, your letter of June 20th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 9 to June 15, 1927, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary.

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

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Authority E.O. 10501

RECEIVED
JUN 20 1927
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 20, 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 June 9 to June 15, 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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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 15, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 8	1,060,781	430,715	7,348	163,238	58,397	399,283
" 15	1,091,970*	544,617*	2,607	159,053	23,451	360,942

*Includes \$185,000,000 special 1-day Treasury Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 15, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 15	Net Change	Balance June 15	Net Change	Balance June 15	Net Change
Boston	\$ 13,907	\$ 4,360-	\$ 10,846	\$4,733-	\$ 23,302	\$ 5,351-
New York	63,524	20,273-	23,007	971+	58,944	29,269-
Philadelphia	26,473	4,007-	13,364	355+	39,226	1,113+
Cleveland	43,851	5,408-	17,165	154+	59,118	1,224+
Richmond	10,342	3,075-	8,329	157-	19,590	216+
Atlanta	9,591	1,993-	8,972	433+	31,474	738+
Chicago	52,815	10,864-	24,777	1,339+	44,521	1,824-
St. Louis	28,830	2,595+	11,427	1,268-	17,026	3,622-
Minneapolis	18,015	3,393-	7,013	521-	6,152	1,514-
Kansas City	28,703	6,630-	9,175	69-	15,599	2,439-
Dallas	24,516	4,340-	8,379	2,286-	5,742	407-
San Francisco	39,050	9,350-	12,181	373-	40,248	2,794+
N.Y. holdovers and other bills			4,418	1,970+		
Totals	\$359,617*	\$71,098-	\$159,053	\$4,185-	\$360,942	\$38,341-

*This balance does not include \$185,000,000 special 1-day Treasury Cert. of Ind.

COMMENT ON CHANGES WEEK ENDED JUNE 15, 1927

Total earning assets of the System show an increase of \$31,189,000 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 \$71,100,000 and \$4,200,000 in outright purchases of Government securities and bankers acceptances respectively, \$38,300,000 bills discounted, and \$39,700,000 in investments held under sales contracts. The decreases in investments held under sales contracts consisted of \$4,800,000 Government securities and \$34,900,000 bankers acceptances.

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Money
Market

Call money was generally steady over the quarterly Treasury financing period. The renewal rate continued at 4 1/4 per cent except for a reduction on Friday to 4 per cent, and the Exchange new loan rate did not decline below 4 per cent. In the outside market, however, there was a limited amount of loans placed at 3 3/4 and 3 1/2 per cent. Reserve balances of New York City banks were about equal to required reserves at the beginning of the week, but the effect of large Treasury disbursements for interest and maturing certificates, temporarily in excess of income tax collections, was largely offset by the sale to City banks of participations in the Treasury certificate to cover the overdraft with this bank.

Offerings of time money were rather scarce and rates were unchanged at 4 1/2 per cent for maturities of 60 days to 6 months.

Bank demand for commercial paper continued to increase during the past week. Out-of-town markets, including Boston and Philadelphia, purchased moderate amounts of paper at a prevailing rate of 4 1/4 per cent.

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 about 2/32 in Liberty Loan bonds and 20 to 26/32 in Treasury bonds. 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 3.00 to 3.48 per cent according to maturity.

Bankers
Acceptances

Dealers' offering rates on unindorsed bankers acceptances continued 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 a slight increase in the supply of bills over last week which were easily absorbed by the local banks. Maturities of 30 to 60 days were in best demand and moved freely, while bills of 90-day maturity were difficult to move. In New York the market was very active with the demand for bills considerably in excess of the supply which was of normal volume. Dealers' aggregate sales were the heaviest this year, their portfolios showing a decrease of about 40 per cent. The demand improved chiefly on exceptionally heavy orders for 90-day bills for foreign accounts, sales for local demand being light. Chicago and Philadelphia report little change in their respective markets. Offerings of bills were moderately heavy, while the demand was for short bills only.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

The transactions effected for the United States Treasury during the current week consisted of a sale of \$300,000 - 3 1/4 per cent certificates due March 15, 1928 for account of the Alien Property Custodian and purchases of \$15,000,000 Second 4 1/4 per cent Liberty Loan bonds for account of Surplus Money, \$475,000 - 3 1/4 per cent certificates due March 15, 1928 for account of the Harding Memorial Association, and \$69,400 Fourth 4 1/4 per cent Liberty Loan bonds for account of the General Railroad Contingent Fund.

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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	\$ 51,450,000	\$ 51,776,000	0	\$ 326,000
New York	175,574,000	176,848,000	0	1,274,000
Philadelphia	59,788,000	58,861,000	927,000	0
Cleveland	73,546,000	73,574,000	0	28,000
Richmond	36,438,000	36,788,000	0	350,000
Atlanta	36,936,000	36,788,000	148,000	0
Chicago	104,963,000	103,277,000	1,686,000	0
St. Louis	43,441,000	43,958,000	0	517,000
Minneapolis	29,179,000	29,428,000	0	249,000
Kansas City	43,701,000	44,141,000	0	440,000
Dallas	29,823,000	29,701,000	122,000	0
San Francisco	59,436,000	59,135,000	301,000	0
Totals	\$744,275,000	\$744,175,000	\$3,184,000	\$3,184,000

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account during the current statement week consisted of the redemption of a balance of \$18,215,000 maturing certificates and sales to the Treasurer of the United States, the fiscal agent of the British Government and foreign correspondents of \$95,579,000 aggregate amount of short-term Government securities and purchases of \$42,000,000, which left the total holdings in the account at the close of business June 15, 1927 at \$244,256,300.

The participation by Federal reserve banks and the classification of issues at the close of business June 15 were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 13,199,500	Sept. 15, 1927	3 1/8% C/I	\$ 4,720,500
New York	62,167,800	Sept. 15, 1927	3 1/4% "	7,745,000
Philadelphia	11,288,500	Nov. 15, 1927	4 1/4% 2nd L/L	16,250,000
Cleveland	19,363,000	Dec. 15, 1927	4 1/2% T/N	7,548,000
Richmond	9,101,500	Mar. 15, 1928	3 1/4% C/I	76,548,000
Atlanta	4,767,500	Sept. 15, 1928	4 1/4% 3rd L/L	72,095,000
Chicago	32,879,000	Mar. 15, 1932	3 1/2% T/N	59,349,800
St. Louis	14,988,000			
Minneapolis	10,457,000			
Kansas City	19,120,000			
Dallas	17,565,000			
San Francisco	29,359,500			
Totals	\$244,256,300			\$244,256,300

The completion of deliveries, after the close of the statement week, of sales to foreign correspondents and recent purchases, will leave the total holdings in the System Account at about \$250,000,000.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM JUNE 9 TO JUNE 15, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 6,788,500	\$ 2,269,000	\$ 4,519,500
New York	30,962,500	10,690,000	20,272,500
Philadelphia	5,899,500	1,940,500	3,959,000
Cleveland	9,822,000	3,329,500	6,492,500
Richmond	4,640,000	1,565,000	3,075,000
Atlanta	2,621,500	820,000	1,801,500
Chicago	16,517,500	5,653,500	10,864,000
St. Louis	6,982,500	10,577,500**	3,595,000*
Minneapolis	5,191,500	1,798,000	3,393,500
Kansas City	9,388,000	3,288,500	6,099,500
Dallas	8,583,000	3,020,500	5,562,500
San Francisco	14,397,500	5,048,000	9,349,500
Totals	\$121,794,000	\$50,000,000	\$71,794,000

* Increase

**Includes repurchase by Federal Reserve Bank of St. Louis of \$8,000,000 Government securities which they temporarily sold to other participating banks during period June 3 to June 9.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales & Redemptions</u>	<u>Issue</u>
Boston	\$ 160,000	Treas. Notes 1943-47	0	-
Philadelphia	500,000	TS2-1927 C/I	548,000	Misc. Gov't Sec.
Cleveland	1,150,000	TM-1928 C/I	65,500	TJ-1927 C/I
Atlanta	264,450	Misc. Gov't Sec.	456,200	Misc. Gov't Sec.
St. Louis	251,000	Treasury Notes of 1932	251,000	TJ-1927 C/I
Kansas City	673,000	Misc. Gov't Sec.	1,203,000	Misc. Gov't Sec.
Dallas	222,900	Misc. Gov't Sec.	0	-
San Francisco	750,000	Second L/L	750,000	June 15/27 C/I
Totals	\$3,971,350		\$3,273,700	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>		<u>Purchased</u>		<u>Rec'd By Allotment</u>		<u>Matur-</u>		<u>Other Holdings</u>	
					<u>Regular</u>	<u>From</u>	<u>ities &</u>	<u>Holdings</u>	<u>Close</u>	<u>Other</u>
	<u>June 8</u>	<u>Own Mkt.</u>	<u>from</u>	<u>Boston</u>	<u>Port.</u>	<u>Sales</u>	<u>June 15</u>	<u>Sales</u>	<u>Contracts</u>	<u>Bills</u>
Boston	\$ 15,579	\$ 1,285 R	0	0	0	\$ 6,018*	\$ 10,846	\$ 7,806	0	0
New York	22,036	4,850 "	0	2,100	2,100	5,979	23,007	6,255	620	620
		9,564 A								
Phila.	13,009	2,929 R	0	0	0	2,574	13,364	0	0	0
Cleveland	17,011	772 "	1,529	200	200	2,347	17,165	0	536	536
Richmond	8,486	0	848	300	300	1,305	8,329	0	0	0
Atlanta	8,539	507 "	825	0	0	899	8,972	0	888	888
Chicago	23,438	2,943 "	1,595	0	0	3,199	24,777	4,302	0	0
St. Louis	12,695	0	1,159	600	600	3,027	11,427	0	0	0
Minn.	7,534	0	704	200	200	1,425	7,013	0	0	0
Kan. City	9,244	0	961	400	400	1,430	9,175	0	0	0
Dallas	10,665	348 "	559	0	0	3,193	8,379	250	0	0
San Fran.	12,554	1,286 "	1,384	0	0	3,043	12,181	4,838	0	0
Totals	\$160,790	\$24,484	\$ 9,564	\$3,800	\$34,439	\$154,635	\$154,635	\$23,451	\$2,044	\$2,044
Bills held over night by New York for distribution to other F.R.Banks - - - - -										
Total - - - - - \$4,418										

* Includes \$3,800,000 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 JUNE 15, 1927
 (000 Omitted)

	<u>1 - 30 days</u> 3 1/2%	<u>31-60 days</u> 3 1/4 - 3 3/4%	<u>61-90 days</u> 3 3/4%	<u>Over 90-days</u> 3 3/4 - 4%	<u>Total</u>
Boston	\$ 132	\$ 1,153	0	0	\$ 1,285
New York	4,202	8,458	1,267	487	14,414
Philadelphia	447	1,757	725	0	2,929
Cleveland	672	100	0	0	772
Atlanta	225	76	206	0	507
Chicago	632	2,311	0	0	2,943
Dallas	186	0	85	77	348
San Francisco	<u>1,284</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>1,286</u>
Totals	<u>\$7,780</u>	<u>\$13,857</u>	<u>\$2,283</u>	<u>\$564</u>	<u>\$24,484</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 15, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts and Special 1-day Treasury Certificate)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 53,968	\$ 28,284	\$ 82,252
Sold	123,175	0	123,175
Matured	1,891	34,439	36,330
		<u>\$ 6,155-</u>	<u>\$ 77,253-</u>
		1,970+(Net Change 1-day holdover and other bills)	1,970+(Net Change 1-day holdover and other bills)
Totals	<u>\$ 71,098-</u>	<u>\$ 4,185-</u>	<u>\$ 75,283-</u>

(Including Sales Contracts and Special 1-day Treasury Certificate)

<u>Holdings</u> <u>June 15, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$187,607	0	0	\$19,987	\$50,692	\$288,938	\$547,224
Bills Purchased	<u>84,555</u>	<u>44,800</u>	<u>37,669</u>	<u>12,261</u>	<u>3,219</u>	<u>0</u>	<u>182,504</u>
Totals	<u>\$272,162</u>	<u>\$44,800</u>	<u>\$37,669</u>	<u>\$32,248</u>	<u>\$53,911</u>	<u>\$288,938</u>	<u>\$729,728</u>

DECLASSIFIED
Authority EO. 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 15, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-8485
G P O

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO 10501

June 15, 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 June 13th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 2 to June 8, 1937, inclusive.

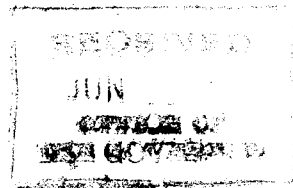
Very truly yours,

Walter L. Eddy,
Secretary.

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

DECLASSIFIED
Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

June 13, 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 June 2 to June 8, 1927 inclu-
sive, together with data received by the Committee from
the Federal reserve banks.

Respectfully,

A large, cursive handwritten signature of W. B. Matteson.

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl. (1)

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Authority EO 10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 8, 1927

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales 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	521,319
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
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-1927-						
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Mar. 30	1,049,034	311,587	41,516	184,755	52,654	456,023
Apr. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 1	1,089,797	340,090	22,407	157,710	71,283	496,507
" 8	1,060,781	430,715	7,348	163,238	58,397	399,283

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 8, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 8	Net Change	Balance June 8	Net Change	Balance June 8	Net Change
Boston	\$ 18,267	\$ 5,698+	\$ 15,579	\$2,988+	\$ 28,653	\$21,272-
New York	83,797	25,824+	22,036	2,303+	88,213	28,914-
Philadelphia	30,480	5,465+	13,009	666+	38,113	16,156-
Cleveland	49,259	4,572+	17,011	258-	57,894	10,958+
Richmond	13,417	3,888+	8,486	347+	19,374	2,874-
Atlanta	11,584	2,377+	8,539	948+	30,736	232-
Chicago	63,679	13,800+	23,438	1,266+	46,345	31,688-
St. Louis	25,235	2,256-	12,695	787+	20,648	12,459-
Minneapolis	21,408	4,327+	7,534	43+	7,666	92+
Kansas City	35,333	7,807+	9,244	483+	18,038	1,225+
Dallas	29,856	7,152+	10,665	1,651-	6,149	60-
San Francisco	48,400	11,971+	12,554	93-	37,454	4,156+
N.Y. holdovers and other bills			2,448	2,301-		
Totals	\$430,715	\$90,625+	\$163,238	\$5,528+	\$399,283	\$97,224-

COMMENT ON CHANGES WEEK ENDED JUNE 8, 1927

Total earning assets of the System showed a decrease of \$29,016,000 for the current statement week. The approximate changes by classification consisted of increases of \$5,500,000 in outright purchases of bankers acceptances and \$90,625,000 in purchases of Government securities, and decreases in bills discounted \$97,224,000 and \$27,945,000 in investments held under sales contracts. The latter decrease consisted of about \$15,059,000 Government securities and \$12,886,000 bankers acceptances.

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Money
Market

Call money was easier during the week ended June 11. The renewal rate declined early in the week from 4 1/2 per cent to 4 1/4 per cent, and the Exchange new loan rate was reduced to 4 per cent on the last three days of the week. Loanable funds were in large supply and some loans were arranged in the outside market as low as 3 1/2 per cent. The flow of commercial funds was toward other districts but some return of currency from circulation and substantial purchases of securities for the Treasury and the System Special Investment Account resulted in a large reduction in the discount and sales contract holdings of the New York Reserve Bank.

There was little activity in the time money market and rates held firm at 4 1/2 per cent for all maturities.

Accompanying lower call loan rates, the demand for commercial paper became somewhat more active toward the close of the period. Paper dealers reported a prevailing rate of 4 1/4 per cent for prime names, supplies of which remained of moderate proportions.

Government
Security
Market

Trading in United States Government bonds was fairly active with the larger proportion of sales being made in large blocks, over the counter. At the end of the week the shorter term issues of Liberty Loan bonds showed an increase in price of from 1/32 to 3/32 while the longer-term Fourth 4 1/4s and Treasury bonds showed a decrease of from 4/32 to 9/32. There were some small offerings by dealers at the end of the week of the new issue of 3 3/8 per cent Treasury bonds at the subscription price of 100 1/2.

The market for short-term certificates of indebtedness and Treasury notes was less active this week than last, with very little change in dealers' offering prices, which were at levels to yield from about 3 1/8 to 3 1/2 per cent according to maturity.

Bankers
Acceptances

Dealers' offering rates on unindorsed bankers acceptances continued 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 very little change in conditions in the bill market, the supply continuing limited and the demand fair for short bills only. There was practically no demand for 90-day bills. In New York the market was active with a considerable increase in both supply and demand. Purchases by dealers were substantially in excess of sales, their portfolios being the heaviest this year. Buying of 90-day maturities for foreign account held up in moderate volume, while sales for local account improved substantially with a decided preference for short bills. Rates were somewhat firmer, dealers bidding 4 per cent for 6 months bills, offering at 3 7/8 per cent. Chicago reports the market active for short maturities only and dealers' portfolios showed fairly large amounts of 90-day bills. Philadelphia reports the market quiet with offerings improved and fairly heavy, and the demand light.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected for the United States Treasury during the current week consisted of purchases of \$3,036,000 Treasury bonds and \$30,000,000 Second 4 1/4 per cent Liberty Loan bonds for account of Surplus Money, and a sale of \$500,000 Fourth 4 1/4 per cent Liberty Loan bonds for account of the Government Life Insurance Fund.

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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	\$ 53,965,000	\$ 50,096,000	\$2,869,000	\$ 0
New York	168,623,000	171,090,000	0	2,467,000
Philadelphia	56,859,000	56,941,000	0	82,000
Cleveland	71,046,000	71,174,000	0	128,000
Richmond	35,290,000	35,589,000	0	299,000
Atlanta	35,604,000	35,589,000	15,000	0
Chicago	100,425,000	99,918,000	507,000	0
St. Louis	41,682,000	42,269,000	0	587,000
Minneapolis	28,275,000	28,468,000	0	193,000
Kansas City	42,340,000	42,701,000	0	361,000
Dallas	28,916,000	28,741,000	175,000	0
San Francisco	56,766,000	57,215,000	0	449,000
Totals	<u>\$719,791,000</u>	<u>\$719,791,000</u>	<u>\$4,566,000</u>	<u>\$4,566,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account during the current statement week consisted of sales of \$17,000,000 aggregate amount of June 15, 1927 and March 15, 1928 certificates and the prior redemption of \$25,000,000 - June 15, 1927 certificates, and purchases of \$135,603,300 short-term Government issues. These transactions left the total holdings in the account at the close of the statement week temporarily at \$316,050,300.

The participation by Federal reserve banks and the classification of issues at the close of business June 8 were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 17,719,000
New York	82,440,300
Philadelphia	15,247,500
Cleveland	25,855,500
Richmond	12,176,500
Atlanta	6,569,000
Chicago	43,743,000
St. Louis	11,393,000
Minneapolis	13,850,500
Kansas City	25,219,500
Dallas	23,127,500
San Francisco	38,709,000
Totals	<u>\$316,050,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1927	3 1/2% C/I	\$ 18,215,000
Sept. 15, 1927	3 1/8% "	40,038,500
Sept. 15, 1927	3 1/4% "	10,520,000
Nov. 15, 1927	2nd L/L	16,500,000
Dec. 15, 1927	4 1/2% T/N	29,984,000
Mar. 15, 1928	3 1/4% C/I	66,548,000
Sept. 15, 1928	4 1/4% 3rd L/L	68,595,000
Mar. 15, 1932	3 1/2% T/N	65,649,800

* \$316,050,300

* This total will be reduced on June 15 to approximately 250 million dollars, the deductions arising from June 15 maturities in the account and sales to be made to foreign correspondents in replacement of their June 15 maturities.

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM JUNE 2 TO JUNE 8, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 7,967,000	\$ 2,269,500	\$ 5,697,500
New York	36,513,300	10,689,500	25,823,800
Philadelphia	6,908,000	1,941,000	4,967,000
Cleveland	11,550,500	3,330,000	8,220,500
Richmond	5,453,500	1,564,500	3,889,000
Atlanta	3,046,500	819,500	2,227,000
Chicago	19,453,000	5,653,500	13,799,500
St. Louis	8,320,500	10,577,000**	2,256,500*
Minneapolis	6,125,500	1,798,500	4,327,000
Kansas City	11,095,000	3,288,000	7,807,000
Dallas	10,151,500	3,020,500	7,131,000
San Francisco	17,019,000	5,048,500	11,970,500
Totals	<u>\$143,603,300</u>	<u>\$50,000,000</u>	<u>\$93,603,300</u>

*Decrease

**During period June 3 to June 9 inclusive the Federal Reserve Bank of St. Louis sold to other participating banks \$8,000,000 Government securities from their participation in Open Market Investment Account.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Philadelphia	\$ 498,000	TM-1928 certificates	0	-
Cleveland	1,015,500	Misc. Gov't Sec.	4,663,500	Misc. Gov't Sec.*
Atlanta	403,150	Misc. Gov't Sec.	252,550	Misc. Gov't Sec.
Dallas	4,091,550	Misc. Gov't Sec.	3,849,800	Misc. Gov't Sec.*
			<u>221,200</u>	" " "
Totals	<u>\$6,008,200</u>		<u>\$8,987,050</u>	

*Sold to System Account

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings June 1</u>	<u>Purchased Own Mkt.</u>	<u>Rec'd by</u>		<u>Holdings June 8</u>	<u>Other Holdings Close June 8/27</u>	
			<u>Allotment from N.Y.</u>	<u>Matur- ities & Sales</u>		<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 12,591	\$ 4,988 R.	0	\$ 2,000	\$ 15,579	\$ 8,487	0
New York	19,733	8,272 "	0	5,969	22,036	41,579	553
		16,164 A.					
Phila.	12,343	3,510 R.	0	2,844	13,009	0	0
Cleveland	17,269	648 "	1,631	2,537	17,011	0	710
Richmond	8,139	70 "	1,537	1,260	8,486	0	0
Atlanta	7,591	412 "	1,431	895	8,539	0	864
Chicago	22,172	1,989 "	3,621	4,344	23,438	3,518	0
St. Louis	11,908	0	2,299	1,512	12,695	0	0
Minn.	7,491	0	1,309	1,266	7,534	0	0
Kan. City	8,761	0	2,072	1,589	9,244	0	0
Dallas	12,316	381 "	732	2,764	10,665	250	0
San Fran.	12,647	390 "	1,532	2,015	12,554	4,563	0
Totals	<u>\$152,961</u>	<u>\$36,824</u>	<u>\$16,164</u>	<u>\$28,995</u>	<u>\$160,790</u>	<u>\$58,397</u>	<u>\$2,127</u>

Bills held overnight by N.Y. for distribution to other F.R. Banks - - - - \$ 321

Total - - - - - \$2,448

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 8, 1927
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90 days 3 3/4 - 4%	Total
Boston	\$ 694	\$ 4,294	0	0	\$ 4,988
New York	16,180	6,040	933	1,283	24,436
Philadelphia	1,062	2,234	214	0	3,510
Cleveland	648	0	0	0	648
Richmond	60	10	0	0	70
Atlanta	0	225	96	91	412
Chicago	231	1,758	0	0	1,989
Dallas	50	278	0	53	381
San Francisco	328	62	0	0	390
Totals	\$19,253	\$14,901	\$1,243	\$1,427	\$36,824

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 8, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$149,610	\$36,824	\$186,434
Sold	58,985	0	58,985
Matured	0	28,995	28,995
		\$ 7,829+	\$ 98,454+
		2,301- (Net Change	2,301- (Net Change
		l-day holdover	l-day holdover
		and other bills)	and other bills)
Totals	\$ 90,625+	\$ 5,528+	\$ 96,153+

(Including Sales Contracts)

<u>Holdings</u> <u>June 8, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>Months</u>	<u>Total</u>
Gov't Securities	\$ 27,455	0	0	0	\$57,577	\$353,031	\$438,063
Bills Purchased	122,251	47,147	38,072	10,046	0	4,119	221,635
Totals	\$149,706	\$47,147	\$38,072	\$10,046	\$57,577	\$357,150	\$659,698

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 7, 1927.

To All members of the Board.

Subject: _____

From Mr. Eddy.

2-906
G P O

For your information:

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

Please return to Secretary's Office

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June 7, 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 June 6th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from May 26 to June 1, 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 E.O. 10501

RECEIVED
JUN 7 1927
DIVISION OF
CURRENCY CONTROL

FEDERAL RESERVE BANK
OF NEW YORK

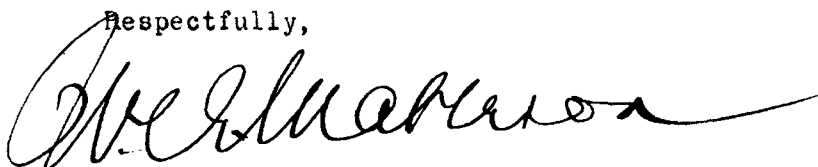
CONFIDENTIAL

June 6, 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 May 26 to June 1, 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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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 1, 1927****Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date**
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales 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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 1	1,089,797	340,090	22,407	157,710	71,283	496,507

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 1, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 1	Net Change	Balance June 1	Net Change	Balance June 1	Net Change
Boston	\$ 12,569	\$ 2,395+	\$ 12,591	\$ 3,830-	\$ 49,925	\$ 5,103+
New York	57,973	8,137+	19,733	2,374-	117,127	23,962+
Philadelphia	25,015	2,755+	12,343	728-	54,269	10,645+
Cleveland	44,687	7,074+	17,269	580+	46,936	5,181-
Richmond	9,529	1,713+	8,139	710-	22,248	1,390-
Atlanta	9,207	1,815+	7,591	883-	30,968	368-
Chicago	49,879	4,761+	22,172	1,877-	78,033	23,061+
St. Louis	27,491	1,686+	11,908	755-	33,107	8,916+
Minneapolis	17,081	1,355+	7,491	694-	7,574	537+
Kansas City	27,526	2,018+	8,761	603-	16,813	1,376-
Dallas	22,704	1,358+	12,316	959-	6,209	1,287+
San Francisco	36,429	2,674+	12,647	821-	33,298	2,691+
N.Y. holdovers and other bills			4,749	543-		
Totals	\$340,090	\$37,741+	\$157,710	\$14,197-	\$496,507	\$67,887+

COMMENT ON CHANGES WEEK ENDED JUNE 1, 1927

Total earning assets of the System showed an increase of \$101,287,000 for the current statement week. The approximate changes by classification, consisted of increases of \$67,900,000 in bills discounted, \$37,700,000 outright purchases of Government securities, \$9,800,000 in investments held under sales contracts, and a decrease of \$14,200,000 in outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of about \$7,200,000 bankers acceptances and \$2,800,000 Government securities.

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Money
Market

Call money continued firm at 4 1/2 per cent over the month-end. Offerings of loanable funds were rather small throughout the week and, accompanying an active demand for new loans, little money remained unlent on the exchange at the close of each day. At the beginning of the week, actual reserves of the large City banks were somewhat below required reserves, which increased sharply as the week progressed, with the result that the volume of reserve bank credit in use remained at a fairly high level.

The time money market was more active this week. 90-day to 6 months' loans were generally placed at 4 1/2 per cent and some 60-day maturities were arranged at 4 3/8 per cent.

Prime commercial paper continued to be offered at 4 - 4 1/4 per cent, but somewhat the larger proportion of the business was at 4 1/4 per cent. Bank investment demand for paper, however, was rather dull over the holiday and turn of the month. Open market supplies of paper remained limited.

Government
Securities
Market

The turnover of United States Liberty Loan and Treasury bonds both on and off the New York Stock Exchange was exceptionally heavy this week with prices fractionally reactionary. Closing prices of Liberty Loan bonds at the end of the week were from 1 to 7/32 lower than the previous week's close, while the Treasury 4s were 11/32 lower and Treasury 3 3/4s and 4 1/4s were 13/32 lower.

The market for short-term certificates of indebtedness and Treasury notes was active and firm. Dealers' offering prices at the close of the week were at levels to yield from about 3 to 3.48 per cent according to maturity.

Bankers
Acceptances

Dealers' offering rates on unindorsed bankers acceptances continued 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 that the supply of bills in their district remained about the same as the previous week while the demand showed a sharp falling off. Short bills continued to be in best demand, while 90-day bills, which were in good supply, were difficult to move. Offerings to the reserve bank were very small. In New York dealers' purchases continued to be normal. The supply was somewhat sustained by a fairly large syndicate offering, covering the storage of tobacco, while the demand was chiefly due to orders from abroad which improved moderately. Sales for local account were very light. The aggregate of dealers' portfolios increased substantially. Philadelphia and Chicago report that their respective markets were quiet with the demand light.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the United States Treasury during the current week consisted of sales of \$500,000 Fourth 4 1/4 per cent Liberty Loan bonds for account of the Government Life Insurance Fund, \$150,000 - 3 1/4 per cent certificates maturing March 15, 1928 for account of the Alien Property Custodian and the purchase of approximately \$19,500,000 aggregate amount of Fourth 4 1/4s and Treasury bonds for account of Surplus Money.

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 3, 1927

To Mr. Cunningham

Subject: _____

From Mr. Eddy

2-9496
GPO

Of the \$40,750,000 of Treasury notes maturing March 15, 1932, held in special investment account \$20,000,000 were purchased during the period April 13-20, 1927 and the balance during the period May 25 - June 1, 1927.

This issue of notes was one of those made by the Treasury and exchange for outstanding Second Liberty Loan Bonds. The notes are callable in 1930 and on this basis might be regarded as short term securities. *offered in*

Of the other Government issues held, none mature later than September 15, 1928.

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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	\$ 48,977,000	\$ 47,569,000	\$1,408,000	0
New York	160,350,000	162,429,000	0	2,079,000
Philadelphia	53,349,000	54,054,000	0	705,000
Cleveland	68,767,000	67,565,000	1,202,000	0
Richmond	33,683,000	33,785,000	0	102,000
Atlanta	33,761,000	33,785,000	0	24,000
Chicago	94,815,000	94,866,000	0	51,000
St. Louis	39,383,000	39,728,000	0	345,000
Minneapolis	26,966,000	27,024,000	0	58,000
Kansas City	40,268,000	40,536,000	0	268,000
Dallas	27,803,000	27,297,000	506,000	0
San Francisco	<u>54,844,000</u>	<u>54,328,000</u>	<u>516,000</u>	<u>0</u>
Totals	<u>\$682,966,000</u>	<u>\$682,966,000</u>	<u>\$3,632,000</u>	<u>\$3,632,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Deliveries were completed during the week of \$35,970,000 short-term Government securities which were purchased as mentioned in the last report. There was sold during the week \$2,000,000 Second 4 1/4s and \$25,000,000 - 3 1/2 per cent certificates maturing June 15, 1927, the latter being replaced by purchase of a like amount of other issues of short-term Government securities. These transactions left the total holdings in the account at the close of the statement week at \$222,447,000. The participation by Federal reserve banks and the classification of issues at the close of business June 1 were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>			
Boston	\$ 12,021,500	June 15, 1927	3 1/2%	C/I	\$48,215,000
New York	56,616,500	Sept. 15, 1927	3 1/8%	"	8,100,000
Philadelphia	10,280,500	Sept. 15, 1927	3 1/4%	"	9,220,000
Cleveland	17,635,000	Nov. 15, 1927	4 1/4%	2nd L/L	15,500,000
Richmond	8,287,500	Dec. 15, 1927	4 1/2%	T/N	29,484,000
Atlanta	4,342,000	March 15, 1928	3 1/4%	C/I	28,083,000
Chicago	29,943,500	Sept. 15, 1928	4 1/4%	3rd L/L	43,095,000
St. Louis	13,649,500	March 15, 1932	3 1/2%	T/N	40,750,000
Minneapolis	9,523,500				
Kansas City	17,412,500				
Dallas	15,996,500				
San Francisco	<u>26,738,500</u>				
Totals	<u>\$222,447,000</u>				<u>\$222,447,000</u>

With approval of the Open Market Investment Committee additional purchases of short-term Government securities were made after the close of the statement week, for delivery between June 2 and 15, in replacement of holdings of 3 1/2 per cent certificates maturing June 15 for System Account and foreign correspondents.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM MAY 26 TO JUNE 1, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 3,779,000	\$ 1,384,000	\$ 2,395,000
New York	15,077,000	6,940,500	8,136,500
Philadelphia	3,843,000	1,088,000	2,755,000
Cleveland	5,462,500	2,042,500	3,420,000
Richmond	2,658,500	945,500	1,713,000
Atlanta	2,116,000	382,500	1,733,500
Chicago	8,370,500	3,609,000	4,761,500
St. Louis	3,396,500	1,710,500	1,686,000
Minneapolis	2,524,500	1,169,500	1,355,000
Kansas City	4,218,000	2,200,000	2,018,000
Dallas	3,416,000	2,092,500	1,323,500
San Francisco	6,108,500	3,435,500	2,673,000
Totals	\$60,970,000	\$27,000,000	\$33,970,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$3,654,000*	Misc. Cert. of Ind.	0	-
Atlanta	594,900	Misc. Gov't Sec.	513,600	Misc. Gov't Sec.
Dallas	35,800	Misc. Gov't Sec.	0	-
Totals	\$4,284,700		\$513,600	

*Held temporarily for resale to System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings May 25	Purchased Own Mkt.	Rec'd by Allotment			Holdings June 1	Other Holdings Close June 1/27	
			Regular N.Y.	From Boston Port.	Matur- ities & Sales		Sales Contracts	Other Bills
Boston	\$ 16,421	\$ 2,627 R.	0	0	\$ 6,457*	\$12,591	\$10,783	0
New York	22,107	4,332 " 9,939 A.	0	500	7,206	19,733	52,945	591
Phila.	13,071	2,513 R.	0	0	3,241	12,343	0	0
Cleve.	16,689	1,596 R.	1,686	1,000	3,702	17,269	0	1,061
Richmond	8,849	104 "	916	0	1,730	8,139	0	0
Atlanta	8,474	200 "	759	0	1,842	7,591	0	1,064
Chicago	24,049	1,078 "	1,882	0	4,837	22,172	4,629	0
St. Louis	12,663	0	1,343	600	2,698	11,908	0	0
Minn.	8,185	0	823	300	1,817	7,491	0	0
Kan. City	9,364	0	1,098	600	2,301	8,761	0	0
Dallas	13,275	666 "	592	0	2,217	12,316	250	0
San Fran.	13,468	1,134 "	840	0	2,795	12,647	2,676	0
Totals	\$166,615	\$24,189	\$9,939	\$3,000	\$40,843	\$152,961	\$71,283	\$2,716

Bills held overnight by N.Y. for distribution to other F. R. Banks - - - - - 2,033

Total - - - - - \$4,749

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

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 1, 1927
 (000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4% - 4%	Total
Boston	\$ 880	\$ 1,747	0	0	\$ 2,627
New York	4,157	7,221	2,370	517	14,271
Philadelphia	1,156	1,230	127	0	2,513
Cleveland	1,592	0	4	0	1,596
Richmond	50	0	54	0	104
Atlanta	100	100	0	0	200
Chicago	415	663	0	0	1,078
Dallas	176	67	389	34	666
San Francisco	<u>1,036</u>	<u>39</u>	<u>59</u>	<u>0</u>	<u>1,134</u>
Totals	<u>\$9,562</u>	<u>\$11,067</u>	<u>\$3,009</u>	<u>\$551</u>	<u>\$24,189</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 1, 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	\$65,255	\$27,189	\$92,444
Sold	27,514	0	27,514
Matured	0	<u>40,843</u>	<u>40,843</u>
		\$13,654-	\$24,087+
		543- (Net Change	543- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$37,741+</u>	<u>\$14,197-</u>	<u>\$23,544+</u>

(Including Sales Contracts)

<u>Holdings June 1, 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	\$ 72,513	0	0	0	\$42,079	\$247,905	\$362,497
Bills Purchased	<u>129,924</u>	<u>50,757</u>	<u>34,021</u>	<u>11,379</u>	<u>0</u>	<u>2,912</u>	<u>228,993</u>
Totals	<u>\$202,437</u>	<u>\$50,757</u>	<u>\$34,021</u>	<u>\$11,379</u>	<u>\$42,079</u>	<u>\$250,817</u>	<u>\$591,490</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date June 1, 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
- ✓ Mr. Cunningham
- ✓ Mr. McIntosh ✓

Please return to Secretary's office.

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Authority EO. 10501

June 1, 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 31st, addressed to Governor Grissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from May 19 to May 25, 1927, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary.

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

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Authority EO. 10501

RECEIVED
JUN 1 1927
ST. LOUIS
FED. RESERVE BANK

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

May 31, 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 May 19 to May 25, 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 MAY 25, 1927

Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date

(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales 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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 18	954,579	265,308	3,743	170,290	55,203	458,235
May 25	988,510	302,349	19,571	171,907	64,263	428,620

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

DURING WEEK ENDED MAY 25, 1927

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 25	Net Change	Balance May 25	Net Change	Balance May 25	Net Change
Boston	\$ 10,174	\$ 2,546+	\$ 16,421	\$3,165+	\$ 44,822	\$ 5,556+
New York	49,836	8,727+	22,107	2,022+	93,165	25,209-
Philadelphia	22,260	2,909+	13,071	776-	43,624	3,705-
Cleveland	37,613	3,637+	16,689	1,294-	52,117	1,680+
Richmond	7,816	1,819+	8,849	401+	43,638	2,121-
Atlanta	7,392	2,020+	8,474	580-	31,336	2,628-
Chicago	45,118	5,091+	24,049	146-	54,972	10,082+
St. Louis	25,805	1,819+	12,663	883+	24,191	354-
Minneapolis	15,726	1,454+	8,185	1,713-	7,037	1,178-
Kansas City	25,508	2,582+	9,364	420-	18,189	935-
Dallas	21,346	1,528+	13,275	459-	4,922	526+
San Francisco	33,755	2,909+	13,468	635-	30,607	11,320-
N.Y. holdovers and other bills			5,292	1,169+		
Totals	\$302,349	\$37,041+	\$171,907	\$1,617+	\$428,620	\$29,615-

COMMENT ON CHANGES WEEK ENDED MAY 25, 1927

Total earning assets of the System showed an increase of \$33,931,000 for the current statement week. Increases of approximately \$37,000,000 in outright purchases of Government securities, \$1,600,000 in outright purchases of bankers acceptances, and \$24,900,000 in investments held under sales contracts were partially offset by a decrease of about \$29,600,000 in bills discounted. The increase in investments held under sales contracts consisted of \$15,828,000 Government securities and \$9,060,000 bankers acceptances.

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Money
Market

Reserves of the large city banks were substantially below the required levels at the opening of the week, due to losses to the market in commercial and agency transactions and repayments of loans at this bank in the latter part of the preceding week. As a result of this condition, a large amount of Reserve bank credit was called forth, and call money advanced to 4 1/2 per cent on Monday and was firm at this rate the balance of the week, as offerings of loanable funds were scarce. Borrowings of New York City banks at the Reserve bank rose to \$160,000,000 on Friday, the highest since April 8.

Time money was sympathetically firmer. Quotations for 60 day to 6 months' loans advanced slightly to 4 3/8 per cent bid, 4 1/2 per cent offered. A limited amount of money was placed at each rate.

Dealers continued to report a rather inactive demand for commercial paper by banks in the interior. In order to stimulate the demand, some prime paper which had been held for sale at 4 per cent, was disposed of at 4 1/4 per cent, and a few sales of good names were made at 4 1/2 per cent. Open market borrowings of industrial and mercantile concerns continued in moderate volume.

Government
Security
Market

On a very large turnover during the week practically all issues of United States Liberty Loan and Treasury bonds advanced in price from 2 to 5/32 and the short-term certificates of indebtedness and Treasury notes advanced 1 and 2/32 over the previous week's close. Dealers' offering prices at the close of the week were at levels to yield from about 3.35 to 3.52 per cent for 4 1/4 per cent Liberty Loan bonds, according to maturity, and about 3.30 per cent for the longer-term Treasury bonds. The certificates of indebtedness maturing in June and September of this year were offered at prices to yield about 3.15 per cent to maturity, while the other issues of certificates and notes were offered at prices to yield from about 3.21 per cent for the 4 1/2 per cent notes maturing December 15, 1927 to 3.47 per cent for the 3 1/2 per cent notes maturing March 15, 1930/32.

Bankers
Acceptances

Dealers' offering rates on 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.

Boston reports the supply of bills in their district continued very small and inadequate to meet the demand which showed some improvement. The demand for bills maturing 1 - 45 days was much greater than the supply, while 90-day bills were hard to move. Offerings to the Reserve bank this week were larger than for the past several weeks. In New York dealers purchases and sales both fell off substantially this week. The supply was considerably in excess of the demand, which was light. Orders from abroad fell considerably while the demand for local account improved moderately. The volume of dealers portfolios increased slightly. The Philadelphia market was quiet with offerings plentiful and the demand light. Chicago reports practically no demand for 90-day bills in their district, while bills of short maturities were purchased freely by banks.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected for the United States Treasury during the current week consisted of sales of \$1,100,000 - 3 1/4 per cent certificates maturing March 15, 1928 for account of the Alien Property Custodian, \$50,000 Second 4 1/4s for account of the Harding Memorial Association, and purchases in New York and Chicago markets of \$20,000,000 Second 4 1/4s for account of Surplus Money, and \$475,000 - 3 1/4 per cent certificates due March 15, 1928 for account of the Mixed Claims Awards. During the latter part of the week a sale was also made from holdings of the Alien Property Custodian to the System Special Investment Account of \$9,787,000 June 15, 1927 - 3 1/2 per cent certificates at par and interest, which were replaced by purchase in the market of a like amount of 3 1/2 per cent Treasury notes due 1930/32 at par and interest.

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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	\$ 49,350,000	\$ 45,910,000	\$3,440,000	\$ 0
New York	155,519,000	156,740,000	0	1,221,000
Philadelphia	50,836,000	52,157,000	0	1,321,000
Cleveland	64,485,000	65,195,000	0	710,000
Richmond	32,663,000	32,600,000	63,000	0
Atlanta	32,802,000	32,600,000	202,000	0
Chicago	91,855,000	91,547,000	308,000	0
St. Louis	37,440,000	38,059,000	0	619,000
Minneapolis	25,843,000	26,076,000	0	233,000
Kansas City	38,570,000	39,114,000	0	544,000
Dallas	26,545,000	26,349,000	196,000	0
San Francisco	<u>52,870,000</u>	<u>52,431,000</u>	<u>439,000</u>	<u>0</u>
Totals	<u>\$658,778,000</u>	<u>\$658,778,000</u>	<u>\$4,648,000</u>	<u>\$4,648,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Deliveries were completed during the week of the \$35,265,000 short-term Government securities purchased as mentioned in the last report, which, together with \$1,100,000 purchased on Wednesday, left the total holdings in the account at the close of the statement week at \$188,477,000. The participation by Federal Reserve banks and the classification of issues at the close of business May 25 were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 9,626,500	June 15, 1927	3 1/2% C/I \$ 59,928,000
New York	48,480,000	Sept. 15, 1927	3 1/8% " 7,500,000
Philadelphia	7,525,500	Sept. 15, 1927	3 1/4% " 9,220,000
Cleveland	14,215,000	Nov. 15, 1927	4 1/4% 2nd L/L 15,000,000
Richmond	6,574,500	Dec. 15, 1927	4 1/2% T/N 27,134,000
Atlanta	2,608,500	Mar. 15, 1928	3 1/4% C/I 21,600,000
Chicago	25,182,000	Sept. 15, 1928	4 1/4% 3rd L/L 28,095,000
St. Louis	11,963,500	Mar. 15, 1932	3 1/2% T/N 20,000,000
Minneapolis	8,168,500		
Kansas City	15,394,500		
Dallas	14,673,000		
San Francisco	<u>24,065,500</u>		
Totals	<u>\$188,477,000</u>		<u>\$188,477,000</u>

After the close of the statement week additional purchases amounting to approximately \$35,000,000 were made, under authority given at the recent meetings of the Open Market Investment Committee, which will increase the total holdings in the account during the next statement week to about \$223,000,000. These additional purchases have the effect of further offsetting, in their effect on the market, sales of gold to foreign account.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM MAY 19 TO MAY 25, 1927

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

	<u>Purchases</u>
Boston	\$ 2,545,500
New York	8,727,500
Philadelphia	2,909,000
Cleveland	3,636,500
Richmond	1,818,500
Atlanta	1,818,500
Chicago	5,091,000
St. Louis	1,818,500
Minneapolis	1,454,500
Kansas City	2,182,000
Dallas	1,454,500
San Francisco	2,909,000
Total	\$36,365,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$1,100,000*	March 15, 1928 C/I.	\$1,100,000	March 15, 1928 C/I.
Cleveland	7,320,000	Third L/L, 4 1/4% bds.	7,320,000	Sept. 15/27-3 1/4% C/I.**
Atlanta	350,600	Misc. Gov't Sec.	149,050	Misc. Gov't Sec.
Kansas City	400,000	Second L/L 4 1/4% bds.	0	-
Dallas	853,850	Misc. Gov't Sec.	780,000	Misc. Gov't Sec.
Totals	\$10,024,450		\$ 9,349,050	

* Were held temporarily for resale.
 ** Sold to System Special Investment Account.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>May 18</u>	<u>Own Mdt.</u>				<u>Allotment</u>	<u>ities &</u>
			<u>from N. Y.</u>	<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 13,256	\$ 5,676 R.	0	\$ 2,511	\$ 16,421	\$ 9,416	0
New York	20,085	7,798 "	0	5,776	22,107	49,188	752
		12,943 A.					
Phila.	13,847	1,924 R.	0	2,700	13,071	0	0
Cleveland	17,983	367 "	1,392	3,053	16,689	0	1,161
Richmond	8,448	401 "	1,500	1,500	8,849	0	0
Atlanta	9,054	710 "	663	1,953	8,474	0	1,103
Chicago	24,195	1,729 "	2,986	4,861	24,049	3,524	0
St. Louis	11,780	0	1,989	1,106	12,663	0	0
Minn.	9,898	0	1,148	2,861	8,185	0	0
Kan. City	9,784	0	1,610	2,030	9,364	0	0
Dallas	13,734	326 "	557	1,342	12,275	623	0
San Fran.	14,103	1,374	1,098	3,107	13,468	1,512	0
Totals	\$166,167	\$33,248	\$12,943	\$32,800	\$166,615	\$64,263	\$3,016
Bills held over night by New York for distribution to other F. R. Banks							2,276
							Total \$5,292

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

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Authority EO 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 25, 1927
(000 Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4 - 3 7/8%	Over 90-days 3 3/4%	Total
Boston	\$ 4,408	\$ 1,243	\$ 25	0	\$ 5,676
New York	11,365	6,919	986	1,471	20,741
Philadelphia	680	1,187	57	0	1,924
Cleveland	367	0	0	0	367
Richmond	303	58	40	0	401
Atlanta	0	700	10	0	710
Chicago	255	1,474	0	0	1,729
Dallas	178	26	7	115	326
San Francisco	<u>1,302</u>	<u>63</u>	<u>9</u>	<u>0</u>	<u>1,374</u>
Totals	<u>\$18,858</u>	<u>\$11,670</u>	<u>\$1,134</u>	<u>\$1,586</u>	<u>\$33,248</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 25, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Including Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$46,390	\$33,248	\$79,638
Sold	9,349	0	9,349
Matured	0	<u>32,800</u>	<u>32,800</u>
		\$ 448+	\$37,489+
		1,169+(Net Change 1-day holdover & other bills)	1,169+(Net Change 1-day holdover & other bills)
Totals	<u>\$37,041+</u>	<u>\$ 1,617+</u>	<u>\$38,658+</u>

(Excluding Sales Contracts)

Holdings May 25, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 Months	Total
Gov't Securities	0	\$61,820	0	0	\$23,714	\$216,815	\$302,349
Bills Purchased	<u>68,059</u>	<u>58,539</u>	<u>32,390</u>	<u>10,016</u>	<u>2,903</u>	<u>0</u>	<u>171,907</u>
Totals	<u>\$68,059</u>	<u>\$120,359</u>	<u>\$32,390</u>	<u>\$10,016</u>	<u>\$26,617</u>	<u>\$216,815</u>	<u>\$474,256</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date May 25, 1927

To All Members of the Board

Subject: _____

From Mr. Eddy

2-5805
G.P.O.

For your information:

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

Please return to Secretary's office.

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Authority EO 10501

May 25, 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 23rd, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from May 12 to May 18, 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 23 1927

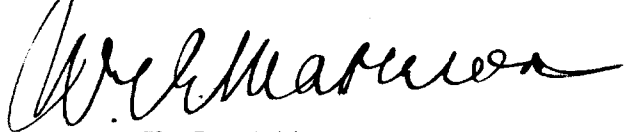
CONFIDENTIAL

May 23, 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 May 12 to May 18, 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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CONFIDENTIAL
REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 18, 1927

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
Jan. 27	\$1,118,687	\$363,073	\$ 1,990	\$279,321	\$16,096	\$448,557
Feb. 24	1,135,406	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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 11	930,724	248,932	4,964	193,326	39,725	441,977
May 18	954,579	265,308	3,743	170,290	55,203	458,235

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 18, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 18	Change	May 18	Change	May 18	Change
Boston	\$ 7,628	\$ 1,106+	\$ 13,256	\$ 1,665-	\$ 39,266	\$ 5,834+
New York	41,109	3,792+	20,085	7,971-	118,374	21,007-
Philadelphia	19,351	1,264+	13,847	271+	47,329	8,441+
Cleveland	33,976	1,580+	17,983	1,254-	50,437	6,608+
Richmond	5,997	790+	8,448	1,944-	25,759	4,078+
Atlanta	5,372	1,090+	9,054	1,451-	33,964	374-
Chicago	40,027	2,812+	24,195	4,273-	44,890	3,038-
St. Louis	23,986	790+	11,780	2,420-	24,545	7,156+
Minneapolis	14,272	632+	9,898	2,524-	8,215	1,917+
Kansas City	22,926	1,181+	9,784	1,446-	19,124	3,290+
Dallas	19,818	675+	13,734	3,690+	4,396	495+
San Francisco	30,846	1,264+	14,103	2,163-	41,936	2,858+
N.Y. holdovers and other bills			4,123	114+		
Totals	\$265,308	\$16,376+	\$170,290	\$23,036-	\$458,235	\$16,258+

COMMENT ON CHANGES WEEK ENDED MAY 18, 1927

Total earning assets of the System showed an increase of \$23,855,000 for the current statement week. The approximate changes by classification consisted of increases of \$16,200,000 bills discounted, \$16,400,000 outright purchases of Government securities, and \$14,200,000 net in investments held under sales contracts; and a decrease of \$23,000,000 in outright purchases of bankers acceptances. The net change in investments held under sales contracts was made up of a decrease of \$1,200,000 Government securities and an increase of \$15,400,000 bankers acceptances.

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Money
Market

Conditions in the New York money market were easier during the past week, reflecting transfers of funds from other centers and further gold imports, which permitted New York City banks to reduce sharply their indebtedness at the Reserve Bank. Call money renewed on Monday and Tuesday at 4 1/2 per cent but on the latter day the new loan rate eased to 4 per cent, and for the balance of the week money was typically 4 per cent. Offerings of loanable funds were large and the demand for accomodation rather light.

The time money market was dull and unchanged in quotation at 4 3/8 per cent for maturities of 60 days to 6 months.

The commercial paper market was quiet during the week. Banks, even those outside of New York City, purchased only small amounts of paper. Dealers generally reported slightly larger lists of paper on hand but rates remained 4 - 4 1/4 per cent for prime names.

Government
Security
Market

United States Liberty Loan and Treasury bonds were in better demand this week than last. There was a fairly large volume of trading reported and prices of most of the issues at the end of the week were fractionally higher than at the previous week's close. New high levels were reached during the week for Treasury 4s of 1944/54 at 109 9/32, and Treasury 3 3/4s of 1946/56 at 106 16/32.

The short-term Certificates of Indebtedness and Treasury Notes were also in better demand. Dealers' prices at the end of the week were about 1/32nd higher than last week and at levels to yield from about 3.25 to 3.48 per cent to maturity.

Bankers
Acceptances

During the week one of the large dealers lowered the rate on six months' bills by 1/8 per cent, bidding 3 7/8 per cent and offering at 3 3/4 per cent. Dealers offering rates for all other maturities of unindorsed bankers acceptances continued unchanged at 3 1/2 per cent for 30s, 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.

In Boston dealers report a slight improvement in the supply of bills with no change in the demand which was very small. While preference was shown for 30 and 60-day bills some improvement was noticed in the demand for bills of longer maturities. Offerings to the reserve bank were light. The supply of bills in the New York market increased about 60 per cent over the previous week and dealers' purchases were considerably in excess of their sales. The demand consisted chiefly of orders of 90-day bills for foreign accounts. Purchases for local account continued light and well distributed. Offerings to the reserve bank for System Account and dealers' commitments held under sales contracts were larger this week than last. Philadelphia reports that the market in their district was more active during the current statement week. Offerings were fairly heavy and the demand was better, especially for 90-day bills. Chicago reports that their market was very quiet with practicaly no demand except for short maturities.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the United States Treasury during the current week consisted of a purchase of \$5,000,000 Second Liberty Loan 4 1/4 per cent bonds for account of Surplus Money, and sales of \$1,000,000 Fourth Liberty Loan 4 1/4% bonds for account of the Government Life Insurance Fund and \$500,000 3 1/2 per cent certificates maturing March 15, 1928 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	\$ 43,674,000	\$ 43,629,000	\$ 45,000	\$ 0
New York	147,721,000	148,920,000	0	1,199,000
Philadelphia	48,912,000	49,551,000	0	639,000
Cleveland	62,726,000	61,937,000	789,000	0
Richmond	30,762,000	30,970,000	0	208,000
Atlanta	31,429,000	30,970,000	459,000	0
Chicago	87,140,000	86,985,000	155,000	0
St. Louis	35,451,000	35,764,000	0	313,000
Minneapolis	24,695,000	24,773,000	0	78,000
Kansas City	36,960,000	37,160,000	0	200,000
Dallas	25,662,000	25,046,000	616,000	0
San Francisco	<u>50,398,000</u>	<u>49,825,000</u>	<u>573,000</u>	<u>0</u>
Totals	<u>\$625,530,000</u>	<u>\$625,530,000</u>	<u>\$2,637,000</u>	<u>\$2,637,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of short-term Government securities in the amount of \$15,800,000 during the current statement week brought the total in the System Special Account up to \$152,112,000. Further purchases for later delivery have been made aggregating \$35,265,000 so that the account will be increased to \$187,377,000 during the next statement week.

The increase in the holdings in the Open Market Investment Account was authorized at the last meeting of the Open Market Investment Committee, and concurred in by the Governors' Conference, and an unusual situation in New York afforded a propitious time to make the purchases by reason of an increase in the amount of gold earmarked for foreign account.

The participation by Federal reserve banks and the classification of issues at the close of business May 18 were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 7,081,000
New York	39,752,500
Philadelphia	4,616,500
Cleveland	10,578,500
Richmond	4,756,000
Atlanta	790,000
Chicago	20,091,000
St. Louis	10,145,000
Minneapolis	6,714,000
Kansas City	13,212,500
Dallas	13,218,500
San Francisco	<u>21,156,500</u>
Totals	<u>\$152,112,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1927	3 1/2% C/I	\$56,378,000
Sept. 15, 1927	3 1/8% "	4,000,000
Sept. 15, 1927	3 1/4% "	1,300,000
Nov. 15, 1927	4 1/4% 2nd L/L	5,800,000
Dec. 15, 1927	4 1/2% T/N	26,634,000
Mar. 15, 1928	3 1/4% C/I	13,000,000
Sept. 15, 1928	4 1/4% 3rd L/L	25,000,000
Mar. 15, 1932	3 1/2% T/N	20,000,000
Totals		<u>\$152,112,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM MAY 12 to MAY 18, 1927

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

	<u>Purchases</u>
Boston	\$ 1,106,000
New York	3,792,000
Philadelphia	1,264,000
Cleveland	1,580,000
Richmond	790,000
Atlanta	790,000
Chicago	2,212,000
St. Louis	790,000
Minneapolis	632,000
Kansas City	948,000
Dallas	632,000
San Francisco	<u>1,264,000</u>
Total	<u>\$15,800,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Sales</u>		<u>Issue</u>
New York	\$8,200,000*	Misc. Gov't Sec.			\$8,200,000	Misc. Gov't Sec.	
Atlanta	466,100	Misc. Gov't Sec.			166,550	-	
Kansas City	233,000	Second L/L bonds			0	-	
Dallas	<u>42,700</u>	Misc. Gov't Sec.			<u>0</u>	-	
Totals	<u>\$8,941,800</u>				<u>\$8,366,550</u>		

*Were held temporarily for resale.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Rec'd by Allotment</u>					<u>Other Holdings</u>			
	<u>Holdings</u>	<u>Purchased</u>	<u>Regular</u>	<u>From</u>		<u>Matur-</u>	<u>Holdings</u>	<u>Sales</u>	<u>Other</u>
	<u>May 11</u>	<u>Own Mkt.</u>	<u>from</u>	<u>N.Y.</u>	<u>ities &</u>	<u>May 18</u>	<u>Contracts</u>	<u>Bills</u>	
			<u>N.Y.</u>	<u>Port.</u>	<u>Sales</u>				
Boston	\$ 14,921	\$ 2,069 R	\$ 700	0	\$ 4,434	\$ 13,256	\$ 8,627	0	
New York	28,056	8,315 " 11,991 A	0	0	16,286*	20,085	37,741	757	
Phila.	13,576	3,053 R	0	0	2,782	13,847	0	0	
Cleveland	19,237	1,140 "	1,792	0	4,186	17,983	0	1,166	
Richmond	10,392	0	1,085	0	3,029	8,448	0	0	
Atlanta	10,505	759 "	915	0	3,125	9,054	0	1,108	
Chicago	28,468	985 "	2,150	0	7,408	24,195	3,938	0	
St. Louis	14,200	0	1,685	0	4,105	11,780	0	0	
Minn.	12,422	0	1,027	0	3,551	9,898	0	0	
Kan. City	11,230	0	1,557	0	3,003	9,784	0	0	
Dallas	10,044	239 "	438	5,004	1,991	13,734	623	0	
San. Fran.	<u>16,266</u>	<u>1,286 "</u>	<u>642</u>	<u>0</u>	<u>4,091</u>	<u>14,103</u>	<u>4,274</u>	<u>0</u>	
Totals	\$189,317	\$29,837	\$11,991	\$5,004	\$57,991	\$166,167	\$55,203	\$3,031	
Bills held over night by New York for distribution to other F. R. Banks - - - -									
Total - - - - - <u>\$4,166</u>									

*Includes \$5,004,000 sold to Dallas from N. Y. portfolio

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 18, 1927
(000 Omitted)

	1-30 days <u>3 1/2%</u>	31-60 days <u>3 1/4 - 3 3/4%</u>	61-90 days <u>3 3/4%</u>	Over 90-days <u>3 3/4%</u>	Total
Boston	\$ 984	\$ 1,074	\$ 11	0	\$ 2,069
New York	11,644	6,920	625	1,117	20,306
Philadelphia	1,426	1,186	441	0	3,053
Cleveland	1,140	0	0	0	1,140
Atlanta	25	200	34	500	759
Chicago	264	721	0	0	985
Dallas	98	79	58	4	239
San Francisco	<u>1,282</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>1,286</u>
Totals	<u>\$16,863</u>	<u>\$10,180</u>	<u>\$1,173</u>	<u>\$1,621</u>	<u>\$29,837</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 18, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
(000 Omitted)

(Including Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$24,742	\$34,841	\$59,583
Sold	8,200	0	8,200
Matured	0	<u>57,991</u>	<u>57,991</u>
		<u>\$23,150-</u>	<u>\$ 6,608-</u>
		114+(Net Change 1-day holdover and other bills)	114+(Net Change 1-day holdover and other bills)
Totals	<u>\$16,542+</u>	<u>\$23,036-</u>	<u>\$ 6,494-</u>

(Excluding Sales Contracts)

<u>Holdings</u> <u>May 18, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	0	0	\$58,270	0	\$19,501	\$187,537	\$265,308
Bills Purchased	<u>72,636</u>	<u>48,906</u>	<u>36,401</u>	<u>8,654</u>	<u>3,693</u>	<u>0</u>	<u>170,290</u>
Totals	<u>\$72,636</u>	<u>\$48,906</u>	<u>\$94,671</u>	<u>\$8,654</u>	<u>\$23,194</u>	<u>\$187,537</u>	<u>\$435,598</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date May 17, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-9495
GPO

For your information:

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

Please return to Secretary's office.

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May 17, 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 May 16th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from May 5 to May 11, 1937, inclusive.

Very truly yours,

Walter L. Ridy,
Secretary.

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

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RECEIVED
MAY 17 1927
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

May 16, 1927

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Enclosed is a report of transactions in Govern-
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Open Market Investment Committee for the Federal Reserve
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together with data received by the Committee from the
Federal reserve banks.

Respectfully,

W. B. Matteson per saw
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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 MAY 11, 1927

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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Jan. 27	\$1,118,687	\$363,073	\$ 1,990	\$279,321	\$16,096	\$448,557
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May 11	930,724	248,932	4,964	193,326	39,725	441,977

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 11, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 11	Change	May 11	Change	May 11	Change
Boston	\$ 6,522	\$ 2,783-	\$14,921	\$1,288-	\$ 33,432	\$ 5,792+
New York	37,317	17,246-	28,056	1,296-	139,381	24,767-
Philadelphia	18,087	1,562-	13,576	27+	38,888	1,380-
Cleveland	32,396	4,184-	19,237	184-	43,829	3,709-
Richmond	5,207	1,847-	10,392	75+	21,681	2,940-
Atlanta	4,282	227+	10,505	366+	34,338	802+
Chicago	37,815	8,327-	28,468	884+	47,928	24,449-
St. Louis	23,196	4,357-	14,200	2,275-	17,389	109+
Minneapolis	13,640	2,833-	12,422	321+	6,298	941-
Kansas City	21,745	5,711-	11,230	362-	15,834	521+
Dallas	19,143	5,639-	10,044	1,145+	3,901	572-
San Francisco	29,582	9,265-	16,266	35-	39,078	14,131-
N.Y. holdovers and other bills			4,009	6,826-		
Totals	\$248,932	\$63,527-	\$193,326	\$9,448-	\$441,977	\$65,665-

COMMENT ON CHANGES WEEK ENDED MAY 11, 1927

Total earning assets of the System showed a decrease of \$139,217,000 for the current statement week. The approximate decreases, by classification, were \$65,700,000 in bills discounted, \$63,500,000 and \$9,500,000 in outright purchases of Government securities and bankers acceptances respectively, and \$600,000 net in investments held under sales contracts. The latter item consisted of an increase of \$1,100,000 Government securities and a decrease of \$1,700,000 bankers acceptances.

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Money
Market

New York City banks entered the reserve week with a substantial deficit in actual reserves, so that notwithstanding transfers of funds from the interior early this week and the return of currency from week-end circulation, the City banks were obliged to maintain their loans at the Reserve bank at about 120 millions, in order to balance their average reserve position for the period. Consequently, call money was firmer, advancing to 4 1/2 per cent for new loans on Tuesday, and renewing at 4 1/4 per cent for the balance of the week with a rise to 4 1/2 per cent for new loans on Friday, accompanying the usual week-end requirements for funds.

Nominal quotations for time money were slightly easier during the past week but all loans for periods of 60 days to 6 months continued to be arranged at the single rate of 4 3/8 per cent.

The commercial paper market was somewhat more active than in the past two weeks. Both the demand for paper on the part of interior banks, and the supply of new paper were in slightly larger volume. Rates on prime names remained at 4 - 4 1/4 per cent.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds was rather dull and inactive. Some large blocks of Second and Third 4 1/4s were offered in the market while the demand was preferably for the longer termed issues. At the end of the week prices of Treasury 3 3/4s of 1946-56 and Treasury 4 1/4s of 1947-52 advanced 7/32 and 15/32 respectively over the previous week's close, while the other issues declined from 1 to 5/32. The Treasury 4s of 1944-54 reached a new high level during the week at 109 8/32.

Trading in short-term certificates of indebtedness and Treasury notes was in moderate volume with the issues maturing next September in best demand. Prices of all issues were approximately unchanged from the previous week.

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 no material change in the bill market conditions in their district during the past week. The volume of dealers' purchases was about the same as in the preceding period, while the amount of their sales to local banks fell off considerably and sales to out-of-town banks increased slightly. Offerings to the Reserve bank were the lowest for the year, while dealers' commitments held under sales contracts showed a slight increase. In New York dealers' purchases and sales fell off substantially during the past week. The demand was considerably in excess of the supply which was poor and at a low point since the week of February 23, 1927. Orders from foreign correspondents fell off moderately while the demand for local account, although light, was better distributed. Dealers' portfolios decreased substantially. The market in Philadelphia was very quiet. Offerings were very light, dealers reporting a scarcity of bills and the demand was poor. In Chicago dealers report very little demand for bills, especially for the long maturities and very few new bills coming into the market. The aggregate of dealers' portfolios was fairly large.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated for the United States Treasury during the current week consisted of purchases in the New York and Chicago markets of \$10,100,000 Second 4 1/4s and \$5,000,000 Third 4 1/4s 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	\$ 40,905,000	\$ 41,582,000	\$ 0	\$ 677,000
New York	139,405,000	141,902,000	0	2,497,000
Philadelphia	45,859,000	47,212,000	0	1,353,000
Cleveland	59,794,000	59,013,000	781,000	0
Richmond	29,677,000	29,508,000	169,000	0
Atlanta	29,756,000	29,508,000	248,000	0
Chicago	84,005,000	82,892,000	1,113,000	0
St. Louis	33,766,000	33,705,000	61,000	0
Minneapolis	23,668,000	23,603,000	65,000	0
Kansas City	35,403,000	35,406,000	0	3,000
Dallas	24,985,000	23,876,000	1,109,000	0
San Francisco	48,470,000	47,486,000	984,000	0
Totals	\$595,693,000	\$595,693,000	\$4,530,000	\$4,530,000

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since the last report additional sales were made to a foreign correspondent from holdings in the System Account of \$8,300,000 aggregate amount of 3 1/8 per cent certificates maturing September 15, 1927. These sales were made under authority of the Open Market Investment Committee on May 2, to make sales from holdings in the account to foreign correspondents if it became necessary to do so in order to offset gold purchases as mentioned in the previous report. During the week there was purchased from a foreign correspondent \$3,000,000 June 15, 1927 - 3 1/2 per cent certificates of indebtedness which left the total holdings in the account on May 11 at \$136,312,000. The participation by Federal Reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 5,975,000
New York	35,960,500
Philadelphia	3,352,500
Cleveland	8,998,500
Richmond	2,966,000
Atlanta	0
Chicago	17,879,000
St. Louis	9,355,000
Minneapolis	6,082,000
Kansas City	12,264,500
Dallas	12,586,500
San Francisco	19,892,500
Totals	\$136,312,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June 15, 1927	3 1/2% C/I	\$ 54,678,000
Dec. 15, 1927	4 1/2% T/N	26,634,000
March 15, 1928	3 1/4% C/I	10,000,000
Sept. 15, 1928	4 1/4% 3rd L/L	25,000,000
March 15, 1932	3 1/2% T/N	20,000,000
Totals		\$136,312,000

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM MAY 5 TO MAY 11, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 2,952,500	\$ 170,000	\$ 2,782,500
New York	17,769,500	1,023,000	16,746,500
Philadelphia	1,657,000	95,000	1,562,000
Cleveland	4,446,500	256,000	4,190,500
Richmond	1,959,000	112,500	1,846,500
Atlanta	0	0	0
Chicago	8,835,500	508,500	8,327,000
St. Louis	4,622,500	266,500	4,356,000
Minneapolis	3,006,000	173,000	2,833,000
Kansas City	6,060,500	349,000	5,711,500
Dallas	6,219,500	358,000	5,861,500
San Francisco	9,830,500	566,000	9,264,500
Totals	<u>\$67,359,000</u>	<u>\$3,878,000</u>	<u>\$63,481,500</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$1,000,000 *	Fourth L/L bonds	\$1,500,000	Misc. Gov't Sec.
Cleveland	7,000	June 15/27 C/I	0	-
Atlanta	381,000	Misc. Gov't Sec.	153,900	Misc. Gov't Sec.
Dallas	221,200	Misc. Gov't Sec.	0	-
Totals	<u>\$1,609,200</u>		<u>\$1,653,900</u>	

* Were held temporarily in investment account for resale to Treasury

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>May 4</u>					<u>Own Mkt.</u>	<u>Allotment</u>
			<u>from N.Y.</u>	<u>Sales</u>		<u>Close May 11/27</u>	
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 16,209	\$ 928 R.	0	\$ 2,216	\$ 14,921	\$ 8,390	0
New York	29,352	4,044 "	0	5,340	28,056	23,178	820
		19,462 A.					
Phila.	13,549	1,945 R.	0	1,918	13,576	0	0
Cleveland	19,421	674 "	3,039	3,897	19,237	0	1,165
Richmond	10,317	0	1,558	1,483	10,392	0	0
Atlanta	10,139	160 "	1,809	1,603	10,505	0	952
Chicago	27,584	2,273 "	3,789	4,178	28,468	3,148	0
St. Louis	16,475	0	2,972	5,247	14,200	0	0
Minneapolis	12,101	0	1,416	1,095	12,422	0	0
Kan. City	11,592	0	1,995	2,357	11,230	0	0
Dallas	8,899	958 "	1,334	1,147	10,044	0	0
San Fran.	16,301	1,103 "	1,550	2,688	16,266	4,785	0
Totals	<u>\$191,939</u>	<u>\$30,547</u>	<u>\$19,462</u>	<u>\$33,169</u>	<u>\$189,317</u>	<u>\$39,725</u>	<u>\$2,937</u>

Bills held overnight by N.Y. for distribution to other F. R. Banks - - - 1,072

Total - - - - - \$4,009

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 11, 1927
 (OOO Omitted)

	1-30 days 3 1/2 - 3 5/8%	31-60 days 3 1/2 - 3 3/4%	61-90 days 3 3/4%	Over 90-days 3 3/4%	Total
Boston	\$ 80	\$ 848	0	0	\$ 928
New York	14,570	7,038	327	1,071	23,506
Philadelphia	1,789	156	0	0	1,945
Cleveland	674	0	0	0	674
Atlanta	0	121	39	0	160
Chicago	223	1,050	0	0	1,273
Dallas	550	392	0	16	958
San Francisco	<u>1,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,103</u>
Totals	<u>\$18,989</u>	<u>\$9,605</u>	<u>\$866</u>	<u>\$1,087</u>	<u>\$30,547</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 11, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (OOO Omitted)

(Including Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 5,487	\$30,547	\$36,034
Sold	69,013	0	69,013
Matured	0	<u>33,169</u>	<u>33,169</u>
		\$ 2,622-	\$66,148-
		6,826-(Net Change	6,826-(Net Change
		l-day holdover	l-day holdover
		and other bills)	and other bills)
Totals	<u>\$63,526-</u>	<u>\$ 9,448-</u>	<u>\$72,974-</u>

(Excluding Sales Contracts)

Holdings May 11, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91 days- 6 Months	Over 6 Months	Total
Gov't Securities	0	0	\$56,569	0	\$14,123	\$178,240	\$248,932
Bills Purchased	<u>83,476</u>	<u>52,939</u>	<u>43,831</u>	<u>9,424</u>	<u>3,656</u>	<u>0</u>	<u>193,326</u>
Totals	<u>\$83,476</u>	<u>\$52,939</u>	<u>\$100,400</u>	<u>\$ 9,424</u>	<u>\$17,779</u>	<u>\$178,240</u>	<u>\$442,258</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date May 11, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-9476
GPO

For your information:

- Governor Crissinger ✓
- Mr. Platt ✓
- Mr. Hamlin ✓
- Mr. Miller ✓
- Mr. James ✓
- Mr. Cunningham ✓
- Mr. McIntosh ✓ *Absent, file*

Please return to Secretary's office.

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May 11, 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 9th, 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 28 to May 4, 1927, inclusive.

Very truly yours,

Walter L. Ridy,
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 11 1927
DIVISION OF
THE NEW YORK

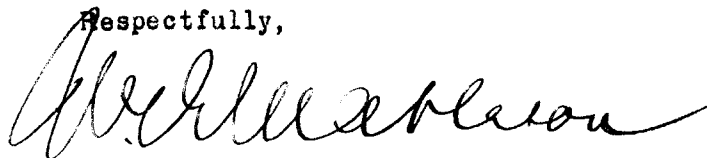
CONFIDENTIAL

May 9, 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 April 28 to May 4, 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 MAY 4, 1927****Holdings of Earning Assets of Federal Reserve Banks from January 27, 1926 to Date**
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales 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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 4	1,069,941	312,459	3,820	202,774	41,446	507,642

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 4, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 4	Net Change	Balance May 4	Net Change	Balance May 4	Net Change
Boston	\$ 9,305	\$ 68-	\$ 16,209	\$2,728-	\$ 27,640	\$13,293+
New York	54,563	897-	29,352	5,956+	164,148	48,034+
Philadelphia	19,649	38-	13,549	1,099+	40,268	6,979-
Cleveland	36,580	95-	19,421	215+	47,538	2,387-
Richmond	7,054	45-	10,317	808+	24,621	2,308+
Atlanta	4,055	95+	10,139	615-	33,536	847-
Chicago	46,142	204-	27,584	306+	72,377	9,470+
St. Louis	27,553	106-	16,475	2,524-	17,280	81+
Minneapolis	16,473	69-	12,101	136+	7,239	491+
Kansas City	27,456	139-	11,592	7-	15,313	50-
Dallas	24,782	82-	8,899	616-	4,473	672-
San Francisco	38,847	225-	16,301	358+	53,209	1,347+
N.Y. holdovers and other bills			10,835	6,379+		
Totals	\$312,459	\$1,873-	\$202,774	\$8,767+	\$507,642	\$64,089+

COMMENT ON CHANGES WEEK ENDED MAY 4, 1927

Total earning assets of the System showed an increase of \$64,364,000 for the current statement week. The approximate changes by classification consisted of increases of \$64,100,000 bills discounted, \$8,800,000 in outright purchases of bankers acceptances and decreases of \$1,900,000 in outright purchases of Government securities and \$6,650,000 in investments held under sales contracts. The latter item was made up of about \$6,450,000 bankers acceptances and \$200,000 Government securities.

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Money
Market

Following the advance to 5 per cent at the month-end, call money on the New York Stock Exchange returned to 4 per cent early this week and remained at this level, although New York City banks' borrowings at the reserve bank were in excess of 100 million dollars throughout the period.

Time money rates were unchanged during the week. Trading centered largely in loans of 5 and 6 months maturity which were placed at 4 3/8 per cent.

Demand for commercial paper on the part of interior banks, especially in the Middle West, became slightly more active than in the previous week, which was a particularly dull period. In order to stimulate sales, it was reported that a few dealers sold some paper of good grade at 4 1/2 per cent, but in general prime names continued to be quoted at 4 - 4 1/4 per cent.

Government
Security
Market

There was a slightly better undertone in the market for United States Liberty Loan and Treasury bonds during the week. A fair amount of trading was reported both on the New York Stock Exchange and in the "over the counter" market, with the longer term bonds being in good demand. At the end of the week the First and Fourth 4 1/4's showed an increase of 5/32nds over the previous week's close, and the Treasury bonds recorded an advance of from 10 to 23/32nds; the Treasury 4's of 1944-54 establishing a new high level of 108 31/32.

The market for short-term Certificates of Indebtedness and Treasury Notes although quiet during the early part of the week reflected some improvement in the demand during the latter part of the week. The 3 1/4 per cent certificates maturing March 15, 1928 and the 3 1/2% Treasury Notes of 1930-32 were in best demand with dealers' offering prices of these issues about 3/32nds higher than at previous week's close, while some of the other issues were offered at prices representing an advance of 1/32nd.

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 that the market in their district reverted to its former listlessness. The supply of bills was very poor with the demand only fair for 30 and 60-day bills. Offerings to the reserve bank were slightly less this week than last. In New York dealers' purchases and sales were both in heavy volume and substantially in excess of the previous week with the demand slightly larger than the supply. Purchases of 90-day bills for foreign accounts were very heavy and those for local accounts improved moderately. Sales to the reserve bank for System Account were chiefly of short bills. The Philadelphia market was only moderately active. Offerings were fair, although not as plentiful as in the previous week, and the demand continued light. The Chicago market continued very quiet with the demand limited to bills of short maturities.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions effected during the current week, under authority from the Treasury, were as follows:

Sale	\$ 500,000	Mar. 15, 1928	3 1/4%	ctfs. acct.	Alien Property Custodian
"	1,000,000	June 15, 1927	3 1/2%	"	Gov't Life Ins. Fund
Purchase	1,000,000	Fourth L/L	4 1/4%	bonds	" " " "
"	441,750	"	4 1/4%	"	Gen'l R.R. Cont. Fund
"	5,000,000	Second	4 1/4%	"	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	\$ 39,977,000	\$ 39,486,000	\$ 491,000	\$ 0
New York	135,360,000	134,717,000	643,000	0
Philadelphia	43,914,000	44,817,000	0	903,000
Cleveland	56,081,000	56,019,000	62,000	0
Richmond	28,119,000	28,011,000	108,000	0
Atlanta	27,587,000	28,011,000	0	224,000
Chicago	78,943,000	78,701,000	242,000	0
St. Louis	30,794,000	31,597,000	0	803,000
Minneapolis	22,252,000	22,406,000	0	154,000
Kansas City	33,408,000	33,610,000	0	202,000
Dallas	22,693,000	22,679,000	14,000	0
San Francisco	<u>45,817,000</u>	<u>45,021,000</u>	<u>726,000</u>	<u>0</u>
Totals	<u>\$565,145,000</u>	<u>\$565,145,000</u>	<u>\$2,286,000</u>	<u>\$2,286,000</u>

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

The Federal Reserve Bank of St. Louis resumed their participation in daily purchases of bills on April 28.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

On May 2, 1927 all members of the Open Market Investment Committee agreed to making sales of securities from holdings in System Account to foreign correspondents if it became necessary to do so in order to offset gold purchases. Under this authority there was sold to a foreign correspondent during the statement week \$5,862,000 September 15, 1927 3 1/4% certificates. A purchase was also made of \$4,312,000 June 15, 1927 3 1/2% certificates which left the total holdings in the account at \$199,793,500. The participation by Federal reserve banks and the classification of issues were as follows:

	<u>Holdings</u>	<u>Holdings By Maturities</u>		
Boston	\$ 8,757,500	June 15, 1927	3 1/2% C/I	\$ 51,678,000
New York	52,707,000	Sept. 15, 1927	3 1/4% " "	58,181,500
Philadelphia	4,914,500	" 15, 1927	3 1/8% " "	8,300,000
Cleveland	13,189,000	Dec. 15, 1927	4 1/2% T/N	26,634,000
Richmond	5,812,500	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	26,206,000	March 15, 1932	3 1/2% T/N	20,000,000
St. Louis	13,711,000			
Minneapolis	8,915,000			
Kansas City	17,976,000			
Dallas	18,448,000			
San Francisco	<u>29,157,000</u>			
Totals	<u>\$199,793,500</u>			<u>\$199,793,500</u>

After the close of the statement week a sale was arranged to a foreign correspondent of 3 1/4% certificates maturing Sept. 15, 1927 held in the account, effective May 6, amounting to - - 58,181,500
This will reduce the total holdings in the account to - - \$141,612,000

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 Authority EO. 10501

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM APRIL 28 TO MAY 4, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>	<u>Purchases</u>	<u>Net Decrease</u>
Boston	\$ 257,000	\$ 189,000	\$ 68,000
New York	1,546,500	1,137,500	409,000
Philadelphia	144,000	106,000	38,000
Cleveland	387,000	284,500	102,500
Richmond	170,500	125,500	45,000
Atlanta	0	0	0
Chicago	769,000	565,500	203,500
St. Louis	402,500	296,000	106,500
Minneapolis	261,500	192,500	69,000
Kansas City	527,500	388,000	139,500
Dallas	541,000	398,000	143,000
San Francisco	855,500	629,500	226,000
Totals	\$5,862,000	\$4,312,000	\$1,550,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$13,324,000	June 15/27 C/I*	\$13,812,000	June 15/27 C/I
Cleveland	6,500	June 15/27 C/I	0	-
Atlanta	163,050	Misc. Gov't Sec.	67,350	Misc. Gov't Sec.
Dallas	65,950	Various L/L bonds	5,000	Fourth L/L bonds
Totals	\$13,559,500		\$13,884,350	

*Were held temporarily in investment account for resale.

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>April 27</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd by Allotment</u>		<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>May 4</u>	<u>Other Holdings</u> <u>Close May 4/27</u>	
			<u>Regular</u> <u>from</u> <u>N. Y.</u>	<u>From</u> <u>Boston</u> <u>Port.</u>			<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 18,937	\$ 3,255 R.	0	0	\$ 5,983*	\$ 16,209	\$ 6,608	0
New York	23,396	12,257 " 18,027 A.	0	1,200	7,501	29,352	24,444	724
Phila.	12,450	2,946 R.	0	0	1,847	13,549	0	0
Cleveland	19,206	726 R.	2,889	0	3,400	19,421	0	999
Richmond	9,509	437 "	1,573	500	1,702	10,317	0	0
Atlanta	10,754	222 "	850	0	1,687	10,139	0	1,197
Chicago	27,278	1,591 "	4,419	0	5,704	27,584	3,617	0
St. Louis	18,999	0	2,051	0	4,575	16,475	0	0
Minn.	11,965	0	1,369	300	1,533	12,101	0	0
Kan. City	11,599	0	2,123	600	2,730	11,592	0	0
Dallas	9,515	30 "	1,192	0	1,838	8,899	607	0
San Fran.	15,943	1,876 "	1,561	0	3,079	16,301	6,170	0
Totals	\$189,551	\$41,367	\$18,027	\$2,600	\$41,579	\$191,939	\$41,446	\$2,920

Bills held overnight by New York for distribution to other F.R. Banks - - - - 7,915

Total - - - - - \$10,835

*Includes \$2,600,000 sold to other Federal reserve banks.

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

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 Authority EO 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 4, 1927
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 3/4%</u>	Over 90-days <u>3 3/4 - 3 7/8%</u>	Total
Boston	\$ 1,585	\$ 1,670	0	0	\$ 3,255
New York	17,787	10,687	968	842	30,284
Philadelphia	1,637	1,274	35	0	2,946
Cleveland	726	0	0	0	726
Richmond	218	219	0	0	437
Atlanta	200	11	11	0	222
Chicago	813	778	0	0	1,591
Dallas	0	5	25	0	30
San Francisco	<u>1,839</u>	<u>26</u>	<u>11</u>	<u>0</u>	<u>1,876</u>
Totals	<u>\$24,805</u>	<u>\$14,670</u>	<u>\$1,050</u>	<u>\$842</u>	<u>\$41,367</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 4, 1927
AND HOLDINGS AS OF THAT DATE CLASSIFIED BY MATURITIES
 (000 Omitted)

(Including Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$17,871	\$43,967	\$61,838
Sold	19,746	0	19,746
Matured	0	<u>41,579</u>	<u>41,579</u>
		\$ 2,388+	\$ 513+
		6,379+ (Net Change 1-day holdover and other bills)	6,379+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 1,875-</u>	<u>\$8,767+</u>	<u>\$6,892+</u>

(Excluding Sales Contracts)

<u>Holdings</u> <u>May 4, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	0	0	\$54,058	0	\$80,527	\$177,874	\$312,459
Bills Purchased	<u>87,861</u>	<u>59,553</u>	<u>41,594</u>	<u>10,906</u>	<u>2,860</u>	<u>0</u>	<u>202,774</u>
Totals	<u>\$87,861</u>	<u>\$59,553</u>	<u>\$95,652</u>	<u>\$10,906</u>	<u>\$83,387</u>	<u>\$177,874</u>	<u>\$515,233</u>

FRASER

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Authority EO. 10501

Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date September 8, 1927

To All Members of the Board

Subject: _____

From Mr. Noell

2-8495
G P O

Please circulate promptly and return to the Secretary's Office for filing.

- ✓ Governor Crissinger
- ✓ Mr. Platt
- ✓ Mr. Harlin
- ✓ Mr. James
- ✓ Mr. Cunningham
- ✓ Mr. Miller
- ✓ Col. McIntosh .

DECLASSIFIED
Authority E.O. 10501

September 8, 1927

Dear Sir:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 6th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from August 25 to August 31, 1927, inclusive.

Very truly yours,

(Signed) J. C. Noell
J. C. Noell,
Assistant Secretary

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

DECLASSIFIED
Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
SEP 8 1927
OFFICE OF
THE GOVERNOR

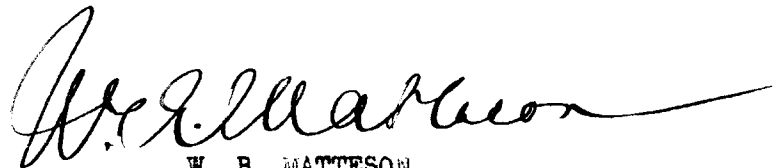
CONFIDENTIAL

September 6, 1927

Sir :

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 August 25 to August 31, 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 AUGUST 31, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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	37,400	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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 27	953,831	380,559	4,457	157,291	12,094	398,130
Aug. 24	1,038,107	442,221	2,600	109,441	69,368	414,157
" 31	1,058,786	469,954	2,860	118,189	66,939	400,524

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 31, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Aug. 31	Change	Aug. 31	Change	Aug. 31	Change
Boston	\$ 22,409	\$ 1,762+	\$ 9,618	\$ 1,553+	\$ 36,913	\$ 9,914+
New York	87,144	10,423+	22,471	4,020+	106,188	23,718-
Philadelphia	34,909	1,759+	1,935	824-	36,803	1,255-
Cleveland	52,868	1,778+	8,139	86+	28,040	671-
Richmond	25,527	2,839+	11,872	2,454+	21,890	1,231+
Atlanta	14,613	1,106+	5,615	125-	33,611	294-
Chicago	69,049	3,326+	15,454	1,147-	32,762	4,257-
St. Louis	33,117	1,028+	4,065	747+	28,701	2,503+
Minneapolis	21,405	675+	4,105	43+	7,324	103+
Kansas City	33,586	913+	5,397	515+	8,765	1,159-
Dallas	29,181	752+	4,611	22-	14,077	19+
San Francisco	46,146	1,371+	6,095	185+	45,450	3,951+
N. Y. holdovers and other bills			18,812	1,264+		
Totals	\$469,954	\$27,732+	\$118,189	\$8,748+	\$400,524	\$13,633-

COMMENT ON CHANGES WEEK ENDED AUGUST 31, 1927

Total earning assets of the System showed an increase of \$20,679,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$27,700,000 in outright purchases of Government securities and \$8,700,000 in outright purchases of bankers acceptances, decreases of \$13,600,000 in bills discounted and \$2,150,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$2,400,000 bankers acceptances and an increase of \$250,000 Government securities.

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2

Money
Market

Notwithstanding the month-end and holiday requirements for credit and currency, money rates in New York remained easy throughout the week. A slightly firmer tendency, however, was reflected in the scarcity of offerings of funds on the Exchange and in a rise in the borrowings of New York City banks at the Reserve Bank to over \$110,000,000 toward the end of the week, but the rate on call loans nevertheless remained at 3 1/2 per cent.

Demand for time loans was rather quiet at unchanged rate levels. Ninety day loans were placed at 4 per cent, and over the year-end maturities at 4 1/4 per cent.

Commercial paper dealers continued to dispose easily of the limited amounts of new paper available. There was some buying by New York City banks as well as by interior markets. The prevailing rate for prime names remained at 4 per cent. Actual sales of paper offered at 3 3/4 per cent continued to be only occasional.

Government
Security
Market

The market for United States Government securities was more active this week than for the past several weeks with practically all issues being in good demand. Prices of Liberty Loan bonds registered small fractional gains, while prices of Treasury bonds advanced from 8 to 28/32nds. Dealers' offerings of short-term certificates of indebtedness and Treasury notes were at levels to yield about 3 per cent for the certificates maturing September 15, 1927 and March 15, 1928, and 2.65 per cent for the notes maturing December 15, 1927, and 3.45 per cent for the notes due March 15, 1930-32.

Bankers
Acceptances

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

Boston reports conditions in their bill market were slightly improved. There was a small increase in the supply of new bills and offerings, although still small, were larger than for several weeks past. The demand for bills continued limited. In the New York market the supply and demand increased moderately in volume as compared with the previous week. Dealers' sales, which were about equal to their purchases, consisted chiefly of orders of 90-day bills for foreign accounts while sales for local account were very light. Philadelphia reports their bill market continued inactive, offerings were light with the demand slightly improved. Chicago reports there was very little demand for bills in their district.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current week consisted of purchases of \$1,000,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account of Government Life Insurance Fund, \$2,550,000 - Second 4 1/4 per cent Liberty Loan bonds for account of the Cumulative Sinking Fund and a sale of \$200,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account of the Alien Property Custodian, and \$75,000 - 3 1/4 per cent certificates of indebtedness due September 15, 1927 for account of the Harding Memorial Association. The purchases made for account of the Cumulative Sinking Fund were effected in Chicago and New York markets.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<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	\$ 70,320,000	\$ 70,517,000	\$ 0	\$ 197,000
New York	241,760,000	238,578,000	3,182,000	0
Philadelphia	75,567,000	78,529,000	0	2,962,000
Cleveland	94,789,000	95,098,000	0	309,000
Richmond	56,836,000	57,077,000	0	241,000
Atlanta	48,855,000	49,081,000	0	226,000
Chicago	139,428,000	139,229,000	199,000	0
St. Louis	56,466,000	56,612,000	0	146,000
Minneapolis	37,677,000	37,729,000	0	52,000
Kansas City	55,690,000	55,830,000	0	140,000
Dallas	38,191,000	38,002,000	189,000	0
San Francisco	<u>76,444,000</u>	<u>75,741,000</u>	<u>703,000</u>	<u>0</u>
Totals	<u>\$992,023,000</u>	<u>\$992,023,000</u>	<u>\$4,273,000</u>	<u>\$4,273,000</u>

The overage of New York shown above was caused by the purchase of \$5,000,000 bills of very short maturities which it was impracticable to allot. This, of course, was taken into consideration in making allotments to other banks.

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions consummated in the System Account during the current statement week were as follows: Purchases (made partly to offset sales of sterling and partly in connection with replacement of System and foreign accounts holdings of September maturities) of \$12,400,000 short-term Government securities in the market, \$200,000 from the Treasury, and \$40,100,000 from foreign correspondents; and sales of \$5,000,000 September 15 certificates to the market, \$7,500,000 September 15, 1927 certificates and \$3,120,500 March 15, 1928 certificates to the Treasury, and \$9,643,000 of the latter mentioned issue to Foreign Account. Exchanges were also effected in the New York and Chicago markets of \$6,500,000 September 15, 1927 certificates for \$5,500,000 Third Liberty Loan 4 1/4s and \$1,000,000 March 15, 1928 3 1/4% certificates. These transactions left the total holdings in the account at the close of business August 31 at \$353,467,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 21,704,000
New York	85,689,800
Philadelphia	19,724,500
Cleveland	28,093,000
Richmond	24,285,500
Atlanta	9,954,000
Chicago	49,122,000
St. Louis	19,547,500
Minneapolis	13,847,000
Kansas City	23,832,500
Dallas	21,216,000
San Francisco	<u>36,451,500</u>
	<u>\$353,467,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927 - 3 1/8% C/I	\$ 30,261,000
" 15, 1927 - 3 1/4% "	56,016,500
Nov. 15, 1927 - 2nd L/L	6,400,000
Dec. 15, 1927 - 4 1/2% T/N	37,954,500
Mar. 15, 1928 - 3 1/4% C/I	58,539,000
Sept. 15, 1928 - 4 1/4% 3rd L/L	120,306,500
Mar. 15, 1932 - 3 1/2% T/N	43,989,800
	<u>\$353,467,300</u>

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 Authority FD. 10501

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM AUGUST 25 TO AUGUST 31, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 4,014,500	\$ 2,251,500	\$ 1,763,000
New York	19,299,000	8,974,000	10,325,000
Philadelphia	3,797,000	2,038,500	1,758,500
Cleveland	4,715,500	2,937,000	1,778,500
Richmond	5,316,500	2,478,000	2,838,500
Atlanta	2,112,000	1,019,000	1,093,000
Chicago	8,452,000	5,126,000	3,326,000
St. Louis	2,961,500	2,059,000	902,500
Minneapolis	2,131,500	1,456,500	675,000
Kansas City	3,433,000	2,520,000	913,000
Dallas	2,941,500	2,249,000	692,500
San Francisco	5,226,000	3,855,000	1,371,000
Totals	\$64,400,000	\$36,963,500	\$27,436,500

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$24,643,000	Misc. Gov't Sec.	\$24,545,000	Misc. Gov't Sec.
Atlanta	97,450	Misc. Gov't Sec.	84,600	Misc. Gov't Sec.
St. Louis	125,000	Treas. Bonds 1947	0	-
Dallas	60,300	Misc. Gov't Sec.	1,200	Fourth L/L Bonds.
Totals	\$24,925,750		\$24,630,800	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Aug. 24	Purchased Own Mkt.	Rec'd by Matur- Allotment ities &		Holdings Aug. 31	Other Holdings Close Aug. 31/27		
			from N.Y.	ities & Sales		Sales Contracts	Other Bills	
Boston	\$ 8,065	\$ 1,642 R	\$ 798	\$ 887	\$ 9,618	\$ 7,934	\$ 894	
New York	18,451	8,788 " 9,752 A	0	4,768	22,471	48,191	3,554	
Phila.	2,759	233 R	0	1,057	1,935	0	1,144	
Cleve.	8,053	25 "	1,350	1,289	8,139	0	3,297	
Richmond	9,418	375 "	2,847	768	11,872	0	620	
Atlanta	5,741	23 "	1,131	1,280	5,615	0	1,508	
Chicago	16,601	959 "	930	3,036	15,454	3,615	1,644	
St. Louis	3,318	0	971	224	4,065	0	512	
Minn.	4,062	0	739	696	4,105	0	357	
Kan. City	4,882	0	986	471	5,397	0	440	
Dallas	4,633	302 "	0	324	4,611	1,370	417	
San Fran.	5,910	1,248 "	0	1,063	6,095	5,829	834	
Totals	\$91,893	\$23,347	\$9,752	\$15,863	\$99,377	\$66,939	\$15,221	
Bills held over night by N.Y. for distribution to other F. R. Banks - - -							3,591	\$18,812

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

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 Authority EO. 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 31, 1927
 (000 Omitted)

	1-30 days 3 - 3 1/8%	31-60 days 3 - 3 1/4%	61-90 days 3 1/4 - 3 1/2%	Over 90-days 3 3/8 - 3 3/4%	Total
Boston	\$ 512	\$1,130	\$ 0	\$ 0	\$ 1,642
New York	10,242	6,023	1,590	685	18,540
Philadelphia	151	61	21	0	233
Cleveland	0	25	0	0	25
Richmond	25	25	325	0	375
Atlanta	0	0	23	0	23
Chicago	406	553	0	0	959
Dallas	1	107	56	138	302
San Francisco	986	262	0	0	1,248
Totals	\$12,323	\$8,186	\$2,015	\$823	\$23,347

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 31, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$89,326	\$23,347	\$112,673
Sold	61,594	0	61,594
Matured	0	15,863	15,863
		\$ 7,484+	\$ 35,216+
		1,264+ (Net Change l-day holdover & other bills)	1,264+ (Net Change l-day holdover & other bills)
Totals	\$27,732+	\$ 8,748+	\$36,480+

(Including Sales Contracts)

Holdings August 31, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91-days- 6 months	Over 6 months	Total
Gov't Securities	\$ 93,260	\$ 0	\$ 0	\$ 8,391	\$38,384	\$332,777	\$472,812
Bills Purchased	107,871	29,169	27,835	17,486	2,767	0	185,128
Totals	\$201,131	\$29,169	\$27,835	\$25,877	\$41,151	\$332,777	\$657,940

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Authority EO 10501

Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 31, 1921

To To All Members of the Board

Subject: _____

From Mr. Eddy

2-8195
G P O

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

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

DECLASSIFIED
Authority EO 10501

August 31, 1927

Dear Sir:

Receipt is acknowledged of your letter of the 29th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from August 18th to August 24th, 1927, inclusive. Your letter with enclosure will be brought to the attention of the members of the Federal Reserve Board.

Very truly yours,

Walter L. Eddy,
Secretary

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

DECLASSIFIED
Authority E.O. 10501

RECEIVED
AUG 31 1927
FEDERAL RESERVE BANK OF NEW YORK

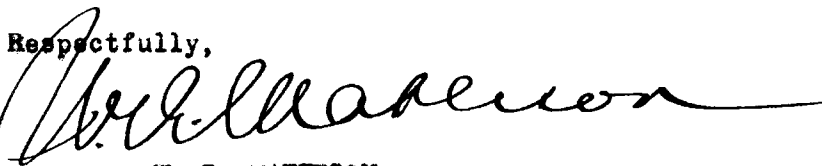
FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 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 August 18 to August 24, 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

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 24, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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June 30	\$1,158,406	\$372,868	\$12,411	\$214,664	\$34,750	\$515,031
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Apr. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
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July 27	958,831	380,559	4,457	157,291	12,094	398,130
Aug. 17	1,003,253	434,008	7,520	107,036	63,896	390,493
Aug. 24	1,038,107	442,221	2,600	109,441	69,368	414,157

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 24, 1927

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 24	Net Change	Balance Aug. 24	Net Change	Balance Aug. 24	Net Change
Boston	\$ 20,647	\$1,082+	\$ 8,065	\$ 610+	\$ 26,999	\$ 5-
New York	76,721	2,160-	18,451	332+	129,906	21,890+
Philadelphia	33,150	1,088+	2,759	2,676-	38,058	905+
Cleveland	51,090	1,063+	8,053	379-	28,711	829+
Richmond	22,688	1,791+	9,418	830+	20,659	624-
Atlanta	13,507	698+	5,741	62-	33,905	745+
Chicago	65,723	2,002+	16,601	2,093+	37,019	2,112-
St. Louis	32,089	614+	3,318	88-	26,198	768+
Minneapolis	20,730	389+	4,062	37-	7,221	432+
Kansas City	32,673	605+	4,882	52+	9,924	1,236-
Dallas	28,429	411+	4,633	113+	14,058	2,059+
San Francisco	44,774	751+	5,910	778-	41,499	3+
N.Y. holdovers and other bills			17,548	2,386+		
Totals	\$442,221	\$8,214+	\$109,441	\$2,405+	\$414,157	\$23,664+

COMMENT ON CHANGES WEEK ENDED AUGUST 24, 1927

Total earning assets of the System showed an increase of \$34,854,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$8,200,000 in outright purchases of Government securities, \$2,400,000 in outright purchases of bankers acceptances, \$23,650,000 in bills discounted, and \$550,000 net in investments held under sales contracts. The latter increase consisted of \$5,450,000 bankers acceptances and a decrease of \$4,900,000 Government securities.

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Money
Market

The New York money market remained easy during the past week. The Stock Exchange call loan rate which had declined to 3 1/2 per cent in the previous week, continued at this level and there were some loans arranged outside the Exchange at 3 1/4 per cent. New York City banks were able to balance their reserve position at the end of the week without a considerable increase in Reserve Bank borrowings, which averaged slightly lower than during the previous period.

In the time money market, nominal quotations continued to reflect an easier trend. Ninety day loans were placed in fair volume at 4 per cent and over the year loans were arranged for the most part at 4 1/4 per cent.

The active bank demand for commercial paper continued during the past week and the volume of dealers' sales was limited only by the small amount of new paper which they could obtain from open market borrowers. The bulk of the prime names was sold at 4 per cent, and while there continued to be a number of offerings at 3 3/4 per cent, business at this rate showed little increase.

Government
Security
Market

The market for United States Liberty Loan and Treasury bonds was very quiet. Prices of Liberty Loan bonds were at approximately the same levels as at the previous week's close, while prices of Treasury bonds showed a decline of from 4 to 13/32nds.

The short-term certificates of indebtedness and Treasury notes were in slightly better demand than the longer-term bonds with dealers offering prices at the end of the calendar week at levels to yield from about 3.00 to 3.45 per cent according to maturity.

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates - 3 per cent for 30s, 3 to 3 1/8 per cent for 60s, 3 1/8 per cent for 90s and 3 1/4 per cent for 120-day bills. This represents a reduction over last week of 1/8 per cent by all dealers on 30-day bills, and by some dealers on 60-day bills.

Boston reports conditions in their bill market for the past period failed to show any improvement over the previous week. New bills were very scarce and the available supply small. In the New York bill market the supply continued good though not in as heavy volume as the previous week. The demand which was approximately equal to the supply consisted chiefly of orders of 90-day bills for foreign accounts, while sales for local account were light. Following the extension of the New York Reserve bank's minimum buying rate to 3 per cent up to 45 days all dealers lowered their rates on 30s to 3 1/8 per cent bid, 3 per cent offered. Philadelphia and Chicago report their respective bill market conditions continued practically unchanged.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current week consisted of purchases aggregating \$12,000,000 Second 4 1/4s for account of the Cumulative Sinking Fund, \$2,000,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account Government Life Insurance Fund, \$1,120,500 - 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account Mixed Claims and \$17,500,000 - 3 1/8 per cent certificates of indebtedness due September 15, 1927 for redemption. The purchases made for account of the Cumulative Sinking Fund were effected in Chicago and New York markets.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 67,880,000	\$ 68,649,000	\$ 0	\$ 769,000
New York	232,972,000	233,208,000	0	236,000
Philadelphia	75,334,000	76,661,000	0	327,000
Cleveland	93,414,000	93,230,000	184,000	0
Richmond	53,614,000	54,042,000	0	428,000
Atlanta	47,701,000	47,914,000	0	213,000
Chicago	137,539,000	135,727,000	1,812,000	0
St. Louis	55,495,000	55,678,000	0	183,000
Minneapolis	36,938,000	37,029,000	0	91,000
Kansas City	54,704,000	54,896,000	0	192,000
Dallas	37,889,000	37,302,000	587,000	0
San Francisco	75,196,000	74,340,000	856,000	0
Totals	\$968,676,000	\$968,676,000	\$3,439,000	\$3,439,000

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 exchanges in the New York and Chicago markets of \$23,500,000 aggregate amount of certificates maturing September 15, 1927 for a like amount of Third 4 1/4 per cent Liberty Loan bonds and further purchases to offset sales of sterling of \$13,274,500 short-term Governments. Sales were made of \$1,000,000 Second 4 1/4s to the Treasurer of the United States and \$5,200,000 Treasury 3 1/2 per cent notes due 1930/32 to a foreign correspondent. The first mentioned sale was replaced by purchase in the market while the latter sale was effected late on the day of August 24 and was made temporarily overnight from New York's participation in the System Account and apportioned to all the banks on Thursday, August 25 on which day the sale was replaced. These transactions left the total holdings in the account at the close of business August 24 at \$326,030,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 19,941,000
New York	75,364,800
Philadelphia	17,966,000
Cleveland	26,314,500
Richmond	21,447,000
Atlanta	8,861,000
Chicago	45,796,000
St. Louis	18,645,000
Minneapolis	13,172,000
Kansas City	22,919,500
Dallas	20,523,500
San Francisco	35,080,500
Totals	\$326,030,800

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 29,463,000
Sept. 15, 1927	3 1/4% "	35,714,500
Nov. 15, 1927	4 1/4% 2nd L/L	6,400,000
Dec. 15, 1927	4 1/2% T/N	35,554,500
Mar. 15, 1928	3 1/4% C/I	70,102,500
Sept. 15, 1928	4 1/4% 3rd L/L	113,806,500
Mar. 15, 1932	3 1/2% T/N	34,989,800
Totals		\$326,030,800

After the close of the statement week additional exchanges were effected and purchases made to offset sales of sterling which will be more fully enumerated in the next report and which will increase the total holdings in the account to about \$350,000,000.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM AUGUST 18 TO AUGUST 24, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,554,000	\$ 1,472,000	\$1,082,000
New York	9,001,500	11,161,500 *	2,160,000 **
Philadelphia	2,413,000	1,325,000	1,088,000
Cleveland	3,009,000	1,946,500	1,062,500
Richmond	3,367,000	1,576,000	1,791,000
Atlanta	1,339,000	652,500	686,500
Chicago	5,388,000	3,385,500	2,002,500
St. Louis	1,896,000	1,381,500	514,500
Minneapolis	1,364,500	976,000	388,500
Kansas City	2,201,000	1,699,000	502,000
Dallas	1,889,500	1,523,000	366,500
San Francisco	3,352,000	2,601,500	750,500
Totals	\$37,774,500	\$29,700,000	\$8,074,500

*Includes temporary sale overnight of \$5,200,000 from New York's participation in System Account on August 24, which was apportioned to all participating banks on August 25.

**Decrease

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$194,650	Misc. Gov't Sec.	\$203,000	Misc. Gov't Sec.
Kansas City	103,550	Treas. Bonds 1947	103,550	2nd L/L bonds
	103,550	2nd L/L bonds		
Dallas	51,200	Misc. Gov't Sec.	7,000	2nd L/L bonds
Totals	\$452,950		\$313,550	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Aug. 17</u>	<u>Purchased Own Mkt.</u>	<u>Rec'd by</u>		<u>Matur- ities & Sales</u>	<u>Holdings Aug. 24</u>	<u>Other Holdings Close Aug. 24/27</u>	
			<u>Allotment from N. Y.</u>	<u>from N. Y.</u>			<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 7,455	\$ 1,011 R.	\$ 503	\$ 904	\$ 8,065	\$ 7,695	\$ 888	
New York	18,119	5,667 " 10,804 A.	0	5,335	18,451	50,217	3,532	
Phila.	5,435	620 R.	0	3,296	2,759	0	1,137	
Cleveland	8,423	492 "	1,427	2,289	8,053	0	2,970	
Richmond	8,588	208 "	3,248	2,626	9,418	0	616	
Atlanta	5,803	10 "	945	1,017	5,741	0	1,207	
Chicago	14,508	2,764 "	2,674	3,345	16,601	3,723	1,632	
St. Louis	3,406	0	724	812	3,318	0	509	
Minn.	4,099	0	565	602	4,062	0	355	
Kan. City	4,830	0	718	666	4,882	0	438	
Dallas	4,520	553 "	0	440	4,633	1,020	415	
San Fran.	6,688	468 "	0	1,246	5,910	6,713	827	
Totals	\$91,874	\$22,597.	\$10,804	\$22,578	\$91,893	\$69,368	\$14,526	

Bills held overnight by N.Y. for distribution to other Federal res. bks. - - 3,022

Total - - - - - \$17,548

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 24, 1927
 (000 Omitted)

	<u>1-30 days</u> 3 - 3 1/4%	<u>31-60 days</u> 3 - 3 1/4%	<u>61-90 days</u> 3 1/4-3 3/8%	<u>Over 90-days</u> 3 3/8-3 3/4%	<u>Total</u>
Boston	\$ 460	\$ 525	\$ 26	\$ 0	\$ 1,011
New York	8,990	5,700	534	1,247	16,471
Philadelphia	47	55	518	0	620
Cleveland	0	492	0	0	492
Richmond	208	0	0	0	208
Atlanta	0	0	10	0	10
Chicago	1,963	651	150	0	2,764
Dallas	239	67	129	118	553
San Francisco	323	138	7	0	468
Totals	\$12,230	\$7,628	\$1,374	\$1,365	\$22,597

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 24, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$38,229	\$22,597	\$60,826
Sold	30,015	0	30,015
Matured	0	22,578	22,578
		\$ 19+	\$ 8,233+
		2,386+ (Net Change	2,386+ (Net Change
		1-day holdover	1-day holdover
		and other bills	and other bills)
Totals	\$ 8,214+	\$ 2,405+	\$10,619+

(Including Sales Contracts)

<u>Holdings</u> <u>August 24, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 2,600	\$69,300	\$ 0	\$ 8,369	\$35,984	\$328,567	\$444,820
Bills Purchased	106,034	29,818	24,604	16,234	2,119	0	178,809
Totals	\$108,634	\$99,118	\$24,604	\$24,603	\$38,103	\$328,567	\$623,629

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Correspondence

FEDERAL RESERVE
BOARD

Date August 24, 1927

Members of the Board

Subject: _____

Mr. Eddy

2-8496
G.P.O.

Please circulate promptly and return to the Secretary's Office.

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

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August 24, 1927

Dear Sir:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 22nd instant, addressed to Governor Crissinger, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from August 11 to August 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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RECEIVED
AUG 24 1927
FEDERAL RESERVE BANK
NEW YORK

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 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 August 11 to August 17, 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 AUGUST 17, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 27	953,831	380,559	4,457	157,291	12,094	398,130
Aug. 10	1,010,389	416,817	3,460	117,757	57,950	413,105
Aug. 17	1,003,253	434,008	7,520	107,036	63,896	390,493

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 17, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 17	Net Change	Balance Aug. 17	Net Change	Balance Aug. 17	Net Change
Boston	\$ 19,565	\$ 1,421+	\$ 7,455	\$ 2,027+	\$ 27,004	\$ 6,118-
New York	78,881	4,075+	18,119	3,539-	108,016	16,818-
Philadelphia	32,063	1,403+	5,435	947-	37,153	249-
Cleveland	50,027	1,562+	8,423	1,680-	27,882	7,100-
Richmond	20,897	1,429+	8,588	527+	21,283	3,959+
Atlanta	12,829	783+	5,803	603-	33,160	992+
Chicago	63,721	1,747+	14,508	156-	39,131	8,276-
St. Louis	31,575	1,295+	3,406	1,075-	25,430	4,999+
Minneapolis	20,341	588+	4,099	200-	6,789	1,847+
Kansas City	32,068	904+	4,830	662-	11,150	3,459+
Dallas	28,018	722+	4,520	951-	11,999	712+
San Francisco	44,023	1,262+	6,688	1,770-	41,496	19-
N.Y. holdovers and other bills			15,162	1,692-		
Totals	\$434,008	\$17,191+	\$107,036	\$10,721-	\$390,493	\$22,612-

COMMENT ON CHANGES WEEK ENDED AUGUST 17, 1927

Total earning assets of the System showed a decrease of \$7,136,000. The approximate changes by classification consisted of decreases of \$10,700,000 in outright purchases of bankers acceptances, \$22,600,000 in bills discounted, increases of \$17,200,000 outright purchases Government securities and \$10,000,000 net in investments held under sales contracts. The latter increase consisted of \$4,060,000 Government securities and \$5,940,000 bankers acceptances.

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2

Money
Market

Call money continued at 3 3/4 per cent during the first two days of the week, but on Wednesday large offerings of loanable funds caused a reduction in the new loan rate to 3 1/2 per cent and for the balance of the week renewals were arranged at this rate. This was the lowest renewal rate since July 17, 1926. Loans in the outside market were contracted in the last part of the week at rates as low as 3 1/4 per cent.

Further ease continued to develop in the time money market and by the end of the week 60 day loans were being arranged at 3 3/4 per cent, 90 days at 4 per cent, 4 months at 4 1/8 per cent, and 6 months at 4 1/4 per cent. These levels are the lowest that have been touched since May 1926.

In the commercial paper market, the small amount of new paper which dealers were able to secure from open market borrowers continued to act as a restraining influence on the market. The bank investment demand for paper generally continued active. The prevailing rate on the bulk of the paper was 4 per cent, with only occasional sales in the Middle West at 3 3/4 per cent.

Government
Security
Market

The continuance of easy money conditions throughout the week was reflected in the excellent investment demand for United States Liberty Loan and Treasury bonds during the current week. Prices of Liberty Loan bonds were at approximately the same levels as at the previous week's close while the Treasury bonds registered gains of from 10 to 13/32nds.

The market for United States certificates of indebtedness and Treasury notes continued strong and active, with dealers' offering prices at the close of the week at levels to yield about 2.45% to 3.16% for the shorter maturities up to 3.45% for the longer maturities.

Bankers
Acceptances

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

In New York the bill market was active this week with a substantial increase in both supply and demand. Purchases by dealers were moderately in excess of sales. Buying of 90-day maturities for foreign accounts increased in good volume, while sales for local account were very light. The two dealers that lowered their rates on 30s to 3 1/8 per cent as mentioned last week, advanced them to their previous levels. Dealers' portfolios were the heaviest for the year and consisted mainly of 90-day maturities. Boston, Philadelphia and Chicago report conditions in their respective bill markets practically unchanged.

OPERATIONS ACCOUNT UNITED STATES TREASURY

In addition to deliveries of \$400,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928, sold for account of the Alien Property Custodian, \$5,000,000 Second 4 1/4 per cent Liberty Loan bonds were purchased for account of the Cumulative Sinking Fund.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 66,366,000	\$ 66,841,000	\$ 0	\$ 475,000
New York	227,305,000	228,011,000	0	706,000
Philadelphia	74,714,000	74,853,000	0	139,000
Cleveland	91,495,000	91,422,000	73,000	0
Richmond	50,158,000	51,104,000	0	946,000
Atlanta	46,746,000	46,785,000	0	39,000
Chicago	132,101,000	132,338,000	0	237,000
St. Louis	54,771,000	54,774,000	0	3,000
Minneapolis	36,373,000	36,351,000	22,000	0
Kansas City	53,986,000	53,992,000	0	6,000
Dallas	37,336,000	36,624,000	712,000	0
San Francisco	74,728,000	72,984,000	1,744,000	0
Totals	<u>\$946,079,000</u>	<u>\$946,079,000</u>	<u>\$2,551,000</u>	<u>\$2,551,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected during the current statement week consisted of exchanges in the market of \$3,000,000 - 3 1/8 per cent certificates due September 15, 1927 for a like amount of Third 4 1/4 per cent Liberty Loan bonds and \$20,000,000 3 3/8 per cent Treasury bonds of 1947 for a like amount of 3 1/8 per cent certificates due September 15, 1927. Further purchases of \$15,693,000 were made under authorization of the Open Market Investment Committee meeting of July 27 and \$2,930,000 to offset sales of sterling as heretofore. These transactions left the total holdings in the System Account at the close of business August 17 at \$317,956,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 18,859,000
New York	77,524,800
Philadelphia	16,878,000
Cleveland	25,252,000
Richmond	19,656,000
Atlanta	8,174,500
Chicago	43,793,500
St. Louis	18,130,500
Minneapolis	12,783,500
Kansas City	22,417,500
Dallas	20,157,000
San Francisco	34,330,000

Totals \$317,956,300

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 49,463,000
Sept. 15, 1927	3 1/4% "	39,214,500
Nov. 15, 1927	4 1/4% 2nd L/L	6,400,000
Dec. 15, 1927	4 1/2% T/N	35,554,500
Mar. 15, 1928	3 1/4% C/I	62,328,000
Sept. 15, 1928	4 1/4% 3rd L/L	88,806,500
Mar. 15, 1932	3 1/2% T/N	36,189,800

\$317,956,300

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM AUGUST 11 TO AUGUST 17, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,796,000	\$ 1,374,500	\$ 1,421,500
New York	10,783,500	5,697,500	5,086,000
Philadelphia	2,624,000	1,221,500	1,402,500
Cleveland	3,350,000	1,867,500	1,482,500
Richmond	2,865,000	1,436,000	1,429,000
Atlanta	1,434,000	581,000	853,000
Chicago	5,973,500	3,227,000	2,746,500
St. Louis	2,152,000	1,357,500	794,500
Minneapolis	1,544,000	955,500	588,500
Kansas City	2,525,000	1,688,000	837,000
Dalla.	2,184,000	1,524,000	660,000
San Francisco	<u>3,849,000</u>	<u>2,587,000</u>	<u>1,262,000</u>
Totals	<u>\$42,090,000</u>	<u>\$23,517,000</u>	<u>\$18,563,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	0	-	\$1,011,100*	Second L/L bonds
Cleveland	80,000	Second L/L bonds	0	-
Atlanta	200,750	Misc. Gov't Sec.	270,950	Misc. Gov't Sec.
Chicago	0	-	1,000,000**	Second L/L bonds
St. Louis	500,000	First L/L bonds	0	-
Kansas City	66,450	3 3/8% Treas. bonds	0	-
Dallas	<u>422,450</u>	Misc. Gov't Sec.	<u>360,550</u>	Misc. Gov't Sec.
Totals	<u>\$1,269,650</u>		<u>\$2,642,600</u>	

*Sold to Treasury and System Account
**Sold to Treasury

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Aug. 10	Purchased Own Mkt.	Rec'd by Allotment from N. Y.	Matur- ities & Sales	Holdings Aug. 7	Other Holdings Close Aug. 17/27	
						Sales Contracts	Other Bills
Boston	\$ 5,428	\$ 1,625 R.	\$ 1,034	\$ 632	\$ 7,455	\$ 7,497	\$ 884
New York	21,658	4,527 " 12,460 A.	0	8,066	18,119	47,565	3,554
Phila.	6,382	864 R.	0	1,811	5,435	0	1,132
Cleveland	10,103	230 "	1,925	3,835	8,423	0	2,858
Richmond	8,061	175 "	2,101	1,749	8,588	0	613
Atlanta	6,406	2 "	1,272	1,877	5,803	0	1,180
Chicago	14,664	429 "	3,307	3,892	14,508	4,469	1,627
St. Louis	4,481	0	1,025	2,100	3,406	0	507
Minn.	4,299	0	779	979	4,099	0	354
Kan. City	5,492	0	1,017	1,679	4,830	0	436
Dallas	5,471	379 "	0	1,330	4,520	717	413
San Fran.	<u>8,458</u>	<u>1,390 "</u>	<u>0</u>	<u>3,160</u>	<u>6,688</u>	<u>3,648</u>	<u>825</u>
Totals	\$100,903	\$22,081	\$12,460	\$31,110	\$91,874	\$63,896	\$14,383

Bills held overnight by New York for distribution to other F.R. Banks - - - 779
Total - - - - - \$15,162

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 17, 1927
 (000 Omitted)

	1-30 days <u>3 - 3 5/8%</u>	31-60 days <u>3 1/8 - 3 3/4%</u>	61-90 days <u>3 1/4%</u>	Over 90-days <u>3 3/8%</u>	Total
Boston	\$ 639	\$ 587	\$ 399	\$ 0	\$ 1,625
New York	7,205	4,762	4,527	493	16,987
Philadelphia	264	0	600	0	864
Cleveland	0	30	200	0	230
Richmond	75	100	0	0	175
Atlanta	0	0	2	0	2
Chicago	259	170	0	0	429
Dallas	60	165	50	104	379
San Francisco	<u>654</u>	<u>733</u>	<u>3</u>	<u>0</u>	<u>1,390</u>
Totals	<u>\$9,156</u>	<u>\$6,547</u>	<u>\$5,781</u>	<u>\$597</u>	<u>\$22,081</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 17, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$43,351	\$22,081	\$65,432
Sold	26,150	0	26,150
Matured	0	<u>31,110</u>	<u>31,110</u>
		\$ 9,029-	\$ 8,162+
		1,692- (Net Change	1,692- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$17,191+</u>	<u>\$10,721-</u>	<u>\$6,470+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>August 17, 1927</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>\$1 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$ 7,520	\$ 92,800	0	\$ 8,344	\$35,984	\$296,879	\$441,527
Bills Purchased	<u>102,704</u>	<u>27,887</u>	<u>22,444</u>	<u>16,363</u>	<u>1,534</u>	<u>0</u>	<u>170,932</u>
Totals	<u>\$110,224</u>	<u>\$120,687</u>	<u>\$22,444</u>	<u>\$24,707</u>	<u>\$37,518</u>	<u>\$296,879</u>	<u>\$612,459</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 17, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-8495
G.P.O.

[Handwritten signature]
/

For your information:

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

Please return to Secretary's office.

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Authority EO. 10501

August 17, 1937.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of August 15th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from August 4 to August 10, 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.

DECLASSIFIED
Authority EO 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG 17 1927
OFFICE OF
THE GOVERNOR

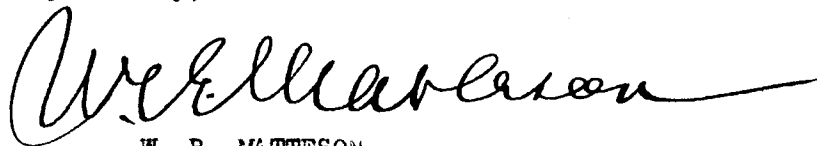
CONFIDENTIAL

August 15, 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 August 4 to August 10, 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 AUGUST 10, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 27	953,831	380,559	4,457	157,291	12,094	398,130
Aug. 3	1,031,835	402,705	4,575	129,325	48,557	445,373
Aug. 10	1,010,389	416,817	3,460	117,757	57,950	413,105

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 10, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 10	Net Change	Balance Aug. 10	Net Change	Balance Aug. 10	Net Change
Boston	\$ 18,144	\$ 1,034+	\$ 5,428	\$ 2,642-	\$ 33,122	\$ 9,249+
New York	74,806	3,415+	21,658	1,109+	124,834	1,137+
Philadelphia	30,660	1,034+	6,382	2,260-	37,402	5,514-
Cleveland	48,465	1,032+	10,103	1,709-	34,982	5,065-
Richmond	19,468	1,033+	8,061	461-	17,324	1,837-
Atlanta	12,046	623+	6,406	1,170-	32,168	1,465-
Chicago	61,974	2,435+	14,664	4,140-	47,407	10,916-
St. Louis	30,280	1,894+	4,481	713-	20,431	2,666-
Minneapolis	19,753	386+	4,299	166-	4,942	549+
Kansas City	31,164	513+	5,492	940-	7,691	2,671-
Dallas	27,296	444+	5,471	655-	11,287	403-
San Francisco	42,761	269+	8,458	383-	41,515	11,568-
N.Y. holdovers and other bills			16,854	2,562+		
Totals	\$416,817	\$14,112+	\$117,757	\$11,568-	\$413,105	\$32,268-

COMMENT ON CHANGES WEEK ENDED AUGUST 10, 1927

Total earning assets of the System showed a decrease of \$21,446,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$32,250,000 in bills discounted, \$11,550,000 in outright purchases of bankers acceptances and increases of \$14,100,000 outright purchases of Government securities and \$8,300,000 net in investments held under sales contract. The latter item was made up of a decrease of \$1,100,000 Government securities and an increase of \$9,400,000 bankers acceptances.

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Money
Market

Stock Exchange call money was steady at 3 3/4 per cent throughout the week. Reflecting the ample supply of loanable funds available, concessions of 1/4 per cent below the official rate were obtainable in the outside market on several days of the period.

The time money market also showed an easy tone. Three and four months loans were placed at 4 1/4 per cent, a level about 1/2 per cent below that of the corresponding period last year, and over the year money lent at 4 3/8 per cent. The market, however, was generally rather dull.

A continued active demand for commercial paper by banks in the interior, and to some extent by New York City banks, was reported by leading dealers during the week. The volume of paper that dealers were able to offer, however, was small and hardly equal to the investment demand. The bulk of the paper was sold at 4 per cent. There were also some offerings at 3 3/4 per cent, but with few actual sales at this rate.

Government
Security
Market

Trading in United States Liberty Loan and Treasury Bonds was in moderate volume with but slight fractional changes in prices from last week's close, with the exception of the longer term issues which showed advances up to 4/32nds.

The market for United States certificates of indebtedness and Treasury Notes was active and strong. Dealers' offering prices at the close of the week were at levels to yield about 2.75 to 3.45 per cent, according to maturity.

Bankers
Acceptances

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

In the New York bill market dealers' purchases fell off considerably. The supply of bills, however, while about normal volume was moderately in excess of the demand which improved substantially. Dealers' sales were chiefly for 90's on orders from abroad while sales for local account were very light. Dealers' portfolios increased moderately. Following a reduction in our rediscount rate to 3 1/2 per cent and our minimum buying rates on bankers acceptances to 3 per cent - 1-15 days 3 1/8 per cent; 16-45 days 3 1/4 per cent; 46-90 days 3 3/8 per cent; 91-120 days 3 3/4 per cent; 121-180 days 3 1/4 per cent re-purchase agreements and 3 1/2 per cent trade paper, two dealers lowered their rate on 30-day bills, bidding 3 1/8 per cent offering 3 per cent. Boston reports conditions in their market did not show any improvement over the past several weeks; new bills very scarce and the available supply small. Philadelphia and Chicago report there was practically no movement of bills in their market.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions effected for the United States Treasury during the current week consisted of a sale of \$400,000 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account of Alien Property Custodian for delivery August 15 and a purchase of \$10,000,000 Second Liberty Loan 4 1/4% bonds for account of the Cumulative Sinking Fund. The latter item was purchased in New York and Chicago, deliveries of \$5,000,000 have been completed while the balance of \$5,000,000 was purchased for delivery August 16. Deliveries were completed on August 9 of the \$6,000,000 Second Liberty Loan 4 1/4% bonds purchased for account Cumulative Sinking Fund as mentioned in the last report.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<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	\$ 63,707,000	\$ 65,074,000	0	\$1,367,000
New York	222,778,000	222,932,000	0	154,000
Philadelphia	73,850,000	73,087,000	763,000	0
Cleveland	89,340,000	89,655,000	0	315,000
Richmond	47,882,000	48,233,000	0	351,000
Atlanta	45,472,000	45,681,000	0	209,000
Chicago	128,365,000	129,026,000	0	661,000
St. Louis	53,746,000	53,891,000	0	145,000
Minneapolis	35,594,000	35,689,000	0	95,000
Kansas City	52,969,000	53,109,000	0	140,000
Dallas	36,957,000	35,962,000	995,000	0
San Francisco	73,338,000	71,659,000	1,679,000	0
Totals	<u><u>\$923,998,000</u></u>	<u><u>\$923,998,000</u></u>	<u><u>\$3,437,000</u></u>	<u><u>\$3,437,000</u></u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected during the current statement week included the delivery on August 4 of the \$4,000,000 short-term Government securities mentioned in last week's report and further purchases under the Committee's authorization of July 27 aggregating \$9,000,000. A sale of \$805,000 short-term Government securities to a foreign correspondent was replaced by a purchase in the market of approximately the same amount leaving total holdings in the account at \$299,393,300. 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	\$ 17,437,500	Sept. 15, 1927	3 1/8% C/I \$ 22,270,000
New York	72,438,800	Sept. 15, 1927	3 1/4% " " 39,214,500
Philadelphia	15,475,500	Nov. 15, 1927	4 1/4% 2nd L/L 6,300,000
Cleveland	23,769,500	Dec. 15, 1927	4 1/2% T/N 32,624,500
Richmond	18,227,000	March 15, 1928	3 1/4% C/I 61,928,000
Atlanta	7,321,500	Sept. 15, 1928	4 1/4% 3rd L/L 80,806,500
Chicago	41,047,000	March 15, 1932	3 1/2% T/N 36,249,800
St. Louis	17,336,000	June 15, 1947	3 3/8% T/B 20,000,000
Minneapolis	12,195,000		
Kansas City	21,580,500		
Dallas	19,497,000		
San Francisco	33,068,000		
Totals	<u><u>\$299,393,300</u></u>		<u><u>\$299,393,300</u></u>

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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM AUGUST 4 TO AUGUST 10, 1927**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,081,000	\$ 47,000	\$ 1,034,000
New York	3,809,500	194,500	3,615,000
Philadelphia	1,076,000	41,500	1,034,500
Cleveland	1,095,500	64,000	1,031,500
Richmond	1,082,500	49,000	1,033,500
Atlanta	667,000	19,500	647,500
Chicago	2,046,000	110,500	1,935,500
St. Louis	560,500	46,500	514,000
Minneapolis	418,500	33,000	385,500
Kansas City	570,500	58,000	512,500
Dallas	435,500	52,500	383,000
San Francisco	857,500	89,000	768,500
Totals	\$13,700,000	\$805,000	\$12,895,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$3,245,000*	Misc. Gov't Sec.	\$3,445,000*	Misc. Gov't Sec.
Atlanta	383,650	Misc. Gov't Sec.	407,800	Misc. Gov't Sec.
Chicago	1,000,000*	Second L/L bonds	500,000*	Second L/L bonds
St. Louis	1,380,050	Misc. Gov't Sec.	0	-
Dallas	64,400	Misc. Gov't Sec.	2,500	Third L/L bonds
San Francisco	0	-	500,000	Second L/L bonds
Totals	\$6,073,100		\$4,855,300	

* Purchased for resale to Treasury.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Aug. 3</u>	<u>Purchased Own Mkt.</u>	<u>Rec'd by Allotment from N.Y.</u>	<u>Maturities & Sales</u>	<u>Holdings Aug. 10</u>	<u>Other Holdings Close Aug. 10/27</u>		
						<u>Sales Contracts</u>	<u>Other Bills</u>	
Boston	\$ 8,070	\$ 271 R	0	\$ 2,913	\$ 5,428	\$ 5,806	\$ 881	
New York	20,549	7,438 " 4,298 A	0	6,329	21,658	45,030	3,444	
Phila.	8,642	600 R	0	2,860	6,382	0	1,129	
Cleve.	11,812	23 "	902	2,634	10,103	0	2,861	
Richmond	8,522	0	924	1,385	8,061	0	611	
Atlanta	7,576	0	632	1,802	6,406	0	1,203	
Chicago	18,804	25 "	591	4,756	14,664	2,640	1,617	
St. Louis	5,194	0	528	1,241	4,481	0	506	
Minn.	4,465	0	338	504	4,299	0	354	
Kan. City	6,432	0	383	1,323	5,492	0	434	
Dallas	6,126	704 "	0	1,359	5,471	25	412	
San Fran.	8,841	1,353 "	0	1,736	8,458	4,449	823	
Totals	\$115,033	\$14,712	\$4,298	\$28,841	\$100,903	\$57,950	\$14,275	
Bills held over night by N.Y. for distribution to other F.R. Banks - - - - -							2,579	
Total - - - - -							\$16,854	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 10, 1927
(000 Omitted)

	1-30 days 3 - 3 1/2%	31-60 days 3 1/8 - 3 3/4%	61-90 days 3 1/4 - 3 3/4%	Over 90-days 3 3/8 - 3 1/2%	Total
Boston	\$ 188	\$ 83	0	0	\$\$ 271
New York	7,954	3,376	217	189	11,736
Philadelphia	600	0	0	0	600
Cleveland	13	10	0	0	23
Chicago	0	25	0	0	25
Dallas	150	90	419	45	704
San Francisco	<u>1,015</u>	<u>338</u>	<u>0</u>	<u>0</u>	<u>1,353</u>
Totals	<u>\$9,920</u>	<u>\$3,922</u>	<u>\$636</u>	<u>\$234</u>	<u>\$14,712</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 10, 1927
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$19,774	\$14,712	\$33,486
Sold	5,662	0	5,662
Matured	0	<u>28,842</u>	<u>28,842</u>
		\$14,130-	\$ 18-
		2,562+ (Net Change 1-day holdover and other bills)	2,562+ (Net Change 1-day holdover and other bills)
Totals	<u>\$14,112+</u>	<u>\$11,568-</u>	<u>\$ 2,544+</u>

(Including Sales Contracts)

Holdings August 10, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 months	Total
Gov't Securities	\$ 3,460	0	\$65,619	0	\$43,398	\$307,799	\$420,276
Bills Purchased	<u>111,460</u>	<u>30,151</u>	<u>22,340</u>	<u>10,231</u>	<u>1,525</u>	<u>0</u>	<u>175,707</u>
Totals	<u>\$114,920</u>	<u>\$30,151</u>	<u>\$87,959</u>	<u>\$10,231</u>	<u>\$44,923</u>	<u>\$307,799</u>	<u>\$595,983</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 9, 1927.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-9035
GPO

For your information:

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

Please return to Secretary's office.

DECLASSIFIED
Authority EO. 10501

August 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 August 8th, addressed to Governor Grissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from July 28 to August 3, 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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Authority EO 10501

RECEIVED
AUG - 9 1927
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

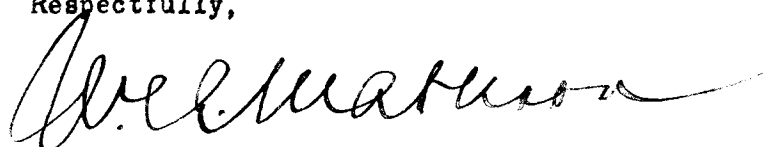
CONFIDENTIAL

August 8, 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 July 28 to August 3, 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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Authority EO 10501

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 3, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 27	953,831	380,559	4,457	157,291	12,094	398,130
Aug. 3	1,031,835	402,705	4,575	129,325	48,557	445,373

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 3, 1927
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 3	Net Change	Balance Aug. 3	Net Change	Balance Aug. 3	Net Change
Boston	\$ 17,110	\$ 1,640+	\$ 8,070	\$ 211-	\$ 23,873	\$ 1,990-
New York	71,391	5,267+	20,549	6,092-	123,697	31,163+
Philadelphia	29,626	1,640+	8,642	3,079-	42,916	18+
Cleveland	47,433	1,690+	11,812	1,758-	40,047	9,885+
Richmond	18,435	1,640+	8,522	1,311-	19,161	179+
Atlanta	11,423	1,040+	7,576	1,046-	33,633	2,228-
Chicago	59,539	3,575+	18,804	5,282-	58,323	5,966+
St. Louis	28,386	1,820+	5,194	2,531-	23,097	3,770-
Minneapolis	19,367	615+	4,465	868-	5,491	43+
Kansas City	30,651	820+	6,432	1,023-	10,362	1,172-
Dallas	26,852	668+	6,126	2,422-	11,690	2,953+
San Francisco	42,492	1,730+	8,841	1,797-	53,083	6,196+
N.Y. holdovers and other bills			14,292	546-		
Totals	\$402,705	\$22,145+	\$129,325	\$27,966-	\$445,373	\$47,243+

COMMENT ON CHANGES WEEK ENDED AUGUST 3, 1927

Total earning assets of the System showed an increase of \$78,004,000 for the current statement week. Increases of \$47,243,000 bills discounted, \$36,581,000 investments held under sales contracts and \$22,145,000 outright purchases of Government securities were partly offset by a decrease of \$27,966,000 outright purchases of bankers acceptances. The increase in investments held under sales contracts consisted of \$36,463,000 bankers acceptances and \$118,000 Government securities.

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Money
Market

Call money during the past week averaged slightly higher than in the preceding period. Call loan renewals were made at 4 per cent on Monday, and, notwithstanding occasional recessions in the new loan rate to 3 3/4 per cent, remained at this level until Friday, the day the lower discount rate became effective, when the renewal rate dropped to 3 3/4 per cent. New York City banks entered the week in an unfavorable reserve position and as the flow of commercial funds was generally away from this market, it was necessary for the city banks to borrow heavily at the Reserve Bank on Friday in order to raise their average reserves to the required levels.

Further ease was apparent in nominal quotations in the time money market. Ninety-day money was placed towards the end of the week at 4 1/8 per cent, the lowest since early in July 1926, and 6 months' loans were arranged at 4 3/8 and 4 1/2 per cent.

The demand for commercial paper both from New York City and interior banks was active during the week and dealers' sales generally exceeded their acquisitions of new paper from open market borrowers. Rates also continued to ease, the sales at 4 per cent increasing to a large proportion of the total volume while transactions at 4 1/4 per cent became less frequent.

Government
Security
Market

There was a fairly good investment demand for United States Liberty Loan and Treasury Bonds during the current week, due probably to the expected continuance of easy money conditions. Prices of all issues except Second 4s were fractionally higher than last week with the longest term issues in best demand. The short-term certificates of indebtedness and Treasury Notes were also firm with dealers' offerings at the close of the week at prices to yield from about 2.75% for the certificates maturing next month to 3.45% for the 3 1/2% notes due March 15, 1930-32.

Bankers
Acceptances

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

On Friday, August 5, the Federal Reserve Bank of New York reduced its minimum buying rates for indorsed bankers acceptances, after which their rates for this class of bills, according to maturity, were as follows: 3 per cent for 1-15 days, 3 1/8 per cent for 16-45 days, 3 1/4 per cent for 46-90 days, 3 3/8 per cent for 4 months, and 3 3/4 per cent for 5 and 6 months.

Boston reports that the reduction in rates by dealers created a brisk demand and a noticeable improvement in the supply of new bills. This condition, however, did not hold through the period as toward the end of the statement week the demand for bills became very poor. Offerings to the reserve bank were moderate. In New York, as a result probably of dealers' rates becoming more settled and with slightly firmer money conditions over the end of the month, the supply of bills was in heavy volume and considerably in excess of the demand. Although dealers' sales improved moderately, chiefly on orders from foreign accounts, their portfolios increased considerably. Dealers offerings to the reserve bank were very small while their commitments held under sales contracts increased about \$9,000,000. Philadelphia reports that the successive reductions in dealers rates apparently failed to bring out the expected supply of bills as the market continued inactive with a weak tone. The demand was light and the supply about on the same basis. There was practically no demand for bills in the Chicago market, but the demand elsewhere and the almost complete lack of new bills was responsible for the reduction in dealers rates during the week.

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OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions effected for the United States Treasury during the current week consisted of a sale of \$70,000 September 15, 1927 3 1/4 per cent certificates for account of the Harding Memorial Association, and purchases of \$150,000 March 15, 1928 3 1/4% certificates for account of the Alien Property Custodian and \$21,400,000 Second 4 1/4% Liberty Loan bonds for account of the Cumulative Sinking Fund. The latter item was purchased in New York and other markets, and deliveries of \$15,400,000 have been completed while the balance of \$6,000,000 was purchased for delivery August 9.

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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<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	\$ 63,436,000	\$ 63,897,000	\$ 0	\$ 461,000
New York	215,340,000	218,813,000	0	3,473,000
Philadelphia	73,250,000	71,910,000	1,340,000	0
Cleveland	88,415,000	88,478,000	0	63,000
Richmond	46,958,000	47,056,000	0	98,000
Atlanta	44,840,000	44,945,000	0	105,000
Chicago	127,749,000	126,819,000	930,000	0
St. Louis	53,213,000	53,302,000	0	84,000
Minneapolis	35,256,000	35,248,000	8,000	0
Kansas City	52,586,000	52,520,000	66,000	0
Dallas	36,253,000	35,521,000	732,000	0
San Francisco	71,985,000	70,777,000	1,208,000	0
Totals	<u>\$909,286,000</u>	<u>\$909,286,000</u>	<u>\$4,284,000</u>	<u>\$4,284,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since the close of the last statement week purchases were made of \$24,500,000 aggregate amount of short-term Government securities under authority given at the meeting of the Open Market Investment Committee held at Washington on July 27, 1927. Deliveries of \$20,500,000 of this amount were made up to the close of business Wednesday, August 3, which increased the total holdings in the account to \$286,498,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 16,403,500
New York	68,823,800
Philadelphia	14,441,000
Cleveland	22,738,000
Richmond	17,193,500
Atlanta	6,674,000
Chicago	39,111,500
St. Louis	16,822,000
Minneapolis	11,809,500
Kansas City	21,068,000
Dallas	19,114,000
San Francisco	32,299,500
Totals	<u>\$286,498,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 22,270,000
Sept. 15, 1927	3 1/4% "	40,019,500
Nov. 15, 1927	4 1/4% 2nd L/L	6,300,000
Dec. 15, 1927	4 1/2% T/N	32,124,500
Mar. 15, 1928	3 1/4% C/I	55,228,000
Sept. 15, 1928	4 1/4% 3rd L/L	76,306,500
Mar. 15, 1932	3 1/2% T/N	34,249,800
June 15, 1947	3 3/8% T/B	20,000,000

Deliveries of the balance of \$4,000,000 of the above mentioned purchases were completed on Thursday, August 4, which brought the total holdings in the account at the close of business that day up to \$290,498,300.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JULY 28 TO AUGUST 3, 1927

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases
Boston	\$ 1,640,000
New York	5,740,000
Philadelphia	1,640,000
Cleveland	1,640,000
Richmond	1,640,000
Atlanta	1,025,000
Chicago	3,075,000
St. Louis	820,000
Minneapolis	615,000
Kansas City	820,000
Dallas	615,000
San Francisco	1,230,000
Total	\$20,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
New York	\$3,161,100*	Misc. Gov't Sec.	\$3,633,500*	Misc. Gov't Sec.
Cleveland	50,000	TM-1928 Cdfs.	0	-
Atlanta	572,350	Misc. Gov't Sec.	557,850	Misc. Gov't Sec.
Chicago	500,000**	Second L/L bonds	0	-
St. Louis	1,000,000	Fourth L/L bonds	0	-
Dallas	52,900	Misc. Gov't Sec.	0	-
San Francisco	500,000**	Second L/L bonds	0	-
Totals	\$5,836,350		\$4,191,350	

*Purchased for resale to System Account and Treasury.
**Purchased for resale to Treasury.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings	Purchased	Rec'd by	Matur-	Holdings	Other holdings	
	July 27					Own Mkt.	Allotment
			from N.Y.	Sales	Aug. 3	Contracts	Bills
Boston	\$ 8,281	\$ 926 R.	0	\$1,137	\$ 8,070	\$ 6,265	\$ 881
New York	26,641	1,616 " 2,746 A.	0	7,708	20,549	35,246	3,437
Phila.	11,721	108 R.	0	3,187	8,642	0	1,128
Cleveland	13,570	0	831	2,589	11,812	0	2,855
Richmond	9,833	0	384	1,695	8,522	0	611
Atlanta	8,622	6 R.	255	1,307	7,576	0	1,231
Chicago	24,086	404 "	151	5,837	18,804	1,502	1,622
St. Louis	7,725	0	220	2,751	5,194	0	505
Minn.	5,333	0	322	1,190	4,465	0	353
Kan. City	7,455	0	564	1,587	6,432	0	435
Dallas	8,548	244 "	19	2,685	6,126	60	411
San Fran.	10,638	440 "	0	2,237	8,841	5,484	823
Totals	\$142,453	\$6,490	\$2,746	\$33,910	\$115,033	\$48,557	\$14,292

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 3, 1927
 (000 Omitted)

	1 - 30 days 3 1/4 - 3 1/2%	31 - 60 days 3 1/4 - 3 1/2%	61-90 days 3 3/4%	Over 90-days 3 3/4%	Total
Boston	\$ 846	\$ 75	\$ 5	0	\$ 926
New York	799	2,073	1,490	0	4,362
Philadelphia	62	46	0	0	108
Atlanta	0	0	6	0	6
Chicago	0	404	0	0	404
Dallas	37	145	50	12	244
San Francisco	215	214	11	0	440
Totals	\$1,959	\$2,957	\$1,562	\$12	\$6,490

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 3, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$26,336	\$ 6,490	\$32,826
Sold	4,191	0	4,191
Matured	0	33,910	33,910
		\$27,420-	\$ 5,275-
		546- (Net Change 1-day holdover and other bills)	546- (Net Change 1-day holdover and other bills)
Totals	\$22,145+	\$27,966-	\$ 5,821-

(Including Sales Contracts)

Holdings August 3, 1927	Within 15 days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Totals
Gov't Securities	\$ 4,575	0	\$66,418	0	\$42,621	\$293,664	\$407,278
Bills Purchased	105,945	32,649	26,908	10,686	1,694	0	177,882
Totals	\$110,520	\$32,649	\$93,326	\$10,686	\$44,315	\$293,664	\$585,160

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Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD

Date August 2, 1937.

To All Members of the Board

Subject: _____

From Mr. Eddy

2-8495
GPO

For your information:

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

Please return to Secretary's office.

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August 2, 1927.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of August 1st, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from July 21 to July 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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*Mr. Eddy please enclose
10/19/27/ky*

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 1, 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 July 21 to July 27, 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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CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 27, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 20	975,770	379,037	6,732	172,795	12,584	403,322
" 27	953,831	380,559	4,457	157,291	12,094	398,130

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 27	Net Change	Balance July 27	Net Change	Balance July 27	Net Change
Boston	\$ 15,470	\$ 47+	\$ 8,281	\$ 2,923-	\$ 25,863	\$5,807-
New York	66,124	1,576+	26,641	641+	92,534	5,442+
Philadelphia	27,986	43+	11,721	1,915-	42,898	1,040+
Cleveland	45,743	62+	13,570	2,343-	30,162	1,880+
Richmond	16,795	49+	9,833	931+	18,982	447-
Atlanta	10,383	15+	6,622	117+	35,861	1,485-
Chicago	55,964	891-	24,086	825-	52,357	2,851-
St. Louis	26,566	206+	7,725	1,531-	26,867	5,795-
Minneapolis	18,752	31+	5,333	235-	5,448	359-
Kansas City	29,831	54+	7,455	1,218-	11,534	608+
Dallas	26,183	247+	8,548	151+	8,737	1,200+
San Francisco	40,762	83+	10,638	2,228-	46,887	1,382+
N.Y. holdovers and other bills			14,838	4,126-		
Totals	\$380,559	\$1,522+	\$157,291	\$15,504-	\$398,130	\$5,192-

COMMENT ON CHANGES WEEK ENDED JULY 27, 1927

Total earning assets of the System showed a decrease of \$21,939,000 for the current statement week. The changes by classification consisted of an increase of \$1,522,000 outright purchases of Government securities, and decreases of \$15,504,000 outright purchases of bankers acceptances, \$5,192,000 bills discounted, and \$2,765,000 investments held under sales contracts. The latter decrease was made up of \$2,275,000 Government securities and \$490,000 bankers acceptances.

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Money
Market

Easy conditions continued to prevail in the New York call money market during the past week. Call loan renewals were arranged at 4 per cent on the first two days of the week and at 3 3/4 per cent on the succeeding two days, with subsequent reductions of 1/4 per cent each day in the new loan rate. On Friday, however, after renewing at 3 3/4 per cent, the rate advanced to 4 per cent, reflecting preparations for the usual end of the month turnover of funds, and increased borrowing by New York City banks largely to offset week-end and month-end currency withdrawals.

Time money continued to show an easier trend. Sixty day loans were quoted as low as 4 per cent bid, 4 1/4 per cent offered, and 90-day money at 4 1/4 - 4 3/8 per cent. The principal trading was for 60-days at 4 1/4 per cent, 3 and 4 months at 4 3/8 per cent, and 5 and 6 months at 4 1/2 per cent.

The commercial paper market was considerably more active and rates somewhat easier. In the last two days of the week, an active demand for paper developed from banks throughout the country and there was also a larger amount of buying in the New York market than in some time. A large part of the sales was made at 4 per cent so that the prevailing rate on prime names was reduced from 4 1/4 to 4 - 4 1/4 per cent. At the close of the period, dealers' lists were materially reduced as little new paper was received from borrowers to replace the substantial volume sold.

Government
Security
Market

The market for United States Government securities was firm and moderately active. Prices of all issues, with exception of very slight variations in a few instances, were unchanged from last week's close. Offerings of large blocks continued to be scarce, especially so for the Second 4 1/4s and certificates of indebtedness maturing next September.

Bankers
Acceptances

At the close of the previous statement week, namely July 20, dealers' portfolios were at a comparatively very low figure as the result of a scarcity of bills in the face of an active demand for both foreign and domestic accounts. This condition had led to the easing in dealers' rates referred to in our last report and was reflected in a further rate reduction by one important dealer on July 22. During this week there was a moderate increase in the supply and a substantial, though probably temporary, lull in dealers' sales reflecting perhaps the unsettlement in rates. Consequently all dealers' portfolios were heavily increased and with plenty of comparatively cheap money available to the dealers they were placed in quite a comfortable position. On July 25 and 26 there was a further reduction in dealers' rates to 3 1/2 per cent bid for all maturities up to 90 days and offered 1/8 per cent less, and on July 29 their rates were extremely unsettled on all maturities - for example - from 3 1/4 to 3 1/2 per cent was bid for 90s, and offered 3 1/8 to 3 3/8 per cent. Bills were moving fairly freely at 3 3/8 per cent with the outlook easier.

Boston reported that the bill market in their district was very dull and quiet during the current statement week. There was ^{still} a dearth of bills which was insufficient to meet the very limited demand. Once more dealers lowered their rates, this time to 3 1/2 bid, 3 3/8 per cent asked for maturities 1 - 90 days. Offerings to the reserve bank were very small. Philadelphia reported the demand was light and supply moderate during the fore part of the week. Dealers reduced their rates for 60 and 90 day bills at the close of the statement week which should have a tendency to improve the supply of bills. Chicago reports their market was very quiet with few new bills offered.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury consisted of a sale of \$300,000 March 15, 1928 - 3 1/4 per cent certificates for account of the Alien Property Custodian, and purchases of \$429,500 certificates of the same maturity for account of Mixed Claims Investments and \$3,800,000 Second 4 1/4s for account of the Cumulative Sinking Fund. Of this latter purchase \$2,700,000 was sold from the System Special Investment Account.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 62,510,000	\$ 63,378,000	\$ 0	\$ 868,000
New York	213,724,000	216,997,000	0	3,273,000
Philadelphia	73,142,000	71,391,000	1,751,000	0
Cleveland	87,584,000	87,959,000	0	375,000
Richmond	46,574,000	46,537,000	37,000	0
Atlanta	44,579,000	44,620,000	0	41,000
Chicago	127,194,000	125,846,000	1,348,000	0
St. Louis	52,999,000	53,042,000	0	43,000
Minneapolis	34,934,000	35,053,000	0	119,000
Kansas City	52,022,000	52,260,000	0	238,000
Dallas	35,990,000	35,326,000	664,000	0
San Francisco	<u>71,545,000</u>	<u>70,388,000</u>	<u>1,157,000</u>	<u>0</u>
Totals	<u>\$902,797,000</u>	<u>\$902,797,000</u>	<u>\$4,957,000</u>	<u>\$4,957,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In addition to the exchange with foreign correspondents of \$30,000,000 March 15, 1928 - 3 1/4 per cent certificates of indebtedness for a like amount of September 15, 1927 - 3 1/4 per cent certificates of indebtedness as mentioned in last week's report, sales were made during the current statement week of \$1,177,000 September 15, 1927 - 3 1/4 per cent certificates of indebtedness to another foreign correspondent and \$2,700,000 Second 4 1/4 per cent Liberty Loan bonds to the Treasurer of the United States account Cumulative Sinking Fund which were replaced by purchases of a like amount of short-term Governments of other issues. Deliveries were also completed during the week of \$784,500 Governments thereby completing the \$15,000,000 purchased under recent authorization of the Open Market Investment Committee. These transactions left the total holdings in the System Account at the close of business July 27 at \$265,998,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 14,763,500
New York	63,083,800
Philadelphia	12,801,000
Cleveland	21,098,000
Richmond	15,553,500
Atlanta	5,649,000
Chicago	36,036,500
St. Louis	16,002,000
Minneapolis	11,194,500
Kansas City	20,248,000
Dallas	18,499,000
San Francisco	<u>31,069,500</u>
Totals	<u>\$265,998,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 18,020,000
Sept. 15, 1927	3 1/4% "	38,019,500
Nov. 15, 1927	4 1/4% 2nd L/L	6,300,000
Dec. 15, 1927	4 1/2% T/N	31,924,500
Mar. 15, 1928	3 1/4% C/I	51,178,000
Sept. 15, 1928	4 1/4% 3rd L/L	70,306,500
Mar. 15, 1932	3 1/2% T/N	30,249,800
June 15, 1947	3 3/8% T/B	20,000,000
Totals		<u>\$265,998,300</u>

760
 263

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,927,500	\$ 1,880,500	\$ 47,000
New York	8,226,500	8,034,000	192,500
Philadelphia	1,472,500	1,450,000	42,500
Cleveland	2,749,500	2,687,000	62,500
Richmond	2,030,000	1,981,000	49,000
Atlanta	741,000	720,000	21,000
Chicago	4,697,500	4,589,000	108,500
St. Louis	2,081,500	2,037,500	44,000
Minneapolis	1,456,500	1,425,500	31,000
Kansas City	2,533,500	2,579,000	54,500
Dallas	2,404,500	2,356,000	48,500
San Francisco	4,041,000	3,957,500	83,500
Totals	\$34,661,500	\$33,877,000	\$784,500

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$1,983,500*	Misc. Gov't Sec.	\$ 600,000**	Misc. Gov't Sec.
Atlanta	217,700	Misc. Gov't Sec.	223,650	Misc. Gov't Sec.
Chicago	0	-	1,000,000**	Second L/L bonds
St. Louis	162,250	Misc. Gov't Sec.	0	-
Dallas	228,400	Misc. Gov't Sec.	30,000	Fourth L/L bonds
Totals	\$2,591,850		\$1,853,650	

*Held temporarily for resale
**Sold to Treasury

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 20	Purchased Own Mkt.	Rec'd by Allotment			Matur- ities & Sales	Holdings July 27	Other Holdings Close July 27/27	
			Regular from N.Y.	From Boston Port.				Sales Contracts	Other Bills
Boston	\$ 11,204	\$ 386 R.	0	0	\$ 2,309*	\$ 8,281	\$ 4,625	\$ 879	
New York	26,000	5,371 " 6,642 A.	0	0	4,730	26,641	0	2,436	
Phila.	13,636	15 R.	0	0	1,930	11,721	0	1,185	
Cleve.	15,913	0	1,308	0	3,651	13,570	0	2,968	
Richmond	8,902	124 "	1,293	1,100	1,526	9,832	0	609	
Atlanta	8,505	25 "	763	600	1,271	8,622	0	1,427	
Chicago	24,911	1,949 "	899	0	3,673	24,066	1,867	1,617	
St. Louis	9,256	0	555	400	2,486	7,725	0	504	
Minn.	5,568	0	703	0	938	5,333	0	351	
Kan. City	8,673	0	843	0	2,061	7,455	0	434	
Dallas	8,397	688 "	338	0	875	8,548	118	610	
San Fran.	12,866	863 "	0	0	3,091	10,638	5,484	620	
Totals	\$153,831	\$16,063	\$6,642	\$2,100	\$29,541	\$142,453	\$12,094	\$14,578	
Bills held over night by N. Y. for distribution to other F. R. Banks - - - - -								280	
Total - - - - -								\$14,858	

* Includes \$2,100,000 sold to other Federal Reserve Banks

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 27, 1927
(000 Omitted)

	<u>1 - 30 days</u> <u>3 1/2%</u>	<u>31 - 60 days</u> <u>3 1/2%</u>	<u>61 - 90 days</u> <u>3 3/4%</u>	<u>Over 90 days</u> <u>3 3/4%</u>	<u>Total</u>
Boston	\$ 178	\$ 208	0	0	\$ 386
New York	8,127	3,598	16	272	12,013
Philadelphia	0	0	15	0	15
Richmond	124	0	0	0	124
Atlanta	0	0	25	0	25
Chicago	492	1,457	0	0	1,949
Dallas	180	105	150	253	688
San Francisco	<u>191</u>	<u>672</u>	<u>0</u>	<u>0</u>	<u>863</u>
Totals	<u>\$9,292</u>	<u>\$6,040</u>	<u>\$206</u>	<u>\$525</u>	<u>\$16,063</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 27, 1927
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$37,254	\$18,163	\$55,417
Sold	35,732	0	35,732
Matured	0	<u>29,541</u>	<u>29,541</u>
		\$11,378-	\$ 9,856-
		4,126- (Net Change	4,126- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 1,522+</u>	<u>\$15,504-</u>	<u>\$13,982-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>July 27, 1927</u>	<u>Within</u> <u>15 days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 4,457	0	\$60,352	0	\$40,370	\$279,836	\$385,015
Bills Purchased	<u>76,112</u>	<u>45,906</u>	<u>31,743</u>	<u>12,697</u>	<u>2,927</u>	<u>0</u>	<u>169,385</u>
Totals	<u>\$80,569</u>	<u>\$45,906</u>	<u>\$92,095</u>	<u>\$12,697</u>	<u>\$43,297</u>	<u>\$279,836</u>	<u>\$554,400</u>

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Form No. 181.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 26, 1927.

To All Members of the Board

Subject: _____

From Mr. Noell

2-8496
G.P.O.

For your information:

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

Please return to Secretary's office.

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July 26, 1937.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 25th, addressed to Governor Crissinger, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from July 14 to July 20, 1937, inclusive.

Very truly yours,

J. C. Noell,
Assistant Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK

Board

CONFIDENTIAL

July 25, 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 July 14 to July 20, 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 JULY 20, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 13	998,512	371,456	6,347	179,374	13,833	426,202
" 20	975,770	379,037	6,732	172,795	12,584	403,322

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 20	Net Change	Balance July 20	Net Change	Balance July 20	Net Change
Boston	\$ 15,423	\$1,153+	\$ 11,204	\$ 421-	\$ 31,670	\$ 9,256+
New York	64,548	817+	26,000	2,369-	87,092	47,398-
Philadelphia	27,943	1,158+	13,636	465-	41,858	2,137-
Cleveland	45,681	682+	15,913	480-	28,282	9,003-
Richmond	16,746	1,152+	8,902	288+	19,429	4,500-
Atlanta	10,368	773+	8,505	930-	37,346	2,514+
Chicago	56,855	3,141+	24,911	214-	55,208	10,901+
St. Louis	26,360	3,504-	9,256	1,233-	32,662	9,397+
Minneapolis	18,721	418+	5,568	614-	5,807	1,342+
Kansas City	29,777	546+	8,673	830-	10,926	2,771-
Dallas	25,936	427+	8,397	315-	7,537	1,239+
San Francisco	40,679	817+	12,866	1,404-	45,505	8,280+
N.Y. holdovers and other bills			18,964	2,408+		
Totals	\$379,037	\$7,580+	\$172,795	\$6,579-	\$403,322	\$22,880-

COMMENT ON CHANGES WEEK ENDED JULY 20, 1927

The total earning assets of the System showed a decrease of \$22,742,000 for the current statement week. The approximate changes by classification consisted of an increase in outright purchases of Government securities of \$7,600,000 and decrease of \$6,600,000 in outright purchases of bankers acceptances, \$22,900,000 in bills discounted and \$900,000 net in investments held under sales contract. The latter item was made up of a decrease of \$1,250,000 bankers acceptances and an increase of \$350,000 Government securities.

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Money
Market

The flow of funds from other districts continued during the past week, and added to the already large supply of funds in the New York money market. As a result, a considerable amount of Reserve bank credit was retired, and money rates eased slightly further. The call loan rate held at 4 per cent early in the week, but declined to $3\frac{3}{4}$ on Wednesday and $3\frac{1}{2}$ per cent on Thursday, but held at $3\frac{3}{4}$ per cent on Friday accompanying some increase in borrowing by New York City banks to bring their average reserves above requirements at the close of the reserve week.

Time money eased slightly further during the week; 30 and 60-day loans were quoted at $4\frac{1}{4}$ to $4\frac{3}{8}$ per cent; 90-day loans $4\frac{3}{8}$ to $4\frac{1}{2}$ per cent; 4 and 5 months' loans $4\frac{1}{2}$ per cent; 6 months' loans $4\frac{1}{2}$ to $4\frac{5}{8}$ per cent.

The commercial paper market remained quiet in New York, but was reported to be moderately active in New England and the Middle West. The supply of paper coming into the market was small, and some reduction in dealers' portfolios was reported. The $4\frac{1}{4}$ per cent rate continued to prevail, only occasional sales being reported at 4 per cent.

Government
Security
Market

Trading in United States securities continued to be in normal volume. Accompanying easier money conditions prices were fractionally higher than at the previous week's close with dealers' offerings at levels to yield from 3 to 3.55 per cent for Liberty Loan bonds, 3.33 to 3.36 per cent for Treasury bonds and 3 to 3.50 per cent for the certificates of indebtedness and Treasury notes. The Second Liberty Loan bonds, certificates of indebtedness maturing next September and Treasury bonds were in best demand with offerings of the first two mentioned issues very scarce.

Bankers
Acceptances

Dealers' portfolios of bills were further reduced this week and with a view to replenishment almost all of the dealers lowered their rates $\frac{1}{8}$ per cent on all maturities except 30s. Their offering rates for unindorsed bankers acceptances, according to maturities, were as follows: $3\frac{1}{2}$ per cent for 30, 60 and 90s, and $3\frac{5}{8}$ per cent for 120-day bills. At the end of the week some of the dealers lowered their 30-day rate $\frac{1}{8}$ per cent, bidding $3\frac{1}{2}$ per cent and offering at $3\frac{3}{8}$ per cent.

Boston reports their bill market continued dull with offerings even smaller than the past few weeks and the demand poor. Short maturities continued to be in best demand. In the New York market new bills were scarce and considerably less than during the previous week. Dealers found it difficult to satisfy the very substantial inquiries from abroad and also the good domestic demand which recently developed as a result probably of easier money. Philadelphia reports their bill market quiet with the demand fair and preference for 90-day bills. Chicago reports a fair demand for bills of short maturities with the supply smaller than the demand.

OPERATIONS ACCOUNT UNITED STATES TREASURY

Under authority from the Treasury purchases were made during the week of \$250,000 March 15, 1928 - $3\frac{1}{4}$ per cent certificates of indebtedness for account of the Alien Property Custodian, and \$5,000,000 Second $4\frac{1}{4}$ s for delivery July 22 for account of the Cumulative Sinking Fund. The latter purchase was made in the New York and Chicago markets.

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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 the apportionment plan put into effect in the early part of the year and revised on July 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 64,224,000	\$ 62,093,000	\$2,131,000	\$ 0
New York	208,353,000	212,499,000	0	4,146,000
Philadelphia	73,127,000	70,106,000	3,021,000	0
Cleveland	86,276,000	86,674,000	0	398,000
Richmond	44,117,000	45,252,000	0	1,135,000
Atlanta	43,191,000	43,817,000	0	626,000
Chicago	124,345,000	123,436,000	909,000	0
St. Louis	52,044,000	52,400,000	0	356,000
Minneapolis	34,231,000	34,571,000	0	340,000
Kansas City	51,179,000	51,618,000	0	439,000
Dallas	34,964,000	34,844,000	120,000	0
San Francisco	70,682,000	69,423,000	1,259,000	0
Totals	<u>\$886,733,000</u>	<u>\$886,733,000</u>	<u>\$7,440,000</u>	<u>\$7,440,000</u>

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

SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Deliveries were completed during the statement week of \$14,215,500 of the \$15,000,000 short-term Government securities purchased under authorization of the Committee as mentioned in the last report. Sales of \$3,755,000 were made to foreign accounts which were replaced by purchases in the market of a like amount of short-term Governments and an exchange was effected with the Federal Reserve Bank of Cleveland whereby they sold to the System Account from their outright holdings \$8,220,000 Dec. 15, 1927 - 4 1/2 per cent Treasury notes for a like amount of third 4 1/4s. These transactions left the total holdings in the System Account, at close of business July 20, at \$265,213,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 14,716,500
New York	62,891,300
Philadelphia	12,758,500
Cleveland	21,035,500
Richmond	15,504,500
Atlanta	5,628,000
Chicago	35,928,000
St. Louis	15,958,000
Minneapolis	11,163,500
Kansas City	20,193,500
Dallas	18,450,500
San Francisco	30,986,000
Totals	<u>\$265,213,800</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$ 17,220,000
Sept. 15, 1927	3 1/4% "	8,535,000
Nov. 15, 1927	4 1/4% 2nd L/L	9,000,000
Dec. 15, 1927	4 1/2% T/N	31,924,500
Mar. 15, 1928	3 1/4% C/I	81,178,000
Sept. 15, 1928	4 1/4% 3rd L/L	67,106,500
Mar. 15, 1932	3 1/2% T/N	30,249,800
June 15, 1947	3 3/8% T/B	20,000,000
Totals		<u>\$265,213,800</u>

With the approval of the Open Market Investment Committee after the close of the statement week, sales were made to foreign correspondents of \$30,000,000 aggregate amount of 3 1/4 per cent certificates due March 15, 1928 in exchange for a like amount of 3 1/4 per cent certificates due Sept. 15, 1927, both at the market price. These exchanges make a better distribution of maturities in the System Account and will assist in the replacement of September maturities for foreign correspondents.

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,805,500	\$ 652,500	\$ 1,153,000
New York	6,826,000	2,818,500	4,007,500
Philadelphia	1,718,000	560,000	1,158,000
Cleveland	2,087,000	949,500	1,137,500
Richmond	1,841,000	689,500	1,151,500
Atlanta	969,500	240,000	729,500
Chicago	3,756,000	1,614,500	2,141,500
St. Louis	1,286,000	730,500	555,500
Minneapolis	928,500	510,500	418,000
Kansas City	1,475,500	930,000	545,500
Dallas	1,253,500	852,500	401,000
San Francisco	2,244,000	1,427,000	817,000
Totals	<u>\$26,190,500</u>	<u>\$11,975,000</u>	<u>\$14,215,500</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 300,000	Second L/L. ^{xxx}	\$ 3,491,000	Second L/L. ^{xxx}
Cleveland	8,220,000	3rd L/L. ^{xx}	8,220,000	A-1927 Treas. Notes ^{xx}
			456,000	Second L/L.
Atlanta	208,800	Misc. Gov't Sec.	165,350	Misc. Gov't Sec.
Chicago	1,000,000	Second L/L. ^{xxx}	0	-
St. Louis	0	-	4,060,000	A-1927 Treas. Notes ^x
Kansas City	500	A-1927 Treas. Notes	0	-
Dallas	26,450	Misc. Gov't Sec.	0	-
Totals	<u>\$ 9,755,750</u>		<u>\$16,392,350</u>	

x Sold to System Account.
 xx Exchange effected with System Account.
 xxx Sold to Treasury Department before and after close of statement week.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>		
	<u>July 13</u>	<u>Own Mkt.</u>	<u>from N.Y.</u>	<u>ities &</u>	<u>July 20</u>	<u>Sales</u>	<u>Other</u>	
				<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 11,625	\$ 1,760 R	0	\$ 2,181	\$ 11,204	\$ 4,185	\$ 876	
New York	28,369	4,425 " 7,100 A	0	6,794	26,000	262	3,428	
Phila.	14,101	2,509 R	0	2,974	13,636	0	1,122	
Cleveland	16,393	0	1,078	1,558	15,913	0	3,053	
Richmond	8,614	63 "	1,257	1,032	8,902	0	608	
Atlanta	9,435	21 "	735	1,686	8,505	0	1,357	
Chicago	25,125	1,549 "	2,078	3,841	24,911	1,824	1,613	
St. Louis	10,499	0	558	1,791	9,256	0	502	
Minn.	6,182	0	454	1,068	5,568	0	351	
Kan. City	9,503	0	569	1,399	8,673	0	432	
Dallas	8,712	356 "	371	1,042	8,397	518	409	
San Fran.	14,270	643 "	0	2,047	12,866	5,795	818	
Totals	<u>\$162,818</u>	<u>\$18,426</u>	<u>\$7,100</u>	<u>\$27,413</u>	<u>\$153,831</u>	<u>\$12,584</u>	<u>\$14,569</u>	
Bills held overnight by N.Y. for distribution to other F.R. banks - - - - -							-	<u>4,395</u>
							-	<u>\$18,964</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 20, 1927.
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 3/4%</u>	61-90 days <u>3 3/4%</u>	Over 90 days <u>3 3/4 - 3 7/8%</u>	Total
Boston	\$ 309	\$1,442	\$ 9	0	\$ 1,760
New York	6,721	3,025	1,000	779	11,525
Philadelphia	1,220	1,289	0	0	2,509
Richmond	30	33	0	0	63
Atlanta	0	3	18	0	21
Chicago	435	1,114	0	0	1,549
Dallas	153	17	5	181	356
San Francisco	30	550	47	16	643
Totals	<u>\$8,898</u>	<u>\$7,473</u>	<u>\$1,079</u>	<u>\$976</u>	<u>\$18,426</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 20, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$35,946	\$18,426	\$54,372
Sold	28,366	0	28,366
Matured	0	<u>27,413</u>	<u>27,413</u>
		\$ 8,987-	\$ 1,407-
		2,408+ (Net Change	2,408+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 7,580+</u>	<u>\$6,579-</u>	<u>\$1,001+</u>

(Including Sales Contracts)

<u>Holdings July 20, 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	\$ 6,732	0	\$29,884	0	\$44,127	\$305,025	\$385,768
Bills Purchased	<u>81,641</u>	<u>48,940</u>	<u>37,402</u>	<u>12,681</u>	<u>4,715</u>	<u>0</u>	<u>185,329</u>
Totals	<u>\$88,373</u>	<u>\$48,940</u>	<u>\$67,286</u>	<u>\$12,681</u>	<u>\$48,842</u>	<u>\$305,025</u>	<u>\$571,147</u>

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Form No. 131.

Office Correspondence

FEDERAL RESERVE
BOARD

Date July 20, 1927.

To All members of the Board.

Subject: _____

From Mr. Noell.

2-8495
G.P.O.

For your information:

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

Please return to Secretary's Office.

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FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

July 18, 1927

S i r :

We are enclosing, for your files, report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 7 to July 13, 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. M. Crissinger,
Governor, Federal Reserve Board,
Washington, D. C.

Encl. (1)

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 13, 1927

Holdings of Earning Assets of Federal Reserve Banks from June 30, 1926 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1926-						
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	521,319
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. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	988,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,262	183,163	32,955	477,311
July 6	1,081,579	367,296	7,172	178,714	20,329	506,768
" 13	998,512	371,456	6,347	179,374	13,833	426,202

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 13	Net Change	Balance July 13	Net Change	Balance July 13	Net Change
Boston	\$ 14,270	\$ 373-	\$ 11,625	\$ 3,060-	\$ 22,414	\$ 6,248-
New York	63,731	2,632-	28,369	42+	134,490	10,348-
Philadelphia	26,785	377-	14,101	895+	43,995	3,425-
Cleveland	44,999	394-	16,393	12-	37,285	5,851-
Richmond	15,594	231-	8,614	294+	23,929	824-
Atlanta	9,595	243-	9,435	438+	34,832	2,560+
Chicago	53,714	683-	25,125	2,246+	44,307	31,348-
St. Louis	29,864	10,031+	10,489	478-	23,265	10,292-
Minneapolis	18,303	179-	6,182	528-	4,465	4,713-
Kansas City	29,231	260-	9,503	190+	13,697	741-
Dallas	25,509	109-	8,712	691-	6,298	7-
San Francisco	39,861	390-	14,270	222+	37,225	9,329-
N.Y. Holdovers and other bills			16,556	1,102+		
Totals	\$371,456	\$ 4,160+	\$179,374	660+	\$426,202	\$80,566-

COMMENT ON CHANGES WEEK ENDED JULY 13, 1927

The total earning assets of the System showed a decrease of \$83,067,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$4,100,000 in outright purchases of Government securities and \$700,000 in outright purchases of bankers acceptances, and decreases of \$80,500,000 in bills discounted, and \$7,300,000 in investments held under sales contracts. The latter decrease consisted of \$6,500,000 bankers acceptances and \$800,000 Government securities.

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Money
Market

The call money market continued easy throughout the past week. The amount of funds on offer in the Stock Exchange was large, and each day a considerable amount remained unlent at the close. The rate on the Exchange was steady at 4 per cent, but some outside loans at 3 3/4 per cent were reported. Leading New York City banks entered the week with a substantial deficit in reserves, but the continued return flow of currency from circulation and considerable gains in transfers from other districts enabled the banks to raise their average reserves to requirements at the end of the week without calling on the Reserve Bank for additional credit.

Time money also remained moderately easy. Trading was principally in the shorter maturities, especially 90-day loans, which continued to be placed at 4 1/2 per cent. Some 30 and 60-day loans were reported at 4 3/8 to 4 1/2 per cent; nominal quotations on the longer terms were unchanged at 4 1/2 per cent bid and 4 5/8 per cent offered, with some 6 months' loans placed at 4 5/8 per cent.

A slight increase in the activity of the commercial paper market was reported during the week. Most of the business continued to be in the Middle West, while the local market remained quiet. Dealers reported a further slight increase in the amount of paper available. The prevailing rate continued to be 4 1/4 per cent, though occasional sales at 4 per cent and at 4 1/2 per cent were reported.

Government
Security
Market

Trading in United States Liberty Loan and Treasury bonds was of normal volume for this season of the year with slight fractional recessions in prices from the previous week's close. Dealers' offering prices were at levels to yield from about 3.25 per cent to 3.58 per cent for Liberty bonds, and 3.34 to 3.38 per cent for Treasury bonds, according to maturity.

The market for short-term certificates of indebtedness and Treasury notes was also quiet with offerings of the issues maturing next September and December very scarce. Dealers' offering prices were at levels to yield from about 3.09 to 3.48 per cent to maturity.

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 no material change in the bill market in their district during the past week. In the early part of the week some dealers had been bidding 3 7/8 per cent for 90-day bills, but toward the end of the period all dealers were bidding 3 3/4 per cent for this maturity. There was a scarcity of bills and acceptance houses had no difficulty in selling what few new bills were made. The best demand continued to be for the short maturities. In New York the market was more active this week. Dealers purchases were in more normal volume in the aggregate, but were chiefly of the shorter maturities. Long bills continued scarce. The demand which increased substantially and which was considerably in excess of the supply, consisted mainly of heavy orders from abroad for 90-day bills which dealers had difficulty in filling. Buying for local account improved and was chiefly for short maturities. Dealers' portfolios were reduced to the lowest level since last September. Philadelphia and Chicago reported that there was practically no change in their respective markets from last week.

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OPERATIONS ACCOUNT UNITED STATES TREASURY

Deliveries were completed during the current week of the \$10,000,000 Second 4 1/4s purchased for account of Surplus Money as mentioned in the last report.

Under authority from the Treasury, purchases were made this week of \$300,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928 for account of the Alien Property Custodian, \$286,350. Fourth 4 1/4s for account of the Secretary of the Interior, and an additional \$10,000,000 Second 4 1/4s for delivery July 19 for account of Surplus Money.

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 the apportionment plan put in effect in the early part of the year and revised on July 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 62,464,000	\$ 60,619,000	\$1,845,000	\$ 0
New York	203,928,000	207,340,000	0	3,412,000
Philadelphia	70,618,000	68,632,000	1,986,000	0
Cleveland	85,198,000	85,200,000	0	2,000
Richmond	42,797,000	43,778,000	0	981,000
Atlanta	42,435,000	42,896,000	0	461,000
Chicago	120,718,000	120,672,000	46,000	0
St. Louis	51,486,000	51,663,000	0	177,000
Minneapolis	33,777,000	34,018,000	0	241,000
Kansas City	50,610,000	50,881,000	0	271,000
Dallas	34,237,000	34,291,000	0	54,000
San Francisco	<u>70,039,000</u>	<u>68,317,000</u>	<u>1,722,000</u>	<u>0</u>
Totals	<u>\$868,307,000</u>	<u>\$868,307,000</u>	<u>\$5,599,000</u>	<u>\$5,599,000</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 exchanges with the market and foreign accounts of \$2,000,000 - 3 1/4 per cent certificates of indebtedness due March 15, 1928, and \$6,500,000 - 3 1/2 per cent Treasury notes due March 15, 1932, for \$9,000,000 Second 4 1/4s, all at the market prices. Exchanges were also made with the Federal Reserve Banks of Philadelphia and San Francisco of \$12,246,500 Third 4 1/4s, for \$3,400,000-3 1/8 per cent certificates maturing September 15, 1927, and \$8,846,500 - 4 1/2 per cent Treasury notes due December 15, 1927, respectively. These transactions left the total holdings in the System Account at the close of business July 13 at \$250,998,300. The participation by Federal reserve banks and the classification of issues were as follows:

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PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 13,563,500
New York	58,883,800
Philadelphia	11,600,500
Cleveland	19,898,000
Richmond	14,353,000
Atlanta	4,898,500
Chicago	33,786,500
St. Louis	15,402,500
Minneapolis	10,745,500
Kansas City	19,648,000
Dallas	18,049,500
San Francisco	<u>30,169,000</u>
 Totals	 <u>\$250,998,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1927	3 1/8% C/I	\$19,112,500
Sept. 15, 1927	3 1/4% "	7,795,000
Nov. 15, 1927	4 1/4% 2nd L/L	9,000,000
Dec. 15, 1927	4 1/2% T/N	16,394,500
March 15, 1928	3 1/4% C/I	81,098,000
Sept. 15, 1928	4 1/4% 3rd L/L	67,348,500
March 15, 1932	3 1/2% T/N	30,249,800
June 15, 1947	3 3/8% T/B	20,000,000
		<u>\$250,998,300</u>

After the close of the statement week additional purchases were made of short-term Government securities under authorization of the Open Market Investment Committee to purchase \$15,000,000.

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 1,148,500	\$ 1,521,500	0	\$ 373,000
New York	5,407,500	11,530,500	0	6,123,000
Philadelphia	982,000	1,359,000	0	377,000
Cleveland	1,684,500	2,144,500	0	460,000
Richmond	791,000	1,022,500	0	231,500
Atlanta	414,500	655,000	0	240,500
Chicago	2,860,000	3,543,000	0	683,000
St. Louis	11,304,500	1,273,500	10,031,000	0
Minneapolis	909,500	1,088,000	0	178,500
Kansas City	1,663,000	1,923,500	0	260,500
Dallas	1,528,000	1,742,000	0	214,000
San Francisco	2,553,500	2,943,500	0	390,000
Totals	\$31,246,500*	\$30,746,500*	\$10,031,000	\$9,531,000

*Includes repurchase by St. Louis of \$10,000,000 Government securities which they temporarily sold from their participation in System Account, as mentioned in last report.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 7,000,000	Second L/L bonds	\$ 3,509,000	Second L/L bonds
Philadelphia	3,400,000*	Third L/L bonds	3,400,000*	TS2-1927 C/I
Cleveland	66,100	Second L/L bonds	0	-
Atlanta	414,700	Misc. Gov't Sec.	417,400	Misc. Gov't Sec.
Dallas	105,200	Misc. Gov't Sec.	0	-
San Francisco	8,846,500*	Third L/L bonds	8,846,500*	Dec. 15/27 T/N
Totals	\$19,832,500		\$16,172,900	

*Exchanges effected with System Account.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 6	Purchased Own Mkt.	Rec'd by Allotment		Matur- ities & Sales	Holdings July 13	Other Holdings Close July 13/27	
			Regular from N.Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 14,685	\$ 4,133 R.	0	0	\$ 7,193*	\$ 11,625	\$ 4,294	\$ 875
New York	28,327	7,355 " 10,280 A.	0	0	7,313	28,369	3,586	3,393
Phila.	13,206	3,275 R.	0	0	2,380	14,101	0	1,120
Cleveland	16,405	655 "	1,658	800	3,125	16,393	0	3,051
Richmond	8,320	159 "	1,454	0	1,319	8,614	0	607
Atlanta	8,997	62 "	1,019	500	1,143	9,435	0	1,460
Chicago	22,879	1,942 "	2,525	800	3,021	25,125	2,301	1,611
St. Louis	10,967	0	1,037	800	2,315	10,489	0	502
Minn.	6,710	0	685	400	1,613	6,182	0	350
Kan. City	9,313	0	927	700	1,437	9,503	0	432
Dallas	9,403	178 "	323	0	1,192	8,712	421	409
San Fran.	14,048	1,391 "	652	0	1,821	14,270	3,231	817
Totals	\$163,260	\$29,430	\$10,280	\$4,000	\$33,872	\$162,818	\$13,833	\$14,627

Bills held overnight by N. Y. for distribution to other Federal res. bks. - - 1,929
Total - - - - - \$16,556

*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 ENDED JULY 13, 1927
 (000 Omitted)

	1-30 days <u>3 1/2 - 3 5/8%</u>	31-60 days <u>3 1/2 - 3 7/8%</u>	61-90 days <u>3 3/4 - 3 7/8%</u>	Over 90 days <u>3 3/4 - 4%</u>	<u>Total</u>
Boston	\$ 3,030	\$ 1,103	0	0	\$ 4,133
New York	8,711	7,498	842	584	17,635
Philadelphia	1,029	2,246	0	0	3,275
Cleveland	655	0	0	0	655
Richmond	0	158	1	0	159
Atlanta	0	0	62	0	62
Chicago	390	1,552	0	0	1,942
Dallas	33	39	50	56	178
San Francisco	<u>1,343</u>	<u>0</u>	<u>48</u>	<u>0</u>	<u>1,391</u>
Totals	<u>\$15,191</u>	<u>\$12,596</u>	<u>\$1,003</u>	<u>\$640</u>	<u>\$29,430</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 13, 1927
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$51,077	\$33,430	\$84,507
Sold	46,917	0	46,917
Matured	0	<u>33,872</u>	<u>33,872</u>
		\$ 442-	\$ 3,712+
		1,102+ (Net Change 1-day holdover and other bills)	1,102+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 4,160+</u>	<u>\$660+</u>	<u>\$4,820+</u>

(Including Sales Contracts)

<u>Holdings July 13, 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	\$ 6,347	0	0	\$31,036	\$43,475	\$296,945	\$377,803
Bills Purchased	<u>73,954</u>	<u>53,344</u>	<u>45,768</u>	<u>15,194</u>	<u>4,947</u>	<u>0</u>	<u>193,207</u>
Totals	<u>\$80,301</u>	<u>\$53,344</u>	<u>\$45,768</u>	<u>\$46,230</u>	<u>\$48,422</u>	<u>\$296,945</u>	<u>\$571,010</u>