

DECLASSIFIED

Authority E.O. 10501

September 5, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of September 4th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from August 28, 1928 to August 29, 1928, inclusive.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

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

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*Mr. Smith ✓*  
*Riefler ✓*  
*Collier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
SEP - 5 1928  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

September 4, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 23, 1928 to August 29, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

September 4, 1928

H. A. Y.  
SEP 5 1928

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Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

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FOR SPECIAL CIRCULATION  
PLEASE READ PROMPTLY. INITIAL AND RETURN TO SECRETARY'S OFFICE  
Gov. Young ✓  
Mr. Hamlin ✓  
Mr. James ✓  
Mr. McIntosh ✓  
Mr. Platt ✓  
Mr. Cunningham ✓  
FEDERAL RESERVE BANK

OF NEW YORK

SEP 5 1928  
N. A. Y.

September 4, 1928

PERSONAL

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Encl.

see letter 9/15/28

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 29, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
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Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
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July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109
Aug. 22	1,428,946	197,114	9,796	158,972	24,628	1,037,446
Aug. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED AUGUST 29, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Aug. 29	Change	Aug. 29	Change	Aug. 29	Change
Boston	\$ 8,816	\$1,973+	\$ 13,304	\$ 689-	\$ 57,715	\$2,283-
New York	29,286	6,785+	27,578	2,608+	292,522	21,504-
Philadelphia	22,190	1,262+	12,444	1,143-	105,187	6,540+
Cleveland	35,236	2,129+	19,697	1,110-	81,645	13,268+
Richmond	3,277	0	6,170	1,896-	60,012	5,525+
Atlanta	5,375	345+	12,302	55-	76,933	2,807+
Chicago	32,186	0	10,760	590+	137,613	12,521-
St. Louis	0	16,625-	0	0	65,385	307-
Minneapolis	11,335	677+	9,490	368-	19,038	96-
Kansas City	16,317	1,188+	10,814	539+	26,714	4,880+
Dallas	14,310	0	12,583	935-	30,468	941+
San Francisco	18,720	1,198+	19,041	650-	85,541	4,069+
N. Y. holdovers and other bills			2,582	902+		
Totals	\$197,048	\$ 68-	\$156,765	\$2,207-	\$1,038,773	\$1,327+

COMMENT ON CHANGES WEEK ENDED AUGUST 29, 1928

Total earning assets of the System showed an increase of \$4,080,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$50,000 in outright purchases of Government securities and \$2,200,000 in outright purchases of bankers acceptances and increases of \$1,350,000 in bills discounted and \$5,000,000 in investments held under sales contracts. The latter item consisted of \$2,100,000 in Government securities and \$2,900,000 in bankers acceptances.

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Money  
Market

At the beginning of the calendar week, the New York City banks were indebted to the Reserve Bank to the extent of \$258,000,000, and on Monday call money advanced to 8 per cent after renewing at 7 per cent. For the balance of the week renewals were arranged at 7 1/2 per cent, but on one day, Thursday, the new loan rate dropped to 7 per cent on the Exchange and to 6 1/2 per cent in the outside market. This slight easing accompanied an inflow of commercial and financial funds from other districts which more than offset holiday currency withdrawals and allowed the member banks to reduce their Reserve Bank loans to \$207,000,000 on Friday, the end of the reserve period.

The market for time funds continued dull and firm. There was again a scarcity of offerings of funds, and 6 1/2 per cent was bid for all maturities. Loans were placed chiefly at 6 1/2 per cent, but several transactions in 30 and 90-day maturities at 6 5/8 per cent were also reported.

Both the supply of open market commercial paper and the bank investment demand remained of light proportions during the week. The rate situation continued firm; dealers are now offering and selling prime names at 5 1/2, and also in increasing volume at 5 3/4 per cent.

Government  
Security  
Market

The market for United States Government securities continued quiet. The long-term Treasury bonds were in best demand, and as the supply was small, prices of these issues advanced from 16/32 to 30/32nds over the previous week's close.

Closing prices on New York Stock Exchange on Saturday,  
September 1, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	99 14/32	-5/32	Treas. 4s 1944-54	106 26/32	+16/32
1st 4 1/4s	100 30/32	-2/32	" 4 1/4s 1947-52	112	+16/32
3rd 4 1/4s	99 31/32	- - -	" 3 3/4s 1946-56	103 30/32	+30/32
4th 4 1/4s	101 5/32	- - -	" 3 3/8s 1943-47	99 8/32	+17/32
			" 3 3/8s 1940-43	99 4/32	+18/32

Dealers' offering prices at the end of the calendar  
week and net change from previous week's prices

Issue	Price	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 23/32	+ 1/32
4 % " " " " Dec. 15, 1928	99 31/32	+ 1/32
3 3/8% " " " " Mar. 15, 1929	99 15/32	-
3 7/8% " " " " Mar. 15, 1929	99 25/32	-
3 1/2% Treas. Notes * Mar. 15, 1932	98 4/32	- 4/32
3 1/2% " " " Sept. & Dec. 15, 1932	98 2/32	- 2/32

Bankers  
Acceptances

During the statement week dealers' offering rates for undorsed bankers acceptances were at the following rates: 4 5/8 per cent for 30s, 60s and 90s, 4 3/4 per cent for 120s and 5 to 5 1/8 per cent for 180-day bills. On August 31 all dealers lowered their rates 1/8 per cent on all maturities.

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Boston reports that the supply of new bills showed a slight decrease over the preceding week, but local banks offered bills in good quantity which brought the supply to the highest volume since the second week in July. The demand was good and slightly in excess of the supply. Bills moved freely at offered rates and while very little choice as to maturities, short bills were the easiest to move. In New York there was a substantial increase this week in both the supply and demand for bills with a moderate excess in the former. The improvement in the demand was the result of heavier orders from abroad particularly 90-day bills. Local buying was light and mainly for corporation account. Dealers' portfolios increased moderately. Philadelphia reports that its acceptance market was quiet. Offerings fell off considerably and demand less than previous week. Chicago reports that for the first time in several months there was a good demand for bills in its market from corporations for 90-day bills.

#### OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of Treasury offerings in connection with Third 4 1/4s) consisted of a purchase of \$500,000 par amount 3 1/2% Treasury notes due March 15, 1930-32, for account Government Life Insurance Fund and sales of \$495,000 par amount 4% certificates of indebtedness due December 15, 1928, and \$500,000 - 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian.

#### SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19 and August 9:

	<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	\$ 87,303,000	\$ 84,198,000	\$ 3,105,000	\$ 0
New York	315,928,000	310,566,000	5,362,000	0
Philadelphia	101,773,000	114,514,000	0	12,741,000
Cleveland	129,388,000	128,258,000	1,130,000	0
Richmond	60,886,000	61,040,000	0	154,000
Atlanta	53,843,000	53,954,000	0	111,000
Chicago	148,120,000	149,733,000	0	1,613,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	53,562,000	52,509,000	1,053,000	0
Kansas City	65,462,000	64,769,000	693,000	0
Dallas	55,831,000	53,636,000	2,195,000	0
San Francisco	106,822,000	105,741,000	1,081,000	0
Totals	<u>\$1,198,377,000</u>	<u>\$1,198,377,000</u>	<u>\$14,619,000</u>	<u>\$14,619,000</u>

The large overage by the New York bank as shown in the above statement is due to the purchase from a foreign correspondent of a large block of bills of maturity too short to distribute to other participating banks.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transactions effected in the System Account during the current statement week was the purchase from the Federal Reserve Bank of St. Louis of their outright holdings of Government securities aggregating \$16,625,000, which are to be held temporarily in the System Account as previously reported. This purchase temporarily increased the total holdings in the Account to \$92,113,300. The participation by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 29, 1928, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 8,113,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$20,589,000
New York	27,902,300	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,992,000	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	8,757,500	Mar. 15, 1929 - 3 7/8% "	11,450,000
Richmond	2,123,500	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Atlanta	2,279,500	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	12,258,500	Dec. 15, 1932 - 3 1/2% "	<u>5,640,800</u>
St. Louis	0		<u>\$75,488,300</u>
Minneapolis	3,750,000	Plus temporary purchase from St. Louis' portfolio:	
Kansas City	6,585,000	3 1/2% T/N due 1930-32	\$9,500,000
Dallas	4,316,000	4 1/4% 4th L/L 10/15/38	5,000,000
San Francisco	<u>9,035,500</u>	4 1/4% 1st " 6/15/47	500,000
Totals	<u>\$92,113,300</u>	3 3/8% T/B due 1943-47	<u>1,625,000</u> 16,625,000
			<u>\$92,113,300</u>



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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS AUGUST 22 TO AUGUST 29, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

Temporary purchase  
from St. Louis' portfolio

Boston	\$ 1,973,500
New York	6,785,500
Philadelphia	1,262,000
Cleveland	2,129,500
Richmond	0
Atlanta	411,500
Chicago	0
St. Louis	0
Minneapolis	677,000
Kansas City	1,188,500
Dallas	0
San Francisco	<u>2,197,500</u>
Total	<u>\$16,625,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 200	Fourth L/L
New York	* \$470,000	Misc. Gov't Sec.	* 470,000	Misc. Gov't Sec.
Atlanta	90,600	Misc. Gov't Sec.	156,500	Misc. Gov't Sec.
St. Louis	<u>0</u>	-	** <u>16,625,000</u>	Misc. Gov't Sec.
Totals	<u>\$560,600</u>		<u>\$17,251,700</u>	

\* Held temporarily for resale to foreign correspondent  
\*\* Temporarily sold to System Account.

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Rec'd By Allotment</u>					<u>Other Holdings</u>		
	<u>Holdings</u> <u>Aug. 22</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Regular</u> <u>from</u> <u>N. Y.</u>	<u>From</u> <u>Boston</u> <u>Port.</u>	<u>Matur-</u> <u>ities &amp;</u> <u>Sales</u>	<u>Holdings</u> <u>Aug. 29</u>	<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 13,993	\$ 3,939 R.	0	0	\$ 4,628*	\$ 13,304	\$ 5,687	\$ 19
New York	24,970	13,999 "	0	0	11,391	27,578	15,613	657
		4,603 A.						
Phila.	13,587	195 R.	0	0	1,338	12,444	0	24
Cleve.	20,807	779 "	690	1,000	3,579	19,697	0	27
Richmond	8,066	450 "	911	0	3,257	6,170	0	13
Atlanta	12,357	24 "	295	500	874	12,302	0	558
Chicago	10,170	498 "	1,739	0	1,647	10,760	2,078	36
St. Louis	0	0	0	0	0	0	0	11
Minn.	9,858	0	284	500	1,152	9,490	0	7
Kan. City	10,275	0	514	1,000	975	10,814	0	9
Dallas	13,518	900 "	170	0	2,005	12,583	0	9
San Fran.	<u>19,691</u>	<u>1,772</u> "	<u>0</u>	<u>1,000</u>	<u>3,422</u>	<u>19,041</u>	<u>4,156</u>	<u>18</u>
Totals	\$157,292	\$27,159	\$4,603	\$4,000	\$34,268	\$154,183	\$27,534	\$1,388
Bills held overnight by New York for distribution to other F.R. Banks - - -								<u>1,194</u>
								<u>\$2,582</u>

NOTE: R. indicates Retained and A. indicates Allotted in the above statement. Total includes \$4,000,000 sold to other Federal reserve banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 29, 1928  
(000 Omitted)

	1-30 days 4 1/2-4 5/8%	31-60 days 4 1/2-4 5/8%	61-90 days 4 1/2-4 3/4%	Over 90 days 4 1/2-5%	Total
Boston	\$ 1,294	\$ 790	\$ 983	\$ 872	\$ 3,939
New York	17,426	652	415	109	18,602
Philadelphia	0	0	195	0	195
Cleveland	0	537	242	0	779
Richmond	25	35	390	0	450
Atlanta	0	0	24	0	24
Chicago	248	0	250	0	498
Dallas	43	193	284	380	900
San Francisco	247	627	690	208	1,772
<b>Totals</b>	<u>\$19,283</u>	<u>\$2,834</u>	<u>\$3,473</u>	<u>\$1,569</u>	<u>\$27,159</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 29, 1928  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$17,184	\$27,159	\$44,343
Sold	17,252	0	17,252
Matured	0	30,268	30,268
		\$ 3,109-	\$ 3,177-
		902+ (Net Change 1-day holdover and other bills)	902+ (Net Change 1-day holdover and other bills)
<b>Totals</b>	<u>\$ 68-</u>	<u>\$ 2,207-</u>	<u>\$ 2,275-</u>

(Including Sales Contracts)

Holdings August 29, 1928	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$11,916	\$ 655	\$ 0	\$ 0	\$32,851	\$163,542	\$208,964
Bills Purchased	80,174	36,280	41,153	20,965	5,727	0	184,299
<b>Totals</b>	<u>\$92,090</u>	<u>\$36,935</u>	<u>\$41,153</u>	<u>\$20,965</u>	<u>\$38,578</u>	<u>\$163,542</u>	<u>\$393,263</u>

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Aug. 23, 1928.

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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
AUG 28 1928  
OFFICE OF  
THE GOVERNOR

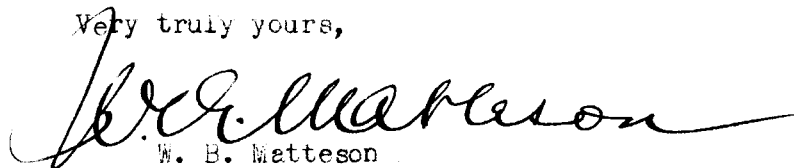
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Mr. Platt *P* Mr. Miller *M* Mr. Cunningham *C*  
FEDERAL RESERVE BANK

OF NEW YORK

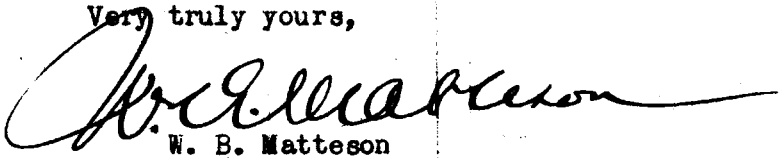
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Encl.

*see letter) 8/27/28*

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**CONFIDENTIAL****REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 22, 1928****Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 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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July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
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June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109
Aug. 15	1,399,839	197,257	9,156	169,557	20,345	1,002,534
Aug. 22	1,428,946	197,114	9,796	158,972	24,628	1,037,446

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED AUGUST 22, 1928**  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 22	Net Change	Balance Aug. 22	Net Change	Balance Aug. 22	Net Change
Boston	\$ 6,843	\$ 0	\$ 13,993	\$ 93+	\$ 59,998	\$ 7,740-
New York	22,501	0	24,970	9,036-	314,026	39,451+
Philadelphia	20,927	0	13,587	1,581-	98,639	560+
Cleveland	33,107	0	20,807	749+	68,377	10,867-
Richmond	3,276	0	8,066	286+	54,487	1,045+
Atlanta	5,030	143-	12,357	102-	74,126	3,115-
Chicago	32,186	0	10,170	414+	150,134	2,445-
St. Louis	16,625	0	0	0	65,692	11,199+
Minneapolis	10,658	0	9,858	67-	19,134	771+
Kansas City	15,129	0	10,275	1,406+	21,834	21+
Dallas	14,310	0	13,518	1,041+	29,527	111-
San Francisco	16,522	0	19,691	89+	81,472	6,143+
N. Y. holdovers and other bills			1,680	3,877-		
<b>Totals</b>	<b>\$197,114</b>	<b>\$143-</b>	<b>\$158,972</b>	<b>\$10,585-</b>	<b>\$1,037,446</b>	<b>\$34,912+</b>

**COMMENT ON CHANGES WEEK ENDED AUGUST 22, 1928**

Total earning assets of the System showed an increase of \$29,100,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$150,000 in outright purchases of Government securities and \$10,600,000 in outright purchases of bankers acceptances and increases of \$34,900,000 in bills discounted and \$4,950,000 in investments held under sales contracts. The latter item consisted of \$650,000 in Government securities and \$4,300,000 in bankers acceptances.

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Money  
Market

Money in New York averaged somewhat higher during the past calendar week than in the previous period. The renewal rate was set at 6 per cent on Monday, but increased borrowings by the banks on that day in order to correct an impaired reserve position resulted in a rise in the rate for new call loans to 7 1/2 per cent. For the balance of the week, the renewal rate was steady at 7 per cent, and only on Tuesday did the new loan rate again go to 7 1/2 per cent. As to movements of funds in the money market, there was a moderate net loss in commercial transfers to other districts, and currency demands continued to increase, but these losses were about balanced by net Treasury and foreign account disbursements. For the week ended Friday, the borrowings of the City banks at the Reserve Bank have averaged \$246,000,000, an increase of \$15,000,000 over the previous period.

In the time money market the situation continued firm. There were practically no offerings of funds in the market, and 6 1/2 per cent was strongly bid for all maturities.

Bank demand for commercial paper was light during the week, and dealers continued to report that they were receiving from commercial concerns few requests for new loans. The usual grade of prime paper cannot be sold now at a rate lower than 5 1/2 per cent, and it is only a few of the exceptional names that move out of dealers' hands at the 5 1/4 per cent rate.

Government  
Security  
Market

The market for United States Government securities was very inactive and while prices were somewhat irregular, as compared with the previous week's close, the net changes in most issues were slightly higher.

Closing prices on New York Stock Exchange on Saturday,  
August 25, 1928 and net changes from previous week's close

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 19/32	+ 5/32	Treas. 4s 1944-54	106 10/32	+ 8/32
1st 4 1/4s	101	-	" 4 1/4s 1947-52	111 16/32	+ 16/32
3rd 4 1/4s	99 31/32	-	" 3 3/4s 1946-56	103	- 3/32
4th 4 1/4s	101 5/32	+ 2/32	" 3 3/8s 1943-47	98 23/32	- 3/32
			" 3 3/8s 1940-43	98 18/32	- 2/32

Dealers' offering prices at the end of the calendar  
week and net change from previous week's prices

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 22/32	-
4 " " " " Dec. 15, 1928	99 30/32	-
3 3/8% " " " " Mar. 15, 1929	99 15/32	+ 1/32
3 7/8% " " " " Mar. 15, 1929	99 25/32	+ 2/32
3 1/2% Treas. Notes " Mar. 15, 1932	98 8/32	+ 8/32
3 1/2% " " " " Sept. & Dec. 15, 1932	98 4/32	+ 4/32

Bankers  
Acceptances

Dealers' offering rates for unindorsed bankers acceptances were at the following rates: 4 5/8 per cent for 30s, 60s and 90s, 4 3/4 per cent for 120s and 5 to 5 1/8 per cent for 180-day bills.

Boston reports that there was little change in the local conditions in their bill market during the past period, although some dealers reported difficulty in obtaining bills, the supply as a whole was slightly better than the demand. Local banks bought moderately while out-of-town buying fell off perceptibly. Due to high rates, fewer bills were made but the supply was ample to take care of the demand. In New York the supply of bills this week

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fell off substantially but was slightly in excess of the demand which was in the lightest volume in several months. Dealers' sales were chiefly on orders for 90s for foreign account. Local buying was very light and mainly for savings bank account. Dealers' portfolios were practically unchanged. All dealers are now bidding  $4 \frac{7}{8}$  per cent for 120s, offering  $\frac{1}{8}$  less. Some dealers lowered the rate  $\frac{1}{8}$  per cent on 5 and 6 months' bills. Other rates unchanged. Philadelphia reports that its acceptance market was quiet. Bills were offered rather freely with the demand light. Out-of-town buying showed some improvement although still small. Chicago reports that the supply of bills was small in its district during the past week with grain bills increasing. There was little demand.

#### OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of Treasury offerings in connection with Third 4 1/4s) consisted of

#### SALES

\$8,000,000 par amount  $3 \frac{7}{8}\%$  Certs. of Ind. due March 15, 1929, account German Special Deposit Account to System Special Investment Account in replacement of sale \$8,000,000  $3 \frac{1}{4}\%$  Certs. of Ind. due Dec. 15, 1928 from System Account to Treasury, account Redemption

#### SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19 and August 9:

	<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	\$ 87,364,000	\$ 82,297,000	\$ 5,067,000	\$ 0
New York	301,929,000	302,961,000	0	1,032,000
Philadelphia	101,578,000	112,070,000	0	10,492,000
Cleveland	126,919,000	125,271,000	1,648,000	0
Richmond	59,525,000	59,410,000	115,000	0
Atlanta	53,024,000	52,596,000	428,000	0
Chicago	145,883,000	147,560,000	0	1,677,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	52,778,000	51,423,000	1,355,000	0
Kansas City	63,948,000	62,868,000	1,080,000	0
Dallas	54,761,000	52,278,000	2,483,000	0
San Francisco	104,050,000	103,025,000	1,025,000	0
Totals	<u>\$1,171,218,000</u>	<u>\$1,171,218,000</u>	<u>\$13,201,000</u>	<u>\$13,201,000</u>



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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

In order to enable the Treasury to provide the balance of funds needed for one of their trust accounts, to make a payment of \$32,000,000 on account of awards of the Mixed Claims Commission, a sale was made from holdings of the System Account to the Treasury for redemption of \$8,000,000 - 3 1/4 per cent certificates of indebtedness due December 15, 1928, which sale was replaced by purchase from the aforementioned trust account of the Treasury of \$8,000,000 - 3 7/8 per cent certificates of indebtedness due March 15, 1929. This exchange in the System Account was effected with the Treasury at the current market price for the respective issues and a trifling advantage accrued to the banks from the increased yield basis on the Marchs over the Decembers. The total holdings in the account were not affected by this exchange and remained at \$75,488,300. The participation by Federal reserve banks and the classification of issues at the close of business Wednesday, August 22, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 6,140,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$20,589,000
New York	21,116,800	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	5,730,000	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	6,628,000	Mar. 15, 1929 - 3 7/8% "	11,450,000
Richmond	2,123,500	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Atlanta	1,868,000	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	12,258,500	Dec. 15, 1932 - 3 1/2% "	5,640,800
St. Louis	0		
Minneapolis	3,073,000		
Kansas City	5,396,500		
Dallas	4,316,000		
San Francisco	6,838,000		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

After the close of the statement week there was taken over in the System Account temporarily, at market prices, \$16,625,000 United States Government securities from the outright holdings of the Federal Reserve Bank of St. Louis which that bank found it necessary to dispose of due to the heavy demands of their member banks. It is understood that these securities will be repurchased at the same prices by the St. Louis bank later in the fall of this year, unless the securities shall have been otherwise disposed of by the Committee. This purchase was apportioned proportionately to other Federal reserve banks who expressed a willingness to take such participation.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS AUGUST 16 TO AUGUST 22, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 650,500	\$ 650,500
New York	2,238,000	2,238,000
Philadelphia	607,500	607,500
Cleveland	702,500	702,500
Richmond	225,000	225,000
Atlanta	198,000	198,000
Chicago	1,299,000	1,299,000
St. Louis	0	0
Minneapolis	325,500	325,500
Kansas City	572,000	572,000
Dallas	457,500	457,500
San Francisco	724,500	724,500
<b>Totals</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	* \$ 148,550	Third L/L	* \$ 148,550	Third L/L
New York	* 782,550	" "	* 782,550	" "
Philadelphia	* 164,750	" "	* 164,750	" "
Atlanta	277,750	Misc. Gov't Sec.	420,850	Misc. Gov't Sec.
Chicago	* 1,033,150	Third L/L	* 1,033,150	Third L/L
St. Louis	* 122,500	" "	* 122,500	" "
<b>Totals</b>	<b>\$2,529,250</b>		<b>\$2,672,350</b>	

\* Held temporarily for resale to Treasury

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Aug. 15	Purchased Own Mkt.	<u>Rec'd By Allotment</u>			Matur- ities & Sales	Holdings Aug. 22	<u>Other Holdings</u>	
			Regular from N. Y.	From Boston Port.				Close Aug. 22/28	Sales Other Contracts Bills
Boston	\$ 13,900	\$ 4,021 R.	0	0	\$ 3,928*	\$13,993	\$ 5,418	\$ 19	
New York	34,006	3,256 " 7,804 A.	0	700	12,992	24,970	15,840	299	
Phila.	15,168	140 R.	0	0	1,721	13,587	0	24	
Cleve.	20,058	421 " 1,722	1,722	500	1,894	20,807	0	27	
Richmond	7,780	340 " 1,022	1,022	0	1,076	8,066	0	13	
Atlanta	12,459	0	767	0	869	12,357	0	626	
Chicago	9,756	545 " 1,797	1,797	0	1,928	10,170	1,589	36	
St. Louis	0	0	0	0	0	0	0	11	
Minn.	9,925	0	631	500	1,198	9,858	0	7	
Kan. City	8,869	0	1,082	1,300	976	10,275	0	9	
Dallas	12,477	1,216 " 783	783	0	958	13,518	13	9	
San Fran.	19,602	979 " 0	0	0	890	19,691	1,768	18	
<b>Totals</b>	<b>\$164,000</b>	<b>\$18,722</b>	<b>\$7,804</b>	<b>\$3,000</b>	<b>\$28,430</b>	<b>\$157,292</b>	<b>\$24,628</b>	<b>\$1,098</b>	
Bills held overnight by New York for distribution to other F.R. Banks - - -								582	
Total - - - -								<b>\$1,680</b>	

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.  
\*Includes \$3,000,000 sold to other Federal reserve banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 22, 1928  
(000 Omitted)

	1-30 days 4 1/2 - 4 5/8%	31-60 days 4 1/2 - 4 5/8%	61-90 days 4 1/2 - 4 5/8%	Over 90 days 4 5/8 - 4 3/4%	Total
Boston	\$ 576	\$ 536	\$2,416	\$ 493	\$ 4,021
New York	6,004	3,945	828	283	11,060
Philadelphia	0	0	140	0	140
Cleveland	0	421	0	0	421
Richmond	11	252	77	0	340
Chicago	281	126	138	0	545
Dallas	64	450	454	248	1,216
San Francisco	<u>260</u>	<u>119</u>	<u>542</u>	<u>58</u>	<u>979</u>
Totals	<u>\$7,196</u>	<u>\$5,849</u>	<u>\$4,595</u>	<u>\$1,082</u>	<u>\$18,722</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 22, 1928  
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$10,529	\$18,722	\$29,251
Sold	10,672	0	10,672
Matured	0	<u>25,430</u>	<u>25,430</u>
		\$ 6,708-	\$ 6,851-
		3,877- (Net Change 1-day holdover and other bills)	3,877- (Net Change 1-day holdover and other bills)
Totals	<u>\$ 143-</u>	<u>\$10,585-</u>	<u>\$10,728-</u>

(Including Sales Contracts)

Holdings August 22, 1928	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$ 9,796	\$ 662	0	0	\$32,856	\$163,596	\$206,910
Bills Purchased	<u>75,725</u>	<u>36,924</u>	<u>41,387</u>	<u>22,794</u>	<u>6,770</u>	<u>0</u>	<u>183,600</u>
Totals	<u>\$85,521</u>	<u>\$37,586</u>	<u>\$41,387</u>	<u>\$22,794</u>	<u>\$39,626</u>	<u>\$163,596</u>	<u>\$390,510</u>

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August 27, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of August 20th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from August 9, 1928 to August 15, 1928, inclusive.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

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

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*Mr. Smead ✓*  
*Riefler ✓*  
*Collier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
AUG 21 1928  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

August 20, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 9, 1928 to August 15, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



E. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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FEDERAL RESERVE BANK  
OF NEW YORK

REC'D  
AUG 21 1928  
THE GOVERNOR

PERSONAL

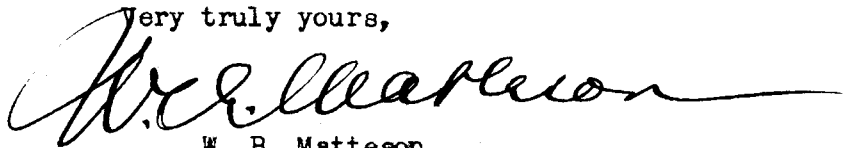
R. A. Y.  
AUG 24 1928

August 20, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 9, 1928 to August 15, 1928 inclusive, together with data received by the Committee from the Federal Reserve Banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

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FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
Gov. Young ✓ Mr. Hamlin ✓ Mr. James ✓ Mr. McIntosh ✓  
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK

*File*

R. A. Y.  
AUG 24 1928

CONFIDENTIAL

August 20, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 9, 1928 to August 15, 1928 inclusive together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. E. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

*(W. E. Matteson) 8/27/28*

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 15, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109
Aug. 8	1,431,490	197,067	10,801	151,807	10,040	1,061,285
Aug. 15	1,399,839	197,257	9,156	169,557	20,345	1,002,534

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED AUGUST 15, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 15	Net Change	Balance Aug. 15	Net Change	Balance Aug. 15	Net Change
Boston	\$ 6,843	0	\$ 13,900	\$ 2,529+	\$ 67,738	\$ 4,335+
New York	22,501	0	34,006	5,946+	274,575	54,818-
Philadelphia	20,927	0	15,168	1,302+	98,079	6,402+
Cleveland	33,107	0	20,058	1,407+	79,244	5,904-
Richmond	3,276	0	7,780	332+	53,442	1,294-
Atlanta	5,173	189+	12,459	312+	77,241	1,939+
Chicago	32,186	0	9,756	481+	152,579	12,299-
St. Louis	16,625	0	0	117-	54,493	219+
Minneapolis	10,658	0	9,925	252-	18,363	3,410+
Kansas City	15,129	0	8,869	366+	21,813	2,153-
Dallas	14,310	0	12,477	651+	29,638	1,136-
San Francisco	16,522	0	19,602	973+	75,329	2,548+
N.Y. holdovers and other bills			5,557	3,820+		
<b>Totals</b>	<b>\$197,257</b>	<b>\$189+</b>	<b>\$169,557</b>	<b>\$17,750+</b>	<b>\$1,002,534</b>	<b>\$58,751-</b>

COMMENT ON CHANGES WEEK ENDED AUGUST 15, 1928

Total earning assets of the System showed a decrease of \$31,651,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$58,750,000 in bills discounted and increases of \$200,000 in outright purchases of Government securities, \$17,750,000 in outright purchases of bankers acceptances and \$8,650,000 net in investments held under sales contracts. The latter item consisted of an increase of \$10,300,000 bankers acceptances and a decrease of \$1,650,000 in Government securities.



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Money Market

Following the 8 per cent rate last Friday, call money eased considerably, and on Thursday the new loan rate was reduced to 4 1/2 per cent, the lowest since May 3; on Friday, however, call money advanced sharply to 7 per cent. Through Thursday, there was a large inflow of commercial funds to this market, and New York City banks were enabled to retire a substantial amount of Reserve bank credit. The interdistrict movement, however, was reversed on Friday, following the decline in call loan rates, and the loss from this source, together with large currency withdrawals and a Government call from depositaries, necessitated a substantial increase in member bank borrowings. For the past week, borrowings have averaged \$231,000,000, as compared with \$266,000,000 for the preceding week.

Time money eased from 6 1/2 to 6 1/4 per cent on Thursday, but after opening at the latter rate on Friday, again advanced to 6 1/2 per cent.

Commercial paper is slightly more active, and continues firm at a range of 5 1/4 to 5 1/2 per cent. This small increase in activity is fairly well distributed throughout the country, excepting in the East, particularly New York City, where sales continue small. There is some evidence that commercial borrowers who normally at this time of the year would be using the commercial paper market for seasonal requirements are now obtaining loans from their banks.

Government Security Market

The market for United States Liberty Loan and Treasury bonds was rather inactive during the past week with prices in most cases fractionally higher than in the previous week. The closing prices on the New York Stock Exchange at the end of the calendar week and the net changes from the previous week's close were as follows:

	Closing Prices Sat. Aug. 18/28	Net Change			Closing Prices Sat. Aug. 18/28	Net Change
1st 3 1/2s	99 14/32	+ 4/32	Treas. 4s	1944-54	106 2/32	+24/32
1st 4 1/4s	101	+12/32	"	4 1/4s 1947-52	111	+12/32
3rd 4 1/4s	99 31/32	- 1/32	"	3 3/4s 1946-56	103 3/32	+ 5/32
4th 4 1/4s	101 3/32	+13/32	"	3 3/8s 1943-47	98 26/32	+ 9/32
			"	3 3/8s 1940-43	98 20/32	+11/32

The market for United States certificates of indebtedness and Treasury notes was firmer toward the end of the week with the certificates maturing next December in best demand. Dealers' offering prices at the close of the week showed fractional gains over the previous week's close as follows:

					Net Change
3 1/4%	Cert. of Ind. due Dec. 15, 1928	99 22/32			+ 6/32
4 %	" " " " Dec. 15, 1928	99 30/32			+ 6/32
3 3/8%	" " " " Mar. 15, 1929	99 14/32			+ 7/32
3 7/8%	" " " " Mar. 15, 1929	99 23/32			+ 6/32
3 1/2%	Treasury Notes " 1930-32	98			+16/32

Bankers Acceptances

Dealers' offering rates for unindorsed bankers acceptances were at the following rates: 4 5/8 per cent for 30s, 60s and 90s, 4 3/4 to 4 7/8 per cent for 120s and 5 to 5 1/8 per cent for 180-day bills.

Boston reports that there was a slight increase in the supply of new bills during the past period. The demand, however, although showing some improvement over the previous week was retarded somewhat by a

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tendency toward higher rates. The higher yield on acceptances continued to attract outside demand which seems to be increasing from week to week. There was very little preference shown as to maturities, but some dealers report less difficulty in moving the shorter maturities. In New York the supply of bills was in a more normal volume and substantially in excess of the demand which continued in about the same aggregate as last week. Dealers' sales were principally on orders from abroad. Local buying was light. Dealers' portfolios increased substantially; all dealers advanced their rate  $1/8$  per cent on 5 and 6 months' bills. Most of the dealers advanced their rate  $1/8$  per cent on 4 months' bills. Philadelphia reports that its acceptance market showed little change. Demand was light with few new bills coming out. Chicago reports that there was increased activity in their market over the previous week. The demand, however, was still small.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of Treasury offerings in connection with Third 4 1/4s) consisted of a purchase of \$500,000 par amount 3 1/2% Treasury notes, due March 15, 1930-32 for account Government Life Insurance Fund.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19 and August 9:

	<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	\$ 86,343,000	\$ 80,986,000	\$ 5,357,000	\$ 0
New York	297,973,000	297,719,000	254,000	0
Philadelphia	101,438,000	110,385,000	0	8,947,000
Cleveland	124,276,000	123,212,000	1,064,000	0
Richmond	58,163,000	58,287,000	0	124,000
Atlanta	52,257,000	51,660,000	597,000	0
Chicago	143,541,000	146,062,000	0	2,521,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	51,647,000	50,674,000	973,000	0
Kansas City	61,566,000	61,557,000	9,000	0
Dallas	52,762,000	51,342,000	1,420,000	0
San Francisco	<u>103,071,000</u>	<u>101,153,000</u>	<u>1,918,000</u>	<u>0</u>
Totals	<u>\$1,152,496,000</u>	<u>\$1,152,496,000</u>	<u>\$11,592,000</u>	<u>\$11,592,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions effected in the System Account during the current statement week, the total holdings at the close of business Wednesday, August 15, remaining unchanged at \$75,488,300. 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	\$ 6,140,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	21,116,800	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	5,730,000	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	6,628,000	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,123,500	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Atlanta	1,868,000	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	12,258,500	Dec. 15, 1932 - 3 1/2% "	5,640,800
St. Louis	0		
Minneapolis	3,073,000		
Kansas City	5,396,500		
Dallas	4,316,000		
San Francisco	<u>6,838,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS AUGUST 8 TO AUGUST 15, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 200	Fourth L/L bonds
Atlanta	<u>527,600</u>	Misc. Gov't Sec.	<u>338,300</u>	Misc. Gov't Sec.
Totals	<u>\$527,600</u>		<u>\$338,500</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Aug. 8	Purchased Own Mkt.	Rec'd By Allotment			Matur- ities & Sales	Holdings Aug. 15	Other Holdings Close Aug. 15/28	
			Regular from N. Y.	From Boston Port.				Sales Contracts	Other Bills
Boston	\$ 11,371	\$ 6,352 R	\$ 0	\$ 0	\$ 3,823*	\$ 13,900	\$ 4,920	\$ 19	
New York	28,060	11,325 " 11,033 A	0	0	5,379	34,006	11,544	320	
Phila.	13,866	1,353 R	846	0	897	15,168	0	24	
Cleve.	18,651	1,283 "	2,019	1,000	2,895	20,058	0	27	
Richmond	7,448	202 "	1,899	0	1,769	7,780	0	13	
Atlanta	12,147	60 "	929	500	1,177	12,459	0	541	
Chicago	9,275	75 "	2,462	0	2,056	9,756	2,777	36	
St. Louis	117	0	0	0	117	0	0	11	
Minn.	10,177	0	746	500	1,498	9,925	0	7	
Kan. City	8,503	0	1,342	500	1,476	8,869	0	9	
Dallas	11,826	662 "	790	0	801	12,477	0	9	
San Fran.	<u>18,629</u>	<u>2,230 "</u>	<u>0</u>	<u>0</u>	<u>1,257</u>	<u>19,602</u>	<u>1,104</u>	<u>18</u>	
Totals	<u>\$150,070</u>	<u>\$34,575</u>	<u>\$11,033</u>	<u>\$2,500</u>	<u>\$23,145</u>	<u>\$164,000</u>	<u>\$20,345</u>	<u>\$1,034</u>	
Bills held over night by New York for distribution to other F. R. banks - - -								4,523	
Total - - - - -								<u><u>\$5,557</u></u>	

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

\* Includes \$2,500,000 sold to other Federal reserve banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 15, 1928  
(000 Omitted)

	1-30 days	31-60 days	61-90 days	Over 90 days	Total
	4 1/2 - 4 5/8%	4 1/2 - 4 5/8%	4 1/2 - 4 5/8%	4 5/8 - 5%	
Boston	\$ 405	\$1,813	\$1,222	\$2,912	\$ 6,352
New York	18,581	1,947	1,266	564	22,358
Philadelphia	150	348	855	0	1,353
Cleveland	0	253	1,030	0	1,283
Richmond	2	49	151	0	202
Atlanta	0	0	60	0	60
Chicago	75	0	0	0	75
Dallas	170	242	108	142	662
San Francisco	<u>1,410</u>	<u>174</u>	<u>467</u>	<u>179</u>	<u>2,230</u>
<b>Totals</b>	<b><u>\$20,793</u></b>	<b><u>\$4,826</u></b>	<b><u>\$5,159</u></b>	<b><u>\$3,797</u></b>	<b><u>\$34,575</u></b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 15, 1928  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$528	\$34,575	\$35,103
Sold	339	0	339
Matured	0	20,645	20,645
		\$13,930+	\$14,119+
		3,820+ (Net Change 1-day holdover and other bills)	3,820+ (Net Change 1-day holdover and other bills)
<b>Totals</b>	<b><u>\$189+</u></b>	<b><u>\$17,750+</u></b>	<b><u>\$17,939+</u></b>

(Including Sales Contracts)

<u>Holdings</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	\$ 9,156	0	\$ 663	0	\$40,848	\$155,746	\$206,413
Bills Purchased	<u>77,748</u>	<u>37,618</u>	<u>39,414</u>	<u>27,693</u>	<u>7,429</u>	<u>0</u>	<u>189,902</u>
<b>Totals</b>	<b><u>\$86,904</u></b>	<b><u>\$37,618</u></b>	<b><u>\$40,077</u></b>	<b><u>\$27,693</u></b>	<b><u>\$48,277</u></b>	<b><u>\$155,746</u></b>	<b><u>\$396,315</u></b>

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August 15, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of August 13th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from August 2, 1928 to August 8, 1928 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. Ames ✓  
Riefler ✓  
Collier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
AUG 15 1928  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

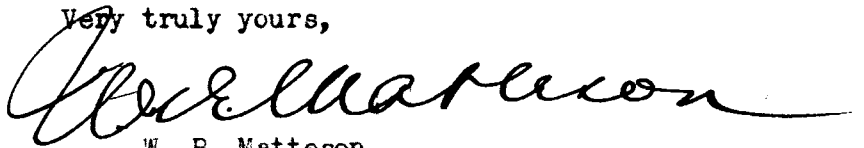
August 13, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 2, 1928 to August 8, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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FEDERAL RESERVE BANK  
OF NEW YORK

P E R S O N A L

R. A. Y.  
AUG 15 1928

August 13, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 2, 1928 to August 8, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.



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FOR SPECIAL CIRCULATION

PLEASE READ

COMPLETELY INITIAL AND RETURN TO SECRETARY'S OFFICE

✓ Gov. Young  
Mr. Platts

Mr. Hamlin  
Mr. Miller

Mr. James ✓  
Mr. Cunningham *absent*

Mr. McIntosh

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED  
AUG 15 1928  
FEDERAL RESERVE BANK  
ST. LOUIS

*Mr. Platts*

CONFIDENTIAL

August 13, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from August 2, 1928 to August 8, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

*See letter 8/15/28*

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 8, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 29	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109
Aug. 1	1,463,808	201,032	10,631	153,588	12,291	1,085,776
" 8	1,431,490	197,067	10,801	1151,807	10,040	1,061,285

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED AUGUST 8, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 8	Net Change	Balance Aug. 8	Net Change	Balance Aug. 8	Net Change
Boston	\$ 6,843	\$ 773-	\$ 11,371	\$4,118-	\$ 63,403	\$ 2,644-
New York	22,501	6,658-	28,060	2,666+	329,393	10,490-
Philadelphia	20,927	721-	13,866	400-	91,677	721-
Cleveland	33,107	791-	18,651	1,360+	85,148	2,151-
Richmond	3,276	268-	7,448	784+	54,736	1,611-
Atlanta	4,984	243-	12,147	254+	75,302	3,762+
Chicago	32,186	1,542-	9,275	455-	164,878	21,263-
St. Louis	16,625	9,500+	117	8-	54,274	865-
Minneapolis	10,658	387-	10,177	213+	14,953	1,085-
Kansas City	15,129	679-	8,503	45+	23,966	1,790+
Dallas	14,310	543-	11,826	1,220+	30,774	4,016+
San Francisco	16,521	861-	18,629	1,071-	72,781	8,771+
N.Y. holdovers and other bills			1,737	2,271-		
<b>Totals</b>	<b>\$197,067</b>	<b>\$3,966-</b>	<b>\$151,807</b>	<b>\$1,781-</b>	<b>\$1,061,285</b>	<b>\$24,491-</b>

COMMENT ON CHANGES WEEK ENDED AUGUST 8, 1928

Total earning assets of the System showed a decrease of \$32,318,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$3,950,000 in outright purchases of government securities, \$1,800,000 in outright purchases of bankers acceptances, \$24,500,000 in bills discounted and \$2,100,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$2,250,000 bankers acceptances and an increase in \$150,000 Government securities.

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Money Market

Call money displayed a firmer tendency during the past calendar week. After holding steady at 6 per cent on Monday, the new loan rate was advanced on each of the two succeeding days to 7 per cent, and on Friday reached 8 per cent. During the week, there was a small net gain to the market through commercial and agency transactions, as small losses in currency payments and in transfers to other districts were slightly more than offset by gains in other transactions, principally net Government disbursements. The volume of borrowings by New York City banks averaged slightly higher than a week ago.

Time money was advanced on Thursday from 6 to 6 1/4 and on Friday reached 6 1/2 per cent, which is the highest rate since June 1921; the volume of business continues light, as offerings are small.

The commercial paper market is a little more active both on the supply and demand side; there is some indication that the seasonal increase in borrowing has started. The prevailing rates are 5 1/4 to 5 1/2 per cent, with the proportion of business at the higher rate increasing.

Government Security Market

With the continuance of firmer money conditions the market for United States Liberty Loan and Treasury bonds was in small volume with all issues except Third 4 1/4s selling at lower levels. The closing prices on the New York Stock Exchange at the end of the calendar week and the net changes from the previous week's close were as follows:

	Closing Prices Sat. Aug. 11/28	Net Change		Closing Prices Sat. Aug. 11/28	Net Change
1st 3 1/2s	99 18/32	- 7/32	Treas. 4s	1944-54 105 10/32	- 34/32
1st 4 1/4s	100 20/32	- 6/32	" 4 1/4s	1947-52 110 20/32	- 18/32
3rd 4 1/4s	100	0	" 3 3/4s	1946-56 102 30/32	- 30/32
4th 4 1/4s	100 23/32	- 12/32	" 3 3/8s	1943-47 98 17/32	- 12/32
			" 3 3/8s	1940-43 98 9/32	- 13/32

Trading in the short-term certificates of indebtedness and Treasury notes was also quiet with the shorter maturities in best demand. Dealers' offering prices at the close of the week were 2/32 to 13/32 lower than at the previous week's close as follows:

	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 16/32 - 2/32
4 % " " " " Dec. 15, 1928	99 24/32 - 5/32
3 3/8% " " " " Mar. 15, 1929	99 7/32 - 7/32
3 7/8% " " " " Mar. 15, 1929	99 17/32 - 7/32
3 1/2% Treasury Notes " Mar. 15, 1932	97 16/32 - 12/32
3 1/2% " " " Sept. 15, 1932	97 16/32 - 12/32
3 1/2% " " " Dec. 15, 1932	97 15/32 - 13/32

Bankers Acceptances

Dealers' offering rates for unindorsed bankers acceptances were unchanged from the previous week as follows: 4 5/8 per cent for 30s, 60s and 90s, 4 3/4 per cent for 120s and 5 per cent for 180-day bills.

Boston reports that there was a considerable shrinkage in the supply of new bills during the past week with the demand poor. Local banks purchased less than \$1,000,000 as against over \$4,000,000 the preceding week. The higher rates have been responsible for slight increases in sales to out-of-town banks. Offerings to reserve bank

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were small. In New York there was a decided falling off in the supply of bills this week, the volume being the lightest since the week of July 20, 1927. The demand which was less than normal was substantially in excess of the supply. Dealers' sales consisted mainly of orders for foreign account. Local buying, while light, as compared with orders from abroad, increased somewhat and was in the best volume in several months. Dealers' portfolios decreased to lowest levels since Sept. 15, 1925. Philadelphia reports that its acceptance market was moderately active. Offerings were somewhat heavier and there was a slight improvement noted in the demand. Chicago reports that the supply of bills was low in their district and no demand.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of current Treasury offerings in connection with Third 4 1/4s) consisted of a sale of \$17,000,000 par amount 3 1/4 per cent certificates of indebtedness due December 15, 1928 for account German Special Deposit Account.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19:

	<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	\$ 82,491,000	\$ 78,566,000	\$ 3,925,000	\$ 0
New York	286,648,000	288,038,000	0	1,390,000
Philadelphia	99,239,000	107,274,000	0	8,035,000
Cleveland	119,974,000	119,409,000	565,000	0
Richmond	56,062,000	56,212,000	0	150,000
Atlanta	50,768,000	49,931,000	837,000	0
Chicago	141,004,000	143,296,000	0	2,292,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	50,401,000	49,291,000	1,110,000	0
Kansas City	59,724,000	59,137,000	587,000	0
Dallas	51,310,000	49,613,000	1,697,000	0
San Francisco	<u>100,841,000</u>	<u>97,695,000</u>	<u>3,146,000</u>	<u>0</u>
Totals	<u>\$1,117,921,000</u>	<u>\$1,117,921,000</u>	<u>\$11,867,000</u>	<u>\$11,867,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week consisted of a repurchase, as mentioned in last week's report, by the Federal Reserve Bank of St. Louis of the \$9,500,000 Treasury Notes which were previously taken over temporarily from their portfolio, which left the total holdings in the account at the close of business August 8 at \$75,488,300. 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	\$ 6,140,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	21,116,800	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	5,730,000	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	6,628,000	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,123,500	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Atlanta	1,868,000	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	12,258,500	Dec. 15, 1932 - 3 1/2% "	5,640,800
St. Louis	0		
Minneapolis	3,073,000		
Kansas City	5,396,500		
Dallas	4,316,000		
San Francisco	<u>6,838,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS AUGUST 1 TO AUGUST 8, 1928

GOVERNMENT SECURITIES-- SYSTEM INVESTMENT ACCOUNT

	Sales
Boston	\$ 773,000
New York	2,657,500
Philadelphia	721,000
Cleveland	834,000
Richmond	267,500
Atlanta	235,000
Chicago	1,542,500
St. Louis	0
Minneapolis	387,000
Kansas City	679,000
Dallas	543,000
San Francisco	860,500
Total	\$9,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
New York	\$ 0	-	* \$4,000,000 C/I 4% 12/15/28	-
Cleveland	43,100	3 3/8% Tr. Bds. 1940-43	0	-
Atlanta	458,450	Misc. Gov't Sec.	467,050	Misc. Gov't Sec
St. Louis	** 9,500,000	3 1/2% T/N 1930-32	0	-
Totals	\$10,001,550		\$4,467,050	

\* Held temporarily for resale.  
 \*\* Repurchase from System Account.

BANKERS ACCEPTANCES  
 (000 Omitted)

	Holdings Aug. 1	Purchased Own Mkt.	Rec'd by Allotment			Matur- ities & Sales	Holdings Aug. 8	Other Holdings Close Aug. 8/28	
			Regular from N. Y.	From Boston Port.				Sales	Other Bills
Boston	\$ 15,489	\$ 4,243 R	\$ 0	\$ 0	\$ 8,361*	\$ 11,371	\$ 2,971	\$ 19	
New York	25,394	3,442 " 7,596 A	0	3,500	4,276	28,060	3,153	286	
Phila.	14,266	357 R	0	0	757	13,866	0	24	
Cleve.	17,291	126 "	1,475	1,000	1,241	18,651	0	27	
Richmond	6,664	0	1,391	0	607	7,448	0	13	
Atlanta	11,893	0	683	500	929	12,147	0	607	
Chicago	9,730	0	1,938	0	2,393	9,275	2,196	36	
St. Louis	125	0	0	0	8	117	0	11	
Minn.	9,964	0	586	500	873	10,177	0	7	
Kan. City	8,458	0	898	1,000	1,853	8,503	0	9	
Dallas	10,606	568 "	625	500	471	11,826	0	9	
San Fran.	19,700	934 "	0	0	2,005	18,629	1,720	18	
Totals	\$149,580	\$17,264	\$7,596	\$7,000	\$23,774	\$ 150,070	\$10,040	\$1,066	
Bills held over night by New York for distribution to other F. R. Banks - -								671	
Total - - - - -								\$1,737	

NOTE: R. indicates Retained and A. indicates Allotted in the above statement.  
 \* Includes \$7,000,000 sold to other Federal reserve banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 8, 1928  
 (000 Omitted)

	1-30 days <u>4 1/2 - 4 5/8%</u>	31-60 days <u>4 1/2 - 4 5/8%</u>	61-90 days <u>4 1/2 - 4 5/8%</u>	Over 90 days <u>4 1/2 - 5%</u>	<u>Total</u>
Boston	\$ 487	\$1,603	\$1,266	\$ 887	\$ 4,243
New York	9,057	1,325	586	70	11,038
Philadelphia	100	132	125	0	357
Cleveland	0	51	75	0	126
Dallas	83	81	149	253	566
San Francisco	<u>168</u>	<u>263</u>	<u>378</u>	<u>125</u>	<u>934</u>
<b>Totals</b>	<u>\$9,895</u>	<u>\$3,455</u>	<u>\$2,579</u>	<u>\$1,335</u>	<u>\$17,264</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 8, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$10,001	\$17,264	\$27,265
Sold	13,967	0	13,967
Matured	0	<u>16,774</u>	<u>16,774</u>
		490*	3,476-
		2,271- (Net Change 1-day holdover and other bills)	2,271- (Net Change 1-day holdover and other bills)
<b>Totals</b>	<u>\$3,966-</u>	<u>\$1,781-</u>	<u>\$5,747-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>August 8, 1928</u>	<u>Within 15 days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 Months</u>	<u>Total</u>
Gov't Securities	\$10,801	0	\$ 655	0	\$40,854	\$155,558	\$207,868
Bills Purchased	<u>51,655</u>	<u>37,852</u>	<u>40,716</u>	<u>26,143</u>	<u>5,481</u>	<u>0</u>	<u>161,847</u>
<b>Totals</b>	<u>\$62,456</u>	<u>\$37,852</u>	<u>\$41,371</u>	<u>\$26,143</u>	<u>\$46,335</u>	<u>\$155,558</u>	<u>\$369,715</u>

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Authority F. O. 10501

August 10, 1928

Dear Mr. Matteson:

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 July 26th to August 1st, 1928, inclusive.

Very truly yours,

(Signed) Walter L. Eddy

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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FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

August 8, 1928

Federal Reserve Board,

Washington, D. C.

Attention: Mr. E. W. McClelland, Ass't Secretary

S i r s :

In accordance with the request contained in your letter of August 7, we are enclosing herewith copy of letter of transmittal dated May 22, 1928 together with enclosure, which have been mislaid in your office.

Respectfully,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encls. (2)

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C O P Y

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

May 22, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from May 10 to May 16, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 16, 1928

Holdings of Earning Assets of Federal Reserve Banks from January 26, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
<b>-1927-</b>						
Jan. 27	\$ 972,249	\$301,851	\$ 914	\$269,362	\$32,465	\$365,157
Feb. 23	985,326	304,780	426	243,934	36,255	397,929
Mar. 30	1,040,034	311,587	41,515	184,755	52,654	456,023
Apr. 27	1,005,577	314,332	3,993	194,007	47,892	443,553
May 25	998,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,261	183,163	32,955	477,311
July 27	953,931	380,559	4,457	157,291	12,094	398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
<b>-1928-</b>						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 9	1,420,627	263,761	13,631	343,702	21,402	777,141
" 16	1,418,014	251,250	11,070	329,425	17,867	807,412

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED MAY 16, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 16	Change	May 16	Change	May 16	Change
Boston	\$ 10,355	\$ 1,200-	\$ 34,873	\$ 549+	\$ 57,562	\$ 2,973+
New York	39,428	656-	57,410	7,577-	296,829	6,703+
Philadelphia	24,189	1,120-	38,960	735+	55,197	7,982+
Cleveland	36,724	1,710-	33,894	1,016-	59,439	8,136-
Richmond	4,490	415-	16,741	187-	42,251	3,226+
Atlanta	6,071	392-	21,866	364+	46,236	2,549-
Chicago	39,187	2,396-	45,217	3,018-	112,779	7,109+
St. Louis	22,988	791-	1,461	1,297-	35,322	4,188+
Minneapolis	12,413	600-	20,495	577+	9,001	1,345-
Kansas City	18,211	1,055-	14,480	561-	22,006	2,363+
Dallas	16,773	839-	14,828	1,289-	7,144	312+
San Francisco	20,421	1,337-	25,932	281+	63,646	7,445+
N.Y. holdovers and other bills			3,268	1,838-		
<b>Totals</b>	<b>\$251,250</b>	<b>\$12,511-</b>	<b>\$329,425</b>	<b>\$14,277-</b>	<b>\$807,412</b>	<b>\$30,271+</b>

COMMENT ON CHANGES WEEK ENDED MAY 16, 1928.

Total earning assets of the System showed a decrease of \$2,613,000 for the current statement week. The approximate changes, by classification, consisted of an increase of \$30,300,000 in bills discounted, and decreases of \$14,300,000 in outright purchases of bankers acceptances, \$12,500,000 in outright purchases of Government securities and \$6,100,000 in investments held under sales contracts. The latter item consisted of decreases of \$2,550,000 in Government securities and \$3,550,000 in bankers acceptances.

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Money Market

Further earmarkings of gold for foreign account and sales of securities from the System's holdings more than offset transfers of commercial funds to this market from other districts, and consequently the indebtedness of the New York City members at the Reserve Bank remained large - in the neighborhood of \$250,000,000 throughout the calendar week just closed. Call money continued to fluctuate between 5 1/2 and 6 per cent; in the first part of the week there were concessions from the Stock Exchange rate to 5 1/4 per cent, but later in the period conditions were firm, with the supply of funds rather limited.

Time money moved progressively higher during the week. On Friday all maturities were quoted at 5 1/4 bid, 5 1/2 per cent offered, as compared with a flat 5 per cent rate at the close of the preceding week. Loans for two to six months' were placed in fairly large volume on Friday at 5 1/4, 5 3/8 and 5 1/2 per cent.

Both the bank demand for and supply of commercial paper remained light during the week. Prime names were offered and sold at a range of 4 1/2 - 4 3/4 per cent.

Government Security Market

With a continuance of firmer money conditions and the raise in the rediscount rate by the Federal Reserve Bank of New York the market for United States Government securities was only moderately active with all issues selling at lower levels. Prices of the First and Third Liberty Loan bonds were 7/32 and 5/32nds, respectively, lower than the previous week's close; while the Fourth Liberty Loan 4 1/4's and Treasury bonds were from 12 to 27/32nds lower. The short-term certificates of indebtedness and Treasury Notes, with the exception of the 3 1/8 per cent certificates maturing June 15, next, were 1/32 and 2/32nds lower.

The short-term certificates of indebtedness and Treasury Notes at current offering prices of dealers yield approximately 4 per cent for the issues maturing next June and December, 3.90 per cent for the certificates maturing next March, and 3.70 per cent for the 3 1/2 per cent Treasury Notes maturing in 1930-32.

Bankers Acceptances

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

On May 18 the New York reserve bank increased its buying rates 1/4 per cent on most maturities, making the following rates effective:

1 - 4 months 4 per cent  
 Over 4 " 4 1/4 " "

following which dealers increased their rates to the following:

30, 60 and 90's	4 1/8%	bid - 4%	asked
120's	4 1/8 - 4 1/4%	" - 4 1/8 - 4%	"
180's	4 3/8%	" - 4 1/4%	"

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Boston reports that the supply of bills was very good in its district during the past period showing very little change from the previous week. The demand, however, showed a sharp falling off, dealers' sales aggregating \$5,000,000 less than the preceding week. As a result dealers shipped a good amount of bills to their offices in other cities. Offerings to the reserve bank were light. In New York the supply of bills was very good and substantially in excess of the demand which decreased materially. Dealers' sales consisted mainly of orders for nineties and longer maturities for foreign account; local buying was moderate and chiefly for short bills. Dealers' portfolios increased moderately. Philadelphia reports that their bill market showed little change for the past week. Offerings, with some increase in the amount of new bills coming into the market, continued moderately heavy with the demand only fair. Chicago reports that there was little if any demand in their district for bills at present prices.

#### OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current calendar week (exclusive of purchases of Third Liberty Loan 4 1/4% bonds under the Treasury offering dated May 11, 1928) consisted of a sale of \$391,000 - 3 1/8% certificates of indebtedness due June 15, 1928 for account German Special Deposit Account, and a purchase of \$2,334,000 Fourth Liberty Loan 4 1/4% bonds for account General Railroad Contingent Fund, which was a reinvestment of proceeds of a sale to the Treasury, under their recent offering, of \$2,381,050 Third Liberty Loan 4 1/4% bonds held for this account.

#### SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 61,458,000	\$ 59,751,000	\$1,707,000	\$ 0
New York	212,851,000	218,063,000	0	5,212,000
Philadelphia	81,833,000	81,493,000	340,000	0
Cleveland	89,756,000	90,026,000	0	270,000
Richmond	44,145,000	42,680,000	1,465,000	0
Atlanta	36,027,000	34,718,000	1,309,000	0
Chicago	119,832,000	122,160,000	0	2,328,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	35,452,000	34,719,000	733,000	0
Kansas City	42,310,000	42,965,000	0	655,000
Dallas	36,121,000	34,717,000	1,404,000	0
San Francisco	74,463,000	72,956,000	1,507,000	0
Totals	<u>\$853,707,000</u>	<u>\$853,707,000</u>	<u>\$8,465,000</u>	<u>\$8,465,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week sales were made to the market, from System Account holdings, of \$15,550,000 aggregate amount of short-term Governments. These sales reduced the amount of total holdings in the account at the close of business Wednesday, May 16, 1928 to \$124,958,300. The participation by the Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 9,648,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$ 47,689,000
New York	33,176,300	Dec. 15, 1928 - 3 1/4% " (new)	23,718,500
Philadelphia	9,001,500	March 15, 1929 - 3 3/8% "	16,450,000
Cleveland	10,415,000	March 15, 1932 - 3 1/2% T/N	9,660,000
Richmond	3,337,000	Sept. 15, 1932 - 3 1/2% "	5,000,000
Atlanta	2,933,000	Dec. 15, 1932 - 3 1/2% "	22,440,800
Chicago	19,259,500		
St. Louis	6,362,500		
Minneapolis	4,828,000		
Kansas City	8,478,000		
Dallas	6,778,500		
San Francisco	<u>10,741,000</u>		
Totals	<u>\$124,958,300</u>		<u>\$124,958,300</u>

On Thursday, May 17, further sales were made of \$11,000,000 which reduced the total holdings in the Account to \$113,958,300.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM MAY 10 TO MAY 16, 1928 INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>
Boston	\$ 1,200,000
New York	4,128,500
Philadelphia	1,120,000
Cleveland	1,296,500
Richmond	415,000
Atlanta	365,000
Chicago	2,396,000
St. Louis	792,000
Minneapolis	600,500
Kansas City	1,055,000
Dallas	844,000
San Francisco	<u>1,337,500</u>
Total	<u>\$15,550,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Sales</u>		<u>Issue</u>
New York	*\$2,939,100	Third L/L bonds		*\$2,939,100	Third L/L bonds		
	** 4,643,000	Short-term Gov'ts		** 1,170,000	June 15/28 C/I		
Cleveland	35,050	Third L/L bonds		449,050	Third L/L bonds		
Atlanta	627,650	Misc. Gov't Sec.		654,100	Misc. Gov't Sec.		
Dallas	<u>35,800</u>	Third L/L bonds		<u>30,750</u>	Third L/L bonds		
Totals	<u>\$8,280,600</u>			<u>\$5,243,000</u>			

\* Held over night for resale to Treasury  
\*\* Held temporarily for resale.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings May 9	Purchased Own Mkt.	By Allot- Matur-		Holdings May 16	Other Holdings	
			ment from N. Y.	ities & Sales		Close May 16, 1928	Other
						Sales Contracts	Bills
Boston	\$ 34,324	\$ 1,944 R	\$ 0	\$ 1,395	\$ 34,873	\$ 5,131	\$ 19
New York	64,987	5,950 "	0	13,527	57,410	10,289	570
		10,524 A					
Phila.	38,225	3,364 R	0	2,629	38,960	0	24
Cleve.	34,910	507 "	2,542	4,065	33,894	0	284
Richmond	16,928	735 "	867	1,789	16,741	0	13
Atlanta	21,502	411 "	913	960	21,866	0	653
Chicago	48,235	1,568 "	1,780	6,366	45,217	2,429	36
St. Louis	2,758	0	0	1,297	1,461	0	11
Minn.	19,918	0	893	316	20,495	0	7
Kan. City	15,041	0	1,307	1,868	14,480	0	9
Dallas	16,117	608 "	428	2,325	14,828	18	9
San Fran.	<u>25,651</u>	<u>3,120 "</u>	<u>1,794</u>	<u>4,633</u>	<u>25,932</u>	<u>0</u>	<u>18</u>
Totals	\$338,596	\$28,731	\$10,524	\$41,170	\$326,157	\$17,867	\$1,653
Bills held over night by New York for distribution to other F. R. Bks. - - - 1,615							
Total - - - - -						<u><u>\$3,268</u></u>	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 16, 1928  
 (000 Omitted)

	1-30 days 3 5/8-3 7/8%	31-60 days 3 3/4-4%	61-90 days 3 3/4-4%	Over 90-days 3 3/4-4%	Total
Boston	\$ 320	\$ 398	\$ 299	\$ 927	\$ 1,944
New York	12,168	836	2,722	748	16,474
Philadelphia	1,578	205	1,581	0	3,364
Cleveland	0	0	507	0	507
Richmond	411	120	204	0	735
Atlanta	0	6	405	0	411
Chicago	267	863	438	0	1,568
Dallas	51	181	171	205	608
San Francisco	523	409	2,117	71	3,120
<b>Totals</b>	<u>\$15,318</u>	<u>\$3,018</u>	<u>\$8,444</u>	<u>\$1,951</u>	<u>\$28,731</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 16, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 8,280	\$28,731	\$37,011
Sold	20,791	0	20,791
Matured	0	41,170	41,170
		<u>\$12,439-</u>	<u>\$24,950-</u>
		1,838-(Net Change	1,838-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
<b>Totals</b>	<u>\$12,511-</u>	<u>\$14,277-</u>	<u>\$26,788-</u>

(Including Sales Contract)

<u>Holdings</u> <u>May 16, 1928</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	\$ 11,070	\$ 1,271	\$ 0	\$ 0	\$ 760	\$249,219	\$262,320
Bills Purchased	121,261	63,291	110,583	44,981	7,176	0	347,292
<b>Totals</b>	<u>\$132,331</u>	<u>\$64,562</u>	<u>\$110,583</u>	<u>\$44,981</u>	<u>\$7,936</u>	<u>\$249,219</u>	<u>\$609,612</u>



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Authority F. O. 10501

August 7, 1928

Dear Mr. Matteson:

It appears from the Board's files that letter addressed by you to the Board, under date of May 22nd, enclosing report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the period May 10th to May 16th, 1928, inclusive, has either been misplaced or lost.

It will be very much appreciated if you will send the Board a copy of the letter above referred to, together with enclosure.

Very truly yours,

(Signed) E. M. McClelland.

E. M. McClelland,  
Assistant Secretary

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

*See letter 8/8/28*

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*Mr. Parry ✓*  
*Ames ✓*  
*Reifer ✓*  
*Collier*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
AUG - 8 1928  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

August 6, 1928.

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Govern-  
ment securities and banker's acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from July 26 to August 1, 1928 inclu-  
sive, together with data received by the Committee from the  
Federal reserve banks.

Very truly yours,



W. B. MATESON  
Secretary, Open Market  
Investment Committee

Encl. (1)

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Authority F.O. 10501

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
AUG 28 1928  
OFFICE OF  
THE GOVERNOR

H. A. Y.  
AUG 8 1928

PERSONAL

August 6, 1928

Dear Governor Young:

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 26 to August 1, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. MATTESON  
Secretary, Open Market  
Investment Committee

Honorable R. A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl. (1)

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FOR SPECIAL CIRCULATION  
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
✓ Gov. Young     ~~Mr. Hamlin~~     Mr. James ✓     Mr. McMillan  
✓ Mr. Platt     Mr. Miller ✓     ~~Mr. Cunningham~~ absent  
FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
AUG 6 1928  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

August 6, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 26 to August 1, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. PATTERSON  
Secretary, Open Market  
Investment Committee

Honorable K. A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl. (1)

*W. B. Patterson 8/10/28*

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED AUGUST 1, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109
Aug. 1	1,463,808	201,032	10,631	153,588	12,291	1,085,776

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED AUGUST 1, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 1	Net Change	Balance Aug. 1	Net Change	Balance Aug. 1	Net Change
Boston	\$ 7,616	\$ 1-	\$ 15,489	\$ 2,472+	\$ 66,047	\$ 338-
New York	29,159	* 4,000+	25,394	1,758-	339,883	29,539+
Philadelphia	21,648	0	14,266	2,789-	94,398	7,028+
Cleveland	33,897	0	17,291	1,477-	87,299	9,447-
Richmond	3,544	0	6,664	373-	56,347	2,288-
Atlanta	5,227	104-	11,893	565-	71,540	2,635+
Chicago	33,728	0	9,730	2,023-	186,141	31,750+
St. Louis	7,125	0	125	7-	55,139	1,188+
Minneapolis	11,045	0	9,964	2,822-	16,038	2,825+
Kansas City	15,808	0	8,458	572-	22,176	2,824-
Dallas	14,853	0	10,606	436+	26,758	4,147+
San Francisco	17,382	0	19,700	202+	64,010	3,548-
N.Y. holdovers and other bills			4,008	1,925+		
<b>Totals</b>	<b>\$201,032</b>	<b>\$3,895+</b>	<b>\$153,588</b>	<b>\$7,351-</b>	<b>\$1,085,776</b>	<b>\$60,677+</b>

COMMENT ON CHANGES WEEK ENDED AUGUST 1, 1928

Total earning assets of the System showed an increase of \$61,485,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$7,350,000 in outright purchases of bankers acceptances and increases of \*\$4,000,000 in outright purchases of Government securities, \$60,700,000 in bills discounted and \$4,250,000 in investments held under sales contracts. The latter item consisted of \$4,150,000 bankers acceptances and \$100,000 Government securities.

\*A purchase by the New York bank of \$4,000,000 Certificates of Indebtedness from a Foreign Correspondent which were held temporarily and resold after the close of the statement week.

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Money Market

After renewing at 5 1/2 per cent on Monday, unchanged from the previous week, call money began to firm in response to the usual turn of the month influences, and on July 31 reached 8 per cent, the highest since July 12. Following this, however, the tendency became easier, and on Friday the rate for new loans went as low as 6 per cent. During the period, the borrowings of the New York City banks at the Reserve Bank averaged somewhat higher than in the previous week ended Friday.

Demand for time loans was in excess of the offerings of funds, and the rate for all maturities was very firm at 6 per cent throughout the week.

The rate at which sales of prime commercial paper were arranged was for the most part 5 1/4 per cent. There were also some transactions at 5 1/2 per cent. Banks continued to be only light buyers of paper, and new drawings coming into the market were also in limited volume.

Government Security Market

The market for United States Government bonds during the past week was inactive, but prices were in most cases fractionally better than during the previous week. The closing prices on the New York Stock Exchange at the end of the calendar week and the net changes from the previous week's close were as follows:

	Closing			Closing	
	Prices Sat.	Net		Prices Sat.	Net
	Aug. 4/28	Change		Aug. 4/28	Change
1st 3 1/2s	99 25/32	-3/32	Treas. 4	1944-54 106 4/32	+ 2/32
1st 4 1/4s	100 26/32	-2/32	" 4 1/4s	1947-52 111 6/32	+ 4/32
3rd 4 1/4s	100	0	" 3 3/4s	1946-56 103 28/32	-13/32
4th 4 1/4s	101 3/32	+4/32	" 3 3/8s	1943-47 98 29/32	+ 7/32
			" 3 3/8s	1940-43 98 22/32	+ 1/32

The market for United States certificates of indebtedness and Treasury notes firmed up during the early part of the week and dealers' offering prices at the close of the week showed fractional gains for practically all issues.

				Net Change
3 1/4% Cert. of Ind. due	Dec. 15, 1928	99 20/32		+2/32
4 " " " " "	Dec. 15, 1928	99 29/32		-1/32
3 3/8% " " " " "	Mar. 15, 1929	99 14/32		+1/32
3 7/8% " " " " "	Mar. 15, 1929	99 24/32		+1/32
3 1/2% Treasury Notes	" 1930/32	97 30/32		+6/32

Bankers Acceptances

Dealers' offering rates for unindorsed bankers acceptances were unchanged from the previous week as follows: 4 5/8 per cent for 30s, 60s, and 90s, 4 3/4 per cent for 120s and 5 per cent for 4 to 6 months' bills.

Boston reports that while dealers' sales showed an increase in amount over the previous period, their sales to local banks fell off nearly \$1,000,000. Sales to country banks showed some improvement, due to the more attractive yield on the higher rates now prevailing, while sales to the Reserve Bank were quite heavy. Acceptors had more bills to offer than for the past several weeks. In New York the supply and demand for bills was good and about equal. Dealers' sales consisted mainly of orders for 90s for foreign account, with local buying light. As a result chiefly of heavy shipments by New York dealers to their out-of-town branches and correspondents, dealers' portfolios in New York decreased substantially. Philadelphia reports a quiet acceptance market. The demand was light with offerings only fair and some scarcity of 60-day bills. In Chicago the market continued inactive with four dealers reporting some interest by country banks in small volume.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of current Treasury offerings in connection with Third 4 1/4's) consisted of

Account of Government Life Insurance Fund

Purchase in market of \$1,000,000 United States 3 1/2% Treasury Notes due March 15, 1932

Account of Alien Property Custodian

Sale in market of \$1,000,000 United States 4% Cert. of Ind. due Dec. 15, 1928

Account of German Special Deposit Account

Sale in market of \$100,000 United States 4% Cert. of Ind. due Dec. 15, 1928

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 85,248,000	\$ 77,271,000	\$ 7,977,000	\$ 0
New York	279,706,000	283,204,000	0	3,498,000
Philadelphia	98,882,000	105,720,000	0	6,838,000
Cleveland	117,373,000	117,424,000	0	51,000
Richmond	54,671,000	55,262,000	0	591,000
Atlanta	49,585,000	49,068,000	517,000	0
Chicago	139,066,000	141,915,000	0	2,849,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	49,315,000	48,601,000	714,000	0
Kansas City	57,826,000	58,015,000	0	189,000
Dallas	49,619,000	48,836,000	783,000	0
San Francisco	99,907,000	95,882,000	4,025,000	0
Totals	<u>\$1,100,657,000</u>	<u>\$1,100,657,000</u>	<u>\$14,016,000</u>	<u>\$14,016,000</u>

The overage of the Boston bank, as shown in the above statement, was apportioned to other participating banks on August 6.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions effected in the System Account during the current statement week, the total holdings at the close of business Wednesday, August 1, 1928 remaining unchanged at \$84,988,300. 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	\$ 6,913,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	23,774,300	Dec. 15, 1928 - 3 1/4% C/I (new)	11,398,500
Philadelphia	6,451,000	Mar. 15, 1929 - 3 3/8% C/I	10,950,000
Cleveland	7,462,000	Mar. 15, 1929 - 3 7/8% C/I	3,450,000
Richmond	2,391,000	Mar. 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,103,000	Sept. 15, 1932 - 3 1/2% T/N	8,000,000
Chicago	13,801,000	Dec. 15, 1932 - 3 1/2% T/N	9,140,800
St. Louis	0		
Minneapolis	3,460,000		
Kansas City	6,075,500		
Dallas	4,859,000		
San Francisco	<u>7,698,500</u>		
Totals	<u>\$84,988,300</u>		<u>*\$84,988,300</u>

\*Includes \$9,500,000 Treasury Notes held temporarily for Federal Reserve Bank of St. Louis.

NOTE:  
 On Thursday, August 2, the Federal Reserve Bank of St. Louis repurchased the \$9,500,000 Treasury Notes referred to above, which left the total holdings in the System Account at \$75,488,300.



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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS JULY 26 TO AUGUST 1, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	* \$7,300,000	C/I 12/15/28	* \$3,300,000	C/I 12/15/28
Atlanta	90,800	Misc. Gov't Sec.	195,300	Misc. Gov't Sec.
Totals	<u>\$7,390,800</u>		<u>\$3,495,300</u>	

\* Held temporarily for resale.

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> <u>July 25</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd By Allotment</u>			<u>Holdings</u> <u>Aug. 1</u>	<u>Other Holdings</u> <u>Close Aug. 1/28</u>	
			<u>Regular</u> <u>from</u> <u>N. Y.</u>	<u>From</u> <u>Boston</u> <u>Port.</u>	<u>Matur-</u> <u>ities &amp;</u> <u>Sales</u>		<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 13,017	\$ 8,684 R.	\$ 0	\$ 0	\$ 6,212*	\$ 15,489	\$ 4,348	\$ 19
New York	27,152	3,671 " 4,898 A.	0	1,000	6,429	25,394	6,572	308
Phila.	17,055	1,501 R.	0	0	4,290	14,266	0	24
Cleve.	18,768	745 "	912	0	3,134	17,291	0	27
Richmond	7,037	253 "	1,087	0	1,713	6,664	0	13
Atlanta	12,458	0	425	500	1,490	11,893	0	513
Chicago	11,753	283 "	1,377	0	3,683	9,730	910	36
St. Louis	132	0	0	0	7	125	0	11
Minn.	12,786	0	380	500	3,702	9,964	0	7
Kan. City	9,030	0	546	500	1,618	8,458	0	9
Dallas	10,170	695 "	171	500	930	10,606	92	9
San Fran.	19,498	2,855 "	0	0	2,653	19,700	369	18
Totals	\$158,856	\$23,586	\$4,898	\$3,000	\$35,861	\$149,580	\$12,291	\$ 994
Bills held overnight by New York for distribution to other F. R. Banks - - -								3,014
Total - - - - -								<u>\$4,008</u>

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

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 1, 1928  
(000 Omitted)

	1-30 days <u>4 1/4 - 4 5/8%</u>	31-60 days <u>4 1/4 - 4 5/8%</u>	61-90 days <u>4 1/4 - 4 5/8%</u>	Over 90-days <u>4 1/2 - 5%</u>	<u>Total</u>
Boston	\$1,659	\$1,776	\$3,931	\$1,318	\$ 8,684
New York	7,250	570	409	340	8,569
Philadelphia	205	488	808	0	1,501
Cleveland	0	745	0	0	745
Richmond	94	34	125	0	253
Chicago	177	106	0	0	283
Dallas	25	45	143	482	695
San Francisco	<u>35</u>	<u>432</u>	<u>2,384</u>	<u>4</u>	<u>2,855</u>
<b>Totals</b>	<u>\$9,445</u>	<u>\$4,196</u>	<u>\$7,800</u>	<u>\$2,144</u>	<u>\$23,585</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 1, 1928  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$7,391	\$23,585	\$30,976
Sold	3,496	0	3,496
Matured	0	<u>32,861</u>	<u>32,861</u>
		\$ 9,276-	\$ 5,381-
		1,925+ (Net Change	1,925+ (Net Change
		l-day holdover	l-day holdover
		and other bills)	and other bills)
<b>Totals</b>	<u>\$3,895+</u>	<u>\$ 7,351-</u>	<u>\$ 2,456-</u>

(Including Sales Contracts)

<u>Holdings August 1, 1928</u>	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$10,631	0	\$ 672	0	\$44,848	\$155,512	\$211,663
Bills Purchased	<u>52,006</u>	<u>39,364</u>	<u>42,714</u>	<u>25,519</u>	<u>6,276</u>	<u>0</u>	<u>165,879</u>
<b>Totals</b>	<u>\$62,637</u>	<u>\$39,364</u>	<u>\$43,386</u>	<u>\$25,519</u>	<u>\$51,124</u>	<u>\$155,512</u>	<u>\$377,542</u>

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July 31, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 30th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from July 19 to July 25, 1928, 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. Collins*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUL 31 1928  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

July 30, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from July 19 to July 25, 1928 inclu-  
sive, together with data received by the Committee from  
the Federal reserve banks.

Very truly yours,

*W. B. Matteson*

W. B. MATTESON  
Secretary, Open Market  
Investment Committee

Encl. (1)

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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUL 31 1928  
GOVERNOR OF  
THE FEDERAL RESERVE BOARD

PERSONAL

JUL 31 1928  
N.Y.

July 30, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 19 to July 25, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. MATESON  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl. (1)

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FOR SPECIAL CIRCULATION  
PLEASE READ CAREFULLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
Mr. Hamlin ✓ Mr. Jones ✓  
Mr. Miller ✓ Mr. C. McIntosh ✓  
Gov. Young  
Mr. Pratt

**FEDERAL RESERVE BANK  
OF NEW YORK**

JUL 31 1928  
RECEIVED  
JUL 31 1928  
THE GOVERNMENT

CONFIDENTIAL

July 30, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 19 to July 25, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. MATTESON  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl. (1)

W.B. Matteson 7/31/28  
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Federal Reserve Bank of St. Louis

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 25, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 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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July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
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Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 18	1,402,624	197,067	12,275	169,241	11,794	1,011,757
July 25	1,402,323	197,135	10,506	160,939	8,144	1,025,109

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JULY 25, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 25	Net Change	Balance July 25	Net Change	Balance July 25	Net Change
Boston	\$ 7,617	0	\$ 13,017	\$3,015-	\$ 66,385	\$ 4,214+
New York	25,158	0	27,152	3,299-	310,344	6,021+
Philadelphia	21,648	0	17,055	2,631-	87,370	6,423-
Cleveland	33,897	0	18,768	2,286+	96,746	5,826+
Richmond	3,544	0	7,037	865+	58,635	5,315+
Atlanta	5,331	70+	12,458	144-	68,905	6,670-
Chicago	33,728	0	11,753	850+	154,391	21-
St. Louis	7,125	0	132	4-	53,951	6,868-
Minneapolis	11,045	0	12,786	49+	13,213	2,988+
Kansas City	15,807	0	9,030	2,130-	25,000	2,941-
Dallas	14,853	0	10,170	1,183-	22,611	4,361+
San Francisco	17,382	0	19,498	798+	67,558	7,550+
N.Y. holdovers and other bills			2,083	744-		
<b>Totals</b>	<b>\$197,135</b>	<b>70+</b>	<b>\$160,939</b>	<b>\$8,302-</b>	<b>\$1,025,109</b>	<b>\$13,362+</b>

COMMENT ON CHANGES WEEK ENDED JULY 25, 1928

Total earning assets of the System showed a decrease of \$301,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$13,350,000 in bills discounted and decreases of \$8,300,000 in outright purchases of bankers acceptances and \$5,400,000 in investments held under sales contracts. The latter item consisted of decreases of \$1,750,000 in Government securities and \$3,650,000 in bankers acceptances.

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Money Market

Call money on the Stock Exchange was steady at 5 1/2 per cent throughout the past calendar week, after closing at 5 per cent in the previous week. There were, however, concessions in the outside market to 5 1/4 and 5 per cent on several days of the period. Transfers of funds between other districts and this market had little net effect on the supplies of funds here, and other transactions, such as currency withdrawals and net gold exports, in the aggregate resulted in only a small loss of funds. The volume of New York City bank borrowing during the period averaged somewhat lower than in the preceding week.

In the time money market, the feature was the scarcity of offerings of funds. In fact, there were generally more bids by the brokers than offerings on hand and the rate for all maturities was firm at 6 per cent.

Bank investment demand for commercial paper was generally rather small, and the prevailing rate for the usual grade of prime names advanced slightly further to about 5 1/4 per cent. Supplies of new paper coming into the market continued limited.

Government Security Market

The market for United States Government bonds was inactive with prices fractionally lower. The closing prices on the New York Stock Exchange at the end of the calendar week and the net changes from the previous week's close were as follows:

	Closing Prices Sat. July 28/28	Net Change		Closing Prices Sat. July 28/28	Net Change
1st 3 1/2s	99 28/32	- 4/32	Treas. 4	1944-54 106 2/32	-18/32
1st 4 1/4s	100 28/32	- 3/32	" 4 1/4s	1947-52 111 2/32	- 8/32
3rd 4 1/4s	100	- 1/32	" 3 3/4s	1946-56 104 9/32	- 9/32
4th 4 1/4s	100 31/32	-16/32	" 3 3/8s	1943-47 98 22/32	-16/32
			" 3 3/8s	1940-43 98 21/32	-25/32

There was also very little activity reported in the market for the United States Certificates of Indebtedness and Treasury Notes and dealers offering prices at the close of the week showed small fractional changes for the outstanding issues of certificates, while their offering prices for the 3 1/2 per cent Treasury Notes were 1 point lower than at the previous week's close as follows:

		Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 18/32	- 3/32
4 " " " " " Dec. 15, 1928	99 30/32	- 2/32
3 3/8% " " " " " Mar. 15, 1929	99 13/32	+ 1/32
3 7/8% " " " " " Mar. 15, 1929	99 23/32	---
3 1/2% Treasury Notes " 1930/32	97 24/32	- 1.

Bankers' Acceptances

On July 25 all dealers increased their rate 1/4 per cent on all maturities, establishing the following rates at which they offered unindorsed prime bankers acceptances: 4 5/8 per cent for 30's, 60's and 90's, 4 3/4 per cent for 120's and 5 per cent for 4 to 6 months' bills.

Boston reports that there was a slightly better demand for bills in their district during the current period. The supply, however, fell off sharply and dealers were obliged to receive acceptances from their offices in other cities to fill the demand. Bills moved freely with very little preference as to maturities. In New York the supply of bills while in about a normal volume increased moderately



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and was substantially in excess of the demand, which was mainly for orders from abroad. As a result chiefly of heavy shipments by New York dealers to their out-of-town branches and correspondents, dealers portfolios here increased only moderately. In view of this somewhat light demand, and in order to avoid increasing their portfolios over the end of the month at previous rates and in expectation of firmer money conditions, all dealers on July 25 advanced their rate 1/4 per cent of all maturities, the highest levels since October 1921. Philadelphia reports the local bill market was moderately active with the supply fair and demand limited, while Chicago reports that there has been practically no activity in their bill market during the current statement week.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of current Treasury offerings) were as follows:

Account of Secretary of Interior, account Indian Moneys

Purchased in market \$ 500,000 United States 3 3/8% Treasury Bonds due 1943-47

Account Alien Property Custodian

Purchased in market \$1,000,000 United States 3 3/8% Cert. of Ind. due March 15, 1929  
Sold in market 2,000,000 " " 4 % " " " " Dec. 15, 1928

Account German Special Deposit Account

Sold in market \$1,880,000 United States 4 % Cert. of Ind. due Dec. 15, 1928

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect at the beginning of the year and adjusted on July 19:

	<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	\$ 79,564,000	\$ 75,502,000	\$ 4,062,000	0
New York	275,035,000	276,601,000	0	1,566,000
Philadelphia	97,381,000	103,598,000	0	6,217,000
Cleveland	115,716,000	114,712,000	1,004,000	0
Richmond	53,331,000	53,965,000	0	634,000
Atlanta	48,660,000	47,889,000	771,000	0
Chicago	137,406,000	140,029,000	0	2,623,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	48,435,000	47,658,000	777,000	0
Kansas City	56,780,000	56,482,000	298,000	0
Dallas	48,253,000	47,775,000	478,000	0
San Francisco	97,056,000	93,406,000	3,650,000	0
Totals	<u>\$1,077,076,000</u>	<u>\$1,077,076,000</u>	<u>\$11,040,000</u>	<u>\$11,040,000</u>

The overage of the Boston bank, as shown in the above statement, was apportioned to other participating banks on July 30.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions effected in the System Account during the current statement week, the total holdings at the close of business Wednesday, July 25, 1928, remaining unchanged at \$84,988,300. 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	\$ 6,913,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	23,774,300	" 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,451,000	Mar. 15, 1929 - 3 3/8%	10,950,000
Cleveland	7,462,000	" 15, 1929 - 3 7/8%	3,450,000
Richmond	2,391,000	" 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,103,000	Sept. 15, 1932 - 3 1/2% "	8,000,000
Chicago	13,801,000	Dec. 15, 1932 - 3 1/2% "	9,140,800
St. Louis	-0-		
Minneapolis	3,460,000		
Kansas City	6,075,500		
Dallas	4,859,000		
San Francisco	<u>7,698,500</u>		
Totals	<u>\$84,988,300</u>		<u>* \$84,988,300</u>

\* Includes \$9,500,000 Treasury Notes held temporarily for Federal Reserve Bank of St. Louis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS JULY 19 TO JULY 25, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0		\$ 100	Fourth L/L bonds
New York	* \$2,400,000	Misc. Gov't Sec.	* 2,400,000	Misc. Gov't Sec.
Atlanta	<u>638,400</u>	" " "	<u>567,900</u>	" " "
<b>Totals</b>	<u>\$3,038,400</u>		<u>\$2,968,000</u>	

\* Held temporarily for resale to Treasury and market.

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings July 18</u>	<u>Purchased Own Mkt.</u>	<u>Rec'd By Allotment</u>		<u>Matur- ities &amp; Sales</u>	<u>Holdings July 25</u>	<u>Other Holdings Close July 25/28</u>	
			<u>Regular from N.Y.</u>	<u>From Boston Port.</u>			<u>Sales</u>	<u>Other Contracts Bills</u>
Boston	\$ 16,032	\$ 5,625 R.	0	0	\$ 8,640*	\$ 13,017	\$ 6,204	\$ 19
New York	30,451	3,669 R. 9,307 A.	0	0	6,968	27,152	297	379
Phila.	19,686	853 R.	0	0	3,484	17,055	0	24
Cleve.	16,482	629 "	1,919	2,000	2,262	18,768	0	27
Richmond	6,172	151 "	2,120	0	1,406	7,037	0	13
Atlanta	12,602	117 "	837	1,500	2,598	12,458	0	547
Chicago	10,903	13 "	2,687	0	1,850	11,753	1,018	36
St. Louis	136	0	0	0	4	132	0	11
Minn.	12,737	0	760	1,000	1,711	12,786	0	7
Kan. City	11,160	0	984	1,000	4,114	9,030	0	9
Dallas	11,353	567 "	0	0	1,750	10,170	0	9
San Fran.	<u>18,700</u>	<u>2,153 "</u>	<u>0</u>	<u>0</u>	<u>1,355</u>	<u>19,498</u>	<u>625</u>	<u>18</u>
<b>Totals</b>	<u>\$166,414</u>	<u>\$23,084</u>	<u>\$9,307</u>	<u>\$5,500</u>	<u>\$36,142</u>	<u>\$158,856</u>	<u>\$8,144</u>	<u>\$1,099</u>
Bills held overnight by N. Y. for distribution to other F.R. Banks - - - - -							-	984
							Total - - - - -	<u>\$2,083</u>

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

\*Includes \$5,500,000 sold to other Federal Reserve Banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 25, 1928  
 (000 Omitted)

	1-30 days 4 1/4-4 3/8%	31-60 days 4 1/4-4 3/8%	61-90 days 4 1/4-4 1/2%	Over 90-days 4 1/4-4 5/8%	Total
Boston	\$ 819	\$ 1,421	\$ 2,452	\$ 933	\$ 5,625
New York	8,997	2,427	952	600	12,976
Philadelphia	388	305	160	0	853
Cleveland	2	467	160	0	629
Richmond	25	45	81	0	151
Atlanta	0	0	117	0	117
Chicago	13	0	0	0	13
Dallas	14	100	167	286	567
San Francisco	28	125	1,877	123	2,153
<b>Totals</b>	<u>\$10,286</u>	<u>\$ 4,890</u>	<u>\$ 5,966</u>	<u>\$ 1,942</u>	<u>\$23,084</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 25, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 3,038	\$23,084	\$26,122
Sold	2,968	0	2,968
Matured	0	30,642	30,642
		<u>\$ 7,558-</u>	<u>\$ 7,488-</u>
		744- (Net Change 1-day holdover & other bills)	744- (Net Change 1-day holdover & other bills)
<b>Totals</b>	<u>\$ 70+</u>	<u>\$ 8,302-</u>	<u>\$ 8,232-</u>

(Including Sales Contracts)

Holdings July 25, 1928	Within 15-days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 months	Total
Gov't Securities	\$10,506	0	\$ 672	0	\$40,857	\$155,606	\$207,641
Bills Purchased	<u>57,426</u>	<u>36,340</u>	<u>44,314</u>	<u>25,410</u>	<u>5,593</u>	<u>0</u>	<u>169,083</u>
<b>Totals</b>	<u>\$67,932</u>	<u>\$36,340</u>	<u>\$44,986</u>	<u>\$25,410</u>	<u>\$46,450</u>	<u>\$155,606</u>	<u>\$376,724</u>

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July 24, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 23rd instant, addressed to Governor Young, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from July 12, 1928 to July 18, 1928 inclusive.

Very truly yours,

~~Signed~~ J. C. Noell

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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*Mr. Collins*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUL 24 1928  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

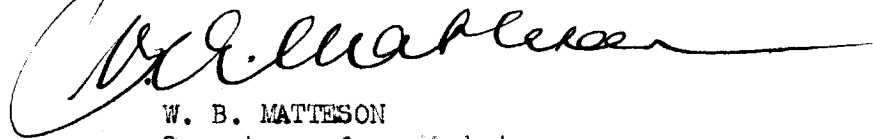
July 23, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Govern-  
ment securities and bankers acceptances as reported to the  
Open Market Investment Committee for the Federal Reserve  
System for the period from July 12 to July 18, 1928 inclu-  
sive, together with data received by the Committee from  
the Federal reserve banks.

Very truly yours,



W. B. MATTESON  
Secretary, Open Market  
Investment Committee

Encl. (1)

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FEDERAL RESERVE BANK  
OF NEW YORK

JUL 24 1928  
U.S. DEPT. OF TREASURY  
FED. GOVERNMENT

PERSONAL

July 23, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 12, 1928 to July 18, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

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FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓  
Mr. Platt ✓ *EP* Mr. Hamlin ✓ Mr. James ✓ Mr. McIntosh ✓  
Mr. Miller ✓ Mr. Cunningham ✓

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUL 24 1928  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

July 23, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 12, 1928 to July 18, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson-  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

*See letter 7/24/28*



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**CONFIDENTIAL**  
**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 18, 1928**

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(OOO Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 11	1,495,165	202,011	15,754	173,010	14,632	1,089,268
" 18	1,402,624	197,067	12,275	169,241	11,794	1,011,757

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED JULY 18, 1928**  
(OOO Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 18	Net Change	Balance July 18	Net Change	Balance July 18	Net Change
Boston	\$ 7,617	\$ 0	\$ 16,032	\$4,263-	\$ 62,171	\$ 3,823+
New York	25,158	5,000-	30,451	5,980+	304,323	145,310-
Philadelphia	21,648	0	19,686	739-	93,793	8,045+
Cleveland	33,898	0	16,482	1,598-	90,920	10,183-
Richmond	3,544	0	6,172	555-	53,320	91-
Atlanta	5,261	56+	12,602	108-	75,575	9,055+
Chicago	33,728	0	10,903	1,606-	154,412	15,889+
St. Louis	7,125	0	136	0	60,819	13,527+
Minneapolis	11,045	0	12,737	318+	10,225	2,292+
Kansas City	15,808	0	11,160	762+	27,941	8,562+
Dallas	14,853	0	11,353	641-	18,250	6,771+
San Francisco	17,382	0	18,700	1,181-	60,008	10,109+
N. Y. holdovers and other bills			2,827	138-		
<b>Totals</b>	<b>\$197,067</b>	<b>\$4,944-</b>	<b>\$169,241</b>	<b>\$3,769-</b>	<b>\$1,011,757</b>	<b>\$77,511-</b>

**COMMENT ON CHANGES WEEK ENDED JULY 18, 1928**

Total earning assets of the System showed a decrease of \$92,541,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$4,950,000 in outright purchases of Government securities, \$3,750,000 in outright purchases of bankers acceptances, \$77,500,000 in bills discounted and \$6,350,000 in investments held under sales contracts. The latter item consisted of decreases of \$3,500,000 in Government securities and \$2,850,000 in bankers acceptances.

The large decrease in outright purchases of Government securities by the Federal Reserve Bank of New York, as shown above, is due to the sale to the Treasury of a block of \$5,000,000 Third 4 1/4's which were purchased in the market and held temporarily in the Investment Account of the New York bank, as mentioned in last week's report.

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Money Market

Call money in New York was distinctly easier during the calendar week just closed than in the previous period. There was a progressive decline in the renewal rate from a high of 6 1/2 per cent on Monday to 5 per cent on Friday, and on two other days of the week the new loan rate touched 5 per cent with even some transactions in the outside market at concessions from the Exchange rate. This ease in call money was primarily a result of the continued return of funds to this market from other districts, following the substantial outflow over the first of July. The New York City member banks utilized these funds to reduce their indebtedness at the Reserve Bank, which dropped to around \$225,000,000 on several days of the week, the smallest amount since June 15, and for the period averaged considerably smaller than in the preceding week.

Time money, on the other hand, continued firm with all maturities lending at 6 per cent. On Friday a slightly easier tendency developed but not to a sufficient degree to affect the existing rate of 6 per cent for maturities of 60 days to 6 months.

Dealers sales of commercial paper were in quite moderate volume and were made at a range of 5 to 5 1/4 per cent. The bank buying demand, though limited in amount, was rather widely distributed outside of New York City. Supplies of new paper coming into the market gave little indication of an increased commercial demand for credit.

Government Security Market

The market for United States Government bonds was very strong but not quite as active as during the past several weeks, with prices of most issues showing substantial gains over the previous week's close. The closing prices for all issues at the end of the week and the net changes from the previous week's close were as follows:

Closing Prices Sat. July 21/28		Net Change	Closing Prices Sat. July 21/28		Net Change
1st 3 1/2s	100	+ 2/32	Treas. 4s 1944-54	106 20/32	+1 3/32
1st 4 1/4s	100 31/32	+23/32	" 4 1/4s 1947-52	111 10/32	+ 24/32
3rd 4 1/4s	100 1/32	-	" 3 3/4s 1946-56	104 18/32	+1 1/32
4th 4 1/4s	101 15/32	+30/32	" 3 3/8s 1943-47	99 6/32	+ 20/32
			" 3 3/8s 1940-43	99 14/32	-

The market for the short-term Certificates of Indebtedness and Treasury Notes although quiet also showed a better undertone and prices of all issues were higher than during the previous week. Dealers offering prices at the end of the week and the net changes from the previous week were as follows:

		98	99	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928		21/32	99	+ 2/32
4 % " " " " " 15, 1928		100	100	+ 2/32
3 3/8% " " " " Mar. 15, 1929		12/32	99	+ 3/32
3 7/8% " " " " " 15, 1929		23/32	99	+ 4/32
3 1/2% Treasury Notes 1930-32		24/32	98	+1 16/32

Bankers Acceptances

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

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Boston reports that there was a small supply of bills in their district during the past period with the demand poor. Bills did not move freely, with very little demand for any maturity. Offerings to the reserve bank were about the same as the previous week. In New York the supply of bills continued in a normal volume and was moderately in excess of the demand. Dealers' sales consisted mainly of orders from abroad for nineties. Local buying was light and chiefly for short maturities. Dealers' portfolios increased moderately. Open market rates were steadier, at the close of the week all dealers bidding 4 1/2% for 30's, 60's and 90's, 4 5/8% for 4 months and 4 7/8% for 5 and 6 months, offerings 1/8% less except on 5 and 6 months with some dealers offering them at 4 5/8%, others at 4 3/4%. Philadelphia reports that with advanced rates the bill market was fairly active. The supply was somewhat limited, with the demand moderate. Chicago reports that the bill market in its district continued very quiet.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current statement week (exclusive of current Treasury offerings) consisted of

Purchases of \$25,000,000 par amount Third 4 1/4% Liberty Loan bonds purchased in New York, Philadelphia and Chicago markets, account Sinking Fund

5,000,000 " " Third 4 1/4% Liberty Loan bonds, account Surplus Money

\$30,000,000 - Total Purchases

Sales of \$ 2,210,000 par amount 4% certificates of indebtedness due December 15, 1928, account German Special Deposit Account

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 79,439,000	\$ 73,771,000	\$ 5,668,000	\$ 0
New York	271,366,000	270,138,000	1,228,000	0
Philadelphia	96,528,000	101,520,000	0	4,992,000
Cleveland	111,168,000	112,057,000	0	889,000
Richmond	51,060,000	52,695,000	0	1,635,000
Atlanta	46,206,000	46,735,000	0	529,000
Chicago	134,706,000	138,182,000	0	3,476,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	46,675,000	46,735,000	0	60,000
Kansas City	54,796,000	54,982,000	0	186,000
Dallas	47,686,000	46,736,000	950,000	0
San Francisco	94,903,000	90,982,000	3,921,000	0
Totals	<u>\$1,053,992,000</u>	<u>\$1,053,992,000</u>	<u>\$11,767,000</u>	<u>\$11,767,000</u>

The large overage of the Boston bank, as shown in above statement, was apportioned to other participating banks on July 23.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transaction effected in the System Account during the current statement week was an exchange in the market of \$2,000,000 - 3 3/8% certificates of indebtedness due March 15, 1929 for a like amount of 3 1/2% Treasury notes due September 15, 1932, which left the total holdings in the Account at the close of business Wednesday, July 18, 1928, unchanged at \$84,988,300. The participation by the 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	\$ 6,913,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	23,774,300	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,451,000	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	7,462,000	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,391,000	Mar. 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,103,000	Sept. 15, 1932 - 3 1/2% "	8,000,000
Chicago	13,801,000	Dec. 15, 1932 - 3 1/2% "	9,140,800
St. Louis	0		
Minneapolis	3,460,000		
Kansas City	6,075,500		
Dallas	4,859,000		
San Francisco	<u>7,698,500</u>		
Totals	<u>\$84,988,300</u>		<u>* \$84,988,300</u>

\* Includes \$9,500,000 Treasury notes held temporarily for Federal Reserve Bank of St. Louis

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
 ALL FEDERAL RESERVE BANKS JULY 12 TO JULY 18, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 162,500	\$ 162,500
New York	559,500	559,500
Philadelphia	152,000	152,000
Cleveland	175,500	175,500
Richmond	56,000	56,000
Atlanta	49,500	49,500
Chicago	325,000	325,000
St. Louis	0	0
Minneapolis	81,500	81,500
Kansas City	143,000	143,000
Dallas	114,500	114,500
San Francisco	181,000	181,000
<b>Totals</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 0	-	*\$5,000,000	Third L/L Bonds
Atlanta	584,550	Misc. Gov't Sec.	528,650	Misc. Gov't Sec.
<b>Totals</b>	<b>\$584,550</b>		<b>\$5,528,650</b>	

\*Was held temporarily for resale to Treasury

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>Close July 18/28</u>	
	<u>July 11</u>	<u>Own Mkt.</u>	<u>from</u>	<u>Boston</u>	<u>ities &amp;</u>	<u>July 18</u>	<u>Sales</u>	<u>Other</u>
Boston	\$ 20,295	\$ 6,939 R	\$ 0	\$ 0	\$11,202*	\$ 16,032	\$ 6,217	\$ 19
New York	24,471	8,331 " 5,083 A	0	4,000	6,351	30,451	3,503	449
Phila.	20,425	1,341 R	0	0	2,080	19,686	0	24
Cleve.	18,080	0	1,315	0	2,913	16,482	0	27
Richmond	6,727	115 "	609	0	1,279	6,172	0	13
Atlanta	12,710	0	714	1,000	1,822	12,602	0	545
Chicago	12,509	7 "	976	0	2,589	10,903	1,527	36
St. Louis	136	0	0	0	0	136	0	11
Minn.	12,419	0	741	1,000	1,423	12,737	0	7
Kan. City	10,398	0	728	1,000	966	11,160	0	9
Dallas	11,994	459 "	0	1,000	2,100	11,353	0	9
San Fran.	19,881	1,559 "	0	0	2,740	18,700	547	18
<b>Totals</b>	<b>\$170,045</b>	<b>\$23,834</b>	<b>\$5,083</b>	<b>\$8,000</b>	<b>\$35,465</b>	<b>\$166,414</b>	<b>\$11,794</b>	<b>\$1,167</b>
Bills held over night by New York for distribution to other F. R. Banks							-	-1,660
<b>Total</b>							<b>-</b>	<b>-\$2,827</b>

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

\* Includes \$8,000,000 sold to other Federal Reserve Banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 18, 1928  
 (000 Omitted)

	1-30 days <u>4 1/8-4 1/2%</u>	31-60 days <u>4 1/8-4 3/8%</u>	61-90 days <u>4 1/8-4 1/2%</u>	Over 90-days <u>4 1/4%</u>	<u>Total</u>
Boston	\$ 1,976	\$1,975	\$1,728	\$1,260	\$ 6,939
New York	11,455	823	693	443	13,414
Philadelphia	0	573	768	0	1,341
Richmond	25	50	40	0	115
Chicago	3	4	0	0	7
Dallas	52	67	134	206	459
San Francisco	131	368	997	63	1,559
<b>Totals</b>	<u>\$13,642</u>	<u>\$3,860</u>	<u>\$4,360</u>	<u>\$1,972</u>	<u>\$23,834</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 18, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 2,585	\$23,834	\$26,419
Sold	7,529	0	7,529
Matured	0	<u>27,465</u>	<u>27,465</u>
		\$ 3,631-	\$ 8,575-
		138- (Net Change	138- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
<b>Totals</b>	<u>\$ 4,944-</u>	<u>\$ 3,769-</u>	<u>\$ 8,713-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>July 18, 1928</u>	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-days 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$12,275	\$ 662	\$ 0	\$ 0	\$40,899	\$155,506	\$209,342
Bills Purchased	<u>76,020</u>	<u>29,072</u>	<u>44,012</u>	<u>24,602</u>	<u>7,329</u>	<u>0</u>	<u>181,035</u>
<b>Totals</b>	<u>\$88,295</u>	<u>\$29,734</u>	<u>\$44,012</u>	<u>\$24,602</u>	<u>\$48,228</u>	<u>\$155,506</u>	<u>\$390,377</u>

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FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

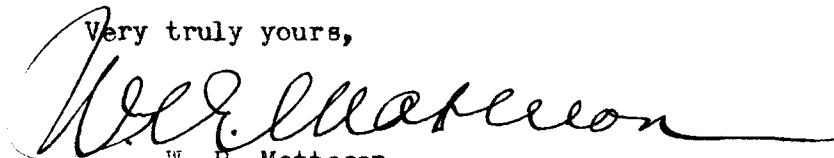
July 19, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 5, 1928 to July 11, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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Authority E.O. 10501

July 18, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter addressed to Governor Young, dated July 16th, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from July 5, 1928 to July 11, 1928 inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary

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



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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUL 18 1928  
THE GOVERNMENT

PERSONAL

July 16, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 5, 1928 to July 11, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

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FOR SPECIAL CIRCULATION  
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
Gov. Young *absent* Mr. Hamlin Mr. James ✓ Mr. McIntosh  
Mr. Platt ✓ Mr. Miller Mr. Cunningham *absent*  
FEDERAL RESERVE BANK  
OF NEW YORK

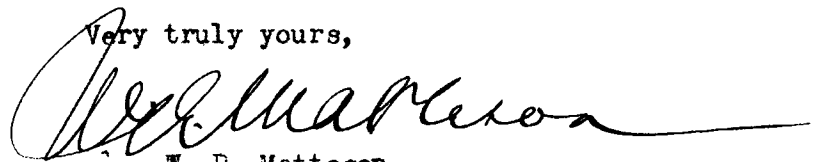
RECEIVED  
JUL 18 1928  
GOVERNOR

CONFIDENTIAL

July 16, 1928

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Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from July 5, 1928 to July 11, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,  
  
W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

*see letter 7/15/28*

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**CONFIDENTIAL**  
**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 11, 1928**

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 3	1,620,729	196,590	22,975	180,467	29,197	1,191,010
July 11	1,495,165	202,011	15,754	173,010	14,632	1,089,268

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED JULY 11, 1928**  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 11	Net Change	Balance July 11	Net Change	Balance July 11	Net Change
Boston	\$ 7,617	\$ 40+	\$ 20,295	\$3,523+	\$ 58,348	\$ 24,019-
New York	30,158	5,140+	24,471	5,201-	449,633	13,096+
Philadelphia	21,648	38+	20,425	42+	85,748	20,260-
Cleveland	33,898	44+	18,080	682-	101,103	15,032-
Richmond	3,544	14+	6,727	2,274-	53,411	2,840+
Atlanta	5,205	69-	12,710	649-	66,520	2,587+
Chicago	33,728	81+	12,509	590-	138,523	42,566-
St. Louis	7,125	0	136	175-	47,292	7,045-
Minneapolis	11,045	21+	12,419	757-	7,933	202-
Kansas City	15,808	36+	10,398	1,078-	19,379	4,354-
Dallas	14,853	29+	11,994	639-	11,479	431-
San Francisco	17,382	46+	19,881	2,440+	49,899	6,356-
N. Y. holdovers and other bills			2,965	1,417-		
Totals	\$202,011	\$5,420+	\$173,010	\$7,457-	\$1,089,268	\$101,742-

**COMMENT ON CHANGES WEEK ENDED JULY 11, 1928**

Total earning assets of the System showed a decrease of \$125,564,000 for the current statement week. The approximate changes, by classification, consisted of an increase of \$5,400,000 in outright purchases of Government securities and decreases of \$7,450,000 in outright purchases of bankers acceptances, \$101,750,000 in bills discounted and \$21,750,000 in investments held under sales contracts.

The large increase in outright purchases of Government securities by the Federal Reserve Bank of New York, as shown above, is due to the purchase of a block of \$5,000,000 Third Liberty Loan 4 1/4% bonds for the Treasury which were held temporarily in the Investment Account of the New York bank and were taken up the following Friday.

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Money Market

The New York City banks entered the week with reserves about even with requirements, but still carrying a very large amount of loans at the Reserve Bank. In an effort to reduce this heavy indebtedness, the banks persistently called loans, and call money advanced from a low of 5 1/2 per cent on Monday to 8 per cent on Thursday. The higher call rates attracted funds from other districts, which together with the more or less usual return flow of funds disbursed in the form of interest and dividend payments around July 1, and a reduction in the amount of currency in circulation after the holiday, allowed the City banks to cut their loans down to \$268,000,000 on Friday, the lowest level since June 28, and still maintain average reserves for the period above requirements. Actual reserves on Friday, however, dropped below requirements. Reflecting the accumulated effects of the week's operations call money dropped to 6 per cent on Friday.

During the first part of the calendar week, time money rates eased to 5 3/4 per cent, but following the increase in the Chicago Reserve Bank rate, reverted to 6 per cent, at which level all maturities were firmly held. In contrast to a condition in recent weeks in which the new loan demand has been chiefly for the shorter maturities, the principal loans arranged toward the latter part of this week were for 5 and 6 months - and at 6 per cent.

The rate for prime commercial paper advanced further during the week to 5 - 5 1/4 per cent. At the higher range, the bank investment demand for paper was reported to have been slightly more active, and the amount of new borrowings has also been somewhat heavier, notwithstanding the higher cost for accommodation.

Government Security Market

The market for United States Government bonds was active and very weak. Accompanying firmer money conditions and the increase in the rediscount rate by several of the Federal reserve banks, the prices of Government bonds dropped in most cases from 1 to 3 points. The closing prices for all issues at the end of the week and the net changes from the previous week's close were as follows:

	Closing			Closing	
	Prices Sat.	Net		Prices Sat.	Net
	<u>July 14/28</u>	<u>Change</u>		<u>July 14/28</u>	<u>Change</u>
1st 3 1/2s	99 30/32	- 3/32	Treas. 4s 1944-54	105 17/32	- 3.3/32
1st 4 1/4s	100 8/32	-1.	" 4 1/4s 1947-52	110 18/32	- 3.8/32
3rd 4 1/4s	100 1/32	-15/32	" 3 3/4s 1946-56	103 17/32	- 2.2/32
4th 4 1/4s	100 17/32	-1.9/32	" 3 3/8s 1943-47	98 18/32	- 1.30/32

The demand for the short-term certificates of indebtedness and Treasury notes was poor, and dealers' offering prices at the end of the week were from about 1/32 to 1 18/32 lower than at the previous week's close as follows:

					<u>Net Change</u>
3 1/4% certs. of ind.	due Dec. 15, 1928	99 19/32			- 1/32
4 % " " "	" Dec. 15, 1928	99 30/32			- 3/32
3 3/8% " " "	" Mar. 15, 1929	99 9/32			- 7/32
3 7/8% " " "	" Mar. 15, 1929	99 19/32			- 10/32
3 1/2% Treasury notes	" 1930-32	97 8/32			- 1.18/32

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/8 to 4 1/4 per cent for 30s, 4 1/8 to 4 3/8 per cent for 60s, 90s and 120-day bills. This represents an increase in rates of from 1/8 to 1/4 per cent on all maturities.

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Boston reports that there was very little change in the bill market conditions in their district during the past period. The supply of bills was fairly good showing a slight increase over the previous week. The demand was local and only from a few of the larger institutions. Offerings to the Reserve Bank were heavier than for several weeks past. Up to the end of the period, when dealers raised their rates, maturities up to ninety days moved freely but with the change in rates, dealers found most bills difficult to move. In New York the bill market was unsettled and less active. Dealers' sales, which consisted mainly of orders from abroad, were slightly in excess of purchases. As a result chiefly of heavy shipments by dealers here to their out of town branches and correspondents, dealers portfolios here decreased substantially. At the end of the week open market rates were quite unsettled with an advance in the bid rate on 30s to 4 1/4 - 4 3/8 per cent, 60s 4 3/8 to 4 1/2 per cent, 90s 4 3/8 to 4 1/2 per cent, 120s 4 1/8 to 4 3/8 per cent, 180s 4 3/8 to 4 1/2 per cent. Philadelphia reports that their acceptance market continued quiet. Offerings were moderate but demand light. Chicago reports that while there were a few new bills made in their district, dealers reported practically no demand.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current statement week (exclusive of current Treasury offerings) consisted of

Sales of	\$2,050,000	aggregate par amount	4% certificates of indebtedness due December 15, 1928, account German Special Deposit Account
" "	800,000	" " "	4% certificates of indebtedness due December 15, 1928, account Alien Property Custodian

**Total Sales**     \$2,850,000

Purchases of \$10,500,000 aggregate par amount long-term Treasury bonds, account Surplus Money

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 80,500,000	\$ 72,103,000	\$ 8,397,000	\$ 0
New York	259,035,000	263,941,000	0	4,906,000
Philadelphia	95,187,000	99,137,000	0	3,950,000
Cleveland	109,853,000	109,435,000	418,000	0
Richmond	50,336,000	51,503,000	0	1,167,000
Atlanta	44,492,000	45,305,000	0	813,000
Chicago	133,723,000	136,275,000	0	2,552,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	44,934,000	45,305,000	0	371,000
Kansas City	53,068,000	53,552,000	0	484,000
Dallas	46,227,000	45,306,000	921,000	0
San Francisco	93,344,000	88,837,000	4,507,000	0
<b>Totals</b>	<u>\$1,030,158,000</u>	<u>\$1,030,158,000</u>	<u>\$14,243,000</u>	<u>\$14,243,000</u>

The large overage by the Boston bank, as shown in above statement, was apportioned to other participating banks on July 16.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions consummated in the System Account during the current statement week consisted of a

Sale to foreign correspondent of \$1,000,000 - 3 1/4% certificates of indebtedness due December 15, 1928 on a 4.15% basis, and the

Purchase in the market of 1,500,000 - 3 1/4% certificates of indebtedness due December 15, 1928 on 4.15% basis

These transactions left the total holdings in the Account, at the close of business Wednesday, July 11, 1928, at \$84,988,300. The participation by the 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	\$ 6,913,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	23,774,300	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,451,000	Mar. 15, 1929 - 3 3/8% "	12,950,000
Cleveland	7,462,000	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,391,000	Mar. 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,103,000	Sept. 15, 1932 - 3 1/2% "	6,000,000
Chicago	13,801,000	Dec. 15, 1932 - 3 1/2% "	9,140,800
St. Louis	0		
Minneapolis	3,460,000		
Kansas City	6,075,500		
Dallas	4,859,000		
San Francisco	<u>7,698,500</u>		
Totals	<u>\$84,988,300</u>		<u>* \$84,988,300</u>

\* Includes \$9,500,000 Treasury notes held temporarily for Federal Reserve Bank of St. Louis.

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July

5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JULY 5 TO JULY 11, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>		<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 122,000		\$ 81,500	\$ 40,500
New York	419,500		279,500	140,000
Philadelphia	114,000		76,000	38,000
Cleveland	131,500		88,000	43,500
Richmond	42,000		28,000	14,000
Atlanta	37,000		25,000	12,000
Chicago	243,500		162,500	81,000
St. Louis	0		0	0
Minneapolis	61,000		40,500	20,500
Kansas City	107,500		71,500	36,000
Dallas	86,000		57,000	29,000
San Francisco	<u>136,000</u>		<u>90,500</u>	<u>45,500</u>
<b>Totals</b>	<b><u>\$1,500,000</u></b>		<b><u>\$1,000,000</u></b>	<b><u>\$500,000</u></b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 100	Fourth L/L bond
New York	* \$ 400,000	3/15/29 C/I	* 400,000	3/15/29 C/I
	** 5,000,000	Third L/L bonds	0	-
Atlanta	<u>366,100</u>	Misc. Gov't Sec.	<u>447,300</u>	Misc. Gov't Sec.
<b>Totals</b>	<b><u>\$5,766,100</u></b>		<b><u>\$847,400</u></b>	

\*Was held temporarily for resale to market.  
 \*\*Held temporarily for resale to Treasury.

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings July 3</u>	<u>Purchased Own Mkt.</u>	<u>Regular from N.Y.</u>	<u>Matur- ities &amp; Sales</u>	<u>Holdings July 11</u>	<u>Other Holdings Close July 11/28</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 16,772	\$ 8,666 R.	\$ 0	\$ 5,143	\$ 20,295	\$ 4,601	\$ 19
New York	29,672	5,306 "	0	10,507	24,471	6,853	505
		7,885 A.					
Phila.	20,383	2,140 R.	0	2,098	20,425	0	24
Cleve.	18,762	1,357 R.	1,979	4,018	18,080	0	27
Richmond	9,001	342 "	1,044	3,660	6,727	0	13
Atlanta	13,359	6 "	1,237	1,892	12,710	0	630
Chicago	13,099	1,342 "	1,695	3,627	12,509	2,044	36
St. Louis	311	0	0	175	136	0	11
Minn.	13,176	0	951	1,708	12,419	0	7
Kan. City	11,476	0	979	2,057	10,398	0	9
Dallas	12,633	643 "	0	1,282	11,994	0	9
San Fran.	<u>17,441</u>	<u>4,653 "</u>	<u>0</u>	<u>2,213</u>	<u>19,881</u>	<u>1,134</u>	<u>18</u>
<b>Totals</b>	<b>\$176,085</b>	<b>\$32,340</b>	<b>\$7,885</b>	<b>\$38,380</b>	<b>\$170,045</b>	<b>\$14,632</b>	<b>\$1,308</b>
Bills held overnight by New York for distribution to other F.R.Bks.						- - - -	<u>1,657</u>
						Total - - - -	<u>\$2,965</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 11, 1928  
 (000 Omitted)

	1-30 days 4 to 4 1/4%	31-60 days 4 to 4 1/8%	61-90 days 4 to 4 1/4%	Over 90 days 4 to 4 1/8%	Total
Boston	\$ 3,690	\$2,588	\$ 844	\$1,544	\$ 8,666
New York	9,622	1,782	929	858	13,191
Philadelphia	616	758	766	0	2,140
Cleveland	26	876	455	0	1,357
Richmond	175	26	141	0	342
Atlanta	0	6	0	0	6
Chicago	437	768	137	0	1,342
Dallas	5	199	119	320	643
San Francisco	800	999	2,809	45	4,653
<b>Totals</b>	<u>\$15,371</u>	<u>\$8,002</u>	<u>\$6,200</u>	<u>\$2,767</u>	<u>\$32,340</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 11, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$7,266	\$32,340	\$39,606
Sold	1,846	0	1,846
Matured	0	38,380	38,380
		\$ 6,040-	\$ 620-
		1,417-(Net Change 1-day holdover & other bills)	1,417-(Net Change 1-day holdover & other bills)
<b>Totals</b>	<u>\$5,420+</u>	<u>\$ 7,457-</u>	<u>\$ 2,037-</u>

(Including Sales Contracts)

Holdings July 11, 1928	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$15,754	\$ 0	\$ 0	\$ 5,659	\$40,848	\$155,504	\$217,765
Bills Purchased	73,920	37,839	43,478	26,683	5,722	0	187,642
<b>Totals</b>	<u>\$89,674</u>	<u>\$37,839</u>	<u>\$43,478</u>	<u>\$32,342</u>	<u>\$46,570</u>	<u>\$155,504</u>	<u>\$405,407</u>



DECLASSIFIED

Authority E.O. 10501

July 11, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of July 9th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 28, 1928 to July 3, 1928, 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

*Mr. Biggs*

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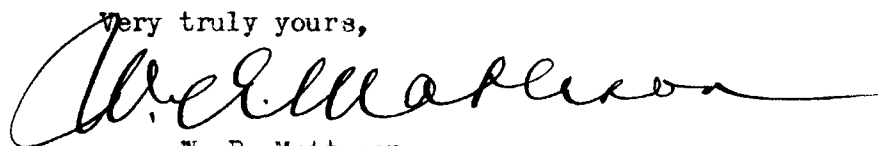
July 9, 1928

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from June 28, 1928 to July 3, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

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RECEIVED  
JUL 11 1928  
GOVERNOR  
FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK  
OF NEW YORK

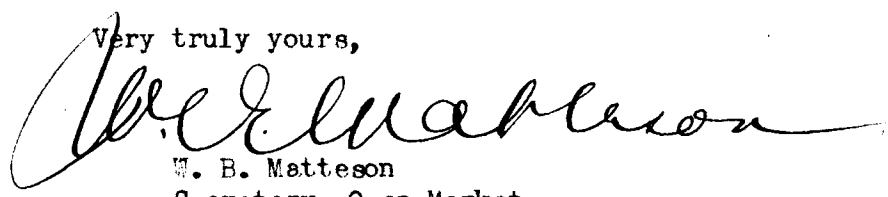
PERSONAL

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W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

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Authority F. O. 10501

FOR SPECIAL CIRCULATION  
PLEASE READ PROMPTLY. MAIL AND RETURN TO SECRETARY OF  
Gov. Young ✓ Mr. Hamlin ✓ Mr. Jones ✓ Mr. McInt ✓  
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓  
**FEDERAL RESERVE BANK**  
**OF NEW YORK**

*about*  
RECEIVED  
JUL 11 1928  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

July 9, 1928

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Secretary, Open Market  
Investment Committee

Encl.

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

*bu (over) 7/11/28*

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JULY 3, 1928

Holdings of Earning Assets of Federal Reserve Banks from July 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
July 27	\$ 953,931	\$380,559	\$ 4,457	\$157,291	\$12,094	\$ 398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874
July 3	1,620,729	196,590	22,975	180,467	29,197	1,191,010

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JULY 3, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 3	Net Change	Balance July 3	Net Change	Balance July 3	Net Change
Boston	\$ 7,577	0	\$ 16,772	\$ 9,833-	\$ 82,367	\$ 3,924-
New York	25,018	*3,026-	29,672	3,831+	436,537	63,458+
Philadelphia	21,609	0	20,383	3,094-	106,008	8,426+
Cleveland	33,854	0	18,762	4,670-	116,135	23,688+
Richmond	3,530	0	9,001	211-	50,571	1,456-
Atlanta	5,274	139-	13,359	1,898-	63,933	7,039+
Chicago	33,647	211-	13,099	3,063-	181,089	24,483+
St. Louis	7,125	0	311	32-	54,337	4,149+
Minneapolis	11,024	0	13,176	1,340-	8,135	489+
Kansas City	15,772	10-	11,476	1,018+	23,733	5,807+
Dallas	14,824	0	12,633	1,279-	11,910	1,598+
San Francisco	17,336	0	17,441	174+	56,255	25,379+
N.Y. holdovers and other bills			4,382	1,790+		
Totals	\$196,590	\$3,386-	\$180,467	\$18,607-	\$1,191,010	\$159,136+

\*Was held temporarily for resale to Treasury, as mentioned in last week's report.

COMMENT ON CHANGES WEEK ENDED JULY 3, 1928

Total earning assets of the System showed an increase of \$152,996,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$3,400,000 in outright purchases of Government securities and \$18,600,000 in outright purchases of bankers acceptances, and increases of \$159,100,000 in bills discounted and \$15,850,000 in investments held under sales contracts. The latter item consisted of increases of \$11,000,000 in Government securities and \$4,850,000 in bankers acceptances.

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Money Market

Call money in New York rose to 10 per cent on Monday, July 2. In the unsettlement and large turnover incident to the mid-year transactions, the City banks borrowed at the Reserve Bank somewhat in excess of their actual needs (borrowings rose to \$415,000,000), and as a result money conditions were temporarily very firm. On the following day, the reserve position of the banks appeared so favorable, that a large amount of Reserve Bank discounts was retired, and call money eased to 5 per cent. The ease was accentuated by the fact that checks for loans were not collected until Thursday. Following the holiday, the call rate ranged from between 5 and 6 per cent. Although the City banks reduced their indebtedness from the high level at the beginning of the week to \$347,000,000 on Friday, the total nevertheless remained considerably higher than on the preceding Friday, and average discounts for the whole period were also larger.

Six per cent was paid in the first part of the week for 60 and 90 day loans and 5 7/8 per cent for 4 to 6 months' maturities. Subsequently, an easier tone developed, due to freer offerings of funds, and the effective trading rate declined to 5 3/4 per cent. The larger part of the loans placed continued to be for the shorter maturities.

Dealers reported experiencing great difficulty in selling commercial paper at 4 3/4 per cent, except outstanding names of short maturity, and consequently the prevailing rate for the usual grade of 4 - 6 months' paper mounted to 5 per cent. Conditions in the market were unchanged in point of quietude.

Government Security Market

The market for United States Government bonds was very active this week and notwithstanding some good-sized buying orders for the long-term Treasury bonds, prices of all issues, with the exception of the Third 4 1/4's, showed losses for the week. Upon announcement of the Treasury's offering of July 5, Third 4 1/4's (due to the exchange privilege) were very much in demand and sold up in price to 101 8/32 and then sold down to par 16/32 at which level they closed at the end of the week. The closing prices for all issues at the end of the week and the net changes from the previous week's close were as follows:

Closing Prices Sat. July 7/28				Net Change	Closing Prices Sat. July 7/28				Net Change
1st 3 1/2s	100	1/32			Treas. 4	1944-54	108	20/32	-16/32
1st 4 1/4s	101	8/32	-14/32		" 4 1/4s	1947-52	113	26/32	- 6/32
3rd 4 1/4s	100	16/32	+15/32		" 3 3/4s	1946-56	105	19/32	-23/32
4th 4 1/4s	101	26/32	- 7/32		" 3 3/8s	1943-47	100	16/32	-40/32

Trading in the short-term Certificates of Indebtedness and Treasury Notes was quiet and with the exception of the 3 1/2% Treasury Notes due 1930/32, which dealers offered at about 5/32nds lower, prices were unchanged from the previous week's close.

Bankers Acceptances

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

Boston reports that there was a better demand for bills during the past period. The supply of new bills showed a slight increase but was less than the actual demand, the excess of sales over purchases being made up from bills received from dealers offices in other cities. Local banks were good buyers. Bills with maturities up to 90 days were

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in best demand. Offerings to reserve bank were light. In New York the bill market was more active during the past week. The supply and demand increased substantially as compared with the previous week. Dealers sales, which consisted chiefly of heavy orders for nineties from abroad, were very good and slightly in excess of their purchases. Dealers' portfolios decreased slightly. Philadelphia reports that the bill market in its district continued to mark time. The supply was somewhat limited, while the demand was extremely light. Chicago reports the bill market in their district was unchanged, practically no demand and the supply small.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current statement week (exclusive of purchase of Third 4 1/4% Liberty Loan bonds and current Treasury offerings) consisted of:

Purchases of \$2,000,000 aggregate par amount 3 1/2% Treasury Notes due March 15, 1930-32, account Government Life Insurance Fund.

<u>2,195,000</u>	"	"	"	4% Treasury Bonds of 1944-54 account Surplus Money
------------------	---	---	---	---

\$4,195,000 Total purchases

Sales of 815,000 aggregate par amount 4% certificates of indebtedness due December 15, 1928, account German Special Deposit Account.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 71,834,000	\$ 69,839,000	\$1,995,000	\$ 0
New York	253,729,000	255,533,000	0	1,804,000
Philadelphia	93,047,000	95,903,000	0	2,856,000
Cleveland	106,517,000	105,878,000	639,000	0
Richmond	48,950,000	49,886,000	0	936,000
Atlanta	43,249,000	43,365,000	0	116,000
Chicago	130,686,000	133,688,000	0	3,002,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	43,983,000	43,364,000	619,000	0
Kansas City	52,089,000	51,612,000	477,000	0
Dallas	45,584,000	43,365,000	2,219,000	0
San Francisco	<u>88,691,000</u>	<u>85,926,000</u>	<u>2,765,000</u>	<u>0</u>
Totals	<u>\$997,818,000</u>	<u>\$997,818,000</u>	<u>\$8,714,000</u>	<u>\$8,714,000</u>

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The only transaction effected in the Open Market Account during the current statement week was the

Exchange in the market of \$1,000,000 - 3 3/8% certificates of indebtedness due March 15, 1929 for a like amount of 3 1/4% certificates of indebtedness due December 15, 1928

The amount of total holdings in the Account at the close of the statement week remained unchanged from the previous week, at \$84,488,300. The participation by the 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	\$ 6,872,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$28,589,000
New York	23,634,300	Dec. 15, 1928 - 3 1/4% " (new)	10,898,500
Philadelphia	6,413,000	Mar. 15, 1929 - 3 3/8% "	12,950,000
Cleveland	7,418,500	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,377,000	Mar. 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,091,000	Sept. 15, 1932 - 3 1/2% "	6,000,000
Chicago	13,720,000	Dec. 15, 1932 - 3 1/2% "	9,140,800
St. Louis	0		
Minneapolis	3,439,500		
Kansas City	6,039,500		
Dallas	4,830,000		
San Francisco	<u>7,653,000</u>		
Totals	<u>\$84,488,300</u>		<u>* \$84,488,300</u>

\* Includes \$9,500,000 Treasury notes held temporarily for Federal Reserve Bank of St. Louis.



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**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM JUNE 28 TO JULY 3, 1928**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>		<u>Sales</u>
Boston	\$ 81,500		\$ 81,500
New York	279,500		279,500
Philadelphia	76,000		76,000
Cleveland	88,000		88,000
Richmond	28,000		28,000
Atlanta	25,000		25,000
Chicago	162,500		162,500
St. Louis	0		0
Minneapolis	40,500		40,500
Kansas City	71,500		71,500
Dallas	57,000		57,000
San Francisco	90,500		90,500
Totals	\$1,000,000		\$1,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>		<u>Sales</u>	<u>Issue</u>
New York	* \$ 9,350,000	Misc. Gov't Sec.	*	\$ 9,350,000	Misc. Gov't Sec.
			**	3,025,350	Third L/L bonds
Atlanta	857,750	Misc. Gov't Sec.		996,800	Misc. Gov't Sec.
Chicago	0	-		210,600	Third L/L bonds
Kansas City	0	-		10,000	Misc. Gov't Sec.
Totals	\$10,207,750			\$13,592,750	

\* Held temporarily for resale.

\*\* Was held temporarily for resale to Treasury.

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>June 27</u>	<u>Own Mkt.</u>	<u>from</u>	<u>Boston</u>	<u>ities &amp;</u>	<u>July 3</u>	<u>Contracts</u>	<u>Bills</u>
Boston	\$ 26,605	\$ 3,035 R	\$ 0	\$ 0	\$12,868*	\$ 16,772	\$ 8,090	\$ 19
New York	25,841	6,475 " 4,205 A	0	3,500	6,144	29,672	16,144	405
Phila.	23,477	2,088 R	0	0	5,182	20,383	0	24
Cleve.	23,432	1,007 "	1,127	0	6,804	18,762	0	27
Richmond	9,212	0	486	0	697	9,001	0	13
Atlanta	15,257	0	620	1,000	3,518	13,359	0	616
Chicago	16,162	37 "	676	0	3,776	13,099	1,219	36
St. Louis	343	0	0	0	32	311	0	11
Minn.	14,516	0	654	1,000	2,994	13,176	0	7
Kan. City	10,458	0	642	1,000	624	11,476	0	9
Dallas	13,912	1,108 "	0	0	2,387	12,633	45	9
San Fran.	17,267	2,276 "	0	0	2,102	17,441	3,699	18
Totals	\$196,482	\$20,231	\$4,205	\$6,500	\$47,128	\$176,085	\$29,197	\$1,194
Bills held over night by New York for distribution to other F. R. Banks - - -						- - -	- - -	3,188
						Total - - - - -	- - - - -	-\$4,382

\* Includes \$6,500,000 sold to other Federal Reserve banks.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 3, 1928  
 (000 Omitted)

	<u>1-30 days</u> 4 to 4 1/8%	<u>31-60 days</u> 4 to 4 1/8%	<u>61-90 days</u> 4 to 4 1/8%	<u>Over 90-days</u> 4 to 4 1/4%	<u>Total</u>
Boston	\$ 712	\$1,232	\$1,021	\$ 70	\$ 3,035
New York	7,167	847	2,033	633	10,680
Philadelphia	181	226	1,681	0	2,088
Cleveland	0	0	1,007	0	1,007
Chicago	37	0	0	0	37
Dallas	139	193	207	569	1,108
San Francisco	<u>253</u>	<u>378</u>	<u>1,190</u>	<u>455</u>	<u>2,276</u>
<b>Totals</b>	<u>\$8,489</u>	<u>\$2,876</u>	<u>\$7,139</u>	<u>\$1,727</u>	<u>\$20,231</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 3, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$11,207	\$20,231	\$31,438
Sold	14,593	0	14,593
Matured	0	<u>40,628</u>	<u>40,628</u>
		\$20,397-	\$23,783-
		1,790+ (Net Change	1,790+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
<b>Totals</b>	<u>\$3,386-</u>	<u>\$18,607-</u>	<u>\$21,993-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>July 3, 1928</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	\$ 22,975	0	0	\$ 655	\$39,372	\$156,563	\$219,565
Bills Purchased	<u>94,671</u>	<u>43,862</u>	<u>37,931</u>	<u>26,099</u>	<u>7,101</u>	<u>0</u>	<u>209,664</u>
<b>Totals</b>	<u>\$117,646</u>	<u>\$43,862</u>	<u>\$37,931</u>	<u>\$26,754</u>	<u>\$46,473</u>	<u>\$156,563</u>	<u>\$429,229</u>

DECLASSIFIED  
Authority F. O. 10501

July 5, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of ~~July 2nd~~, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 21, 1928 to June 27, 1928, inclusive.

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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  
JUL 11 1928  
THE GOVERNOR

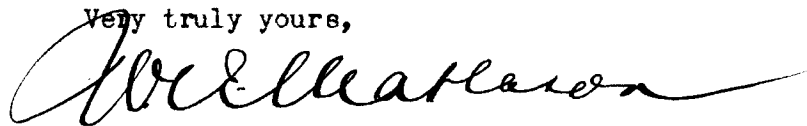
P E R S O N A L

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Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

DECLASSIFIED  
Authority F. O. 10501

FOR SPECIAL CIRCULATION  
PLEASE READ CAREFULLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
Gov. Young *ok* Mr. Hamilton ✓ Mr. James ✓ Mr. McIntosh ✓  
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham  
**FEDERAL RESERVE BANK**  
**OF NEW YORK**

RECEIVED  
JUL 5 1928  
FEDERAL RESERVE BANK OF NEW YORK

CONFIDENTIAL

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FEDERAL RESERVE BANK  
OF NEW YORK

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 27, 1928

Holdings of Earning Assets of Federal Reserve Banks from April 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
Apr. 27	\$1,005,577	\$314,332	\$ 3,993	\$194,007	\$47,892	\$443,553
May 25	998,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,261	183,163	32,955	477,311
July 27	953,931	380,559	4,457	157,291	12,094	398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 20	1,438,167*	214,918*	7,950	212,359	11,523	990,827
June 27	1,467,733	199,977	11,960	199,074	24,358	1,031,874

\* Includes \$19,000,000 special one-day Treasury Certificate of Indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JUNE 27, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 27	Net Change	Balance June 27	Net Change	Balance June 27	Net Change
Boston	\$ 7,577	\$ 61+	\$ 26,605	\$ 1,041-	\$ 86,291	\$ 3,031-
New York	28,044	3,085+	25,841	420-	373,079	4,481-
Philadelphia	21,610	57+	23,477	2,834-	97,582	12,953+
Cleveland	33,854	66+	23,432	328-	92,447	13,827+
Richmond	3,530	20+	9,212	695-	52,027	4,324+
Atlanta	5,413	240+	15,257	1,147-	56,894	2,690-
Chicago	33,858	333+	16,162	3,256-	156,606	28,374+
St. Louis	7,125	0	343	61-	50,188	4,098-
Minneapolis	11,024	30+	14,516	2,907-	7,646	3+
Kansas City	15,782	54+	10,458	388+	17,926	6,609-
Dallas	14,824	44+	13,912	740-	10,312	1,037-
San Francisco	17,336	69+	17,267	1,099-	30,876	3,212+
N. Y. holdovers and other bills			2,592	855+		
Totals	\$199,977	\$4,059+	\$199,074	\$13,285-	\$1,031,874	\$41,047+

COMMENT ON CHANGES WEEK ENDED JUNE 27, 1928

Total earning assets of the System (exclusive of the special one-day Treasury certificate of indebtedness issued last week to cover the overdraft) showed an increase of \$48,566,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$13,300,000 in outright purchases of bankers acceptances, and increases of \$4,050,000 in outright purchases of Government securities, \$41,050,000 in bills discounted and \$16,850,000 in investments held under sales contracts. The latter item consisted of increases of \$12,850,000 in bankers acceptances and \$4,000,000 in Government securities.

The large increase in outright purchases of Government securities by the Federal Reserve Bank of New York, as shown above, is due to the purchase of a block of \$3,000,000 Third 4 1/4's for the Treasury which were held over night in the Investment Account of the New York bank.

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Money  
Market

Due to preparations for mid-year statements, dividend and interest payments, and withdrawals of currency for the holiday period, conditions in the New York call money market were very firm during the past calendar week. Renewals were arranged on Monday at 6 1/2 per cent, and for the balance of the period the trend was upwards, culminating in a rise to 8 per cent for new loans on Friday, after the renewal rate had been set at 7 1/2 per cent. These are the highest quotations for call funds since early in June 1921.

Time money also moved up to higher levels during the middle of the period when 60 and 90-day loans were placed at 5 7/8 and 6 per cent. On Friday, however, 90-day money eased to 5 3/4 - 5 7/8 per cent, while 60-day funds continued firm at 6 per cent. Accommodation for longer periods was little in demand, and 4 to 6 months' maturities went above 5 3/4 bid, 5 7/8 per cent asked for only one day.

Dealers reported that it was extremely difficult to sell commercial paper in view of the high call money rates, and the fact that the banks were so heavily indebted to the Reserve Banks. Offering rates continued to be 4 3/4 and 5 per cent with the supply of paper mounting slightly due to accumulation of unsold paper.

Government  
Security  
Market

The market for United States Government bonds was more active this week than for the past several weeks with the Fourth 4 1/8 in best demand. Closing prices at the end of the calendar week and the net changes from the previous week's close were as follows:

	<u>Closing</u> <u>prices Sat.</u> <u>June 30, 1928</u>		<u>Net</u> <u>Change</u>		<u>Closing</u> <u>prices Sat.</u> <u>June 30, 1928</u>		<u>Net</u> <u>Change</u>
1st 3 1/2s	100	1/32	-7/32	Treas. 4s	1944-54	109 4/32	+20/32
1st 4 1/4s	101	22/32	+5/32	"	4 1/4s 1947-52	114	+20/32
3rd 4 1/4s	100	1/32	-	"	3 3/4s 1946-56	106 10/32	+13/32
4th 4 1/4s	102	1/32	+7/32	"	3 3/8s 1943-47	101 24/32	- 2/32

Trading in the short-term certificates of indebtedness and Treasury notes was quiet and with firmer money conditions, dealers' offering prices were 1/32 and 2/32nds lower than at the previous week's close as follows:

					<u>Net Change</u>
3 1/4%	certs. of ind.	due Dec. 15, 1928	99	20/32	-1/32
4	" " "	" Dec. 15, 1928	100	1/32	-2/32
3 3/8%	" " "	" Mar. 15, 1929	99	16/32	-1/32
3 7/8%	" " "	" Mar. 15, 1929	99	29/32	-1/32
3 1/2%	Treasury notes	" 1930-32	99	1/32	-2/32

Bankers  
Acceptances

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

Boston reports that there was a very small demand for bills during the past period in its district, while the supply, which was smaller than for several weeks, was more than sufficient to meet the demand. There was a slackening in the supply of bills, dealers reporting that accepting banks had very few new bills to offer. Bills up to ninety days moved best. Offerings to the Reserve Bank were fairly heavy and dealers' portfolios showed an increase of more than



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\$3,000,000. In New York the supply and demand continued in about the same volume as the previous week. Dealers' purchases were considerably in excess of their sales. The demand consisted mainly of orders for foreign account. Local buying was very light. As a result of heavy shipments of bills to dealers' branches and correspondents in other districts, dealers' portfolios increased only moderately. Philadelphia reports that with money rates continuing high, the bill market remained quiet. Offerings were again moderately heavy, with practically no demand. Chicago reports that four dealers reported practically no movement of bills in their district.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current calendar week (exclusive of purchase of Third 4 1/4% Liberty Loan bonds) consisted of sales of \$750,000 par amount 4% certificates of indebtedness due December 15, 1928 for account German Special Deposit Account, and \$400,000 par amount 4% certificates of indebtedness due December 15, 1928 for account Alien Property Custodian, and a purchase of \$300,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 75,299,000	\$ 68,423,000	\$ 6,876,000	\$ 0
New York	243,754,000	250,273,000	0	6,519,000
Philadelphia	90,959,000	93,880,000	0	2,921,000
Cleveland	104,383,000	103,653,000	730,000	0
Richmond	48,464,000	48,874,000	0	410,000
Atlanta	41,629,000	42,151,000	0	522,000
Chicago	129,973,000	132,070,000	0	2,097,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	42,329,000	42,150,000	179,000	0
Kansas City	50,447,000	50,398,000	49,000	0
Dallas	44,476,000	42,151,000	2,325,000	0
San Francisco	86,415,000	84,105,000	2,310,000	0
Totals	<u>\$977,587,000</u>	<u>\$977,587,000</u>	<u>\$12,469,000</u>	<u>\$12,469,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions consummated in the Open Market Account during the statement week covered by this report consisted of the

Exchange in market of \$4,000,000 certificates of indebtedness maturing December 15, 1928 and March 15, 1929 for a like amount of 3 1/2% Treasury notes due 1930-32.

Sale to Treasury a/c Alien Property Custodian of 1,000,000 new 3 7/8% certificates of indebtedness maturing March 15, 1929, which was replaced in the account by purchase in the market of a like amount of 3 1/2% Treasury notes due 1930-32.

Purchase from Foreign correspondent of 750,000-3 1/4% certificates of indebtedness maturing December 15, 1928.

These transactions left the total holdings in the account at the close of business Wednesday, June 27, 1928 at \$84,488,300. The participation by the Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 6,872,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$29,589,000
New York	23,634,300	Dec. 15, 1928 - 3 1/4% " (new)	10,898,500
Philadelphia	6,413,000	Mar. 15, 1929 - 3 3/8% "	11,950,000
Cleveland	7,418,500	Mar. 15, 1929 - 3 7/8% "	3,450,000
Richmond	2,377,000	Mar. 15, 1932 - 3 1/2% T/N	13,460,000
Atlanta	2,091,000	Sept. 15, 1932 - 3 1/2% "	6,000,000
Chicago	13,720,000	Dec. 15, 1932 - 3 1/2% "	9,140,800
St. Louis	0		
Minneapolis	3,439,500		
Kansas City	6,039,500		
Dallas	4,830,000		
San Francisco	<u>7,653,000</u>		
Totals	<u>\$84,488,300</u>		<u>* \$84,488,300</u>

\* Includes \$9,500,000 Treasury notes held temporarily for Federal Reserve Bank of St. Louis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JUNE 21 TO JUNE 27, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 467,500	\$ 407,000	\$ 60,500
New York	1,608,500	1,399,000	209,500
Philadelphia	436,500	379,500	57,000
Cleveland	505,000	439,000	66,000
Richmond	161,500	141,000	20,500
Atlanta	142,500	124,000	18,500
Chicago	933,500	811,500	122,000
St. Louis	0	0	0
Minneapolis	234,000	203,500	30,500
Kansas City	411,000	357,500	53,500
Dallas	329,000	285,500	43,500
San Francisco	521,000	452,500	68,500
<b>Totals</b>	<u>\$5,750,000</u>	<u>\$5,000,000</u>	<u>\$750,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	* \$5,525,350	Third L/L bonds	* \$2,500,000	Third L/L bonds
	** 950,000	Dec. 15/28 C/I	** 1,100,000	Dec. 15/28 C/I
Atlanta	730,300	Misc. Gov't Sec.	508,500	Misc. Gov't Sec.
Chicago	* 210,600	Third L/L bonds	0	-
<b>Totals</b>	<u>\$7,416,250</u>		<u>\$4,108,500</u>	

\*Held temporarily for resale to Treasury.  
 \*\*Held temporarily for resale.

BANKERS ACCEPTANCES  
 (000 Omitted)

	<u>Holdings</u> June 20	<u>Rec'd by Allotment</u>				<u>Holdings</u> June 27	<u>Other Holdings</u> Close June 27/28	
		<u>Purchased</u> Own Mkt.	<u>Regular</u> N. Y.	<u>From</u> Boston Port.	<u>Matur-</u> ities & Sales		<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 27,646	\$ 8,726 R.	0	0	\$ 9,767*	\$ 26,605	\$10,664	\$ 19
New York	26,261	5,264 "	0	1,800	7,484	25,841	9,311	365
		5,154 A.						
Phila.	26,311	2,967 R.	0	0	5,801	23,477	0	24
Cleveland	23,760	1,226 "	1,110	0	2,664	23,432	0	27
Richmond	9,907	178 "	561	0	1,434	9,212	0	13
Atlanta	16,404	0	1,181	0	2,328	15,257	0	712
Chicago	19,418	925 "	764	0	4,945	16,162	1,595	36
St. Louis	404	0	0	0	61	343	0	11
Minn.	17,423	0	629	1,000	4,536	14,516	0	7
Kan. City	10,070	0	658	1,000	1,270	10,458	0	9
Dallas	14,652	969 "	0	0	1,709	13,912	0	9
San Fran.	18,366	1,216 "	251	0	2,566	17,267	2,788	18
<b>Totals</b>	<u>\$210,622</u>	<u>\$26,625</u>	<u>\$5,154</u>	<u>\$3,800</u>	<u>\$44,565</u>	<u>\$196,482</u>	<u>\$24,358</u>	<u>\$1,250</u>
Bills held overnight by New York for distribution to other F.R. Banks - - -								<u>1,342</u>
Total - - - - -								<u>\$2,592</u>

\*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 27, 1928  
 (000 Omitted)

	1-30 days 4 - 4 1/8%	31-60 days 4 - 4 1/8%	61-90 days 4 - 4 1/8%	Over 90-days 4 - 4 1/4%	Total
Boston	\$2,608	\$3,129	\$2,707	\$ 282	\$ 8,726
New York	5,135	695	3,655	933	10,418
Philadelphia	902	490	1,575	0	2,967
Cleveland	0	105	921	200	1,226
Richmond	50	33	95	0	178
Chicago	160	765	0	0	925
Dallas	212	254	150	353	969
San Francisco	11	597	453	155	1,216
<b>Totals</b>	<u>\$9,078</u>	<u>\$6,068</u>	<u>\$9,556</u>	<u>\$1,923</u>	<u>\$26,625</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 27, 1928  
 (000 Omitted)

(Excluding Sales Contracts and Special 1-day C/I)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$13,167	\$26,625	\$39,792
Sold	9,108	0	9,108
Matured	0	40,765	40,765
		<u>\$14,140-</u>	<u>\$10,081-</u>
		855+ (Net Change 1-day holdover & other bills)	855+ (Net Change 1-day holdover & other bills)
<b>Totals</b>	<u>\$ 4,059+</u>	<u>\$13,285-</u>	<u>\$ 9,226-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>June 27, 1928</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	\$ 11,960	\$ 0	\$ 0	\$ 3,891	\$41,241	\$154,845	\$211,937
Bills Purchased	103,443	47,389	42,764	23,651	6,185	0	223,432
<b>Totals</b>	<u>\$115,403</u>	<u>\$47,389</u>	<u>\$42,764</u>	<u>\$27,542</u>	<u>\$47,426</u>	<u>\$154,845</u>	<u>\$435,369</u>

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June 26, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 25th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 14, 1928 to June 20, 1928 inclusive.

Very truly yours,

Walter L. Eddy,  
Secretary.

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

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FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUN 21 1928  
U.S. DEPARTMENT OF THE TREASURY  
NEW YORK OFFICE

PERSONAL

June 25, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from June 14, 1928 to June 20, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open market  
investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

encl.

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FOR SPECIAL CIRCULATION

PLEASE READ FROM Y. INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young *Wm*

Mr. Hamlin ✓

Mr. James ✓

Mr. McIntosh ✓

Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham *Wm*

FEDERAL RESERVE BANK

OF NEW YORK

*Wm*  
RECEIVED  
JUN 26 1928  
U.S. FEDERAL RESERVE BOARD  
FEDERAL GOVERNOR

CONFIDENTIAL

June 25, 1928

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Very truly yours,

W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

*Encl. letter 6/26/28*

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**CONFIDENTIAL**  
**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 20, 1928**

**Holdings of Earning Assets of Federal Reserve Banks from April 27, 1927 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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Apr. 27	\$1,005,577	\$314,332	\$ 3,993	\$194,007	\$47,892	\$ 443,553
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-1928-						
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May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 13	1,507,661	212,313	10,983	229,142	11,275	1,042,858
June 20	1,438,167*	214,918*	7,950	212,359	11,523	990,827

\* Includes \$19,000,000 Special one-day Treasury Certificate of Indebtedness.

**CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)**  
**DURING WEEK ENDED JUNE 20, 1928**  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 20	Net Change	Balance June 20	Net Change	Balance June 20	Net Change
Boston	\$ 7,516	\$ 26+	\$ 27,646	\$ 3,620-	\$ 89,322	\$ 5,622+
New York	24,959	16,717-	26,261	2,948-	377,560	19,464-
Philadelphia	21,553	36+	26,311	3,885-	84,629	20,567+
Cleveland	33,788	155+	23,760	298-	78,620	12,375-
Richmond	3,510	9+	9,907	482-	47,703	3,532+
Atlanta	5,173	51-	16,404	2,025-	59,584	5,237-
Chicago	33,525	53+	19,418	2,794-	127,932	12,071-
St. Louis	7,125	0	404	82-	54,286	4,082+
Minneapolis	10,994	13+	17,423	692-	7,643	747-
Kansas City	15,728	33+	10,070	1,100-	24,535	1,766+
Dallas	14,780	19+	14,652	838-	11,349	306+
San Francisco	17,267	29+	18,366	2,321+	27,664	38,012-
N. Y. holdovers and other bills			1,737	700-		
<b>Totals</b>	<b>\$195,918*</b>	<b>\$16,395-</b>	<b>\$212,359</b>	<b>\$16,783-</b>	<b>\$990,827</b>	<b>\$52,031-</b>

\* This balance does not include \$19,000,000 one-day advance to Treasury.

**COMMENT ON CHANGES WEEK ENDED JUNE 20, 1928**

Total earning assets of the System, exclusive of the special one-day Treasury certificate of indebtedness issued to cover the overdraft showed a decrease of \$88,494,000 for the current statement week. The approximate changes, by classification, consisted of decreases of \$16,400,000 in outright purchases of Government securities, \$16,800,000 in outright purchases of bankers acceptances, \$52,050,000 in bills discounted and \$2,800,000 net in investments held under sales contracts. The latter item consisted of an increase of \$250,000 in bankers acceptances and a decrease of \$3,050,000 in Government securities.



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Money Market

The New York City banks entered the week with no excess of reserves, so that the collection of income taxes and withdrawal of commercial funds from this market resulted in a resumption of City bank borrowing at above the \$300,000,000 level, and on Tuesday call money rose from 5 1/2 to 6 1/2 per cent, the level prevailing earlier in the month. Later in the period, Treasury payments for Third Loan bonds tendered and an incoming movement of commercial funds were accompanied by some reduction in member bank borrowing, but call money finished the calendar week at 6 1/2 per cent.

While quotations for 60 and 90-day money moved up to 5 3/4 bid, 5 7/8 per cent offered, few loans were actually placed at higher than 5 3/4 per cent. Longer maturities were unchanged at 5 3/4 per cent.

The commercial paper market continued inactive during the past week; both the bank investment demand and merchants' requests for additional accommodation were light. Dealers' offerings and sales were made at 4 3/4 - 5 per cent.

Government Security Market

The market for United States Government bonds was quiet and slightly heavy. Prices of practically all issues were off fractionally from the previous week's close as follows:

	<u>Closing</u>		<u>Net</u>		<u>Closing</u>		<u>Net</u>
	<u>prices Sat.</u>		<u>Change</u>		<u>prices Sat.</u>		<u>Change</u>
	<u>June 23, 1928</u>				<u>June 23, 1928</u>		
1st 3 1/2s	100	8/32	-1/32	Treas. 4s	1944-54	108 16/32	-12/32
1st 4 1/4s	101	17/32	-7/32	"	4 1/4s 1947-52	113 12/32	-17/32
3rd 4 1/4s	100	1/32	-	"	3 3/4s 1946-56	105 29/32	-11/32
4th 4 1/4s	101	26/32	-7/32	"	3 3/8s 1943-47	101 26/32	-10/32

Trading in the short-term certificates of indebtedness and Treasury notes was also quiet with the new 4 per cent certificates in best demand. Dealers' offering prices at the close of the week and the net changes from the previous week's close were as follows:

					<u>Net Change</u>
3 1/4% certs. of ind.	due Dec. 15, 1928	99	21/32		-1/32
4 " " " "	" Dec. 15, 1928	100	3/32		+1/32
3 3/8% " " " "	" Mar. 15, 1929	99	17/32		-
3 7/8% " " " "	" Mar. 15, 1929	99	30/32		+1/32
3 1/2% Treasury notes	" 1930-32	99	3/32		-4/32

Bankers Acceptances

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

Boston reports that with money rates continuing on a high level local banks were disinterested in the bill market and consequently the demand was very poor in their district, with the supply fair. Dealers raised their rate 1/8 per cent on 60s and 90s, but coming late in the period the effect was not felt. In New York the bill market was unsettled and less active. The supply of bills continued in about normal volume and was considerably in excess of the demand which consisted mainly of orders from abroad. As a result probably of this

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falling off in the buying for foreign accounts and with firmer money conditions, together with a substantial increase in their portfolios, all dealers on June 19 advanced their rate 1/8 per cent on sixties and nineties. At these higher rates dealers hoped to attract some new buying but up to the close of the week bills were somewhat sticky, and portfolios continued to increase moderately. Philadelphia reports that its acceptance market was again quiet. Offerings increased somewhat over previous week but the demand continued light. Chicago reports that there appeared to be practically no bill market in its district.

#### OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current calendar week (exclusive of purchase of Third 4 1/4% Liberty Loan bonds) consisted of purchases of \$2,214,500 aggregate par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian, \$8,000,000-4% certificates of indebtedness due December 15, 1928 and \$16,000,000 - 3 7/8% certificates of indebtedness due March 15, 1929 for account German Special Deposit Account.

#### SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 70,373,000	\$ 66,559,000	\$ 3,814,000	\$ 0
New York	236,690,000	243,351,000	0	6,661,000
Philadelphia	87,992,000	91,218,000	0	3,226,000
Cleveland	102,047,000	100,724,000	1,323,000	0
Richmond	47,725,000	47,543,000	182,000	0
Atlanta	40,448,000	40,553,000	0	105,000
Chicago	128,284,000	129,940,000	0	1,656,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	40,700,000	40,553,000	147,000	0
Kansas City	48,789,000	48,800,000	0	11,000
Dallas	43,507,000	40,553,000	2,954,000	0
San Francisco	84,948,000	81,709,000	3,239,000	0
Totals	<u>\$950,962,000</u>	<u>\$950,962,000</u>	<u>\$11,659,000</u>	<u>\$11,659,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions consummated in the Open Market Account during the statement week covered by this report consisted of the

Redemption of	\$11,765,000	- 3 1/8% certificates of indebtedness matured June 15, 1928
Sale to Treasury of	1,356,700	- 4 1/4% Third Liberty Loan bonds under Treasury offering dated June 11, 1928
Sale to foreign correspondents of	2,000,000	- 3 1/4% certificates of indebtedness due December 15, 1928
<b>Total Sales and redemption</b>	<b>\$15,121,700</b>	

Purchases in New York and Chicago markets of \$15,450,000 aggregate amount of short-term governments

These transactions left the total holdings in the account at the close of business Wednesday, June 20, 1928 at \$83,738,300. The participation by the 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	\$ 6,812,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$31,339,000
New York	23,424,800	Dec. 15, 1928 - 3 1/4% " (new)	10,898,500
Philadelphia	6,356,000	Mar. 15, 1929 - 3 3/8% "	13,450,000
Cleveland	7,352,500	Mar. 15, 1929 - 3 7/8% "	4,450,000
Richmond	2,356,500	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Atlanta	2,072,500	Sept. 15, 1932 - 3 1/2% "	6,000,000
Chicago	13,598,000	Dec. 15, 1932 - 3 1/2% "	7,140,800
St. Louis	0		
Minneapolis	3,409,000		
Kansas City	5,986,000		
Dallas	4,786,500		
San Francisco	7,584,500		
<b>Totals</b>	<b>\$83,738,300</b>		<b>* \$83,738,300</b>

\* Includes \$9,500,000 Treasury notes held temporarily for Federal Reserve Bank of St. Louis.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM JUNE 14 TO JUNE 20, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales and Redemptions</u>	<u>Net Increase</u>
Boston	\$ 1,257,000	\$ 1,230,000	\$ 27,000
New York	4,322,000	4,230,700	91,300
Philadelphia	1,173,000	1,147,500	25,500
Cleveland	1,356,500	1,328,000	28,500
Richmond	435,000	426,000	9,000
Atlanta	382,500	374,000	8,500
Chicago	2,509,000	2,456,000	53,000
St. Louis	0	0	0
Minneapolis	628,500	615,500	13,000
Kansas City	1,104,500	1,080,500	24,000
Dallas	883,000	864,000	19,000
San Francisco	<u>1,399,000</u>	<u>1,369,500</u>	<u>29,500</u>
<b>Totals</b>	<b>\$15,450,000</b>	<b>\$15,121,700</b>	<b>\$328,300</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 450	Fourth L/L bonds
New York	* 9,156,700	Misc. Gov't Sec.	*25,965,100	Misc. Gov't Sec.
Philadelphia	9,500	TM2-1929 Ctr's.	0	-
Cleveland	127,000	Misc. Gov't Sec.	0	-
Atlanta	359,050	Misc. Gov't Sec.	419,250	Misc. Gov't Sec.
Kansas City	<u>10,000</u>	Misc. Gov't Sec.	<u>800</u>	TJ-1928 Ctr's.
<b>Totals</b>	<b>\$9,662,250</b>		<b>\$26,385,800</b>	

\*Held temporarily for resale.

BANKERS ACCEPTANCES

	(000 Omitted)						Other Holdings		
	Holdings June 13	Purchased Own Mkt.	Rec'd by Allotment			Holdings June 20	Close June 20/28		
			from N.Y.	from Boston Port.	Matur- ities & Sales		Sales Contracts	Other Bills	
Boston	\$ 30,906	\$ 5,093 R.	0	0	\$ 8,353*	\$ 27,646	\$ 5,828 -	\$ 19	
New York	29,209	3,425 " 4,112 A.	0	2,300	8,673	26,261	1,645	494	
Phila.	30,196	1,524 R.	0	0	5,409	26,311	0	24	
Cleveland	24,058	977 "	968	1,000	3,243	23,760	0	27	
Richmond	10,389	506 "	385	0	1,373	9,907	0	13	
Atlanta	18,429	31 "	470	600	3,126	16,404	0	570	
Chicago	22,212	439 "	618	0	3,851	19,418	2,655	36	
St. Louis	486	0	0	0	82	404	0	11	
Minn.	18,115	0	467	600	1,759	17,423	0	7	
Kan. City	11,170	0	591	1,000	2,691	10,070	0	9	
Dallas	15,490	665 "	128	0	1,631	14,652	0	9	
San Fran.	<u>16,045</u>	<u>3,542 "</u>	485	800	2,506	<u>18,366</u>	<u>1,395</u>	<u>18</u>	
<b>Totals</b>	<b>\$226,705</b>	<b>\$20,314</b>	<b>\$4,112</b>	<b>\$6,300</b>	<b>\$42,697</b>	<b>\$210,622</b>	<b>\$11,523</b>	<b>\$1,237</b>	
Bills held overnight by New York for distribution to other F.R. Banks - - -								500	
Total - - - - -								<u>\$1,737</u>	

\*Includes \$6,300,000 sold to other Federal reserve banks.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 20, 1928  
 (000 Omitted)

	1-30 days 4 - 4 1/8%	31-60 days 4 - 4 1/8%	61-90 days 4 - 4 1/8%	Over 90-days 4 - 4 1/4%	Total
Boston	\$ 2,806	\$1,721	\$ 421	\$ 145	\$ 5,093
New York	5,609	290	819	819	7,537
Philadelphia	245	73	1,206	0	1,524
Cleveland	0	0	733	244	977
Richmond	225	136	145	0	506
Atlanta	0	0	31	0	31
Chicago	439	0	0	0	439
Dallas	68	49	192	356	665
San Francisco	585	611	2,253	93	3,542
<b>Totals</b>	<b>\$9,977</b>	<b>\$2,880</b>	<b>\$5,800</b>	<b>\$1,657</b>	<b>\$20,314</b>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 20, 1928  
 (000 Omitted)

(Excluding Sales Contracts and Special 1-day C. of I.)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$25,112	\$20,314	\$45,426
Sold	29,742	0	29,742
Matured	11,765	36,397	48,162
		<u>\$16,083-</u>	<u>\$32,478-</u>
		700- (Net Change	700- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
<b>Totals</b>	<b>\$16,395-</b>	<b>\$16,783-</b>	<b>\$33,178-</b>

(Including Sales Contracts and Special 1-day C. of I.)

<u>Holdings</u> June 20, 1928	<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	\$ 26,950	0	0	\$ 655	\$43,253	\$152,010	\$222,868
Bills Purchased	98,312	49,300	48,376	22,887	5,007	0	223,882
<b>Totals</b>	<b>\$125,262</b>	<b>\$49,300</b>	<b>\$48,376</b>	<b>\$23,542</b>	<b>\$48,260</b>	<b>\$152,010</b>	<b>\$446,750</b>

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June 19, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 18th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from June 7, 1928 to June 13, 1928, inclusive.

Very truly yours,

*(Signed) Walter L. Eddy*

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 18 1928  
COMMUNICATIONS SECTION  
FEDERAL RESERVE BANK

FEDERAL RESERVE BANK  
OF NEW YORK

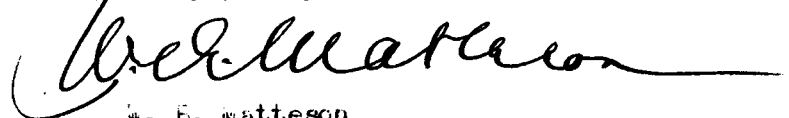
PERSONAL

June 18, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from June 7, 1928 to June 13, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. E. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Incl.

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~~Mr. Platt~~  
~~Mr. Miller~~  
~~Mr. Cunningham~~  
~~Mr. James~~  
~~Mr. McIntosh~~  
~~Mr. Hamlin~~  
~~Mr. Young~~

FEDERAL RESERVE BANK

RECEIVED  
JUN 18 1928  
GOVERNOR

OF NEW YORK

PLEASE READ PROMPTLY. THIS IS A CONFIDENTIAL DOCUMENT AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓  
Mr. Hamlin ✓  
Mr. Platt ✓  
Mr. Miller ✓  
Mr. James ✓  
Mr. Cunningham ✓  
Mr. McIntosh ✓

CONFIDENTIAL

June 18, 1928

Dear Governor Young:

Enclosed is a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from June 7, 1928 to June 13, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. E. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.

See (over) 6/19/28



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**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 13, 1928**

Holdings of Earning Assets of Federal Reserve Banks from April 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
Apr. 27	\$1,005,577	\$314,332	\$ 3,993	\$194,007	\$47,892	\$443,553
May 25	998,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,261	183,163	32,955	477,311
July 27	953,931	380,559	4,457	157,291	12,094	398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 6	1,459,514	197,084	12,948	253,498	12,896	981,998
June 13	1,507,661	212,313	10,983	229,142	11,275	1,042,858

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JUNE 13, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	June 13	Change	June 13	Change	June 13	Change
Boston	\$ 7,490	\$ 97-	\$ 30,906	\$ 2,233+	\$ 83,700	\$ 5,149+
New York	41,676	16,177+	29,209	13,514-	397,024	31,670+
Philadelphia	21,517	90-	30,196	1,785-	64,062	3,239+
Cleveland	33,633	103-	24,058	1,670-	90,995	5,631+
Richmond	3,500	34-	10,389	683-	44,171	561-
Atlanta	5,224	126-	18,429	1,473-	64,821	2,203+
Chicago	33,472	192-	22,212	3,410-	140,003	18,848+
St. Louis	7,125	0	486	32-	50,204	534+
Minneapolis	10,981	48-	18,115	1,821-	8,390	638-
Kansas City	15,695	85-	11,170	1,615-	22,769	148+
Dallas	14,762	67-	15,490	53-	11,043	1,432-
San Francisco	17,238	106-	16,045	1,384-	65,676	3,931-
N.Y. holdovers and other bills			2,437	851+		
<b>Totals</b>	<b>\$212,313</b>	<b>\$15,229+</b>	<b>\$229,142</b>	<b>\$24,356-</b>	<b>\$1,042,858</b>	<b>\$60,860+</b>

COMMENT ON CHANGES WEEK ENDED JUNE 13, 1928

Total earning assets of the System showed an increase of \$48,147,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$60,850,000 in bills discounted and \$15,200,000 in outright purchases of Government securities, and decreases of \$24,350,000 in outright purchases of bankers acceptances and \$3,550,000 in investments held under sales contracts. The latter item consisted of decreases of \$1,950,000 in Government securities and \$1,600,000 in bankers acceptances.

The increase in outright purchases of Government securities by the Federal Reserve Bank of New York, as shown above, represents short-term Governments which were purchased for the Treasury and held temporarily by New York.

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Money  
Market

Conditions in the New York call money market were generally slightly easier during the past week. Early in the period the call rate advanced from 5 1/2 to 6 per cent, as a large earmarking of gold for foreign account caused the City banks to increase their loans at the Reserve Bank to a level close to \$350,000,000, but on the last two days of the week the rate reverted to 5 1/2 per cent. The flow of commercial funds was toward this center throughout the week, and the Treasury made large disbursements on the 15th in redeeming maturing certificates and paying interest; these gains to the market were used by the City banks to reduce their indebtedness at the Reserve Bank to about \$200,000,000 on Friday. On Saturday, the 16th, the market began to feel the effect of income tax collections and renewed borrowing by the City banks was necessitated.

Demand for time loans decreased during the period. All maturities were quoted at 5 3/4 per cent, a level which indicates no easing tendency in fixed date accommodation.

Commercial paper continued to move to higher levels. Due primarily to a slackening in the Middle Western investment demand, the selling range for prime names was advanced to 4 3/4 - 5 per cent, the highest since March 1924. Transactions at 4 1/2 per cent largely disappeared from the market.

Government  
Security  
Market

There was considerable improvement in the demand for United States Government bonds during the calendar week. The long-term bonds were especially strong and closing prices at the end of the week showed gains over the previous week's close of 21/32nds for the First 4 1/4s, 7/32nds for the Fourth 4 1/4s and from 24/32nds to 28/32nds for the four issues of Treasury bonds.

The market for the short-term certificates of indebtedness and Treasury notes also reflected a better undertone, dealers' offering prices at the end of the week being about 2/32nds higher than at the previous week's close. The approximate yields at dealers' offering prices were 3.89 per cent for the three issues due December 15, 1928, 4 per cent for the two issues due March 15, 1929 and 3.71 per cent for the 3 1/2 per cent Treasury notes due 1930-32.

Bankers  
Acceptances

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

Boston reports that the supply of new bills was small with the demand only fair. Short maturities were in best demand and moved freely, while there was practically no demand for long maturities. Dealers' sales during the past period showed an increase of nearly \$8,000,000, most of which were large blocks of short bills sold to a few of the larger local institutions. While the total amount of purchases showed an increase of about \$1,000,000. Very few bills were offered to the Reserve Bank, with the exception of one large block of bills offered late in the period. In New York dealers' purchases and sales decreased considerably during the past week. The supply of bills was in a more normal volume and slightly in excess of the demand. Investment of foreign owned moneys was good. Buying for local account was very light. Dealers' portfolios decreased slightly. Philadelphia reports that its acceptance market was very quiet. There were few new bills coming into the market, with the result that offerings were light with practically no demand. Chicago reports that its market for bills continued very quiet and practically no new bills coming into the market.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current calendar week (exclusive of June 15 financing operations) consisted of

Sales of	\$ 767,000	aggregate par amount 3 1/8% certificates of indebtedness due June 15, 1928 for account German Special Deposit Account
Purchases of	3,000,000	aggregate par amount 3 1/4% certificates of indebtedness due December 15, 1928 for account German Special Deposit Account
	3,000,000	aggregate par amount 3 3/8% certificates of indebtedness due March 15, 1929 for account German Special Deposit Account
	19,000,000	aggregate par amount 3 1/8% certificates of indebtedness due June 15, 1928 for prior redemption
Exchanged under recent Treasury offering	26,000,000	aggregate par amount 3 1/8% certificates of indebtedness due June 15, 1928 for \$13,000,000 4% certificates due December 15, 1928 and \$13,000,000 - 3 7/8% certificates due March 15, 1929 for account German Special Deposit Account
	28,808,500	aggregate par amount 3 1/8% certificates of indebtedness due June 15, 1928 for \$14,808,500 3 7/8% certificates due March 15, 1929 and \$14,000,000 - 4% certificates due December 15, 1928, for account Alien Property Custodian.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 71,580,000	\$ 65,137,000	\$ 6,443,000	\$ 0
New York	230,965,000	238,069,000	0	7,104,000
Philadelphia	86,468,000	89,187,000	0	2,719,000
Cleveland	99,102,000	98,490,000	612,000	0
Richmond	46,834,000	46,527,000	307,000	0
Atlanta	39,347,000	39,334,000	13,000	0
Chicago	127,227,000	128,315,000	0	1,088,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	39,633,000	39,334,000	299,000	0
Kansas City	47,198,000	47,581,000	0	383,000
Dallas	42,714,000	39,334,000	3,380,000	0
San Francisco	80,121,000	79,881,000	240,000	0
<b>Totals</b>	<u>\$930,648,000</u>	<u>\$930,648,000</u>	<u>\$11,294,000</u>	<u>\$11,294,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the Open Market Account during the current statement week consisted of a

Sale to a

foreign correspondent of \$1,180,000 - 3 1/4% certificates of indebtedness, due December 15, 1928, and

Exchange of

1,000,000 - 3 1/4% certificates of indebtedness due December 15, 1928 for a like amount of 3 3/8% certificates of indebtedness due March 15, 1929.

These transactions left the total holdings in the account at the close of business Wednesday, June 13, at \$83,410,000. The participation by the Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 6,785,000	June 15, 1928 - 3 1/8% C/I	\$11,765,000
New York	23,333,500	Sept. 15, 1928 - 4 1/4% 3rd L/L	1,356,700
Philadelphia	6,330,500	Dec. 15, 1928 - 3 1/4% C/I (old)	30,339,000
Cleveland	7,324,000	Dec. 15, 1928 - 3 1/4% " (new)	9,898,500
Richmond	2,347,500	Mar. 15, 1929 - 3 3/8% "	6,450,000
Atlanta	2,064,000	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Chicago	13,545,000	Sept. 15, 1932 - 3 1/2% "	6,000,000
St. Louis	0	Dec. 15, 1932 - 3 1/2% "	7,140,800
Minneapolis	3,396,000		
Kansas City	5,962,000		
Dallas	4,767,500		
San Francisco	7,555,000		
Totals	<u>\$83,410,000</u>		* <u>\$83,410,000</u>

\* Includes \$9,500,000 temporarily held for Federal Reserve Bank of St. Louis.

On the two days following the close of the statement week the \$11,765,000 June 15, 1928 - 3 1/8% certificates of indebtedness held in the Account were redeemed and the \$1,356,700 Third Liberty Loan 4 1/4% bonds were sold to the Treasury under their offering of June 11, 1928. There was also sold to foreign correspondents \$1,900,000 aggregate amount December 15, 1928 3 1/4% certificates and purchased in the market \$14,450,000 aggregate amount of short-term Governments.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM JUNE 7 TO JUNE 13, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>		<u>Sales</u>		<u>Net Decrease</u>
Boston	\$ 81,500		\$ 177,500		\$ 96,000
New York	280,000		610,000		330,000
Philadelphia	76,000		165,500		89,500
Cleveland	88,000		191,500		103,500
Richmond	28,000		61,500		33,500
Atlanta	24,500		53,500		29,000
Chicago	162,500		354,000		191,500
St. Louis	0		0		0
Minneapolis	40,500		88,500		48,000
Kansas City	71,500		156,000		84,500
Dallas	57,000		124,500		67,500
San Francisco	90,500		197,500		107,000
Totals	<u>\$1,000,000</u>		<u>\$2,180,000</u>		<u>\$1,180,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Sales</u>		<u>Issue</u>
New York	* \$27,507,000	Misc. Gov't Sec.			* \$11,000,000	Misc. Gov't Sec.	
Atlanta	223,300	" " "			320,800	" " "	
Boston	0	-			1,200	Fourth L/L bonds	
Totals	<u>\$27,730,300</u>				<u>\$11,322,000</u>		

\*Held temporarily for resale.

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Regular</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>June 6</u>					<u>Own Mkt.</u>	<u>N.Y.</u>
				<u>Sales</u>		<u>Sales</u>	<u>Bills</u>
						<u>Contracts</u>	
Boston	\$ 27,673	\$ 5,982 R.	0	\$ 2,749	\$ 30,906	\$ 5,523	\$ 19
New York	43,723	3,759 " "	0	10,216*	29,209	0	503
		4,271 A.		8,057			
Phila.	31,981	2,283 R.	0	4,068	30,196	0	24
Cleveland	25,728	531 " "	1,044	3,245	24,058	0	40
Richmond	11,072	491 " "	400	1,574	10,389	0	13
Atlanta	19,902	0	646	2,119	18,429	0	645
Chicago	25,622	336 " "	650	4,396	22,212	2,422	36
St. Louis	518	0	0	32	486	0	11
Minn.	19,936	0	576	2,397	18,115	0	7
Kan. City	12,785	0	777	2,392	11,170	0	9
Dallas	15,543	829 " "	43	925	15,490	0	9
San Fran.	17,429	786 " "	135	2,305	16,045	3,330	18
Totals	\$251,912	\$19,268	\$4,271	\$44,475	\$226,705	\$11,275	\$1,334
Bills held overnight by New York for distribution to other F.R. Banks - -						1,103	
Total - - - -						\$2,437	

\*Sold to foreign correspondent.

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 13, 1928  
 (000 Omitted)

	1-30 days 4 - 4 1/8%	31-60 days 4 - 4 1/8%	61-90 days 4 - 4 1/8%	Over 90-days 4 - 4 1/4%	Total
Boston	\$ 4,362	\$ 917	\$ 536	\$ 167	\$ 5,982
New York	5,873	1,026	974	157	8,030
Philadelphia	534	45	1,704	0	2,283
Cleveland	0	0	0	531	531
Richmond	150	140	201	0	491
Chicago	315	21	0	0	336
Dallas	108	119	328	274	829
San Francisco	<u>0</u>	<u>391</u>	<u>341</u>	<u>54</u>	<u>786</u>
Totals	<u>\$11,342</u>	<u>\$2,659</u>	<u>\$4,084</u>	<u>\$1,183</u>	<u>\$19,268</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 13, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$28,731	\$19,268	\$47,999
Sold	13,502	10,216	23,718
Matured	0	<u>34,259</u>	<u>34,259</u>
		\$25,207-	\$ 9,978-
		851+ (Net Change	851+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$15,229+</u>	<u>\$24,356-</u>	<u>\$ 9,127-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>June 13, 1928</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	\$ 37,215	0	0	0	\$ 4,561	\$181,520	\$223,296
Bills Purchased	<u>94,246</u>	<u>64,655</u>	<u>55,029</u>	<u>21,772</u>	<u>4,715</u>	<u>0</u>	<u>240,417</u>
Totals	<u>\$131,461</u>	<u>\$64,655</u>	<u>\$55,029</u>	<u>\$21,772</u>	<u>\$ 9,276</u>	<u>\$181,520</u>	<u>\$463,713</u>

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Authority E.O. 10501

June 12, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of June 11th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from May 31, 1928 to June 6, 1928, inclusive.

Very truly yours,

(Typed) Walter L. Eddy

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 12 1928  
GOVERNOR

FEDERAL RESERVE BANK  
OF NEW YORK

PERSONAL

June 11, 1928

JUN 13 1928  
R. A. Y.

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open market Investment Committee for the Federal Reserve System for the period from May 31, 1928 to June 6, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson,  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.



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**FOR SPECIAL CIRCULATION**

PLEASE READ PROMPTLY INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓ Mr. Hamlin ✓ Mr. James ✓ Mr. McIntire ✓  
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham

**FEDERAL RESERVE BANK  
OF NEW YORK**

*Abstracted*  
RECEIVED  
JUN 12 1928  
DEPARTMENT OF  
THE GOVERNMENT

CONFIDENTIAL

June 11, 1928

Dear Governor Young:

Enclosed is a report of transactions in Governor securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from May 31, 1928 to June 6, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

*3/11/28*

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JUNE 6, 1928

Holdings of Earning Assets of Federal Reserve Banks from April 27, 1927 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
Apr. 27	\$1,005,577	\$314,332	\$ 3,993	\$194,007	\$47,892	\$443,553
May 25	998,510	302,349	19,571	171,907	64,263	428,620
June 29	1,071,130	367,140	9,261	183,163	32,955	477,311
July 27	953,931	380,559	4,457	157,291	12,094	398,130
Aug. 31	1,058,786	469,954	2,860	118,189	66,939	400,524
Sept. 28	1,167,632	484,054	10,298	172,030	70,118	430,312
Oct. 26	1,214,759	507,245	3,385	243,249	57,862	402,398
Nov. 30	1,380,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,598,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,000	318,863	28,442	385,224
Feb. 29	1,244,929	399,132	8,470	302,932	40,827	492,568
Mar. 28	1,257,021	379,448	6,384	288,652	57,451	524,096
Apr. 25	1,380,659	293,365	11,390	331,425	34,416	709,073
May 29	1,468,295	203,891	15,535	283,472	20,516	943,791
June 6	1,459,514	197,084	12,948	253,498	12,896	981,998

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED JUNE 6, 1928  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	June 6	Change	June 6	Change	June 6	Change
Boston	\$ 7,587	\$ 236+	\$ 27,673	\$ 8,295-	\$ 78,551	\$ 495-
New York	25,499	507+	43,723	3,568-	365,354	43,459+
Philadelphia	21,607	220+	31,981	1,249-	60,823	19,657-
Cleveland	33,736	254+	25,728	1,707-	85,364	13,426+
Richmond	3,534	81+	11,072	2,955-	44,732	1,849-
Atlanta	5,350	168+	19,902	1,014-	62,618	6,259+
Chicago	33,664	471+	25,622	5,322-	121,155	6,562-
St. Louis	7,125	9,500-	518	305-	49,670	191-
Minneapolis	11,029	119+	19,936	1,029-	9,028	1,806-
Kansas City	15,780	208+	12,785	956-	22,621	797-
Dallas	14,829	166+	15,543	528+	12,475	1,143+
San Francisco	17,344	263+	17,429	1,882-	69,607	5,277+
N. Y. holdovers and other bills			1,586	2,220-		
<b>Totals</b>	<b>\$197,084</b>	<b>\$6,807-</b>	<b>\$253,498</b>	<b>\$29,974-</b>	<b>\$981,998</b>	<b>\$38,207+</b>

COMMENT ON CHANGES WEEK ENDED JUNE 6, 1928

Total earning assets of the System showed a decrease of \$8,781,000 for the current statement week. The approximate changes, by classification, consisted of an increase of \$38,200,000 in bills discounted and decreases of \$6,800,000 in outright purchases of Government securities, \$29,950,000 in outright purchases of bankers acceptances and \$10,200,000 in investments held under sales contracts. The latter item consisted of decreases of \$7,600,000 in bankers acceptances and \$2,600,000 in Government securities.

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Money  
Market

Further firmness in call money developed on Monday, June 4, when the new loan rate rose to 7 per cent, the highest level since June 8, 1921. On the succeeding two days, renewals were arranged at 6 1/2 per cent, but on Thursday the new loan rate dropped to 5 1/2 per cent, and on Friday renewals were at this lower level. This ease in call money appears to have resulted from the return of currency from holiday and month-end circulation, and a reduction in the reserve requirements of the City banks, following the completion of first of the month transactions. Although there were substantial gold exports and earmarkings, and a further reduction in the System's holdings of bills, the City banks were able to reduce their indebtedness at the Reserve Bank to \$268,000,000 on Friday, and still maintain average reserves for the period above requirements. With borrowings at this level, however, actual bank reserves on Friday were considerably in deficit.

The firmness in time money continued through the past week. Sixty to ninety day loans on one day were quoted as high as 5 3/4 bid, offered at 6 per cent. At the close of the period, however, all maturities were nominally 5 5/8 per cent bid, 5 3/4 per cent offered. Actual loans were contracted for at 5 3/4 per cent, as compared with a trading level of 5 1/2 - 5 5/8 per cent a week ago.

The prevailing rate for prime commercial paper became established at 4 3/4 per cent during the week; transactions at 4 1/2 per cent were only of an occasional nature, and at the same time, a number of 5 per cent offerings appeared in the market. The volume of business increased slightly but nevertheless remained rather small.

Government  
Security  
Market

During the early part of the calendar week, when call money advanced to 7 per cent, market prices for United States Government bonds were somewhat reactionary, but toward the latter part of the week, accompanying the drop to 5 1/2 per cent in the call money rate, prices were slightly better. The closing prices on the New York Stock Exchange on Saturday, June 9, 1928, and the net change from the previous week's close were as follows:

	<u>Closing</u>				<u>Closing</u>		
	<u>prices Sat.</u>	<u>Net</u>		<u>prices Sat.</u>	<u>Net</u>		
	<u>June 9, 1928</u>	<u>Change</u>		<u>June 9, 1928</u>	<u>Change</u>		
1st 3 1/2s	100 9/32	- 1/32	Treas. 4s	1944-54 108 4/32	-23/32		
1st 4 1/4s	101 3/32	-19/32	" 4 1/4s	1947-52 113 4/32	-23/32		
3rd 4 1/4s	100	- 2/32	" 3 3/4s	1946-56 105 12/32	-22/32		
4th 4 1/4s	101 26/32	- 6/32	" 3 3/8s	1943-47 101 10/32	-14/32		

Dealers' offering prices at the close of the week for the short-term certificates of indebtedness and Treasury notes and the net change from the previous week were as follows:

	<u>Net Change</u>
3 1/4% certs. of ind. due Dec. 15, 1928	99 20/32 -2/32
3 3/8% " " " " Mar. 15, 1929	99 18/32 -4/32
3 1/2% Treasury notes " 1930-32	99 5/32 -5/32

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Bankers  
Acceptances

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

Boston reports that local banks were poor buyers of bills during the past period. Dealers' sales were small. Short maturities moved best, but even the supply of these maturities was in excess of the demand. The supply of new bills showed some increase, but dealers were obliged to forward a good part of their excess supply to their offices in other cities. Offerings to reserve bank were small. In New York the bill market was active. The supply and demand improved considerably. Dealers' sales were very good and substantially in excess of purchases. Investment of foreign owned moneys was heavy. Buying for local account was light. Dealers' portfolios decreased substantially. The one large dealer that was bidding 4 1/4 per cent for nineties fell in line with the rest of the dealers at 4 1/8 per cent bid, 4 per cent offered. Philadelphia reports that its acceptance market was quiet. Supply was not very plentiful while offerings and demand were light. Chicago reports that dealers report bill market was inactive, although there was some demand for 90s by corporations. Very few new bills offered.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions effected under authority from the Treasury during the current calendar week consisted of

Sales of	\$185,000 - par amount	3 1/8%	certificates of indebtedness due June 15, 1928 for account German Special Deposit Account.
" "	500,000 - "	" 3 1/2%	Treasury notes due March 15, 1930-32 for account Government Life Insurance Fund.
" "	700,000 - "	" 3 1/8%	certificates of indebtedness due June 15, 1928 for account Alien Property Custodian.

\$1,385,000 Total Sales

Purchases of	\$3,000,000 - par amount	3 1/4%	certificates of indebtedness due December 15, 1928 for account German Special Deposit Account.
" "	2,000,000 - "	" 3 3/8%	certificates of indebtedness due March 15, 1929.

\$5,000,000 Total Purchases

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

Purchases of bankers acceptances during the current statement week and amount each bank now holds in excess or short of its pro rata share under the apportionment plan put into effect for the early part of the year:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 65,598,000	\$ 63,788,000	\$1,810,000	\$ 0
New York	227,206,000	233,059,000	0	5,853,000
Philadelphia	84,185,000	87,260,000	0	3,075,000
Cleveland	97,527,000	96,370,000	1,157,000	0
Richmond	45,943,000	45,564,000	379,000	0
Atlanta	38,701,000	38,178,000	523,000	0
Chicago	126,241,000	126,774,000	0	533,000
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	39,057,000	38,178,000	879,000	0
Kansas City	46,421,000	46,425,000	0	4,000
Dallas	41,842,000	38,178,000	3,664,000	0
San Francisco	79,200,000	78,147,000	1,053,000	0
Totals	<u>\$911,380,000</u>	<u>\$911,380,000</u>	<u>\$9,465,000</u>	<u>\$9,465,000</u>

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account during the current statement week consisted of

Exchanges in  
 the market of                      \$13,500,000 - 3 1/4% certificates of indebtedness due December 15, 1928 for a like amount of Treasury notes due 1930-32.

Exchange with a  
 foreign correspondent      1,190,000 - 3 1/4% certificates of indebtedness due December 15, 1928 for a like amount of 3 1/8% certificates due June 15, 1928.

Sales to  
 market of                              7,000,000 - 3 1/4% certificates of indebtedness due December 15, 1928.

Purchases from  
 St. Louis' portfolio      9,500,000 - 3 1/2% Treasury notes due 1930-32; of this amount \$6,000,000 was held by Federal Reserve Bank of New York overnight and reallocated on June 1 to other participating banks. It is expected that St. Louis will repurchase these shortly.

Treasury of                              400,000 - 3 1/8% certificates of indebtedness due June 15, 1928.

These transactions resulted in a temporary net increase of \$2,900,000 which left the total holdings at the close of the statement week June 6 at \$84,590,000. The participation by the 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	\$ 6,881,000	June 15, 1928 - 3 1/8% C/I	\$11,765,000
New York	23,663,500	Sept. 15, 1928 - 4 1/4% 3rd L/L	1,356,700
Philadelphia	6,420,000	Dec. 15, 1928 - 3 1/4% C/I (old)	31,339,000
Cleveland	7,427,500	Dec. 15, 1928 - 3 1/4% " (new)	11,078,500
Richmond	2,381,000	Mar. 15, 1929 - 3 3/8% "	5,450,000
Atlanta	2,093,000	Mar. 15, 1932 - 3 1/2% T/N	10,460,000
Chicago	13,736,500	Sept. 15, 1932 - 3 1/2% "	6,000,000
St. Louis	0	Dec. 15, 1932 - 3 1/2% "	7,140,800
Minneapolis	3,444,000		
Kansas City	6,046,500		
Dallas	4,835,000		
San Francisco	7,662,000		
<b>Totals</b>	<b>\$84,590,000</b>		<b>\$84,590,000</b>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
 FEDERAL RESERVE BANKS FROM MAY 31 TO JUNE 6, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 2,000,500	\$ 1,764,500	\$ 236,000
New York	6,879,000	6,068,000	811,000
Philadelphia	1,866,500	1,646,500	220,000
Cleveland	2,158,500	1,904,000	254,500
Richmond	692,500	611,000	81,500
Atlanta	608,500	536,500	72,000
Chicago	3,992,500	3,521,500	471,000
St. Louis	0	0	0
Minneapolis	1,001,500	883,000	118,500
Kansas City	1,757,500	1,550,500	207,000
Dallas	1,406,000	1,240,000	166,000
San Francisco	2,227,000	1,964,500	262,500
<b>Totals</b>	<b>\$24,590,000</b>	<b>\$21,690,000</b>	<b>\$2,900,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	200	Fourth L/L bonds
New York	*7,386,400	Misc. Gov't Sec.	* 7,690,000	Misc. Gov't Sec.
Atlanta	1,000,550	Misc. Gov't Sec.	904,600	Misc. Gov't Sec.
St. Louis	0	-	** 9,500,000	Misc. Treas. Notes
<b>Totals</b>	<b>\$8,386,950</b>		<b>\$18,094,800</b>	

\*Held temporarily for resale.

\*\*Temporarily sold to other participating banks in System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings May 29	Purchased Own Mkt.	Rec'd by Allotment			Matur- ities & Sales	Holdings June 6	Other Holdings Close June 6/28	
			from N. Y.	From Boston Port.				Sales Contracts	Other Bills
Boston	\$ 35,968	\$ 2,965 R.	0	0	\$11,260*	\$ 27,673	\$ 4,330	\$ 19	
New York	47,291	2,982 " 5,195 A.	0	3,000	9,550	43,723	2,301	537	
Phila.	33,230	883 R.	0	0	2,132	31,981	0	24	
Cleveland	27,435	1,007 "	1,331	1,300	5,345	25,728	0	134	
Richmond	14,027	127 "	421	0	3,503	11,072	0	13	
Atlanta	20,916	0	497	700	2,211	19,902	0	732	
Chicago	30,944	517 "	619	0	6,458	25,622	3,998	36	
St. Louis	823	0	0	0	305	518	0	11	
Minn.	20,965	0	525	700	2,254	19,936	0	7	
Kan. City	13,741	0	737	700	2,393	12,785	0	9	
Dallas	15,015	1,370 "	510	0	1,352	15,543	0	9	
San Fran.	19,311	1,826 "	555	0	4,263	17,429	2,267	18	
<b>Totals</b>	<b>\$279,666</b>	<b>\$16,872</b>	<b>\$5,195</b>	<b>\$6,400</b>	<b>\$51,026</b>	<b>\$251,912</b>	<b>\$12,896</b>	<b>\$1,549</b>	

Bills held overnight by New York for distribution to other F. R. Banks - - - 37

Total - - - - - \$1,586

\*Includes \$6,400,000 sold to other Federal reserve banks, representing their previous over-purchases.

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 6, 1928  
 (000 Omitted)

	1-30 days 4 - 4 1/2%	31-60 days 4 to 4 1/8%	61-90 days 4 to 4 1/8%	Over 90-days 4 to 4 1/4%	Total
Boston	\$ 601	\$2,065	\$ 261	\$ 38	\$ 2,965
New York	5,787	1,393	769	228	8,177
Philadelphia	101	69	713	0	883
Cleveland	0	257	750	0	1,007
Richmond	20	107	0	0	127
Chicago	423	74	20	0	517
Dallas	272	315	403	380	1,370
San Francisco	165	768	481	412	1,826
Totals	<u>\$7,369</u>	<u>\$5,048</u>	<u>\$3,397</u>	<u>\$1,058</u>	<u>\$16,872</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
 AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 6, 1928  
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$32,977	\$16,872	\$49,849
Sold	39,784	0	39,784
Matured	0	44,626	44,626
		<u>\$27,754-</u>	<u>\$34,561-</u>
		2,220- (Net Change 1-day holdover and other bills)	2,220- (Net Change 1-day holdover and other bills)
Totals	<u>\$6,807-</u>	<u>\$29,974-</u>	<u>\$36,781-</u>

(Including Sales Contracts)

Holdings June 6, 1928	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 25,169	0	0	0	\$2,027	\$182,836	\$210,032
Bills Purchased	83,708	78,334	74,557	23,722	6,073	0	266,394
Totals	<u>\$108,877</u>	<u>\$78,334</u>	<u>\$74,557</u>	<u>\$23,722</u>	<u>\$8,100</u>	<u>\$182,836</u>	<u>\$476,426</u>



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Authority E.O. 10501

June 6, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of June 4th, addressed to Governor Young, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from May 24, 1928 to May 29, 1928 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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*6/11/28*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JUN 6 1928  
OFFICE OF  
THE GOVERNOR

PERSONAL

June 4, 1928

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from May 24, 1928 to May 29, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson  
Secretary, Open Market  
Investment Committee

Honorable Roy A. Young,  
Governor, Federal Reserve Board,  
Washington, D. C.

Encl.