

DECLASSIFIED

Authority E.O. 12958

January 8, 1929.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of January 7th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 27, 1928 to January 2, 1929, inclusive.

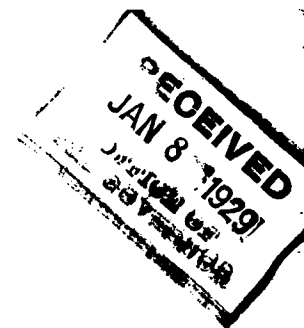
Very truly yours,

(Signature) 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.

DECLASSIFIED
Authority E.O. 12958



FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L

January 7, 1929

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 December 27, 1928 to January 2, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

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

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

DECLASSIFIED
Authority E.O. 12958

Mr. Smead ✓
Riefler ✓
Collins

REC'D-BK. OP JAN - 8 1929

RECEIVED
JAN - 3 1929
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

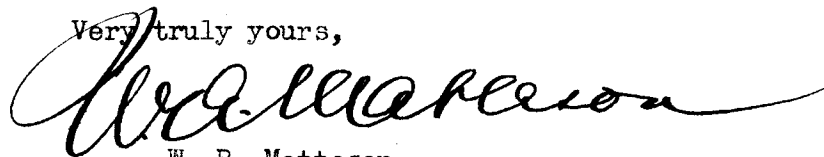
January 7, 1929

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 December 27, 1928 to January 2, 1929 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ THE FOLLOWING OFFICIAL AND RESERVE BANK SECRETARY'S OFFICE

Gov. Young ✓ Mr. Martin ✓ Mr. J. Edgar Hoover ✓
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓ Mr. P. M. ... ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 8 1929
U.S. DEPARTMENT OF THE TREASURY
OFFICE OF THE GOVERNOR

CONFIDENTIAL

January 7, 1929

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 December 27, 1928 to January 2, 1929 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 1/8/29

DECLASSIFIED
Authority E.O. 12958

CONFIDENTIAL
REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 2, 1929

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
Oct. 26	\$1,214,759	\$507,245	\$ 3,385	\$243,249	\$57,862	\$ 402,398
Nov. 30	1,300,515	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	6,080	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	10,508	160,939	8,144	1,025,109
Aug. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 28	1,706,255	204,638	24,644	431,230	51,113	990,240
Dec. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
-1929-						
Jan. 2	1,889,660	197,103	46,850	429,511	54,847	1,151,464

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 2, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 2	Net Change	Balance Jan. 2	Net Change	Balance Jan. 2	Net Change
Boston	\$ 8,173	\$ 0	\$ 48,024	\$6,628+	\$ 55,859	\$36,088-
New York	24,187	60+	103,498	806-	495,458	107,617+
Philadelphia	21,447	0	16,257	851+	83,723	12,581-
Cleveland	32,962	0	52,890	1,297+	91,775	20,865-
Richmond	3,427	0	24,653	425-	46,284	5,767+
Atlanta	4,949	6-	30,475	1,003+	55,278	4,604-
Chicago	33,135	0	36,089	57-	173,850	27,919-
St. Louis	21,043	1+	11,128	481-	38,540	4,637-
Minneapolis	10,907	0	21,644	261-	9,457	3,744-
Kansas City	9,763	0	1,227	55+	40,199	8,334-
Dallas	10,008	20+	24,489	903+	16,957	1,297+
San Francisco	17,102	0	53,314	1,638-	44,084	12,024-
N.Y. holdovers and other bills			5,823	236-		
Totals	\$197,103	\$75+	\$429,511	\$6,833+	\$1,151,464	\$16,115-

COMMENT ON CHANGES WEEK ENDED JANUARY 2, 1929

Total earning assets of the System showed a decrease of \$9,652,000 for the current statement week. The approximate changes by classification consisted of an increase of \$6,850,000 in outright purchases of bankers acceptances and decreases of \$16,100,000 in bills discounted and \$200,000 net in investments held under sales contracts. The latter item consisted of an increase of \$11,550,000 in Government securities and a decrease of \$11,750,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

Call money remained tight up to the very end of the year, and on December 31 ruled all day at 12 per cent. Immediately following the holiday, call money again renewed at 12 per cent, but there was a decline in the new loan rate to 10 per cent. On Thursday, renewals were arranged at 10 per cent, with a subsequent reduction in the loaning rate to 7 per cent, and on Friday the new loan rate worked as low as 6 per cent after renewals had been set at 8 per cent. This easing reflected the passage of the year-end peak of credit demands; New York City banks towards the end of the week were able to effect some reduction in their security market loans from the high level at the end of the year, due to the return of funds from other lenders who had temporarily reduced their "street" loans over the turn of the year. On January 2, the Federal Reserve borrowings of the New York City banks reached \$404,000,000, the highest since July 2, 1928, but by Friday their indebtedness had been reduced by one-half, although with discounts at \$201,000,000 their actual reserve balances were considerably below requirements.

Time money rates, on the other hand, showed practically no signs of ease. After the end of December, demand for 30-day loans, of course, largely subsided, and nominal quotations for the longer maturities became 7 1/2 per cent bid, 7 3/4 per cent asked. Actual trading rates of 7 3/4 per cent for 60 and 90-day loans and of 7 1/2 per cent for 6 months' maturities, however, were unchanged from the previous week. The market in general continued quiet.

The commercial paper market remained dull both in respect to the volume of new drawings and the bank investment demand. The prevailing range for prime names continued to be 5 1/4 - 5 1/2 per cent.

Government
Security
Market

Due to a fairly large amount of selling of Government securities, which had been purchased during the previous week for year-end statement purposes, the market for United States Government securities was slightly heavy and most of the fractional gains in prices made during the previous week were lost.

Closing Prices on the New York Stock Exchange on Saturday
January 5, 1929 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 25/32	+1/32	Treas. 4s	1944-54 106 11/32	-13/32
1st 4 1/4s	100 7/32	-2/32	"	4 1/4s 1947-52 111 8/32	-15/32
4th 4 1/4s	100 7/32	-3/32	"	3 3/4s 1946-56 103 15/32	- 7/32
			"	3 3/8s 1943-47 98 16/32	- 7/32
			"	3 3/8s 1940-43 98 10/32	-14/32

Dealers' Offering Prices at the End of the Calendar Week
and Net Changes from Previous Week's Close

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 3/8% Cert. of Ind. due Mar. 15, 1929	99 24/32	-3/32	4.70
3 7/8% " " " " Mar. 15, 1929	99 28/32	-2/32	4.50
4 1/2% " " " " June 15, 1929	100	-1/32	4.49
4 3/4% " " " " Sept. 15, 1929	100 2/32	-2/32	4.64
4 1/4% " " " " Sept. 15, 1929	99 25/32	-1/32	4.57
4 1/4% " " " " Dec. 15, 1929	99 22/32	-2/32	4.59
3 1/2% Treas. Notes " Mar. 15, 1932	97 16/32	-4/32	4.35
3 1/2% " " " " Sept. 15, 1932	97 16/32	-4/32	4.24
3 1/2% " " " " Dec. 15, 1932	97 16/32	-4/32	4.19

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances during the statement week were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s, and 4 3/4 per cent for 180-day bills.

Following an increase on January 3 of 1/4 per cent in the buying rates of bills by the Federal Reserve Bank of New York on all maturities except 30 days and 5 and 6 months, the dealers on January 4 advanced their bid and offered rates 1/4 per cent on all maturities except 30s, which remained unchanged.

Boston reports that during the past week dealers in their district purchased about \$10,000,000 bills which was an increase of approximately \$2,000,000 over the previous week. Most of these bills, however, were purchased from endorsers, the supply of new bills showing considerable decrease over the previous week. Sales likewise showed an increase of nearly \$3,000,000. Local banks were good buyers of sixty and ninety day bills. Dealers were obliged to import the desired maturities from their offices in other cities to meet this demand. As a whole, bills did not move freely. In New York the supply of bills this week again made a new peak for all times and was considerably in excess of the demand, which also increased over last week's very good volume. Dealers' total sales were also the heaviest on record. The demand consisted mainly of orders for nineties for foreign account. Buying for local account increased substantially. As a result of this increased demand, together with substantial sales by the dealers to the Federal reserve bank for System Account and record shipments by the dealers to their out-of-town branches and correspondents, dealers' portfolios here were practically unchanged. Philadelphia reports that its acceptance market was quiet. The supply of bills continued heavy with the demand light. Chicago

DECLASSIFIED
 Authority E.O. 12958

4

reports that there was practically no demand in their district for bills during the past week at the prevailing rates and dealers were reluctant to carry any large amounts anticipating a change in rates.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of

Purchases of \$1,000,000	- 3 1/2% Treasury notes due March 15, 1930-32, account Government Life Insurance Fund
	500,000 - 3 7/8% certificates of indebtedness, due March 15, 1929, account German Special Deposit Account
	\$1,500,000 Total purchases
and sales of \$1,000,000	- 3 7/8% certificates of indebtedness, due March 15, 1929, account Alien Property Custodian
	152,000 - 3 7/8% certificates of indebtedness, due March 15, 1929, account Austrian Special Deposit Account
	\$1,152,000 Total sales

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions consummated in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, January 2, 1929 remained unchanged at \$75,591,800. 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	Mar. 15, 1929 - 3 3/8% C/I
New York	Mar. 15, 1929 - 3 7/8% "
Philadelphia	June 15, 1929 - 4 1/2% "
Cleveland	Sept. 15, 1929 - 4 1/4% "
Richmond	Dec. 15, 1929 - 4 1/4% "
Atlanta	Mar. 15, 1932 - 3 1/2% T/N
Chicago	Dec. 15, 1932 - 3 1/2% "
St. Louis	
Minneapolis	
Kansas City	
Dallas	
San Francisco	
Totals	

DECLASSIFIED
 Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM DECEMBER 27 TO JANUARY 2, 1929

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 60,100	March 15, 1932 T/N	0	-
Atlanta	559,200	Misc. Gov't Sec.	565,850	Misc. Gov't Sec.
Dallas	<u>20,000</u>	June 15, 1929 C/I	<u>0</u>	-
Totals	<u>\$639,300</u>		<u>\$565,850</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>Dec. 26</u>	<u>Own Mkt.</u>	<u>from</u>	<u>ities &</u>	<u>Jan. 2</u>	<u>Sales</u>	<u>Other</u>
			<u>New York</u>	<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>
							<u>Close Jan. 2, 1929</u>
Boston	\$ 41,396	\$ 9,301 R.	0	\$ 2,673	\$ 48,024	\$ 6,567	\$ 76
New York	104,304	16,050 "	0	16,856	103,498	39,557	824
		26,440 A.					
Phila.	15,406	1,956 R.	0	1,105	16,257	0	96
Cleve.	51,593	0	7,175	5,878	52,890	0	106
Richmond	25,078	0	3,300	3,725	24,653	0	52
Atlanta	29,472	1,148 "	4,268	4,413	30,475	0	1,402
Chicago	36,146	1,216 "	3,795	5,068	36,089	3,264	141
St. Louis	11,609	0	1,005	1,486	11,128	0	44
Minn.	21,905	0	3,060	3,321	21,644	0	27
Kan. City	1,172	0	1,168	1,113	1,227	0	37
Dallas	23,586	966 "	2,669	2,732	24,489	748	36
San Fran.	<u>54,952</u>	<u>3,021 "</u>	<u>0</u>	<u>4,659</u>	<u>53,314</u>	<u>4,711</u>	<u>72</u>
Totals	\$416,619	\$60,098	\$26,440	\$53,029	\$423,688	\$54,847	\$2,913

Bills held overnight by New York for distribution to other F. R. Banks → 2,910

Total - - - - - \$5,823

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

DECLASSIFIED
Authority E.O. 12958

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 2, 1929
(000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 5/8%	61-90 days 4 1/4 - 4 5/8%	Over 90-days 4 1/4 - 4 5/8%	Total
Boston	\$ 506	\$1,536	\$ 7,203	\$ 56	\$ 9,301
New York	6,563	5,068	30,333	526	42,490
Philadelphia	358	510	1,088	0	1,956
Atlanta	670	475	3	0	1,148
Chicago	573	54	589	0	1,216
Dallas	8	70	573	315	966
San Francisco	340	267	2,098	316	3,021
Totals	<u>\$9,018</u>	<u>\$7,980</u>	<u>\$41,887</u>	<u>\$1,213</u>	<u>\$60,098</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 2, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$640	\$60,098	\$60,738
Sold	565	0	565
Matured	0	53,029	53,029
		\$ 7,069+	\$ 7,144+
		236- (Net Change	236- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 75+</u>	<u>\$ 6,833+</u>	<u>\$ 6,908+</u>

(Including Sales Contracts)

<u>Holdings January 2, 1929</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	\$ 46,850	0	0	\$ 22,863	\$ 7,223	\$167,017	\$243,953
Bills Purchased	156,817	89,215	129,680	104,083	4,563	0	484,358
Totals	<u>\$203,667</u>	<u>\$89,215</u>	<u>\$129,680</u>	<u>\$126,946</u>	<u>\$11,786</u>	<u>\$167,017</u>	<u>\$728,311</u>

DECLASSIFIED

Authority E.O. 12958

January 2, 1929.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of December 31st, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 20, 1928 to December 26, 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Smead ✓
Riefler
Collie*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 1 1929
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

December 31, 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 December 20, 1928 to December 26, 1928 inclusive, 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.

DECLASSIFIED
Authority E.O. 12958

1928

REC-11
JAN 2 1929

FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L

December 31, 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 December 20, 1928 to December 26, 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.

R. A. Y.
JAN 2 1929

Encl.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

Mr. Boardman ✓ Mr. Clegg ✓ Mr. Glavin ✓ Mr. Ladd ✓ Mr. Nichols ✓
 Mr. Rosen ✓ Mr. Tracy ✓ Mr. Carson ✓ Mr. Egan ✓ Mr. Gurnea ✓
 Mr. Harbo ✓ Mr. Hendon ✓ Mr. Pennington ✓ Mr. Quinn ✓ Mr. Nease ✓
 Mr. Piatt ✓ Mr. Miller ✓ Mr. Cunningham ✓ Mr. Foley ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
JAN 2 1929

CONFIDENTIAL

December 31, 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 December 20, 1928 to December 26, 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.

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 26, 1928

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
Oct. 26	\$1,214,759	\$507,245	\$ 3,385	\$243,249	\$57,862	\$ 402,398
Nov. 30	1,300,515	543,757	4,078	288,464	66,276	477,025
Dec. 28	1,593,842	558,699	44,426	315,152	70,375	609,209
-1928-						
Jan. 25	1,173,926	434,817	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 28	1,706,255	204,638	24,644	431,230	51,113	990,210
Dec. 19	1,700,723*	274,747*	15,795	418,667	34,444	946,710
Dec. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579

* Includes \$77,500,000 special 1-day Treasury certificate of indebtedness.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 26, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 26	Change	Dec. 26	Change	Dec. 26	Change
Boston	\$ 8,173	\$ 388+	\$ 41,396	\$ 177+	\$ 91,947	\$ 26,940+
New York	24,127	1,342+	104,304	2,330+	387,841	155,048+
Philadelphia	21,447	368+	15,406	350+	96,304	1,521-
Cleveland	32,962	412+	51,593	1,660-	112,640	10,640+
Richmond	3,427	0	25,078	747-	40,517	523+
Atlanta	4,955	95-	29,472	356+	59,882	1,611+
Chicago	33,135	779+	36,146	881-	201,769	25,818+
St. Louis	21,042	260+	11,609	344+	43,177	2,156+
Minneapolis	10,907	196+	21,905	2,289+	13,201	5,853+
Kansas City	9,763	0	1,172	2,771-	48,533	4,592+
Dallas	9,988	4,306-	23,586	260-	15,660	1,863-
San Francisco	17,102	437+	54,952	3,504+	56,108	8,928-
N.Y. holdovers and other bills			6,059	980+		
Totals	\$197,028	\$ 219-	\$422,678	\$4,011+	\$1,167,579	\$220,869+

COMMENT ON CHANGES WEEK ENDED DECEMBER 26, 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 \$276,089,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$200,000 in outright purchases of Government securities, and increases of \$4,000,000 in outright purchases of bankers acceptances, \$220,850,000 in bills discounted and \$51,650,000 in investments held under sales contracts. The latter increase consisted of \$19,500,000 in Government securities and \$32,150,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

Very firm money conditions prevailed in the New York market during the calendar week just closed. The New York City banks entered the period indebted at the Reserve Bank to the extent of more than \$200,000,000; and on Monday, the 24th, there was a further outflow of commercial funds from this market to other centers, and call money continued at 9 per cent. Following Christmas, currency returned from circulation, but the effect of this was largely offset by drains on the banks in the form of continued withdrawals of commercial funds to other centers. At the same time, preparations for year-end payments and statements became manifest and call money rates advanced considerably. The Stock Exchange renewal rate rose to 10 per cent on Thursday and to 12 per cent on Friday, the highest renewal rate since February 1920. The Exchange new loan rate on the last three days of the week went as high as 12 per cent, and in the outside market some loans were reported at rates up to 14 per cent. The New York City banks maintained their borrowings at a high level throughout the week, and for the period as a whole, they averaged \$221,000,000, or about double the average indebtedness during the preceding period.

The time money market remained extremely quiet. Offerings of funds for placement in fixed date maturities continued scarce and nominal quotations were firm. The small amount of loans arranged were for 30-days, placed chiefly at 8 1/2 per cent - and a few 90 days and 4 months loans at 7 3/4 per cent.

Dealings in commercial paper were reported as having been rather light. The dealers indicated, however, that if it were possible to secure a large supply of the high grade well known names the bank demand for this class of paper apparently would absorb it at the 5 1/4 per cent rate. In general, prime commercial paper is being quoted at a range of 5 1/4 - 5 1/2 per cent, with the less well known names at 5 3/4 per cent.

Government
Security
Market

Notwithstanding firmer money conditions the market for United States Government securities showed some improvement over the dull conditions which existed during the past several weeks. While the demand was best for the Fourth 4 1/4's and Treasury bonds, there was a fair demand for the other outstanding issues, all of which showed fractional gains in prices over the previous week's close.

Closing Prices on the New York Stock Exchange on Saturday,
December 29, 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 1/2's	99 24/32	+9/32	Treas. 4's	1944-54 106 24/32	+18/32
1st 4 1/4's	100 9/32	+5/32	" 4 1/4's	1947-52 111 24/32	+24/32
4th 4 1/4's	100 10/32	+4/32	" 3 3/4's	1946-56 103 22/32	+12/32
			" 3 3/8's	1943-47 98 23/32	+ 4/32
			" 3 3/8's	1940-43 98 24/32	+16/32

DECLASSIFIED

Authority E.O. 12958

3

Dealers' Offering Prices at the End of the Calendar Week
and Net Changes from Previous Week's Close

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3	3/8% Cert. of Ind. due Mar. 15, 1929	99 27/32	+3/32	4.13
3	7/8% " " " " " 15, 1929	99 30/32	+2/32	4.15
4	1/2% " " " " June 15, 1929	100 1/32	+1/32	4.42
4	3/4% " " " " Sept. 15, 1929	100 4/32	+1/32	4.55
4	1/4% " " " " " 15, 1929	99 26/32	+3/32	4.52
4	1/4% " " " " Dec. 15, 1929	99 24/32	+1/32	4.51
3	1/2% Treasury Notes " Mar. 15, 1932	97 20/32	+4/32	4.31
3	1/2% " " " Sept. 15, 1932	97 20/32	+4/32	4.20
3	1/2% " " " Dec. 15, 1932	97 20/32	+4/32	4.15

BankersAcceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30's, 60's and 90's, 4 5/8 per cent for 120's, and 4 3/4 per cent for 180-day bills.

Boston reports that the supply and demand for bills in its district was only fair during the past week as a result of which dealers' total sales showed a decrease. While the demand from local banks was fair, there was no demand from out-of-town banks. Offerings to the reserve bank were smaller than during the previous week. In New York the supply of bills was the heaviest on record and was substantially in excess of the demand, which continued very good. The demand consisted mainly of orders for nineties for foreign account. Local buying was light. In spite of the increased sales by dealers to the Reserve Bank for System Account dealers' portfolios here increased substantially. On December 20 some dealers advanced their rates 1/8 per cent on all maturities but the following day they reduced them to their former levels. Philadelphia reports that its bill market was fairly active. New bills continued to come into the market and were mostly in large blocks. Offerings were fairly heavy and consisted principally of ninety-day bills, there being a noticeable absence of short maturities. The demand improved but continued small. Chicago reports that there was practically no demand for bills in its district during the past week. Dealers were carrying unusually large portfolios.

DECLASSIFIED
 Authority E.O. 12958

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week 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 a sale of \$26,000 par amount, 3 7/8% certificate of indebtedness due March 15, 1929, for account Austrian Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transaction effected in the System Account during the current statement week was the temporary sale by the Federal Reserve Bank of Dallas of their participation of Government securities amounting to \$4,306,500. These securities were sold to the other participating banks, with the exception of the Federal Reserve Bank of Richmond, with the understanding that the Federal Reserve Bank of Dallas would repurchase same within 90 days.

This transaction did not affect the amount of total holdings in the account which remained unchanged at the close of business Wednesday, December 26, 1928, at \$75,591,800. 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	\$ 6,584,500	March 15, 1929 - 3 3/8% C/I	\$ 8,091,000
New York	22,743,300	March 15, 1929 - 3 7/8% "	6,993,000
Philadelphia	6,224,000	June 15, 1929 - 4 1/2% "	6,582,000
Cleveland	7,223,000	Sept. 15, 1929 - 4 1/4% "	2,500,000
Richmond	2,275,000	Dec. 15, 1929 - 4 1/4% "	16,125,000
Atlanta	2,207,500	March 15, 1932 - 3 1/2% T/N	5,000,000
Chicago	13,197,500	Dec. 15, 1932 - 3 1/2% "	30,300,800
St. Louis	4,417,500		
Minneapolis	3,322,500		
Kansas City	0		
Dallas	0		
San Francisco	7,397,000		
Totals	\$75,591,800		\$75,591,800

DECLASSIFIED

Authority E.O. 12958

5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM DECEMBER 20 TO DECEMBER 26, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 388,500	0
New York	1,342,000	0
Philadelphia	367,500	0
Cleveland	411,500	0
Richmond	0	0
Atlanta	125,500	0
Chicago	778,500	0
St. Louis	260,500	0
Minneapolis	196,000	0
Kansas City	0	0
Dallas	0	4,306,500
San Francisco	436,500	0
Totals	<u>\$4,306,500</u>	<u>\$4,306,500</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Cleveland	\$ 1,000	Dec. 15, 1929 C/I	0	-
Atlanta	460,700	Misc. Gov't Sec.	681,250	Misc. Gov't Sec.
Totals	<u>\$461,700</u>		<u>\$681,250</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Dec. 19	Rec'd By Allotment			Matur- ities & Sales	Holdings Dec. 26	Other Holdings Close Dec. 26/28	
		Purchased Own Mkt.	Regular from N. Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 41,219	\$ 9,615 R.	\$ 0	\$ 0	\$ 9,438*	\$ 41,396	\$ 7,812	\$ 76
New York	101,974	9,796 "	0	5,000	12,466**	104,304	50,884	727
		17,257 A.						
Phila.	15,056	2,789 R.	0	0	2,439	15,406	0	96
Cleve.	53,253	0	4,692	0	6,352	51,593	0	106
Richmond	25,825	495 "	2,122	0	3,364	25,078	0	52
Atlanta	29,116	10 "	3,246	0	2,900	29,472	0	1,173
Chicago	37,027	2,232 "	2,183	0	5,296	36,146	3,918	141
St. Louis	11,265	0	1,007	0	663	11,609	0	14
Minneapolis	19,616	0	2,449	1,000	1,160	21,905	0	27
Kansas City	3,943	0	0	0	2,771	1,172	0	37
Dallas	23,846	608 "	1,558	0	2,426	23,586	917	36
San Fran.	51,448	8,319 "	0	0	4,815	54,952	3,061	72
Totals	\$413,588	\$51,121	\$17,257	\$6,000	\$54,090	\$416,619	\$66,592	\$2,587
Bills held overnight by New York for distribution to other F.R. Banks							-	3,472
Total							-	<u>\$6,059</u>

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

**Includes \$1,514,000 sold to a foreign correspondent.

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

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 26, 1928
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 5/8%	61-90 days 4 1/4 - 4 5/8%	Over 90-days 4 3/8 - 4 7/8%	Total
Boston	\$1,206	\$ 1,695	\$ 6,294	\$ 420	\$ 9,615
New York	4,856	7,282	14,178	737	27,053
Philadelphia	75	25	2,689	0	2,789
Richmond	0	0	495	0	495
Atlanta	0	0	6	4	10
Chicago	13	1,657	562	0	2,232
Dallas	40	41	290	237	608
San Francisco	81	654	7,245	339	8,319
Totals	<u>\$6,271</u>	<u>\$11,354</u>	<u>\$31,759</u>	<u>\$1,737</u>	<u>\$51,121</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 26, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$4,768	\$51,121	\$55,889
Sold	4,987	1,514	6,501
Matured	0	46,576	46,576
		\$ 3,031+	\$ 2,812+
		980+ (Net Change 1-day holdover and other bills)	980+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 219-</u>	<u>\$ 4,011+</u>	<u>\$ 3,792+</u>

(Including Sales Contract)

<u>Holdings December 26, 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	\$ 35,300	\$ 0	\$ 0	\$22,863	\$ 7,221	\$166,944	\$232,328
Bills Purchased	166,325	93,021	131,901	93,531	4,492	0	489,270
Totals	<u>\$201,625</u>	<u>\$93,021</u>	<u>\$131,901</u>	<u>\$116,394</u>	<u>\$11,713</u>	<u>\$166,944</u>	<u>\$721,598</u>

DECLASSIFIED

Authority E.O. 12958

December 26, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 24th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from December 13, 1928 to December 19, 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.

DECLASSIFIED
Authority E.O. 12958

RECEIVED
DEC 26 1928
FEDERAL RESERVE BOARD
GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
DEC 26 1928

PERSONAL

December 24, 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 December 15, 1928 to December 19, 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Knicker
Mr. Ripley
Mr. Collins*

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

December 24, 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 December 13, 1928 to December 19, 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Gen. Young ✓ Mr. Hamlin ✓ Mr. Jones ✓
Mr. Platt ✓ FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 26 1928
GOVERNOR

CONFIDENTIAL

December 24, 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 December 13, 1928 to December 19, 1928 inclusive, 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

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

Encl.

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 19, 1928

Holdings of Earning Assets of Federal Reserve Bank from October 26, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 28	1,706,255	204,638	24,644	431,230	51,113	990,240
Dec. 12	1,762,597	202,532	32,975	434,472	59,851	1,028,352
Dec. 19	1,700,723*	274,747*	15,795	418,667	34,444	946,710

* Includes \$77,500,000 special one-day Treasury certificate of indebtedness.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 19, 1928

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 19	Net Change	Balance Dec. 19	Net Change	Balance Dec. 19	Net Change
Boston	\$ 7,785	\$ 425+	\$ 41,219	\$ 4,693+	\$ 65,007	\$ 6,548+
New York	22,785	1,642-	101,974	1,345-	232,793	94,133-
Philadelphia	21,079	449-	15,056	23+	97,825	7,566+
Cleveland	32,550	1,268-	53,253	1,579-	102,000	17,223-
Richmond	3,427	174-	25,825	652-	39,994	730+
Atlanta	5,050	148+	29,116	328+	58,271	3,387+
Chicago	32,356	952-	37,027	97-	175,951	2,064+
St. Louis	20,782	319-	11,265	179+	41,021	3,502+
Minneapolis	10,711	239-	19,616	395-	7,348	4,005-
Kansas City	9,763	31+	3,943	1,668-	43,941	86+
Dallas	14,294	330-	23,846	107-	17,523	158+
San Francisco	16,665	516-	51,448	2,427+	65,036	9,678+
N. Y. holdovers and other bills			5,079	17,612-		
Totals	\$197,247*	\$5,285-	\$418,667	\$15,805-	\$946,710	\$81,642-

* Excluding \$77,500,000 special one-day Treasury certificate of indebtedness.

COMMENT ON CHANGES WEEK ENDED DECEMBER 19, 1928

Total earning assets of the System, exclusive of special one-day Treasury certificate of indebtedness issued to cover the overdraft, showed a decrease of \$139,374,000 for the current statement week. The approximate changes by classification consisted of decreases of \$5,300,000 and \$15,800,000 respectively in outright purchases of Government securities and bankers acceptances, \$81,650,000 in bills discounted and \$42,600,000 in investments held under sales contracts. The latter decreases consisted of \$17,200,000 in Government securities and \$25,400,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

Money Market

The call money market in New York remained relatively easy during the first two days of the calendar week, with renewals at 7 per cent and subsequent declines in the new loan rate to 6 per cent. During these two days, the Treasury overdraft at the Reserve Banks remained large, although there was considerable reduction from the overdraft of December 15. Income tax collections took a large amount of funds out of the New York market on the seventeenth and succeeding days, so that on the eighteenth the participations in the special Treasury certificate to cover the overdraft were repurchased from New York City banks, and on Wednesday, the nineteenth, the City banks found it necessary to increase their borrowings at the Reserve Bank and call money did not go below 7 per cent. Withdrawals of Government funds from depositaries also firmed the situation, as did holiday currency requirements in this district, and outgoing commercial transfers from this market to other centers to offset the drains there through currency requirements and net Treasury withdrawals of funds. As a result, call money in New York advanced further to 8 per cent on Thursday and to 9 per cent on Friday, and the indebtedness of the New York City banks at the Reserve Bank rose to \$183,000,000 on Friday and to \$221,000,000 on Saturday, the twenty-second.

Firm conditions continued to prevail in the time money market, and the amount of funds offered remained small. The limited amount of loans placed were for 30 days at 8 1/4 and 8 1/2 per cent, 2 to 4 months at 7 3/4 per cent, and 6 months at 7 1/2 per cent.

The commercial paper market was rather quiet during the week, due in part to a decrease in the bank investment demand and also to the very small supplies of new paper that were created. The undertone in rates was a trifle firmer, but in general prime paper continued to be offered and sold at 5 1/4 and 5 1/2 per cent.

Government Security Market

The market for United States Government securities continued dull and heavy. With the exception of the March 15, 1929 - 3 3/8 per cent Treasury certificates which remained unchanged, prices of the outstanding issues of Treasury certificates and notes were from 1/32 to 10/32nds lower than at the previous week's close, and prices of the Liberty Loan and Treasury bonds were from 1/32 to 17/32nds lower.

Closing prices on the New York Stock Exchange on Saturday December 22, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2's	99 15/32	-1/32	Treas. 4's 1944-54	106 6/32	-14/32
1st 4 1/4's	100 4/32	-4/32	" 4 1/4's 1947-52	111	-12/32
4th 4 1/4's	100 6/32	-9/32	" 3 3/4's 1946-56	103 10/32	-17/32
			" 3 3/8's 1943-47	98 19/32	- 6/32
			" 3 3/8's 1940-43	98 8/32	- 4/32

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

Issue	Price	Net Change	Approx. Yield
3 3/8% Cert. of Ind. due Mar. 15, 1929	99 24/32	-----	4.45
3 7/8% " " " " Mar. 15, 1929	99 28/32	- 1/32	4.38
4 1/2% " " " " June 15, 1929	100	- 3/32	4.50
4 3/4% " " " " Sept. 15, 1929	100 3/32	- 6/32	4.60
4 1/4% " " " " Sept. 15, 1929	99 23/32	- 3/32	4.64
4 1/4% " " " " Dec. 15, 1929	99 23/32	- 3/32	4.54
3 1/2% Treasury Notes " Mar. 15, 1932	97 16/32	- 10/32	4.35
3 1/2% " " " " Sept. 15, 1932	97 16/32	+ 10/32	4.23
3 1/2% " " " " Dec. 15, 1932	97 16/32	+ 10/32	4.17

DECLASSIFIED
Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that the supply of bills offered by local acceptors was small during the past week with the demand fair. The total bills sold by local dealers in their district was about \$5,000,000 in excess of the previous week, of which amount approximately \$4,500,000 was sold to the reserve bank making their total purchases for the week the second largest since July 1, 1928. On December 17 dealers increased their bid rate from 4 5/8 per cent to 4 3/4 per cent on 30 to 90 day bills with a corresponding rise in the longer maturities. In New York the demand for bills continued heavy and was moderately in excess of the supply, which while very good, fell off substantially as compared with the previous week. Investment of foreign owned monies was heavy. Buying for local account was moderate. As a result of this demand together with record shipments of bills by dealers to their out-of-town branches and correspondents, dealers' portfolios here decreased substantially. On December 14 all dealers advanced their rates 1/8 per cent on all maturities. Offering rates were quoted unchanged although some dealers were willing to sell investors parcels of mixed names at 4 5/8 per cent. Philadelphia reports that the acceptance market in its district was only moderately active. A fair amount of new bills came out and offerings continued heavy with the demand poor. Chicago reports that there was practically no demand for bills in their district during the past period. Dealers were buying fairly large amounts at 4 3/4 per cent.

DECLASSIFIED

Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of recent Treasury offerings and overdrafts) consisted of

Purchases of \$21,302,000 par amount December 15, 1928 certificates in the New York and Chicago markets for account redemption

and sales of 1,000,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account Alien Property Custodian
207,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

Sales to Foreign

Correspondents of \$16,000,000 par amount March 15, 1929 - 3 7/8% Cert. of Ind.	
16,420,000 " " " 15, 1929 - 3 3/8% " " "	
750,000 " " Dec. 15, 1929 - 4 1/4% " " "	

Total sales \$33,170,000

These sales were made to foreign correspondents at their own selection to partially replace their holdings of Treasury certificates which matured on December 15, 1928, and involved the acquisition for the System Account of other short-term Government securities, one-half of which consisted of the new 4 1/4% certificates obtained by subscription. These transactions were all completed by Monday, December 17, and the total holdings in the account at the close of business on that day and on Wednesday, December 19, 1928, amounted to \$75,591,800. 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	\$ 6,196,000	March 15, 1929 - 3 3/8% C/I	\$ 8,091,000
New York	21,401,300	March 15, 1929 - 3 7/8% "	6,993,000
Philadelphia	5,856,500	June 15, 1929 - 4 1/2% "	6,582,000
Cleveland	6,811,500	Sept. 15, 1929 - 4 1/4% "	2,500,000
Richmond	2,275,000	Dec. 15, 1929 - 4 1/4% "	16,125,000
Atlanta	2,082,000	March 15, 1932 - 3 1/2% T/N	5,000,000
Chicago	12,419,000	Dec. 15, 1932 - 3 1/2% "	30,300,800
St. Louis	4,157,000		
Minneapolis	3,126,500		
Kansas City	0		
Dallas	4,306,500		
San Francisco	6,960,500		
Totals	<u>\$75,591,800</u>		<u>\$75,591,800</u>

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM DECEMBER 13 TO DECEMBER 19, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>
Boston	\$ 2,244,000	\$ 2,718,500	\$ 474,500
New York	7,750,000	9,391,500	1,641,500
Philadelphia	2,121,000	2,570,000	449,000
Cleveland	2,466,000	2,989,000	523,000
Richmond	824,000	998,000	174,000
Atlanta	754,000	914,000	160,000
Chicago	4,497,500	5,449,500	952,000
St. Louis	1,505,500	1,824,000	318,500
Minneapolis	1,132,500	1,371,500	239,000
Kansas City	0	0	0
Dallas	1,559,500	1,889,500	330,000
San Francisco	2,521,000	3,054,500	533,500
Totals	\$27,375,000	\$33,170,000	\$5,795,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Maturities and Sales</u>	<u>Issue</u>
Boston	\$ 399,500	Dec. 15, 1929 C/I	-	-
Cleveland	0	-	745,000	Dec. 15, 1928 C/I
Atlanta	528,450	Misc. Gov't Sec.	219,850	Misc. Gov't Sec.
Kansas City	31,000	" " "	0	-
San Francisco	18,100	" " "	0	-
Totals	\$1,477,050		\$964,850	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings <u>Dec. 12</u>	Purchased <u>Own Market</u>	<u>Rec'd by Allotment</u>			Matur- <u>ities & Sales</u>	Holdings <u>Dec. 19</u>	<u>Other Holdings</u>	
			Regular <u>from N. Y.</u>	From <u>Boston Port.</u>				<u>Close Sales</u>	<u>Dec. 19/28 Other Bills</u>
Boston	\$ 36,526	\$12,272 R	\$ 0	\$ 0	\$ 7,579*	\$ 41,219	\$ 5,821	\$ 76	
New York	103,319	6,775 " 11,802 A	0	5,000	13,120	101,974	21,283	725	
Phila.	15,033	4,315 R	0	0	4,292	15,056	0	96	
Cleveland	54,832	0	3,374	0	4,953	53,253	0	106	
Richmond	26,477	800 "	1,331	0	2,783	25,825	0	52	
Atlanta	28,788	49 "	2,374	0	2,095	29,116	0	1,252	
Chicago	37,124	2,210 "	1,338	0	3,645	37,027	3,976	141	
St. Louis	11,086	0	1,230	0	1,051	11,265	0	44	
Minn.	20,011	0	1,030	0	1,425	19,616	0	27	
Kan. City	5,611	0	0	0	1,668	3,943	0	37	
Dallas	23,953	1,241 "	1,125	0	2,473	23,846	496	36	
San Fran.	49,021	6,942 "	0	0	4,515	51,448	2,868	72	
Totals	\$411,781	\$46,406	\$11,802	\$5,000	\$49,599	\$413,588	\$34,444	\$2,664	
Bills held over night by New York for distribution to other F. R. Banks - - 2,415									
Total - - - - -							\$5,079		

*Includes \$5,000,000 sold to Federal Reserve Bank of New York.

NOTE: R. indicates RETAINED and A. indicates ALLOTTED in the above statement.

DECLASSIFIED
 Authority **E.O. 12958**

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 19, 1928
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 5/8%	61-90 days 4 1/4 - 4 5/8%	Over 90-days 4 3/8 - 4 5/8%	Total
Boston	\$ 314	\$ 109	\$11,330	\$ 519	\$12,272
New York	3,191	4,983	9,905	498	18,577
Philadelphia	574	1,048	2,693	0	4,315
Richmond	25	416	359	0	800
Atlanta	0	0	49	0	49
Chicago	986	206	1,018	0	2,210
Dallas	0	56	942	243	1,241
San Francisco	732	1,202	4,644	364	6,942
Totals	<u>\$5,822</u>	<u>\$8,020</u>	<u>\$30,940</u>	<u>\$1,624</u>	<u>\$46,406</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 19, 1928
 (000 Omitted)

(Excluding Sales Contracts & Special One-Day Cert. of Ind.)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$28,852	\$46,406	\$75,258
Sold	33,392	0	33,392
Matured	745	44,599	45,344
		\$ 1,807+	\$ 3,478-
		17,612-	17,612- (Net Change
			1-day holdover
			and other bills)
Totals	<u>\$ 5,285-</u>	<u>\$15,805-</u>	<u>\$21,090-</u>

(Including Sales Contracts & Special One-Day Cert. of Ind.)

<u>Holdings December 19, 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	\$ 93,295	0	0	\$22,863	\$ 7,221	\$167,163	\$290,542
Bills Purchased	139,251	94,713	143,448	71,311	4,388	0	453,111
Totals	<u>\$232,546</u>	<u>\$94,713</u>	<u>\$143,448</u>	<u>\$94,174</u>	<u>\$11,609</u>	<u>\$167,163</u>	<u>\$743,653</u>

DECLASSIFIED

Authority E.O. 12958

December 18, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of December 17th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from December 6, 1928 to December 12, 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.

DECLASSIFIED
Authority E.O. 12958

Mr. Smead
Mr. Reffly
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

REC'D-BK OP DEC 18 1928

RECEIVED
DEC 17 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

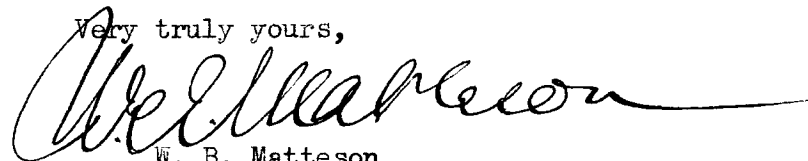
December 17, 1928

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 December 6, 1928 to December 12, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 18 1928
DEPARTMENT OF
TREASURY

PERSONAL

December 17, 1928

R. A. Y.
DEC 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 December 6, 1928 to December 12, 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓ Mr. Hamlin ✓ Mr. James ✓
Mr. Piatt ✓ Mr. Miller ✓ Mr. Cunningham ✓ Mr. Fole ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
DEC 18 1928
Federal Reserve Bank of New York

CONFIDENTIAL

December 17, 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 December 6, 1928 to December 12, 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.

DECLASSIFIED
Authority **E.O. 12958**

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 12, 1928**

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 28	1,706,255	204,638	24,644	431,230	51,113	990,240
Dec. 5	1,721,124	196,653	30,129	419,959	57,811	1,012,182
Dec. 12	1,762,597	202,532	32,975	434,472	59,851	1,028,352

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 12, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 12	Net Change	Balance Dec. 12	Net Change	Balance Dec. 12	Net Change
Boston	\$ 7,360	\$ 484+	\$ 36,526	\$ 134-	\$ 58,459	\$ 6,153+
New York	24,427	1,645+	103,319	2,286+	326,926	2,865-
Philadelphia	21,529	457+	15,033	2,759-	90,259	13,986+
Cleveland	33,317	531+	54,832	974+	119,223	30,647+
Richmond	3,601	177+	26,477	520-	39,264	5,697+
Atlanta	4,902	159+	28,788	636+	54,884	4,894-
Chicago	33,308	978+	37,124	1,981-	173,887	17,129-
St. Louis	21,101	325+	11,086	883+	37,519	1,251+
Minneapolis	10,950	244+	20,011	770-	11,353	2,620+
Kansas City	9,732	0	5,611	2,013-	43,855	191-
Dallas	14,624	336+	23,953	715-	17,365	2,570-
San Francisco	17,181	543+	49,021	876+	55,358	16,535-
N.Y. holdovers and other bills			22,691	17,750+		
Totals	\$202,532	\$5,879+	\$434,472	\$14,513+	\$1,028,352	\$16,170+

COMMENT ON CHANGES WEEK ENDED DECEMBER 12, 1928

Total earning assets of the System showed an increase of \$41,473,000 for the current statement week. The approximate changes by classification consisted of increases of \$5,900,000 in outright purchases of Government securities, \$14,500,000 in outright purchases of bankers acceptances, \$16,150,000 in bills discounted and \$4,900,000 in investments held under sales contracts. The latter increase consisted of \$2,850,000 Government securities and \$2,050,000 bankers ac-

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

The call money market moved progressively easier during the past calendar week, due to reduced demand for loans following the liquidation in the stock market. The renewal rate declined from a high of 9 per cent on Monday to a low of 7 per cent on Friday, and the rate for new loans on two days reached 6 per cent on the Exchange. The Federal Reserve borrowings of the New York City banks averaged \$204,000,000 during the week, a decline of \$46,000,000 from the previous period; and on Friday were down to only \$140,000,000, as on that day the City banks allowed their actual reserve balances to drop far below requirements in anticipation of large Treasury disbursements into the market on Saturday, the 15th, which would restore their balances. The call loan market was naturally affected on Friday by this situation, and in addition to the 6 per cent loans placed on the Exchange, some money was reported as having been lent in the outside market at rates as low as 5 per cent. Imports of \$12,000,000 of gold from Canada during the week also were an influence toward lower rates, and offset in part a net increase in currency requirements and a net outflow of commercial funds to other districts for the period. On the 15th, Treasury redemptions and interest payments in this market exceeded income tax collections by approximately \$300,000,000. Some of this large gain was absorbed by the considerable deficit in bank reserves at the opening of business, partly by the retirement of an additional \$58,000,000 of member bank loans, and part by the sale to City banks of participations totaling \$70,000,000 in the special certificate to cover the very large Treasury overdraft at this bank. The net result of the day's operations, however, was a rise in reserve balances of the banks to a level some \$77,000,000 above requirements, but on Monday, the 17th, income tax collections will take more than that amount from the market. On December 15, the actual Treasury overdraft in the New York bank was \$301,000,000 and for the System aggregated \$386,000,000.

Supplies of time funds continued very scarce, and lending rates showed a further increase. The market in general was very dull; a few loans of 60 days to 6 months maturity were placed at 7 3/4 per cent, the highest rate for fixed date accommodation since January 1921. In addition, and perhaps significant of the probable trend of the market, was the placing on Friday of a small amount of 30 day money at 8 1/2 per cent.

Bank investment demand for commercial paper was slightly larger during the past week, and, relative to the meager supplies of new paper being drawn, was considered by the dealers as generally satisfactory. The prevailing range for prime names continued to be 5 1/4 - 5 1/2 per cent.

Government
Security
Market

The market for United States Government securities was dull with prices of practically all issues slightly lower this week than last. At the close of the calendar week the new Treasury issues of 4 1/4 per cent certificates dated December 15, 1928, were offered by dealers at a discount of 6/32nds.

Closing prices on the New York Stock Exchange on Saturday
December 15, 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 16/32	-1/32	Treas. 4s	106 20/32	-3/32
1st 4 1/4s	100 8/32	-2/32	" 4 1/4s	111 12/32	-8/32
4th 4 1/4s	100 15/32	-3/32	" 3 3/4s	103 27/32	-7/32
			" 3 3/8s	98 25/32	-9/32
			" 3 3/8s	98 12/32	-6/32
			1944-54		
			1947-52		
			1946-56		
			1943-47		
			1940-43		

DECLASSIFIED

Authority E.O. 12958

3

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

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 3/8%	Cert. of Ind. due Mar. 15, 1929	99 24/32	-1/32	4.38
3 7/8%	" " " " Mar. 15, 1929	99 29/32	- - -	4.23
4 1/2%	" " " " June 15, 1929	100 3/32	-1/32	4.30
4 3/4%	" " " " Sept. 15, 1929	100 9/32	-4/32	4.35
4 1/4%	" " " " Sept. 15, 1929	99 26/32	- - -	4.51
4 1/4%	" " " " Dec. 15, 1929	99 26/32	- - -	4.45
3 1/2%	Treasury Notes " Mar. 15, 1932	97 26/32	-4/32	4.22
3 1/2%	" " " Sept. 15, 1932	97 26/32	-4/32	4.13
3 1/2%	" " " Dec. 15, 1932	97 26/32	-4/32	4.10

BankersAcceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that the supply of bills decreased somewhat during the past week in their district. The demand for 60s and 90s, although less than the previous week, was fair and bills moved freely at offered rates. Dealers continued to import bills from their offices in other cities to enable them to meet the local demand for desired maturities. In New York the supply of bills continued in very heavy volume though slightly less than during the preceding record week and even though there was a substantial increase in the demand it still fell short of the supply. Dealers' sales consisted chiefly of orders for 90s for foreign account. Local buying was light and mainly for shorter maturities. In the period from December 12 to 14, purchases of \$33,000,000 of bills were made by the New York Reserve Bank for foreign accounts in reinvestment of the proceeds of December 15 Treasury certificates held by them, due to the fact that the yield on bills is now a little better than on Governments. These purchases allowed the dealers to reduce considerably their sales contract dependence on the Reserve Bank. On December 14, the bill dealers generally advanced buying rates on all maturities by 1/8 per cent, but did not generally advance rates at which they offer bills. It is understood that the reason for the change is a desire on the part of the dealers for a spread of 1/4 per cent between buying and selling rates as insurance against expected higher interest costs in carrying portfolios for the balance of the year, and a desire not to enter the new year with large portfolios taken at former rates, as it is feared rates may move higher in January. Philadelphia reports that the supply of bills was heavy with 90-day bills predominating and was considerably in excess of the demand. There was a slight improvement in out-of-town buying. Chicago reports that the bill market in its district was very quiet. Dealers' portfolios increased substantially.

DECLASSIFIEDAuthority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of

Purchases of \$15,268,000 par amount December 15, 1928 certificates in the New York and Chicago markets for account Redemption, including \$7,300,000 sold from System Account.

and Sales of 3,500,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account Alien Property Custodian.

35,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week sales were made to the Treasury for account prior redemption of the balance of the System Account's holdings of certificates maturing December 15, namely,

\$7,300,000 aggregate amount of 3 1/4% certificates due December 15, 1928. These sales were replaced by purchases in the New York and Chicago markets of a like amount of certificates of indebtedness maturing March 15, 1929.

Purchases were also made in the New York market and from the Treasury account Alien Property Custodian of

\$5,898,500 aggregate amount of certificates of indebtedness due March 15, 1929 in partial replacement of a sale of a large block of March certificates which will be made to a foreign correspondent on December 15 in replacement of their holdings of maturing certificates.

These transactions left the total holdings in the System Account at the close of business Wednesday, December 12, 1928, temporarily at \$81,386,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,670,500
New York	23,042,800
Philadelphia	6,305,500
Cleveland	7,334,500
Richmond	2,449,000
Atlanta	2,242,000
Chicago	13,371,000
St. Louis	4,475,500
Minneapolis	3,365,500
Kansas City	0
Dallas	4,636,500
San Francisco	7,494,000
Totals	\$81,386,800

RECAPITULATION OF HOLDINGS BY MATURITY

Mar. 15, 1929	- 3 3/8% C/I	\$22,511,000
Mar. 15, 1929	- 3 7/8% "	21,993,000
June 15, 1929	- 4 1/2% "	1,582,000
Mar. 15, 1932	- 3 1/2% T/N	5,000,000
Dec. 15, 1932	- 3 1/2% "	30,300,800

\$81,386,800

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM DECEMBER 6 TO DECEMBER 12, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 1,082,000	\$ 598,000	\$ 484,000
New York	3,737,000	2,067,000	1,670,000
Philadelphia	1,022,500	565,500	457,000
Cleveland	1,189,500	658,000	531,500
Richmond	397,000	219,500	177,500
Atlanta	363,500	201,000	162,500
Chicago	2,168,000	1,199,500	968,500
St. Louis	726,000	401,500	324,500
Minneapolis	546,000	302,000	244,000
Kansas City	0	0	0
Dallas	752,000	416,000	336,000
San Francisco	1,215,000	672,000	543,000
Totals	\$13,198,500	\$7,300,000	\$5,898,500

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	* \$5,158,000	Misc. Gov't Sec.	* \$5,183,000	Misc. Gov't Sec.
Atlanta	199,800	" " "	202,750	" " "
Chicago	10,000	" " "	0	"
Totals	\$5,367,800		\$5,385,750	

* Was held temporarily for resale.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Dec. 5	Purchased Own Mkt.	Acq'd By Allotment			Holdings Dec. 12	Other Holdings Close Dec. 12/28	
			Regular N. Y.	From Boston Port.	Matur- ities & Sales		Sales Contracts	Other Bills
Boston	\$ 36,660	\$ 7,714 R	\$ 0	\$ 0	\$ 7,848*	\$ 36,526	\$ 6,955	\$ 19
New York	101,033	8,760 " 15,933 A	0	5,000	11,474	103,319	46,666	1,345
Phila.	17,792	1,175 R	0	0	3,934	15,033	0	24
Cleve.	53,858	256 "	4,855	0	4,137	54,832	0	28
Richmond	26,997	657 "	2,006	0	3,183	26,477	0	13
Atlanta	28,152	0	3,424	0	2,788	28,788	0	1,325
Chicago	39,105	613 "	2,011	0	4,605	37,124	3,308	36
St. Louis	10,203	0	1,252	0	369	11,086	0	11
Minn.	20,781	0	1,229	1,000	2,999	20,011	0	7
Kan. City	7,624	0	0	0	2,013	5,611	0	10
Dallas	24,668	465 "	1,156	0	2,336	23,953	369	9
San Fran.	48,145	5,102 "	0	0	4,226	49,021	2,553	18
Totals	\$415,018	\$40,675	\$15,933	\$6,000	\$49,912	\$411,781	\$59,851	\$2,845
Bills held over night by New York for distribution to other F. R. Banks - - -							2,396	
" " " " " " " foreign correspondents - - -							17,450	
Total - - - - -							\$22,691	

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

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

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 12, 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 3/8 - 4 5/8%</u>	<u>Total</u>
Boston	\$1,487	\$ 764	\$ 5,421	\$ 42	\$ 7,714
New York	7,147	4,475	12,621	450	24,693
Philadelphia	54	350	771	0	1,175
Cleveland	0	0	256	0	256
Richmond	0	106	551	0	657
Chicago	160	253	200	0	613
Dallas	50	95	127	193	465
San Francisco	264	332	4,395	111	5,102
Totals	\$9,162	\$6,375	\$24,342	\$796	\$40,675

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 12, 1928**
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$18,565	\$40,675	\$59,240
Sold	12,686	0	12,686
Matured	0	43,912	43,912
		\$ 3,237-	\$ 2,642+
		17,750+	17,750+ (Net Change
		(Net Change	l-day holdover
		and other bills)	and other bills)
Totals	\$ 5,879+	\$14,513+	\$20,392+

(Including Sales Contracts)

<u>Holdings December 12, 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	\$ 33,721	0	0	0	\$52,283	\$149,503	\$235,507
Bills Purchased	175,007	95,793	147,077	72,446	4,000	0	494,323
Totals	\$208,728	\$95,793	\$147,077	\$72,446	\$56,283	\$149,503	\$729,830

DECLASSIFIED

Authority E.O. 12958

December 11, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of December 10th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from November 30, 1928 to December 5, 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Loomis ✓
Rice ✓
Collins ✓*

RECEIVED
DEC 11 1928
DIVISION OF RESEARCH
AND STATISTICS.

**FEDERAL RESERVE BANK
OF NEW YORK**


CONFIDENTIAL

December 10, 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 November 30, 1928 to December 5, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 11 1928
Special Op.
THE GOVERNOR

PERSONAL

December 10, 1928
F. A. Y.
DEC 11 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 November 30, 1928 to December 5, 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.

DECLASSIFIED
Authority E.O. 12958

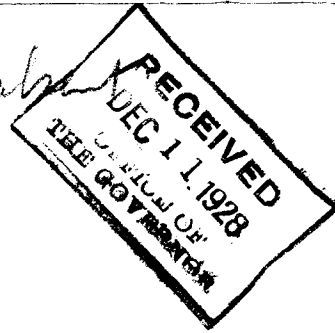
FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY INITIAL AND RETURN TO SENDER

Gov. Young ✓ Mr. Honohan ✓ Mr. James ✓ Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

December 10, 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 November 30, 1928 to December 5, 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 12/14/38

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 5, 1928

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

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 28	1,706,255	204,638	24,644	431,230	51,113	990,240
Dec. 5	1,721,124	196,653	30,129	419,959	57,811	1,012,182

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED DECEMBER 5, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 5	Net Change	Balance Dec. 5	Net Change	Balance Dec. 5	Net Change
Boston	\$ 6,876	\$ 655-	\$ 36,660	\$ 880-	\$ 52,306	\$ 9,878-
New York	22,782	2,240-	101,033	429-	329,891	13,185+
Philadelphia	21,072	620-	17,792	2,410-	76,273	467+
Cleveland	33,286	721-	53,858	919-	88,576	5,909-
Richmond	3,424	240-	26,997	316-	33,567	8,255-
Atlanta	4,743	231-	28,152	521-	59,778	956-
Chicago	32,330	1,314-	39,105	1,079+	191,016	44,179+
St. Louis	20,776	440-	10,203	933+	36,268	1,722-
Minneapolis	10,706	331-	20,781	420-	8,633	5,440-
Kansas City	9,732	0	7,624	2,830-	44,046	3,037-
Dallas	14,288	456-	24,668	1,064-	19,935	447+
San Francisco	16,638	736-	48,145	745-	71,893	1,139-
N.Y. holdovers and other bills			4,941	2,749-		
Totals	\$196,653	\$7,984-	\$419,959	\$11,271-	\$1,012,182	\$21,942+

COMMENT ON CHANGES WEEK ENDED DECEMBER 5, 1928

Total earning assets of the System showed an increase of \$14,869,000 for the current statement week. The approximate changes by classification consisted of decreases of \$8,000,000 in outright purchases of Government securities and \$11,250,000 in outright purchases of bankers acceptances, and increases of \$21,950,000 in bills discounted and \$12,200,000 in investments held under sales contracts. The latter increase consisted of \$5,500,000 Government securities and \$6,700,000 bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

Money
Market

With the borrowings of the New York City banks at the Reserve Bank averaging close to \$250,000,000 during the past week, as compared with \$209,000,000 in the previous period, conditions in the New York call money market were very firm. There continued to be a heavy demand for call loans, and at the same time the New York City banks were reluctant to increase their loans to the market. This resulted in a sharp run up in call rates, which in turn brought in funds from out-of-town banks and other lenders. On the first two days of the period call loan renewals continued at 8 per cent, with subsequent advances in the new loan rate to 10 per cent. On Wednesday the renewal rate was at 9 per cent and there was no advance from this level during the day. On Thursday, however, an advance to 12 per cent in the rate for new loans from a renewal level of 9 per cent was necessary before enough funds were forthcoming to satisfy the demand. The peak renewal rate of 10 per cent was reached on Friday, from which level there was a decline to 9 per cent in the afternoon. The rates quoted in the latter part of the week are the highest since July of 1920.

The time money market also firmed considerably. By the end of the week, borrowers were bidding 7 3/4 per cent for 30-day money, 7 1/2 per cent for 90-day money, and 7 1/4 per cent for longer dates, with no funds offered. The volume of actual loans arranged was very small.

Accompanying the firmness in stock exchange money, the demand for commercial paper on the part of the banks throughout the country was less active than in other recent weeks. Quoted rates for prime names, however, continued to be 5 1/4 - 5 1/2 per cent. Open market supplies of paper remained low.

Government
Security
Market

With firmer money conditions prevailing than during the previous week there was very little activity in the market for United States Government securities. Trading was centered chiefly on the Fourth 4 1/4 per cent Liberty ^{Loan} bonds and the short-term certificates maturing December 15, 1928 and March 15, 1929. Practically all issues showed small fractional losses.

Closing prices on the New York Stock Exchange on Saturday
December 8, 1928 and net changes from previous week's close

Net			Net		
Issue	Price	Change	Issue	Price	Change
1st 3 1/2s	99 17/32	-4/32	Treas. 4s	1944-54 106 23/32	-10/32
1st 4 1/4s	100 10/32	-2/32	" 4 1/4s	1947-52 111 20/32	-14/32
4th 4 1/4s	100 18/32	-8/32	" 3 3/4s	1946-56 104 2/32	-10/32
			" 3 3/8s	1943-47 99 2/32	- 3/32
			" 3 3/8s	1940-43 98 18/32	-18/32

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

Issue	Price	Net Change	Approx. Yield
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 31/32	- - -	3.95
4 " " " Dec. 15, 1928	100	- - -	3.88
3 3/8% " " " Mar. 15, 1929	99 25/32	-1/32	4.18
3 7/8% " " " Mar. 15, 1929	99 29/32	-1/32	4.19
4 1/2% " " " June 15, 1929	100 4/32	-1/32	4.25
4 3/4% " " " Sept. 15, 1929	100 13/32	-1/32	4.19
3 1/2% Treasury Notes " Mar. 15, 1932	97 30/32	-2/32	4.18
3 1/2% " " " Sept. 15, 1932	97 30/32	-2/32	4.10
3 1/2% " " " Dec. 15, 1932	97 30/32	-2/32	4.06

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that local banks reported there was a limited supply of bills during the past week in their district. Bills moved freely at offered rates. The demand for 90-day maturities decreased somewhat, while the demand for 30 and 180-day maturities was fair. Dealers continued to import bills from their offices in other cities to meet the local demand for the desired maturities. In New York the supply of bills was the heaviest on record and was considerably in excess of the demand, which consisted chiefly of orders for nineties for foreign account. Local buying was moderate and mainly for shorter maturities. Dealers made substantial shipments to their out-of-town branches and correspondents in spite of which their portfolios increased considerably. Philadelphia reports that the supply of bills increased considerably in its district during the past week as a result of which offerings were somewhat heavier. The demand continued poor. Chicago reports the demand was fair in its district, although some of the dealers were reluctant to buy in their market at prevailing bid prices being concerned about possible increase in rates.

DECLASSIFIED

Authority E.O. 12958

-4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of purchases of \$11,000,000 aggregate par amount December 15 certificates for account Redemption, and sales of \$60,000 par amount 3 7/8 per cent certificates of indebtedness due March 15, 1929 for account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

Sale to market of \$8,000,000 Treasury 3 1/2% notes due March 15, 1932 representing the balance of \$38,800,000 of this issue of notes recently taken over from a foreign correspondent, as mentioned in previous reports.

Sale to Treasury for redemption of \$5,887,500 Treasury 3 1/4% certificates due December 15, 1928. The sale of these certificates was replaced in the account by purchase of a like amount of Treasury certificates due next March and June.

These transactions left the total holdings in the Account at the close of business Wednesday, December 5, 1928, at \$75,488,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,186,500
New York	21,372,800
Philadelphia	5,848,500
Cleveland	6,803,000
Richmond	2,271,500
Atlanta	2,079,500
Chicago	12,402,500
St. Louis	4,151,000
Minneapolis	3,121,500
Kansas City	0
Dallas	4,300,500
San Francisco	6,951,000
Totals	<u>\$75,488,300</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1928	- 3 1/4% C/I	\$ 7,300,000
Mar. 15, 1929	- 3 3/8% "	13,137,500
Mar. 15, 1929	- 3 7/8% "	18,168,000
June 15, 1929	- 4 1/2% "	1,582,000
Mar. 15, 1932	- 3 1/2% T/N	5,000,000
Dec. 15, 1932	- 3 1/2% "	30,300,800
		<u>\$75,488,300</u>

DECLASSIFIED
 Authority E.O. 12958

**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM NOVEMBER 28 TO DECEMBER 5, 1928**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>
Boston	\$ 482,500	\$ 1,138,000	\$ 655,500
New York	1,667,000	3,932,000	2,265,000
Philadelphia	456,000	1,075,500	619,500
Cleveland	530,500	1,251,500	721,000
Richmond	177,000	417,500	240,500
Atlanta	162,500	383,000	220,500
Chicago	967,000	2,281,500	1,314,500
St. Louis	324,000	764,000	440,000
Minneapolis	243,500	574,500	331,000
Kansas City	0	0	0
Dallas	335,500	791,500	456,000
San Francisco	542,000	1,278,500	736,500
Totals	\$5,887,500	\$13,887,500	\$8,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	* \$1,045,000	Misc. Gov't Sec.	\$1,020,000	Misc. Gov't Sec.
Atlanta	447,350	Misc. Gov't Sec.	458,350	Misc. Gov't Sec.
Totals	\$1,492,350		\$1,478,350	

* Was held temporarily for resale.

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings Nov. 28	Purchased Own Mkt.	Rec'd By Allotment			Holdings Dec. 5	Other Holdings Close Dec. 5/28	
			Regular from N. Y.	From Boston Port.	Matur- ities & Sales		Sales Contracts	Other Bills
Boston	\$ 37,540	\$ 8,548 R	\$ 0	\$ 0	\$ 9,428*	\$ 36,660	\$ 9,786	\$ 19
New York	101,462	3,175 " 12,246 A	0	7,000	10,604**	101,033	41,968	1,331
Phila.	20,202	1,781 R	0	0	4,191	17,792	0	24
Cleve.	54,777	0	2,944	0	3,863	53,858	0	28
Richmond	27,313	411 "	1,240	0	1,967	26,997	0	13
Atlanta	28,673	60 "	1,995	0	2,576	28,152	0	1,493
Chicago	38,026	1,075 "	1,480	0	1,476	39,105	3,474	36
St. Louis	9,270	0	1,448	0	515	10,203	0	11
Minn.	21,201	0	913	0	1,333	20,781	0	7
Kan. City	10,454	0	0	0	2,830	7,624	0	10
Dallas	25,732	611 "	917	0	2,592	24,668	129	9
San Fran.	48,890	2,763 "	1,309	0	4,817	48,145	2,454	18
Totals	\$423,540	\$30,670	\$12,246	\$7,000	\$46,192	\$415,018	\$57,811	\$2,999

Bills held over night by New York for distribution to other F. R. Banks - - - 1,942
 Total - - - - - \$4,941

* Includes \$7,000,000 sold to Federal Reserve Bank of New York.

**Includes sale of \$1,800,000 to a foreign correspondent.

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

DECLASSIFIED
Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 5, 1928
(000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 5/8%	61-90 days 4 1/4 - 4 3/4%	Over 90-days 4 3/8 - 4 7/8%	<u>Total</u>
Boston	\$ 380	\$ 583	\$ 7,572	\$ 13	\$ 8,548
New York	3,589	3,192	7,783	857	15,421
Philadelphia	124	536	1,121	0	1,781
Richmond	0	100	311	0	411
Atlanta	60	0	0	0	60
Chicago	456	67	552	0	1,075
Dallas	25	75	202	309	611
San Francisco	233	629	1,697	204	2,763
Totals	<u>\$4,867</u>	<u>\$5,182</u>	<u>\$19,238</u>	<u>\$1,383</u>	<u>\$30,670</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 5, 1928
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 7,380	\$30,670	\$38,050
Sold	15,364	1,800	17,164
Matured	0	<u>37,392</u>	<u>37,392</u>
		\$ 8,522-	\$16,506-
		2,749- (Net Change	2,749- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 7,984-</u>	<u>\$11,271-</u>	<u>\$19,255-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>December 5, 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	\$ 38,176	0	0	0	\$39,108	\$149,498	\$226,782
Bills Purchased	<u>149,250</u>	<u>98,639</u>	<u>151,971</u>	<u>73,340</u>	<u>4,570</u>	<u>0</u>	<u>477,770</u>
Totals	<u>\$187,426</u>	<u>\$98,639</u>	<u>\$151,971</u>	<u>\$73,340</u>	<u>\$43,678</u>	<u>\$149,498</u>	<u>\$704,552</u>

DECLASSIFIED

Authority E.O. 12958

December 4, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of December 3rd, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from November 22, 1928 to November 28, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 4 1928
FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
DEC 4 1928

P E R S O N A L

December 3, 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 November 22, 1928 to November 28, 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.

DECLASSIFIED

Authority E.O. 12958

*Mr. [unclear] ✓
Rieflinger ✓
Callier ✓*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC - 4 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

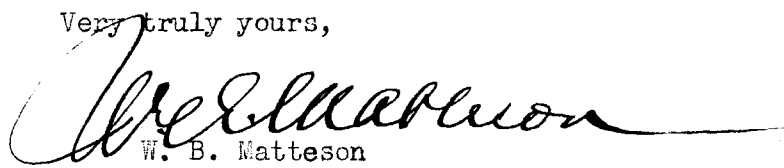
December 3, 1928

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 November 22, 1928 to November 28, 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓
Mr. Platt ✓

Mr. Hamlin ✓
Mr. Miller ✓

Mr. James ✓
Mr. Cunningham ✓

Mr. ~~McIntire~~ *Pole about*

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
DEC 4 1928
FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

December 3, 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 November 22, 1928 to November 28, 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 12/4/28

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 28, 1928

Holdings of Earning Assets of Federal Reserve Banks from September 28, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 21	1,514,555	204,670	21,385	419,667	64,497	799,946
" 28	1,706,255	204,638	24,644	431,230	51,113	990,240

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED NOVEMBER 28, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 28	Net Change	Balance Nov. 28	Net Change	Balance Nov. 28	Net Change
Boston	\$ 7,531	\$ 0	\$ 37,540	\$ 3,828+	\$ 62,184	\$ 8,863+
New York	25,022	0	101,462	7,971+	316,706	146,954+
Philadelphia	21,692	0	20,202	1,878-	75,806	5,753+
Cleveland	34,007	0	54,777	3,156+	94,485	14,532+
Richmond	3,664	0	27,313	650+	41,822	3,003+
Atlanta	4,975	8-	28,673	627+	60,734	2,961-
Chicago	33,644	0	38,026	1,891+	146,837	8,842+
St. Louis	21,216	0	9,270	418-	37,990	3,191-
Minneapolis	11,037	0	21,201	299-	14,073	78+
Kansas City	9,732	0	10,454	12,521-	47,083	956+
Dallas	14,744	23-	25,732	803+	19,488	770+
San Francisco	17,374	0	48,890	6,375+	73,032	6,695+
N.Y. holdovers and other bills			7,690	1,378+		
Totals	\$204,638	\$31-	\$431,230	\$11,563+	\$990,240	\$190,294+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 28, 1928

Total earning assets of the System showed an increase of \$191,700,000 for the current statement week. The approximate changes by classification consisted of increases of \$11,550,000 in outright purchases of bankers acceptances and \$190,300,000 in bills discounted, and a decrease of \$10,150,000 in investments held under sales contracts. The latter item consisted of an increase of \$3,250,000 in Government securities and a decrease of \$13,400,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

The call money market in New York was much firmer during the past calendar week, reflecting gold exports to Canada, an earmarking of gold for foreign account, large temporary earmarkings of gold certificates at the Reserve Bank (doubtless for the account of Canadian banks), and holiday and month-end withdrawals of currency (including gold certificates earmarked for a Canadian bank by a New York City member). These cash transactions, together with usual month-end credit requirements, were accompanied by substantial increases in Reserve Bank borrowing by the New York City banks as the week progressed. On Friday, their indebtedness was \$259,000,000, the largest since October 15, and for the period under review averaged \$209,000,000, or \$94,000,000 more than in the previous week. As to actual call loan rates, an opening and renewal rate of 6 1/2 per cent on Monday was advanced to 7 1/2 per cent before the end of the day; Tuesday's opening figure of 7 per cent was raised to 9 per cent; on Wednesday, all loans were placed at 8 per cent; and on Friday the last movement of the week's advance was a rise in the loaning rate to 10 per cent, after renewals had been arranged at 8 per cent.

The time money market was also firm but extremely dull during the week. Actual loans were for the most part for 30 and 90 days and were placed at 7 per cent.

The investment demand for commercial paper was again reported as active, but supplies of new paper showed no evidence of increasing. The selling range for prime names continued to be 5 1/4 - 5 1/2 per cent.

Government
Security
Market

Accompanying firmer money conditions there was very little demand in the market for United States Government securities (with the exception of the issues of short-term certificates maturing December 15, 1928 and March 15, 1929) and prices were fractionally lower than at the previous week's close.

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	99 21/32	- 6/32	Treas. 4s 1944-54	107 1/32	-19/32
1st 4 1/4s	100 12/32	-17/32	" 4 1/4s 1947-52	112 2/32	-18/32
4th 4 1/4s	100 26/32	- 6/32	" 3 3/4s 1946-56	104 12/32	-16/32
			" 3 3/8s 1943-47	99 5/32	-20/32
			" 3 3/8s 1940-43	99 4/32	-11/32

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

Issue	Price	Net Change	Approx. Yield
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 31/32	+1/32	4.22
4 % " " " " Dec. 15, 1928	100	+1/32	3.90
3 3/8% " " " " Mar. 15, 1929	99 26/32	+2/32	4.07
3 7/8% " " " " Mar. 15, 1929	99 30/32	+1/32	4.07
4 1/2% " " " " June 15, 1929	100 5/32	-2/32	4.20
4 3/4% " " " " Sept. 15, 1929	100 14/32	-3/32	4.17
3 1/2% Treasury Notes " Mar. 15, 1932	98	-4/32	4.15
3 1/2% " " " " Sept. 15, 1932	98	-3/32	4.08
3 1/2% " " " " Dec. 15, 1932	98	-3/32	4.04

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that there was very little change in the supply of new bills in its market during the past period which consisted mainly of 90-day maturities for which there was the least demand. As a result dealers continued to import bills from their offices in other cities to meet the demand for thirty and 180-day maturities which was good. Offerings to Reserve Bank were quite heavy and for the most part were for 90-day maturities, the different dealers being anxious to lighten their portfolios of these particular bills. In New York the supply and demand for bills increased substantially, with a moderate excess in the former. As a result of the substantial improvement in the demand for 90s for foreign account, a heavy demand from local banks for the shorter maturities and an increase in the shipment of bills by dealers to their out-of-town branches and correspondents, dealers' portfolios decreased moderately. Philadelphia reports that its acceptance market was less active than the previous week. Offerings were moderate with the demand generally poor. Chicago reports that the bill market in its district was very quiet during the past period. Dealers reported that there was practically no demand.

DECLASSIFIED

Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of sales of \$2,000,000 aggregate par amount 3 7/8% certificates of indebtedness due March 15, 1929 account Alien Property Custodian and \$120,000 par amount of the same issue account German Special Deposit Account, and purchases of \$10,000,000 aggregate par amount December 15, 1928 certificates of indebtedness for account Redemption.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions consummated in the System Account during the current statement week, the total holdings remaining at the close of business Wednesday, November 28, 1928, temporarily at \$83,488,300. 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	\$ 6,842,000	Dec. 15, 1928 - 3 1/4% C/I	\$13,187,500
New York	23,637,800	Mar. 15, 1929 - 3 3/8% "	11,450,000
Philadelphia	6,468,000	Mar. 15, 1929 - 3 7/8% "	15,550,000
Cleveland	7,524,000	Mar. 15, 1932 - 3 1/2% T/N	13,000,000*
Richmond	2,512,000	Dec. 15, 1932 - 3 1/2% "	30,300,800
Atlanta	2,300,000		
Chicago	13,717,000		
St. Louis	4,591,000		
Minneapolis	3,452,500		
Kansas City	0		
Dallas	4,756,500		
San Francisco	<u>7,687,500</u>		
Totals	<u>\$83,488,300</u>		<u>\$83,488,300</u>

*After the close of the statement week, the balance of \$8,000,000 Treasury notes left of the \$38,800,000 recently taken over in the System Account from a foreign correspondent was sold to the market for delivery on December 3, 1928, thereby completing this transaction and restoring the amount of total holdings in the Account to \$75,488,300.

DECLASSIFIED
 Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
 ALL FEDERAL RESERVE BANKS FROM NOVEMBER 22 TO NOVEMBER 28, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$185,450	Misc. Gov't Sec.	\$193,450	Misc. Gov't Sec.
Dallas	<u>2,000</u>	Fourth L/L bonds	<u>25,000</u>	Fourth L/L bonds
Totals	<u><u>\$187,450</u></u>		<u><u>\$218,450</u></u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> Nov. 21	<u>Purchased</u> Own Mkt.	<u>Rec'd By Allotment</u>		<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> Nov. 28	<u>Other Holdings</u> <u>Close Nov. 28/28</u>	
			<u>from</u> N. Y.	<u>& Kan. City</u> <u>Portfolios</u>			<u>Sales</u> Contracts	<u>Other</u> <u>Bills</u>
Boston	\$ 33,712	\$13,065 R	\$ 0	\$ 0	\$ 9,237*	\$ 37,540	\$11,630	\$ 19
New York	93,491	9,174 " "	0	4,508 KC	10,711**	101,462	35,490	1,232
		14,271 A		5,000 B				
Phila.	22,080	1,382 R	0	0	3,260	20,202	0	24
Cleve.	51,621	853 " "	3,277	1,554 KC	2,528	54,777	0	28
Richmond	26,663	479 " "	1,642	739 ""	2,210	27,313	0	13
Atlanta	28,046	17 " "	1,932	0	1,321	28,673	0	1,381
Chicago	36,135	1,125 " "	1,940	847 ""	2,021	38,026	2,693	36
XSt. Louis	9,688	0	0	0	419	9,270	0	11
Minn.	21,500	0	1,111	507 ""	1,917	21,201	0	7
Kan. City	22,975	0	0	0	12,521***	10,454	0	10
Dallas	24,929	592 " "	1,410	594 ""	1,793	25,732	0	9
San Fran.	42,515	5,906 " "	2,959	1,314 ""	3,804	48,890	1,300	18
Totals	<u>\$413,355</u>	<u>\$46,864</u>	<u>\$14,271</u>	<u>\$15,063</u>	<u>\$51,742</u>	<u>\$423,540</u>	<u>\$51,113</u>	<u>\$2,788</u>
Bills held over night for distribution to other F. R. Banks - - - - -							4,902	
Total - - - - -							<u><u>\$7,690</u></u>	

X The Federal Reserve Bank of St. Louis resumed participation in system purchases of bills on November 28, 1928.

*Includes \$5,000,000 sold to Federal Reserve Bank of New York.

**Includes \$1,800,000 sold to a foreign correspondent.

***Includes \$10,063,000 sold to other Federal Reserve Banks.

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

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING NOVEMBER 28, 1928
 (000 Omitted)

	1-30 days <u>4 1/4 - 4 3/4%</u>	31-60 days <u>4 1/4 - 4 5/8%</u>	61-90 days <u>4 1/4 - 4 3/4%</u>	Over 90-days <u>4 3/8 - 5 1/8%</u>	<u>Total</u>
Boston	\$1,077	\$ 997	\$10,938	\$ 53	\$13,065
New York	4,333	5,641	12,550	921	23,445
Philadelphia	33	77	1,272	0	1,382
Cleveland	0	128	725	0	853
Richmond	169	0	310	0	479
Atlanta	0	0	17	0	17
Chicago	378	205	542	0	1,125
Dallas	10	232	252	98	592
San Francisco	335	1,373	3,574	624	5,906
Totals	<u>\$6,335</u>	<u>\$8,653</u>	<u>\$30,180</u>	<u>\$1,696</u>	<u>\$46,864</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 28, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$187	\$46,864	\$47,051
Sold	218	1,800	2,018
Matured	0	34,879	34,879
		\$10,185+	\$10,154+
		1,378+ (Net Change	1,378+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 31-</u>	<u>\$11,563+</u>	<u>\$11,532+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>November 28, 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	\$ 24,644	\$ 13,950	0	0	\$34,781	\$155,907	\$229,282
Bills Purchased	139,415	91,570	154,218	93,194	3,946	0	482,343
Totals	<u>\$164,059</u>	<u>\$105,520</u>	<u>\$154,218</u>	<u>\$93,194</u>	<u>\$38,727</u>	<u>\$155,907</u>	<u>\$711,625</u>

DECLASSIFIED

Authority E.O. 12958

November 27, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 26th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from November 15, 1928 to November 21, 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.

DECLASSIFIED
Authority E.O. 12958

Mr. [unclear]
Riefler
Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV 27 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

November 26, 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 November 15, 1928 to November 21, 1928 inclusive, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV 27 1928
FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L

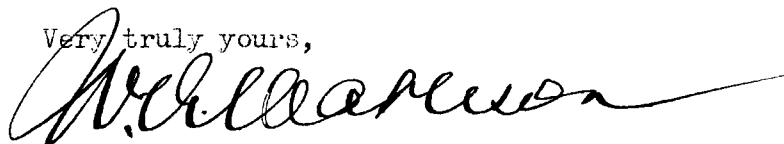
November 26, 1928

NOV 28 1928
N.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 November 15, 1928 to November 21, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK
FOR SPECIAL CIRCULATION

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

RECEIVED
NOV 27 1928
FEDERAL RESERVE BANK OF NEW YORK

CONFIDENTIAL

November 26, 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 November 15, 1928 to November 21, 1928 inclusive, 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

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

Encl.

See letter 11/27/28

DECLASSIFIED
Authority E.O. 12958

CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 21, 1928****Holdings of Earning Assets of Federal Reserve Banks from September 28, 1927 to date**
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
		Purchases	Contracts	Purchases	Contracts	
-1927-						
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	434,217	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 14	1,558,133	196,670	25,669	401,122	73,278	857,539
Nov. 21	1,514,555	204,670	21,385	419,667	64,497	799,946

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED NOVEMBER 21, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Nov. 21	Change	Nov. 21	Change	Nov. 21	Change
Boston	\$ 7,531	\$ 643+	\$ 33,712	\$ 1,637-	\$ 53,321	\$ 2,596+
New York	25,022	2,265+	93,491	9,763+	169,752	24,645-
Philadelphia	21,692	620+	22,080	823-	70,053	19,333-
Cleveland	34,007	721+	51,621	1,788+	79,953	13,210-
Richmond	3,664	240+	26,663	1,750+	38,819	5,562-
Atlanta	4,983	207+	28,046	1,667+	63,695	4,098-
Chicago	33,644	1,314+	36,135	3,921+	137,995	12,366+
St. Louis	21,216	440+	9,688	293-	41,181	6,510-
Minneapolis	11,037	331+	21,500	1,078+	13,995	4,265-
Kansas City	9,732	0	22,975	1,529-	46,127	5,184+
Dallas	14,767	579+	24,929	1,643+	18,718	385-
San Francisco	17,375	638+	42,515	3,840+	66,337	269+
N.Y. holdovers and other bills			6,312	2,623-		
Totals	\$204,670	\$7,998+	\$419,667	\$18,545+	\$799,946	\$57,593-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 21, 1928

Total earning assets of the System showed a decrease of \$43,600,000 for the current statement week. The approximate changes by classification consisted of increases of \$8,000,000 and \$18,550,000 respectively in outright purchases of Government securities and bankers acceptances, and decreases of \$57,600,000 in bills discounted and \$13,100,000 in investments held under sales contracts. The latter decrease consisted of \$4,300,000 in Government securities and \$8,800,000 in bankers acceptances.

Money Market

Call money in New York was steady throughout the calendar week at the 6 1/2 per cent rate established on the previous Thursday afternoon, notwithstanding the fact that the average borrowings of the New York City banks at the Reserve Bank during the period were only \$115,000,000, as compared with \$149,000,000 in the previous week. Demand for new call loans was active, and on no day was there any material surplus of offerings on the Exchange. The decline in member bank borrowings accompanied large payments into the market by foreign account of the proceeds of securities taken over temporarily by the System, a gain which was only partly offset by outgoing transfers of commercial funds and losses through gold operations, including an earmarking of gold for foreign account.

The time money market was quiet during the week with the rate tendency rather firm. On some days, 30-day money was not obtainable below 7 per cent; 90-day loans were practically all arranged at 7 per cent; and longer maturities up to 6 months were placed at 6 3/4 and 6 7/8 per cent.

Bank investment demand for commercial paper continued active during the week and was somewhat in excess of available supplies of new paper. The range for prime names remained 5 1/4 - 5 1/2 per cent.

Government Security Market

The market for United States Government Liberty Loan and Treasury bonds was subject to a lighter volume of trading this week than last with price movements somewhat mixed, while the market for the short-term certificates of indebtedness and Treasury notes was subject to some large size selling orders which resulted in the loss of a large portion of the fractional gains made in prices during the previous week.

Closing prices on the New York Stock Exchange on Saturday November 24, 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 27/32	+7/32	Treas. 4s 1944-54	107 20/32	+ 3/32
1st 4 1/4s	100 29/32	-1/32	" 4 1/4s 1947-52	112 20/32	- 4/32
4th 4 1/4s	101	-1/32	" 3 3/4s 1946-56	104 28/32	+ 4/32
			" 3 3/8s 1943-47	99 25/32	+11/32
			" 3 3/8s 1940-43	99 15/32	+ 1/32

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 30/32	- - -	4.44
4 % " " " Dec. 15, 1928	99 31/32	-1/32	4.53
3 3/8% " " " Mar. 15, 1929	99 24/32	-3/32	4.19
3 7/8% " " " Mar. 15, 1929	99 29/32	-3/32	4.16
4 1/2% " " " June 15, 1929	100 7/32	-4/32	4.09
4 3/4% " " " Sept. 15, 1929	100 17/32	-5/32	4.06
3 1/2% Treasury Notes " Mar. 15, 1932	98 4/32	-2/32	4.10
3 1/2% " " " Sept. 15, 1932	98 3/32	-3/32	4.04
3 1/2% " " " Dec. 15, 1932	98 3/32	-3/32	4.02

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that the supply of new bills during the past week showed some increase over the previous week, but was inadequate to fill the demand as most of the new bills were for ninety days, whereas the best demand was for the thirty and 180-day maturities. As in the past several weeks this condition made it necessary for dealers to import bills from their offices in other cities in order to obtain the desired maturities. Offerings to the Reserve Bank were fairly heavy and were mostly from the larger local banks. There was very little out-of-town interest. In New York the supply and demand for bills was good and about equal. Dealers' sales consisted mainly of orders for nineties for foreign account. Local buying was moderate. Heavy shipments were made by New York dealers to their out-of-town branches and correspondents. As a net result of these operations, dealers' portfolios here decreased moderately.

Philadelphia reports that its bill market was only moderately active. Dealers reported there was a further decline in the amount of new bills in the market. Offerings decreased slightly with the demand spotty. Chicago reports that there was very little demand for bills during the past week in its district.

DECLASSIFIED

Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of sales of \$300,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 account German Special Deposit Account, and \$2,000,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week a block of \$38,800,000 - 3 1/2% Treasury Notes due March 15, 1930-32 was taken over from a foreign correspondent and held temporarily in the System Account. Up to the close of the statement week sales were made to the market of \$25,800,000 of these notes and \$5,000,000 3 1/2% Treasury Notes due December 15, 1930-32, leaving a balance of \$8,000,000 still to be disposed of. These transactions left the total holdings in the Account at the close of business Wednesday, November 21, 1928, temporarily at \$83,488,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,842,000
New York	23,637,800
Philadelphia	6,468,000
Cleveland	7,524,000
Richmond	2,512,000
Atlanta	2,300,000
Chicago	13,717,000
St. Louis	4,591,000
Minneapolis	3,452,500
Kansas City	-0-
Dallas	4,756,500
San Francisco	<u>7,687,500</u>
Totals	\$83,488,300

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1928 - 3 1/4% C/I	\$13,187,500
Mar. 15, 1929 - 3 3/8% "	11,450,000
Mar. 15, 1929 - 3 7/8% "	15,550,000
Mar. 15, 1932 - 3 1/2% T/N	13,000,000
Dec. 15, 1932 - 3 1/2% "	30,300,800

\$83,488,300

DECLASSIFIED

Authority E.O. 12958

5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM NOVEMBER 15 TO NOVEMBER 21, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>
Boston	\$ 3,179,500	\$ 2,524,000	\$ 655,500
New York	10,985,500	8,720,500	2,265,000
Philadelphia	3,006,000	2,386,000	620,000
Cleveland	3,496,500	2,775,500	721,000
Richmond	1,167,000	926,500	240,500
Atlanta	1,069,000	849,000	220,000
Chicago	6,375,000	5,060,500	1,314,500
St. Louis	2,134,000	1,694,000	440,000
Minneapolis	1,604,500	1,273,500	331,000
Kansas City	0	0	0
Dallas	2,210,500	1,754,500	456,000
San Francisco	3,572,500	2,836,000	736,500
Totals	<u>\$38,800,000</u>	<u>\$30,800,000</u>	<u>\$8,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 12,200	Fourth L/L bonds
Atlanta	156,350	Misc. Gov't Sec.	168,900	Misc. Gov't Sec.
Dallas	25,000	Fourth L/L bonds	2,000	Fourth L/L bonds
San Francisco	1,850	Misc. Gov't Sec.	0	-
Totals	<u>\$183,200</u>		<u>\$183,100</u>	

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Nov. 14	Purchased Own Mkt.	Rec'd By Allotment		Matur- ities & Sales	Holdings Nov. 21	Other Holdings Close of Nov. 21/28		
			Regular from N.Y.	From Boston Port.			Sales Contracts	Other Bills	
Boston	\$ 35,349	\$ 8,051 R.	0	0	\$ 9,688*	\$ 33,712	\$13,531	\$ 19	
New York	83,728	11,973 " 20,304 A.	0	5,000	7,210**	93,491	44,705	1,243	
Phila.	22,903	309 R.	0	0	1,132	22,080	0	24	
Cleve.	49,833	0	5,519	0	3,731	51,621	0	28	
Richmond	24,913	50 "	2,726	0	1,026	26,663	0	13	
Atlanta	26,379	0	3,253	0	1,586	28,046	0	1,369	
Chicago	32,214	1,424 "	3,268	0	771	36,135	3,723	36	
St. Louis	9,981	0	0	0	293	9,688	0	11	
Minn.	20,422	0	1,925	0	847	21,500	0	7	
Kan. City	24,504	0	0	0	1,529	22,975	0	10	
Dallas	23,286	972 "	2,318	0	1,647	24,929	0	9	
San Fran.	38,675	4,364 "	1,295	2,000	3,819	42,515	2,538	18	
Totals	\$392,187	\$47,447	\$20,304	\$7,000	\$33,279	\$413,355	\$64,497	\$2,787	
Bills held overnight by New York for distribution to other F.R. Bks.							- - -	3,525	
Total							- - -	- - -	\$6,312

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

** Includes sale of \$1,800,000 to a foreign correspondent.

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

DECLASSIFIED

Authority E.O. 12958

November 21, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 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 November 8, 1928 to November 14, 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.

DECLASSIFIED
Authority **E.O. 12958**

*Mr. [unclear]
Rieff
Collection*

**FEDERAL RESERVE BANK
OF NEW YORK**

CONFIDENTIAL

November 20, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 November 8, 1928 to November 14, 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.

DECLASSIFIED

Authority E.O. 12958

RECEIVED
NOV 21 1928
FEDERAL RESERVE BANK
NEW YORK
GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

November 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 November 8, 1928 to November 14, 1928 inclusive, 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

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

Encl.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ CAREFULLY, INITIAL AND RETURN TO SECRETARY'S OFFICE

✓ Gov. Young
✓ Mr. Platt

Mr. Hamilton ✓
Mr. Miller ✓

Mr. James ✓
Mr. Cunningham ✓

Mr. Tolson ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
NOV 21 1928
FEDERAL RESERVE

CONFIDENTIAL

November 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 November 8, 1928 to November 14, 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 11/21/38

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 14, 1928

Holdings of Earning Assets of Federal Reserve Banks from September 28, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 7	1,632,447	197,073	25,609	379,481	69,164	957,390
" 14	1,558,133	196,670	25,669	401,122	73,278	857,539

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED NOVEMBER 14, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 14	Net Change	Balance Nov. 14	Net Change	Balance Nov. 14	Net Change
Boston	\$ 6,888	\$ 0	\$ 35,349	\$ 8,611+	\$ 50,725	\$18,251+
New York	22,757	0	83,728	6,628+	194,397	100,125-
Philadelphia	21,072	0	22,903	1,357+	89,386	9,537+
Cleveland	33,286	0	49,833	4,088+	93,163	9,078+
Richmond	3,424	0	24,913	824+	44,381	1,611+
Atlanta	4,776	403-	26,379	1,178+	67,793	4,256-
Chicago	32,330	0	32,214	1,177+	125,629	26,947-
St. Louis	20,776	0	9,981	1,650-	47,691	4,606+
Minneapolis	10,706	0	20,422	680+	18,260	3,664+
Kansas City	9,732	0	24,504	1,894-	40,943	248-
Dallas	14,288	0	23,286	820+	19,103	5,331-
San Francisco	16,635	0	38,675	221+	66,068	9,691-
N.Y. holdovers and other bills			8,935	399-		
Totals	\$196,670	\$403-	\$401,122	\$21,641+	\$857,539	\$99,851-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 14, 1928.

Total earning assets of the System showed a decrease of \$74,314,000 for the current statement week. The approximate changes by classification consisted of decreases of \$400,000 in outright purchases of Government securities, \$99,850,000 in bills discounted, and increases of \$21,650,000 in outright purchases of bankers acceptances, and \$4,150,000 in investments held under sales contracts. The latter increase consisted of \$50,000 in Government securities and \$4,100,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

The New York call money market was relatively easy during the past calendar week. After renewing at 6 1/2 per cent on Monday, the call loan rate dropped to 6 per cent, at which level the quotation remained until Thursday afternoon, when there was a return to 6 1/2 per cent, a rate that was also maintained on Friday. Throughout the period, there was a strong demand for new call loans, but sufficient funds were attracted by the prevailing rates to satisfy all requirements. The flow of commercial funds was in favor of this market, taking the whole week into consideration, and these gains were supplemented by gold imports and Federal Reserve bill purchases; accordingly, the borrowings of the New York City banks on Friday were about \$25,000,000 lower than a week earlier, and for the entire week averaged \$149,000,000, or \$42,000,000 smaller than in the preceding period.

The rate for short-term time money strengthened as the week progressed. Thirty day loans were arranged at 6 7/8 and 7 per cent in the first part of the week, but at the close this maturity was not obtainable below 7 per cent. Ninety day money held at 7 per cent, but six months' money was available at all times at 6 3/4 per cent. In general, there was not much activity in the market for time funds.

In the commercial paper market, the selling range for prime names declined to 5 1/4 - 5 1/2 per cent. This easing was the result of an active interior bank demand for paper coupled with exceedingly narrow supplies of new paper.

Government
Security
Market

The market for United States Government securities was quite active with the long-term bonds firm and the short-term issues, especially the certificates of indebtedness due next March, June and September, in very good demand. Dealers' offering prices for the outstanding issues of certificates of indebtedness, with the exception of the 3 1/4 per cent certificates due December 15, 1928, were at levels to yield less than 4 per cent, the lowest yield since last summer.

Closing prices on the New York Stock Exchange on Saturday
November 17, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	99 20/32	+4/32	Treas. 4s 1944-54	107 17/32	-4/32
1st 4 1/4s	100 30/32	+1/32	" 4 1/4s 1947-52	112 24/32	-2/32
4th 4 1/4s	101 1/32	- - -	" 3 3/4s 1946-56	104 24/32	-3/32
			" 3 3/8s 1943-47	99 14/32	-6/32
			" 3 3/8s 1940-43	99 14/32	+1/32

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

Issue	Price	Net Change	Approx. Yield
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 30/32	+1/32	4.11
4s " " " Dec. 15, 1928	100	+1/32	3.93
3 3/8% " " " Mar. 15, 1929	99 27/32	+6/32	3.85
3 7/8% " " " Mar. 15, 1929	100	+6/32	3.85
4 1/2% " " " June 15, 1929	100 11/32	+6/32	3.88
4 3/4% " " " Sept. 15, 1929	100 22/32	+4/32	3.88
3 1/2% Treasury Notes " Mar. 15, 1932	98 6/32	+3/32	4.08
3 1/2% " " " Sept. 15, 1932	98 6/32	+4/32	4.01
3 1/2% " " " Dec. 15, 1932	98 6/32	+4/32	3.98

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that the supply of bills during the past week showed a slight falling off from the previous week, and dealers were obliged to import bills from their offices in other cities to obtain the maturities in demand. There was a rather narrow distribution of bills although sales by dealers increased nearly \$6,000,000 over the previous week. Most of these sales were to a few of the large local institutions. Offerings to Reserve Bank by dealers were small, but member banks' offerings were in quite large quantities. In New York the bill market was less active. The supply of bills continued in moderate volume and was slightly in excess of the demand which decreased substantially. Dealers' sales consisted chiefly of moderate orders for nineties for foreign account. Local buying was light. Dealers' portfolios increased slightly.

Philadelphia reports that its bill market was not as active as the previous week. Offerings were moderate with the demand fair. Dealers reported portfolios slightly decreased with only a fair amount of new bills coming out. Chicago reports that the bill market in its district was very quiet and dealers accumulated fairly large portfolios.

DECLASSIFIED

Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of sales of \$2,500,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian, \$325,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account German Special Deposit Account, and a purchase of \$1,000,000 par amount 3 1/2% Treasury notes due March 15, 1930-32 for account Government Life Insurance Fund.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions effected in the Special Investment Account during the current statement week other than the exchange of \$6,000,000 - 3 1/2% Treasury notes due 1930-32 for a like amount of the shorter term certificates due December 15, 1928 and March 15, 1929, as mentioned in last week's report. This exchange did not affect the amount of total holdings in the Account which remained at the close of the statement week Wednesday, November 14, 1928, 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	✓ 6,186,500	Dec. 15, 1928 - 3 1/4% C/I	\$13,187,500
New York	21,372,800	Mar. 15, 1929 - 3 3/8% "	11,450,000
Philadelphia	5,848,000	Mar. 15, 1929 - 3 7/8% "	15,550,000
Cleveland	6,803,000	Dec. 15, 1932 - 3 1/2% T/N	35,300,800
Richmond	2,271,500		
Atlanta	2,080,000		
Chicago	12,402,500		
St. Louis	4,151,000		
Minneapolis	3,121,500		
Kansas City	-0-		
Dallas	4,300,500		
San Francisco	6,951,000		
Totals	\$75,488,300		\$75,488,300

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM NOVEMBER 8 TO NOVEMBER 14, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 491,500	\$ 491,500
New York	1,698,500	1,698,500
Philadelphia	465,000	465,000
Cleveland	540,500	540,500
Richmond	180,500	180,500
Atlanta	165,500	165,500
Chicago	986,000	986,000
St. Louis	330,000	330,000
Minneapolis	248,000	248,000
Kansas City	0	0
Dallas	342,000	342,000
San Francisco	552,500	552,500
Totals	<u>\$6,000,000</u>	<u>\$6,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$157,750	Misc. Gov't Sec.	\$560,950	Misc. Gov't Sec.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Nov. 7</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>By Allot-</u> <u>ment from</u> <u>N. Y.</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>Nov. 14</u>	<u>Other Holdings</u> <u>Close Nov. 14, 1928</u>	
						<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 26,738	\$10,282 R	\$ 0	\$ 1,671	\$ 35,349	\$13,490	\$ 19
New York	77,100	12,011 "	0	5,383	83,728	51,665	1,255
		14,194 A					
Phila.	21,546	1,999 R	0	642	22,903	0	24
Cleve.	45,745	1,418 "	4,049	1,379	49,833	0	28
Richmond	24,089	0	1,977	1,153	24,913	0	13
Atlanta	25,201	17 "	2,482	1,321	26,379	0	1,383
Chicago	31,037	411 "	2,390	1,624	32,214	4,351	36
St. Louis	11,631	0	0	1,650	9,981	0	11
Minn.	19,742	0	1,583	903	20,422	0	7
Kan. City	26,398	0	0	1,894	24,504	0	10
Dallas	22,466	107 "	1,713	1,000	23,286	0	9
San Fran.	38,454	3,515 "	0	3,294	38,675	3,772	18
Totals	\$370,147	\$43,954	\$14,194	\$21,914	\$392,187	\$73,278	\$2,813

Bills held over night by New York for distribution to other F.R. Banks - 6,122
Total - - - - - 78,935

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

DECLASSIFIED

Authority E.O. 12958

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING NOVEMBER 14, 1928
(000 Omitted)

	<u>1-30 days</u> <u>4 1/4 - 4 5/8%</u>	<u>31-60 days</u> <u>4 1/4 - 4 5/8%</u>	<u>61-90 days</u> <u>4 1/4 - 4 5/8%</u>	<u>Over 90-days</u> <u>4 3/8 - 4 5/8%</u>	<u>Total</u>
Boston	\$ 2,525	\$2,864	\$ 4,882	\$ 11	\$10,282
New York	7,367	3,280	14,873	685	26,205
Philadelphia	456	447	1,096	0	1,999
Cleveland	0	14	1,404	0	1,418
Atlanta	0	0	17	0	17
Chicago	152	239	20	0	411
Dallas	0	26	16	65	107
San Francisco	<u>183</u>	<u>655</u>	<u>2,625</u>	<u>52</u>	<u>3,515</u>
Totals	<u>\$10,683</u>	<u>\$7,525</u>	<u>\$24,933</u>	<u>\$813</u>	<u>\$43,954</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 14, 1928
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$6,158	\$43,954	\$50,112
Sold	6,561	0	6,561
Matured	0	<u>21,914</u>	<u>21,914</u>
		\$22,040+	\$21,637+
		399- (Net Change	399- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$403-</u>	<u>\$21,641+</u>	<u>\$21,238+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>November 14, 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	\$ 25,669	0	\$ 13,953	0	\$34,794	\$147,923	\$222,339
Bills Purchased	<u>130,469</u>	<u>86,944</u>	<u>159,494</u>	<u>93,505</u>	<u>3,988</u>	<u>0</u>	<u>474,400</u>
Totals	<u>\$156,138</u>	<u>\$86,944</u>	<u>\$173,447</u>	<u>\$93,505</u>	<u>\$38,782</u>	<u>\$147,923</u>	<u>\$696,739</u>

DECLASSIFIED

Authority E.O. 12958

November 17, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of November 12th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from November 1, 1928 to November 7, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV 13 1928
OFFICE OF THE GOVERNOR

PERSONAL

November 12, 1928

NOV 27 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 November 1, 1928 to November 7, 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.

DECLASSIFIED
Authority E.O. 12958

Matteson
Riefler
Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV 13 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

November 12, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 November 1, 1928 to November 7, 1928 inclusive, 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.

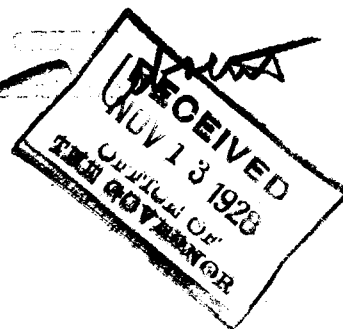
DECLASSIFIED

Authority E.O. 12958

FOR OFFICIAL USE ONLY

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

November 12, 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 November 1, 1928 to November 7, 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.

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 7, 1928

Holdings of Earning Assets of Federal Reserve Banks from September 28, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
Nov. 7	1,632,447	197,073	25,609	379,481	69,164	957,390

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED NOVEMBER 7, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 7	Net Change	Balance Nov. 7	Net Change	Balance Nov. 7	Net Change
Boston	\$ 6,888	\$ 0	\$ 26,738	\$ 841-	\$ 32,474	\$ 352-
New York	22,757	3,500-	77,100	3,910+	294,522	33,061+
Philadelphia	21,072	0	21,546	899+	79,849	6,269-
Cleveland	33,286	0	45,745	4,242+	84,085	12,955+
Richmond	3,424	0	24,089	3,104+	42,770	1,845-
Atlanta	5,179	103+	25,201	1,218+	72,049	4,137-
Chicago	32,330	0	31,037	2,911+	152,576	15,455-
St. Louis	20,776	0	11,631	276-	43,085	4,308-
Minneapolis	10,706	0	19,742	731+	14,596	953+
Kansas City	9,732	0	26,398	1,500+	41,191	3,113+
Dallas	14,288	0	22,466	1,283+	24,434	1,960+
San Francisco	16,635	0	38,454	1,607+	75,759	5,443+
N.Y. holdovers and other bills			9,334	2,714+		
Totals	\$197,073	\$3,397-	\$379,481	\$23,002+	\$957,390	\$25,119+

COMMENT ON CHANGES WEEK ENDED NOVEMBER 7, 1928.

Total earning assets of the System showed an increase of \$28,971,000 for the current statement week. The approximate changes by classification consisted of increases of \$23,000,000 in outright purchases of bankers acceptances, and \$25,100,000 in bills discounted, and decreases of \$3,400,000 in outright purchases of Government securities, and \$15,750,000 in investments held under sales contracts. The latter item consisted of \$1,000,000 in Government securities and \$14,750,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

Money
Market

Call money in the first part of the calendar week continued the easing that usually occurs with the passing of the first of the month requirements. The new loan rate on Monday dropped to 6 per cent, after renewals had been arranged at 7 per cent; and, following the Tuesday holiday, the renewal rate continued at 6 per cent for two days. On Thursday, however, the new loan rate rose to 6 1/2 per cent and on Friday to 7 per cent with renewals at 6 1/2 per cent. For the week as a whole, there was a distinct outward movement of commercial funds to other centers which exceeded gains to the market through gold imports and reduced currency requirements. The bill and security operations during the week at the Reserve Bank virtually balanced, in contrast to the substantial gains of funds to the money market in recent weeks, and consequently the borrowings of the New York City banks were larger than in the previous week, averaging \$191,000,000, an increase of \$35,000,000.

The time money market was generally dull. Demand was chiefly for loans of 30 day maturity which were placed at declining rates, ranging from 7 per cent early in the week to 6 3/4 per cent later in the period. A small amount of 90-day money was placed at 7 per cent. At the end of the week, nominal quotations of 6 7/8 per cent bid, offered at 7 per cent for 60 and 90 day money, and of 6 3/4 per cent bid, offered at 6 7/8 per cent for 4 to 6 month loans were a trifle higher than on the previous Friday. As trading in anything but short money was extremely narrow, the aforementioned quotations do not indicate any material change in conditions in the time money market.

The tone of the commercial paper market was easier during the week; an increasing amount of prime names moved at 5 1/4 per cent, although the prevailing rate continued to be 5 1/2 per cent. Bank investment demand was reported to be active, but the lack of new material continued to act as a deterrent to a larger sales volume.

Government
Security
Market

The market for United States Government securities continued firm. While the volume of trading in United States Liberty Loan and Treasury bonds was not as large as in the past several weeks, there was a fairly large volume of trading reported in the market for the short-term Treasury certificates of indebtedness and Treasury notes. The demand was best for the outstanding issues of Treasury certificates of indebtedness.

Closing prices on the New York Stock Exchange on Saturday
November 10, 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 16/32	+13/32	Treas. 4s 1944-54	107 21/32	-1/32
1st 4 1/4s	100 29/32	- 3/32	" 4 1/4s 1947-52	112 26/32	+4/32
4th 4 1/4s	101 1/32	- 2/32	" 3 3/4s 1946-56	104 27/32	+3/32
			" 3 3/8s 1943-47	99 20/32	+3/32
			" 3 3/8s 1940-43	99 13/32	-1/32

DECLASSIFIED

Authority E.O. 12958

3

Dealers' offering prices at the end of the calendar week and net changes 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 29/32	+1/32
4 %	" " " " Dec. 15, 1928	99 31/32	- - -
3 3/8%	" " " " Mar. 15, 1929	99 21/32	+3/32
3 7/8%	" " " " Mar. 15, 1929	99 26/32	+2/32
4 1/2%	" " " " June 15, 1929	100 5/32	+3/32
4 3/4%	" " " " Sept. 15, 1929	100 18/32	+2/32
3 1/2%	Treasury Notes " Mar. 15, 1932	98 3/32	- - -
3 1/2%	" " " " Sept. & Dec. 15, 1932	98 2/32	- - -

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180s.

Boston reports that the supply of bills in its district was fairly large, while there was a decided falling off in the demand. The best demand was for the shorter maturities as a result of which dealers were obliged to carry most of the new bills they bought which were for the most part ninety days and over, increasing their portfolios to nearly \$18,000,000. Offerings to Reserve Bank were moderate. In New York the supply of bills decreased about 30 per cent as compared with the previous week, the volume being the lightest since the beginning of September. The demand, while not as heavy as last week, was very good and considerably in excess of the supply.

Dealers' sales consisted mainly of sixties and nineties for foreign account. Buying by local banks for their own account of the shorter maturities was good. Dealers' portfolios decreased substantially.

Philadelphia reports that its bill market was more active during the past week. There was an improvement in the demand for bills from both city and out-of-town banks. Offerings continued heavy.

Chicago reports that the bill market quieted down somewhat in its district during the past week. Dealers carried fairly large amounts with very little demand.

DECLASSIFIED
 Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of sales of \$5,500,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, for account of the Alien Property Custodian, and \$500,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, for account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week an exchange was effected in the Account of \$1,200,000 par amount 3 1/2% Treasury Notes due December 15, 1930-32, for a like amount of 3 1/4% certificates of indebtedness due December 15, 1928. This exchange did not affect the total holdings in the Account which remained at the close of business November 7, 1928, at \$75,488,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 6,186,500	Dec. 15, 1928 - 3 1/4% C/I	\$10,187,500
New York	21,372,800	Mar. 15, 1929 - 3 3/8% "	11,450,000
Philadelphia	5,848,000	Mar. 15, 1929 - 3 7/8% "	12,550,000
Cleveland	6,803,000	Sept. 15, 1932 - 3 1/2% T/N	5,000,000
Richmond	2,271,500	Dec. 15, 1932 - 3 1/2% "	36,300,800
Atlanta	2,080,000		
Chicago	12,402,500		
St. Louis	4,151,000		
Minneapolis	3,121,500		
Kansas City	0		
Dallas	4,300,500		
San Francisco	<u>6,951,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

Subsequent to November 7, \$6,000,000 of the 3 1/2% Treasury Notes due 1930-32 were exchanged for a like amount of the shorter term certificates due December 1928 and March 1929.

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING NOVEMBER 7, 1928.
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 to 4 5/8%	61-90 days 4 1/4 - 4 3/4%	Over 90-days 4 3/8 - 4 5/8%	Totals
Boston	\$ 1,358	\$ 950	\$ 2,143	\$ 93	\$ 4,544
New York	8,060	4,738	17,905	183	30,886
Philadelphia	1,022	243	1,078	0	2,343
Cleveland	0	454	0	0	454
Richmond	89	742	1,107	0	1,938
Chicago	220	9	0	0	229
Dallas	100	118	35	51	304
San Francisco	528	1,708	2,396	131	4,763
Totals	\$11,377	\$8,962	\$24,664	\$458	\$45,461

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING NOVEMBER 7, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$1,602	\$45,461	\$47,063
Sold	4,999	0	4,999
Matured	0	25,173	25,173
		\$20,288+	\$16,891+
		2,714+ (Net Change 1-day holdover and other bills)	2,714+ (Net Change 1-day holdover and other bills)
Totals	\$3,397-	\$23,002+	\$19,605+

(Including Sales Contracts)

<u>Holdings November 7, 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	\$ 25,609	0	\$ 10,960	0	\$32,109	\$154,004	\$222,682
Bills Purchased	119,823	68,415	155,617	100,987	3,803	0	448,645
Totals	\$145,432	\$68,415	\$166,577	\$100,987	\$35,912	\$154,004	\$671,327

DECLASSIFIED
Authority E.O. 12958

November 6, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 5th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your committee for the period from October 25, 1928 to October 31, 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.

DECLASSIFIED
Authority **E.O. 12958**

**FEDERAL RESERVE BANK
OF NEW YORK**

RECEIVED
NOV 6 1928
GOVERNOR

NOV 6 1928
R. A. Y.

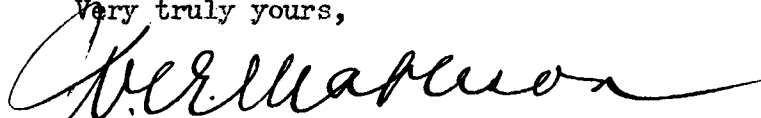
PERSONAL

November 5, 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 October 25, 1928 to October 31, 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.

DECLASSIFIED
Authority E.O. 12958

Mr. Amos L. Riefler
Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
NOV - 9 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

November 5, 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 October 25, 1928 to October 31, 1928 inclusive, 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.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

FRASER & NEAVE, INC. AND BOARD OF SECRETARIES SECTION

Mr. Young ✓

Mr. Harkin ✓

Mr. Jones ✓

Mr. Hoover ✓

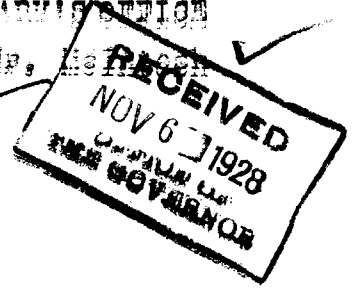
Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

November 5, 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 October 25, 1928 to October 31, 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.

DECLASSIFIED

Authority E.O. 12958CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 31, 1928

Holdings of Earning Assets of Federal Reserve Banks from September 28, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 24	1,548,182	206,612	24,435	329,852	71,626	911,927
Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 31, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 31	Change	Oct. 31	Change	Oct. 31	Change
Boston	\$ 6,888	\$ 0	\$ 27,579	\$ 3,884-	\$ 32,826	\$ 173-
New York	26,257	5,500-	73,190	13,802+	261,461	14,208+
Philadelphia	21,072	0	20,647	1,540+	86,118	7,652+
Cleveland	33,286	565-	41,503	3,884+	71,130	5,896-
Richmond	3,424	0	20,985	1,886+	44,615	2,021-
Atlanta	5,076	77-	23,983	3,703+	76,186	689-
Chicago	32,330	0	28,126	1,499+	168,031	24,514+
St. Louis	20,778	0	11,907	2,453+	47,393	530+
Minneapolis	10,706	0	19,011	2,496+	13,643	6,918-
Kansas City	9,732	0	24,898	2,101+	38,078	1,354-
Dallas	14,288	0	21,183	1,046+	22,474	2,366-
San Francisco	16,635	0	36,847	566+	70,316	7,143-
N.Y. holdovers and other bills			6,620	4,465-		
Totals	\$200,470	\$6,142-	\$356,479	\$26,627+	\$932,271	\$20,344+

COMMENT ON CHANGES WEEK ENDED OCTOBER 31, 1928

Total earning assets of the System showed an increase of \$55,294,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$6,150,000 in outright purchases of Government securities and increases of \$26,650,000 in outright purchases of bankers acceptances, \$20,350,000 in bills discounted and \$14,450,000 in investments held under sales contracts. The latter item consisted of \$2,200,000 in Government securities and \$12,250,000 in bankers acceptances.

DECLASSIFIED
 Authority E.O. 12958

Money Market

Conditions in the New York call money market continued firm during the past calendar week due in part to the usual first of the month requirements for funds and also to further demands being made on the New York City banks for stock exchange loans. The call loan renewal rate was 7 1/2 per cent throughout the week, as compared with an average renewal rate of 6 1/2 per cent in the previous week. On Friday, the New York City banks were entrenched in a favorable average reserve position, and a decline in the new loan rate to 7 per cent on the Exchange and to 6 1/2 per cent in the outside market gave evidence of the passage of the first of the month stringency. Offerings of bills to the Reserve Bank continued to exceed maturities by a substantial amount, and the borrowings of the New York City banks averaged less than in the previous week; their average amount of indebtedness was \$156,000,000, a decrease of \$21,000,000 from the previous week.

The time money market was dull over the turn of the month, but by Friday nominal quotations for 60 to 90-day money had returned to 6 3/4 per cent bid, offered at 7 per cent, and 4 to 6 months' loans were quoted nominally at 6 3/4 per cent flat. Ninety day loans were placed in the first part of the week at 7 per cent, but subsequently were down to 6 7/8 per cent, unchanged from the end of the preceding week.

The demand for commercial paper, arising chiefly from interior banks, was in good volume during the week, but dealers' supplies of paper remained limited. In view of those conditions, there was a slightly easier tendency evident in rates. Although the bulk of the names continued to command 5 1/2 per cent, the amount of material priced at 5 3/4 per cent declined and there was a corresponding increase in names bearing 5 1/4 per cent - a rate that is reported to be quite effective in selling the best names in the Middle West.

Government Security Market

The market for United States Government bonds continued to improve during the past week and was strong. There was quite a demand for the long-term bonds and September 4 3/4 per cent Treasury certificates. Closing prices at the end of the week showed fractional increases over the previous week's close for the majority of issues.

Closing prices on New York Stock Exchange on Saturday
 November 3, 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 3/32	+8/32	Treas. 4s 1944-54	107 22/32	+28/32
1st 4 1/4s	101	-2/32	" 4 1/4s 1947-52	112 22/32	+17/32
4th 4 1/4s	101 3/32	-1/32	" 3 3/4s 1946-56	104 24/32	+26/32
			" 3 3/8s 1943-47	99 17/32	+15/32
			" 3 3/8s 1940-43	99 14/32	+14/32

Dealers' offering prices at the end of the calendar
 week and net changes 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 28/32	+1/32
4 " " " " Dec. 15, 1928	99 31/32	+1/32
3 3/8% " " " " Mar. 15, 1929	99 18/32	+1/32
3 7/8% " " " " Mar. 15, 1929	99 24/32	- - -
4 1/2% " " " " June 15, 1929	100 2/32	+1/32
4 3/4% " " " " Sept. 15, 1929	100 16/32	+5/32
3 1/2% Treasury Notes " Mar. 15, 1932	98 3/32	+1/32
3 1/2% " " " Sept. & Dec. 15, 1932	98 2/32	+1/32

DECLASSIFIED
Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180s.

Boston reports that there was little change in its bill market during the past period. Although the supply of bills for the past three weeks was considerably higher than for previous weeks, it was insufficient to meet the local demand. The demand, however, while very good was decidedly spotty, coming mostly from a few of the larger local institutions. Dealers were again obliged to import bills from their offices in other cities in order to obtain the maturities which were in demand. This continued to swell their portfolios which were at the highest point for the year. Maturities up to 90 days were in best demand, only one dealer reporting a demand for bills over 90 days. In New York there was a heavy demand during the past week from abroad for nineties and substantial buying for local account for the shorter maturities. At the same time the supply of bills was substantially in excess of this heavy demand and reached the peak of this year, as a result of which dealers' portfolios increased considerably. On October 30 all dealers reduced rates 1/8 per cent on five and six months' bills, bidding 4 7/8 per cent, offering 4 3/4 per cent. Philadelphia reports that its acceptance market was moderately active. Offerings were heavy with some **improvement** in the demand. New bills continued to come into the market as a result of which dealers' portfolios increased somewhat. Chicago reports that the demand for bills in its district continued good, especially for the long-term maturities and was confined to two or three very large corporations.

DECLASSIFIED
 Authority E.O. 12958

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of sales of \$2,000,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian and \$50,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week an exchange was effected in the System Account of

\$3,360,000 - 3 1/2% Treasury notes due March 15, 1930-32 and
 640,000 - 3 1/2% " " " December 15, 1930-32

for a like amount of 3 1/4% certificates of indebtedness due December 15, 1928. In order to effect this exchange it was first necessary to exchange \$1,000,000 of the 3 1/2% Treasury notes due December 15, 1930-32 for a like amount of notes due March 15, 1930-32. These transactions did not affect the total holdings in the Account which remained at the close of business Wednesday, October 31, 1928, at \$75,488,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,186,500
New York	21,372,800
Philadelphia	5,848,000
Cleveland	6,803,000
Richmond	2,271,500
Atlanta	2,080,000
Chicago	12,402,500
St. Louis	4,151,000
Minneapolis	3,121,500
Kansas City	0
Dallas	4,300,500
San Francisco	<u>6,951,000</u>
Totals	<u><u>\$75,488,300</u></u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1928 - 3 1/4% C/I	\$ 8,987,500
Mar. 15, 1929 - 3 3/8% "	11,450,000
Mar. 15, 1929 - 3 7/8% "	12,550,000
Sept. 15, 1932 - 3 1/2% T/N	5,000,000
Dec. 15, 1932 - 3 1/2% "	37,500,800
	<u><u>\$75,488,300</u></u>

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM OCTOBER 25 TO OCTOBER 31, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 409,500	\$ 409,500
New York	1,415,500	1,415,500
Philadelphia	387,500	387,500
Cleveland	450,500	450,500
Richmond	150,500	150,500
Atlanta	138,000	138,000
Chicago	821,500	821,500
St. Louis	275,000	275,000
Minneapolis	206,500	206,500
Kansas City	0	0
Dallas	285,000	285,000
San Francisco	<u>460,500</u>	<u>460,500</u>
Totals	<u>\$5,000,000</u>	<u>\$5,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 200	Fourth L/L bonds
New York	0	-	*5,500,000	Misc. Gov't Sec.
Philadelphia	0	-	500	TS-1929 Ctfs.
Cleveland	0	-	565,000	TJ-1929 Ctfs.
Atlanta	<u>595,400</u>	Misc. Gov't Sec.	<u>671,800</u>	Misc. Gov't Sec.
Totals	<u>\$595,400</u>		<u>\$6,737,500</u>	

*Was held temporarily.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Oct. 24	Purchased Own Mkt.	<u>Rec'd By Allotment</u>			Matur- ities & Sales	Holdings Oct. 31	<u>Other Holdings</u> Close Oct. 31/28	
			Regular from N.Y.	From Boston Port.	Matur- ities & Sales			Sales Contracts	Other Bills
Boston	\$ 31,463	\$ 6,584 R.	\$ 0	\$ 0	\$10,468*	\$ 27,579	\$16,297	\$ 19	
New York	59,388	18,975 " 21,984 A.	0	4,000	9,173	73,190	60,192	1,315	
Phila.	19,107	2,534 R.	0	0	994	20,647	0	24	
Cleve.	37,619	793 "	4,776	0	1,685	41,503	0	28	
Richmond	19,099	152 "	2,210	0	476	20,985	0	13	
Atlanta	20,280	50 "	3,145	1,500	992	23,983	0	1,631	
Chicago	26,627	272 "	2,738	0	1,511	28,126	3,457	36	
St. Louis	9,454	0	2,527	0	74	11,907	0	11	
Minn.	16,515	0	1,922	1,000	426	19,011	0	7	
Kan. City	22,797	0	2,981	0	880	24,898	0	10	
Dallas	20,137	506 "	1,685	0	1,145	21,183	540	9	
San Fran.	36,281	2,863 "	0	0	2,297	36,847	3,411	18	
Totals	\$318,767	\$54,713	\$21,984	\$6,500	\$30,121	\$349,859	\$83,897	\$3,121	
Bills held overnight by New York for distribution to other F.R. Banks								1,852	
" " " " " " " " " to foreign correspondents								1,647	
Total								<u>\$6,620</u>	

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

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

DECLASSIFIED

Authority E.O. 12958

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING OCTOBER 31, 1928
(000 Omitted)

	1-30 days		31-60 days		61-90 days		Over 90-days	Total
	4 1/4 - 4 5/8%	4 5/8%	4 1/4 - 4 5/8%	4 5/8%	4 1/4 - 4 5/8%	4 5/8%	4 5/8 - 5%	
Boston	\$ 752		\$1,615		\$ 4,207		\$ 10	\$ 6,584
New York	16,954		4,747		18,493		765	40,959
Philadelphia	942		298		1,294		0	2,534
Cleveland	0		0		793		0	793
Richmond	0		0		152		0	152
Atlanta	50		0		0		0	50
Chicago	150		6		116		0	272
Dallas	0		13		265		228	506
San Francisco	119		1,275		1,457		12	2,863
Totals	\$18,967		\$7,954		\$26,777		\$1,015	\$54,713

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 31, 1928
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 5,595	\$54,713	\$60,308
Sold	11,737	1,193	12,930
Matured	0	22,428	22,428
		<u>\$31,092+</u>	<u>\$24,950+</u>
		4,465- (Net Change	4,465- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	\$ 6,142-	\$26,627+	\$20,485+

(Including Sales Contracts)

Holdings October 31, 1928	Within 15 days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 26,627	0	\$ 10,960	0	\$34,409	\$155,103	\$227,099
Bills Purchased	131,511	52,332	139,843	111,296	5,394	0	440,376
Totals	\$158,138	\$52,332	\$150,803	\$111,296	\$39,803	\$155,103	\$667,475

DECLASSIFIED

Authority E.O. 12958

October 31, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 29th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 18, 1928 to October 24, 1928, inclusive.

Very truly yours,

(Signed) Walter L. Eddy

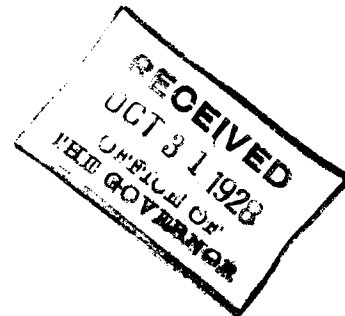
Walter L. Eddy,
Secretary.

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

DECLASSIFIED

Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

October 29, 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 October 18, 1928 to October 24, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

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

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

DECLASSIFIED
Authority E.O. 12958

*Mr. Arnold
Riefler
Callahan*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 31 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

October 29, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 October 18, 1928 to October 24, 1928 inclusive, 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.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

Mr. Young ✓	Mr. Boardman ✓	Mr. James ✓	Mr. McIntosh ✓
Mr. Frost ✓	Mr. Miller ✓	Mr. Cunningham ✓	

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
 OCT 31 1928
 FEDERAL RESERVE BANK OF NEW YORK

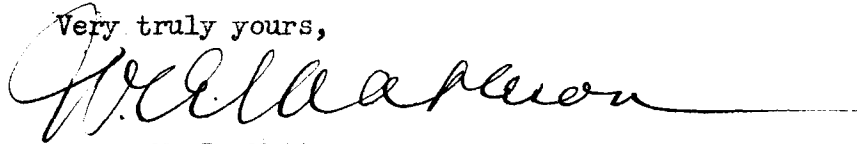
CONFIDENTIAL

October 29, 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 October 18, 1928 to October 24, 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 10/31/28

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 24, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to date
(000 Omitted)

-1927-	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 17	1,551,864	210,400	20,965	303,588	75,821	935,810
" 24	1,548,182	206,612	24,435	329,852	71,626	911,927

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 24, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 24	Change	Oct. 24	Change	Oct. 24	Change
Boston	\$ 6,888	\$ 358+	\$ 31,463	\$ 9,662+	\$ 32,999	\$ 2,694-
New York	31,757	2,488-	59,388	384+	247,253	51,056-
Philadelphia	21,072	407+	19,107	659+	78,466	1,730-
Cleveland	33,851	510+	37,619	5,525+	77,026	3,409+
Richmond	3,424	256+	19,099	1,721+	46,636	2,805+
Atlanta	5,153	342+	20,280	2,600+	76,875	1,182+
Chicago	32,330	769+	26,627	3,363+	143,517	17,713+
St. Louis	20,776	307+	9,454	4,945+	46,863	4,268-
Minneapolis	10,706	205+	16,515	1,298+	20,561	228-
Kansas City	9,732	5,122-	22,797	2,304+	39,432	6,750+
Dallas	14,288	205+	20,137	2,023+	24,840	2,878+
San Francisco	16,635	462+	36,281	94-	77,459	1,356+
N.Y. holdovers and other bills			11,085	8,126-		
Totals	\$206,612	\$3,789-	\$329,852	\$26,264+	\$911,927	\$23,883-

COMMENT ON CHANGES WEEK ENDED OCTOBER 24, 1928

Total earning assets of the System showed a decrease of \$3,682,000 for the current statement week. The approximate changes by classification consisted of an increase of \$26,250,000 in outright purchases of bankers acceptances and decreases of \$3,800,000 in outright purchases of Government securities, \$23,900,000 in bills discounted and \$700,000 net in investments held under sales contracts. The latter item consisted of an increase of \$3,500,000 in Government securities and a decrease of \$4,200,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

Call money in New York was easy during the first part of the calendar week, and on two days renewals were at 6 per cent, the lowest renewal rate since September 28. In the latter part of the week, however, conditions in the call loan market were much firmer; on Thursday the new loan rate went to 8 per cent, and on Friday renewals were at 7 1/2 per cent with a subsequent rise in the loaning rate to 8 per cent. This sharp advance in rates appears to have been due to an enlarged demand for loans for stock exchange purposes at a time when the supply of funds available from out of town banks was diminishing, with the result that the New York City banks were again called upon to assume a larger volume of brokers' loans. Reserve Bank purchases of bills continued to put funds in the money market during the week, but on Friday the borrowings of the New York City banks were \$20,000,000 higher than a week ago when borrowings were quite low and actual reserve balances were below requirements. For the week as a whole, however, the indebtedness of the New York City banks at the Reserve Bank averaged \$177,000,000, as compared with \$225,000,000 in the previous week.

Time money continued to ease further during most of the week, due to freer offerings of funds. By Thursday, the trading rate for 60 to 90-day money had reached 6 7/8 per cent, and 4 to 6 months' money 6 3/4 per cent, but on Friday the easier tendency was reversed and 60 to 90-day money reverted to 7 per cent and longer maturities advanced to 6 7/8 per cent.

Bank investment demand for commercial paper was moderately active during the week, and was somewhat in excess of the new supplies of paper that dealers received from commercial borrowers. The prevailing rate for prime names remained at 5 1/2 per cent, though there was a slightly easier tendency evident due to a rather active inquiry for paper by middle western country banks.

Government
Security
Market

The undertone in the United States Government bond market continued to improve, with the volume of reported sales considerably larger than for several months past. The demand was especially good for the 4 3/4 per cent Treasury certificates, 3 1/2 per cent Treasury notes and the long-term Treasury bonds. Closing prices at the end of the week showed fractional increases over the previous week's close for the majority of issues.

Closing prices on New York Stock Exchange on Saturday
October 27, 1928 and net changes from previous week's close

		Net				Net	
Issue	Price	Change	Issue	Price	Change	Issue	Price
1st 3 1/2s	98 27/32	+12/32	Treas. 4s	106 26/32	+ 6/32	1944-54	106 26/32
1st 4 1/4s	101 2/32	+ 2/32	"	4 1/4s	112 5/32	+19/32	1947-52
4th 4 1/4s	101 4/32	+ 2/32	"	3 3/4s	103 30/32	+16/32	1946-56
			"	3 3/8s	99 2/32	+ 2/32	1943-47
			"	3 3/8s	99	+12/32	1940-43

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

Issue	Price	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 27/32	+1/32
4 " " " " Dec. 15, 1928	99 30/32	...
3 3/8% " " " " Mar. 15, 1929	99 17/32	...
3 7/8% " " " " Mar. 15, 1929	99 24/32	...
4 1/2% " " " " June 15, 1929	100 1/32	+2/32
4 3/4% " " " " Sept. 15, 1929	100 11/32	+6/32
3 1/2% Treasury Notes " Mar. 15, 1932	98 2/32	+5/32
3 1/2% " " " " Sept. & Dec. 15, 1932	98 1/32	+5/32

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s, 4 3/4 to 4 7/8 per cent for 150s and 4 7/8 per cent for 180-day bills.

Boston reports that the bill market in its district was quite active during the past week. The supply was less than the demand which was excellent from the larger institutions. Dealers' sales were the highest since early summer which made it necessary to import bills from their offices in other cities in order to obtain short maturities which were in best demand. Dealers' portfolios were quite high and represented for the most part bills with maturities over 90 days. Offerings to the Reserve Bank were also the heaviest since early summer and came mostly from the larger local member banks. In New York the supply and demand for bills increased substantially, with a moderate excess in the former. Dealers' purchases were in the heaviest volume since May 1926, and their sales the largest since last December. As a result of a good improvement in the buying of 90s for foreign account, and with local banks buying heavily of the shorter maturities, together with an increase in shipments of bills by dealers here to their out-of-town branches and correspondents, dealers' portfolios decreased moderately. Rates were unchanged. Philadelphia reports that its acceptance market showed little change from the previous week. Offerings continued heavy with a scarcity of thirty day bills. The demand was light. Chicago reports that there was a good demand for ninety day bills in its district during the past week from some of the large corporations with the supply limited.

DECLASSIFIED
 Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of a purchase of \$1,000,000 par amount 3 1/2% Treasury notes due March 15, 1930-32 for account Government Life Insurance Fund and a sale of \$1,000,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week the Federal Reserve Bank of Kansas City sold their participation of Government securities in the System Account to the other participating banks as mentioned in last week's report. A sale was also made to the Treasury during the week of \$1,000,000 par amount March 15, 1930-32 - 3 1/2% Treasury notes which were replaced in the account by a like amount of Treasury notes due December 15, 1930-32. These transactions did not affect the total amount of holdings in the Account which remained at the close of business Wednesday, October 24, 1928, at \$75,488,300. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 6,186,500	Dec. 15, 1928-3 1/4% C/I (old)	\$ 3,000,000
New York	21,372,800	Dec. 15, 1928-3 1/4% " (new)	1,987,500
Philadelphia	5,848,000	Mar. 15, 1929-3 3/8% "	11,450,000
Cleveland	6,803,000	Mar. 15, 1929-3 7/8% "	12,550,000
Richmond	2,271,500	Mar. 15, 1932-3 1/2% T/N	2,360,000
Atlanta	2,080,000	Sept. 15, 1932-3 1/2% "	5,000,000
Chicago	12,402,500	Dec. 15, 1932-3 1/2% "	39,140,800
St. Louis	4,151,000		
Minneapolis	3,121,500		
Kansas City	0		
Dallas	4,300,500		
San Francisco	<u>6,951,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

DECLASSIFIED

Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM OCTOBER 18 TO OCTOBER 24, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Increase</u>	<u>Decrease</u>
Boston	\$ 440,500	\$ 82,000	\$ 358,500	0
New York	1,614,500	283,000	1,331,500	0
Philadelphia	487,000	77,500	409,500	0
Cleveland	602,000	90,000	512,000	0
Richmond	286,000	30,000	256,000	0
Atlanta	335,000	27,500	307,500	0
Chicago	933,000	164,500	768,500	0
St. Louis	362,500	55,000	307,500	0
Minneapolis	246,500	41,500	205,000	0
Kansas City	-	5,122,000	0	5,122,000
Dallas	262,000	57,000	205,000	0
San Francisco	553,000	92,000	461,000	0
Totals	<u>\$6,122,000</u>	<u>\$6,122,000</u>	<u>\$5,122,000</u>	<u>\$5,122,000</u>

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	0	-	*3,820,000	Misc. Gov't Sec.
Philadelphia	0	-	2,500	TS-1929 Ctfs.
Cleveland	0	-	2,300	TJ-1929 "
Atlanta	515,450	Misc. Gov't Sec.	480,900	Misc. Gov't Sec.
San Francisco	1,150	Fourth L/L bonds	0	-
Totals	<u>\$516,600</u>		<u>\$4,306,150</u>	

*Was held temporarily.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings <u>Oct. 17</u>	Purchased <u>Own Mkt.</u>	By Allot- <u>ment from</u>	Matur- <u>ities &</u>	Holdings <u>Oct. 24</u>	Other Holdings	
						<u>Close Oct. 24/28</u>	<u>Other</u>
			<u>New York</u>	<u>Sales</u>	<u>Oct. 24</u>	<u>Contracts</u>	<u>Bills</u>
Boston	\$ 21,801	\$10,832 R.	0	\$ 1,170	\$ 31,463	\$12,756	\$ 19
New York	59,004	10,015 "	0	9,631	59,388	52,428	1,401
		28,189 A.					
Phila.	18,448	1,746 R.	0	1,087	19,107	0	24
Cleve.	32,094	1,127 "	6,338	1,940	37,619	0	28
Richmond	17,378	384 "	2,532	1,195	19,099	0	13
Atlanta	17,680	11 "	3,375	786	20,280	0	1,273
Chicago	23,264	902 "	3,558	1,097	26,627	2,673	36
St. Louis	4,509	0	4,945	0	9,454	0	11
Minn.	15,217	0	2,028	730	16,515	0	7
Kan. City	20,493	0	3,399	1,095	22,797	0	9
Dallas	18,114	1,295 "	2,014	1,286	20,137	220	9
San Fran.	36,375	3,383 "	0	3,477	36,281	3,549	18
Totals	<u>\$284,377</u>	<u>\$57,884</u>	<u>\$28,189</u>	<u>\$23,494</u>	<u>\$318,767</u>	<u>\$71,626</u>	<u>\$2,848</u>
Bills held overnight by New York for distribution to other F.R. Banks							- - - 3,552
" " " " " " " "							" to Foreign Correspondents - - - 4,685
							Total - - - - <u>\$11,085</u>

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

DECLASSIFIED
Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING OCTOBER 24, 1928
(000 Omitted)

	1-30 days		31-60 days		61-90 days		Over 90-days	Total
	4 1/4-4 5/8%	4 1/4-4 5/8%	4 1/4-4 5/8%	4 1/4-4 5/8%	4 3/8-4 5/8%	4 3/8-5%		
Boston	\$1,985		\$ 1,729		\$ 7,096		\$ 22	\$10,832
New York	4,415		7,456		25,359		974	38,204
Philadelphia	48		987		711		0	1,746
Cleveland	0		0		1,127		0	1,127
Richmond	202		152		30		0	384
Atlanta	0		0		11		0	11
Chicago	42		270		590		0	902
Dallas	106		175		890		124	1,295
San Francisco	603		517		2,160		103	3,383
Totals	\$7,401		\$11,286		\$37,974		\$1,223	\$57,884

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 24, 1928
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 6,639	\$57,884	\$64,523
Sold	10,428	0	10,428
Matured	0	23,494	23,494
		\$34,390+	\$30,601+
		8,126-(Net Change	8,126-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$ 3,789-	\$26,264+	\$22,475+

(Including Sales Contracts)

Holdings	Within 15-days	16-30 days	31-60 days	61-90 days	91 days 6 months	Over 6 Months	Totals
October 24, 1928							
Gov't Securities	\$ 24,435	\$ 0	\$ 10,961	\$ 0	\$34,409	\$161,242	\$231,047
Bills Purchased	119,115	39,703	123,392	114,293	4,975	0	401,478
Totals	\$143,550	\$39,703	\$134,353	\$114,293	\$39,384	\$161,242	\$632,525

DECLASSIFIED

Authority E.O. 12958

October 23, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 22nd, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 11, 1928 to October 17, 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.

DECLASSIFIED
Authority E.O. 12958

RECEIVED
OCT 28 1928
FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

R. A. Y.
OCT 21 1928

October 22, 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 October 11, 1928 to October 17, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,
W. E. Matteson

W. E. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

DECLASSIFIED

Authority E.O. 12958

74

Mr. Lunge
Rec'd
Collins

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 22 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

October 22, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 October 11, 1928 to October 17, 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ TO DIRECTOR, FEDERAL RESERVE BANK OF ST. LOUIS, AND RETURN TO ST. LOUIS OFFICE
Gov. Young ✓ Mr. Boardman ✓ Mr. James ✓ Mr. McIntosh ✓
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 23 1928
GOVERNOR

CONFIDENTIAL

October 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 October 11, 1928 to October 17, 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 10/13/28

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 17, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 10	1,556,462	210,864	15,848	265,760	66,008	993,402
" 17	1,551,864	210,400	20,965	303,588	75,821	935,810

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 17, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 17	Net Change	Balance Oct. 17	Net Change	Balance Oct. 17	Net Change
Boston	\$ 6,530	\$ 1+	\$ 21,801	\$ 4,838+	\$ 35,693	\$21,440-
New York	34,245	501-	59,004	7,316+	298,309	39,695-
Philadelphia	20,665	30+	18,448	1,195+	80,196	26,173-
Cleveland	33,340	4-	32,094	1,632+	73,617	2,985-
Richmond	3,168	0	17,378	1,430+	43,831	3,806-
Atlanta	4,811	11+	17,680	896+	75,693	1,853-
Chicago	31,561	1-	23,264	2,624+	125,804	16,350+
St. Louis	20,469	0	4,509	3,282+	51,131	5,891+
Minneapolis	10,501	0	15,217	795+	20,789	5,720+
Kansas City	14,854	1+	20,493	537+	32,682	7,558+
Dallas	14,084	0	18,114	376+	21,962	885-
San Francisco	16,173	0	36,375	645+	76,103	3,726+
N.Y. holdovers and other bills			19,211	12,262+		
Totals	\$210,401	\$463-	\$303,588	\$37,828+	\$935,810	\$57,592-

COMMENT ON CHANGES WEEK ENDED OCTOBER 17, 1928

Total earning assets of the System showed a decrease of \$4,600,000 for the current statement week. The approximate changes by classification consisted of decreases of \$450,000 in outright purchases of Government securities and \$57,600,000 in bills discounted, and increases of \$37,850,000 in outright purchases of bankers acceptances and \$14,900,000 in investments held under sales contracts. The latter item consisted of \$5,100,000 Government securities and \$9,800,000 bankers acceptances.

Money Market

Call money turned sharply firmer on Monday the fifteenth, rising to 8 per cent from a renewal rate of 6 1/2 per cent, as the result of the calling of loans by out-of-town banks and others in the face of an increased demand for stock exchange accommodation. This condition caused a heavy demand on New York City banks for loans, and borrowings of the City banks at the Reserve Bank rose to \$322,000,000. A larger participation of other lenders in stock exchange loans was soon resumed, however, and the amount of the New York City banks' loans and borrowings declined; call money accordingly eased to a low of 6 1/2 per cent on Thursday, at which level the rate remained for the balance of the week. A further increase in the System's holdings of bills acquired in New York, together with net Treasury disbursements and gold imports, placed funds in the market during the week, and on Friday the borrowings of the New York City banks were down to \$154,000,000, though at this level actual reserve balances were somewhat below requirements. For the week as a whole, however, the indebtedness of the City banks at the Reserve Bank averaged only \$225,000,000, or some \$25,000,000 less than in the previous week.

A further easing developed in the time money market during the week. The trading rate for 4 to 6 months' loans dropped to 6 3/4 per cent on Friday, as compared with 7 per cent a week earlier; and the market for these maturities was quoted at 6 3/4 per cent bid, offered at 6 7/8 per cent. Money for short terms, that is up to 90-days, was not obtainable below 7 per cent which was the quotation a week ago.

Distribution of commercial paper to investing banks during the past week was much wider and in the aggregate considerably heavier than in some weeks. The majority of the prime names were sold at 5 1/2 per cent. Supplies of open market paper continued exceedingly small.

Government Security Market

The market for United States Government securities was more active this week than for several weeks past. Although the demand was best for the short-term certificates of indebtedness and long-term Treasury bonds, prices of all issues were at higher levels than at the previous week's close.

Closing prices on New York Stock Exchange on Saturday
 October 20, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	98 15/32	+2/32	Treas. 4s 1944-54	106 20/32	+1. 2/32
1st 4 1/4s	101	+1/32	" 4 1/4s 1947-52	111 18/32	+ 26/32
4th 4 1/4s	101 2/32	+2/32	" 3 3/4s 1946-56	103 14/32	+ 17/32
			" 3 3/8s 1943-47	99	+ 16/32
			" 3 3/8s 1940-43	98 20/32	+ 10/32

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

Issue	Price	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 26/32	+2/32
4 % " " " " Dec. 15, 1928	99 30/32	+2/32
3 3/8% " " " " Mar. 15, 1929	99 17/32	+4/32
3 7/8% " " " " Mar. 15, 1929	99 24/32	+4/32
4 1/2% " " " " June 15, 1929	99 31/32	+3/32
4 3/4% " " " " Sept. 15, 1929	100 5/32	+3/32
3 1/2% Treasury Notes " Mar. 15, 1932	97 29/32	+2/32
3 1/2% " " " " Sept. & Dec. 15, 1932	97 28/32	+1/32

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 to 4 7/8 per cent for 180-day bills.

Boston reports that there was very little change in the demand for bills in its district from the previous week and dealers, as a whole, found it rather difficult to find a ready market. The best demand continued to be for maturities up to 90 days. The supply, however, showed a considerable increase due to new bills coming into the market which is usual at this season. As a result of these conditions dealers' offerings to the reserve bank were heavier than since the middle of last summer. In New York the supply of bills continued very heavy and substantially in excess of the demand. Dealers' portfolios, however, increased only slightly as a result of orders from abroad and sales to the reserve bank for System Account.

Philadelphia reports its acceptance market was moderately active with many new bills coming into the market. Offerings were fairly heavy and dealers' portfolios showed some increase. The demand continued light. Chicago reports that the market for bills in its district was quiet.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury for the current statement week consisted of:

Purchases of	\$30,000,000	-	3 1/4%	certificates of indebtedness due
				December 15, 1928 for Redemption
	2,500,000	-	3 1/2%	Treasury notes due March 15, 1930-32
				for account Government Life Insurance
				Fund
	<u>\$32,500,000</u>			
Sales of	\$1,500,000	-	3 7/8%	certificates of indebtedness due
				March 15, 1929, account Alien
				Property Custodian
	300,000	-	3 7/8%	certificates of indebtedness due
				March 15, 1929, account German
				Special Deposit Account
	<u>\$1,800,000</u>			

DECLASSIFIED
 Authority E.O. 12958

4

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week a block of \$40,200,000 Treasury 3 1/2% notes due December 15, 1930-32 were taken over from a foreign correspondent at their request to convert these notes into cash and pay the proceeds into the market. This purchase was offset by the sale to the Treasury for redemption of \$30,000,000 December 15, 1928 - 3 1/4% certificates of indebtedness, and sales to the market and others of \$10,200,000 - 3 1/2% Treasury notes due March and December 15, 1930-32, principally the latter issue. An exchange was also effected during the week of \$3,000,000 March 15, 1929 - 3 7/8% certificates for a like amount of December 15, 1928 - 3 1/4% certificates. These transactions did not affect the amount of total holdings in the account, which remained unchanged at the close of business Wednesday, October 17, 1928, 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	\$ 5,828,000	Dec. 15, 1928 - 3 1/4% C/I (old)	\$ 3,000,000
New York	20,041,300	Dec. 15, 1928 - 3 1/4% " (new)	1,987,500
Philadelphia	5,438,500	Mar. 15, 1929 - 3 3/8% "	11,450,000
Cleveland	6,291,000	Mar. 15, 1929 - 3 7/8% "	12,550,000
Richmond	2,015,500	Mar. 15, 1932 - 3 1/2% T/N	3,360,000
Atlanta	1,772,500	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	11,634,000	Dec. 15, 1932 - 3 1/2% "	38,140,800
St. Louis	3,843,500		
Minneapolis	2,916,500		
Kansas City	5,122,000		
Dallas	4,095,500		
San Francisco	<u>6,490,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

Due to the credit requirements of the Federal Intermediate Credit Bank of Wichita, in connection with the financing of the cotton crop, the Federal Reserve Bank of Kansas City on October 18 sold its participation of Government securities in the System Account to the other participating banks.

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING OCTOBER 17, 1928
 (000 Omitted)

	1-30 days 4 1/4-4 5/8%	31-60 days 4 1/4-4 5/8%	61-90 days 4 1/4-4 5/8%	Over 90-days 4 3/8-5%	Total
Boston	\$ 857	\$1,793	\$ 4,586	\$1,079	\$ 8,315
New York	13,092	2,981	15,886	952	32,911
Philadelphia	751	354	752	0	1,857
Cleveland	0	88	250	0	338
Richmond	30	2	204	0	236
Chicago	250	455	271	0	976
Dallas	46	49	0	386	481
San Francisco	412	895	3,230	119	4,656
Totals	<u>\$15,438</u>	<u>\$6,617</u>	<u>\$25,179</u>	<u>\$2,536</u>	<u>\$49,770</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 17, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$55,283	\$49,770	\$105,053
Sold	55,746	0	55,746
Matured	0	24,204	24,204
		\$25,566+	\$25,103+
		12,262+ (Net Change	12,262+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 463-</u>	<u>\$37,828+</u>	<u>\$ 37,365+</u>

(Including Sales Contracts)

Holdings October 17, 1928	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 20,965	\$ 0	\$10,961	\$ 0	\$36,229	\$163,210	\$231,365
Bills Purchased	<u>132,637</u>	<u>37,781</u>	<u>96,808</u>	<u>105,813</u>	<u>6,370</u>	<u>0</u>	<u>379,409</u>
Totals	<u>\$153,602</u>	<u>\$37,781</u>	<u>\$107,769</u>	<u>\$105,813</u>	<u>\$42,599</u>	<u>\$163,210</u>	<u>\$610,774</u>

DECLASSIFIED

Authority E.O. 12958

October 17, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 15th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from October 4, 1928 to October 10, 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.

DECLASSIFIED

Authority E.O. 12958



FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L

October 15, 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 October 4, 1928 to October 10, 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.

DECLASSIFIED
Authority E.O. 12958

Mr. [unclear] ✓
Reefler ✓
Collie

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 17 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

October 15, 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 October 4, 1928 to October 10, 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.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE

Gov. Young ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. McIntosh ✓

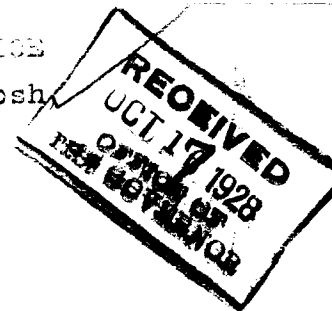
Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

October 15, 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 October 4, 1928 to October 10, 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 10/17/28

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 10, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 3	1,571,078	213,426	17,178	242,319	67,657	1,025,918
Oct. 10	1,556,462	210,864	15,848	265,760	66,008	993,402

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 10, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 10	Net Change	Balance Oct. 10	Net Change	Balance Oct. 10	Net Change
Boston	\$ 6,529	\$ 906-	\$ 16,963	\$ 710+	\$ 57,133	\$10,076+
New York	34,746	5,615-	51,688	8,856+	338,004	15,994-
Philadelphia	20,635	671-	17,253	828+	106,369	3,058+
Cleveland	33,345	988-	30,462	2,457+	76,602	7,629+
Richmond	3,168	108-	15,948	1,750+	47,637	1,005+
Atlanta	4,800	271-	16,784	1,822+	77,546	7,042-
Chicago	31,562	624-	20,640	3,219+	109,454	13,646-
St. Louis	20,469	8,844+	1,227	1,227+	45,240	12,164-
Minneapolis	10,501	360-	14,422	1,164+	15,069	69+
Kansas City	14,853	633-	19,956	2,352+	25,124	1,127+
Dallas	14,084	220-	17,738	1,517+	22,847	3,446-
San Francisco	16,172	1,009-	35,730	2,160+	72,377	3,188-
N.Y. holdovers and other bills			6,949	4,621-		
Totals	\$210,864	\$ 2,561-	\$265,760	\$23,441+	\$993,402	\$32,516-

COMMENT ON CHANGES WEEK ENDED OCTOBER 10, 1928

Total earning assets of the System showed a decrease of \$14,616,000 for the current statement week. The approximate changes by classification consisted of an increase of \$23,450,000 in outright purchases of bankers acceptances and decreases of \$2,550,000 in outright purchases of Government securities, \$32,500,000 in bills discounted and \$3,000,000 in investments held under sales contracts. The latter item consisted of \$1,350,000 Government securities and \$1,650,000 bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

Conditions in the New York call money market were considerably easier during the past calendar week than in the previous week. In fact, the renewal rate of 6 1/2 per cent for the week was 1 per cent below the average renewal rate of the preceding week. On the Exchange, the new loan rate did not drop below the renewal rate except on Friday, when there was a reduction to 6 per cent, but in the outside market loans were obtainable throughout the period at the 6 per cent rate. The indebtedness of the New York City banks at the Reserve Bank during the week averaged about \$250,000,000, as compared with \$271,000,000 in the preceding week, but there was a further expansion in the System's bill holdings which placed Reserve funds in the market.

Offerings of time funds were in much more liberal supply, and as the culmination of the easing during the week, all maturities of time loans were quoted on Thursday at 7 per cent flat. Early in the week, 90-day loans were placed at 7 and 7 1/4 per cent, but on Thursday all trading - in 90-day and longer dates - was at 7 per cent, the lowest rate since the middle of September.

The commercial paper market was rather quiet during the week, both on the demand as well as the supply side. The majority of prime names were sold at 5 1/2 per cent, with other good names at 5 3/4 per cent.

Government
Security
Market

Accompanying the announcement of the Treasury's offering of the new issue of 4 3/4 per cent Treasury certificates at the beginning of the calendar week the market for United States Government securities was soft. During the latter part of the week, after allotments had been made on the new issue which was heavily oversubscribed, there was a much better tone in the Government security market and closing prices in most instances showed only small changes from the previous week's close.

Closing prices on New York Stock Exchange on Saturday
October 13, 1928 and net changes from previous week's close

Net			Net		
Issue	Price	Change	Issue	Price	Change
1st 3 1/2s	98 13/32	0	Treas. 4s	105 18/32	- 3/32
1st 4 1/4s	100 31/32	-4/32	" 4 1/4s	110 24/32	+ 1/32
4th 4 1/4s	101	-3/32	" 3 3/4s	102 29/32	- 5/32
			" 3 3/8s	98 16/32	-10/32
			" 3 3/8s	98 10/32	+ 3/32

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

Issue	Price	Net Change
3 1/4% Cert. of Ind. due Dec. 15, 1928	99 24/32	+1/32
4 % " " " " Dec. 15, 1928	99 28/32	0
3 3/8% " " " " Mar. 15, 1929	99 13/32	0
3 7/8% " " " " Mar. 15, 1929	99 20/32	0
4 1/2% " " " " June 15, 1929	99 28/32	-1/32
4 3/4% " " " " Sept. 15, 1929	100 2/32	0
3 1/2% Treasury Notes " 1930-32	97 27/32	-1/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s, 4 3/4 to 4 7/8 per cent for 150s and 4 7/8 per cent for 180-day bills.

DECLASSIFIED

Authority E.O. 12958

3

Boston reports that there was a slight increase in the supply of bills in its district while the demand was only fair with preference shown for maturities up to 90 days. The already high portfolios of dealers increased further due to the sharp falling off in their sales and as an offset some dealers shipped bills to their offices in other cities. Offerings to Reserve Bank were heavy on "repurchase agreement" but outright purchases were small. In New York the supply of bills was very heavy (about the same volume as the previous week) and substantially in excess of the demand. As a result chiefly of good sales by dealers on orders from abroad and sales to us for System Account, dealers' portfolios increased only moderately. On October 5 two dealers were bidding $4 \frac{7}{8}$ per cent for five months' bills, offering $\frac{1}{8}$ per cent less. Philadelphia reports that its bill market was a little more active from the previous week. Offerings were substantial with exception of short bills which were scarce. The demand improved slightly. Chicago reports that there was practically no demand for bills in its district except for short bills for the purpose of creating Federal Reserve Funds.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of

Purchases of \$	900,000	-	$3 \frac{7}{8}\%$ C/I	due 3/15/29	for Prior redemption
	<u>4,600,000</u>	-	$3 \frac{1}{2}\%$ T/N	" 3/15/30-32	for account Sinking Fund
Total	\$5,500,000				
Sales of	\$ 500,000	-	$3 \frac{7}{8}\%$ C/I	due 3/15/29	account Alien Property Custodian
	500,000	-	$3 \frac{7}{8}\%$ "	" 3/15/29	" German Special Deposit Account
Total	\$1,000,000				

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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, August 9 and October 8:

	<u>Bills Acquired</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro Rata Share</u>	<u>Bills Short Pro Rata Share</u>
Boston	\$ 102,849,000	\$ 102,071,000	\$ 778,000	\$ 0
New York	382,710,000	381,055,000	1,655,000	0
Philadelphia	117,752,000	136,991,000	0	19,239,000
Cleveland	158,067,000	156,346,000	1,721,000	0
Richmond	77,517,000	75,856,000	1,661,000	0
Atlanta	67,568,000	66,724,000	844,000	0
Chicago	172,463,000	170,161,000	2,302,000	0
St. Louis	20,686,000	21,986,000	0	1,300,000
Minneapolis	64,204,000	62,724,000	1,480,000	0
Kansas City	83,338,000	82,137,000	1,201,000	0
Dallas	68,432,000	66,405,000	2,027,000	0
San Francisco	<u>138,147,000</u>	<u>131,277,000</u>	<u>6,870,000</u>	<u>0</u>
Totals	\$1,453,733,000	\$1,453,733,000	\$20,539,000	\$20,539,000

DECLASSIFIED

Authority E.O. 12958

4

On October 2 the Federal Reserve Bank of Kansas City requested that until further notice they be omitted from overage purchases of bills.

On October 8 the Federal Reserve Bank of St. Louis resumed their participation in System purchases of bills.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week the Federal Reserve Bank of St. Louis repurchased \$5,000,000 Fourth Liberty Loan bonds, representing the balance of Government securities which they temporarily sold to the System Account last August, and \$3,843,500 short-term Governments, representing their participation in the System Account which they temporarily sold to the other participating banks last May. A sale was also made to the Treasury of \$4,600,000 - 3 1/2% Treasury Notes of 1930-32 at a price to yield about 4.17%, which was replaced by a purchase in the market of a like amount of 3 1/4% certificates of indebtedness due December 15, 1928 at a price to yield 4.90%. These transactions left the total holdings in the System Account at the close of business Wednesday, October 10, 1928, 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	\$ 5,827,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$20,589,000
New York	20,041,800	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	5,438,000	Mar. 15, 1929 - 3 3/8% "	11,450,000
Cleveland	6,290,500	Mar. 15, 1929 - 3 7/8% "	15,550,000
Richmond	2,015,500	Mar. 15, 1932 - 3 1/2% T/N	5,860,000
Atlanta	1,773,000	Sept. 15, 1932 - 3 1/2% "	5,000,000
Chicago	11,634,500	Dec. 15, 1932 - 3 1/2% "	5,640,800
St. Louis	3,843,500		
Minneapolis	2,916,500		
Kansas City	5,121,500		
Dallas	4,096,000		
San Francisco	<u>6,490,000</u>		
Totals	<u>\$75,488,300</u>		<u>\$75,488,300</u>

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING OCTOBER 10, 1928
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 1/2%	61-90 days 4 1/4 - 4 5/8%	Over 90-days 4 3/8 - 4 5/8%	Totals
Boston	\$ 39	\$ 546	\$ 1,353	\$ 0	\$ 1,938
New York	7,670	2,967	27,687	826	39,150
Philadelphia	58	759	1,000	0	1,817
Cleveland	39	0	504	0	543
Richmond	0	0	100	0	100
Atlanta	0	0	6	0	6
Chicago	784	25	8	0	817
Dallas	0	209	90	297	596
San Francisco	850	2,117	2,320	581	5,568
Totals	\$9,440	\$6,623	\$32,768	\$1,704	\$50,535

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING OCTOBER 10, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$16,093	\$50,535	\$66,628
Sold	18,654	0	18,654
Matured	0	22,473	22,473
		\$28,062+	\$25,501+
		4,621- (Net Change	4,621- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	\$2,561-	\$23,441+	\$20,880+

(Including Sales Contracts)

<u>Holdings</u> <u>October 10, 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	\$ 15,848	0	0	\$ 32,760	\$48,427	\$129,677	\$226,712
Bills Purchased	114,237	30,579	73,626	107,588	5,738	0	331,768
Totals	\$130,085	\$30,579	\$73,626	\$140,348	\$54,165	\$129,677	\$558,480

DECLASSIFIED

Authority E.O. 12958

October 9, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 8th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 27, 1928 to October 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Loomis ✓
Riefler ✓
Callahan ✓*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT -9 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

October 8, 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 September 27, 1928 to October
3, 1928 inclusive, together with data received by the
Committee from the Federal reserve banks.

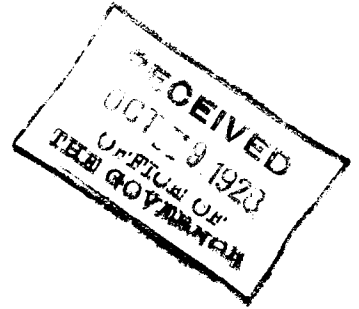
Very truly yours,

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

Encl.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

October 8, 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 September 27, 1928 to October 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

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

Encl.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ FROM
Gov. Young
Mr. Platt

BY INITIAL AND RETURN TO SECRETARY'S OFFICE
Mr. Hamilton ✓ Mr. James ✓ Mr. McIntosh ✓
Mr. Miller ✓ Mr. Cunningham ✓
FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
OCT - 9 1928
OFFICE OF THE
GOVERNOR

CONFIDENTIAL

October 8, 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 September 27, 1928 to October 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.

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

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

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

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766
Oct. 3	1,571,078	213,426	17,178	242,319	67,657	1,025,918

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 3	Net Change	Balance Oct. 3	Net Change	Balance Oct. 3	Net Change
Boston	\$ 7,436	\$ 0	\$ 16,253	\$ 1,982+	\$ 47,057	\$ 427-
New York	40,361	300+	42,832	11,791+	353,998	16,377+
Philadelphia	21,306	0	16,425	1,151+	103,311	1,733-
Cleveland	34,333	64+	28,005	3,974+	68,973	188+
Richmond	3,276	0	14,198	2,236+	46,632	8,315-
Atlanta	5,071	184-	14,962	2,367+	84,588	632+
Chicago	32,186	0	17,421	2,138+	123,100	4,508+
St. Louis	11,625	0	0	0	57,404	2,766-
Minneapolis	10,861	0	13,258	1,843+	15,000	2,420-
Kansas City	15,486	0	17,604	1,638+	23,997	210+
Dallas	14,304	0	16,221	787+	26,293	2,952-
San Francisco	17,181	0	33,570	1,415+	75,565	11,850+
N.Y. holdovers and other bills			11,570	6,192+		
Totals	\$213,426	\$ 52+	\$242,319	\$37,514+	\$1,025,918	\$15,152+

COMMENT ON CHANGES WEEK ENDED OCTOBER 3, 1928

Total earning assets of the System showed an increase of \$63,281,000 for the current statement week. The approximate changes by classification consisted of increases of \$50,000 in outright purchases of Government securities, \$37,500,000 in outright purchases of bankers acceptances, \$15,152,000 in bills discounted and \$10,650,000 net in investments held under sales contracts. The latter item consisted of \$1,600,000 Government securities and \$9,050,000 bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

Money Market

The demand for call funds was in excess of available supplies on October 1, and it was not until the new loan rate had risen to 10 per cent that the demand was satisfied. On the following day, Tuesday, conditions were also firm though the rate did not go above 9 per cent. For the balance of the week, however, the situation moved progressively easier, and call money declined to a low of 6 per cent on Friday. The movement of commercial and financial funds for the week was somewhat in favor of this market, and the Reserve Banks' holdings of bills continued to increase. New York City banks' indebtedness at the Reserve Bank was reduced from a high figure of \$322,000,000 on October 1 to \$214,000,000 on Friday, the 5th, or \$43,000,000 lower than a week ago.

Offerings of funds for placement in fixed date security loans were in larger volume than in recent weeks. Practically all the loans - for maturities of 30 days to 6 months - were placed at 7 1/4 per cent.

The prevailing rate for prime commercial paper continued to be 5 1/2 per cent. Good smaller names were also sold at 5 3/4 per cent, and a very few exceptional lots of paper at 5 1/4 per cent. Bank investment demand for paper, which originated for the most part in the Middle West, was approximately equal to new supplies of paper that came into the market, and as a result dealers' lists remained light.

Government Security Market

The volume of trading reported in United States Liberty Loan and Treasury bonds during the calendar week continued very moderate while a fairly large amount of activity was reported in the market for the short-term certificates of indebtedness and Treasury notes. Prices of the long-term bonds with the exception of the First 4 1/4s were fractionally lower than in the previous week while the short-term issues were firm.

Closing prices on New York Stock Exchange on Saturday October 6, 1928 and net changes from previous week's close

Issue	Price	Net		Issue	Price	Net	
		Change				Change	
1st 3 1/2s	98 12/32	-2/32		Treas. 4s 1944-54	105 21/32	-9/32	
1st 4 1/4s	101 3/32	--		" 4 1/4s 1947-52	110 23/32	-9/32	
4th 4 1/4s	101 3/32	-3/32		" 3 3/4s 1946-56	103 2/32	-5/32	
				" 3 3/8s 1943-47	98 26/32	-6/32	
				" 3 3/8s 1940-43	98 7/32	-6/32	

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 28/32	--
3 3/8% " " " " Mar. 15, 1929	99 13/32	+2/32
3 7/8% " " " " Mar. 15, 1929	99 20/32	+1/32
4 1/2% " " " " June 15, 1929	99 29/32	--
3 1/2% Treasury Notes " 1930-32	97 28/32	--

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 7/8 per cent for 120-day bills.

DECLASSIFIED
 Authority E.O. 12958

3

Boston reports that the local supply of bills was fair during the past week but not sufficient to meet the demand for short maturities which necessitated dealers importing bills from their offices in other cities, which left them with increased portfolios made up for a good part with bills of long maturities. In New York there was a substantial increase in the supply of bills during the past week. The demand was somewhat better and was principally from institutions buying for the account of foreign correspondents. While the supply, however, was considerably in excess of the demand, dealers' portfolios increased only moderately as fairly heavy sales were made to the Reserve Bank during the week. Philadelphia reports that its bill market remained unchanged. Offerings were fairly heavy with the demand very light. Chicago reports that corporation buying of ninety-day bills was diverted into buying of short-term Governments which were selling on considerably better basis with the result that there was practically no demand for bills during the past week.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of a purchase of \$1,000,000 aggregate amount 3 1/2% Treasury notes due March 15, 1930-32 account Government Life Insurance Fund and sales of \$500,000 - 3 7/8% certificates of indebtedness due March 15, 1929 account Alien Property Custodian, and \$300,000 - 3 7/8% certificates of indebtedness due March 15, 1929 account German Special Deposit Account.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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	\$ 100,911,000	\$ 98,534,000	\$ 2,377,000	\$ 0
New York	369,050,000	367,916,000	1,134,000	0
Philadelphia	115,935,000	132,948,000	0	17,013,000
Cleveland	152,508,000	150,787,000	1,721,000	0
Richmond	74,022,000	73,329,000	693,000	0
Atlanta	64,415,000	64,197,000	218,000	0
Chicago	167,592,000	166,118,000	1,474,000	0
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	61,770,000	60,703,000	1,067,000	0
Kansas City	79,134,000	79,105,000	29,000	0
Dallas	65,823,000	63,879,000	1,944,000	0
San Francisco	132,579,000	126,223,000	6,356,000	0
Totals	<u>\$1,403,198,000</u>	<u>\$1,403,198,000</u>	<u>\$17,013,000</u>	<u>\$17,013,000</u>

DECLASSIFIED

Authority E.O. 12958

4

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, October 3, 1928, remaining unchanged at \$80,488,300. 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	\$ 6,733,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$20,589,000
New York	23,157,300	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,109,500	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	7,268,500	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	1,992,000	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		\$75,488,300
Minneapolis	3,276,500	Plus temporary purchase from St. Louis' portfolio:	
Kansas City	5,754,000	* 4 1/4% - 4th L/L due 10/15/33-38 5,000,000	
Dallas	4,316,000		
San Francisco	<u>7,499,000</u>		
Totals	<u>\$80,488,300</u>		<u>\$80,488,300</u>

*These are to be taken up by St. Louis on October 8, 1928.

DECLASSIFIED
 Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS FROM SEPTEMBER 26 TO OCTOBER 3, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$4,520,000	Misc. Gov't Sec.	\$4,220,000	Misc. Gov't Sec.
Cleveland	0	-	63,800	4 1/2% C/I 6/15/29
Atlanta	<u>643,950</u>	Misc. Gov't Sec.	<u>827,900</u>	Misc. Gov't Sec.
Totals	<u><u>\$5,163,950</u></u>		<u><u>\$5,111,700</u></u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd by</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	<u>Close Oct. 3/28</u>
	<u>Sept. 26</u>	<u>Own Mkt.</u>	<u>from</u>	<u>ities &</u>	<u>Oct. 3</u>	<u>Sales</u>	<u>Other</u>
			<u>N. Y.</u>	<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 14,271	\$ 3,423 R	\$ 0	\$ 1,441	\$ 16,253	\$10,712	\$ 19
New York	31,041	16,077 "	0	4,286	42,832	46,494	5,422
		22,184 A					
Phila.	15,274	1,935 R	0	784	16,425	0	24
Cleve.	24,031	1,503 "	4,810	2,339	28,005	0	27
Richmond	11,962	291 "	3,487	1,542	14,198	0	13
Atlanta	12,595	0	2,943	576	14,962	0	821
Chicago	15,283	514 "	3,661	2,037	17,421	3,834	36
St. Louis	0	0	0	0	0	0	11
Minn.	11,415	0	1,880	37	13,258	0	7
Kan. City	15,966	0	3,571	1,933	17,604	0	9
Dallas	15,434	368 "	1,832	1,413	16,221	296	9
San Fran.	<u>32,155</u>	<u>3,836 "</u>	<u>0</u>	<u>2,421</u>	<u>33,570</u>	<u>6,321</u>	<u>18</u>
Totals	\$199,427	\$50,131	\$22,184	\$18,809	\$230,749	\$67,657	\$ 6,416
Bills held over night by New York for distribution to other F. R. Banks -							<u>5,154</u>
Total - - - - -							<u><u>\$11,570</u></u>

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

DECLASSIFIED

Authority E.O. 12958

6

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

	1-30 days	31-60 days	61-90 days	Over 90-days	Total
	4 1/4-4 5/8%	4 1/4-4 5/8%	4 1/2-4 7/8%	4 3/8-5%	
Boston	\$ 1,292	\$ 33	\$ 2,098	\$ 0	\$ 3,423
New York	12,479	1,940	23,403	439	38,261
Philadelphia	1,196	739	0	0	1,935
Cleveland	0	0	1,503	0	1,503
Richmond	10	39	242	0	291
Chicago	0	45	469	0	514
Dallas	49	151	124	44	368
San Francisco	85	1,318	1,797	636	3,836
Totals	<u>\$15,111</u>	<u>\$4,265</u>	<u>\$29,636</u>	<u>\$1,119</u>	<u>\$50,131</u>

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

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 5,164	\$50,131	\$55,295
Sold	5,112	0	5,112
Matured	0	18,809	18,809
		<u>\$31,322+</u>	<u>\$31,374+</u>
		6,192+ (Net Change 1-day holdover & other bills)	6,192+ (Net Change 1-day holdover & other bills)
Totals	<u>\$ 52+</u>	<u>\$37,514+</u>	<u>\$37,566+</u>

(Including Sales Contracts)

Holdings October 3, 1928	Within 15-days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$ 17,179	\$ 0	\$ 0	\$ 37,760	\$41,328	\$134,337	\$230,604
Bills Purchased	121,609	30,889	57,777	94,304	5,397	0	309,976
Totals	<u>\$138,788</u>	<u>\$30,889</u>	<u>\$57,777</u>	<u>\$132,064</u>	<u>\$46,725</u>	<u>\$134,337</u>	<u>\$540,580</u>

DECLASSIFIED

Authority E.O. 12958

October 2, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of October 1st, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 20, 1928 to September 28, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT 2 1928
OFFICE OF THE
TREASURER

PERSONAL

October 1, 1928

R. A. Y.
OCT 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 September 20, 1928 to September 26, 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Amos
Rieple
Collie*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
OCT - 2 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

October 1, 1928.

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 September 20, 1928 to September 26, 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.

DECLASSIFIED
Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ FROM ORIGINAL AND RETURN TO SECRETARY'S OFFICE
Gov. Young ✓ Mr. McMillan ✓ Mr. James ✓ Mr. McIntosh ✓
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
OCT 2 1928
OFFICE OF THE
SECRETARY

CONFIDENTIAL

October 1, 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 September 20, 1928 to September 28, 1928 inclusive, 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

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

Encl.

Sullivan/10/1/28

DECLASSIFIED
Authority **E.O. 12958**

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 26, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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	293,891	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 19	1,560,329	212,641	12,086	189,845	47,344	1,093,833
Sept. 26	1,507,797	213,374	15,658	204,805	58,614	1,010,766

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 26, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 26	Net Change	Balance Sept. 26	Net Change	Balance Sept. 26	Net Change
Boston	\$ 7,436	\$1,380-	\$ 14,271	\$ 82+	\$ 47,484	\$ 830+
New York	40,061	4,745-	31,041	4,106+	337,621	58,739+
Philadelphia	21,306	883-	15,274	2,468+	105,044	824+
Cleveland	34,397	839-	24,031	2,179+	68,785	1,566-
Richmond	3,276	0	11,962	2,215+	54,947	2,589+
Atlanta	5,255	201-	12,595	963+	83,956	2,082+
Chicago	32,186	0	15,283	2,802+	118,592	4,280+
St. Louis	11,625	11,625+	0	0	60,170	2,951-
Minneapolis	10,861	474-	11,415	922+	17,420	102-
Kansas City	15,486	831-	15,966	2,320+	23,787	3,908-
Dallas	14,304	0	15,434	2,257+	29,245	3,331+
San Francisco	17,181	1,539-	32,155	1,902+	63,715	23,913-
N. Y. holdovers and other bills			5,378	7,256-		
Totals	\$213,374	\$ 733+	\$204,805	\$14,960+	\$1,010,766	\$83,067-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 26, 1928

Total earning assets of the System showed a decrease of \$52,532,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$83,100,000 in bills discounted and increases of \$750,000 in outright purchases of Government securities, \$14,950,000 in outright purchases of bankers acceptances, and \$14,900,000 in investments held under sales contracts. The latter item consisted of \$11,300,000 bankers acceptances and \$3,600,000 Government securities.

DECLASSIFIED
 Authority E.O. 12958

Money Market

At the beginning of the calendar week the reserves of the New York City banks were somewhat below requirements, and in order to correct this situation the banks increased their Reserve Bank indebtedness to \$331,000,000 on Monday and call money held firm at 7 1/2 per cent. On the following day, however, the average reserve position was so favorable that the banks were enabled to repay \$72,000,000 of loans, and call money eased to 7 per cent. A further decline to 6 per cent occurred in the succeeding days, accompanying an inflow of commercial funds from other centers, and larger Reserve Bank takings of bills and securities (part of the former and all of the latter under sales contract). On Friday, however, there was a sharp advance in call money from a renewal rate of 6 per cent to a closing price of 8 per cent, reflecting the usual month-end requirements for credit and currency. The borrowings of the New York City banks on Friday totaled \$257,000,000, or slightly smaller than on the previous Friday, and for the week averaged \$273,000,000, or \$9,000,000 less than in the previous week.

During the first part of the week, the situation in the time money market was very firm. Loans for 60 and 90 days were placed at 7 1/2 per cent and longer dates at 7 1/4 per cent. Subsequently, more money became available for fixed date loans and the rate reverted to 7 1/4 per cent for all maturities, with a comparatively large volume of loans arranged.

The commercial paper market was slightly more active this week, as regards the investment demand, but new creations of paper continued light. The prevailing rate for prime names continued to be 5 1/2 per cent. A number of the smaller good names moved at 5 3/4 per cent.

Government Security Market

The volume of trading reported in United States Liberty Loan and Treasury bonds during the calendar week was very moderate while a considerable amount of activity was reported in the market for the short-term certificates of indebtedness and Treasury notes. Prices of all issues were firm with some preference shown in the demand for the certificates of indebtedness maturing next December and June.

Closing prices on New York Stock Exchange on Saturday
 September 29, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	98 14/32	-1/32	Treas. 4s	105 30/32	+6/32
1st 4 1/4s	101 3/32	-	" 4 1/4s	1947-52	111
4th 4 1/4s	101 6/32	+1/32	" 3 3/4s	1946-56	103 7/32
			" 3 3/8s	1943-47	99
			" 3 3/8s	1940-43	98 13/32

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 22/32	+1/32
4 " " " " Dec. 15, 1928	99 28/32	+1/32
3 3/8% " " " " Mar. 15, 1929	99 11/32	-1/32
3 7/8% " " " " Mar. 15, 1929	99 19/32	-1/32
4 1/2% " " " " June 15, 1929	99 29/32	+1/32
3 1/2% Treasury Notes " 1930-32	97 28/32	+2/32

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 7/8 per cent for 180s.

DECLASSIFIED

Authority E.O. 12958

3

Boston reports that there was a very limited supply of bills offered in their market during the past week with the demand only fair. What little preference existed was for 90-day bills. Dealers' sales for the week showed a decrease of \$3,500,000 with purchases off \$1,200,000. In New York the supply of bills continued in good volume throughout the week and was substantially in excess of the demand which was moderate. Dealers' portfolios increased considerably. Offerings in Philadelphia continued substantial and consisted principally of 90-day bills. While the demand was light, there was some improvement noted in inquiries for four to six months' bills. Chicago reports that the supply of bills in their market was small with a fair demand for 90s.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of a purchase of \$650,000 - 3 1/4% certificates of indebtedness due December 15, 1928 and \$850,000 - 4% certificates of indebtedness due December 15, 1928 for account of Redemption, and a sale of \$545,000 aggregate amount 3 7/8% certificates of indebtedness due March 15, 1929 for account German Special Deposit Account.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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	\$ 97,488,000	\$ 95,025,000	\$ 2,463,000	\$ 0
New York	352,973,000	353,880,000	0	907,000
Philadelphia	114,000,000	128,436,000	0	14,436,000
Cleveland	146,195,000	145,273,000	922,000	0
Richmond	70,244,000	70,321,000	0	77,000
Atlanta	61,472,000	61,690,000	0	218,000
Chicago	163,417,000	162,108,000	1,309,000	0
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	59,890,000	58,697,000	1,193,000	0
Kansas City	75,563,000	75,596,000	0	33,000
Dallas	63,623,000	61,372,000	2,251,000	0
San Francisco	128,743,000	121,210,000	7,533,000	0
Totals	<u>\$1,353,067,000</u>	<u>\$1,353,067,000</u>	<u>\$15,671,000</u>	<u>\$15,671,000</u>

DECLASSIFIED
 Authority E.O. 12958

4

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week the Federal Reserve Bank of St. Louis repurchased \$11,625,000 of the Government securities temporarily sold from their portfolio to the System Account last month. This left the total holdings in the Account, including a balance of \$5,000,000 which is still being held for St. Louis, at \$80,488,300. 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	\$ 6,733,500	Dec. 15, 1928 - 3 1/4% C/I (old)	\$20,589,000
New York	23,157,300	Dec. 15, 1928 - 3 1/4% " (new)	11,398,500
Philadelphia	6,109,500	Mar. 15, 1929 - 3 3/8% "	10,950,000
Cleveland	7,268,500	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	1,992,000	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		\$75,488,300
Minneapolis	3,276,500	Plus temporary purchase from St. Louis' portfolio:	
Kansas City	5,754,000	4 1/4% - 4th L/L due 10/15/33-38	5,000,000
Dallas	4,316,000		
San Francisco	<u>7,499,000</u>		
Totals	<u>\$80,488,300</u>		<u>\$80,488,300</u>

DECLASSIFIED
 Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
 OF ALL FEDERAL RESERVE BANKS SEPTEMBER 19 TO SEPTEMBER 26, 1928

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>
Boston	\$ 1,380,000
New York	4,745,000
Philadelphia	882,500
Cleveland	1,489,000
Richmond	0
Atlanta	287,500
Chicago	0
St. Louis	0
Minneapolis	473,500
Kansas City	831,000
Dallas	0
San Francisco	<u>1,536,500</u>
Total	<u>\$11,625,000 **</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	50	Fourth L/L
New York	*\$5,000,000	3 1/4% C/I 12/15/28	* 5,000,000	3 3/8% C/I 3/15/29
Cleveland	750,000	4 1/2% C/I 6/15/29	100,000	4 1/2% C/I 6/15/29
Atlanta	685,700	Misc. Gov't Sec.	599,800	Misc. Gov't Sec.
St. Louis	**11,625,000	Misc. Gov't Sec.	0	-
San Francisco	<u>350</u>	Fourth 4 1/4% L/L	<u>2,500</u>	4 1/2% C/I 6/15/29
Totals	<u>\$18,061,050</u>		<u>\$5,702,350</u>	

*Exchange in market.

**Repurchased by St. Louis from System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings Sept. 19	Purchased Own Mkt.	Rec'd By Allotment			Matur- ities & Holdings Sept. 26	Other Holdings Close Sept. 26/28	
			Regular from N.Y.	From Boston Port.			Sales Contracts	Other Bills
Boston	\$ 14,189	\$ 3,473 R.	0	0	\$ 3,391*	\$ 14,271	\$ 7,132	\$ 19
New York	26,935	10,908 " 19,805 A.	0	0	6,802**	31,041	42,755	458
Phila.	12,806	4,113 R.	0	0	1,645	15,274	0	24
Cleve.	21,852	637 "	4,388	0	2,846	24,031	0	27
Richmond	9,747	0	2,924	0	0	11,962	0	13
Atlanta	11,632	6 "	2,278	0	1,321	12,595	0	704
Chicago	12,481	919 "	3,834	0	1,951	15,283	2,153	36
St. Louis	0	0	0	0	0	0	0	11
Minn.	10,493	0	1,637	0	0	11,415	0	7
Kan. City	13,646	0	2,772	1,000	0	15,966	0	9
Dallas	13,177	1,132 "	1,972	0	847	15,434	100	9
San Fran.	<u>30,253</u>	<u>4,256 "</u>	<u>0</u>	<u>0</u>	<u>2,354</u>	<u>32,155</u>	<u>6,474</u>	<u>18</u>
Totals	<u>\$177,211</u>	<u>\$45,249</u>	<u>\$19,805</u>	<u>\$1,000</u>	<u>\$21,157</u>	<u>\$199,427</u>	<u>\$58,614</u>	<u>\$1,335</u>

Bills held overnight by New York for distribution to other F.R. Banks - - - - 4,043

Total - - - - \$5,378

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

*Includes \$1,000,000 sold to Federal Reserve Bank of Kansas City.

**Includes \$2,561,000 sold to Foreign Correspondents.

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 26, 1928
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 5/8%	61-90 days 4 1/4 - 4 5/8%	Over 90 days 4 3/8 - 4 5/8%	Total
Boston	\$1,467	\$ 446	\$ 1,560	0	\$ 3,473
New York	6,738	2,493	19,858	1,624	30,713
Philadelphia	526	314	3,273	0	4,113
Cleveland	0	0	637	0	637
Atlanta	0	0	6	0	6
Chicago	29	355	535	0	919
Dallas	155	222	399	356	1,132
San Francisco	<u>255</u>	<u>1,272</u>	<u>2,403</u>	<u>326</u>	<u>4,256</u>
Totals	<u>\$9,170</u>	<u>\$5,102</u>	<u>\$28,671</u>	<u>\$2,306</u>	<u>\$45,249</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 26, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$18,061	\$46,249	\$64,310
Sold	17,328	0	17,328
Matured	0	<u>24,033</u>	<u>24,033</u>
		\$22,216+	\$22,949+
		7,256- (Net Change 1-day holdover and other bills)	7,256- (Net Change 1-day holdover and other bills)
Totals	<u>\$ 733+</u>	<u>\$14,960+</u>	<u>\$15,693+</u>

(Including Sales Contracts)

Holdings September 26, 1928	Within 15 days	16-30 days	31-60 days	61-90 days	91-days 6 months	Over 6 Months	Total
Gov't Securities	\$ 15,659	0	0	\$ 40,372	\$37,008	\$135,993	\$229,032
Bills Purchased	<u>97,048</u>	<u>35,435</u>	<u>43,168</u>	<u>81,424</u>	<u>6,344</u>	<u>0</u>	<u>263,419</u>
Totals	<u>\$112,707</u>	<u>\$35,435</u>	<u>\$43,168</u>	<u>\$121,796</u>	<u>\$43,352</u>	<u>\$135,993</u>	<u>\$492,451</u>

DECLASSIFIED

Authority E.O. 12958

September 25, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of September 24th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from September 13, 1928 to September 19, 1928, inclusive.

Very truly yours,

J. C. Noell,
Assistant Secretary.

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

DECLASSIFIED
Authority E.O. 12958

Mr. Smca
Mr. Riefler
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
SEP 27 1928
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

September 24, 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 September 13, 1928 to September 19, 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.

DECLASSIFIED
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
SEP 25 1928
GOVERNOR

PERSONAL

September 24, 1928

R. A. Y.
SEP 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 September 13, 1928 to September 19, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,
W. B. Matteson
W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 12958

PLEASE READ FIRST
Gov. Young ✓
Mr. Platt ✓

FOR SPECIAL CIRCULATION
PLEASE REPLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Mr. Hamlin ✓ Mr. James ✓ Mr. McIntosh ✓
Mr. Miller ✓ Mr. Cunningham ✓
FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
SEP 25 1928
FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 24, 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 September 13, 1928 to September 19, 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 9/25/28

DECLASSIFIED
Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 19, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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	6,080	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 12	1,503,770	212,618	8,726	160,913	50,247	1,069,246
" 19	1,560,329	212,641	12,086	189,845	47,344	1,093,833

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 19, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 19	Change	Sept. 19	Change	Sept. 19	Change
Boston	\$ 8,816	\$ 0	\$ 14,189	\$ 5,667-	\$ 48,314	\$ 2,171+
New York	44,806	0	26,935	8,378+	396,360	39,944+
Philadelphia	22,189	0	12,806	2,215+	104,220	270-
Cleveland	35,236	0	21,852	2,004+	70,351	16,604-
Richmond	3,276	0	9,747	3,141+	52,358	1,559-
Atlanta	5,456	29+	11,632	928+	86,038	5,156+
Chicago	32,186	0	12,481	564+	114,312	15,095+
St. Louis	0	0	0	0	63,121	4,543-
Minneapolis	11,335	0	10,493	2,006+	17,522	3,093-
Kansas City	16,317	0	13,646	3,424+	27,695	2,392+
Dallas	14,304	6-	13,177	2,573+	25,914	2,659-
San Francisco	18,720	0	30,253	2,730+	87,628	11,443-
N.Y. holdovers and other bills			12,634	6,635+		
Totals	\$212,641	\$ 23+	\$189,845	\$28,932+	\$1,093,833	\$24,587+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 19, 1928

Total earning assets of the System showed an increase of \$56,559,000 for the current statement week. The approximate changes, by classification, consisted of increases of \$28,950,000 in outright purchases of bankers acceptances, \$24,600,000 in bills discounted, and \$450,000 net in investments held under sales contracts. The latter item consisted of an increase of \$3,350,000 in Government securities and a decrease of \$2,900,000 in bankers acceptances.

DECLASSIFIED

Authority E.O. 12958

2

Money
Market

Call money eased temporarily over the tax period, going to 6 1/2 per cent on Monday the 17th after renewals had been arranged at 7 per cent. On Tuesday, however, conditions began to grow progressively firmer, and by Thursday afternoon the new loan rate had risen to 9 per cent, the highest since July 2. This firming reflected the mounting up temporarily of Treasury balances in the Reserve Bank to somewhat higher figures than usual, due to income tax collections and withdrawals from depositaries, which for the time being were in excess of the funds placed in the market through Third Loan redemptions and interest payments. New York City bank borrowing at the Reserve Bank on the 19th rose to \$319,000,000, but dropped to around \$262,000,000 on Friday, the 21st, and call money eased to 8 and 7 1/2 per cent on that day.

Time money quotations advanced further to new high levels since the spring of 1921, and even at these levels little money was offered for placement in fixed date loans. Towards the end of the week, 7 1/4 and 7 1/2 per cent was paid for 30 to 90 day money, and 7 1/4 per cent for longer dates.

The limited investment demand for commercial paper, reported by the dealers, came principally from the Middle West. Prime names sold for the most part at 5 1/2 and 5 3/4 per cent; the volume at the lower rate was about double the turnover at the higher rate. Supplies of open market paper remained very limited.

Government
Security
Market

The market for United States Government securities continued quiet. While the First 4 1/4s, Fourth 4 1/4s and new 4 1/2 per cent Treasury certificates were somewhat in demand, as reinvestment of proceeds of the maturing Third 4 1/4s, there was very little demand for the remaining outstanding issues.

Closing prices on New York Stock Exchange on Saturday
September 22, 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	98 15/32	-13/32	Treas. 4s	1944-54 105 24/32	-26/32
1st 4 1/4s	101 3/32	+ 5/32	"	4 1/4s 1947-52 111	-17/32
4th 4 1/4s	101 5/32	- 1/32	"	3 3/4s 1946-56 103 8/32	-10/32
			"	3 3/8s 1943-47 98 23/32	- 9/32
			"	3 3/8s 1940-43 98 13/32	-13/32

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 21/32	+ 1/32
4 % " " " " Dec. 15, 1928	99 27/32	+ 1/32
3 3/8% " " " " March 15, 1929	99 12/32	- 1/32
3 7/8% " " " " March 15, 1929	99 20/32	- 1/32
4 1/2% " " " " June 15, 1929	99 28/32	- 2/32
3 1/2% Treasury Notes " 1930-32	97 26/32	- 4/32

DECLASSIFIED

Authority E.O. 12958

3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 7/8 per cent for 180s.

Boston reports that there was a fair supply of bills in its district during the past week with the demand showing a slight improvement, and 30 and 90-day bills in best demand. One dealer reported a fairly good supply of 4 months' bills covering the seasonable importation of silk. Dealers' sales were about the same as the previous week, while purchases showed an increase of about \$2,800,000. In New York the supply of bills was very good, about in the same volume as last week, and was considerably in excess of the light demand, which was principally on orders from abroad. As a result chiefly of heavy sales by dealers to us for System Account, dealers' portfolios decreased substantially. On September 17 all dealers were bidding 5 per cent for 5 and 6 months' bills, offering 1/8 per cent less. Philadelphia reports that its bill market was unchanged. Offerings continued fairly heavy and were principally from dealers. The demand was negligible. Chicago reports that there was a good demand for 90s, but very little demand for short maturities.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of recent Treasury offerings) consisted of purchases of \$3,000,000 3 1/4% certificates of indebtedness due December 15, 1928, and \$500,000 - 4% certificates of indebtedness due December 15, 1928, for account Redemption, and a sale of \$500,000 - 3 7/8% certificates of indebtedness due March 15, 1929, for account German Special Deposit Account.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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	\$ 95,015,000	\$ 91,858,000	\$ 3,157,000	\$ 0
New York	342,065,000	341,210,000	855,000	0
Philadelphia	109,887,000	124,364,000	0	14,477,000
Cleveland	141,170,000	140,296,000	874,000	0
Richmond	67,320,000	67,606,000	0	286,000
Atlanta	59,188,000	59,427,000	0	239,000
Chicago	158,664,000	158,488,000	176,000	0
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	58,253,000	56,887,000	1,366,000	0
Kansas City	71,791,000	72,429,000	0	638,000
Dallas	60,519,000	59,109,000	1,410,000	0
San Francisco	124,487,000	116,685,000	7,802,000	0
Totals	\$1,307,818,000	\$1,307,818,000	\$15,640,000	\$15,640,000

DECLASSIFIED
 Authority E.O. 12958

4

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, September 19, 1928, remaining unchanged at \$92,113,300. 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	\$ 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		\$75,488,300
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
		3 3/8% T/B due 1943-47	<u>1,625,000</u>
Totals	<u>\$92,113,300</u>		<u>\$92,113,300</u>

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS SEPTEMBER 12 TO SEPTEMBER 19, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	100	Fourth 4 1/4% L/L
New York	* \$2,000,000	Misc. Gov't Sec.	* \$2,000,000	3 1/4% C/I TD-1928
Richmond	0	-	500	Third L/L (Matured)
Atlanta	691,750	Misc. Gov't Sec.	662,550	Misc. Gov't Sec.
Dallas	0	-	6,000	Third L/L (Matured)
San Francisco	<u>2,500</u>	4 1/2% C/I TJ-1929	<u>4,500</u>	Third L/L (Matured)
Totals	<u>\$2,694,250</u>		<u>\$2,673,650</u>	

* Held temporarily for resale.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Sept. 12	Purchased Own Mkt.	Rec'd By Allotment			Matur- ities & Sales	Holdings Sept. 19	Other Holdings	
			Regular from N. Y.	From Boston Port.				Close Sept. 19/28	Sales Other Contracts Bills
Boston	\$ 19,856	\$ 4,483 R	\$ 0	\$ 0	\$10,150*	\$ 14,189	\$ 7,852	\$ 19	
New York	18,557	19,262 " 21,095 A	0	0	10,884**	26,935	29,741	504	
Phila.	10,591	4,960 R	0	0	2,745	12,806	0	24	
Clevel.	19,848	789 "	3,665	2,000	4,450	21,852	0	27	
Richmond	6,606	175 "	3,533	0	567	9,747	0	13	
Atlanta	10,704	50 "	2,614	0	1,736	11,632	0	698	
Chicago	11,917	442 "	4,167	0	4,045	12,481	3,512	36	
St. Louis	0	0	0	0	0	0	0	11	
Miam.	8,487	0	1,400	1,500	894	10,493	0	7	
Kan. City	10,222	0	2,556	2,000	1,132	13,646	0	9	
Dallas	10,603	665 "	1,692	1,000	783	13,177	710	9	
San Fran.	<u>27,523</u>	<u>4,186</u> "	<u>1,468</u>	<u>0</u>	<u>2,924</u>	<u>30,253</u>	<u>5,529</u>	<u>18</u>	
Totals	\$154,914	\$56,107	\$21,095	\$6,500	\$40,310	\$177,211	\$47,344	\$ 1,375	
Bills held over night by New York for distribution to other F. R. Banks - -								<u>11,259</u>	
Total - - - - -								<u>\$12,634</u>	

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

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

** Includes \$2,985,000 sold to Foreign Correspondent.

DECLASSIFIED
 Authority E.O. 12958

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 19, 1928
 (000 Omitted)

	1-30 days 4 1/4 - 4 5/8%	31-60 days 4 1/4 - 4 3/4%	61-90 days 4 1/4 - 4 3/4%	Over 90 days 4 1/4 - 5%	Totals
Boston	\$ 623	\$ 162	\$ 3,642	\$ 56	\$ 4,483
New York	12,171	4,461	22,458	1,267	40,357
Philadelphia	4	7	4,949	0	4,960
Cleveland	0	0	789	0	789
Richmond	0	21	154	0	175
Atlanta	0	50	0	0	50
Chicago	348	94	0	0	442
Dallas	12	113	284	256	665
San Francisco	139	2,125	1,831	91	4,186
Totals	<u>\$13,297</u>	<u>\$7,033</u>	<u>\$34,107</u>	<u>\$1,670</u>	<u>\$56,107</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 19, 1928

(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$2,694	\$56,107	\$58,801
Sold	2,671	0	2,671
Matured	0	<u>33,810</u>	<u>33,810</u>
		\$22,297+	\$22,320+
		6,635+ (Net Change 1-day holdover and other bills)	6,635+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 23+</u>	<u>\$28,932+</u>	<u>\$28,955+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>September 19, 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>Totals</u>
Gov't Securities	\$ 12,086	0	0	\$45,378	\$30,514	\$136,749	\$224,727
Bills Purchased	93,229	34,741	39,862	63,551	5,806	0	237,189
Totals	<u>\$105,315</u>	<u>\$34,741</u>	<u>\$39,862</u>	<u>\$108,929</u>	<u>\$36,320</u>	<u>\$136,749</u>	<u>\$461,916</u>

DECLASSIFIED

Authority E.O. 12958

September 19, 1928

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 17th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 6, 1928 to September 12, 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.

DECLASSIFIED
Authority E.O. 12958

*Mr. Ames ✓
Riefler ✓
Collier ✓*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
SEP 17 1928
DIVISION OF RESEARCH
& STATISTICS

CONFIDENTIAL

September 17, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 September 6, 1928 to September 12, 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.

DECLASSIFIED
Authority E.O. 12958

RECEIVED
SEP 19 1928
OFFICE OF THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

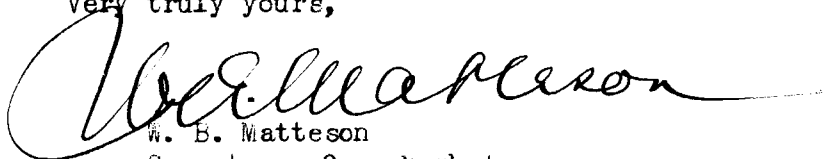
P E R S O N A L

September 17, 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 September 6, 1928 to September 12, 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.

incl.

DECLASSIFIED

Authority E.O. 12958

FOR SPECIAL CIRCULATION

PLEASE READ COMPLETELY, 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

RECEIVED
SEP 19 1928
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

September 17, 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 September 6, 1928 to September 12, 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 copy 9/17/28

DECLASSIFIED

Authority E.O. 12958

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 12, 1928

Holdings of Earning Assets of Federal Reserve Banks from August 31, 1927 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1927-						
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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 5	1,474,288	197,094	9,291	147,516	39,280	1,080,117
Sept. 12	1,503,770	212,618	8,726	160,913	50,247	1,069,246

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 12, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 12	Net Change	Balance Sept. 12	Net Change	Balance Sept. 12	Net Change
Boston	\$ 8,816	\$ 0	\$ 19,856	\$ 3,057+	\$ 46,143	\$10,039-
New York	44,806	15,520+	18,557	786-	356,416	6,214+
Philadelphia	22,189	0	10,591	740-	104,490	925-
Cleveland	35,236	0	19,848	1,682+	86,955	10,855+
Richmond	3,276	0	6,606	495+	54,917	3,905-
Atlanta	5,427	4+	10,704	614-	80,882	2,224+
Chicago	32,186	0	11,917	303+	99,217	12,847-
St. Louis	0	0	0	0	67,664	616-
Minneapolis	11,335	0	8,487	85-	19,615	829+
Kansas City	16,317	0	10,222	373-	25,303	455+
Dallas	14,310	0	10,603	11-	28,573	1,341-
San Francisco	18,720	0	27,523	6,969+	99,071	1,775-
N.Y. holdovers and other bills			5,999	3,500+		
Totals	\$212,618	\$15,524+	\$160,913	\$13,397+	\$1,069,246	\$10,871-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 12, 1928

Total earning assets of the System showed an increase of \$29,498,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$10,850,000 in bills discounted and increases of \$15,900,000 in outright purchases of Government securities, \$13,400,000 in outright purchases of bankers acceptances, and \$10,400,000 net in investments held under sales contracts. The latter item consisted of an increase of \$10,950,000 in bankers acceptances and a decrease of \$550,000 in Government securities.

The large increase in holdings of Government securities by the Federal Reserve Bank of New York, as shown in the above statement, represents December 15, 1928, certificates of indebtedness which were taken over from a foreign correspondent and held temporarily in the Investment Account of the New York bank for resale.

DECLASSIFIED
 Authority E.O. 12958

Money Market

Call money in New York remained firm during the first part of the calendar week with renewals at 7 1/2 per cent, and the new loan rate on one day at 8 per cent. On Thursday, however, the Exchange rate dropped to 7 per cent after renewals had been arranged at 7 1/2 per cent, and on Friday renewals were at 7 per cent, the lowest since August 27. While the Exchange rate did not decline below 7 per cent, loans were obtainable in the outside market at a rate as low as 6 1/2 per cent. This easing of money on Thursday and Friday reflected a condition wherein the member banks' favorable average reserve position allowed them to let their actual reserves decline below requirements. The net Treasury disbursement into the market on Saturday, the 15th, for interest and redemptions of the Third Liberty Loan bonds restored actual bank reserves to a higher level.

Sixty to one hundred and twenty day time money advanced to 7 per cent, and four to six months' maturities to 6 3/4 per cent. These are the highest rates paid for time funds since June 1921. Even at these levels, the supply of funds was light. Lenders showed a distinct preference for the call market as opposed to the placing of fixed date accommodation.

Sales of commercial paper were made principally at 5 1/2 and 5 3/4 per cent during the week. The 5 1/2 per cent rate represents about the lowest rate which the majority of large commercial borrowers can obtain in the open market, and the 5 3/4 per cent rate is being paid by the less well known concerns. Investment demand for paper in the aggregate was light, and the limited amount of new paper that came into the market indicates that the borrowers were financing their requirements principally at their own banks.

Government Security Market

The market for United States Government securities was quiet with the Fourth 4 1/4s in best demand. Prices of the Fourth 4 1/4s advanced 8/32 while prices of most of the other issues declined fractionally.

Closing prices on New York Stock Exchange on Saturday, September 15, 1928 and net changes from previous week's close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	98 28/32	-19/32	Treas. 4s 1944-54	106 18/32	-14/32
1st 4 1/4s	100 30/32	- - -	" 4 1/4s 1947-52	111 17/32	-14/32
4th 4 1/4s	101 6/32	+ 8/32	" 3 3/4s 1946-56	103 18/32	-16/32
			" 3 3/8s 1943-47	99	- - -
			" 3 3/8s 1940-43	98 26/32	- 4/32

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 20/32	-2/32
4 % " " " Dec. 15, 1928	99 26/32	-3/32
3 3/8% " " " Mar. 15, 1929	99 13/32	-2/32
3 7/8% " " " Mar. 15, 1929	99 21/32	-3/32
4 1/2% " " " June 15, 1929	99 30/32	- - -
3 1/2% Treas. Notes " Mar. 15, 1932	97 30/32	-2/32
3 1/2% " " " Sept. & Dec. 1932	97 30/32	- - -

Bankers' Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 7/8 to 5 per cent for 180s.

DECLASSIFIED

Authority E.O. 12958

Boston reports that the supply of new bills continued to be scarce with the demand only fair among regular buyers. Buying by local and out-of-town banks was negligible. Offerings to Reserve Bank of \$8,300,000 exceeded by \$4,000,000 the previous week, and with the exception of two instances, was the largest since July 1, 1928. In New York the supply of bills was in very good volume this week and considerably in excess of the light demand. Dealers' sales consisted mainly of orders for foreign account particularly for nineties. Local buying was light and chiefly on orders for corporation account. Dealers' portfolios increased in spite of heavy shipments by New York dealers to their out-of-town branches and correspondents. Philadelphia reports that its acceptance market was quiet. Offerings were plentiful with practically no demand. Dealers' portfolios increased moderately. Chicago reports that there was a fair demand for ninety-day bills in its district.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of recent Treasury offerings) consisted of purchases of \$9,000,000 3 1/4% certificates of indebtedness, due December 15, 1928, and \$5,560,000 - 4% certificates of indebtedness due December 15, 1928 for account of Redemption, and \$1,000,000 - 3 1/4% certificates of indebtedness due December 15, 1928, for account of the Government Life Insurance Fund.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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	\$ 97,032,000	\$ 87,931,000	\$ 9,101,000	0
New York	322,803,000	325,500,000	0	2,697,000
Philadelphia	104,927,000	119,314,000	0	14,387,000
Cleveland	134,716,000	134,124,000	592,000	0
Richmond	63,612,000	64,240,000	0	628,000
Atlanta	56,524,000	56,622,000	0	98,000
Chicago	154,055,000	153,999,000	56,000	0
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	55,353,000	54,642,000	711,000	0
Kansas City	67,235,000	68,502,000	0	1,267,000
Dallas	57,162,000	56,304,000	858,000	0
San Francisco	118,833,000	111,074,000	7,759,000	0
Totals	<u>\$1,251,711,000</u>	<u>\$1,251,711,000</u>	<u>\$19,077,000</u>	<u>\$19,077,000</u>

The large shortage by the Philadelphia reserve bank is due to the fact that they are taking no bills except their own local purchases which have been running light in volume.

DECLASSIFIED
 Authority E.O. 12958

4

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, September 12, 1928, remaining unchanged at \$92,113,300. 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	\$ 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>5,640,000</u>
St. Louis	0		\$75,488,300
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
		3 3/8% T/B due 1943-47	<u>1,625,000</u>
Totals	<u>\$92,113,300</u>		<u>16,625,000</u>
			<u>\$92,113,300</u>

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS SEPTEMBER 5 TO SEPTEMBER 12, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 150	Fourth L/L
New York	* 34,850,000	Misc. Gov't Sec.	* 19,330,000	Misc. Gov't Sec.
Atlanta	<u>224,900</u>	Misc. Gov't Sec.	<u>220,750</u>	Misc. Gov't Sec.
Totals	<u>\$35,074,900</u>		<u>\$19,550,900</u>	

* Held temporarily for resale.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Sept. 5	Purchased Own Mkt.	<u>Rec'd By Allotment</u>			Matur- ities & Sales	Holdings Sept. 12	<u>Other Holdings Close Sept. 12/28</u>	
			Regular from N. Y.	From Boston Port.				Sales Contracts	Other Bills
Boston	\$ 16,799	\$ 8,374 R.	0	0	\$ 5,317*	\$ 19,856	\$ 3,189	\$ 19	
New York	19,343	5,929 " 7,920 A.	0	0	6,715	18,557	37,690	397	
Phila.	11,331	2,221 R.	0	0	2,961	10,591	0	24	
Cleve.	18,166	580 " 1,530	1,530	1,000	1,428	19,848	0	27	
Richmond	6,111	326 " 1,444	1,444	0	1,275	6,606	0	13	
Atlanta	11,318	0	1,006	1,000	2,620	10,704	0	682	
Chicago	11,614	995 " 1,860	1,860	0	2,552	11,917	3,470	36	
St. Louis	0	0	0	0	0	0	0	11	
Minn.	8,572	0	614	1,000	1,699	8,487	0	7	
Kan. City	10,595	0	1,347	0	1,720	10,222	0	9	
Dallas	10,614	939 " 1,119	1,119	0	1,069	10,603	617	9	
San Fran.	<u>20,554</u>	<u>8,147 " 0</u>	<u>0</u>	<u>0</u>	<u>1,178</u>	<u>27,523</u>	<u>5,281</u>	<u>18</u>	
Totals	\$145,017	\$35,431	\$7,920	\$3,000	\$28,534	\$154,914	\$50,247	\$1,252	
Bills held overnight by New York for distribution to other F.R. Banks - - -								<u>4,747</u>	
Total - - - - -								<u>\$5,999</u>	

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

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

DECLASSIFIED
 Authority E.O. 12958

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 12, 1928
 (000 Omitted)

	1-30 days 4 1/4-4 5/8%	31-60 days 4 1/4-4 5/8%	61-90 days 4 1/2-4 5/8%	Over 90 days 4 5/8-5%	Totals
Boston	\$ 2,594	\$ 515	\$ 4,718	\$ 547	\$ 8,374
New York	7,996	2,736	2,649	468	13,849
Philadelphia	0	0	2,221	0	2,221
Cleveland	0	61	519	0	580
Richmond	50	0	276	0	326
Chicago	995	0	0	0	995
Dallas	149	103	394	293	939
San Francisco	<u>3,131</u>	<u>1,092</u>	<u>3,720</u>	<u>204</u>	<u>8,147</u>
Totals	<u>\$14,915</u>	<u>\$4,507</u>	<u>\$14,497</u>	<u>\$1,512</u>	<u>\$35,431</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 12, 1928
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$35,075	\$35,431	\$70,506
Sold	19,551	0	19,551
Matured	0	<u>25,534</u>	<u>25,534</u>
		\$ 9,897+	\$25,421+
		3,500+ (Net Change 1-day holdover & other bills)	3,500+ (Net Change 1-day holdover & other bills)
Totals	<u>\$15,524+</u>	<u>\$13,397+</u>	<u>\$28,921+</u>

(Including Sales Contracts)

<u>Holdings</u> <u>September 12, 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	\$ 9,384	\$ 0	\$ 0	\$ 0	\$47,373	\$164,587	\$221,344
Bills Purchased	<u>97,147</u>	<u>36,551</u>	<u>40,304</u>	<u>31,622</u>	<u>5,536</u>	<u>0</u>	<u>211,160</u>
Totals	<u>\$106,531</u>	<u>\$36,551</u>	<u>\$40,304</u>	<u>\$31,622</u>	<u>\$52,909</u>	<u>\$164,587</u>	<u>\$432,504</u>

DECLASSIFIED

Authority E.O. 12958

September 11, 1928.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of September 10th, 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 30, 1928 to September 5, 1928, inclusive.

Very truly yours,

~~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.

DECLASSIFIED
Authority E.O. 12958

Mr. Smead ✓
Riefler ✓
Collier

**FEDERAL RESERVE BANK
OF NEW YORK**

RECEIVED
SEP 11 1928
DIVISION OF RESEARCH
& STATISTICS.

CONFIDENTIAL

September 10, 1928

Mr. E. A. Goldenweiser,
Director, Division of Research & 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 30, 1928 to September 5, 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.

DECLASSIFIED
Authority E.O. 12958

**FEDERAL RESERVE BANK
OF NEW YORK**

PERSONAL

September 10, 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 30, 1928 to September 5, 1928 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. L. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

DECLASSIFIED
Authority E.O. 12958

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

CONFIDENTIAL

September 10, 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 30, 1928 to September 5, 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.

DECLASSIFIED
Authority E.O. 12958

CONFIDENTIAL
REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 5, 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	484,056	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. 29	1,433,026	197,048	11,916	156,765	27,534	1,038,773
Sept. 5	1,474,288	197,094	9,291	147,516	39,280	1,080,117

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 5, 1928
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 5	Change	Sept. 5	Change	Sept. 5	Change
Boston	\$ 8,816	\$ 0	\$ 16,799	\$ 3,495+	\$ 56,182	\$ 1,533-
New York	29,286	0	19,343	8,235-	350,202	57,680+
Philadelphia	22,189	0	11,331	1,113-	105,415	228+
Cleveland	35,236	0	18,166	1,531-	76,100	5,545-
Richmond	3,276	0	6,111	59-	58,322	1,190-
Atlanta	5,423	48+	11,318	984-	78,658	1,725+
Chicago	32,186	0	11,614	854+	112,064	24,549-
St. Louis	0	0	0	0	68,280	2,895+
Minneapolis	11,335	0	8,572	918-	18,786	252-
Kansas City	16,317	0	10,595	219-	24,848	1,866-
Dallas	14,310	0	10,614	1,969-	29,914	554-
San Francisco	18,720	0	20,554	1,513+	100,846	14,305+
N. Y. holdovers and other bills			2,499	83-		
Totals	\$197,094	\$48+	\$147,516	\$9,249-	\$1,080,117	\$41,344+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 5, 1928

Total earning assets of the System showed an increase of \$41,262,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$9,250,000 in outright purchases of bankers acceptances and increases of \$50,000 in outright purchases of Government securities, \$41,350,000 in bills discounted, and \$9,150,000 net in investments held under sales contracts. The latter item consisted of an increase of \$11,750,000 in bankers acceptances and a decrease of \$2,600,000 in Government securities.

DECLASSIFIED

Authority E.O. 12958

Money
Market

Following the Labor Day holiday, call money in New York averaged slightly higher than in the previous week. Renewals were arranged at 7 1/2 per cent throughout the week, and in two instances the new loan rate rose to 8 per cent. There was a large outflow of funds from New York, reflecting the collection of first of the month interest and dividend checks; and the return of currency from holiday circulation had hardly started when the usual week-end drain began. These losses caused the calling forth of an additional amount of Reserve Bank accommodation, and the New York City banks' borrowings rose on Friday to \$311,000,000, the largest amount since August 6. With borrowings at this level, average reserves finished the period not materially above the banks' requirements, although there was a moderate excess of actual reserves.

Brokers continued to bid 6 1/2 per cent for time funds, but available supplies remained scarce. The amount of actual loans placed at 6 1/2 per cent was small. The firm tone of the market is indicated by the fact that for some 4 months money borrowers had to pay as high as 6 5/8 per cent.

Bank investment demand for commercial paper revived somewhat in the last few days of the calendar week, and dealers' sales, chiefly to country banks, were larger than in some weeks. Prime names moved principally at 5 1/2 and 5 3/4 per cent, with only limited business at 5 1/4 per cent. New drawings of paper also increased slightly.

Government
Security
Market

The market for United States Government securities was slightly more active this week than for the past several weeks, with prices showing only small fractional changes.

Closing prices on New York Stock Exchange on Saturday,
September 8, 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 15/32	+1/32	Treas. 4s 1944-54	107	+6/32
1st 4 1/4s	100 30/32	- -	" 4 1/4s 1947-52	111 31/32	-1/32
3rd 4 1/4s	99 31/32	- -	" 3 3/4s 1946-56	104 2/32	+4/32
4th 4 1/4s	100 30/32	-7/32	" 3 3/8s 1943-47	99	-8/32
			" 3 3/8s 1940-43	98 30/32	-6/32

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	-1/32
4 % " " " " Dec. 15, 1928	99 29/32	-2/32
3 3/8% " " " " Mar. 15, 1929	99 15/32	- -
3 7/8% " " " " Mar. 15, 1929	99 24/32	-1/32
3 1/2% Treas. Notes " Mar. 15, 1932	98	-4/32
3 1/2% " " " Sept. & Dec. 1932	97 30/32	-4/32

Bankers
Acceptances

Dealers' offering rates for unindorsed bankers acceptances were at the following rates: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s, and 4 7/8 to 5 per cent for 180s. This represents a reduction in rates of 1/8 per cent as shown in last week's report.

Boston reports that during the past period new bills were scarce, the supply showing a decided falling off. The demand also

DECLASSIFIED

Authority E.O. 12958

3

slackened and with higher money over the end of the month, local banks were poor buyers. Buying by out-of-town banks was negligible. Offerings to Reserve Banks although moderate, were in excess of the previous week. In New York the supply of bills was good, about the same volume as last week, and substantially in excess of the demand. Dealers' sales were the lightest since the middle of last February and consisted chiefly of orders for nineties for foreign account. Local buying was very light. Dealers' portfolios increased substantially. Philadelphia reports that its bill market was unchanged. There were few new bills coming out with the demand poor. Chicago reports that there was some buying of nineties by corporations during the past period with very little demand for short maturities.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of current Treasury offerings) consisted of sales of \$500,000 aggregate par amount 3 7/8% certificates of indebtedness due March 15, 1929 for account Alien Property Custodian and a purchase of \$10,439,500 par amount 4% certificates of indebtedness due December 15, 1928 for account Redemption.

SYSTEM PURCHASES OF BANKERS ACCEPTANCES

The following is a statement of the purchases of bankers acceptances made during the current calendar year, showing the amount that 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	\$ 91,658,000	\$ 85,451,000	\$ 6,207,000	0
New York	316,874,000	315,579,000	1,295,000	0
Philadelphia	102,706,000	116,125,000	0	13,419,000
Cleveland	131,606,000	130,227,000	1,379,000	0
Richmond	61,842,000	62,114,000	0	272,000
Atlanta	54,518,000	54,850,000	0	332,000
Chicago	151,200,000	151,165,000	35,000	0
St. Louis	19,459,000	19,459,000	0	0
Minneapolis	53,739,000	53,225,000	514,000	0
Kansas City	65,888,000	66,022,000	0	134,000
Dallas	56,104,000	54,532,000	1,572,000	0
San Francisco	<u>110,686,000</u>	<u>107,531,000</u>	<u>3,155,000</u>	<u>0</u>
Totals	<u>\$1,216,280,000</u>	<u>\$1,216,280,000</u>	<u>\$14,157,000</u>	<u>\$14,157,000</u>

DECLASSIFIED
 Authority E.O. 12958

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, September 5, 1928, remaining unchanged at \$92,113,300. 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	\$ 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		\$75,488,300
Minneapolis	3,750,000	Plus temporary purchase from St. Louis' portfolio:	
Kansas City	6,585,000	3 1/2% T/N due 1931-32	\$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
		3 3/8% T/B due 1943-47	<u>1,625,000</u>
Totals	<u>\$92,113,300</u>		<u>\$92,113,300</u>

DECLASSIFIED
Authority E.O. 12958

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS AUGUST 29 TO SEPTEMBER 5, 1928

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	* \$11,630,000	TD3-1928 3 1/4%	* \$ 1,190,500	TD3-1928 3 1/4%
Atlanta	<u>113,950</u>	Misc. Gov't Sec.	* 10,439,500	TD3-1928 3 1/4%
Totals	<u>\$11,743,950</u>		<u>66,300</u>	Misc. Gov't Sec.
			<u>\$11,696,300</u>	

* These certificates were purchased from Foreign Correspondent and held temporarily in Investment Account F.R.B. New York for resale to Treasury and Foreign Correspondent.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>By Allotment</u>	<u>ities &</u>	<u>Holdings</u>	<u>Other Holdings</u>		
	<u>Aug. 29</u>					<u>Own Mkt.</u>	<u>From N.Y.</u>	<u>Matur-</u>
						<u>Contracts</u>	<u>Bills</u>	
Boston	\$ 13,304	\$ 4,355 R	\$ 0	\$ 860	\$ 16,799	\$ 6,005	\$ 19	
New York	27,578	946 "	0	9,181	19,343	25,996	277	
		7,296 A						
Phila.	12,444	933 R	0	2,046	11,331	0	24	
Cleve.	19,697	119 "	2,099	3,749	18,166	0	27	
Richmond	6,170	50 "	906	1,015	6,111	0	13	
Atlanta	12,302	0	675	1,659	11,318	0	552	
Chicago	10,760	67 "	3,013	2,226	11,614	3,551	36	
St. Louis	0	0	0	0	0	0	11	
Minn.	9,490	0	177	1,095	8,572	0	7	
Kan. City	10,814	0	426	645	10,595	0	9	
Dallas	12,583	273 "	0	2,242	10,614	12	9	
San Fran.	19,041	3,864 "	0	2,351	20,554	3,716	18	
Totals	<u>\$154,183</u>	<u>\$17,903</u>	<u>\$7,296</u>	<u>\$27,069</u>	<u>\$145,017</u>	<u>\$39,280</u>	<u>\$1,002</u>	
Bills held over night by New York for distribution to other F.R. Banks - -							<u>1,497</u>	
Total - - - - -							<u>\$2,499</u>	

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

DECLASSIFIED

Authority E.O. 12958

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 5, 1928
(000 Omitted)

	<u>1-30 days</u> <u>4 1/2 - 4 5/8%</u>	<u>31-60 days</u> <u>4 1/2 - 4 5/8%</u>	<u>61-90 days</u> <u>4 1/2 - 4 5/8%</u>	<u>Over 90 days</u> <u>4 5/8 - 5%</u>	<u>Total</u>
Boston	\$1,608	\$ 521	\$1,973	\$ 253	\$ 4,355
New York	6,638	426	628	555	8,247
Philadelphia	200	733	0	0	933
Cleveland	0	119	0	0	119
Richmond	0	0	50	0	50
Chicago	24	43	0	0	67
Dallas	0	38	139	96	273
San Francisco	<u>591</u>	<u>755</u>	<u>2,094</u>	<u>424</u>	<u>3,864</u>
Totals	<u>\$9,061</u>	<u>\$2,635</u>	<u>\$4,879</u>	<u>\$1,328</u>	<u>\$17,903</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPTEMBER 5, 1928
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$11,744	\$17,903	\$29,647
Sold	11,696	0	11,696
Matured	0	<u>27,069</u>	<u>27,069</u>
		\$ 9,166-	\$ 9,118-
		83- (Net Change 1-day holdover and other bills)	83- (Net Change 1-day holdover and other bills)
Totals	<u>\$ 48+</u>	<u>\$ 9,249-</u>	<u>\$ 9,201-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>September 5, 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	\$ 9,954	0	0	0	\$32,853	\$163,578	\$206,385
Bills Purchased	<u>90,527</u>	<u>29,577</u>	<u>37,230</u>	<u>22,660</u>	<u>6,802</u>	<u>0</u>	<u>186,796</u>
Totals	<u>\$100,481</u>	<u>\$29,577</u>	<u>\$37,230</u>	<u>\$22,660</u>	<u>\$39,655</u>	<u>\$163,578</u>	<u>\$393,181</u>