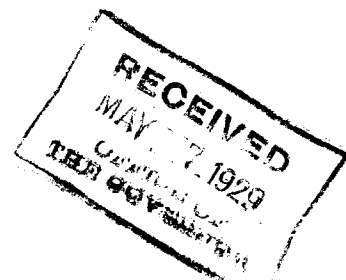


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Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

May 6, 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 April 25, 1929 to May 1, 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.

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Authority E.O. 12958

Mr. Stark (S)

*Mr. Smead ✓
Mr. Reifler ✓
Mr. Collier*

FEDERAL RESERVE BANK
OF NEW YORK

REC'D-BK. OF MAY 10 1929

CONFIDENTIAL

May 6, 1929

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

Dear Mr. Goldenweiser:

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W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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Authority E.O. 12958

FOR SPECIAL CIRCULATION

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

Gov. Young ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

Mr. Pole ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 1, 1929

Holdings of Earning Assets of Federal Reserve Banks from April 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1928-						
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
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Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
Apr. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 1	1,329,245	140,914	9,816	121,994	48,427	985,829

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 1, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 1	Net Change	Balance May 1	Net Change	Balance May 1	Net Change
Boston	\$ 4,105	\$ 315-	\$ 20,481	\$ 592+	\$ 83,808	\$8,382+
New York	9,586	17-	22,845	9,543+	247,582	15,287-
Philadelphia	16,939	287-	11,306	908-	101,862	11,797-
Cleveland	27,962	346-	12,885	2,735-	91,347	16,269+
Richmond	1,809	0	6,275	1,613-	54,361	2,817+
Atlanta	3,242	129-	6,552	1,336-	76,511	9,137+
Chicago	24,041	631-	3,042	848+	110,725	1,460-
St. Louis	11,338	4,213+	1,367	1,081-	47,333	231+
Minneapolis	8,665	129-	3,655	1,437-	22,370	1,865-
Kansas City	9,793	0	5,858	820-	46,121	2,984+
Dallas	11,427	203-	10,476	531-	22,725	583+
San Francisco	12,007	354-	12,422	53-	81,084	1,322+
N.Y. holdovers and other bills			4,830	2,281+		
Totals	\$140,914	\$1,802+	\$121,994	\$2,750+	\$985,829	\$11,316+

COMMENT ON CHANGES WEEK ENDED MAY 1, 1929

Total earning assets of the System showed an increase of \$48,644,000 for the current statement week. The approximate changes by classification consisted of increases of \$1,800,000 and \$2,750,000 respectively, in outright purchases of Government securities and bankers acceptances, \$11,300,000 in bills discounted and \$25,650,000 net in investments held under sales contracts. The latter item consisted of an increase of \$26,500,000 in bankers acceptances and a decrease of \$850,000 in Government securities.

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2

Money
Market

The renewal rate for call money rose further to a high of 14 per cent at the end of April, and the rate for new loans touched 15 per cent. On May 1, however, the renewal rate dropped to 11 per cent and during the day there was a subsequent reduction in the new loan rate to 10 per cent. On the next day of the calendar week, Thursday, the call rate was steady at 10 per cent, while on Friday the new loan rate advanced late in the afternoon to 11 per cent from a renewal at 10 per cent, accompanying the usual outflow of funds to other districts after the first of the month, week-end currency withdrawals, and a Government call from depositaries.

During the first part of the week, there was some inflow of funds to this market from other centers, and there were also substantial disbursements made by the Reserve Bank for foreign account. These gains to the market were supplemented by an increase in Reserve Bank takings of bills (mostly under sales contract), and as a consequence the borrowings of the New York City banks at the Federal Reserve temporarily were reduced to a relatively low level. Later in the week, the increased requirements for currency, the Government withdrawal from depositaries, and the onset of an outward movement of commercial funds, caused an increase in New York bank borrowing, but on Friday the indebtedness of the City banks was still about \$37,000,000 lower than on the preceding Friday, and for the week averaged \$186,000,000, or \$21,000,000 less than in the preceding week.

The time money market was very quiet during the past week, and trading was largely confined to the shorter maturities. In the first part of the week, 30-day money lent at 9 per cent, and 60 and 90-day money at 8 1/2 per cent, but toward the end of the week the 30-day rate receded to 8 3/4 per cent, while 60 and 90-day money remained at 8 1/2 per cent. Four to six months' money was quoted nominally at 8 1/4 per cent.

The market for commercial paper continued exceedingly quiet. While the prevailing rate for prime names remained at 6 per cent, there were some sales of the smaller good names at 6 1/4 per cent, on direct bids from the banks. The total volume of sales was small, and merchants' requirements for accommodation limited.

Government
Security
Market

The market for United States Government securities was quiet with the demand in the latter part of the week showing some improvement over the previous week. The 3 1/2 per cent Treasury notes maturing on March 15, 1930-32 and the long-term bonds were in best demand, while Treasury certificates and Treasury notes due September and December 15, 1930-32 were firm.

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

	Issue		Price	Net Change	Approx. Yield
4 1/2%	Cert. of Ind. due	June 15, 1929	99 31/32	+1/32	4.71
4 3/4%	" " " "	Sept. 15, 1929	99 30/32	- - -	4.89
4 1/4%	" " " "	Sept. 15, 1929	99 23/32	- - -	5.02
4 1/4%	" " " "	Dec. 15, 1929	99 18/32	- - -	4.97
4 3/4%	" " " "	Dec. 15, 1929	99 29/32	- - -	4.88
3 1/2%	Treasury Notes	" Mar. 15, 1932	97 3/32	+3/32	4.59
3 1/2%	" " " "	Sept. 15, 1932	97	- - -	4.47
3 1/2%	" " " "	Dec. 15, 1932	97	- - -	4.40

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Closing Prices on New York Stock Exchange on Saturday,
May 4, 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	98 3/32	+7/32	Treas. 4s 1944-54	105 2/32	+7/32
1st 4 1/4s	99 22/32	+7/32	" 4 1/4s 1947-52	109	+8/32
4th 4 1/4s	99 26/32	+3/32	" 3 3/4s 1946-56	102 6/32	+9/32
			" 3 3/8s 1943-47	98 1/32	+1/32
			" 3 3/8s 1940-43	97 28/32	+4/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week: 5 3/8 percent for 30s, 60s, 90s and 120s and 5 1/2 per cent for 180-day bills. On May 3, dealers advanced their bid and asked rates on 30-day bills 1/8 per cent, rates for other maturities remaining unchanged.

Reports
week
ending
May 1

Boston reports that there was a noticeable improvement in the bill market in its district during the past period. The supply of new bills showed a good increase, while sales were the highest in several weeks past. The effect of the lowering of the bill rate during the previous week began to make itself felt, and some of the larger acceptance houses reported that many more acceptance credits will be opened upon a further reduction. Offerings to the Reserve Bank were greater than for some time. In New York the supply of bills, while narrow, increased about 60 per cent over last week's aggregate. The volume was the largest so far this year, and was considerably in excess of the demand which also increased substantially. Dealers' purchases consisted mainly of short bills, which at present are very hard to move. Distribution consisted mainly of orders for nineties for foreign account. Local buying improved moderately and was chiefly for corporation account. Dealers' portfolios increased about 50 per cent. Philadelphia reports that its acceptance market was generally inactive. Offerings were more plentiful and consisted for the most part of 30-day bills. The demand improved slightly. Dealers' portfolios increased. Chicago reports that there was very little change in its bill market from the previous week, although dealers reported an increasing distribution in small amounts among country banks. Dallas reports that dealers reported bills moved freely at offered prices with the demand in excess of the available supply. One dealer making a practice of buying unaccepted bills reported a slight increase in the supply on account of approaching May shipments. Offerings to the Reserve Bank were slightly less than the previous week and consisted almost entirely of thirties and sixties.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week were as follows:

Sales of \$2,300,000 par amount	3	1/2%	T/N	due 3/15/30-32	for account Alien Property Custodian
1,000,000	"	"	4	1/2%	C.I. due 6/15/29 for account Govern- ment Life Insurance Fund
<hr/>					
\$3,300,000	Total Sales				

and purchases of \$ 383,900 par amount	4	1/4%	Fourth L/L bonds	for account Interstate Commerce Commission, General Railroad Contingent Fund
1,300,000	"	"	3	1/2% T/N due 3/15/30-32 for German Special Deposit Account
<hr/>				
\$1,683,900	Total Purchases			

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As mentioned in last week's report, the Federal Reserve Bank of St. Louis repurchased on April 26 - \$3,500,000 of the \$9,500,000 - 3 1/2% Treasury notes temporarily taken over from them recently. This sale reduced the total amount of holdings in the Account to \$23,500,000, including the balance of \$6,000,000 notes being held temporarily for the St. Louis bank. The participation by Federal reserve banks and the classification of issues at the close of the statement week ending May 1, 1929, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 2,048,500	Dec. 15, 1932 - 3 1/2% T/N	\$17,500,000
New York	7,071,500		
Philadelphia	1,927,000		
Cleveland	2,251,500	Plus temporary	
Richmond	656,500	purchase from	
Atlanta	684,500	St. Louis' portfolio	
Chicago	4,103,500	3 1/2% T/N due 3/15/32	\$3,000,000
St. Louis	0	3 1/2% " " 9/15/32	<u>3,000,000</u>
Minneapolis	1,032,500		6,000,000
Kansas City	0		
Dallas	1,423,500		
San Francisco	<u>2,301,000</u>		
Totals	<u>\$23,500,000</u>		<u>\$23,500,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM APRIL 25 TO MAY 1, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Sale to <u>St. Louis</u>
Boston	\$ 315,000
New York	1,087,500
Philadelphia	287,000
Cleveland	346,000
Richmond	0
Atlanta	102,000
Chicago	631,000
St. Louis	0
Minneapolis	159,000
Kansas City	0
Dallas	219,000
San Francisco	<u>353,500</u>
Total	<u>\$3,500,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$1,259,250	A-1930-32 Notes	\$1,228,700	Fourth L/L bonds
	*1,040,000	June 15, 1929 C/I	0	-
Atlanta	96,400	Misc. Gov't Sec.	123,250	Misc. Gov't Sec.
St. Louis	**3,500,000	C-1930-32 Notes	0	-
	475,000	A-1930-32 "	0	-
	237,500	B-1930-32 "	0	-
Minneapolis	30,000	Misc. Gov't Sec.	0	-
Dallas	<u>16,000</u>	June 15, 1929 C/I	<u>0</u>	-
Totals	<u>\$6,654,150</u>		<u>\$1,351,950</u>	

*Held temporarily.

**Repurchase from System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	Holdings <u>April 24</u>	Purchased <u>Own Mkt.</u>	By Allot- <u>ment from</u>	Matur- <u>ities &</u>	Holdings <u>May 1</u>	Other Holdings <u>Close May 1, 1929</u>	
			<u>New York</u>	<u>Sales</u>		<u>Sales</u>	<u>Other</u>
Boston	\$ 19,889	\$ 3,050 R.	0	\$ 2,458	\$20,481	\$ 9,516	\$ 75
New York	13,302	*17,620 "	0	8,077	22,845	30,743	678
		4,877 A.					
Phila.	12,214	2,387 R.	0	3,295	11,306	0	96
Cleve.	15,620	0	1,250	3,985	12,885	0	106
Richmond	7,888	0	502	2,115	6,275	0	52
Atlanta	7,888	524 "	468	2,328	6,552	0	902
Chicago	2,194	539 "	936	627	3,042	3,796	141
St. Louis	2,448	0	0	1,081	1,367	0	44
Minn.	5,092	0	523	1,960	3,655	0	27
Kan. City	6,678	0	784	1,604	5,858	0	33
Dallas	11,007	714 "	414	1,659	10,476	262	36
San Fran.	<u>12,475</u>	<u>1,036 "</u>	<u>0</u>	<u>1,089</u>	<u>12,422</u>	<u>4,110</u>	<u>72</u>
Totals	\$116,695	\$30,747	\$4,877	\$30,278	\$117,164	\$48,427	\$2,262
Bills held overnight by New York for distribution to other F.R. Banks							<u>2,568</u>
							<u>Total - - - - - \$4,830</u>

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

* The maturities of these bills were too short to apportion the bills to other participating banks.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 1, 1929
(000 Omitted)

	<u>1-30 days</u> <u>5-5 1/2%</u>	<u>31-60 days</u> <u>5 1/8-5 5/8%</u>	<u>61-90 days</u> <u>5 1/4-5 5/8%</u>	<u>Over 90-days</u> <u>5 3/4%</u>	<u>Total</u>
Boston	\$ 1,421	\$1,629	\$ 0	\$0	\$ 3,050
New York	20,506	1,978	0	13	22,497
Philadelphia	1,089	526	772	0	2,387
Atlanta	500*	0	24**	0	524
Chicago	517	22	0	0	539
Dallas	337	296	64	17	714
San Francisco	<u>234</u>	<u>790</u>	<u>12</u>	<u>0</u>	<u>1,036</u>
Totals	<u>\$24,604</u>	<u>\$5,241</u>	<u>\$872</u>	<u>\$30</u>	<u>\$30,747</u>

* Purchased at 4 1/2%

** Purchased at 4 3/4%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 1, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$6,654	\$30,747	\$37,401
Sold	4,852	0	4,852
Matured	0	<u>30,278</u>	<u>30,278</u>
		\$ 469+	\$ 2,271+
		2,281+(Net Change	2,281+(Net Change
	<u>6</u>	<u>1-day holdover</u>	<u>1-day holdover</u>
		& other bills)	& other bills)
Totals	<u>\$1,802+</u>	<u>\$ 2,750+</u>	<u>\$ 4,552+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MAY 1, 1929
(000 Omitted)

	(Including Sales Contracts)						
	<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	\$ 9,816	\$ 0	\$ 1,060	\$ 0	\$ 9,155	\$130,699	\$150,730
Bills Purchased	<u>94,551</u>	<u>30,092</u>	<u>32,037</u>	<u>11,069</u>	<u>2,672</u>	<u>0</u>	<u>170,421</u>
Totals	<u>\$104,367</u>	<u>\$30,092</u>	<u>\$33,097</u>	<u>\$11,069</u>	<u>\$11,827</u>	<u>\$130,699</u>	<u>\$321,151</u>

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Authority E.O. 12958

April 30, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of the 29th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from April 18, 1929 to April 24, 1929 inclusive.

Very truly yours,

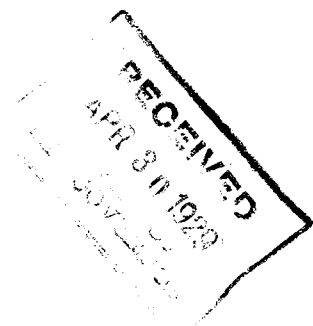
E. M. McClelland,
Assistant Secretary

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

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**FEDERAL RESERVE BANK
OF NEW YORK**



P E R S O N A L

April 29, 1929

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Encl.

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Mr. Smead ✓
Riefler ✓
Collier ✓

**FEDERAL RESERVE BANK
OF NEW YORK**

RECEIVED
APR 30 1929
**DIVISION OF RESEARCH
AND STATISTICS.**

CONFIDENTIAL

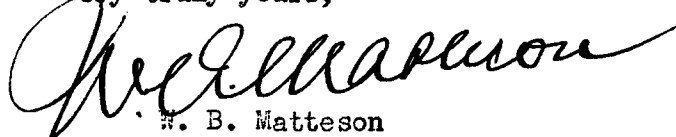
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FOR SPECIAL CIRCULATION

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

Mr. Young ✓

Mr. Hamilton ✓

Mr. James ✓

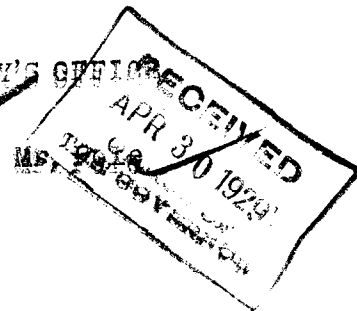
Mr. Piatt ✓

Mr. Miller ✓

Mr. Cunningham ✓

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 24, 1929

Holdings of Earning Assets of Federal Reserve Banks from April 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
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Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
Apr. 17	1,310,162	151,644	9,785	127,117	13,910	994,296
Apr. 24	1,280,601	139,112	10,670	119,244	21,931	974,513

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 24, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 24	Net Change	Balance Apr. 24	Net Change	Balance Apr. 24	Net Change
Boston	\$ 4,420	\$ 1,094-	\$ 19,889	\$ 224+	\$ 75,426	\$ 1,082-
New York	9,603	3,778-	13,302	1,597+	262,869	2,866+
Philadelphia	17,226	1,025-	12,214	510+	113,659	4,861+
Cleveland	28,308	1,203-	15,620	1,210-	75,078	14,745-
Richmond	1,809	304-	7,888	670-	51,544	3,672-
Atlanta	3,371	380-	7,888	8+	67,374	1,326+
Chicago	24,672	2,192-	2,194	2,192-	112,185	6,329-
St. Louis	7,125	0	2,448	1,988-	47,102	6,753-
Minneapolis	8,794	552-	5,092	302-	24,235	1,658+
Kansas City	9,793	0	6,678	987-	43,137	2,406+
Dallas	11,630	776-	11,007	670-	22,142	1,118+
San Francisco	12,360	1,228-	12,475	977-	79,762	1,437-
N.Y. holdovers and other bills			2,549	1,216-		
Totals	\$139,112	\$12,532-	\$119,244	\$7,873-	\$974,513	\$19,783-

COMMENT ON CHANGES WEEK ENDED APRIL 24, 1929.

Total earning assets of the System declined \$29,561,000 to their lowest point since March of last year. The approximate changes by classification consisted of decreases of \$12,550,000 and \$7,850,000 respectively, in outright purchases of Government securities and bankers acceptances, \$19,800,000 in bills discounted and an increase of \$8,900,000 in investments held under sales contracts. The latter increase consisted of \$900,000 in Government securities and \$8,000,000 in bankers acceptances.

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Money
Market

Call money began the week at a relatively low level but advanced rather sharply as the week progressed, in response to month-end influences. The rate remained at 7 1/2 per cent on Monday, continuing the movement of the previous week, but on Tuesday advanced to 8 per cent, at which level the quotation held steady all day Wednesday. On Thursday, there was a rise to 12 per cent from the renewal level of 8 per cent, and on Friday, the 26th, the new loan rate reached 16 per cent, after renewals had been set at 9 per cent. The 16 per cent rate for Stock Exchange demand accommodation is the highest since March 26, when money reached 20 per cent.

The flow of commercial funds between this market and other centers largely balanced during the week and foreign account payments resulted in little net addition of funds to the market. In fact, all commercial and agency transactions, and Federal Reserve bill and security transactions, combined, placed only a small net amount of funds at the disposal of the market, and as a consequence the indebtedness of the New York City banks at the Reserve Bank remained high - averaging \$207,000,000 for the week.

The time money market eased further during the first part of the calendar week, and loans for 2 to 4 months were placed at 8 1/4 per cent, and 5 - 6 months' maturities at 8 per cent. Later in the week the market became somewhat firmer due to a reduction in offerings of funds, and loans for the shorter maturities were reported at both 8 1/4 and 8 1/2 per cent, with no business in the longer dates.

There was little change in the commercial paper market from the previous state of quietude. Practically all names were quoted at 6 per cent.

Government
Security
Market

Accompanying firmer money conditions during the latter part of the current calendar week, the demand for United States Government securities, which had shown some improvement during the previous few weeks, fell off and was somewhat less than the amount of offerings. All of the outstanding short and long-term issues showed slight fractional recessions in prices from the previous week's close with the exception of the Treasury 4s of 1944-54 which registered a gain of 5/32nds.

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>
4 1/2% Cert. of Ind. due June 15, 1929	99 30/32	-1/32	4.90
4 3/4% " " " " Sept. 15, 1929	99 30/32	-1/32	4.89
4 1/4% " " " " Sept. 15, 1929	99 23/32	-1/32	4.98
4 1/4% " " " " Dec. 15, 1929	99 18/32	-1/32	4.95
4 3/4% " " " " Dec. 15, 1929	99 29/32	-1/32	4.88
3 1/2% Treasury Notes " Mar. 15, 1932	97	-4/32	4.61
3 1/2% " " " " Sept. 15, 1932	97	-4/32	4.46
3 1/2% " " " " Dec. 15, 1932	97	-4/32	4.39

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Closing Prices on New York Stock Exchange on Saturday,
April 27, 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	97 26/32	-4/32	Treas. 4s	1944-54	104 27/32	+5/32
1st 4 1/4s	99 15/32	-5/32	"	4 1/4s 1947-52	108 24/32	-8/32
4th 4 1/4s	99 23/32	-2/32	"	3 3/4s 1946-56	101 29/32	-5/32
			"	3 3/8s 1943-47	98	-3/32
			"	3 3/8s 1940-43	97 24/32	-8/32

Bankers
Acceptances

On April 22 dealers lowered their rates 1/8 per cent there-
by establishing the following rates at which they offered unindorsed
bankers acceptances: 5 3/8 per cent for 30s, 60s, 90s and 120s, and
5 1/2 per cent for 180-day bills.

Reports
Week
Ending
April 24

Boston reports that there was no change in local conditions
in its bill market during the past week and if anything, the supply
and demand was slightly less than the preceding period. Although
dealers lowered their rates, no material effect was shown. Due to
the very small supply, bills moved freely and dealers were obliged
to receive the desired maturities from their offices in other cities.
Offerings to the Reserve bank were very small. In New York, as
reported last week, dealers had difficulty in filling the demand on
account of their portfolios being depleted both as to volume and
maturities. This condition continued until April 22 when all
dealers lowered their bid and asked rates 1/8 per cent on all maturi-
ties, except 30-day bills. This rate change effected a moderate in-
crease in the supply of bills, but had the tendency to cause a
decrease in the demand, with the result that dealers' portfolios in-
creased about 50 per cent over the previous week's aggregate.
Philadelphia reports that its acceptances market was unchanged from
the previous week. Offerings were light with practically no demand.
Chicago reports that its market for bills continued quiet during the
past period and conditions in their district did not appear to have
warranted the recent decrease in rates. Dallas reports that dealers
reported bills moved freely at offered prices. The demand for the
longer maturities for which there was a slight preference was in ex-
cess of the available supply. Offerings to the Reserve bank were
about the same as last week, consisting almost entirely of thirties
and sixties.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week were as follows:

Purchases of \$1,000,000	par amount	4 3/4%	C/I	due 9/15/29	account	Surplus Money
1,600,000	" "	4 3/4%	"	" 12/15/29	"	" "
2,400,000	" "	4 1/4%	"	" 12/15/29	"	" " " "
<u>1,000,000</u>	" "	4 1/2%	"	" 6/15/29	"	Government Life Insurance Fund
<u>\$6,000,000</u>	Total Purchases					

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week sales were made from holdings in the System Account to the market of \$12,500,000 Treasury 3 1/2% notes due December 15, 1930-32 for delivery as follows:

April 18	-	\$5,000,000
" 19	-	5,000,000
" 24	-	<u>2,500,000</u>
Total		<u>\$12,500,000</u>

These sales reduced the total amount of holdings in the Account at the close of business Wednesday, April 24, 1929, to \$27,000,000, including the \$9,500,000 taken over temporarily from St. Louis recently. The participation by Federal reserve banks and the classification of the issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>
Boston \$ 2,363,500	Dec. 15, 1932 - 3 1/2% T/N \$17,500,000
New York 8,159,000	
Philadelphia 2,214,000	Plus temporary
Cleveland 2,597,500	purchase from
Richmond 656,500	St. Louis' portfolio
Atlanta 786,500	3 1/2% T/N due 3/15/32 \$3,000,000
Chicago 4,734,500	3 1/2% " " 9/15/32 3,000,000
St. Louis 0	3 1/2% " " 12/15/32 <u>3,500,000</u>
Minneapolis 1,191,500	9,500,000
Kansas City 0	
Dallas 1,642,500	
San Francisco <u>2,654,500</u>	
Totals <u>\$27,000,000</u>	<u>\$27,000,000</u>

Note: On April 26th the Federal Reserve Bank of St. Louis repurchased \$3,500,000 of the \$9,500,000 - 3 1/2% Treasury notes temporarily taken over from them recently.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM APRIL 18 TO APRIL 24, 1929, INCLUSIVE

GOVERNMENT SECURITIES • SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>
Boston	\$ 1,093,500
New York	3,777,500
Philadelphia	1,025,000
Cleveland	1,202,500
Richmond	304,000
Atlanta	365,000
Chicago	2,192,500
St. Louis	0
Minneapolis	551,500
Kansas City	0
Dallas	760,000
San Francisco	<u>1,228,500</u>
Total - - - - -	<u><u>-\$12,500,000</u></u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$189,400	Misc. Gov't Sec.	\$203,900	Misc. Gov't Sec.
Dallas	<u>5,000</u>	Fourth L/L bonds	<u>20,600</u>	Fourth L/L bonds
Totals	<u><u>\$194,400</u></u>		<u><u>\$224,500</u></u>	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>By Allot-</u>	<u>Matur-</u>		<u>Other Holdings</u>	
	<u>April 17</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &</u>	<u>Holdings</u>	<u>Close April 24/29</u>	
			<u>N. Y.</u>	<u>Sales</u>	<u>April 24</u>	<u>Sales</u>	<u>Other</u>
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 19,665	\$ 2,496 R	\$ 0	\$ 2,272	\$ 19,889	\$ 2,728	\$ 75
New York	11,705	3,514 "	0	1,916	13,302	14,403	699
		5,223 A					
Phila.	11,704	2,554 R	0	2,045	12,214	0	96
Cleve.	16,830	0	1,694	2,904	15,620	0	106
Richmond	8,558	25 "	628	1,323	7,888	0	52
Atlanta	7,880	1,214 "	613	1,819	7,888	0	973
Chicago	4,386	218 "	0	2,410	2,194	751	141
St. Louis	4,436	0	0	1,988	2,448	0	44
Minn.	5,394	0	608	910	5,092	0	27
Kan. City	7,665	0	1,097	2,084	6,678	0	33
Dallas	11,677	722 "	583	1,975	11,007	83	36
San Fran.	<u>13,452</u>	<u>338 "</u>	<u>0</u>	<u>1,315</u>	<u>12,475</u>	<u>3,956</u>	<u>72</u>
Totals	\$123,352	\$16,304	\$5,223	\$22,961	\$116,695	\$21,931	\$2,354

Bills held over night by New York for distribution to other F. R. Banks - - 195

Total - - - - - -\$2,549

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 24, 1929
(000 Omitted)

	1-30 days 5-5 1/2%	31-60 days 5 1/4-5 5/8%	61-90 days 5 1/2-5 5/8%	Over 90-days 5 1/2-5 3/4%	Total
Boston	\$ 123	\$1,000	\$1,134	\$239	\$ 2,496
New York	6,114	2,421	14	188	8,737
Philadelphia	1,141	997	416	0	2,554
Richmond	0	25	0	0	25
Atlanta	911*	49**	217**	37***	1,214
Chicago	194	24	0	0	218
Dallas	307	361	15	39	722
San Francisco	1	318	0	19	338
Totals	<u>\$8,791</u>	<u>\$5,195</u>	<u>\$1,796</u>	<u>\$522</u>	<u>\$16,304</u>

* Purchased at 4 1/2%

*** Purchased at 5%

** Purchased at 4 3/4%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 24, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 194	\$16,304	\$16,498
Sold	12,725	0	12,725
Matured	0	22,961	22,961
		\$ 6,657-	\$19,188-
		1,216-(Net Change	1,216-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$12,531-</u>	<u>\$ 7,873-</u>	<u>\$20,404-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES APRIL 24, 1929
(000 Omitted)

(Including Sales Contracts)

	<u>Within 15-days</u>	<u>16-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91 days- 6 months</u>	<u>Over 6 months</u>	<u>Total</u>
Gov't Securities	\$10,670	\$ 0	\$ 19	\$ 0	\$ 9,155	\$129,938	\$149,782
Bills Purchased	66,626	28,011	34,266	9,557	2,715	0	141,175
Totals	<u>\$77,296</u>	<u>\$28,011</u>	<u>\$34,285</u>	<u>\$9,557</u>	<u>\$11,870</u>	<u>\$129,938</u>	<u>\$290,957</u>

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April 23, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 22nd instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from April 11, 1929 to April 17, 1929 inclusive.

Very truly yours,

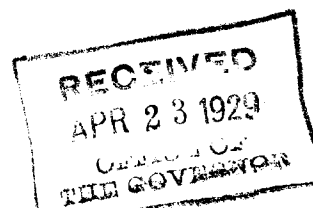
E. M. McClelland,
Assistant Secretary

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

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**FEDERAL RESERVE BANK
OF NEW YORK**



P E R S O N A L

April 22, 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 April 11, 1929 to April 17, 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.

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Mr. Amos ✓
Mr. Riefler ✓
Collins

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
APR 23 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

April 22, 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 April 11, 1929 to April 17, 1929 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.

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FOR SPECIAL CIRCULATION

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

Gov. Young

Mr. Hamlin ✓

Mr. James ✓

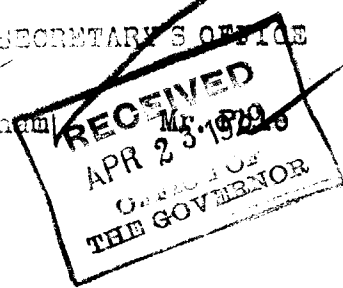
Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

April 22, 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 April 11, 1929 to April 17, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

A handwritten signature in cursive script, reading "W. B. Matteson".

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 17, 1929

Holdings of Earning Assets of Federal Reserve Banks from April 25, 1928 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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	355,479	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. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
Apr. 10	1,293,783	162,584	3,505	144,232	13,085	963,532
Apr. 17	1,310,162	151,644	9,785	127,117	13,910	994,296

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

DURING WEEK ENDED APRIL 17, 1929

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 17	Net Change	Balance Apr. 17	Net Change	Balance Apr. 17	Net Change
Boston	\$ 5,514	\$ 875-	\$ 19,665	\$ 2,281+	\$ 76,508	\$ 7,134+
New York	13,381	4,022-	11,705	4,049-	260,003	13,268+
Philadelphia	18,251	819-	11,704	1,758-	108,798	4,394+
Cleveland	29,511	962-	16,830	1,923-	89,823	20,322-
Richmond	2,113	243-	8,558	868-	55,216	7,729+
Atlanta	3,751	249-	7,880	1,741-	66,048	8,512+
Chicago	26,864	1,754-	4,386	1,626-	118,514	14,550-
St. Louis	7,125	0	4,436	1,374-	53,855	6,000+
Minneapolis	9,346	441-	5,394	519-	22,577	3,834+
Kansas City	9,793	0	7,665	938-	40,731	4,682+
Dallas	12,406	592-	11,677	1,910-	21,024	6,949+
San Francisco	13,589	983-	13,452	3,985-	81,199	3,134+
N.Y. holdovers and other bills			3,765	1,295+		
Totals	\$151,644	\$10,940-	\$127,117	\$17,115-	\$994,296	\$30,764+

COMMENT ON CHANGES WEEK ENDED APRIL 17, 1929.

Total earning assets of the System showed an increase of \$16,379,000 for the current statement week. The approximate changes by classification consisted of decreases of \$10,950,000 and \$17,100,000 respectively, in outright purchases of Government securities and bankers acceptances, and increases of \$30,750,000 in bills discounted and \$7,100,000 in investments held under sales contracts. The latter increase consisted of \$6,300,000 in Government securities and \$800,000 in bankers acceptances.

Bankers acceptances held outright by the System are now at their lowest point since September 7, 1927, and Government securities held outright are now lower than at any time since February 1924.

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Money
Market

Call money rates in New York were relatively steady during the week ended April 19. Renewals on the first four days of the week were arranged at 8 per cent and on Friday at 7 1/2 per cent. On Tuesday, the new loan rate advanced to 9 per cent from the renewal level of 8 per cent, reflecting an outflow of funds to other centers, but on the next two days there were recessions to 7 1/2 per cent in the rate for new loans. All of Friday's loans were at the renewal figure of 7 1/2 per cent. Demand for new Stock Exchange loans was at a comparatively low level during the entire week.

Government interest payments beginning on the 15th and purchases of securities for the Treasury were approximately offset by withdrawals of Government funds from depositaries. During the first part of the week, there were further foreign account payments to the market, representing the proceeds of gold released from earmark, but later in the week the market lost funds as the result of new earmarkings for foreign account. Reflecting this loss, increased currency requirements toward the end of the week, and losses through Federal Reserve bill and security operations, the borrowings of the New York City banks rose to \$230,000,000 at the end of the week. For the period as a whole, the City banks' indebtedness averaged about \$200,000,000, as compared with \$177,000,000 in the previous week.

Offerings of time funds were larger during the past week, and the easing tendency reported as occurring toward the end of the previous week, developed further as the current week progressed. As a consequence, the trading rate for the maturities up to 4 months became established at 8 1/2 per cent, the same as the rate for the 5 and 6 months' loans.

Conditions in the commercial paper market were largely unchanged. Middle Western sales to investing banks were of fair volume, but in other parts of the country very quiet markets were reported. Dealers continued to take only small amounts of new paper from commercial and industrial concerns. Practically any name in the dealers' lists could be obtained by interested banks at 6 per cent.

Government
Security
Market

The market for United States Government securities continued moderately active during the calendar week. There was a fairly good demand for the 3 1/2 per cent Treasury notes and the long-term bonds, especially Treasury bonds, the latter mentioned issues selling at their highest levels since last February. The short-term Treasury certificates were firm.

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>
4 1/2% Cert. of Ind. due June 15, 1929	99 31/32	- - -	4.64
4 3/4% " " " " Sept. 15, 1929	99 31/32	-1/32	4.80
4 1/4% " " " " Sept. 15, 1929	99 24/32	- - -	4.86
4 1/4% " " " " Dec. 15, 1929	99 19/32	+1/32	4.87
4 3/4% " " " " Dec. 15, 1929	99 30/32	+1/32	4.83
3 1/2% Treasury Notes" Mar. 15, 1932	97 4/32	+7/32	4.57
3 1/2% " " " " Sept. 15, 1932	97 4/32	+7/32	4.43
3 1/2% " " " " Dec. 15, 1932	97 4/32	+7/32	4.36

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Closing Prices on New York Stock Exchange on Saturday,
April 20, 1929 and Net Changes from Previous Week's Close

<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>
1st 3 1/2s	97 30/32	- 6/32	Treas. 4s 1944-54	104 22/32	+22/32
1st 4 1/4s	99 20/32	+14/32	Treas. 4 1/4s 1947-52	109	+1.6/32
4th 4 1/4s	99 25/32	+10/32	Treas. 3 3/4s 1946-56	102 2/32	+ 4/32
			Treas. 3 3/8s 1943-47	98 3/32	+15/32
			Treas. 3 3/8s 1940-43	98	+16/32

Bankers
Acceptances

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

Reports
Week
Ending
April 17

Boston reports that the supply of bills continued small in its district during the past period with the demand somewhat improved. The best demand was for ninety day bills which moved freely. Sales to City banks and the Reserve Bank increased over the past week. Philadelphia reports that the supply of bills continued small in its district during the past week. There was some improvement in out-of-town buying, although the demand was generally poor. Offerings to the Reserve bank were light. Portfolios remained low. In New York dealers' purchases were moderate and slightly in excess of sales. There was, however, a good demand for bills and dealers could have sold more than they did had it not been that their portfolios were much depleted both as to volume and desired maturities. The demand consisted mainly of sixties and nineties for foreign account. Local buying was light. Dealers' portfolios increased slightly. Chicago reports that its bill market was very quiet and while dealers reported practically no new bills offered by local banks, the demand seemed to be very limited. Dallas reports that dealers continued to import bills from other districts during the past week. Dealers reported that there was a satisfactory supply of the longer maturities but only a limited supply of nineties. The demand for bills continued good with preference for the longer maturities. The principal demand continued from interior banks. Offerings to the Reserve bank were much smaller than during the previous week, and consisted principally of thirties and sixties.

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Authority E.O. 12958

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week were as follows:

Sales of \$	300,000	par amount	4 3/4%	C/I due	9/15/29	from German Special
						Deposit Account
	2,000,000	" "	3 1/2%	T/N due	3/15/30-32	from Alien Property
						Custodian Account
	<u>\$2,300,000</u>	Total Sales				

and purchases of \$1,000,000	par amount	3 1/2%	T/N due	3/15/30-32	for account
					Government Life Insurance Fund
	118,850	" "	4 1/4%	4th L/L bonds	for account
					General Railroad Contingent Fund
	6,000,000	" "	4 1/4%	C/I due	12/15/29
					for account
					Surplus Money
	<u>\$7,118,850</u>	Total Purchases			

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week sales were made from holdings in the System Account of \$10,000,000 Treasury 4 1/4% certificates of indebtedness due December 15, 1929, for delivery as follows:

April 12 -	\$ 500,000	to the market
April 15 -	4,000,000	" " "
April 17 -	<u>5,500,000</u>	" " Treasury, account Surplus Money
	<u>\$10,000,000</u>	Total

These sales left the total amount of holdings in the Account at the close of business Wednesday, April 17, 1929, including the \$9,500,000 taken over temporarily from St. Louis recently, at \$39,500,000. The participation by Federal reserve banks and the classifications of the issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 3,457,000	Dec. 15, 1932 - 3 1/2% T/N	\$30,000,000
New York	11,936,500		
Philadelphia	3,239,000	Plus temporary	
Cleveland	3,800,000	purchase from	
Richmond	960,500	St. Louis' portfolio	
Atlanta	1,151,500	3 1/2% T/N due 3/15/32	\$3,000,000
Chicago	6,927,000	3 1/2% " " 9/15/32	3,000,000
St. Louis	0	3 1/2% " " 12/15/32	<u>3,500,000</u>
Minneapolis	1,743,000		9,500,000
Kansas City	0		
Dallas	2,402,500		
San Francisco	<u>3,883,000</u>		
Totals	<u>\$39,500,000</u>		<u>\$39,500,000</u>

Note: Since the close of the statement week further sales were made from holdings in the System Account of \$10,000,000 - 3 1/2% Treasury notes due December 15, 1930-32 (\$5,000,000 for delivery on April 18 and \$5,000,000 on April 19) leaving the total amount of holdings in the Account \$29,500,000 including the amount temporarily taken over from St. Louis.

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5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM APRIL 11 TO APRIL 17, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>
Boston	\$ 875,500
New York	3,022,000
Philadelphia	819,500
Cleveland	962,000
Richmond	243,500
Atlanta	291,500
Chicago	1,754,000
St. Louis	0
Minneapolis	441,500
Kansas City	0
Dallas	608,000
San Francisco	<u>982,500</u>
Total - - - - -	<u>\$10,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$ 500,000 Dec. 15/29 - 4 1/4% C/I		*\$1,000,000 March 15, 1932 T/N	
Atlanta	515,400 Misc. Gov't Sec.		* 500,000 Dec. 15/29-4 1/4% C/I	
Dallas	20,600 Fourth L/L bonds		473,250 Misc. Gov't Sec.	
			5,000 Fourth L/L bonds	
Totals	\$1,036,000		\$1,978,250	

* Held temporarily.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>By Allot-</u>	<u>Matur-</u>		<u>Other Holdings</u>	
	<u>April 10</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &</u>	<u>Holdings</u>	<u>Close April 17/29</u>	
			<u>N. Y.</u>	<u>Sales</u>	<u>April 17</u>	<u>Sales</u>	<u>Other</u>
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 17,384	\$ 4,281 R	\$ 0	\$ 2,000	\$ 19,665	\$ 2,232	\$ 75
New York	15,754	3,170 "	0	7,219	11,705	6,311	721
		2,859 A					
Phila.	13,462	1,594 R	0	3,352	11,704	0	96
Cleve.	18,753	2,042 "	1,014	4,979	16,830	0	106
Richmond	9,426	134 "	405	1,407	8,558	0	52
Atlanta	9,621	778 "	210	2,729	7,880	0	1,006
Chicago	6,012	20 "	0	1,646	4,386	2,201	141
St. Louis	5,810	0	0	1,374	4,436	0	44
Minn.	5,913	0	340	859	5,394	0	27
Kan. City	8,603	0	652	1,590	7,665	0	33
Dallas	13,587	642 "	238	2,790	11,677	44	36
San Fran.	17,437	241 "	0	4,226	13,452	3,122	72
Totals	\$141,762	\$15,761	\$2,859	\$34,171	\$123,352	\$13,910	\$2,409
Bills held overnight by New York for distribution to other F. R. Banks - - -							<u>1,356</u>
Total - - - - -							<u>\$3,765</u>

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

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6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 17, 1929
(000 Omitted)

	<u>1-30 days</u> <u>5-5 1/2%</u>	<u>31-60 days</u> <u>5 1/8-5 5/8%</u>	<u>61-90 days</u> <u>5 1/2%</u>	<u>Over 90-days</u> <u>5 1/2%</u>	<u>Total</u>
Boston	\$ 696	\$3,570	\$ 15	\$ 0	\$ 4,281
New York	3,908	1,154	11	956	6,029
Philadelphia	1,174	384	36	0	1,594
Cleveland	1,402	440	200	0	2,042
Richmond	26	108	0	0	134
Atlanta	744*	0	34**	0	778
Chicago	20	0	0	0	20
Dallas	122	301	213	6	642
San Francisco	<u>124</u>	<u>0</u>	<u>117</u>	<u>0</u>	<u>241</u>
Totals	<u>\$8,216</u>	<u>\$5,957</u>	<u>\$626</u>	<u>\$962</u>	<u>\$15,761</u>

*Purchased at 4 1/2%

**Purchased at 4 3/4%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 17, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$ 1,036	\$15,761	\$16,797
Sold	11,978	0	11,978
Matured	0	<u>34,171</u>	<u>34,171</u>
		\$18,410-	\$29,352-
		1,295+ (Net Change	1,295+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$10,942-</u>	<u>\$17,115-</u>	<u>\$28,057-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES APRIL 17, 1929
(000 Omitted)

(Including Sales Contracts)

	<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	\$ 9,785	\$ 0	\$ 5	\$ 0	\$ 9,155	\$142,484	\$161,429
Bills Purchased	<u>62,231</u>	<u>28,503</u>	<u>34,736</u>	<u>13,048</u>	<u>2,509</u>	<u>0</u>	<u>141,027</u>
Totals	<u>\$72,016</u>	<u>\$28,503</u>	<u>\$34,741</u>	<u>\$13,048</u>	<u>\$11,664</u>	<u>\$142,484</u>	<u>\$302,456</u>

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Authority E.O. 12958

April 16, 1929

Dear Mr. Matteson:

Receipt is acknowledged of your letter of the 15th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from April 4, 1929 to April 10, 1929 inclusive.

Very truly yours,

E. W. McClelland,
Assistant Secretary

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

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*Mr. Incead
Riefler
Collier*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
APR 16 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

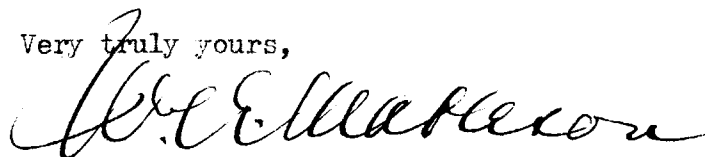
April 15, 1929

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 April 4, 1929 to April 10, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

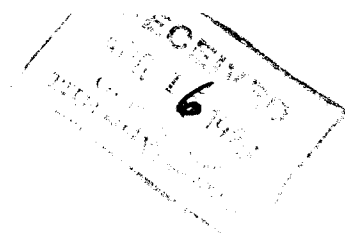


W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L

April 15, 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 April 4, 1929 to April 10, 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.

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FOR SPECIAL CIRCULATION

PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE

✓ Mr. Young

✓ Mr. Platt

Mr. Harlin ✓

Mr. Jones ✓

Mr. Miller

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

April 15, 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 April 4, 1929 to April 10, 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.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 10, 1929

Holdings of Earning Assets of Federal Reserve Banks from April 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1928-						
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	355,479	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. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
Apr. 3	1,380,458	165,828	3,230	160,780	13,923	1,029,852
Apr. 10	1,293,783	162,584	3,505	144,232	13,085	963,532

CHANGES IN EARNING ASSETS HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 10, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 10	Net Change	Balance Apr. 10	Net Change	Balance Apr. 10	Net Change
Boston	\$ 6,389	\$ 0	\$ 17,384	\$ 874-	\$ 69,374	\$ 3,124-
New York	17,403	3,000-	15,754	2,643-	246,735	11,207+
Philadelphia	19,070	0	13,462	2,634-	104,404	456-
Cleveland	30,473	0	18,753	3,079-	110,145	20,217+
Richmond	2,356	0	9,426	901-	47,487	2,069-
Atlanta	4,000	7-	9,621	393+	57,536	2,056-
Chicago	28,618	0	6,012	2,363-	133,064	71,691-
St. Louis	7,125	237-	5,810	983-	47,855	13,313-
Minneapolis	9,787	0	5,913	423-	18,743	5,633+
Kansas City	9,793	0	8,603	24+	36,049	2,234-
Dallas	12,998	0	13,587	525+	14,075	650-
San Francisco	14,572	0	17,437	2,678-	78,065	7,784-
N.Y. holdovers and other bills			2,470	912-		
Totals	\$162,584	\$3,244-	\$144,232	\$16,348-	\$963,532	\$66,320-

COMMENT ON CHANGES WEEK ENDED APRIL 10, 1929

Total earning assets of the System showed a decrease of \$86,675,000 for the current statement week, to less than \$1,300,000,000 the lowest since March, 1928. The approximate changes by classification consisted of decreases of \$3,250,000 and \$16,550,000 respectively, in outright purchases of Government securities and bankers acceptances, \$66,300,000 in bills discounted and \$550,000 net in investments held under sales contracts. The latter item consisted of an increase of \$300,000 in Government securities and a decrease of \$850,000 in bankers acceptances.

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2

Money
Market

Call money in New York averaged somewhat lower during the calendar week just closed than in the preceding week. On Monday, the call rate was steady at 7 per cent all day, following a closing rate of 6 per cent on the previous Friday. On the next two days, however, conditions firmed somewhat, due to an outflow of funds from the market to other centers, and the rate for new loans on both days went to 10 per cent. On the last two days of the week, the renewal rate was set at 9 per cent, but on Friday there was a decline to 7 per cent in the Stock Exchange new loan rate. The slightly easier rates for call money reflect in part the passing of the first of the month strain.

During the week just closed, the net flow of funds between districts was strongly against New York, and as this loss was only offset in part by gold imports and large foreign account payments of the proceeds of gold released from earmark, the average indebtedness of the New York City banks at the Reserve Bank at \$177,000,000 was slightly larger than in the preceding week.

In the time money market, all maturities of loans were placed at 9 per cent during the first part of the week. Toward the end of the week, however, offerings became somewhat more plentiful, and 6 months' loans were placed at 8 1/2 per cent, but the shorter maturities up to 90 days continued to command 9 per cent.

The going ^{rate} for prime commercial paper continued to be 6 per cent. At this rate there was a slight improvement in the bank investment demand for paper, chiefly in the Middle West. At the same time, new drawings of paper continued very small, and the dealers' ownership of paper declined somewhat during the week.

Government
Security
Market

The volume of trading in United States Government bonds continued in fair volume, especially for the issues of Treasury bonds, and the upward trend in prices which started two weeks ago continued in a more pronounced degree.

The demand for the short-term Treasury certificates of indebtedness and Treasury notes was not as good as the demand for the long-term bonds and dealers offering prices for the Treasury certificates at the end of the calendar week were from 1/32 to 3/32nds lower and the Treasury notes unchanged from the previous week's close.

Closing Prices on New York Stock Exchange on Saturday,
April 13, 1929 and Net Changes from Previous Week's Close

			Net				Net
Issue	Price	Change		Issue	Price	Change	
1st 3 1/2s	98 4/32	+6/32	Treas. 4s	1944-54	104	+1.8/32	
1st 4 1/4s	99 6/32	- -	"	4 1/4s 1947-52	107 26/32	+ 28/32	
4th 4 1/4s	99 15/32	+8/32	"	3 3/4s 1946-56	100 30/32	+1.	
			"	3 3/8s 1943-47	97 20/32	+1.11/32	
			"	3 3/8s 1940-43	97 16/32	+1.	

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

Issue				Price	Net Change	Approx. Yield
4 1/2%	Cert. of Ind. due	June 15, 1929		99 31/32	-1/32	4.62
4 3/4%	" " " "	Sept. 15, 1929		100	-3/32	4.72
4 1/4%	" " " "	Sept. 15, 1929		99 24/32	-2/32	4.83
4 1/4%	" " " "	Dec. 15, 1929		99 18/32	-1/32	4.90
4 3/4%	" " " "	Dec. 15, 1929		99 31/32	-1/32	4.78
3 1/2%	Treasury Notes	Mar. 15, 1932		96 29/32	- - -	4.64
3 1/2%	" " " "	Sept. 15, 1932		96 29/32	- - -	4.49
3 1/2%	" " " "	Dec. 15, 1932		96 29/32	- - -	4.42

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3

Bankers
Acceptances

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

Reports
Week
Ending
April 10

Boston reports that the supply of bills continued small in its district during the past period and while the demand showed some falling off, maturities up to 90 days moved freely. Sales to out-of-town banks were small and dealers forwarded their surplus supply to their offices in other cities. In New York the demand, while not as heavy as in the preceding week, was good and substantially in excess of the supply which fell off considerably. Dealers' sales consisted mainly of orders for nineties and longer maturities for foreign account. Local buying was light. Dealers' portfolios decreased to the lowest levels since February 1923. Philadelphia reports that its bill market was quiet. Dealers reported that there were few bills in the market and their portfolios were extremely low. Offerings were light with the demand only fair. Chicago reports that dealers reported very little demand for bills in its district except for short maturities and they are now carrying fairly large amounts of ninety day bills. Dallas reports that the supply of bills originating in its district continued to fall off as the cotton season is nearly over. The demand for bills was much stronger than the previous week and was principally for long maturities. One dealer reports experiencing difficulty in obtaining adequate supply from other districts. The principal demand was from interior banks, while the demand from Reserve city banks showed some improvement. Offerings to the Reserve Bank were much heavier than in the previous week and consisted almost entirely of thirties and sixties.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week were as follows:

Sales of \$	639,900	par amount	4 1/4%	First L/L bonds from account Government
				Life Insurance Fund
1,000,000	"	"	3 1/2%	T/N due 3/15/30-32 account Government
				Life Insurance Fund
1,000,000	"	"	3 1/2%	T/N due 3/15/30-32 from account Alien
				Property Custodian
<u>\$2,939,900</u>				Total Sales

Purchases of \$	3,500,000	par amount	4 1/2%	C/I due 6/15/29 for account Surplus Money
3,600,000	"	"	4 1/4%	" " 9/15/29 " " "
900,000	"	"	4 1/4%	" " 12/15/29 " " "
<u>7,500,000</u>	"	"	4 3/4%	" " 12/15/29 " " "
<u>\$15,500,000</u>				Total Purchases

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction effected in the System Account during the current statement week, the total holdings in the Account remaining at the close of business, April 10, 1929 at \$49,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 4,332,500	Dec. 15, 1929-4 1/4% C/I	\$10,000,000
New York	14,958,500	Dec. 15, 1932-3 1/2% T/N	<u>30,000,000</u>
Philadelphia	4,058,500		\$40,000,000
Cleveland	4,762,000		
Richmond	1,204,000	Plus temporary	
Atlanta	1,443,000	purchase from	
Chicago	8,681,000	St. Louis' portfolio	
St. Louis	0	3 1/2% T/N due 3/15/32	\$3,000,000
Minneapolis	2,184,500	3 1/2% " " 9/15/32	3,000,000
Kansas City	0	3 1/2% " " 12/15/32	<u>3,500,000</u>
Dallas	3,010,500		9,500,000
San Francisco	<u>4,865,500</u>		
Totals	<u>\$49,500,000</u>		<u>\$49,500,000</u>

NOTE: Since the close of the statement week sales were made from holdings in System Account of \$10,000,000 Treasury 4 1/4% certificates due December 15, 1929, for delivery as follows:

April 12	\$ 500,000	to the market
" 15	4,000,000	" " "
" 17	<u>5,500,000</u>	" " Treasury, account Surplus Money
	\$10,000,000	Total

These sales will leave the total amount of holdings in the Account at \$39,500,000 including the \$9,500,000 Treasury Notes taken over temporarily from the St. Louis bank recently.

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5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM APRIL 4 TO APRIL 10, 1929, INCLUSIVE

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$1,000,000	March 15, 1930-32 T/N	*\$2,000,000	Sept. 15, 1929 4 3/4% C/I
			* 2,000,000	Dec. 15, 1929 4 3/4% "
Atlanta	119,200	Misc. Gov't Sec.	126,950	Misc. Gov't Sec.
St. Louis	<u>0</u>	-	<u>237,500</u>	Sept. 15, 1930-32 T/N
Totals	<u>\$1,119,200</u>		<u>\$4,364,450</u>	

*Held temporarily

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings April 3</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from N. Y.</u>	<u>Matur- ities & Sales</u>	<u>Holdings April 10</u>	<u>Other Holdings Close April 10/29 Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 18,258	\$ 1,665 R	\$ 0	\$ 2,539	\$ 17,384	\$ 3,202	\$ 75
New York	18,397	3,039 "	0	5,682	15,754	3,845	741
		6,224 A					
Phila.	16,096	1,639 R	0	4,273	13,462	0	96
Cleveland	21,832	0	2,046	5,125	18,753	0	106
Richmond	10,327	228 "	829	1,958	9,426	0	52
Atlanta	9,228	403 "	865	875	9,621	0	979
Chicago	8,375	14 "	0	2,377	6,012	2,664	141
St. Louis	6,793	0	0	983	5,810	0	44
Minn.	6,336	0	735	1,158	5,913	0	27
Kan. City	8,579	0	1,145	1,121	8,603	0	33
Dallas	13,062	1,490 "	604	1,569	13,587	61	36
San Fran.	<u>20,115</u>	<u>592 "</u>	<u>0</u>	<u>3,270</u>	<u>17,437</u>	<u>3,313</u>	<u>72</u>
Totals	\$157,398	\$15,294	\$6,224	\$30,930	\$141,762	\$13,085	\$2,402
Bills held over night by New York for distribution to other F. R. Banks - -							68
Total - - - - -							<u>\$2,470</u>

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 10, 1929
 (000 Omitted)

	<u>1-30 days</u> <u>5 -5 1/2%</u>	<u>31-60 days</u> <u>5 1/8-5 1/2%</u>	<u>61-90 days</u> <u>5 1/2-5 5/8%</u>	<u>Over 90-days</u> <u>5 1/2-5 5/8%</u>	<u>Total</u>
Boston	\$ 857	\$ 191	\$ 617	\$ 0	\$ 1,665
New York	6,052	2,644	359	208	9,263
Philadelphia	1,003	432	204	0	1,639
Richmond	94	50	84	0	228
Atlanta	320*	0	83**	0	403
Chicago	14	0	0	0	14
Dallas	262	980	160	88	1,490
San Francisco	5	253	334	0	592
Totals	<u>\$8,607</u>	<u>\$4,550</u>	<u>\$1,841</u>	<u>\$296</u>	<u>\$15,294</u>

*Purchased at 4 1/2%

**Purchased at 4 3/4%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 10, 1929
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$1,120	\$15,294	\$16,414
Sold	4,364	0	4,364
Matured	0	30,930	30,930
		<u>\$15,636-</u>	<u>\$18,880-</u>
		912-(Net Change	912-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$3,244-</u>	<u>\$16,548-</u>	<u>\$19,792-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES APRIL 10, 1929
 (000 Omitted)

(Including Sales Contracts)

	<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	\$ 3,505	\$ 0	\$ 0	\$ 5	\$ 9,160	\$153,419	\$166,089
Bills Purchased	67,504	38,010	29,495	20,370	1,938	0	157,317
Totals	<u>\$71,009</u>	<u>\$38,010</u>	<u>\$29,495</u>	<u>\$20,375</u>	<u>\$11,098</u>	<u>\$153,419</u>	<u>\$323,406</u>

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April 10, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of April 8th, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from March 23, 1929 to April 3, 1929 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

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*Mr. Lme & ✓
Riefler
Callier*

REC'D-BK. OP A 11 1929

RECEIVED
APR 10 1929
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

April 8, 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 March 28, 1929 to April 3, 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.

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Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



P E R S O N A L

April 8, 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 March 28 , 1929 to April 3, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

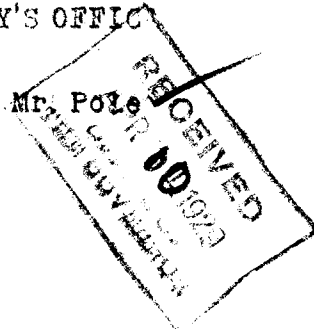
W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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FOR SPECIAL CIRCULATION
PLEASE RETURN TO SECRETARY'S OFFICE
GOV. YOUNG
Mr. Platt
Mr. Baughman
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Pote
FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

April 8, 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 March 28, 1929 to April 5, 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.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED APRIL 3, 1929

Holdings of Earning Assets of Federal Reserve Banks from April 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1928-						
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	355,479	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. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
Apr. 3	1,380,458	165,828	3,230	160,780	13,923	1,029,852

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED APRIL 3, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Apr. 3	Net Change	Balance Apr. 3	Net Change	Balance Apr. 3	Net Change
Boston	\$ 6,389	\$1,052+	\$ 18,258	\$ 6,082-	\$ 72,498	\$3,116+
New York	20,403	3,635+	18,397	5,131-	235,528	63,645-
Philadelphia	19,070	959+	16,096	2,584-	104,860	945-
Cleveland	30,473	1,158+	21,832	1,440-	89,928	6,178+
Richmond	2,356	0	10,327	1,374-	49,556	4,642+
Atlanta	4,007	231+	9,228	222-	59,592	9,652+
Chicago	28,618	2,109+	8,375	4,797-	204,755	20,075+
St. Louis	7,362	11,701-	6,793	1,575-	61,168	7,014+
Minneapolis	9,787	530+	6,336	1,965-	13,110	1,213-
Kansas City	9,793	0	8,579	1,713-	38,283	8,000+
Dallas	12,998	707+	13,062	1,236-	14,725	3,400+
San Francisco	14,572	1,183+	20,115	3,100-	85,849	9,448+
N.Y. holdovers and other bills			3,382	372+		
Totals	\$165,828	\$ 137-	\$160,780	\$30,847-	\$1,029,852	\$5,722+

COMMENT ON CHANGES WEEK ENDED APRIL 3, 1929-

Total earning assets of the System showed a decrease of \$29,250,000 for the current statement week. The approximate changes by classification consisted of an increase of \$5,700,000 in bills discounted and decreases of \$30,850,000 in outright purchases of bankers acceptances, and \$4,000,000 in investments held under sales contracts. The latter decrease consisted of \$1,100,000 in Government securities and \$2,900,000 in bankers acceptances.

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Money
Market

The New York call money market eased considerably after the first of April. On Monday, April 1, the renewal rate was set at 10 per cent, following a renewal at 15 per cent on the previous trading day, March 28, but offerings at the renewal figure were below the demand and the new loan rate subsequently was advanced again to 15 per cent. On Tuesday the call rate held at 12 per cent all day; on Wednesday there was a decline to 8 per cent from the renewal rate of 10 per cent; and on Thursday and Friday the new loan rate touched 6 per cent on both days, after renewals had been arranged at 10 per cent on Thursday and at 8 per cent on Friday. The 8 per cent renewal rate was the lowest since March 19, and the 6 per cent rate for new loans was the lowest level touched since March 13. During the first week of the month, there was only a relatively small net outflow of funds to other centers, following a large inflow during the last week of March. Federal Reserve bill operations continued to take funds out of this market, but there were rather heavy foreign account payments to the street, representing principally the proceeds of gold released from earmark. The indebtedness of the New York City banks at the Reserve Bank averaged \$169,000,000 during the past week, a decline of \$23,000,000 from the previous week.

Quotations for time money, on the other hand, advanced further during the calendar week just closed. Throughout the period, there were transactions at 9 per cent in maturities up to 90 days and on several days of the week loans for the longer maturities were also placed at the 9 per cent rate. Current levels for time loans are as high as those that prevailed during part of 1920.

Due to the very limited investment demand for commercial paper, the prevailing rate for prime names has been advanced to 6 per cent, a new high level for commercial paper since September 1921. Since the change in the rate, the buying demand as well as the supply of paper has remained small.

Government
Security
Market

The market for United States Government securities continued moderately active. The demand was good and practically all issues registered fractional gains over the previous week's close, the long-term bonds, with the exception of the Treasury 3 3/8s of 1947 showing gains of from 8/32 to 26/32nds.

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

Issue	Price	Net Change	Approx. Yield
4 1/2% Cert. of Ind. due June 15, 1929	100	+3/32	4.42
4 3/4% " " " Sept. 15, 1929	100 3/32	+4/32	4.51
4 1/4% " " " Sept. 15, 1929	99 26/32	+4/32	4.68
4 1/4% " " " Dec. 15, 1929	99 19/32	+1/32	4.84
4 3/4% " " " Dec. 15, 1929	100	+1/32	4.74
3 1/2% Treasury Notes " Mar. 15, 1932	96 29/32	+1/32	4.64
3 1/2% " " " Sept. 15, 1932	96 29/32	+1/32	4.49
3 1/2% " " " Dec. 15, 1932	96 29/32	+1/32	4.42

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Closing Prices on New York Stock Exchange on Saturday,
April 6, 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	97 30/32	+18/32	Treas. 4s 1944-54	102 24/32	+14/32
1st 4 1/4s	99 6/32	+19/32	" 4 1/4s 1947-52	106 30/32	+26/32
4th 4 1/4s	99 7/32	+11/32	" 3 3/4s 1946-56	99 30/32	+ 8/32
			" 3 3/8s 1943-47	96 9/32	- 1/32
			" 3 3/8s 1940-43	96 16/32	+15/32

Bankers
Acceptances

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

Reports
Week
Ending
April 3

Boston reports that there was very little change in local conditions in the bill market during the past week. A slight improvement was noted in the supply, while the demand, undoubtedly due to high rates over the month-end, slackened perceptibly with the result that dealers shipped many of their bills to their offices in other cities. Offerings to the Reserve Bank were very small. In New York the supply of bills was moderately good and approximately equal to the demand. Distribution consisted mainly of nineties and longer bills for foreign account. Local buying was moderate, chiefly for shorter maturities and principally for corporation account. Dealers made fairly substantial shipments to their out-of-town branches and correspondents and their portfolios reached the lowest level since August 1928. Philadelphia reports that the demand for bills showed a little improvement during the past week, although generally the market was quiet. Dealers reported that bills were somewhat scarce. Offerings were not heavy. Chicago reports that dealers reported a fair demand for 30-day maturities at present rate but sixties and nineties appear to be accumulating. Dallas reports that the supply of bills originating in its district declined due to seasonal influences. One dealer reported that difficulty was experienced in securing supply of bills in other districts, particularly sixties. Bills available moved freely at existing rates. The demand was much larger than the previous week and was principally for nineties. Interior banks continued to be largest buyers. Offerings to the Reserve Bank were larger than the previous week.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week were as follows:

Sale of \$1,000,000 - 4 1/4% 1st L/L bonds for account Government Life Insurance Fund and purchase of \$500,000 - 4 3/4% C/I due 9/15/29 for German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week the Federal Reserve Bank of St. Louis, owing to the heavy demands on that bank by member banks in its district, was relieved outright of its participation of Government securities in the System Account amounting to \$2,200,000, and relieved temporarily of \$9,500,000 - 3 1/2% Treasury notes of 1930-32 from its outright holdings of Government securities. These securities were all taken over at the current market prices and apportioned to the other participating banks except Richmond, with the understanding that St. Louis would repurchase the \$9,500,000 Treasury notes at a later date at the same price.

These transactions resulted in the total holdings in the Account being increased temporarily from \$40,000,000 to \$49,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 4,332,500
New York	14,958,500
Philadelphia	4,058,500
Cleveland	4,762,000
Richmond	1,204,000
Atlanta	1,443,000
Chicago	8,681,000
St. Louis	0
Minneapolis	2,184,500
Kansas City	0
Dallas	3,010,500
San Francisco	4,865,500
Totals	<u>\$49,500,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1932 - 3 1/2% T/N	<u>30,000,000</u>
	\$40,000,000
Plus temporary purchase from St. Louis' portfolio:	
3 1/2% T/N due 3/15/32	\$3,000,000
3 1/2% " " 9/15/32	3,000,000
3 1/2% " " 12/15/32	<u>3,500,000</u>
	9,500,000
	<u>\$49,500,000</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM MARCH 28 TO APRIL 3, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Increase</u>	<u>Decrease</u>
Boston	\$ 1,053,000	\$ 0	\$ 1,053,000	\$ 0
New York	5,835,000	* 2,200,000	3,635,000	0
Philadelphia	959,500	0	959,500	0
Cleveland	1,157,500	0	1,157,500	0
Richmond	0	0	0	0
Atlanta	341,000	0	341,000	0
Chicago	2,109,500	0	2,109,500	0
St. Louis	0	2,200,000	0	2,200,000
Minneapolis	530,500	0	530,500	0
Kansas City	0	0	0	0
Dallas	731,500	0	731,500	0
San Francisco	1,182,500	0	1,182,500	0
Totals	\$13,900,000	\$4,400,000	\$11,700,000	\$2,200,000

*Represents amount of St. Louis' participation taken over by New York on March 29 and allotted to participating banks on April 1.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$160,250	Misc. Gov't Sec.	\$ 269,500	Misc. Gov't Sec.
St. Louis	0	-	* 9,500,000	Various 1930-32 T/N
Dallas	0	-	24,000	TJ-1929 C/I
Totals	\$160,250		\$9,793,500	

*Temporary sale to System Account.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>By Allot-</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>March 27</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &</u>	<u>April 3</u>	<u>Close April 3/29</u>	
			<u>N. Y.</u>	<u>Sales</u>		<u>Sales</u>	
						<u>Contracts</u>	
						<u>Other</u>	
						<u>Bills</u>	
Boston	\$ 24,340	\$ 929 R	\$ 0	\$ 7,011	\$ 18,258	\$ 2,891	\$ 75
New York	23,528	8,910 "	0	1,808**	18,397	6,728	773
		6,747 A		12,233			
Phila.	18,680	1,410 R	0	3,994	16,096	0	96
Cleveland	23,272	498 "	2,005	3,943	21,832	0	106
Richmond	11,701	275 "	844	2,493	10,327	0	52
Atlanta	9,450	340 "	956	1,518	9,228	0	948
Chicago	13,172	95 "	0	4,892	8,375	1,858	141
*St. Louis	8,368	0	356	1,931	6,793	0	44
Minn.	8,301	0	661	2,626	6,336	0	27
Kan. City	10,292	0	1,308	3,021	8,579	0	33
Dallas	14,298	1,012 "	617	2,865	13,062	129	36
San Fran.	23,215	353 "	0	3,453	20,115	2,317	72
Totals	\$188,617	\$20,569	\$6,747	\$51,788	\$157,398	\$13,923	\$2,403

Bills held overnight by New York for distribution to other F. R. Banks - - 979

Total - - - - - \$3,382

* On March 29 St. Louis discontinued participation in System purchases of bills.

**Sold to a foreign correspondent.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING APRIL 3, 1929
(000 Omitted)

	<u>1-30 days</u> <u>4 1/2-5 1/2%</u>	<u>31-60 days</u> <u>4 3/4-5 1/2%</u>	<u>61-90 days</u> <u>4 3/4-5 1/2%</u>	<u>Over 90-days</u> <u>5-5 3/4%</u>	<u>Total</u>
Boston	\$ 208	\$ 56	\$ 665	\$ 0	\$ 929
New York	12,771	2,372	28	486	15,657
Philadelphia	873	149	388	0	1,410
Cleveland	0	0	498	0	498
Richmond	0	275	0	0	275
Atlanta	100	100	104	36	340
Chicago	20	75	0	0	95
Dallas	131	775	84	22	1,012
San Francisco	107	239	7	0	353
Totals	<u>\$14,210</u>	<u>\$4,041</u>	<u>\$1,774</u>	<u>\$544</u>	<u>\$20,569</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING APRIL 3, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$14,060	\$20,569	\$34,629
Sold	14,197	1,808	16,005
Matured	0	49,980	49,980
		<u>\$31,219-</u>	<u>\$31,356-</u>
		372+ (Net Change	372+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 137-</u>	<u>\$30,847-</u>	<u>\$30,984-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES APRIL 3, 1929
(000 Omitted)

(Including Sales Contracts)

	<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	\$ 3,230	\$ 0	\$ 0	\$ 4	\$ 9,165	\$156,659	\$169,058
Bills Purchased	<u>79,288</u>	<u>41,937</u>	<u>27,855</u>	<u>23,489</u>	<u>2,134</u>	<u>0</u>	<u>174,703</u>
Totals	<u>\$82,518</u>	<u>\$41,937</u>	<u>\$27,855</u>	<u>\$23,493</u>	<u>\$11,299</u>	<u>\$156,659</u>	<u>\$343,761</u>

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Authority E.O. 12958

April 3, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of April 1st, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from March 21, 1929 to March 27, 1929 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

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Authority E.O. 12958

*Mr. Smead
Riefler
Callier*

FEDERAL RESERVE BANK
OF NEW YORK

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DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL


April 1, 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 March 21, 1929 to March 27, 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

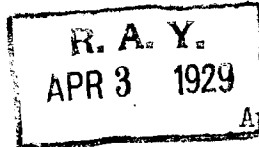
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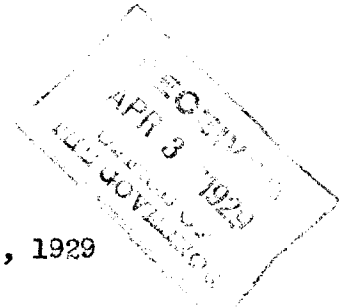
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FEDERAL RESERVE BANK
OF NEW YORK

P E R S O N A L



April 1, 1929



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W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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Authority E.O. 12958

FOR SPECIAL CIRCULATION

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

✓ Gov. Young

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt ✓

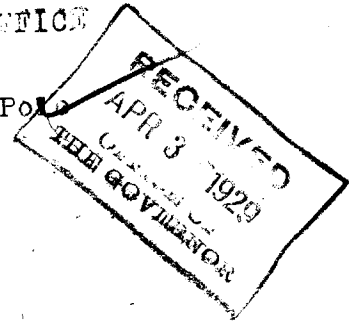
Mr. Miller ✓

Mr. Cunningham ✓

Mr. Poff ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

April 1, 1929

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Investment Committee

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

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 27, 1929.

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-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
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Dec. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
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Jan. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 20	1,371,771*	184,826*	525	215,126	21,712	942,737
" 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130

* Includes \$19,000,000 special one-day Treasury certificate of indebtedness issued to F. R. B. N. Y. to cover Treasury overdraft.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 27, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Mar. 27	Net Change	Balance Mar. 27	Net Change	Balance Mar. 27	Net Change
Boston	\$ 5,337	\$ 0	\$ 24,340	\$ 2,454-	\$ 69,382	\$ 20,992+
New York	16,768	0	23,528	7,120-	299,173	91,037+
Philadelphia	18,111	0	18,680	2,936-	105,805	8,616+
Cleveland	29,315	0	23,272	1,504-	83,750	6,848+
Richmond	2,356	0	11,701	836+	44,914	2,188+
Atlanta	2,776	115+	9,450	1,163-	49,940	1,306+
Chicago	26,509	0	13,172	4,857-	184,680	52,493-
St. Louis	19,063	0	8,368	40+	54,154	3,589+
Minneapolis	9,257	0	8,301	207+	14,323	3,212-
Kansas City	9,793	0	10,292	434+	30,283	3,447-
Dallas	12,291	24+	14,298	1,310-	11,325	1,860+
San Francisco	13,389	0	23,215	2,001-	76,401	4,109+
N.Y. holdovers and other bills			3,010	1,671-		
Totals	\$165,965	\$139+	\$191,627	\$23,499-	\$1,024,130	\$81,393+

COMMENT ON CHANGES WEEK ENDED MARCH 27, 1929.

Total earning assets of the System, exclusive of special one-day Treasury certificate of indebtedness issued last week to cover the overdraft, showed an increase of \$56,941,000 for the current statement week. The approximate changes by classification consisted of increases of \$81,400,000 in bills discounted and \$100,000 in outright purchases of Government securities and decreases of \$23,500,000 in outright purchases of bankers acceptances and \$1,100,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$4,900,000 in bankers acceptances and an increase of \$3,800,000 in Government securities.

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Money
Market

Call money rates during the past calendar week advanced sharply to new high levels since February 1920. Following a considerable increase in the demand for security loans in the previous week, the preparations for the month-end transactions and statements had a marked effect on the supply of call funds available. On Monday, the renewal rate was set at 9 per cent, and three successive advances in the rate for new loans during the day raised the closing rate to 14 per cent. On Tuesday, which was the day of greatest strain, the new loan rate reached 20 per cent, following a renewal at 12 per cent, before sufficient funds were forthcoming to satisfy the demand. On Wednesday, offerings of call funds were somewhat freer, with the result that the rate held all day at the renewal level of 15 per cent. Thursday, which was the last business day of the week for the money market, witnessed some recession from these levels, apparently reflecting the consummation of arrangements providing for the month-end operations. On that day, renewals were again at 15 per cent, but before the end of the trading session, the new loan rate on the Exchange had worked as low as 8 per cent, and in the outside market some money was even placed at 6 per cent. There was a further substantial decline in the System's holdings of bills during the week due to net maturities and repayment of sales contract holdings of bills in this market; and week-end currency withdrawals about offset an inflow of commercial funds from other centers toward the end of the week. As a result, the borrowings of the New York City banks showed a net increase of \$33,000,000 during the period and on several days were in excess of \$200,000,000. For the week as a whole, the indebtedness of the City banks averaged \$192,000,000, which is \$84,000,000 more than in the previous week.

The time money market was exceedingly firm and rate quotations were largely nominal. At the end of the week, 30 day money was quoted at 8 3/4 per cent bid, 60 and 90 days at 8 1/2 per cent bid, and 4 to 6 months' money at 8 per cent bid, but no funds were offered for any maturity. During the week, a few 30 day loans passed at 8 1/2 and 8 3/4 per cent, a little 60 day money at 8 1/2 per cent, and an occasional 6 months' loan at 8 per cent.

At a range of 5 3/4 - 6 per cent for prime paper, the commercial market continued extremely quiet. Bank investment buying remained of very limited proportions, and consequently the dealers were not anxious to secure additional amounts of new paper from industrial and commercial firms.

Government
Security
Market

The market for United States Government securities was moderately active and firm. The demand showed considerable improvement over the previous week, especially for the long-term Treasury bonds which registered gains in prices of from 5/32 to 14/32nds over the previous week's close.

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

Issue					Price	Net Change	Approx. Yield
4 1/2%	Cert. of Ind.	due	June	15, 1929	99 29/32	-2/32	4.89
4 3/4%	"	"	"	Sept. 15, 1929	99 31/32	- - -	4.81
4 1/4%	"	"	"	Sept. 15, 1929	99 22/32	- - -	4.94
4 1/4%	"	"	"	Dec. 15, 1929	99 18/32	- - -	4.86
4 3/4%	"	"	"	Dec. 15, 1929	99 31/32	-2/32	4.78
3 1/2%	Treasury Notes	"	Mar.	15, 1932	96 28/32	+2/32	4.63
3 1/2%	"	"	"	Sept. 15, 1932	96 28/32	+2/32	4.48
3 1/2%	"	"	"	Dec. 15, 1932	96 28/32	+2/32	4.41

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Closing Prices On New York Stock Exchange on Thursday,
March 28, 1929 (the Exchange being closed on Friday and
Saturday), 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	97 12/32	- - -	Treas. 4s 1944-54	102 10/32	+10/32
1st 4 1/4s	98 19/32	-3/32	" 4 1/4s 1947-52	106 4/32	+ 6/32
4th 4 1/4s	98 28/32	+2/32	" 3 3/4s 1946-56	99 22/32	+14/32
			" 3 3/8s 1943-47	96 10/32	+ 6/32
			" 3 3/8s 1940-43	96 1/32	+ 5/32

BankersAcceptances

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

ReportsWeekEndingMarch 27

Boston reports that local banks were good buyers during the past period and sales were at the largest since the first of the year. The supply, however, still continued inadequate to meet the local demand, and dealers were obliged to receive bills from their offices in other cities. The best demand continued to be for ninety day maturities. In New York at the beginning of the week the supply of bills while not in as heavy volume as the previous week, was substantially in excess of the demand. Orders from abroad and for domestic account were light. On March 25th dealers being somewhat apprehensive of the situation, advanced their bid and asked rates 1/8 per cent on all maturities. Following the open market rate changes the Reserve bank increased its currently effective minimum buying rates 1/8 per cent on all maturities. ~~as a result of the increase in the minimum buying rates of the Reserve bank, the demand for bills in New York was substantially in excess of the supply.~~ After these changes and for the balance of the period the demand from abroad and domestic corporation account increased substantially and was considerably in excess of the supply. As a result of this demand and heavy shipments by dealers here to their out-of-town branches and correspondents, dealers' portfolios decreased to the lightest holdings since August 1928. Inquiries for bills continued good and on March 27th dealers reduced their rate 1/8 per cent on all maturities in order to replenish their depleted portfolios. Philadelphia reports that its acceptance market continued quiet. The increase in rates did not affect the demand which continued light. Dealers reported that due to activity in other districts, portfolios were considerably lower; offerings were accordingly somewhat lighter. Chicago reports that there was a good demand for bills in its district during the last part of the statement week and dealers reported a scarcity of all maturities. Dallas reports that the supply of bills originating in its district was about normal for this season. Notwithstanding higher rates, the demand was slightly less than the previous week due principally to seasonal needs of interior banks. There was a marked preference for long bills. Due to unsettled rates, dealers reduced portfolios substantially, taking on new bills only as needed. One accepting bank reports that few cotton merchants and exporters are talking about giving preference to loan financing instead of acceptance financing on account of unusually high bill rates.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week were as follows:

Purchases of \$10,000,000 par amount 4 1/4% C/I due 12/15/29 for account
Surplus Money

3,500,000 " " 4 1/4% C/I due 9/15/29 for account
Surplus Money

\$13,500,000 Total Purchases

and sale of \$1,000,000 par amount 4 1/4% First Liberty Loan bonds from account
Government Life Insurance Fund.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, March 27, 1929, remaining unchanged at \$40,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,279,500
New York	11,323,500
Philadelphia	3,099,000
Cleveland	3,604,500
Richmond	1,204,000
Atlanta	1,102,000
Chicago	6,571,500
St. Louis	2,200,000
Minneapolis	1,654,000
Kansas City	0
Dallas	2,279,000
San Francisco	3,683,000
Totals	<u>\$40,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1932 - 3 1/2% T/N	30,000,000

\$40,000,000

On March 29, 1929 the Federal Reserve Bank of St. Louis, due to their low reserve position, requested that they be relieved of their participation in Government securities in the System Account, amounting to \$2,200,000. These securities were accordingly distributed among the other participating banks, except Richmond. This was an outright sale at current market prices.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
 FEDERAL RESERVE BANKS FROM MARCH 21 TO MARCH 27, 1929, INCLUSIVE

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$169,300	Misc. Gov't Sec.	\$54,700	Misc. Gov't Sec.
Dallas	24,000	TJ-1929 Ctf's.	0	-
Totals	<u>\$193,300</u>		<u>\$54,700</u>	

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings</u> <u>Mar. 20</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>By Allot-</u> <u>ment from</u> <u>New York</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>Mar. 27</u>	<u>Other Holdings</u> <u>Close March 27/29</u> <u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 26,794	\$ 4,701 R.	\$ 0	\$ 7,155	\$ 24,340	\$ 1,680	\$ 75
New York	30,648	6,583 "	0	13,703	23,528	10,925	870
		11,162 A.					
Phila.	21,616	516 R.	0	3,452	18,680	0	96
Cleveland	24,776	1,424 "	3,084	6,012	23,272	0	106
Richmond	10,865	1,305 "	1,160	1,629	11,701	0	52
Atlanta	10,613	657 "	1,110	2,930	9,450	0	960
Chicago	18,029	621 "	0	5,478	13,172	1,419	141
* St. Louis	8,328	0	1,536	1,496	8,368	0	44
Minn.	8,094	0	1,155	948	8,301	0	27
Kan. City	9,858	0	1,975	1,541	10,292	0	33
Dallas	15,608	602 "	1,142	3,054	14,298	9	36
San. Fran.	25,216	3,400 "	0	5,401	23,215	2,767	72
Totals	\$210,445	\$30,971	\$11,162	\$52,799	\$188,617	\$16,800	\$2,512
Bills held overnight by New York for distribution to other F. R. Banks - - -							498
Total - - - - -							<u>\$3,010</u>

* On March 29 St. Louis discontinued participation in System purchases of bills

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 27, 1929
 (000 Omitted)

	1-30 days 4 7/8 - 5 3/8%	31-60 days 5 - 5 1/2%	61-90 days 5 1/8 - 5 3/4%	Over 90-days 5 3/8 - 5 7/8%	Total
Boston	\$ 539	\$ 121	\$ 3,925	\$116	\$ 4,701
New York	10,650	2,783	4,189	123	17,745
Philadelphia	170	252	94	0	516
Cleveland	1,198	226	0	0	1,424
Richmond	166	465	674	0	1,305
Atlanta	622	0	24	11	657
Chicago	356	222	43	0	621
Dallas	347	171	38	46	602
San Francisco	181	1,462	1,675	82	3,400
Totals	\$14,229	\$5,702	\$10,662	\$378	\$30,971

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 27, 1929
 (000 Omitted)

(Excluding Sales Contracts and 1-day Cert. of Ind.)

	Government Securities	Bankers Acceptances	Total
Purchased	\$193	\$30,971	\$31,164
Sold	54	0	54
Matured	0	52,799	52,799
		\$21,828-	\$21,689-
		1,671- (Net Change	1,671- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$139+	\$23,499-	\$23,360-

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MARCH 27, 1929
 (000 Omitted)

(Including Sales Contracts)

	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Totals
Gov't Securities	\$ 4,345	\$ 0	\$ 0	\$ 128	\$ 7,672	\$158,165	\$170,310
Bills Purchased	93,984	52,370	33,147	26,164	2,762	0	208,427
Totals	\$98,329	\$52,370	\$33,147	\$26,292	\$10,434	\$158,165	\$378,737

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Authority E.O. 12958

March 27, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 25th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from March 14, 1929 to March 20, 1929 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

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Authority E.O. 12958

Mr. Smeed
Mr. Riefler
Mr. Callier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 27 1929
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

March 25, 1929

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Director, Division of Research and Statistics,
Federal Reserve Board,
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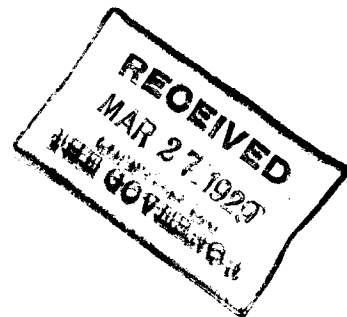
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Encl.

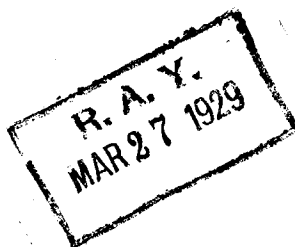
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FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

March 25, 1929



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Investment Committee

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Washington, D. C.

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FOR SPECIAL CIRCULATION

PLEASE REPLY PROMPTLY, INITIAL AND RETURN TO

Gov. Young ✓

Mr. Howlin ✓

Mr. James ✓

Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 20, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-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
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Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 13	1,421,833	161,452	3,845	257,154	25,947	955,623
Mar. 20	1,371,771*	184,826*	525	215,126	21,712	942,737

*Includes \$19,000,000 special one-day Treasury certificate of indebtedness issued to F. R. B. N. Y. to cover Treasury overdraft.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 20, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Mar. 20	Net Change	Balance Mar. 20	Net Change	Balance Mar. 20	Net Change
Boston	\$ 5,337	\$ 245+	\$ 26,794	\$ 4,756-	\$ 49,390	\$ 1,734-
New York	16,768	3,290+	30,648	3,974-	208,136	16,584-
Philadelphia	18,111	405-	21,616	181-	97,189	1,127-
Cleveland	29,315	246-	24,776	2,790-	76,902	3,277+
Richmond	2,356	0	10,865	1,566-	41,726	801+
Atlanta	3,661	61-	10,613	440-	48,634	2,934-
Chicago	26,509	472-	18,029	7,881-	237,173	23,026+
St. Louis	19,063	100+	8,328	481-	50,565	9,180+
Minneapolis	9,257	85-	8,094	1,581-	17,535	1,498+
Kansas City	9,793	30+	9,858	370+	33,730	2,531+
Dallas	12,267	2,259+	15,608	761-	9,465	6,450-
San Francisco	13,389	281-	25,216	7,485-	72,292	24,370-
N.Y. holdovers and other bills			4,681	10,502-		
Totals	\$165,826*	\$4,374+	\$215,126	\$42,028-	\$942,737	\$12,886-

*Excluding \$19,000,000 special one-day Treasury certificate of indebtedness.

COMMENT ON CHANGES WEEK ENDED MARCH 20, 1929.

Total earning assets of the System, exclusive of special one-day Treasury certificate of indebtedness issued to cover the overdraft, showed a decrease of \$69,062,000 for the current statement week. The approximate changes by classification consisted of an increase of \$4,350,000 in outright purchases of Government securities and decreases of \$42,000,000 in outright purchases of bankers acceptances, \$12,900,000 in bills discounted, \$4,250,000 in bankers acceptances held under sales contracts and \$3,300,000 in Government securities held under sales contracts.

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2

Money
Market

Call money in New York began to firm early in the calendar week just closed, reflecting the effect of large income tax collections in this district and heavy outgoing commercial transfers to other districts to fill the gap caused by Treasury collections there. These losses to the market were accompanied by the repurchase from City banks of the \$85,000,000 of participations in the special certificate to cover the Treasury overdraft which were sold by the Reserve Bank on March 15. As the reduction of the Treasury overdraft progressed further to its final retirement on March 22, the borrowings of the New York City banks at the Reserve Bank mounted, rising from a low of \$44,000,000 on the 15th to \$136,000,000 on March 22. Call loan renewals began the week at 7 per cent, and following a rise to 10 per cent in the rate for new loans on Tuesday, advanced to 9 per cent on Wednesday, and remained at this level for the balance of the week.

The market for time money was very firm during the week and activity was reduced to a minimum. All maturities of time funds were bid for by the brokers at 8 per cent. The market was virtually bare of offerings, and whenever a little money was obtainable, it was placed at the 8 per cent rate, regardless of maturity - whether for 30 days or as long as 6 months.

The commercial paper market continued quiet during the past week, due to the lack of bank investment demand. The going rate for paper has reached 5 3/4 - 6 per cent, a new high level since October 1921.

Government
Security
Market

The market for United States Government securities was mostly inactive and featureless during the calendar week. The demand, which had showed some improvement in the latter part of the previous week, again fell off and only two issues of Treasury bonds (the 3 3/4s of 1956 and the 3 3/8s of 1943) showed fractional gains in prices over the previous week's close, while all the other outstanding issues showed either no change or recessions in price of 1/32nd and 2/32nds for the short-term Treasury issues and recessions of from 4/32nds to 1.8/32nds for the longer-term bonds.

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

<u>and Net Changes from Previous Week's Close</u>							Net	Approx.
<u>Issue</u>							<u>Change</u>	<u>Yield</u>
4	1 1/2%	Cert. of Ind. due	June 15, 1929	99	31/32	-1/32	4.57	
4	3/4%	" " " "	Sept. 15, 1929	99	31/32	-1/32	4.81	
4	1/4%	" " " "	Sept. 15, 1929	99	22/32	-1/32	4.91	
4	1/4%	" " " "	Dec. 15, 1929	99	18/32	-2/32	4.85	
4	3/4%	" " " "	Dec. 15, 1929	99	29/32	- - -	4.88	
3	1 1/2%	Treasury Notes	Mar. 15, 1932	96	26/32	- - -	4.65	
3	1 1/2%	" " " "	Sept. 15, 1932	96	26/32	- - -	4.50	
3	1 1/2%	" " " "	Dec. 15, 1932	96	26/32	- - -	4.43	

Closing Prices on New York Stock Exchange on Saturday,
March 23, 1929 and Net Changes from Previous Week's Close

Issue			Price	Net Change	Issue			Price	Net Change
1st	3 1/2s	97	12/32	-1.8/32	Treas.	4s	1944-54	102	-28/32
1st	4 1/4s	98	22/32	- 8/32	"	4 1/4s	1947-52	105	30/32
4th	4 1/4s	98	26/32	-18/32	"	3 3/4s	1946-56	99	8/32
					"	3 3/8s	1943-47	96	4/32
					"	3 3/8s	1940-43	95	28/32

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3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances were the at the following rates during current statement week: 5 1/8 per cent for 30's, 5 1/8 to 5 1/4 per cent for 60's, 5 1/4 per cent for 90's, 5 1/4 to 5 3/8 per cent for 120's, and 5 3/8 per cent for 180-day bills. On March 21 dealers increased their rates 1/4 per cent, making the following rates effective: 5 3/8 per cent for 30's, 5 1/2 per cent for 60's, 90's and 120's, and 5 5/8 per cent for 5 and 6 months' bills. Following this increase in rates by dealers the New York Reserve Bank increased its buying rates, making the following rates effective: 5 1/4 per cent for bills with maturity up to 45 days, 5 3/8 per cent for 46 to 90 days, 5 1/2 per cent for 91 to 120's, and 5 5/8 per cent for 120-day bills.

Reports
Week
Ending
March 20

Boston reports that the small supply of bills in its district during the statement period made it necessary for dealers to import bills from their offices in other cities to meet the demand, which was good. The demand was good for all maturities, but long bills, 90 days and over, were shown preference. Sales to local banks were higher than the previous week, while sales to out-of-town banks reached the highest total in over a year. In New York the bill market was active. The demand for bills increased considerably as compared with that of the previous week. The supply was also very heavy and about equal to the demand. Dealers' sales were mainly for foreign account. While local buying was light dealers' portfolios decreased slightly. Philadelphia reports that its bill market was quiet. There was a good volume of new bills in the market and offerings were substantial. The demand was light. Some banks that had been buyers were selling their bills. Dealers report portfolios increasing. Chicago reports that despite efforts by dealers to sell bills during the past week, they reported very little accomplished. There were very few new bills made. Dallas reports that due to seasonal influences, demand in their district was beginning to

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slacken, interior banks permitting bills to mature without replacement. The best demand was for 60's and 90's. The supply of bills originating in their district fell off. Interior banks continued to be principal buyers.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of March 15th financing operations) were as follows:

Sales of \$2,000,000 aggregate par amount 4 1/4% 1st Liberty Loan bonds from Government Life Insurance Fund
 " " 8,400 " " " 4 1/2% C/I due 6/15/29 from Alien Property Custodian Account

\$2,008,400 Total Sales

Purchases of \$24,000 aggregate par amount 4 3/4% C/I due 12/15/29 for account Alien Property Custodian
 " " 47,500 " " " 4 3/4% C/I due 12/15/29 for Austrian Special Deposit Account
 " 10,000,000 " " " 3 3/8% C/I due 3/15/29 for account Redemption

\$10,071,500 Total Purchases

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transaction in the System Account during the current statement week was the repurchase by the Federal Reserve Bank of Dallas of its participation in Government securities which were temporarily taken over by other participating banks on December 24, 1928.

This transaction did not affect the total holdings in the System Account which remained unchanged at the close of business Wednesday, March 20, 1929, at \$40,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,279,500
New York	11,323,500
Philadelphia	3,099,000
Cleveland	3,604,500
Richmond	1,204,000
Atlanta	1,102,000
Chicago	6,571,500
St. Louis	2,200,000
Minneapolis	1,654,000
Kansas City	0
Dallas	2,279,000
San Francisco	<u>3,683,000</u>
Totals	<u>\$40,000,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1932 - 3 1/2% T/N	30,000,000

\$40,000,000

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM MARCH 14 TO MARCH 20, 1929

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 0	\$ 205,500
New York	0	710,000
Philadelphia	0	194,500
Cleveland	0	218,000
Richmond	0	0
Atlanta	0	66,500
Chicago	0	412,000
St. Louis	0	138,000
Minneapolis	0	103,500
Kansas City	0	0
Dallas	2,279,000	0
San Francisco	0	231,000
Totals	<u>\$2,279,000</u>	<u>\$2,279,000</u>

	<u>Purchases</u>	<u>Issue</u>	<u>Maturities and Sales</u>	<u>Issue</u>
Boston	\$ 450,000	Dec. 15, 1929 C/I	0	-
New York	* 4,000,000	Dec. 15, 1929 "	0	-
Philadelphia	0	-	211,000	March 15, 1929 C/I
Cleveland	0	-	28,000	March 15, 1929 "
Atlanta	193,150	Misc. Gov't Sec.	188,250	Misc. Gov't Sec.
Chicago	0	-	60,000	March 15, 1929 C/I
St. Louis	237,500	Sept. 15, 1932 T/N	0	-
Minneapolis	18,700	Misc. Gov't Sec.	0	-
Kansas City	1,105,000	Misc. Gov't Sec.	1,074,900	Misc. Gov't Sec.
Dallas	0	-	20,000	Fourth L/L bonds
San Francisco	<u>150</u>	Fourth L/L bonds	<u>50,000</u>	March 15, 1929 C/I
Totals	\$6,004,500		\$1,632,150	

BANKERS ACCEPTANCES
(000 Omitted)

		(000 Omitted)				Other Holdings	
	Holdings	Purchased	Regular	Matur-	Holdings	Close Mar. 20/29	
	Mar. 13	Own Mkt.	from	ities &	Mar. 20	Sales	Other
			N. Y.	Sales		Contracts	Bills
Boston	\$ 31,550	\$ 1,506 R.	0	\$ 6,262	\$ 26,794	\$ 3,823	\$ 75
New York	34,622	8,434 "	0	12,408	30,648	10,244	949
		8,826 A.					
Phila.	21,797	1,227 R.	0	1,408	21,616	0	96
Cleveland	27,566	863 "	2,266	5,919	24,776	0	106
Richmond	12,431	469 "	932	2,967	10,865	0	52
Atlanta	11,053	1,302 "	907	2,649	10,613	0	1,072
Chicago	25,910	25 "	0	7,906	18,029	2,978	141
St. Louis	8,809	0	1,488	1,869	8,328	0	44
Minn.	9,675	0	896	2,477	8,094	0	27
Kan. City	9,488	0	1,423	1,153	9,858	0	33
Dallas	16,369	808 "	914	2,483	15,608	34	36
San Fran.	32,701	3,294 "	0	10,779	25,216	4,633	72
Totals	\$241,971	\$26,754	\$8,826	\$58,280	\$210,445	\$21,712	\$2,703
Bills held overnight by New York for distribution to other F.R. Banks - -							1,210
"	"	"	"	"	"	foreign correspondents	768
Total - - - -							\$4,681

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 20, 1929.
 (000 Omitted)

	1-30 days 4 1/2 - 5 1/8%	31-60 days 5 - 5 3/8%	61-90 days 4 3/4 - 5 3/8%	Over 90-days 5%	Total
Boston	\$ 275	\$ 623	\$ 608	0	\$ 1,506
New York	14,283	2,044	607	326	17,260
Philadelphia	49	283	895	0	1,227
Cleveland	863	0	0	0	863
Richmond	45	274	150	0	469
Atlanta	1,274	0	13	15	1,302
Chicago	25	0	0	0	25
Dallas	109	416	172	111	808
San Francisco	545	1,446	1,303	0	3,294
Totals	<u>\$17,468</u>	<u>\$5,086</u>	<u>\$3,748</u>	<u>\$452</u>	<u>\$26,754</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 20, 1929.
 (000 Omitted)

(Excluding Sales Contracts and 1-day Cert. of Ind.)

	Government Securities	Bankers Acceptances	Total
Purchased	\$8,284	\$26,754	\$35,038
Sold	3,121	0	3,121
Matured	789	58,280	59,069
		\$31,526-	\$27,152-
		10,502-(Net Change	10,502-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$4,374+</u>	<u>\$42,028-</u>	<u>\$37,654-</u>

(Including Sales Contracts and 1-day Cert. of Ind.)

Holdings March 20, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 19,525	0	0	\$ 4	\$ 7,666	\$158,156	\$185,351
Bills Purchased	124,186	54,169	36,423	19,123	2,937	0	236,838
Totals	<u>\$143,711</u>	<u>\$54,169</u>	<u>\$36,423</u>	<u>\$19,127</u>	<u>\$10,603</u>	<u>\$158,156</u>	<u>\$422,189</u>

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March 19, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 18th instant, addressed to Governor Young, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from March 7, 1929 to March 13, 1929 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

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*Mr. Lueder
Kiefler
Callie*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 12 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

March 18, 1929.

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 March 7, 1929 to March 15, 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.

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FEDERAL RESERVE BANK
OF NEW YORK



P E R S O N A L

March 18, 1929

W.F.

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 March 7, 1929 to March 13, 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.

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FOR SPECIAL CIRCULATION

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

Mr. Young ✓

Mr. Hamlin ✓

Mr. James ✓

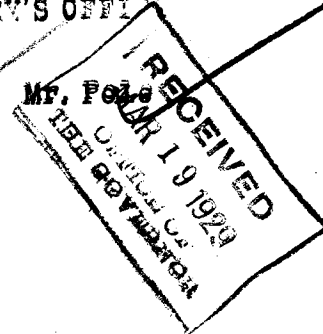
Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

March 18, 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 March 7, 1929 to March 15, 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.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 13, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-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	355,479	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. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 6	1,467,030	161,539	1,425	270,662	33,982	989,172
" 13	1,421,833	161,452	3,845	257,154	25,947	955,623

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 13, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Mar. 13	Net Change	Balance Mar. 13	Net Change	Balance Mar. 13	Net Change
Boston	\$ 5,092	\$ 0	\$ 31,550	\$ 527-	\$ 51,124	\$ 7,360-
New York	13,478	160-	34,622	4,156-	224,720	45,890-
Philadelphia	18,516	0	21,797	235-	98,316	6,899+
Cleveland	29,561	0	27,566	1,506-	73,625	11,491+
Richmond	2,356	0	12,431	1,212-	40,925	323-
Atlanta	3,722	8-	11,053	1,774-	51,568	3,802-
Chicago	26,981	60+	25,910	5,691-	214,147	4,498+
St. Louis	18,963	0	8,809	192-	41,385	599+
Minneapolis	9,342	0	9,675	1,749-	16,037	1,441+
Kansas City	9,763	0	9,488	497-	31,199	1,238-
Dallas	10,008	20+	16,369	340-	15,915	3,791-
San Francisco	13,670	0	32,701	5,852-	96,662	3,927+
N.Y. holdovers and other bills			15,183	10,223+		
Totals	\$161,452	\$ 88-	\$257,154	\$13,508-	\$955,623	\$33,549-

COMMENT ON CHANGES WEEK ENDED MARCH 13, 1929.

Total earning assets of the System showed a decrease of \$45,197,000 for the current statement week. The approximate changes by classification consisted of decreases of \$33,550,000 in bills discounted, \$100,000 and \$13,500,000 respectively in outright purchases of Government securities and bankers acceptances, and \$5,600,000 net in investments held under sales contracts. The latter item consisted of an increase of \$2,400,000 in Government securities and a decrease of \$8,000,000 in bankers acceptances.

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Money
Market

The New York call money market was considerably easier during the past week than in the preceding week. The renewal rate became 7 per cent on Tuesday, following a decline in the new loan rate from 9 to 7 per cent on Monday, and for the balance of the week renewals were at the 7 per cent figure. On two days, the rate for new loans dipped as low as 6 per cent, but on Thursday and Friday, March 14 and 15, there was no reduction in the new loan rate on the Exchange from the renewal level. Forces contributing to the easier money that developed in the first part of the week were an inflow of funds to this market from other centers, prior redemptions by the Treasury of March 15 certificates, return of currency from week-end circulation, and reinvestment purchases of bills and securities for foreign account, all of which permitted a retirement of Reserve Bank credit including a material reduction in New York City bank borrowing.

On March 15, Treasury redemptions of maturing certificates and interest payments in this district exceeded income tax and other collections by about \$224,000,000. This gain to the market was added to by large foreign account payments and reinvestment purchases, and by an inflow of commercial funds from other centers. Accompanying these large additions of funds, the member banks and the market retired a further substantial amount of Reserve Bank credit, and it was also found expedient to sell to City banks \$85,000,000 of participations in the special one-day certificate to cover the Treasury overdraft at this bank. Although there was a large net gain of funds to the market on the 15th as the net result of all transactions on that day, a substantial part of it served to balance the accumulated deficit in bank reserves that existed at the opening of business, and the excess actual bank reserves that remained to the credit of New York City banks at the close of business was not in excess of the losses through income tax collections that the New York City banks had to meet on the following day. On March 15, the actual Treasury overdraft at the New York Bank was \$290,000,000, and for the System totaled \$399,000,000.

There continued to be a dearth of funds available for the arrangement of time loans. The market for 30 and 60-day money advanced to 8 per cent flat, and 3 to 6-months' loans were quoted nominally toward the end of the week at 7 3/4 per cent bid, offered at 8 per cent. A little 30 and 60 day money was loaned at the 8 per cent figure, and a few 3 to 6 months' loans were placed at 7 3/4 and 8 per cent. These are new high levels for time money since late in 1920.

The bank investment demand for commercial paper was only slightly better during the past week. Prime names sold principally at 5 3/4 per cent, with some names going at 6 per cent on bids from banks.

Government
Security
Market

During the fore part of the calendar week the market for United States Government securities was weak, especially for the long-term bonds and prices continued to decline; the Treasury 3 3/4 and 3 3/8 per cent bonds selling at the lowest levels since date of issue. In the latter part of the week, however, there was some improvement in the demand and several issues registered good size gains from the low levels of the week.

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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>
4 1/2% Cert. of Ind. due June 15, 1929	100	-	4.44
4 3/4% " " " " Sept. 15, 1929	100	-	4.74
4 1/4% " " " " Sept. 15, 1929	99 23/32	-1/32	4.84
4 1/4% " " " " Dec. 15, 1929	99 20/32	-	4.75
4 3/4% " " " " Dec. 15, 1929	99 29/32	-	4.88
3 1/2% Treasury Notes " Mar. 15, 1932	96 26/32	-1/32	4.65
3 1/2% " " " " Sept. 15, 1932	96 26/32	+1/32	4.50
3 1/2% " " " " Dec. 15, 1932	96 26/32	+1/32	4.43

Closing Prices on New York Stock Exchange on Saturday,
March 16, 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	98 20/32	+23/32	Treas. 4s	1944-54	102 28/32 +24/32
1st 4 1/4s	98 30/32	- 5/32	" 4 1/4s	1947-52	106 20/32 -12/32
4th 4 1/4s	99 12/32	- 4/32	" 3 3/4s	1946-56	99 1/32 -19/32
			" 3 3/8s	1943-47	96 10/32 + 2/32
			" 3 3/8s	1940-43	95 4/32 -1.2/32

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3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances

were at the following rates during the current statement week:

5 1/8 per cent for 30's, 5 1/8 to 5 1/4 per cent for 60's, 5 1/4 per cent for 90's, 5 1/4 to 5 3/8 per cent for 120's, and 5 3/8 per cent for 180-day bills.

Reports
Week
Ending
March 13

Boston reports that there was little change in the bill market conditions during the past period. There was a slight improvement in the supply of new bills, with the demand still limited although somewhat improved. Ninety-day bills and longer maturities were in best demand and several dealers found it necessary to call on their offices in other cities for the desired maturities. In New York the supply of bills continued in very good volume although not quite as heavy as in the previous week, and was substantially in excess of the demand which decreased slightly. Distribution consisted mainly of nineties for foreign account. Local buying was light. Dealers' portfolios increased substantially. Philadelphia reports that its bill market was fairly active during the past period. Bills were offered freely with 90 day maturities predominating. The demand decreased and was mostly for the longer maturities. Chicago reports that there was a fair demand for 90-day bills in its district and very little activity in the short maturities. Dallas reports that the demand for bills in its district was in excess of the available supply, the best demand being for 90's. Ordinarily at this season the demand begins to slacken but due to attractive rates, replacement of maturing bills, and the fact that recent legislation authorizes state and county officials to accept prime bills as collateral to secure deposits of public funds, the demand has continued good to date.

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4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week (exclusive of March 15 financing operations) were as follows:

Sales of \$	\$ 5,405,000	aggregate	par	amount	3 7/8% C/I	due	3/15/29	from German	Special Deposit Account to Treasury
								account Redemption	
	1,097,000	"	"	"	3 7/8% S/I	due	3/15/29	from Austrian	Special Deposit Account to Treasury
								account Redemption	
	1,097,000	"	"	"	3 1/2% T/N	due	3/15/30-32	from Alien	Property Custodian Account to
								Austrian Special Deposit Account in	replacement of above sale to Treasury
								account Redemption	
Purchases of \$	\$29,789,500*	"	"	"	3 7/8% C/I	due	3/15/29	for account	
								Redemption	
	13,259,000	"	"	"	3 3/8% C/I	due	3/15/29	for account	
								Redemption	
	5,000,000	"	"	"	4 3/4% C/I	due	9/15/29	for account	
								German Special Deposit Account	

* Of this amount \$5,405,000 and \$1,097,000 were sold to the Treasury account Redemption from holdings of the German Special Deposit Account and Austrian Special Deposit Account respectively.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, March 13, 1929, remaining unchanged at \$40,000,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,485,000
New York	12,033,500
Philadelphia	3,293,500
Cleveland	3,822,500
Richmond	1,204,000
Atlanta	1,168,500
Chicago	6,983,500
St. Louis	2,338,000
Minneapolis	1,757,500
Kansas City	0
Dallas	0
San Francisco	3,914,000

Totals	\$40,000,000
--------	--------------

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1932 - 3 1/2% T/N	30,000,000

\$40,000,000

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5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM MARCH 7 TO MARCH 13, 1929 INCLUSIVE

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 0	-	* \$ 160,000	March 15, 1929 C/I
Atlanta	1,223,550	Misc. Gov't Sec.	1,230,700	Misc. Gov't Sec.
Chicago	* 60,000	March 15, 1929 C/I	0	-
Dallas	20,000	Fourth L/L Bonds	0	-
Totals	<u>\$1,303,550</u>		<u>\$1,390,700</u>	

* Held temporarily.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Mar. 6</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>By Allot-</u> <u>ment from</u> <u>New York</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>Mar. 13</u>	<u>Other Holdings</u> <u>Close March 13/29</u> <u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 32,077	\$ 6,389 R.	\$ 0	\$ 6,916	\$ 31,550	\$ 2,584	\$ 75
New York	38,778	3,073 "	0	7,229	34,622	17,321	973
		4,512 A.					
Phila.	22,032	2,124 R.	0	2,359	21,797	0	96
Cleveland	29,072	* 1,510 "	1,259	4,275	27,566	0	106
Richmond	13,643	150 "	468	1,830	12,431	0	52
Atlanta	12,827	200 "	460	2,434	11,053	0	1,168
Chicago	31,601	623 "	0	6,314	25,910	1,821	141
St. Louis	9,001	0	786	978	8,809	0	44
Minn.	11,424	0	445	2,194	9,675	0	27
Kan. City	9,985	0	679	1,176	9,488	0	33
Dallas	16,709	1,093 "	415	1,848	16,369	124	36
San Fran.	38,553	2,539 "	0	8,391	32,701	4,097	72
Totals	\$265,702	\$22,213	\$4,512	\$45,944	\$241,971	\$25,947	\$2,823

Bills held over night by New York for distribution to other F.R. Banks - - 1,923
 " " " " " " " " " " " Foreign Corres. - - 10,437

Total - - - - - \$15,183

* Of this amount \$250,000 was purchased in Chicago.

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

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6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 13, 1929
 (000 Omitted)

	1-30 days 4 7/8 - 5 1/8%	31-60 days 5 - 5 1/4%	61-90 days 5 1/8 - 5 1/4%	Over 90-days 5 1/4 - 5 3/8%	Total
Boston	\$2,083	\$1,096	\$3,153	\$ 57	\$ 6,389
New York	4,751	1,901	318	615	7,585
Philadelphia	893	269	962	0	2,124
Cleveland	* 475	671	364	0	1,510
Richmond	0	150	0	0	150
Atlanta	135	20	45	0	200
Chicago	623	0	0	0	623
Dallas	156	608	246	83	1,093
San Francisco	665	357	1,428	89	2,539
Totals	\$9,781	\$5,072	\$6,516	\$ 844	\$22,213

* Of this amount \$250,000 was purchased in the Chicago market.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 13, 1929
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$1,303	\$22,213	\$23,516
Sold	1,391	0	1,391
Matured	0	45,944	45,944
		\$23,731-	\$23,819-
		10,223+ (Net Change	10,223+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	\$ 88-	\$13,508-	\$13,596-

(Including Sales Contracts)

Holdings March 13, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 4,634	\$ 0	\$ 0	\$ 0	\$ 639	\$160,024	\$165,297
Bills Purchased	148,860	64,002	51,249	14,613	4,377	0	283,101
Totals	\$153,494	\$64,002	\$51,249	\$14,613	\$5,016	\$160,024	\$448,398

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March 13, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 11th instant, addressed to Governor Young, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from February 28, 1929 to March 6, 1929 inclusive.

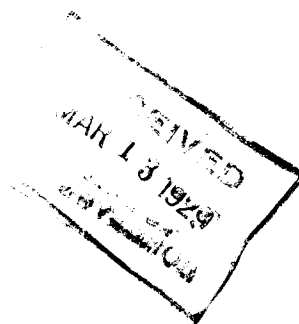
Very truly yours,

E. M. McClelland,
Assistant Secretary

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

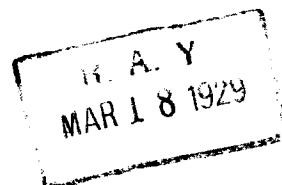
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FEDERAL RESERVE BANK
OF NEW YORK



P E R S O N A L

March 11, 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 February 28, 1929 to March 6, 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.

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Mr. Smeal ✓
Riefler ✓
Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAR 11 1929
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

March 11, 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 February 28, 1929 to March 6, 1929 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.

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FOR SPECIAL CIRCULATION

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

Gov. Young

Mr. Hamlin

Mr. James

Mr. Platt

FEDERAL RESERVE BANK

Mr. Pole

OF NEW YORK

RECEIVED
MAR 13 1929
FED. GOV.

CONFIDENTIAL

March 11, 1929

Dear Governor Young:

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Very truly yours,



W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MARCH 6, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-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	355,479	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. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482
Mar. 6	1,467,030	161,539	1,425	270,662	33,982	989,172

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MARCH 6, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Mar. 6	Net Change	Balance Mar. 6	Net Change	Balance Mar. 6	Net Change
Boston	\$ 5,091	\$ 306-	\$ 32,077	\$ 7,077-	\$ 58,484	\$ 6,008-
New York	13,638	1,053-	38,778	11,915-	270,610	48,221+
Philadelphia	18,516	288-	22,032	415-	91,417	3,104-
Cleveland	29,561	335-	29,072	3,240-	62,134	15,691-
Richmond	2,356	106-	13,643	523-	41,248	1,912-
Atlanta	3,730	95-	12,827	4,873-	55,370	2,881+
Chicago	26,921	611-	31,601	2,753-	209,649	3,519+
St. Louis	18,963	205-	9,001	626-	40,786	2,899+
Minneapolis	9,342	154-	11,424	1,354-	14,596	1,854-
Kansas City	9,763	0	9,985	133+	32,437	3,132+
Dallas	9,988	0	16,709	1,688-	19,706	1,730+
San Francisco	13,670	293-	38,553	3,898-	92,735	2,877+
N.Y. holdovers and other bills			4,960	583+		
Totals	\$161,539	\$3,446-	\$270,662	\$37,646-	\$989,172	\$36,690+

COMMENT ON CHANGES WEEK ENDED MARCH 6, 1929

Total earning assets of the System showed an increase of \$3,998,000 for the current statement week. The approximate changes by classification consisted of decreases of \$3,450,000 and \$37,650,000 respectively in outright purchases of Government securities and bankers acceptances and increases of \$36,700,000 in bills discounted and \$8,200,000 in bankers acceptances held under sales contracts.

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2

Money
Market

Conditions in the New York call money market continued to firm up during the week ended March 8, instead of growing easier as usually occurs after the passing of the first of the month requirements. The New York City banks entered the week indebted to the Reserve Bank to the extent of \$200,000,000, and, although the banks' reserve requirements showed considerable reduction after the first of the month, there were losses to the market through outgoing transfers and net bill maturities from the System's portfolio which caused the member banks' borrowings to be maintained at a high level throughout most of the period. Reflecting this condition, heavy calling of loans developed and the rate for new call loans rose as high as 12 per cent during the week. On Thursday, the renewal rate was advanced to 10 per cent, following seven business days on which renewals were at 8 per cent. Late Friday afternoon, the new loan rate dropped to 9 per cent from the 10 per cent renewal rate, reflecting the completion of arrangements for evening up the banks' average reserves on Friday. Since July 1920, a 10 per cent renewal rate for call loans has been equalled or exceeded on only six days, five of which were at the past turn of the year period and the other, December 7, 1928.

In the time money market, offerings of funds for placement in fixed date loans were practically non-existent. Demand for accommodation was fairly large, but due to the lack of supply, the turnover of time loans for the week was very small. All maturities were quoted nominally at 7 3/4 per cent flat.

As in other recent weeks, the commercial paper market was very quiet. Prime paper was sold for the most part at 5 3/4 per cent but some dealers were also willing to offer small amounts of good names at 6 per cent, in order to attract bank buying.

Government
Security
Market

Accompanying firmer money conditions the market for United States Government securities was weak, especially for the long-term bonds. Prices of all issues were lower than at the previous week's close, the short-term issues showing small fractional losses, while the long-term bonds showed losses of from 7/32 to 1.16/32nds.

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

Issue					Price	Net Change	Approx. Yield
4 1/2%	Cert. of Ind.	due June	15, 1929		100	- - -	4.45
4 3/4%	" " "	" Sept.	15, 1929		100	-2/32	4.74
4 1/4%	" " "	" Sept.	15, 1929		99 24/32	-2/32	4.74
4 1/4%	" " "	" Dec.	15, 1929		99 20/32	-5/32	4.74
3 1/2%	Treasury Notes	" Mar.	15, 1932		96 27/32	-5/32	4.64
3 1/2%	" " "	" Sept.	15, 1932		96 25/32	-3/32	4.50
3 1/2%	" " "	" Dec.	15, 1932		96 25/32	-3/32	4.44

Closing Prices on the New York Stock Exchange on Saturday
March 9, 1929 and Net Changes from Previous Week's Close

Issue			Price	Net Change	Issue			Price	Net Change
1st 3 1/2s	97 29/32	- 7/32	Treas. 4s	1944-54	102 4/32	-1.16/32			
1st 4 1/4s	99 3/32	- 23/32	" 4 1/4s	1947-52	107	-1.10/32			
4th 4 1/4s	99 16/32	- 12/32	" 3 3/4s	1946-56	99 20/32	-1.			
			" 3 3/8s	1943-47	96 8/32	-1. 2/32			
			" 3 3/8s	1940-43	96 6/32	-1. 4/32			

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3

Bankers
Acceptances

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

Reports
Week
Ending
March 6

Boston reports that the floating supply of bills was materially reduced in its district during the past period. The demand which was small in comparison with previous weeks exceeded the supply, the amount of new bills coming into the market being the smallest for over a year. There was a better demand from savings banks and out-of-town banks than for some time past. Offerings to the reserve bank were very light. In New York the supply of bills increased about 75 per cent over last week's aggregate. The volume was the best so far this year and was substantially in excess of the demand, which also increased moderately. Dealers' sales consisted mainly of orders for nineties for foreign account. Local buying was moderate and chiefly for corporation account. Dealers' portfolios increased substantially.

Philadelphia reports that its acceptance market was moderately active. The supply of bills improved somewhat with the demand fair, but not general. Chicago reports that the demand continued fair during the past period for 90-day bills, but local dealers appeared to be buying more 30-day bills than they were able to sell.

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4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

There were no transactions consummated for the Treasury during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transaction effected in the System Account during the current statement week was the sale mentioned in last week's report of

\$3,500,000 - 4 1/4% certificates of indebtedness
due December 15, 1929.

This sale reduced the total holdings in the System Account to \$40,000,000. The participation by Federal reserve banks and the classification of issues held in the account at the close of business March 6, 1929, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 3,485,000
New York	12,033,500
Philadelphia	3,293,500
Cleveland	3,822,500
Richmond	1,204,000
Atlanta	1,168,500
Chicago	6,983,500
St. Louis	2,338,000
Minneapolis	1,757,500
Kansas City	0
Dallas	0
San Francisco	3,914,000
Totals	<u>\$40,000,000</u>

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1932 - 3 1/2% T/N	30,000,000

\$40,000,000

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

BANKERS ACCEPTANCES
(000 Omitted)

*Sold to a foreign correspondent.

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

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6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MARCH 6, 1929
 (000 Omitted)

	1-30 days 4 1/2-5 1/8%	31-60 days 4 3/4-5 1/8%	61-90 days 4 3/4-5 1/4%	Over 90-days 5-5 1/4%	Total
Boston	\$ 315	\$ 432	\$ 832	\$ 0	\$ 1,579
New York	9,775	3,989	558	1,178	15,500
Philadelphia	1,183	559	1,569	0	3,311
Cleveland	161	0	257	0	418
Richmond	6	175	334	0	515
Atlanta	370	5	16	14	405
Chicago	592	0	0	0	592
Dallas	169	408	128	24	729
San Francisco	372	630	827	106	1,935
Totals	<u>\$12,943</u>	<u>\$6,198</u>	<u>\$4,521</u>	<u>\$1,322</u>	<u>\$24,984</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MARCH 6, 1929
 (000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 239	\$24,984	\$25,223
Sold	3,683	1,504	5,187
Matured	<u>0</u>	<u>61,709</u>	<u>61,709</u>
		\$38,229-	\$41,673-
		583+(Net Change	583+(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$3,444-</u>	<u>\$37,646-</u>	<u>\$41,090-</u>

(Including Sales Contracts)

Holdings March 6, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 2,314	\$ 0	\$ 0	\$ 0	\$ 639	\$160,011	\$162,964
Bills Purchased	<u>145,352</u>	<u>81,997</u>	<u>61,864</u>	<u>11,504</u>	<u>3,927</u>	<u>0</u>	<u>304,644</u>
Totals	<u>\$147,666</u>	<u>\$81,997</u>	<u>\$61,864</u>	<u>\$11,504</u>	<u>\$4,566</u>	<u>\$160,011</u>	<u>\$467,608</u>

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Authority E.O. 12958

March 5, 1929.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board ~~your letter of March 4th enclosing report of transactions in government securities and bankers' acceptances as reported to your Committee for the period February 21, 1929 to February 27, 1929, inclusive.~~

Very truly yours,

(Signed) E. M. McClelland

E. M. McClelland,
Assistant Secretary.

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

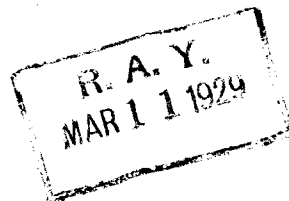
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FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

March 4, 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 February 21, 1929 to February 27, 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.

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**FEDERAL RESERVE BANK
OF NEW YORK**

RECEIVED
MAR 11 1929
DIVISION OF RESEARCH
AND STATISTICS.

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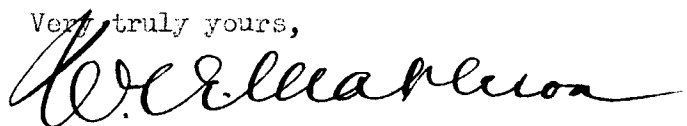
March 4, 1929

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

Dear Mr. Goldenweiser:

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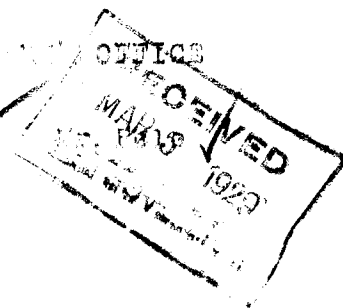


W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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Authority E.O. 12958

FOR SPECIAL CIRCULATION
BY, INITIAL AND RETURN
Mr. Hamlin ✓ Mr. James ✓
Mr. Miller ✓ Mr. Cunningham ✓
FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

March 4, 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 February 21, 1929 to February 27, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

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W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 27, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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	355,479	83,897	932,271
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Dec. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
-1929-						
Jan. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 20	1,403,280	170,754	1,835	334,040	21,596	864,980
Feb. 27	1,463,032	164,985	1,415	308,308	25,767	952,482

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 27, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 27	Net Change	Balance Feb. 27	Net Change	Balance Feb. 27	Net Change
Boston	\$ 5,397	\$ 516-	\$ 39,154	\$ 2,203-	\$ 64,492	\$10,461+
New York	14,691	1,623-	50,693	8,346-	222,389	40,662+
Philadelphia	18,804	488-	22,447	2,250-	94,521	3,947+
Cleveland	29,896	566-	32,312	2,066-	77,825	2,984-
Richmond	2,462	178-	14,166	1,395-	43,160	1,953+
Atlanta	3,825	177-	17,700	814-	52,489	2,663-
Chicago	27,532	1,035-	34,354	1,931-	206,130	16,928+
St. Louis	19,168	346-	9,627	726-	37,887	3,921-
Minneapolis	9,496	261-	12,778	552-	16,450	6,985+
Kansas City	9,763	0	9,852	1,647-	29,305	2,694-
Dallas	9,988	0	18,397	413-	17,976	258+
San Francisco	13,963	580-	42,451	3,361-	89,858	18,570+
N.Y. holdovers and other bills			4,377	972+		
Totals	\$164,985	\$5,770-	\$308,308	\$25,732-	\$952,482	\$87,502+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 27, 1929

Total earning assets of the System showed an increase of \$59,752,000 for the current statement week. The approximate changes by classification consisted of decreases of \$5,750,000 and \$25,750,000 respectively, in outright purchases of Government securities and bankers acceptances, and increases of \$87,500,000 in bills discounted and \$3,750,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$400,000 in Government securities and an increase of \$4,150,000 in bankers acceptances.

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Money
Market

Conditions in the New York call money market were much firmer during the week ended March 1, in response to month-end influences. The call loan renewal rate advanced from 6 1/2 per cent on Monday, the 25th, to 8 per cent on the following day and remained at that level for the balance of the week. On two days of the period, the Stock Exchange rate for new loans went as high as 9 per cent, and on one day, the 28th, rose to 10 per cent. On that day the very large part of the total new loan volume was placed at the 10 per cent rate and the average rate on all new loans proved to be 9.85 per cent, the highest since January 2. As usually occurs at the month-end, there was a sharp advance in the loans and deposits of the New York City banks, with the result that their reserve requirements showed a net increase of \$41,000,000 from February 23 to the end of the month. Commercial funds continued to flow into the New York market from other centers, the resulting gain more than offsetting losses to the market through currency withdrawals from the Reserve Bank. The indebtedness of the New York City banks at the Federal Reserve averaged \$140,000,000 during the week, as compared with \$136,000,000 in the previous week.

The time money market was dull and firm. A small amount of loans for all maturities from 30 days to 6 months was placed at the single rate of 7 3/4 per cent. This is in contrast to the previous week when maturities over 4 months were lending at 7 1/2 per cent, with the shorter maturities at 7 3/4 per cent.

Due to the lack of bank investment demand for commercial paper, several dealers advanced their offering rate to 5 3/4 per cent on some of the paper which they had been holding at 5 1/2 per cent. The quoting of higher rates, however, did little to stimulate buying.

Government
Security
Market

The undertone in the market for United States Government securities showed some improvement over the past several weeks. The demand was fair with the preference for the short-term Treasury certificates. Prices of all issues were firm, many showing small fractional gains for the week.

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 March 15, 1929	100	+ 1/32	3.32
3 7/8%	" " " " March 15, 1929	100	- - -	3.61
4 1/2%	" " " " June 15, 1929	100	- - -	4.45
4 3/4%	" " " " Sept. 15, 1929	100 2/32	- - -	4.62
4 1/4%	" " " " Sept. 15, 1929	99 26/32	+ 2/32	4.61
4 1/4%	" " " " Dec. 15, 1929	99 25/32	+ 2/32	4.52
3 1/2%	Treasury Notes " March 15, 1932	97	+ 4/32	4.56
3 1/2%	" " " " Sept. 15, 1932	96 28/32	- - -	4.45
3 1/2%	" " " " Dec. 15, 1932	96 28/32	- - -	4.39

Closing Prices on the New York Stock Exchange on Saturday
March 2, 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	98 4/32	+21/32	Treas. 4s 1944-54	103 20/32	+ 8/32
1st 4 1/4s	99 26/32	- 2/32	" 4 1/4s 1947-52	103 10/32	+ 5/32
4th 4 1/4s	99 28/32	- 2/32	" 3 3/4s 1946-56	100 20/32	+ 5/32
			" 3 3/8s 1943-47	97 10/32	+10/32
			" 3 3/8s 1940-43	97 10/32	+10/32

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Bankers
Acceptances

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

Reports
week
ending
February 27

Boston reports that the demand for bills in its district was very small during the past period due in part to the month-end demand for money. Dealers' sales aggregated about \$3,700,000. Local banks were poor buyers, accordingly dealers made greater effort to sell to savings banks and corporations, with fair success due to the high yield. The supply of bills was very limited. The demand which was very poor was best for 90-day bills and as a result the supply of this maturity was practically exhausted. Offerings to the reserve bank were small. In New York the bill market was less active. The demand for bills was fairly good and substantially in excess of the supply, which decreased to the lightest volume since the first week in August 1928. Distribution consisted mainly of nineties for foreign account. Local buying was moderate and principally for corporation account. Dealers' portfolios decreased substantially to an aggregate which was comparable to their holdings during the latter part of August 1928. Philadelphia reports that its bill market showed little change from the previous week. The supply of bills was rather small. Although the volume of sales was moderate the demand continued to improve. Preference was shown for longer bills. Chicago reports that the demand for 90-day bills appeared to be in excess of the supply at the prevailing rates. Dealers report very few new bills coming out.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of	\$2,650,000 - par amount	3 1/2% T/N due 3/15/30-32 from Alien Property Custodian Account
	1,000,000 - " "	4 1/4% First Liberty Loan bonds from Government Life Insurance Fund
	6,000,000 - " "	3 3/8% C/I due 3/15/29 from German Special Deposit Account
	3,000 - " "	3 7/8% C/I due 3/15/29 from Austrian Special Deposit Account

Total Sales \$9,653,000

and purchases of	\$1,650,000 - par amount	3 1/2% T/N due 3/15/30-32 for German Special Deposit Account
	5,000,000 - " "	4 3/4% C/I due 9/15/29 for German Special Deposit Account
	*12,000,000 - " "	3 3/8% C/I due 3/15/29 for Account Redemption

Total Purchases- \$18,650,000

* - Of this amount \$5,000,000 was sold to the Treasury for Redemption from holdings of the German Special Deposit Account and \$7,000,000 by the Federal Reserve Bank of Philadelphia.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As mentioned in last week's report, further sales were made to the market during the current statement week of

\$1,000,000 - 4 1/4%	certificates of indebtedness due	Sept. 15, 1929
625,000 - 4 1/4%	" " "	" Dec. 15, 1929
1,500,000 - 3 1/2%	Treasury notes	" March 15, 1932
2,500,000 - 3 1/2%	" "	" Sept. 15, 1932
300,000 - 3 1/2%	" "	" Dec. 15, 1932
<u>\$5,925,000</u>	Total sales	

These transactions reduced the total holdings in the System Account at the close of business Wednesday, February 27, 1929, to \$43,500,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,790,000
New York	13,036,500
Philadelphia	3,531,500
Cleveland	4,157,000
Richmond	1,309,500
Atlanta	1,270,500
Chicago	7,594,500
St. Louis	2,542,500
Minneapolis	1,911,500
Kansas City	0
Dallas	0
San Francisco	<u>4,256,500</u>
Totals	<u>\$43,500,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$13,500,000
Dec. 15, 1932 - 3 1/2% T/N	<u>30,000,000</u>

\$43,500,000

Since the close of the statement week, \$3,500,000 - 4 1/4% certificates of indebtedness due December 15, 1929, have been sold for delivery Monday, March 4, 1929, leaving the total amount in the account \$40,000,000.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM FEBRUARY 21 TO FEBRUARY 27, 1929 INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Sales</u>
Boston	\$ 516,000
New York	1,783,300
Philadelphia	488,000
Cleveland	566,000
Richmond	178,500
Atlanta	173,000
Chicago	1,034,500
St. Louis	346,000
Minneapolis	260,500
Kansas City	0
Dallas	0
San Francisco	<u>580,000</u>
Total - - - - -	<u>\$5,925,800</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$1,000,000 March 15, 1930-32 T/N		*\$1,000,000 March 15, 1930-32 T/N	
	* 160,000 TM2-1929 C/I			
Philadelphia	7,000,000 TS-1929 C/I		** 7,000,000 TM-1929 C/I	
Atlanta	253,300 Misc. Gov't Sec.		256,800 Misc. Gov't Sec.	
Totals	<u>\$8,413,300</u>		<u>\$8,256,800</u>	

* Was held temporarily.

** Sold to Treasury for redemption.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>By Allot-</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	<u>Close Feb. 27, 1929</u>
	<u>Feb. 20</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &</u>	<u>Feb. 27</u>	<u>Sales</u>	<u>Other</u>
			<u>New York</u>	<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 42,357	\$ 1,564 R	\$ 0	\$ 4,767	\$ 39,154	\$ 4,477	\$ 76
New York	59,039	3,911 A					
		5,251 R	0	13,597*	50,693	13,610	942
Phila.	24,697	969 "	0	3,219	22,447	0	96
Cleveland	34,378	253 "	944	3,263	32,312	0	106
Richmond	15,561	0	339	1,734	14,166	0	52
Atlanta	18,514	1,201 "	359	2,374	17,700	0	1,358
Chicago	36,285	1,349 "	579	3,859	34,354	2,927	141
St. Louis	10,353	0	697	1,423	9,627	0	44
Minn.	13,330	0	284	836	12,778	0	27
Kan. City	11,499	0	366	2,013	9,852	0	40
Dallas	18,810	983 "	130	1,526	18,397	422	36
San. Fran.	45,812	263 "	213	3,837	42,451	4,331	72
Totals	\$330,635	\$15,744 "	\$3,911	\$42,448	\$303,931	\$25,767	\$2,990
Bills held over night by New York for distribution to other F. R. Banks -							<u>1,387</u>
Total - - - - -							<u>\$4,377</u>

*Includes \$1,559,000 sold to a foreign correspondent.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 27, 1929
(000 Omitted)

	<u>1-30 days</u> <u>4 1/2 - 5 1/8%</u>	<u>31-60 days</u> <u>4 3/4 - 5 1/8%</u>	<u>61-90 days</u> <u>4 3/4 - 5 3/8%</u>	<u>Over 90-days</u> <u>5 3/8%</u>	<u>Total</u>
Boston	\$ 546	\$ 301	\$ 717	0	\$ 1,564
New York	5,406	2,525	1,088	143	9,162
Philadelphia	500	109	360	0	969
Cleveland	0	64	189	0	253
Atlanta	791	230	180	0	1,201
Chicago	1,349	0	0	0	1,349
Dallas	137	385	360	101	983
San Francisco	84	138	41	0	263
Total	\$8,813	\$3,752	\$2,935	\$244	\$15,744

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 27, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$ 8,413	\$15,744	\$24,157
Sold	14,183	1,559	15,742
Matured	0	40,889	40,889
		<u>\$26,704-</u>	<u>\$32,474-</u>
		972+ (Net Change	972+ (Net Change
		1-day holdover	1-day holdover
Totals	\$ 5,770-	\$25,732- and other bills)	\$31,502- and other bills)

(Including Sales Contracts)

<u>Holdings</u> <u>February 27, 1929</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	\$ 1,415	\$ 839	0	0	\$ 639	\$163,507	\$166,400
Bills Purchased	<u>134,661</u>	<u>104,774</u>	<u>77,558</u>	<u>13,419</u>	<u>3,663</u>	<u>0</u>	<u>334,075</u>
Totals	\$136,076	\$105,613	\$77,558	\$13,419	\$4,302	\$163,507	\$500,475

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February 26, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 25th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from February 14, 1929 to February 20, 1929 inclusive.

Very truly yours,

Walter L. Eddy,
Secretary

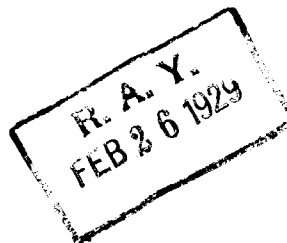
Mr. W. B. Matteson, Secretary,
Open Market Investment Committee,
c/o Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 12958

**FEDERAL RESERVE BANK
OF NEW YORK**

P E R S O N A L



February 25, 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 February 14, 1929 to February 20, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

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W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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Mulm ✓
Mr. Kiefler ✓
collier

**FEDERAL RESERVE BANK
OF NEW YORK**

CONFIDENTIAL

February 25, 1929

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

Dear Mr. Goldenweiser:

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Very truly yours,



W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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FOR SPECIAL CIRCULATION

PLEASE RETURN TO THE SECRETARY'S OFFICE, INITIAL AND RETURN TO

✓ Gov. Young

Mr. Hamlin ✓

Mr. James ✓

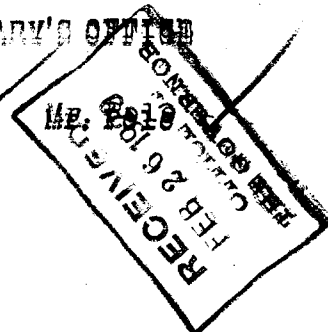
Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

FEDERAL RESERVE BANK

OF NEW YORK



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Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 20, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1928-						
Jan. 25	\$1,173,926	\$434,817	\$ 6,080	\$318,863	\$28,442	\$ 385,224
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Oct. 31	1,603,476	200,470	26,629	356,479	83,897	932,271
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Feb. 20	1,403,280	170,754	1,835	334,040	21,596	864,980

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 20, 1929

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 20	Net Change	Balance Feb. 20	Net Change	Balance Feb. 20	Net Change
Boston	\$ 5,912	\$ 392-	\$ 42,357	\$ 3,619-	\$ 54,031	\$ 150-
New York	16,314	2,355-	59,039	7,766-	181,727	70,966-
Philadelphia	19,293	370-	24,697	1,969-	90,574	10,382+
Cleveland	30,462	430-	34,378	1,021-	80,809	8,696-
Richmond	2,640	135-	15,561	342-	41,207	6,172+
Atlanta	4,002	247-	18,514	164-	55,152	1,828-
Chicago	28,566	786-	36,285	1,657+	189,202	26,790+
St. Louis	19,514	263-	10,353	1,304+	41,808	9,497+
Minneapolis	9,757	198-	13,330	481-	9,465	2,018-
Kansas City	9,763	0	11,499	1,918+	31,999	1,209+
Dallas	9,988	0	18,810	716+	17,718	321+
San Francisco	14,543	440-	45,812	4,135-	71,288	9,682-
N.Y. holdovers and other bills			3,405	3,931-		
Totals	\$170,754	\$5,616-	\$334,040	\$17,833-	\$864,980	\$38,969-

COMMENT ON CHANGES WEEK ENDED FEBRUARY 20, 1929.

Total earning assets of the System showed a decrease of \$77,972,000 for the current statement week. The approximate changes by classification consisted of decreases of \$38,950,000 in bills discounted, \$5,600,000 and \$17,850,000 respectively in outright purchases of Government securities and bankers acceptances, \$17,600,000 net in bankers acceptances held under sales contracts, and an increase of \$1,050,000 in Government securities held under sales contracts. The net decrease in bankers acceptances held under sales contract consisted of an increase of \$1,300,000 at San Francisco and decreases of \$4,550,000 at Boston, \$12,450,000 at New York, \$1,600,000 at Chicago and \$300,000 at Dallas. The increase in Government securities held under sales contracts consisted of \$900,000 at Chicago and \$150,000 at Dallas.

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2

Money
Market

Following a rise to 10 per cent on the preceding Friday, call money moved lower during the calendar week just closed. The renewal rate was reduced from a high of 8 per cent on Monday to 6 1/2 per cent on Wednesday, and the rate for new loans on two days of the period was 6 per cent. On Thursday, the Stock Exchange call loan rate was steady at the renewal level of 6 1/2 per cent, due to the influence of withdrawals of currency from the Reserve Bank for the week-end holiday, and to the balancing of the banks' reserve position for the period which ended on the holiday. The principal factor in the easier money of the week was a moderately large inflow of funds to the New York market from other centers. The effect of this gain was only partly offset by losses to the market through Federal Reserve bill and security operations, and consequently the indebtedness of the New York City banks averaged considerably smaller than in the preceding week.

Conditions in the time money market were little changed. The volume of trading was small at 7 3/4 per cent for maturities up to 4 months and 7 1/2 per cent for longer maturities up to 6 months.

The commercial paper market became firmer during the week, and the going range for prime names advanced to 5 1/2 - 5 3/4 per cent. Bank investment demand again was reported as being light, and, although new drawings of paper were in rather limited volume, dealers' stocks of unsold paper continued to increase somewhat.

Government
Security
Market

Although the market for United States Government securities during the calendar week was firm as a whole, the demand, however, was only fair and restricted mostly to a few of the short-term issues. Several moderately large sized blocks of the latter changed hands in the market, while the volume of trading reported in the long-term bonds was negligible. Dealers' offering prices at the end of the week for several of the short-term issues of certificates were unchanged from the previous week's close, while their offering prices for the other short-term issues of certificates and notes showed only small mixed fractional changes. The closing prices on the New York Stock Exchange for the long-term bonds also showed prices of some issues unchanged and the others mixed fractional changes.

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	March 15, 1929	99 31/32	- - -	3.96
3 7/8%	"	"	March 15, 1929	100	- - -	3.79
4 1/2%	"	"	June 15, 1929	100	-2/32	4.46
4 3/4%	"	"	Sept. 15, 1929	100 2/32	-1/32	4.62
4 1/4%	"	"	Sept. 15, 1929	99 24/32	- - -	4.71
4 1/4%	"	"	Dec. 15, 1929	99 23/32	-1/32	4.60
3 1/2%	Treas. Notes	"	March 15, 1932	96 28/32	+2/32	4.60
3 1/2%	"	"	Sept. 15, 1932	96 28/32	+2/32	4.45
3 1/2%	"	"	Dec. 15, 1932	96 28/32	+2/32	4.39

Closing Prices on the New York Stock Exchange on Saturday
February 23, 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	97 15/32	-3/32	Treas. 4s 1944-54	103 12/32	+ 6/32
1st 4 1/4s	99 28/32	+6/32	" 4 1/4s 1947-52	103 5/32	-13/32
4th 4 1/4s	99 30/32	- - -	" 3 3/4s 1946-56	100 15/32	-11/32
			" 3 3/8s 1943-47	97	+ 4/32
			" 3 3/8s 1940-43	97	- - -

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3

Bankers
Acceptances

On Friday, February 15, all dealers advanced their bid and offered rates $1/8$ per cent on prime bankers acceptances thereby establishing the following rates at which they offered unindorsed bills: $5\ 1/8$ per cent for 30s, $5\ 1/8$ to $5\ 1/4$ per cent for 60s, $5\ 1/4$ per cent for 90s and 120s, and $5\ 3/8$ per cent for 180-day bills.

Reports
Week
Ending
February 20

Boston reports that the supply of bills was small in its district during the past period and although the reserve bank was practically out of the bill market, dealers found a good demand for their bills and experienced difficulty in filling orders. Ninety day bills were in best demand. Local banks were good buyers. Out-of-town banks were attracted by the higher rates and were better buyers than for any time in almost a year. The supply of new bills although continuing small showed a slight improvement over the previous period. Dealers' portfolios were the smallest since last July. In New York the demand for bills this week increased to a very good volume and was substantially in excess of supply. Investment of foreign owned monies was very good. Local buying improved moderately and on a broader scale. Dealers' portfolios decreased substantially. The one dealer who on February 8 raised his offering rates on 90s by $1/4$ per cent, lowered his rate on February 19 by $1/8$ per cent. Philadelphia reports that its acceptance market was moderately active. Offerings were not particularly heavy and showed some decrease from previous week. The demand was improved with a fair volume of sales to out-of-town banks. Chicago reports that the market for bills in its district continued very quiet. Banks were not accepting many bills at the prevailing rates but the supply, however, appeared to be ample to take care of the demand.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of \$1,000,000	par amount	3 $1/2\%$	Treasury notes due 3/15/30-32
			from Alien Property Custodian Account
50,000	" "	3 $7/8\%$	C/I due 3/15/29 from German
			Special Deposit Account
30,000	" "	3 $7/8\%$	C/I due 3/15/29 from Austrian
			Special Deposit Account
<u>\$1,080,000</u>	Total Sales		

and purchases of \$25,000 par amount 4 $1/4\%$ Federal Land Bank bonds, due 1938-58 for account District of Columbia Teachers' Retirement Fund.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week further sales were made to the market from holdings in the System Account of

\$2,500,000	- 4 1/4%	certificates of indebtedness	due Sept. 15, 1929
1,000,000	- 4 1/4%	" " "	" Dec. 15, 1929
<u>1,000,000</u>	- 3 1/2%	Treasury notes	" March 15, 1930-32
 \$4,500,000 Total Sales			

In order to facilitate the sale to the market by a foreign correspondent of \$5,000,000 - 3 1/2% Treasury notes due September 15, 1930-32, an exchange was effected of \$2,500,000 - 3 1/2% Treasury notes due March 15, 1930-32 for a like amount of 3 1/2% Treasury notes due September 15, 1930-32, both at the same price.

These transactions reduced the total holdings in the System Account at the close of business Wednesday, February 20, 1929, to \$49,425,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$4,306,000
New York	14,869,800
Philadelphia	4,069,500
Cleveland	4,723,000
Richmond	1,488,000
Atlanta	1,443,500
Chicago	8,629,000
St. Louis	2,888,500
Minneapolis	2,172,000
Kansas City	0
Dallas	0
San Francisco	<u>4,836,500</u>
 Totals	 <u>\$49,425,800 *</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1929 - 4 1/4% C/I	\$1,000,000
Dec. 15, 1929 - 4 1/4% "	14,125,000
March 15, 1932 - 3 1/2% T/N	1,500,000
Sept. 15, 1932 - 3 1/2% "	2,500,000
Dec. 15, 1932 - 3 1/2% "	<u>30,300,800</u>

\$49,425,800

* Further sales aggregating \$5,925,800 have been made mostly for delivery Monday, February 25, leaving the total remaining in the Account \$43,500,000.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM FEBRUARY 14 TO FEBRUARY 20, 1929

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>
Boston	\$ 218,000	\$ 609,500	\$ 391,500
New York	752,000	2,106,500	1,354,500
Philadelphia	206,000	576,500	370,500
Cleveland	239,000	669,000	430,000
Richmond	75,000	210,000	135,000
Atlanta	73,000	204,500	131,500
Chicago	436,500	1,222,000	785,500
St. Louis	146,000	409,000	263,000
Minneapolis	110,000	308,000	198,000
Kansas City	0	0	0
Dallas	0	0	0
San Francisco	244,500	685,000	440,500
Totals	\$2,500,000	\$7,000,000	\$4,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 0	-	*\$1,000,000	March 15, 1932 T/N
Atlanta	102,600	Misc. Gov't Sec.	218,150	Misc. Gov't Sec.
Totals	\$102,600		\$1,218,150	

*Was held temporarily.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd By Allotment</u>	<u>Regular</u>	<u>From</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>
	<u>Feb. 13</u>	<u>Own Mkt.</u>	<u>from</u>	<u>N. Y.</u>	<u>San Fran.</u>	<u>ities & Sales</u>	<u>Feb. 20</u>	<u>Close Feb. 20/29</u>
					<u>Port.</u>			<u>Sales</u> <u>Other</u>
								<u>Contracts</u> <u>Bills</u>
Boston	\$ 45,976	\$ 816 R	\$ 0	\$ 0	\$ 4,435	\$ 42,357	\$ 5,190	\$ 76
New York	66,805	10,812 "	0	0	18,578	59,039	9,803	1,115
		19,580 A						
**Phila.	26,666	553 R	0	0	2,522	24,697	0	96
Cleve.	35,399	476 "	3,178	0	4,675	34,378	0	106
Richmond	15,903	250 "	1,649	0	2,241	15,561	0	52
Atlanta	18,678	201 "	2,271	0	2,636	18,514	0	1,202
Chicago	34,628	1,088 "	5,419	0	4,850	36,285	3,062	141
St. Louis	9,049	0	1,755	1,000	1,451	10,353	0	44
Minn.	13,811	0	1,189	500	2,170	13,330	0	27
Kan. City	9,581	0	1,782	1,000	864	11,499	0	40
Dallas	18,094	1,517 "	1,343	0	2,144	18,810	354	36
San Fran.	49,947	2,704 "	994	0	7,833*	45,812	3,187	72
Totals	\$344,537	\$37,997	\$19,580	\$2,500	\$4,399	\$330,635	\$21,596	\$3,007
Bills held over night by New York for distribution to other F. R. Banks - -								398
Total - - - - -								\$3,405

*Includes \$2,500,000 sold to other Federal Reserve Banks.

**Discontinued participation in System purchases of bills on February 13.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 20, 1929
(000 Omitted)

	<u>1-30 days</u> <u>4 1/2 - 5 1/8%</u>	<u>31-60 days</u> <u>4 3/4 - 5 1/4%</u>	<u>61-90 days</u> <u>4 7/8 - 5 3/8%</u>	<u>Over 90-days</u> <u>5 - 5 1/4%</u>	<u>Total</u>
Boston	\$ 355	\$ 331	\$ 130	0	\$ 816
New York	16,715	7,326	5,224	1,127	30,392
Philadelphia	0	65	488	0	553
Cleveland	130	146	200	0	476
Richmond	50	50	150	0	250
Atlanta	125	0	58	18	201
Chicago	945	143	0	0	1,088
Dallas	223	576	386	332	1,517
San Francisco	<u>755</u>	<u>355</u>	<u>616</u>	<u>978</u>	<u>2,704</u>
Totals	<u>\$19,298</u>	<u>\$8,992</u>	<u>\$7,252</u>	<u>\$2,455</u>	<u>\$37,997</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 20, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$2,602	\$37,997	\$40,599
Sold	8,218	0	8,218
Matured	0	<u>51,899</u>	<u>51,899</u>
		<u>\$13,902-</u>	<u>\$19,518-</u>
		3,931- (Net Change	3,931- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$5,616-</u>	<u>\$17,833-</u>	<u>\$23,449-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>February 20, 1929</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	\$ 1,835	\$ 7,679	0	\$ 0	\$ 643	\$162,432	\$172,589
Bill Purchased	<u>122,069</u>	<u>104,340</u>	<u>106,076</u>	<u>19,326</u>	<u>3,825</u>	<u>0</u>	<u>355,636</u>
Totals	<u>\$123,904</u>	<u>\$112,019</u>	<u>\$106,076</u>	<u>\$19,326</u>	<u>\$4,468</u>	<u>\$162,432</u>	<u>\$528,225</u>

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February 19, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of the 18th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from February 7, 1929 to February 13, 1929 inclusive.

Very truly yours,

Walter L. Eddy,
Secretary

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

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**FEDERAL RESERVE BANK
OF NEW YORK**



P E R S O N A L

February 18, 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 February 7, 1929 to February 13, 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.

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Mr. Smead ✓
Mr. Riefler ✓
Mr. Callahan ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
FEB 19 1929
DIVISION OF RESEARCH
AND STATISTICS.

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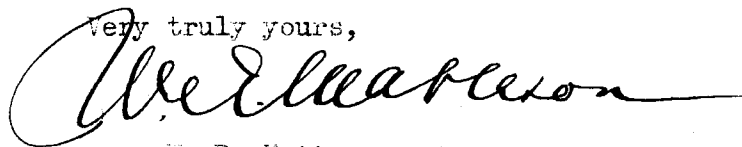
February 18, 1929

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 February 7, 1929 to February 16, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,



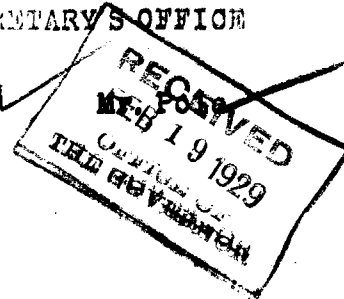
W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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



CONFIDENTIAL

February 18, 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 February 7, 1929 to February 13, 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 2/19/29

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 13, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-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. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
-1929-						
Jan. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 6	1,471,527	199,059	1,030	366,915	43,827	851,621
Feb. 13	1,481,252	176,370	800	351,873	39,185	903,949

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 13, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 13	Net Change	Balance Feb. 13	Net Change	Balance Feb. 13	Net Change
Boston	\$ 6,304	\$ 1,887-	\$ 45,976	\$ 3,466-	\$ 54,181	\$ 8,094-
New York	18,669	7,519-	66,805	10,221-	252,693	57,566+
Philadelphia	19,663	1,784-	26,666	1,595+	80,192	10,860+
Cleveland	30,892	2,070-	35,399	1,556-	89,505	8,782+
Richmond	2,775	652-	15,903	1,533-	35,035	4,403-
Atlanta	4,249	656-	18,678	2,270-	56,980	2,485-
Chicago	29,352	3,783-	34,628	1,856-	162,412	11,700+
St. Louis	19,777	1,266-	9,049	79-	32,311	6,741-
Minneapolis	9,955	953-	13,811	1,939-	11,483	1,493-
Kansas City	9,763	0	9,581	492+	30,790	6,955-
Dallas	9,988	0	18,094	959-	17,397	5,578-
San Francisco	14,983	2,120-	49,947	3,213+	80,970	831-
N. Y. holdovers and other bills			7,336	3,537+		
Totals	\$176,370	\$22,690-	\$351,873	\$15,042-	\$903,949	\$52,328+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 13, 1929

Total earning assets of the System showed an increase of \$9,725,000 for the current statement week. The approximate changes by classification consisted of an increase of \$52,300,000 in bills discounted and decreases of \$22,700,000 in outright purchases of Government securities, \$15,050,000 in outright purchases of bankers acceptances, and \$200,000 and \$4,650,000 respectively in Government securities and bankers acceptances held under sales contracts. The net decrease in Government securities held under sales contracts consisted of an increase of \$200,000 at Dallas and a decrease of \$400,000 at Chicago, while the net decrease in bankers acceptances held under sales contracts was made up of an increase of \$500,000 at Boston and decreases of \$2,600,000 at New York, \$900,000 at Chicago, \$250,000 at Dallas and \$1,400,000 at San Francisco.

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Money
Market

Call money rates continued to show extreme fluctuations during the calendar week just closed. The Stock Exchange renewal rate on Monday was 8 per cent, with a subsequent decline in the new loan rate to 7 per cent, and following the holiday there was a further decline to 6 per cent in the rate for new loans. On Thursday, all loans were placed at the renewal level of 6 1/2 per cent, but on Friday a sharp advance occurred which was the result of heavy calling of loans. During the afternoon of that day the new loan rate rose successively from 6 1/2 per cent to 10 per cent in the course of less than an hour and a half; a very large proportion of the total new loan volume was placed at the 10 per cent rate, a fact that is evidenced by an average rate of 8.98 per cent for new loans, the highest since January 2. The effect of further gold imports during the week was practically offset by additional security sales from the System's holdings, and there was a continued excess of Federal Reserve bill maturities over purchases. These operations, together with other small losses to the market in commercial and agency transactions, resulted in a higher level of borrowing by New York City banks. Their average indebtedness during the past week was \$174,000,000, as compared with \$140,000,000 in the previous period.

The time money market was dull and firm during the week. Nominal quotations for maturities up to 4 months were 7 3/4 per cent flat, and longer maturities up to 6 months were quoted 7 1/2 per cent bid, offered at 7 3/4 per cent. The only activity reported was a small amount of 90-day loans at 7 3/4 per cent.

Prime commercial paper continued to be quoted principally at 5 1/2 per cent, but there were indications of increased firmness in the market in that sales at 5 3/4 per cent were reported as being more frequent. Bank investment demand at current rates for paper was not active and there appears to have been some accumulation of paper on dealers' hands.

Government
Security
Market

The market for United States Government securities was generally inactive. There was a good demand for the Treasury certificates maturing March 15 and June 15 of this year, while the other outstanding issues of short-term Governments were quiet and steady. The long-term Liberty Loan and Treasury bonds, however, were weak and although not under pressure, they showed recessions in prices of from 10/32 to 1. 14/32 over the previous week's close, with the exception of 4th 4 1/4s which remained unchanged.

Closing Prices on the New York Stock Exchange on Saturday
February 16, 1929 and Net Changes from Previous Week's Close

Net			Net		
Issue	Price	Change	Issue	Price	Change
1st 3 1/2s	97 18/32	-30/32	Treas. 4s 1944-54	103 6/32	-1.14/32
1st 4 1/4s	99 22/32	-10/32	" 4 1/4s 1947-52	108 18/32	-1. 8/32
4th 4 1/4s	99 30/32	- - -	" 3 3/4s 1946-56	100 26/32	-1. 2/32
			" 3 3/8s 1943-47	96 28/32	- 28/32
			" 3 3/8s 1940-43	97	- 16/32

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

Issue	Price	Net Change	Approx. Yield
3 3/8% Cert. of Ind. due March 15, 1929	99 31/32	+4/32	3.80
3 7/8% " " " " March 15, 1929	100	+3/32	3.80
4 1/2% " " " " June 15, 1929	100 2/32	+2/32	4.26
4 3/4% " " " " Sept. 15, 1929	100 13/32	- -	4.57
4 1/4% " " " " Sept. 15, 1929	99 24/32	- -	4.69
4 1/4% " " " " Dec. 15, 1929	99 24/32	- -	4.55
3 1/2% Treas. Notes " March 15, 1932	96 26/32	-2/32	4.61
3 1/2% " " " " Sept. 15, 1932	96 26/32	-2/32	4.47
3 1/2% " " " " Dec. 15, 1932	96 26/32	-2/32	4.41

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3

Bankers
Acceptances

On Wednesday, February 13, most of the dealers advanced their bid and offered rates $1/8$ per cent on prime bankers acceptances thereby establishing the following rates at which they offered unindorsed bills: 5 per cent for 30s and 60s, 5 to $5\ 1/8$ per cent for 90s, $5\ 1/8$ to $5\ 1/4$ per cent for 120s and $5\ 1/4$ to $5\ 3/8$ per cent for 180-day bills.

Effective February 14, the Federal Reserve Bank of New York increased its buying rates for bills $1/8$ and $1/4$ per cent making the currently effective minimum buying rates 5 per cent for 1 - 45 days, $5\ 1/8$ per cent for 46 - 90 days and $5\ 1/4$ per cent for 91 - 180 days.

Reports
Week
Ending
February 13.

Boston reports that dealers had difficulty in moving bills in its district during the past period. Out-of-town banks' purchases were approximately the same amount as the previous week, while sales to local banks decreased about \$1,000,000. Sales to the reserve bank, which were the smallest for many months, amounted to approximately \$500,000. Dealers' aggregate portfolios showed an increase of \$1,285,000 for the past period due in part to the fact that their total bills sold were about \$2,000,000 less than the previous week and the amount of bills forwarded to other cities was negligible. In New York the bill market was less active. The demand for bills was good and moderately in excess of the supply. Dealers' sales consisted chiefly of orders for 90s for foreign account. Local buying was light and mainly of shorter bills. Dealers' portfolios decreased substantially. Philadelphia reports that the bill market in its district was unsettled; offerings were fairly substantial. The advance by most dealers of their bid and offering rates for all maturities of $1/8$ per cent did not improve the demand which was very light. Chicago reports that there was some demand in their district for bills in small amounts, but dealers were still carrying fairly large amounts which they seemed unable to sell.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

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

Sales to the market of \$	500,000	par amount $3\ 1/2\%$ T/N due 3/15/30-32 from Alien Property Custodian Account
" " " " "	3,000	par amount $3\ 7/8\%$ C/I due 3 15/29 from Austrian Special Deposit Account
" " " " "	159,000	par amount $3\ 7/8\%$ C/I due 3/15/29 from German Special Deposit Account
" " " " "	1,000,000	par amount $4\ 1/4\%$ First Liberty Loan bonds from Government Life Insurance Fund
" " " " "	566,600	par amount $3\ 1/2\%$ T/N due 3/15/30-32 from Government Life Insurance Fund
Purchase by Treasury account Redemption	433,400	par amount $3\ 1/2\%$ T/N due 3/15/30-32 from Government Life Insurance Fund

The above mentioned purchase by the Treasury for account of Redemption was made with the proceeds of franchise tax payments received from Federal Reserve and Federal Intermediate Credit banks.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions in the System Account during the current statement week consisted of sales to the market of short-term certificates of indebtedness as follows:

\$ 8,091,000	certificates of indebtedness due	March 15, 1929
6,993,000	" " "	March 15, 1929
<u>6,582,000</u>	" " "	June 15, 1929

\$21,666,000 Total Sales against gold imports.

As mentioned in last week's report, these sales were made in accordance with the decision of the Open Market Investment Committee, to sell short-term Governments from the System Account as and when such sales could be made without demoralization of the Government security market.

An exchange was also effected in the System Account at par of \$1,000,000 4 1/4% certificates of indebtedness due December 15, 1929, for a like amount of 4 1/4% certificates of indebtedness due September 15, 1929.

These transactions resulted in the total amount of holdings in the Account at the close of business Wednesday, February 13, 1929, being reduced to \$53,925,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 4,697,500
New York	16,224,300
Philadelphia	4,440,000
Cleveland	5,153,000
Richmond	1,623,000
Atlanta	1,575,000
Chicago	9,414,500
St. Louis	3,151,500
Minneapolis	2,370,000
Kansas City	0
Dallas	0
San Francisco	<u>5,277,000</u>
Totals	<u>\$53,925,800</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 15, 1929	- 4 1/4% C/I	\$ 3,500,000
Dec. 15, 1929	- 4 1/4% "	15,125,000
March 15, 1932	- 3 1/2% T/N	5,000,000
Dec. 15, 1932	- 3 1/2% "	<u>30,300,800</u>
		<u>\$53,925,800</u>

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5

**ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM FEBRUARY 7 TO FEBRUARY 13, 1929**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>
Boston	\$ 87,000	\$ 1,974,000	\$ 1,887,000
New York	301,000	6,820,000	6,519,000
Philadelphia	82,500	1,866,500	1,784,000
Cleveland	95,500	2,165,500	2,070,000
Richmond	30,000	682,000	652,000
Atlanta	29,000	661,500	632,500
Chicago	174,500	3,957,500	3,783,000
St. Louis	58,500	1,324,500	1,266,000
Minneapolis	44,000	996,500	952,500
Kansas City	0	0	0
Dallas	0	0	0
San Francisco	98,000	2,218,000	2,120,000
Totals	\$1,000,000	\$22,666,000	\$21,666,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	0	-	*\$1,000,000	March 15, 1932 T/N
Atlanta	44,500	Misc. Gov't Sec.	68,450	Misc. Gov't Sec.
Totals	\$44,500		\$1,068,450	

*Was held temporarily.

**BANKERS ACCEPTANCES
(000 Omitted)**

	<u>Holdings Feb. 6</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Matur- ities & Sales</u>	<u>Holdings Feb. 13</u>	<u>Other Holdings Close Feb. 13/29 Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 49,442	\$ 550 R.	0	\$ 4,016	\$ 45,976	\$ 9,757	\$ 76
New York	77,026	4,620 "	0	13,654	66,805	22,229	1,042
		10,108 A.		1,187*			
Phila.	25,071	1,129 R.	1,346	880	26,666	0	96
Cleve.	36,955	1,303 "	1,435	4,294	35,399	0	106
Richmond	17,436	568 "	918	3,019	15,903	0	52
Atlanta	20,948	125 "	860	3,255	18,678	0	1,082
Chicago	36,484	577 "	1,830	4,263	34,628	4,671	141
St. Louis	9,128	0	720	799	9,049	0	44
Minn.	15,750	0	518	2,457	13,811	0	27
Kan. City	9,089	0	793	306	9,581	0	40
Dallas	19,053	1,069 "	551	2,579	18,094	661	36
San Fran.	46,734	5,582 "	1,132	3,501	49,947	1,867	72
Totals	\$363,116	\$25,631	\$10,108	\$44,210	\$344,537	\$39,185	\$2,814

Bills held overnight by New York for distribution to other F.R. Banks - 3,082

Foreign
correspondents - 1,440

Total - - - - - \$7,336

*Sold to a foreign correspondent.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 13, 1929
(000 Omitted)

	1-30 days <u>4 1/2 - 5%</u>	31-60 days <u>4 3/4 - 5 1/8%</u>	61-90 days <u>4 3/4 - 5 1/8%</u>	Over 90-days <u>5 - 5 1/8%</u>	Total
Boston	\$ 114	\$ 238	\$ 173	\$ 20	\$ 550
New York	3,953	7,374	2,977	424	14,728
Philadelphia	348	393	388	0	1,129
Cleveland	0	0	1,303	0	1,303
Richmond	163	300	105	0	568
Atlanta	0	0	114	11	125
Chicago	128	409	40	0	577
Dallas	196	321	237	315	1,069
San Francisco	337	1,287	3,935	23	5,582
Totals	<u>\$5,239</u>	<u>\$10,322</u>	<u>\$9,277</u>	<u>\$793</u>	<u>\$25,631</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 13, 1929
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$ 1,044	\$25,631	\$26,675
Sold	23,734	1,187	24,921
Matured	0	43,023	43,023
		\$18,579-	\$41,269-
		3,537+(Net Change	3,537+(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$22,690-</u>	<u>\$15,042-</u>	<u>\$37,732-</u>

(Including Sales Contracts)

Holdings February 13, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 800	\$ 7,779	\$ 0	\$ 0	\$ 643	\$167,948	\$177,170
Bills Purchased	140,202	89,121	135,951	23,381	2,403	0	391,058
Totals	<u>\$141,002</u>	<u>\$96,900</u>	<u>\$135,951</u>	<u>\$23,381</u>	<u>\$3,046</u>	<u>\$167,948</u>	<u>\$568,228</u>

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February 12, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 11th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from January 31, 1929 to February 6, 1929 inclusive.

Very truly yours,

Walter L. Eddy,
Secretary

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

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Mr. Smead ✓
Riefler
Callier ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
FEB 12 1929
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

February 11, 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 January 31, 1929 to February 6, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson

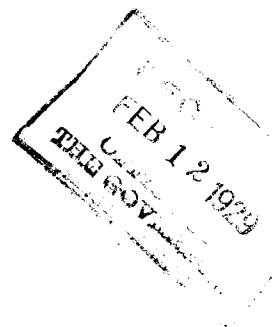
W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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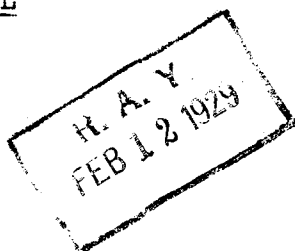
Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



PERSONAL

February 11, 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 January 31, 1929 to February 6, 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.

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SECRETARY'S OFFICE

Gov. Young

Mr. Hamlin

Mr. James

Mr. Platt

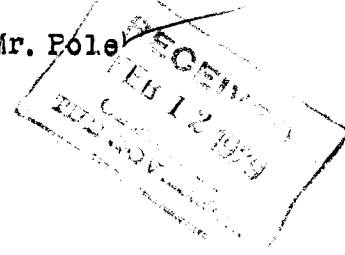
Mr. Miller

Mr. Cunningham

Mr. Pole

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

February 11, 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 January 31, 1929 to February 6, 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.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED FEBRUARY 6, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-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. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
-1929-						
Jan. 30	1,467,039	199,026	2,745	382,029	53,580	820,634
Feb. 6	1,471,527	199,059	1,030	366,915	43,827	851,621

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED FEBRUARY 6, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Feb. 6	Net Change	Balance Feb. 6	Net Change	Balance Feb. 6	Net Change
Boston	\$ 8,191	\$ 0	\$ 49,442	\$ 1,409-	\$ 62,275	\$ 10,323-
New York	26,187	0	77,026	5,837-	195,127	17,781-
Philadelphia	21,447	0	25,071	2,252+	70,332	149-
Cleveland	32,962	0	36,955	2,934-	80,723	10,132+
Richmond	3,427	0	17,436	2,091-	39,438	45-
Atlanta	4,905	30+	20,948	1,803-	59,465	1,099-
Chicago	33,135	0	36,484	285-	150,712	13,023+
St. Louis	21,043	0	9,128	717+	39,052	3,256+
Minneapolis	10,908	1+	15,750	1,196-	12,976	2,521+
Kansas City	9,763	0	9,089	757+	36,745	5,619+
Dallas	9,988	0	19,053	1,166-	22,975	403+
San Francisco	17,103	1+	46,734	1,142-	81,801	25,430+
N.Y. holdovers and other bills			3,799	977-		
Totals	\$199,059	\$32+	\$366,915	\$15,114-	\$851,621	\$30,987+

COMMENT ON CHANGES WEEK ENDED FEBRUARY 6, 1929

Total earning assets of the System showed an increase of \$4,488,000 for the current statement week. The approximate changes consisted of an increase of \$31,000,000 in bills discounted and decreases of \$15,100,000 in outright purchases of bankers acceptances, and \$1,700,000 and \$9,750,000 in Government securities and bankers acceptances held under sales contracts, respectively. The decrease in Government securities held under sales contracts was made up of a decrease at Chicago of \$2,250,000 and an increase at Dallas of \$550,000, while the decrease in bankers acceptances was made up of decreases of \$3,000,000 at Boston, \$5,150,000 at New York, \$750,000 at Chicago, \$1,350,000 at San Francisco and an increase of \$500,000 at Dallas.

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Money
Market

Call money in New York remained firm on Monday, February 4, with renewals at 7 per cent and new loans at 8 per cent. Following the completion of month-end transactions, the trend of call money was lower and the rate dropped to a low of 6 per cent in the period intervening between Tuesday and Friday. On Friday, however, a sharp advance to 9 per cent from a renewal rate of 6 per cent occurred, accompanying outgoing commercial transfers and week-end currency withdrawals which caused the borrowings of the New York City banks to rise to \$163,000,000. The effect of gold imports during the week was fully offset by sales of securities from the System's holdings, and bill maturities from the System's portfolio continued to exceed purchases in this market. The average level of borrowing by New York City banks rose to \$140,000,000, an increase of \$24,000,000 over the previous week.

Time money for all dates continued to be quoted at 7 1/2 per cent flat until late in the week, when the quotation became 7 1/2 per cent bid, offered at 7 3/4 per cent. Loans in the first part of the week were chiefly for 90 days at 7 1/2 per cent, while late in the week the only transactions reported were a few 30 and 60-day loans at 7 1/2 and 7 3/4 per cent respectively.

The prevailing rate for prime commercial paper remained 5 1/2 per cent, but a slightly firmer tendency was evident in the market especially toward the end of the week, when several dealers allowed some of their prime names to move at 5 3/4 per cent. Bank investment demand was rather dull, while new creations of paper increased somewhat, with the result that dealers' portfolios at the end of the week were slightly larger than a week ago.

Government
Security
Market

Accompanying firmer money conditions toward the end of the calendar week, there were slight fractional recessions in the prices of Government securities and pronounced weakness in the long-term bonds. There was, however, a fair demand for the certificates maturing March and June 1929 and several sizeable blocks of these issues were readily absorbed by the market at current prices.

Closing Prices on the New York Stock Exchange on Saturday
February 9, 1929 and Net Changes from Previous Week's Close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	98 16/32	-12/32	Treas. 4s 1944-54	104 20/32	-19/32
1st 4 1/4s	100	- 4/32	" 4 1/4s 1947-52	109 26/32	-14/32
4th 4 1/4s	99 30/32	- 6/32	" 3 3/4s 1946-56	101 28/32	-20/32
			" 3 3/8s 1943-47	97 24/32	- - -
			" 3 3/8s 1940-43	97 16/32	- 4/32

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

Issue	Price	Net Change	Approx. Yield
3 3/8% Cert. of Ind. due March 15, 1929	99 27/32	-1/32	5.20
3 7/8% " " " " March 15, 1929	99 29/32	-1/32	4.93
4 1/2% " " " " June 15, 1929	100	-1/32	4.47
4 3/4% " " " " Sept. 15, 1929	100 3/32	- - -	4.57
4 1/4% " " " " Sept. 15, 1929	99 24/32	-2/32	4.68
4 1/4% " " " " Dec. 15, 1929	99 24/32	-2/32	4.54
3 1/2% Treas. Notes " March 15, 1932	96 26/32	-4/32	4.50
3 1/2% " " " " Sept. 15, 1932	96 26/32	-4/32	4.45
3 1/2% " " " " Dec. 15, 1932	96 26/32	-4/32	4.39

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3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances during the statement week were at the following rates: $4 \frac{7}{8}$ to 5 per cent for 30s, 5 per cent for 60s, 90s and 120s and $5 \frac{1}{8}$ per cent for 180-day bills.

Reports
Week
Ending
February 6

Boston reports that dealers found it difficult to move bills in its district during the past period and consequently forwarded many of their bills to their offices in other cities. Sales to local banks amounted to only \$2,000,000, while sales to the reserve bank were \$1,500,000. The supply was somewhat in excess of the demand. In New York the bill market was more active. The demand for bills was very good but narrowly concentrated and moderately in excess of the supply. Distribution consisted mainly of nineties for foreign account. Buying for local account was light. Dealers' portfolios decreased moderately. Philadelphia reports that its bill market was again moderately active. There was a decrease in the supply of bills with the demand fair with some buying of five and six months' bills. Chicago reports that dealers reported very little activity in the bill market in its district during the past period. The supply of new bills was small with the demand negligible.

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4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

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

Sales to the

market of \$	10,000	par amount	3 7/8%	C/I	due	3/15/29	from account Austrian
							Special Deposit Account
" "	25,000	" "	3 7/8%	" "	3/15/29	from account German	
							Special Deposit Account
" "	1,500,000	" "	3 3/8%	" "	3/15/29	from account Alien	
							Property Custodian
" "	500,000	" "	3 1/2%	T/N	"	3/15/30-32	from account Government
							Life Insurance Fund

Purchases by Treasury

a/c Redemption

	1,500,000	" "	3 1/2%	T/N	"	3/15/30-32	from account Government
							Life Insurance Fund
" "	1,000,000	" "	3 1/2%	" "	3/15/30-32	from account Alien	
							Property Custodian

The above mentioned purchases by the Treasury for account of Redemption were made with the proceeds of franchise tax payments received from Federal Reserve and Federal Intermediate Credit Banks.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, February 6, 1929, remaining unchanged at \$75,591,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,584,500
New York	22,743,300
Philadelphia	6,224,000
Cleveland	7,223,000
Richmond	2,275,000
Atlanta	2,207,500
Chicago	13,197,500
St. Louis	4,417,500
Minneapolis	3,322,500
Kansas City	0
Dallas	0
San Francisco	7,397,000
Totals	<u>\$75,591,800</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1929 - 3 3/8% C/I	\$ 8,091,000
March 15, 1929 - 3 7/8% "	6,993,000
June 15, 1929 - 4 1/2% "	6,582,000
Sept. 15, 1929 - 4 1/4% "	2,500,000
Dec. 15, 1929 - 4 1/4% "	16,125,000
March 15, 1932 - 3 1/2% T/N	5,000,000
Dec. 15, 1932 - 3 1/2% "	30,300,800

\$75,591,800

After the close of the statement week sales were made to the market for delivery February 8, 11 and 13 of \$16,584,000 aggregate amount of Treasury certificates maturing next March and June. These sales were made in accordance with the decision of the Open Market Investment Committee, in view of gold imports, to sell short-term Governments from the System Account as and when such sales can be made without demoralization of the Government security market.

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5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JANUARY 31 TO FEBRUARY 6, 1929 INCLUSIVE

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$113,800	Misc. Gov't Sec.	\$83,750,	Misc. Gov't Sec.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Jan. 30</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>Feb. 6</u>	<u>Other Holdings</u> <u>Close Feb. 6/29</u>	<u>Sales</u> <u>Other</u>
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 50,851	\$ 1,726 R	\$ 0	\$ 3,135	\$ 49,442	\$ 9,244	\$ 76
New York	82,863	7,299 "	0	11,718	77,026	24,813	1,164
		11,265 A		1,418*			
Phila.	22,819	3,155 R	1,506	2,409	25,071	0	96
Cleveland	39,889	717 "	1,961	5,612	36,955	0	106
Richmond	19,527	75 "	268	2,434	17,436	0	52
Atlanta	22,751	112 "	391	2,306	20,948	0	1,214
Chicago	36,769	883 "	2,576	3,744	36,484	5,605	141
St. Louis	8,411	0	1,087	370	9,128	0	44
Minn.	16,946	0	633	1,829	15,750	0	27
Kan. City	8,332	0	1,005	248	9,089	0	40
Dallas	20,219	505 "	544	2,215	19,053	914	36
San Fran.	47,876	1,298 "	1,294	3,734	46,734	3,251	72
Totals	\$377,253	\$27,035	\$11,265	\$41,172	\$363,116	\$43,827	\$3,068
Bills held over night by New York for distribution to other F. R. Banks						-	731
Total						-	<u>\$3,799</u>

* Sold to a foreign correspondent.

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

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6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING FEBRUARY 6, 1929
(000 Omitted)

	1-30 days 4 1/2 - 5%	31-60 days 4 5/8 - 5 1/8%	61-90 days 4 3/4-5 1/8%	Over 90-days 5-5 1/8%	Total
Boston	\$ 949	\$ 83	\$ 676	\$ 18	\$ 1,726
New York	12,554	3,390	2,140	480	18,564
Philadelphia	1,169	796	1,190	0	3,155
Cleveland	0	509	208	0	717
Richmond	0	0	75	0	75
Atlanta	50	0	62	0	112
Chicago	710	120	53	0	883
Dallas	131	127	100	147	505
San Francisco	617	384	260	37	1,298
Totals	<u>\$16,180</u>	<u>\$5,409</u>	<u>\$4,764</u>	<u>\$682</u>	<u>\$27,035</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING FEBRUARY 6, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$114	\$27,035	\$27,149
Sold	84	1,418	1,502
Matured	0	39,754	39,754
		<u>\$14,137-</u>	<u>\$14,107-</u>
		977-(Net Change	977-(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$ 30+</u>	<u>\$15,114-</u>	<u>\$15,084-</u>

(Including Sales Contracts)

Holdings February 6, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 1,030	\$ 0	\$ 22,859	\$ 0	\$ 7,210	\$168,990	\$200,089
Bills Purchased	138,009	91,155	150,152	28,468	2,958	0	410,742
Totals	<u>\$139,039</u>	<u>\$91,155</u>	<u>\$173,011</u>	<u>\$28,468</u>	<u>\$10,168</u>	<u>\$168,990</u>	<u>\$610,831</u>

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February 6, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 4th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from January 24th to January 30th, 1929, inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

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Authority E.O. 12958

Mr. Inead ✓
Mr. Riefler ✓
Mr. Collier —

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
FEB - 7 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

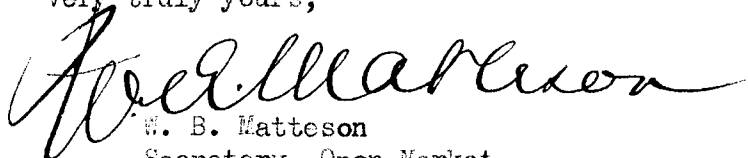
February 4, 1929

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 January 24, 1929 to January 30, 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.

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Authority E.O. 12958

FEDERAL RESERVE BANK
OF NEW YORK



P E R S O N A L

February 4, 1929

R. A. Y.
FEB 6 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 January 24, 1929 to January 30, 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.

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FOR SPECIAL CIRCULATION

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

FEDERAL RESERVE BANK

OF NEW YORK

CONFIDENTIAL

February 4, 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 January 24, 1929 to January 30, 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.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 30, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-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. 26	1,899,312	197,028	35,300	422,678	66,592	1,167,579
-1929-						
Jan. 23	1,447,391	199,004	3,030	412,646	41,572	782,114
" 30	1,467,039	199,026	2,745	382,029	53,580	820,634

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 30, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 30	Net Change	Balance Jan. 30	Net Change	Balance Jan. 30	Net Change
Boston	\$ 8,191	\$18+	\$ 50,851	\$ 7,748-	\$ 73,598	\$ 8,704+
New York	26,187	0	82,863	11,092-	212,908	59,751+
Philadelphia	21,447	0	22,819	2,332+	70,481	1,309+
Cleveland	32,962	0	39,889	5,251-	70,591	2,668-
Richmond	3,427	0	19,527	404-	39,483	193-
Atlanta	4,875	5+	22,751	1,216-	60,564	149-
Chicago	33,135	0	36,769	3,748-	137,689	18,010-
St. Louis	21,042	0	8,411	72+	35,796	6,143-
Minneapolis	10,907	0	16,946	1,443-	10,445	2,917-
Kansas City	9,763	0	8,332	915+	31,126	1,715-
Dallas	9,988	0	20,219	1,233-	22,572	511+
San Francisco	17,102	0	47,876	1,178-	55,371	40+
N. Y. holdovers and other bills			4,776	623-		
Totals	\$199,026	\$23+	\$382,029	\$30,617-	\$820,634	\$38,520+

COMMENT ON CHANGES WEEK ENDED JANUARY 30, 1929

Total earning assets of the System showed an increase of \$19,648,000 for the current statement week. The approximate changes consisted of a decrease of \$30,600,000 in outright purchases of bankers acceptances, and an increase of \$38,500,000 in bills discounted. The changes in sales contract consisted of a decrease of \$300,000 in Government securities and an increase of \$12,000,000 in bankers acceptances, as follows: Boston \$2,200,000, New York \$6,800,000, Chicago \$1,700,000, Dallas \$300,000 and San Francisco \$1,000,000.

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2

Money
Market

Conditions in the call money market during the past calendar week were firmer in response to month-end influences. The call rate on Monday was steady at 6 per cent but on Tuesday the rate for new loans rose to 7 per cent and for the balance of the week renewals were at that level, with advances in the new loan rate to 8 per cent on two days - January 30 and February 1. Incoming commercial and financial transfers, gold imports and other credits more than offset increased currency requirements and a payment of \$10,000,000 to the Treasury by the market for account of the French Government. The System's maturities of bills continued to exceed purchases in this market, but member banks increased their borrowings at the Reserve Bank, the indebtedness of the New York City banks during the past week averaging \$116,000,000 as compared with \$88,000,000 in the preceding week.

Time money rates turned easier during the week, and the market for fixed date maturities was somewhat more active than in recent weeks. There were reports of an important increase in time money offerings from foreign sources. By the end of the week all maturities from 60 days to 6 months were quoted nominally at 7 1/2 per cent flat, and 30-day money at 7 1/4 per cent bid, offered at 7 1/2 per cent. Interest was chiefly in 90 day loans, the actual trading rate for which reached 7 1/2 per cent by the end of the week, the lowest since early in December.

Both the amount of new commercial paper being created and the bank investment demand continued in rather limited volume during the week. For prime names, the prevailing rate remained 5 1/2 per cent. Some few sales of exceptionally fine paper continued to be reported at 5 1/4 per cent, and there were also transactions in the less well known names at 5 3/4 per cent.

Government
Security
Market

The market for United States Government securities continued inactive with prices slightly irregular. During the latter part of the calendar week the short-term issues of certificates of indebtedness, especially those due next June, September and December, were in fairly good demand which resulted in dealers' offering prices for these issues advancing from 1/32 to 5/32nds. The demand for the 3 1/2 per cent Treasury notes and the long-term bonds continued negligible.

Closing Prices on the New York Stock Exchange on Saturday
February 2, 1929 and Net Changes from Previous Week's Close

			Net					Net	
<u>Issue</u>	<u>Price</u>		<u>Change</u>		<u>Issue</u>	<u>Price</u>		<u>Change</u>	
1st 3 1/2s	98 28/32		-8/32		Treas, 4s	1944-54	105 7/32	-3/32	
1st 4 1/4s	100 4/32		+1/32		" 4 1/4s	1947-52	110 8/32	-4/32	
4th 4 1/4s	100 4/32		-1/32		" 3 3/4s	1946-56	102 16/32	+2/32	
					" 3 3/8s	1943-47	97 24/32	-7/32	
					" 3 3/8s	1940-43	97 20/32	-4/32	

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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 March 15, 1929	99 28/32	+1/32	4.46
3 7/8%	" " " " March 15, 1929	99 30/32	+1/32	4.38
4 1/2%	" " " " June 15, 1929	100 1/32	+5/32	4.40
4 3/4%	" " " " Sept. 15, 1929	100 3/32	+2/32	4.59
4 1/4%	" " " " Sept. 15, 1929	99 26/32	+4/32	4.56
4 1/4%	" " " " Dec. 15, 1929	99 26/32	+5/32	4.46
3 1/2%	Treasury Notes " March 15, 1932	97	- - -	4.53
3 1/2%	" " " Sept. 15, 1932	97	- - -	4.39
3 1/2%	" " " Dec. 15, 1932	97	- - -	4.35

Bankers
Acceptances

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

Reports
Week
Ending
January 30

Boston reports that there was a slight improvement in the amount of new bills made in its district during the past period and while the total sales by dealers were less than the previous week their sales to local banks were slightly higher, the difference being accounted for in the small sales to the reserve bank which were the smallest for several months. There was a slight improvement in the buying by out-of-town banks. Bills up to 30 days and over 90 were in best demand, but as a whole bills did not move freely. In New York dealers' purchases were substantially less this week than any week since the middle of November, 1928. Sales to the outside market increased slightly over last week and there seemed to be a wider distribution. Purchases from dealers for System account were negligible. Dealers traded about even until the last day of the period when money became firmer and more bills were offered to the dealers than they sold as a result of which dealers' portfolios increased moderately. Philadelphia reports that its bill market was a little more active. Offerings while substantial showed some decrease from previous week. The demand improved but was still only fair. Chicago reports that the demand for bills in their district was negligible and dealers had fairly large amounts on hand.

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4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated for the Treasury during the current statement week consisted of a purchase of \$875,000 - 3 7/8 per cent certificates of indebtedness due March 15, 1929, for account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, January 30, 1929, remaining unchanged at \$75,591,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,584,500
New York	22,743,300
Philadelphia	6,224,000
Cleveland	7,223,000
Richmond	2,275,000
Atlanta	2,207,500
Chicago	13,197,500
St. Louis	4,417,500
Minneapolis	3,322,500
Kansas City	0
Dallas	0
San Francisco	7,397,000
Totals	\$75,591,800

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1929 - 3 3/8% C/I	\$ 8,091,000
March 15, 1929 - 3 7/8% "	6,993,000
June 15, 1929 - 4 1/2% "	6,582,000
Sept. 15, 1929 - 4 1/4% "	2,500,000
Dec. 15, 1929 - 4 1/4% "	16,125,000
March 15, 1932 - 3 1/2% T/N	5,000,000
Dec. 15, 1932 - 3 1/2% "	30,300,800
	\$75,591,800

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5

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL
RESERVE BANKS FROM JANUARY 24 TO JANUARY 30, 1929 INCLUSIVE

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 18,200	March 15, 1932 T/N	\$ 0	
Atlanta	<u>159,550</u>	Misc. Gov't Sec.	<u>154,550</u>	Misc. Gov't Sec.
Totals	<u>\$177,750</u>		<u>\$154,550</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u>	<u>Purchased</u>	<u>Rec'd By Allotment</u>	<u>From</u>	<u>Matur-</u>	<u>Holdings</u>	<u>Other Holdings</u>	
	<u>Jan.23</u>	<u>Own Mkt.</u>	<u>Regular</u>	<u>Boston</u>	<u>ities &</u>	<u>Jan.30</u>	<u>Closc Jan.30/29</u>	
			<u>from</u>	<u>Port. X</u>	<u>Sales</u>		<u>Sales</u>	<u>Other</u>
			<u>N. Y.</u>				<u>Contracts</u>	<u>Bills</u>
Boston	\$ 58,599	\$ 1,148 R	\$ 0	\$ 0	\$ 8,896*	\$ 50,851	\$12,253	\$ 76
New York	93,955	5,036 "	0	0	16,128	82,863	29,957	1,166
		10,964 A						
Phila.	20,487	2,524 R	1,647	0	1,839	22,819	0	90
Cleve.	45,140	0	1,556	0	6,807	39,889	0	106
Richmond	19,931	1,134 "	939	0	2,477	19,527	0	52
Atlanta	23,967	1,430 "	1,003	0	3,649	22,751	0	1,466
Chicago	40,517	290 "	2,023	0	6,061	36,769	6,354	141
St. Louis	8,339	0	932	0	860	8,411	0	44
Minn.	18,389	0	512	500	2,455	16,946	0	27
Kan. City	7,417	0	848	500	433	8,332	0	40
Dallas	21,452	672 "	647	0	2,552	20,219	419	36
San Fran.	<u>49,054</u>	<u>972 "</u>	<u>857</u>	<u>1,000</u>	<u>4,007</u>	<u>47,876</u>	<u>4,597</u>	<u>72</u>
Totals	\$407,247	\$24,170	\$10,964	\$2,000	\$56,164	\$377,253	\$53,580	\$3,322
Bills held over night by New York for distribution to other F. R. Banks - - -								<u>1,454</u>
Total - - - - -								<u>\$4,776</u>

All the reserve banks are now participating in System purchases of bills.

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

X Representing purchases of bills in excess of their pro rata share during week ending January 23, 1929.

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

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6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 30, 1929
(000 Omitted)

	<u>1-30 days</u> <u>4 1/2 - 5%</u>	<u>31-60 days</u> <u>4 5/8 - 5%</u>	<u>61-90 days</u> <u>4 5/8 - 5 1/8%</u>	<u>Over 90-days</u> <u>4 7/8 - 5 1/8%</u>	<u>Total</u>
Boston	\$ 23	\$ 64	\$1,056	\$ 5	\$ 1,148
New York	13,018	1,596	1,250	136	16,000
Philadelphia	1,248	558	718	0	2,524
Richmond	200	182	752	0	1,134
Atlanta	1,430	0	0	0	1,430
Chicago	240	0	50	0	290
Dallas	38	83	331	220	672
San Francisco	188	514	257	13	972
Totals	<u>\$16,385</u>	<u>\$2,997</u>	<u>\$4,414</u>	<u>\$374</u>	<u>\$24,170</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 30, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$178	\$26,170	\$26,348
Sold	155	0	155
Matured	0	<u>56,164</u>	<u>56,164</u>
		\$29,994-	\$29,971-
		623- (Net Change	623- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 23+</u>	<u>\$30,617-</u>	<u>\$30,594-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>January 30, 1929</u>	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 2,745	0	\$ 22,859	0	\$ 7,205	\$168,962	\$201,771
Bills Purchased	<u>133,502</u>	<u>95,602</u>	<u>156,122</u>	<u>46,947</u>	<u>3,436</u>	<u>0</u>	<u>435,609</u>
Totals	<u>\$136,247</u>	<u>\$95,602</u>	<u>\$178,981</u>	<u>\$46,947</u>	<u>\$10,641</u>	<u>\$168,962</u>	<u>\$637,380</u>

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Authority E.O. 12958

January 30, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 28th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from January 17th to January 23rd, 1929, inclusive.

Very truly yours,

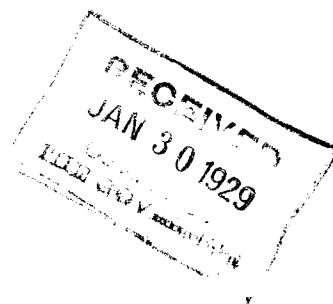
Walter L. Eddy,
Secretary

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

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Authority E.O. 12958

**FEDERAL RESERVE BANK
OF NEW YORK**



P E R S O N A L

January 23, 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 January 17, 1929 to January 23, 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.

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Mr. Ameal ✓
Riefler ✓
Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 28 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

January 28, 1929

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 January 17, 1929 to January 23, 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.

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Authority E.O. 12958

FOR SPECIAL CIRCULATION
PLEASE READ
REPLY, INITIAL AND RETURN TO
Gov. Young
Mr. Hamlin
Mr. James
Mr. Platt
Mr. Miller
Mr. Cunningham
FEDERAL RESERVE BANK
OF NEW YORK
RECEIVED
JAN 30 1929
Mr. Pock

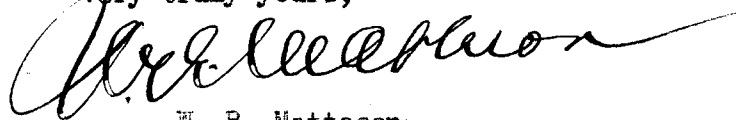
CONFIDENTIAL

January 28, 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 January 17, 1929 to January 23, 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) 1/30/29

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 Authority **E.O. 12958**

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 23, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1928-						
Jan. 25	\$1,173,926	\$434,817	\$ 6,080	\$313,863	\$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	15,555	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	213,371	15,658	204,805	58,615	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. 16	1,551,231	208,008	30,335	420,651	60,588	821,824
Jan. 23	1,447,391	199,004	3,030	412,646	41,572	782,114

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 23, 1929
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Jan. 23	Net Change	Balance Jan. 23	Net Change	Balance Jan. 23	Net Change
Boston	\$ 8,173	\$ 0	\$ 58,599	\$1,530-	\$ 64,894	\$15,192+
New York	26,187	9,000-	93,955	1,226-	153,157	64,509-
Philadelphia	21,447	0	20,487	878+	69,172	4,625-
Cleveland	32,962	0	45,140	2,502-	73,269	3,902-
Richmond	3,427	0	19,931	1,490-	39,676	1,357+
Atlanta	4,870	5-	23,967	1,683-	60,713	2,963+
Chicago	33,135	0	40,517	1,727+	155,699	8,334+
St. Louis	21,043	0	8,339	261+	41,939	6,943+
Minneapolis	10,907	0	18,389	1,563-	13,362	20+
Kansas City	9,763	0	7,417	2,182+	32,841	3,270-
Dallas	9,988	0	21,452	918-	22,061	2,708+
San Francisco	17,102	0	49,054	2,539-	55,331	921-
N.Y. holdovers and other bills			5,399	398+		
Totals	\$199,004	\$9,005-	\$412,646	\$8,005-	\$782,114	\$39,710-

COMMENT ON CHANGES WEEK ENDING JANUARY 23, 1929

Total earning assets of the System showed a decrease of \$103,840,000 for the current statement week. The approximate changes by classification consisted of decreases of \$9,000,000 in outright purchases of Government securities (representing sale to the market of securities sold by the Treasury and held temporarily by the Federal Reserve Bank of New York), \$8,000,000 in outright purchases of bankers acceptances, \$39,700,000 in bills discounted, \$27,300,000 in Government securities held under sales contract (the entire net reduction being at the Federal Reserve Bank of New York) and \$19,000,000 in bankers acceptances held under sales contract (\$16,000,000 being at the Federal Reserve Bank of New York).

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Money
Market

The call money market in New York continued relatively easy throughout the past calendar week. The Stock Exchange rate was steady at 6 per cent, but a slightly firmer tendency was evident as the month-end approached; in the first part of the week concessions in the outside market to $5\frac{1}{2}$ and 5 per cent were reported but by the end of the period the outside market rate held at the Exchange level. The money market gained an additional amount of funds through transfers from other districts, though the inflow was much less than in the preceding week, and there was a moderate return of currency from circulation. These gains to the market were more than offset by substantial reductions in the Reserve Bank's holdings of bills and securities under sales contract and by an excess of System bill maturities over purchases in this market. As a result, the indebtedness of the New York City banks on Friday was about \$23,000,000 larger than a week ago, but for the entire week averaged only \$88,000,000, as compared with \$145,000,000 in the preceding full week.

In the time money market, trading was principally in loans up to 90-day maturity, but in the aggregate the volume of business was small. The actual trading rate was $7\frac{3}{4}$ per cent until Friday, when as a result of somewhat freer offerings, loans up to 90 days were placed partly at $7\frac{1}{2}$ per cent and partly at $7\frac{3}{4}$ per cent. Four to six months' money was nominally $7\frac{1}{2}$ per cent bid, $7\frac{3}{4}$ per cent offered throughout the week.

The prevailing rate for prime commercial paper advanced to $5\frac{1}{2}$ per cent early in the week, as against a range of $5\frac{1}{4}$ - $5\frac{1}{2}$ per cent previously quoted. There was also a number of offerings of the smaller names being made at $5\frac{3}{4}$ per cent. Both the supply of new paper and the bank investment demand remained in very moderate volume.

Government
Security
Market

The market for United States Government securities continued inactive with the demand very light, especially for the short-term issues. Although many of the outstanding issues showed fractional gains in prices over the previous week's close, this was due principally to dealers marking up prices rather than the result of any increased demand.

Closing Prices on the New York Stock Exchange on Saturday
January 26, 1929 and Net Changes from Previous Week's Close

Net			Net		
Issue	Price	Change	Issue	Price	Change
1st 3 $\frac{1}{2}$ s	99 $\frac{4}{32}$	- - -	Treas. 4s	105 $\frac{10}{32}$	- - -
1st 4 $\frac{1}{4}$ s	100 $\frac{3}{32}$	+2/32	" 4 $\frac{1}{4}$ s	110 $\frac{12}{32}$	+4/32
4th 4 $\frac{1}{4}$ s	100 $\frac{5}{32}$	+4/32	" 3 $\frac{3}{4}$ s	102 $\frac{14}{32}$	+10/32
			" 3 $\frac{3}{8}$ s	97 $\frac{31}{32}$	+17/32
			" 3 $\frac{3}{8}$ s	97 $\frac{24}{32}$	+12/32

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

Issue		Net		Approx.
		Price	Change	Yield
3 $\frac{3}{8}$ %	Cert. of Ind. due March 15, 1929	99 $\frac{27}{32}$	+2/32	4.58
3 $\frac{7}{8}$ %	" " " " March 15, 1929	99 $\frac{29}{32}$	+2/32	4.56
4 $\frac{1}{2}$ %	" " " " June 15, 1929	99 $\frac{28}{32}$	- - -	4.81
4 $\frac{3}{4}$ %	" " " " Sept. 15, 1929	100 $\frac{1}{32}$	- - -	4.68
4 $\frac{1}{4}$ %	" " " " Sept. 15, 1929	99 $\frac{22}{32}$	+1/32	4.75
4 $\frac{1}{4}$ %	" " " " Dec. 15, 1929	99 $\frac{21}{32}$	+1/32	4.64
3 $\frac{1}{2}$ %	Treas. Notes " March 15, 1932	97	- - -	4.52
3 $\frac{1}{2}$ %	" " " " Sept. 15, 1932	97	- - -	4.39
3 $\frac{1}{2}$ %	" " " " Dec. 15, 1932	97	- - -	4.35

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Bankers
Acceptances

Subsequent to the increase in dealers' offering rates on January 18 for unindorsed bankers acceptances, as mentioned in last week's report, dealers again increased their rates on 30-day bills $1/8$ per cent making the following rates effective during the statement week: $4 \frac{7}{8}$ per cent for 30s, $4 \frac{7}{8}$ to 5 per cent for 60s, 5 per cent for 90s and 120s, and $5 \frac{1}{8}$ per cent for 180-day bills.

Reports
Week Ending
January 23

Boston reports that the supply was generally poor in its district during the statement week. The demand for bills showed a further falling off and dealers' sales to local banks were the smallest since last summer. Short bills moved best, although bills as a whole did not move freely. Sales to country banks were practically negligible. Offerings to the Reserve Bank were moderate. In New York the bill market was only fairly active with the supply and demand about equal. The demand was principally for 90-day maturities for account of foreign correspondents. Philadelphia reports that bills continued to be offered freely, although the amount of new bills in the market was somewhat curtailed. The demand showed a slight improvement. Chicago reports that dealers reported some investment demand for bills for the first time in several weeks but not as much, however, as might be expected at the present attractive rates.

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

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Account during the current statement week, the total amount of holdings at the close of business Wednesday, January 23, 1929, remaining unchanged at \$75,591,800. The participation by Federal reserve banks and the classification of issues were as follows:

Boston	\$ 6,584,500
New York	22,743,300
Philadelphia	6,224,000
Cleveland	7,223,000
Richmond	2,275,000
Atlanta	2,207,500
Chicago	13,197,500
St. Louis	4,417,500
Minneapolis	3,322,500
Kansas City	0
Dallas	0
San Francisco	<u>7,397,000</u>
Totals	\$75,591,800

March 15, 1929	- 3	3/8%	C/I	\$	8,091,000
March 15, 1929	- 3	7/8%	"		6,993,000
June 15, 1929	- 4	1/2%	"		6,582,000
Sept. 15, 1929	- 4	1/4%	"		2,500,000
Dec. 15, 1929	- 4	1/4%	"		16,125,000
March 15, 1932	- 3	1/2%	T/N		5,000,000
Dec. 15, 1932	- 3	1/2%	"		30,300,800

\$75,591,800.

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL
FEDERAL RESERVE BANKS FROM JANUARY 17 TO JANUARY 23, 1929

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$2,000,000	March 15, 1932 T/N	*\$11,000,000	March 15, 1932 T/N
Atlanta	422,900	Misc. Gov't Sec.	428,100	Misc. Gov't Sec.
Totals	\$2,422,900		\$11,428,100	

*Held temporarily for resale.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Jan. 16</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Rec'd By Allotment</u>			<u>Holdings</u> <u>Jan. 23</u>	<u>Other Holdings</u> <u>Close Jan. 23/29</u>	
			<u>Regular</u> <u>from</u> <u>N.Y.</u>	<u>From</u> <u>Boston</u> <u>Port. X</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>		<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 60,129	\$ 4,605 R.	0	0	\$ 6,135*	\$ 58,599	\$10,074	\$ 76
New York	95,181	10,710 "	0	2,000	13,936**	93,955	23,134	1,172
		14,457 A.						
Phila.	19,609	2,144 R.	0	0	1,266	20,487	0	96
Cleve.	47,642	539 "	2,759	0	5,800	45,140	0	106
Richmond	21,421	357 "	1,235	0	3,082	19,931	0	52
Atlanta	25,650	0	1,449	0	3,132	23,967	0	1,362
Chicago	38,790	1,554 "	3,973	0	3,800	40,517	4,616	141
St. Louis	8,078	0	1,574	0	1,313	8,339	0	44
Minn.	19,952	0	917	500	2,980	18,389	0	27
Kan. City	5,235	0	1,422	1,000	240	7,417	0	40
Dallas	22,370	509 "	1,128	0	2,555	21,452	161	36
San Fran.	51,593	1,684 "	0	0	4,223	49,054	3,587	72
Totals	\$415,650	\$36,559	\$14,457	\$3,500	\$48,462	\$407,247	\$41,572	\$3,224
Bills held overnight for distribution to other F. R. banks - - - - -								\$2,175
Total - - - - -								\$5,399

*Includes \$3,500,000 sold to other Federal Reserve Banks.

**Includes \$1,795,000 sold to a foreign correspondent.

X Representing purchases of bills in excess of their pro rata share during week
ending January 16, 1929.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 23, 1929
(000 Omitted)

	1-30 days 4 3/8-5 1/8%	31-60 days 4 3/4-5 1/4%	61-90 days 4 1/2-5 1/4%	Over 90-days 4 3/4-5 1/8%	Total
Boston	\$ 1,110	\$ 76	\$ 3,401	\$ 18	\$ 4,605
New York	12,458	4,451	7,044	1,214	25,167
Philadelphia	83	285	1,776	0	2,144
Cleveland	0	0	539	0	539
Richmond	0	0	357	0	357
Chicago	298	248	1,008	0	1,554
Dallas	62	0	173	274	509
San Francisco	79	996	576	33	1,684
Totals	<u>\$14,090</u>	<u>\$6,056</u>	<u>\$14,874</u>	<u>\$1,539</u>	<u>\$36,559</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 23, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$ 2,423	\$36,559	\$38,982
Sold	11,428	1,795	13,223
Matured	0	43,167	43,167
		\$ 8,403-	\$17,408-
		398+(Net Change	398+(Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
	<u>\$ 9,005-</u>	<u>\$ 8,005-</u>	<u>\$17,010-</u>

(Including Sales Contracts)

Holdings January 23, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91-days- 6 months	Over 6 months	Total
Gov't Securities	\$ 3,030	\$ 0	\$ 22,859	\$ 0	\$ 7,205	\$168,940	\$202,034
Bills Purchased	132,608	81,392	160,109	76,359	3,750	0	454,218
Totals	<u>\$135,638</u>	<u>\$81,392</u>	<u>\$182,968</u>	<u>\$76,359</u>	<u>\$10,955</u>	<u>\$168,940</u>	<u>\$656,252</u>

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Authority E.O. 12958

January 23, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 21st instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from January 10, 1929 to January 16, 1929, inclusive.

Very truly yours,

Walter L. Eddy,
Secretary

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

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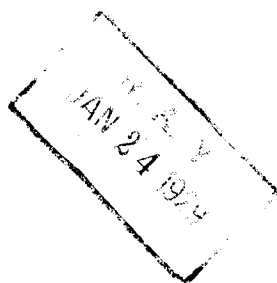
Authority E.O. 12958

**FEDERAL RESERVE BANK
OF NEW YORK**



P E R S O N A L

January 21, 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 January 10, 1929 to January 16, 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.

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*Mr. Lueder ✓
Riefler ✓
Collins ✓*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JAN 23 1929
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

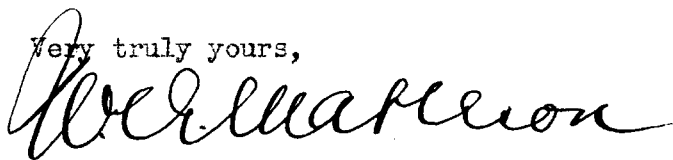
January 21, 1929

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

Dear Mr. Goldenweiser:

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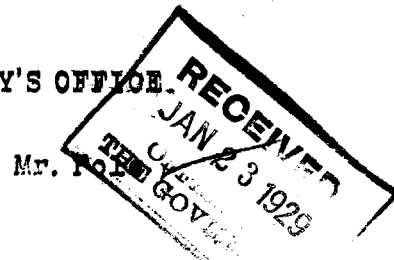


W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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



CONFIDENTIAL

January 21, 1929

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Very truly yours,

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

1/24/29

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 16, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-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
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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.	9	1,602,714	196,992	42,250	425,802	51,298	876,547
Jan.	16	1,551,231	208,008	30,335	420,651	60,588	821,824

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 16, 1929
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan.16	Change	Jan.16	Change	Jan.16	Change
Boston	\$ 8,173	\$ 0	\$ 60,129	\$1,237-	\$ 49,702	\$ 2,755+
New York	35,187	11,000+	95,181	3,638+	217,666	63,894-
Philadelphia	21,447	0	19,609	2,441+	73,797	2,215-
Cleveland	32,962	0	47,642	1,520-	77,171	7,530-
Richmond	3,427	0	21,421	1,230-	38,319	1,965-
Atlanta	4,874	16+	25,650	2,711-	57,750	2,588-
Chicago	33,135	0	38,790	753+	147,365	18,961+
St. Louis	21,043	0	8,078	2,219-	34,996	323-
Minneapolis	10,907	0	19,952	159+	13,342	1,209+
Kansas City	9,763	0	5,235	2,978+	36,111	1,854+
Dallas	9,988	0	22,370	453+	19,353	448+
San Francisco	17,102	0	51,593	6,890-	56,252	1,435-
N. Y. holdovers and other bills			5,001	243+		
Totals	\$208,008	\$11,016+	\$420,651	\$5,151-	\$821,824	\$54,723-

COMMENT ON CHANGES WEEK ENDED JANUARY 16, 1929

Total earning assets of the System showed a decrease of \$51,483,000 for the current statement week. The approximate changes by classification consisted of an increase of \$11,000,000 in outright purchases of Government securities (representing securities sold by the Treasury and held temporarily by the Federal Reserve Bank of New York), and decreases of \$5,150,000 in outright purchases of bankers acceptances, \$54,700,000 in bills discounted and \$2,600,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$11,900,000 in Government securities and an increase of \$9,300,000 in bankers acceptances.

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Money
Market

The call money market turned temporarily firmer in the first part of the calendar week, apparently reflecting the efforts of New York City banks to reduce as much as possible their indebtedness at the Reserve Bank. The quotation was 7 per cent all day Monday, and on Tuesday the rate for new loans rose as high as 9 per cent. Renewals on the next two days were at 8 per cent, but by Thursday afternoon the rate had dropped to 6 per cent, at which level it was maintained for the balance of the period. On Friday, some loans were reported outside the Exchange as low as 5 1/2 per cent. There was a considerable inflow of funds to this market from other centers throughout the week, especially during the last few days of the period. This influx of out-of-town funds, together with further gold imports, allowed the New York City banks to effect a reduction in their Federal Reserve borrowings to \$66,000,000 on Friday, and to decrease their average borrowings for the week to \$145,000,000, as compared with \$234,000,000 in the previous period.

The time money market remained very quiet. Sixty and ninety day money continued to lend at 7 3/4 per cent, and 6 months' money at 7 1/2 per cent.

In the commercial paper market, there was a continued tendency for a larger proportion of the sales to be made at 5 1/2 per cent, and for the proportion at 5 1/4 per cent to decline. Due to middle western bank demand, however, sales at the 5 1/4 per cent rate are still of sufficient volume to warrant quoting the prevailing range for prime names as 5 1/4 - 5 1/2 per cent.

Government
Security
Market

There was very little demand in the market during the calendar week for United States Government securities, with what little preference there was being shown for the certificates of indebtedness maturing March 15, 1929. Although the volume of trading was light, prices of practically all issues were lower than at the previous week's close (the losses ranging from 1/32nd to 1.6/32nds) which reflected a lack of demand rather than a large volume of offerings.

Closing Prices on the New York Stock Exchange on Saturday
January 19, 1929 and Net Changes from Previous Week's Close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	99 4/32	-14/32	Treas. 4s	1944-54 105 10/32	-30/32
1st 4 1/4s	100 1/32	- 5/32	"	4 1/4s 1947-52 110 8/32	-26/32
4th 4 1/4s	100 1/32	- 4/32	"	3 3/4s 1946-56 102 4/32	-1.4/32
			"	3 3/8s 1943-47 97 14/32	-24/32
			"	3 3/8s 1940-43 97 12/32	-1.6/32

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

Issue	Price	Net Change	Approx. Yield
3 3/8% Cert. of Ind. due March 15, 1929	99 25/32	+ 1/32	4.85
3 7/8% " " " " March 15, 1929	99 27/32	- -	4.90
4 1/2% " " " " June 15, 1929	99 28/32	- 4/32	4.80
4 3/4% " " " " Sept. 15, 1929	100 1/32	- 2/32	4.69
4 1/4% " " " " Sept. 15, 1929	99 21/32	- 2/32	4.79
4 1/4% " " " " Dec. 15, 1929	99 20/32	- 1/32	4.67
3 1/2% Treas. Notes " March 15, 1932	97	-13/32	4.51
3 1/2% " " " " Sept. 15, 1932	97	-13/32	4.38
3 1/2% " " " " Dec. 15, 1932	97	-13/32	4.34

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3

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances during the statement week were at the following rates: $4\frac{1}{2}$ to $4\frac{5}{8}$ per cent for 30s, $4\frac{3}{4}$ per cent for 60s and 90s, $4\frac{7}{8}$ per cent for 120s and 5 per cent for 180-day bills. On Friday, January 18 dealers advanced their bid rates by $\frac{1}{8}$ on all maturities and their offering rates as follows: $\frac{1}{4}$ on 30s and 60s, and $\frac{1}{8}$ on all other maturities.

Reports for
Week Ending
January 16

Boston reports that the recent increase in bill rates curtailed considerably the supply of new bills in its district during the past statement week. The demand also slowed up and dealers experienced difficulty in moving their bills. Thirty day bills and bills over 90 days were in the best demand. In New York the bill market was less active. The supply of bills was in fairly good volume and substantially in excess of the demand which decreased considerably. Dealers' sales consisted chiefly of moderate orders for nineties for foreign account. Local buying was light. Dealers' portfolios increased substantially. Philadelphia reports that its bill market remained unchanged. Offerings continued substantial with the demand light. Chicago reports that dealers were offering bills at $4\frac{7}{8}$ per cent and were not anxious to accumulate any large amounts of new bills at prevailing prices. There was practically no demand for bills.

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OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

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

Sales of \$ 1,500,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account Alien Property Custodian
 9,000,000 par amount 3 1/2% Treasury notes due March 15, 1930-32, account Alien Property Custodian
 25,000 par amount 3 7/8% certificates of indebtedness due March 15, 1929, account Austrian Special Deposit Account
 2,000,000 par amount 3 1/2% Treasury notes due March 15, 1930-32, account Government Life Insurance Fund

\$12,525,000 Total Sales

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

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 16, 1929, remaining unchanged at \$75,591,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,584,500
New York	22,743,300
Philadelphia	6,224,000
Cleveland	7,223,000
Richmond	2,275,000
Atlanta	2,207,500
Chicago	13,197,500
St. Louis	4,417,500
Minneapolis	3,322,500
Kansas City	0
Dallas	0
San Francisco	<u>7,397,000</u>

Totals \$75,591,800

RECAPITULATION OF HOLDINGS BY MATURITIES

March 15, 1929 - 3 3/8% C/I	\$ 8,091,000
March 15, 1929 - 3 7/8% "	6,993,000
June 15, 1929 - 4 1/2% "	6,582,000
Sept. 15, 1929 - 4 1/4% "	2,500,000
Dec. 15, 1929 - 4 1/4% "	16,125,000
March 15, 1932 - 3 1/2% T/N	5,000,000
Dec. 15, 1932 - 3 1/2% "	<u>30,300,800</u>

\$75,591,800

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF
ALL FEDERAL RESERVE BANKS FROM JANUARY 10 TO JANUARY 16, 1929

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$11,000,000	March 15, 1930-32 T/N	0	-
Atlanta	491,100	Misc. Gov't Sec.	474,900	Misc. Gov't Sec.
Totals	\$11,491,100		\$474,900	

*Held temporarily for resale.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Jan. 9	Purchased Own Mkt.	Rec'd By Allotment			Holdings Jan. 16	Other Holdings Close Jan. 16/29	
			Regular from N.Y.	From Boston & San Fran. Port. X	Matur- ities & Sales		Sales Contracts	Other Bills
Boston	\$ 61,366	\$ 8,792 R.	0	0	\$10,029*	\$ 60,129	\$13,995	\$ 76
New York	91,543	9,797 " 15,339 A.	0	7,500B.	13,659**	95,181	39,603	1,068
Phila.	17,168	3,058 R.	0	0	617	19,609	0	96
Cleve.	49,162	1,251 "	3,063	0	5,834	47,642	0	106
Richmond	22,651	547 "	1,266	0	3,043	21,421	0	52
Atlanta	28,361	127 "	1,536	0	4,374	25,650	0	1,282
Chicago	38,037	1,727 "	4,344	0	5,318	38,790	4,497	141
St. Louis	10,297	0	1,250	0	3,469	8,078	0	44
Minn.	19,802	0	1,122	1,000 SF	1,972	19,952	0	27
Kan. City	2,257	0	1,478	1,500 "	0	5,235	0	40
Dallas	21,917	749 "	1,280	1,000 "	2,576	22,370	309	36
San Fran.	58,483	3,297 "	0	0	10,187***	51,593	2,184	72
Totals	\$421,044	\$44,684	\$15,339	\$11,000	\$61,078	\$415,650	\$60,588	\$3,040
Bills held overnight by New York for distribution to other F.R. Banks	-	-	-	-	-	-	-	1,961
Total	-	-	-	-	-	-	-	\$5,001

*Includes \$7,500,000 sold to Federal Reserve Bank of New York.

**Includes \$1,801,000 sold to a foreign correspondent.

***Includes \$3,500,000 sold to other Federal reserve banks.

X- Representing purchases of bills in excess of their pro rata share during week ending January 9, 1929.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 16, 1929
(000 Omitted)

	1-30 days 4 1/4-4 7/8%	31-60 days 4 1/2-4 7/8%	61-90 days 4 1/2-5%	Over 90-days 4 3/4-5%	Total
Boston	\$ 982	\$ 714	\$ 7,096	\$ 0	\$ 8,792
New York	4,909	3,368	15,685	1,174	25,136
Philadelphia	300	75	2,683	0	3,058
Cleveland	0	0	1,251	0	1,251
Richmond	136	230	181	0	547
Atlanta	125	0	2	0	127
Chicago	400	25	1,302	0	1,727
Dallas	65	105	243	336	749
San Francisco	368	593	2,336	0	3,297
Totals	<u>\$7,285</u>	<u>\$5,110</u>	<u>\$30,779</u>	<u>\$1,510</u>	<u>\$44,684</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 16, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$11,491	\$44,684	\$56,175
Sold	475	1,801	2,276
Matured	0	48,277	48,277
		\$ 5,394-	\$ 5,622+
		243+ (Net Change 1-day holdover & other bills)	243+ (Net Change 1-day holdover & other bills)
Totals	<u>\$11,016+</u>	<u>\$ 5,151-</u>	<u>\$ 5,865+</u>

(Including Sales Contracts)

Holdings January 16, 1929	Within 15-days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Total
Gov't Securities	\$ 30,335	\$ 0	\$22,863	\$ 0	\$ 7,205	\$177,940	\$238,343
Bills Purchased	156,899	77,198	141,846	100,252	5,044	0	481,239
Totals	<u>\$187,234</u>	<u>\$77,198</u>	<u>\$164,709</u>	<u>\$100,252</u>	<u>\$12,249</u>	<u>\$177,940</u>	<u>\$719,582</u>

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January 15, 1929.

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board, your letter of January 14th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances, as reported to your Committee for the period from January 3, 1929 to January 9, 1929, inclusive.

Very truly yours,

(Signed) Walter L. Eddy

Walter L. Eddy,
Secretary.

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

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FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
JAN 15 1929

RECEIVED
JAN 15 1929

PERSONAL

January 14, 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 January 3, 1929 to January 9, 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.

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Mr. Lmeah ✓
Riefler ✓
Collier

FEDERAL RESERVE BANK
OF NEW YORK

REC'D-BK. OF JAN 15 1929

RECEIVED
JAN 17 1929
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

January 14, 1929

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 January 3, 1929 to January 9, 1929 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.

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✓
✓
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FEDERAL RESERVE BANK
OF NEW YORK

about

RECEIVED
JAN 15 1929
TELE. ROOM
[Signature]

CONFIDENTIAL

January 14, 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 January 3, 1929 to January 9, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

[Signature]

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED JANUARY 9, 1929

Holdings of Earning Assets of Federal Reserve Banks from January 25, 1928 to Date
(000 Omitted)

		TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
			Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-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.	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
"	9	1,602,714	196,992	42,250	425,802	51,298	876,547

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JANUARY 9, 1929
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Jan. 9	Change	Jan. 9	Change	Jan. 9	Change
Boston	\$ 8,173	\$ 0	\$ 61,366	\$13,342+	\$ 46,947	\$ 8,912-
New York	24,187	0	91,543	11,955-	281,560	213,898-
Philadelphia	21,447	0	17,168	911+	76,012	7,711-
Cleveland	32,962	0	49,162	3,728-	84,701	7,074-
Richmond	3,427	0	22,651	2,002-	40,284	6,000-
Atlanta	4,858	91-	28,361	2,114-	60,338	5,060+
Chicago	33,135	0	38,037	1,948+	128,404	45,446-
St. Louis	21,043	0	10,297	831-	35,319	3,221-
Minneapolis	10,907	0	19,802	1,842-	12,133	2,676+
Kansas City	9,763	0	2,257	1,030+	34,257	5,942-
Dallas	9,988	20-	21,917	2,572-	18,905	1,948+
San Francisco	17,102	0	58,483	5,169+	57,687	13,603+
N.Y. holdovers and other bills			4,758	1,065-		
Totals	\$196,992	\$111-	\$425,802	\$3,709-	\$876,547	\$274,917-

COMMENT ON CHANGES WEEK ENDED JANUARY 9, 1929

Total earning assets of the System showed a decrease of \$286,946,000 for the current statement week. The approximate changes by classification consisted of decreases of \$100,000 and \$3,700,000 respectively in outright purchases of Government securities and bankers acceptances, \$274,900,000 in bills discounted and \$8,150,000 in investments held under sales contracts. The latter decrease consisted of \$4,600,000 in Government securities and \$3,550,000 in bankers acceptances.

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Money
Market

During the past calendar week there was a continuation of the easing tendency that usually occurs in the call money market in the first part of January. Currency continued to return to the Reserve Bank from holiday circulation, the inter-district flow of commercial funds was again in favor of this market, and \$24,000,000 of gold was imported from Canada. These gains more than offset the effect of new earmarkings of gold for foreign account with the proceeds of funds paid into the Reserve Bank by the New York City banks. As a result, call money eased to 7 per cent early in the week, and to 6 per cent on Wednesday and Thursday. The renewal rate of 6 per cent on Thursday was the lowest renewal rate since November 15. On Friday, however, the week-end requirements for currency, further gold earmarkings, and a Government withdrawal from depositaries caused a rise in the rate for new call loans to 7 per cent, after renewals had been arranged at 6 per cent. The borrowings of the New York City banks at the Reserve Bank were reduced steadily to \$167,000,000 on Thursday, and notwithstanding a rise to \$183,000,000 on Friday, averaged \$97,000,000 smaller than in the previous week.

Nominal quotations for all maturities of time loans remained at 7 1/2 per cent bid, 7 3/4 per cent offered. The market on most days of the week was quiet. The only discernable easing in rates occurred on Friday, when 90-day money was placed at 7 1/2 and 7 3/4 per cent, as compared with the single rate of 7 3/4% in recent weeks. Six months' loans continued to be arranged at 7 1/2 per cent.

New drawings of commercial paper have increased somewhat since the first of the year. Bank investment demand outside of New York City has been in fair volume, and prime names have sold at 5 1/4 and 5 1/2 per cent. Sales at the higher rate constituted somewhat the larger proportion of the total sales volume.

Government
Security
Market

There was very little activity in the Government security market during the calendar week. The demand continued high and prices in most cases showed small fractional losses over the previous week's close.

Closing Prices on the New York Stock Exchange on Saturday
January 12, 1929 and Net Changes from Previous Week's Close

Not			Not		
Issue	Price	Change	Issue	Price	Change
1st 3 1/2s	99 18/32	-7/32	Treas. 4s	1944-54	106 8/32 -3/32
1st 4 1/4s	100 6/32	-1/32	"	4 1/4s 1947-52	111 2/32 -6/32
4th 4 1/4s	100 5/32	-2/32	"	3 3/4s 1946-56	103 8/32 -7/32
			"	3 3/8s 1943-47	98 10/32 -6/32
			"	3 3/8s 1940-43	93 18/32 +8/32

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

Issue				Price	Net Change	Approx. Yield
3 3/8%	Cort. of Ind.	duo	Mar. 15, 1929	99 24/32	- - -	4.86
3 7/8%	"	"	Mar. 15, 1929	99 27/32	-1/32	4.78
4 1/2%	"	"	June 15, 1929	100	- - -	4.48
4 3/4%	"	"	Sept. 15, 1929	100 3/32	+1/32	4.59
4 1/4%	"	"	Sept. 15, 1929	99 23/32	-2/32	4.68
4 1/4%	"	"	Dec. 15, 1929	99 21/32	-1/32	4.63
5 1/2%	Treas. Notes	"	Mar. 15, 1932	97 13/32	-3/32	4.38
3 1/2%	"	"	Sept. 15, 1932	97 13/32	-3/32	4.27
3 1/2%	"	"	Dec. 15, 1932	97 13/32	-3/32	4.23

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Bankers
Acceptances

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

Boston reports that the supply of bills was fair in its district during the past week with a good local demand for short 60 and 90-day bills. Dealers' purchases aggregated about \$11,000,000 which was an increase of \$1,000,000 over the previous period. Local banks were good buyers of short 60 and 90-day bills which necessitated dealers importing these maturities from their offices in other cities. On January 4 the Reserve Bank advanced its buying rates $\frac{1}{8}$ of 1 per cent on all maturities. In New York the supply of bills decreased about 30 per cent as compared with the previous record week. The demand also fell off substantially, but in spite of this, the aggregate was very good and about equal to the supply. Dealers' sales consisted mainly of nineties for foreign account. Local bank buying for their own account was light. Heavy shipments were made by dealers to their out-of-town branches and correspondents. As a net result of these operations, dealers' portfolios here decreased substantially. Following an increase on January 3 of $\frac{1}{4}$ per cent in the effective minimum buying rates of the Reserve Bank for all maturities except 30-day and 5 - 6 months' bills, the dealers on January 4 advanced their bid and offered rates $\frac{1}{4}$ per cent on all maturities except 30s which remained practically unchanged, although one dealer advanced his bid and offered rate $\frac{1}{8}$ on this maturity. Philadelphia reports that its bill market remained quiet. There were very few new bills, but offerings continued heavy. Dealers reported large portfolios in face of increased rates. The demand generally was small with some buying of 6 months' bills.

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Chicago reports that dealers reported some demand for 90-day bills locally at the new rates although the investment demand seemed to be limited to a few corporations other than banks.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Purchases of \$1,500,000 - 3 1/2% Treasury notes, due March 15, 1930-32, account Government Life Insurance Fund

and Sales of 2,000,000 - 3 7/8% certificates of indebtedness, due March 15, 1929, account Alien Property Custodian

17,000 - 3 7/8% certificates of indebtedness, due March 15, 1929, account Austrian Special Deposit Account

\$2,017,000 - 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 9, 1929, remained unchanged at \$75,591,800. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 6,584,500
New York	22,743,300
Philadelphia	6,224,000
Cleveland	7,223,000
Richmond	2,275,000
Atlanta	2,207,500
Chicago	13,197,500
St. Louis	4,417,500
Minneapolis	3,322,500
Kansas City	0
Dallas	0
San Francisco	<u>7,397,000</u>
Totals	<u>\$75,591,800</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Mar. 15, 1929 - 3 3/8% C/I	\$ 8,091,000
Mar. 15, 1929 - 3 7/8% "	6,993,000
June 15, 1929 - 4 1/2% "	6,582,000
Sept. 15, 1929 - 4 1/4% "	2,500,000
Dec. 15, 1929 - 4 1/4% "	16,125,000
Mar. 15, 1932 - 3 1/2% T/N	5,000,000
Dec. 15, 1932 - 3 1/2% "	<u>30,300,800</u>
	<u>\$75,591,800</u>

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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT
OF ALL FEDERAL RESERVE BANKS FROM JANUARY 3 TO JANUARY 9, 1929

GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$154,200	Misc. Gov't Sec.	\$245,250	Misc. Gov't Sec.
Dallas	0	-	20,000	June 15, 1929 C/I
Totals	<u>\$154,200</u>		<u>\$265,250</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Jan. 2</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>Received</u> <u>by Allot-</u> <u>ment from</u> <u>New York</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>Jan. 9</u>	<u>Other Holdings</u> <u>Close Jan. 9/29</u>	
						<u>Sales</u>	<u>Other</u>
						<u>Contracts</u>	<u>Bills</u>
Boston	\$ 48,024	\$15,601 R.	0	\$ 2,259	\$ 61,366	\$ 7,124	\$ 76
New York	103,498	5,539 "	0	17,494*	91,543	37,411	1,221
		10,769 A.					
Phila.	16,257	2,925 R.	0	2,014	17,168	0	96
Cleveland	52,890	0	2,081	5,809	49,162	0	106
Richmond	24,653	150 "	955	3,107	22,651	0	52
Atlanta	30,475	0	1,073	3,187	28,361	0	1,410
Chicago	36,089	2,782 "	2,935	3,769	38,037	3,501	141
St. Louis	11,128	0	1,247	2,078	10,297	0	44
Minn.	21,644	0	711	2,553	19,802	0	27
Kan. City	1,227	0	1,030	0	2,257	0	34
Dallas	24,489	504 "	737	3,813	21,917	109	36
San Fran.	53,314	10,059 "	0	4,890	58,483	3,153	72
Totals	<u>\$423,688</u>	<u>\$48,329</u>	<u>\$10,769</u>	<u>\$50,973</u>	<u>\$421,044</u>	<u>\$51,298</u>	<u>\$3,315</u>

Bills held overnight by New York for distribution to other F. R. Banks - - 1,443

Total - - - - - \$4,758

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

*Includes \$2,393,000 sold to a foreign correspondent.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JANUARY 9, 1929
(000 Omitted)

	<u>1-30 days</u> <u>4 3/8-4 3/4%</u>	<u>31-60 days</u> <u>4 1/4-4 7/8%</u>	<u>61-90 days</u> <u>4 1/4-4 7/8%</u>	<u>Over 90-days</u> <u>4 3/8-5%</u>	<u>Total</u>
Boston	\$ 3,992	\$ 2,070	\$ 8,994	\$ 545	\$15,601
New York	6,165	5,343	4,311	489	16,308
Philadelphia	525	235	2,165	0	2,925
Richmond	0	0	150	0	150
Chicago	923	458	1,401	0	2,782
Dallas	151	42	182	129	504
San Francisco	113	329	9,252	365	10,059
Totals	<u>\$11,869</u>	<u>\$ 8,477</u>	<u>\$26,455</u>	<u>\$1,528</u>	<u>\$48,329</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JANUARY 9, 1929
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$154	\$48,329	\$48,483
Sold	265	2,393	2,658
Matured	0	48,580	48,580
		\$ 2,644-	\$ 2,755-
		1,065- (Net Change	1,065- (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
Totals	<u>\$111-</u>	<u>\$ 3,709-</u>	<u>\$ 3,820-</u>

(Including Sales Contracts)

<u>Holdings</u> <u>January 9, 1929</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- Over 6</u> <u>6 months months</u>	<u>Total</u>
Gov't Securities	\$ 42,250	\$ 0	\$ 0	\$ 22,863	\$ 7,205	\$166,924
Bills Purchased	<u>146,784</u>	<u>89,543</u>	<u>139,511</u>	<u>97,221</u>	<u>4,041</u>	<u>0</u>
Totals	<u>\$189,034</u>	<u>\$89,543</u>	<u>\$139,511</u>	<u>\$120,084</u>	<u>\$11,246</u>	<u>\$166,924</u>
						<u>\$716,342</u>