

November 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, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from October 31, 1929 to November 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.

*Mr. Riefler ✓  
Smead ✓  
Callier ✓*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
NOV 13 1929  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

November 11, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

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PERSONAL

November 11, 1929

R. A. Y.  
NOV 13 1929

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Secretary, Open Market  
Investment Committee

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

Encl.

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

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

FEDERAL RESERVE BANK  
 OF NEW YORK

RECORDED  
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CONFIDENTIAL

November 11, 1929

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 Secretary, Open Market  
 Investment Committee

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 Washington, D. C.

Encl.

*See (copy) 11/13/29*

## CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 6, 1929

Holdings of Earning Assets of Federal Reserve Banks from October 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
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Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 6	1,637,634	282,974	9,775	305,411	24,963	990,880

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 6	Net Change	Balance Nov. 6	Net Change	Balance Nov. 6	Net Change
Boston	\$ 7,077	\$ 2,377+	\$ 8,812	\$1,988-	\$ 37,546	\$ 8,294-
New York	132,346	6,893+	73,463	339+	221,347	24,775-
Philadelphia	21,629	2,554+	11,234	2,896-	108,832	9,102+
Cleveland	30,887	0	38,423	437+	127,627	4,655+
Richmond	1,809	0	19,090	189-	45,681	8,260-
Atlanta	6,814	1,761+	23,121	134+	60,669	1,682+
Chicago	32,233	4,579+	43,188	114-	112,184	5,902+
St. Louis	12,567	2,113+	0	0	46,156	8,199-
Minneapolis	8,776	166+	3,462	202-	32,551	3,953-
Kansas City	3,063	1,375+	20,020	415+	54,322	2,574+
Dallas	13,890	1,308+	12,945	114-	35,795	4,666+
San Francisco	11,883	0	31,355	1,672-	108,170	24,742+
N. Y. holdovers and other bills			20,298	487+		
Totals	\$282,974	\$23,126+	\$305,411	\$5,363-	\$990,880	\$ 158-

## COMMENT ON CHANGES WEEK ENDED NOVEMBER 6, 1929

Total earning assets of the System showed a decrease of \$11,108,000 for the current statement week. The approximate changes by classification consisted of an increase of \$23,125,000 in outright purchases of Government securities and decreases of \$5,360,000 in outright purchases of bankers acceptances, \$160,000 in bills discounted and \$27,215,000 in investments held under sales contracts. The latter decrease consisted of \$23,065,000 in Government securities and \$4,150,000 in bankers acceptances.

Money  
Market

The call money rate appears to have become stabilized at 6 per cent. Throughout the calendar week just closed there was no variation from that level, and at most times during the period ample supplies of funds at that rate were on offer at the Stock Exchange money desk. Hours during which accommodation could be arranged were extended past the usual closing time, as was the case in the previous week.

Following the unprecedented increase in the member banks' reserve requirements during the preceding two weeks, the requirement figures declined about \$60,000,000 in the week just closed. This factor of ease in the money situation was supplemented by very heavy transfers of funds to New York from other parts of the country during the latter part of the week, following a moderately large outflow in the first part of the period. A loss of about \$13,000,000 through gold exports and earmarkings did not materially offset the aforementioned transactions, and as a consequence the total volume of Reserve Bank credit being used in this market was reduced by about \$100,000,000. A decline in New York City bank borrowings accounted for \$90,000,000, and a decrease in Reserve Bank combined bill and security holdings for the balance. Whereas at the beginning of the week the New York City banks had been borrowing \$157,000,000, their Reserve bank indebtedness at the close of the period was down to \$67,000,000.

The time money market continued to be quoted on a flat 6 per cent basis for all maturities. Trading which was in light volume represented chiefly loans for maturities of 1 to 4 months.

Total investment demand for commercial paper was substantial during the week, representing orders from banks throughout the country.

2a

In fact, demand for commercial paper on the part of the investing banks exceeded new drawings of paper which also increased somewhat. The current selling range for prime paper is  $5\frac{3}{4}$  - 6 per cent, with the larger proportion of the business at the lower rate and some indication that before long rates may work still lower.

Government  
Security  
Market

The volume of trading in the United States Government security market fell off considerably during the current calendar week. The undertone, however, continued strong, with the demand in excess of the supply. Buying was done principally by the New York City banks.

Closing Prices on New York Stock Exchange on Friday, November 8, 1929  
(Exchange Closed Saturday, November 9, 1929)  
and Net Changes from the Closing Prices of the Previous Week

<u>Issue</u>	<u>Price</u>	Net Changes from Closing Prices N.Y. Stock Exch- ange Thursday, October 31, 1929	Net Changes From Dealers' Offering Prices At End of Previous Calendar Week
1st 3 1/2s	98 10/32	+1.10/32	+10/32
1st 4 1/4s	99 26/32	+ 14/32	- 4/32
4th 4 1/4s	99 30/32	+ 26/32	-
Treas. 4s 1944-54	107 20/32	+1.10/32	-
" 4 1/4s 1947-52	111 27/32	+1.18/32	+ 7/32
" 3 3/4s 1946-56	104 14/32	+1. 4/32	- 6/32
" 3 3/8s 1943-47	99 12/32	+1. 3/32	+ 4/32
" 3 3/8s 1940-43	99	+ 22/32	- 8/32

Dealers' Offering Prices at the End of the Calendar Week for the  
Short-term Governments and Net Changes from Previous  
Week's Close

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
4 1/4% Cert. of Ind. due Dec. 15, 1929	100 2/32	-	3.49
4 3/4% " " " " Dec. 15, 1929	100 4/32	-	3.34
5 1/8% " " " " Mar. 15, 1930	100 22/32	+ 2/32	3.06
4 7/8% " " " " June 16, 1930	100 26/32	+ 3/32	3.48
3 1/2% Treas. Notes " Mar. 15, 1932	99 10/32	+18/32	3.80
3 1/2% " " " Sept. 15, 1932	99 10/32	+18/32	3.76
3 1/2% " " " Dec. 15, 1932	99 10/32	+18/32	3.74

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Bankers  
Acceptances

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

Reports  
week  
ending  
Nov. 6

Boston reports that reporting dealers purchased from acceptors nearly \$8,000,000 which was the highest amount purchased during the year. The demand was excellent, local banks being good buyers with sufficient demand outside of the district to keep dealers' portfolios at a low figure. Reporting dealers had no bills to offer the Reserve Bank and holdings decreased further to \$11,200,000. In New York offerings of new bills to the market, while in good volume, fell off in a very important aggregate. The demand too decreased substantially, but was slightly in excess of the supply. Investment of foreign owned moneys was good. Local bank buying was somewhat lighter, with the demand principally for bills maturing before the end of the year. Dealers' portfolios decreased moderately. Rates were unchanged. Philadelphia reports that its bill market was quiet. The demand continued to show a slight improvement. Dealers reported portfolios down a little from last week. Offerings to the Reserve Bank were negligible. Chicago reports that there was a fair demand for bills by one or two large local corporations. The supply was very limited. Dallas reports that notwithstanding lower rates the demand for bills was substantially in excess of last week, with no preference shown for any particular maturity. There was some improvement noticed in purchases by individuals and corporations. Offerings to the Reserve Bank were heavier than during the previous week and consisted principally of sixty day maturities.



OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction consummated during the current statement week under Treasury authorization was a sale of \$708,500 - 4 1/4% certificates of indebtedness due December 15, 1929, for the German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

With the approval of the Open Market Investment Committee, there was transferred to the System Account on October 31, 1929, as mentioned in last week's report, \$25,000,000 out of \$120,000,000 short-term Governments which had been purchased by the Federal Reserve Bank of New York during the latter part of the preceding statement week. The transfer of these securities brought the total holdings in the System Account up to \$72,500,000. The participation by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, November 6, 1929, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 6,322,000	Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
New York	23,219,500	Dec. 15, 1929 - 4 3/4% "	23,000,000
Philadelphia	6,607,500	Mar. 15, 1930 - 5 1/8% "	7,000,000
Cleveland	5,180,500	June 16, 1930 - 4 7/8% "	17,500,000
Richmond	656,500	Dec. 15, 1932 - 3 1/2% T/N	15,000,000
Atlanta	4,196,500		
Chicago	12,290,000		
St. Louis	3,942,000		
Minneapolis	943,500		
Kansas City	3,060,000		
Dallas	3,902,500		
San Francisco	2,173,500		
Totals	<u>\$72,500,000</u>		<u>\$72,500,000</u>

Note: With the approval of the Open Market Investment Committee, there was transferred to the System Account on November 7, 1929, a further \$25,000,000 out of the purchases made by the Federal Reserve Bank of New York, to afford a measure of relief to the situation in the market. Such purchases by the New York Reserve bank to date aggregate \$158,000,000.

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS OCTOBER 31 TO NOVEMBER 6, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>
Boston	\$ 2,377,000
New York	8,893,000
Philadelphia	2,554,000
Atlanta	1,700,000
Chicago	4,579,000
St. Louis	2,113,500
Kansas City	1,375,000
Dallas	1,408,500
Total	<u>\$25,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 100	Ser. A-1930-32 T/N
New York	23,000,000	Misc. Gov't Sec.	25,000,000	To Open Market Acct.
Atlanta	332,500	Misc. Gov't Sec.	271,200	Misc. Gov't Sec.
Minneapolis	1,582,150	Misc. Gov't Sec.	1,417,400	Misc. Gov't Sec.
Dallas	0	-	100,000	Fourth L/L bonds
Totals	<u>\$24,914,650</u>		<u>\$26,788,700</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Oct. 30	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings Nov. 6	Other Holdings Close Nov. 6/29		
						Sales Contracts	Other Bills	
Boston	\$ 10,800	\$ 3 R.	0	\$ 1,991	\$ 8,812	\$ 2,441	\$ 1,282	
New York	73,124	6,849 " 6,013 A.	0	6,510*	73,463	16,063	6,063	
Phila.	14,130	161 R.	0	3,057	11,234	0	1,638	
Cleve.	37,986	0	1,958	1,521	38,423	0	2,704	
Rich.	19,279	0	850	1,039	19,090	0	784	
Atlanta	22,987	1,044 "	892	1,802	23,121	0	2,112	
Chicago	43,302	349 "	574	1,037	43,188	1,867	2,337	
St. Louis	0	0	0	0	0	0	42	
Minn.	3,664	0	0	202	3,462	0	426	
Kan. City	19,605	130 "	1,102	817	20,020	0	563	
Dallas	13,059	752 "	637	1,503	12,945	361	563	
San Fran.	33,027	250 "	0	1,922	31,355	4,231	1,228	
Totals	\$290,963	\$15,551	\$6,013	\$21,401	\$285,113	\$24,963	\$19,722	
Bills held overnight by New York for distribution to other F. R. Banks -							576	
Total - - - -							<u>\$20,298</u>	

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

\*Includes \$1,354,000 sold to foreign correspondents.

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

	<u>1-30 days</u> <u>4 1/2 - 5%</u>	<u>31-60 days</u> <u>4 3/4 - 5%</u>	<u>61-90 days</u> <u>4 3/4 - 5 1/8%</u>	<u>Over 90-days</u> <u>4 7/8%</u>	<u>Total</u>
Boston	0	0	3	0	\$ 3
New York	996	2,253	9,613	0	12,862
Philadelphia	143	4	14	0	161
Atlanta	301	55	188	0	1,044
Chicago	285	64	0	0	349
Kansas City	0	0	130	0	130
Dallas	7	597	12	136	752
San Francisco	0	250	0	0	250
<b>Totals</b>	<u>\$2,232</u>	<u>\$3,223</u>	<u>\$9,960</u>	<u>\$136</u>	<u>\$15,551</u>

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

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$49,915	\$15,551	\$65,466
Sold	26,789	0	26,789
Matured	0	21,401	21,401
		\$ 5,850-	\$17,276+
		487+ (Net Change	487+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
<b>Totals</b>	<u>\$23,126+</u>	<u>\$ 5,363-</u>	<u>\$17,763+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES NOVEMBER 6, 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	\$ 9,775	0	\$ 55,973	0	\$16,843	\$210,158	\$292,749
Bills Purchased	63,032	60,159	148,739	56,966	1,478	0	330,374
<b>Totals</b>	<u>\$72,807</u>	<u>\$60,159</u>	<u>\$204,712</u>	<u>\$56,966</u>	<u>\$18,321</u>	<u>\$210,158</u>	<u>\$623,123</u>

November 5, 1929

Dear Mr. Matteson:

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Assistant Secretary

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*Mr. Loomis ✓*  
*Mr. Riefler ✓*  
*Mr. Collier*

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Secretary, Open Market  
Investment Committee

Encl.

FOR SPECIAL CIRCULATION

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

✓ Gov. Young

Mr. Hamlin ✓

Mr. James ✓

✓ Mr. Platt

Mr. Miller

Mr. Cunningham ✓

Mr. Pote ✓

FEDERAL RESERVE BANK

OF NEW YORK

CONFIDENTIAL

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Encl.

*See letter 11/5/29*

CONFIDENTIAL

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

Holdings of Earning Assets of Federal Reserve Banks from October 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
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Oct. 31	\$1,603,476	\$200,470	\$26,629	\$355,479	\$83,897	\$ 932,271
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Apr. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
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Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 23	1,336,656	127,899	7,805	363,500	15,883	796,358
" 30	1,648,742	259,848	32,840	310,774	29,111	991,038

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 30	Net Change	Balance Oct. 30	Net Change	Balance Oct. 30	Net Change
Boston	\$ 4,700	\$ 2,056+	\$ 10,800	\$ 2,545-	\$ 45,840	\$ 9,411-
New York	125,453	114,849+	73,124	1,219-	246,122	138,971+
Philadelphia	19,075	2,210+	14,130	1,638-	99,730	26,102+
Cleveland	30,887	2,973+	37,986	1,241-	122,972	32,027+
Richmond	1,809	0	19,279	711+	53,941	1,200-
Atlanta	5,053	1,587+	22,987	1,011-	58,987	5,400+
Chicago	27,654	3,963+	43,302	2,243-	106,282	12,366+
St. Louis	10,454	1,829+	0	0	54,355	3,030+
Minneapolis	8,610	214-	3,664	467-	36,504	6,782-
Kansas City	1,688	1,375+	19,605	955-	51,748	5,615+
Dallas	12,582	1,320+	13,059	819-	31,129	673-
San Francisco	11,883	0	33,027	1,724-	83,428	10,765-
N.Y. holdovers and other bills			19,811	39,575-		
<b>Totals</b>	<b>\$259,848</b>	<b>\$131,948+</b>	<b>\$310,774</b>	<b>\$52,726-</b>	<b>\$991,038</b>	<b>\$194,680+</b>

COMMENT ON CHANGES WEEK ENDED OCTOBER 30, 1929

Total earning assets of the System showed an increase of \$312,086,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$52,725,000 in outright purchases of bankers acceptances and increases of \$131,950,000 in outright purchases of Government securities, \$194,680,000 in bills discounted and \$38,265,000 in investments held under sales contracts. The latter increase consisted of \$25,035,000 in Government securities and \$13,230,000 in bankers acceptances.



Money  
Market

Throughout the unusual conditions experienced in the stock and money markets during the past week, the call rate remained relatively easy. On all days of the period call money was quoted at 6 per cent, except on Tuesday when, due to the acute unsettlement in stock prices, the renewal rate was set at 5 per cent before the opening of the stock market. This rate held until shortly after two o'clock, when there was an advance to 6 per cent in the rate for new loans. In order to facilitate arrangements for the covering of brokers' requirements, the money desk on the Exchange remained open during the last few days of the week until well after five o'clock, as against the usual three o'clock closing, and was also open on Friday and Saturday when there was no trading in stocks.

The principal development of the calendar week with respect to the money market situation was a further increase of \$150,000,000 in the reserve requirements of the New York City member banks, following a rise of \$67,000,000 in the preceding week. This increase in reserve requirements accompanied a huge increase in the deposits of the City banks, which in turn was due to the taking over by these banks of brokers' loans which had been called in very heavy amounts by out-of-town banks and other lenders. During the reporting week ended Wednesday, October 30, a period in which total brokers' loans in New York showed an unprecedented reduction of \$1,096,000,000, loans placed by New York City banks for "others" declined \$1,380,000,000, and loans for out-of-town banks decreased \$707,000,000, while loans placed by the New York City banks for their own account actually rose \$992,000,000. The New York City banks were able to shoulder the huge burden which was transferred to them without any disturbance to the money market by reason of an increase of over \$150,000,000 in the security holdings of the Reserve Banks and a further increase of \$50,000,000 in their borrowings from the New York Reserve Bank, following practically as large an increase in their borrowings in the preceding week. From other sources of funds, the New York market gained very little, as an inflow from other parts of the country was largely offset by an increase in requirements for currency.

Quotations for time money dropped further early in the week to a flat 6 per cent level for all maturities. With the stock brokers as busy as they were, little attention was paid to time money on most of the days, though toward the end of the week a fair volume of loans for periods of 1 to 4 months was reported as having been arranged at the 6 per cent rate. The present level for time money is at least 3 per cent below the highest level of the year and is the lowest quotation since August 1928.

The dealers' rates for commercial paper declined rather promptly on the reduction in the New York Reserve Bank's discount rate. Prime names were offered principally at a range of 5 3/4 - 6 per cent, as against 6 - 6 1/4 per cent earlier in the week. The bank investment demand for paper was reported to have been better than in a considerable number of months. Orders emanated both from the country banks direct and also through the New York City banks for account of out-of-town correspondents. The rate reduction effected by the dealers was, of course, a quick move in order to induce larger commercial borrowings through the open market, as dealers' sales operations had to a considerable extent been hindered by the lack of material on hand.

Government  
Security  
Market

Accompanying the unprecedented stock market activities during the current calendar week, the volume of trading in Government securities on both the New York Stock Exchange and "over-the-counter" market was enormous. This activity was due principally to selling and buying in the first and last part of the week respectively by large corporations and banks and the Federal Reserve Bank purchases during the early part of the week. Prices of all issues advanced sharply during the early part of the week and fell off considerably during the middle of the week, the prices on Thursday, on which day the New York Stock Exchange closed for the week, for the long-term bonds showing an average fractional loss over the previous week's close. However, on Friday and Saturday, due to the large volume of buying on the part of New York City banks and the reduction in the rediscount rate at the Federal Reserve Bank of New York, prices in the "over-the-counter" market for all issues of Government securities again advanced sharply and dealers' offering prices at the end of the week showed that losses which occurred in the middle of the week had been discounted and the net changes at the end of the week over the previous week's close in most cases showed substantial gains.

Closing Prices on New York Stock Exchange on Thursday,  
October 31, on Which Day New York Stock Exchange Closed  
for the Week and Net Changes from Previous Week's Close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	97	-1.10/32	Treas. 4s 1944-54	106 10/32	-.10/32
1st 4 1/4s	99 12/32	-	" 4 1/4s 1947-52	110 9/32	-.14/32
4th 4 1/4s	99 4/32	-.18/32	" 3 3/4s 1946-56	103 10/32	-. 6/32
			" 3 3/8s 1943-47	98 9/32	-.19/32
			" 3 3/8s 1940-43	98 10/32	-.18/32

Dealers Offering Prices at the End of the Calendar Week for  
the Short and Long-term Governments and Net Changes  
from Previous Week's Close

SHORT-TERM

Issue	Price	Net Change	Approx. Yield
4 1/4% Cert. of Ind. due Dec. 15, 1929	100 2/32	---	3.60
4 3/4% " " " " Dec. 15, 1929	100 4/32	---	3.55
5 1/8% " " " " Mar. 15, 1930	100 20/32	+4/32	3.32
4 7/8% " " " " June 16, 1930	100 23/32	+7/32	3.67
3 1/2% Treasury Notes " Mar. 15, 1932	98 24/32	+7/32	4.06
3 1/2% " " " " Sept. 15, 1932	98 24/32	+7/32	3.96
3 1/2% " " " " Dec. 15, 1932	98 24/32	+7/32	3.93

LONG-TERM

1st 3 1/2s	98	-10/32	3.66
1st 4 1/4s	99 30/32	+18/32	4.26
4th 4 1/4s	99 30/32	+ 8/32	4.26
Treas. 4 1/4s 1947-52	111 20/32	+13/32	3.38
" 4 s 1944-54	107 20/32	+1.	3.36
" 3 3/4s 1946-56	104 20/32	+1.4/32	3.38
" 3 3/8s 1940-43	99 8/32	+12/32	3.44
" 3 3/8s 1943-47	99 8/32	+12/32	3.43

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates during the current statement week:  $4 \frac{5}{8}$  per cent for 30s, 60s and 90s,  $4 \frac{3}{4}$  per cent for 120s and  $4 \frac{7}{8}$  per cent for 180-day bills, which represents a reduction of  $\frac{3}{8}$  of 1 per cent on all maturities from the previous week's offering rates.

Reports  
week  
ending  
Oct. 30

Boston reports that the demand for bills in its district during the past week was slightly in excess of the demand during the previous period, with the supply as a whole about the same with a slight increase of new bills. The demand in other districts overshadowed the local market and dealers shipped slightly over \$7,000,000 to their offices in other cities. Offerings to the Reserve Bank were practically negligible. Practically the only bills offered were on sales contract. In New York the supply of bills fell off considerably during the first half of this week, but increased sharply during the remainder of the period to a volume which was comparable to the peak week for all time. Dealers' purchases were somewhat in excess of sales which was reflected in slightly heavier portfolios. The demand consisted of orders from abroad for nineties. Local bank buying for their own account and corporation account was very good. Dealers are now bidding  $4 \frac{3}{4}$  per cent up to 90 days,  $4 \frac{7}{8}$  per cent for 4 months, 5 per cent for 5 and 6 months, and offering  $\frac{1}{8}$  per cent less in each case. Philadelphia reports that the bill market in its district was very quiet. Few new bills came out during the week, while offerings to the Reserve Bank continued extremely light due to the fact that their rates were still higher than dealers' rates. The demand was a little more general. Chicago reports that practically no new bills came out during the past week. There was some demand for bills from one or two corporations. Dallas reports that the demand for bills was substantially less than during the previous week due in some measure to lower rates. Offerings to the Reserve Bank were very light.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Purchases of \$ 60,500 - 4 3/4% certificates of indebtedness due Dec. 15, 1929,  
account Library of Congress Trust Fund Board  
150,000 - 4 % First Liberty Loan bonds, account Sinking Fund  
738,000 - 4 1/4% certificates of indebtedness due Dec. 15, 1929,  
account German Special Deposit Account

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\$948,000 - Total Purchases

and sales of \$800,000 - 4 7/8% certificates of indebtedness due June 16, 1930,  
account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases were made of \$25,000,000 aggregate amount of short-term Government securities as contemplated in the report of the Open Market Investment Committee, dated September 24, 1929. These purchases brought the total holdings in the Account up to \$47,500,000. The participation by Federal reserve banks and the classification of issues held in the account at the close of business Wednesday, October 30, 1929, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 3,945,000
New York	14,326,500
Philadelphia	4,053,500
Cleveland	5,180,500
Richmond	656,500
Atlanta	2,496,500
Chicago	7,717,000
St. Louis	1,328,500
Minneapolis	943,500
Kansas City	1,685,000
Dallas	2,494,000
San Francisco	2,173,500
Totals	<u>\$47,500,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$10,000,000
Dec. 15, 1929 - 4 3/4% "	13,000,000
Mar. 15, 1930 - 5 1/8% "	2,000,000
June 16, 1930 - 4 7/8% "	12,500,000
Dec. 15, 1932 - 3 1/2% T/N	10,000,000

---

\$47,500,000

With the approval of the Open Market Investment Committee there was transferred to the System Account on October 31, 1929, an additional \$25,000,000 out of the \$120,000,000 short-term Governments which were purchased by the Federal Reserve Bank of New York during the early part of the calendar week.

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases
Boston	\$ 2,056,500
New York	7,696,500
Philadelphia	2,210,000
Cleveland	2,973,500
Richmond	0
Atlanta	1,677,000
Chicago	3,963,000
St. Louis	1,828,500
Minneapolis	0
Kansas City	1,375,000
Dallas	1,220,000
San Francisco	0
Total	\$25,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
New York	\$110,390,000*	Misc. Gov't Sec.	\$ 3,238,000*	Misc. Gov't Sec.
Atlanta	261,050	" " "	351,300	" " "
Minneapolis	1,007,550	" " "	1,222,000	" " "
Dallas	100,000	Fourth L/L bonds	0	-
Totals	\$111,758,600		\$ 4,811,300	

\*Held temporarily.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Oct. 23	Purchased Own Mkt.	By Allot- Matur- ment from ities &		Holdings Oct. 30	Other Holdings Close Oct. 30/29	
			New York	Sales		Sales	Other Contracts
Boston	\$ 13,345	\$ 5 R.	0	\$ 2,550	\$ 10,800	\$ 1,923	\$ 1,263
New York	74,343	*2,358 " 3,695 A.	0	3,577	73,124	21,793	6,095
Phila.	15,768	284 R.	0	1,922	14,130	0	1,638
Cleve.	39,227	0	852	2,093	37,986	0	2,475
Richmond	18,568	995 "	372	656	19,279	0	785
Atlanta	23,998	560 "	394	1,965	22,987	0	2,087
Chicago	45,545	746 "	670	3,659	43,302	367	2,338
St. Louis	0	0	0	0	0	0	42
Minn.	4,131	0	0	467	3,664	0	427
Kan. City	20,560	0	514	1,469	19,605	0	563
Dallas	13,878	204 "	346	1,369	13,059	1,281	563
San Fran.	34,751	1,013 "	547	3,284	33,027	3,747	1,229
Totals	\$304,114	\$9,860	\$3,695	\$23,011	\$290,963	\$29,111	\$19,505
Bills held overnight by New York for distribution to other F.R. Banks - - 267							
" " " " " " " " " " " foreign correspondents - 39							
Total - - - - -							\$19,811

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

\*Purchased from foreign correspondents.

6

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

	<u>1-30 days</u> 5 - 5 1/4%	<u>31-60 days</u> 5 - 5 1/4%	<u>61-90 days</u> 5 - 5 1/4%	<u>Over 90-days</u> 5 1/8%	<u>Total</u>
Boston	0	0	\$ 5	0	\$ 5
New York	2,813	834	1,864	542	6,053
Philadelphia	152	31	101	0	284
Richmond	285	35	675	0	995
Atlanta	387*	0	136**	37***	560
Chicago	369	346	31	0	746
Dallas	81***	44***	79	0	204
San Francisco	<u>138</u>	<u>163</u>	<u>712</u>	<u>0</u>	<u>1,013</u>
Totals	<u>\$4,225</u>	<u>\$1,453</u>	<u>\$3,603</u>	<u>\$579</u>	<u>\$9,860</u>

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 4 7/8 to 5%.

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

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$136,759	\$ 9,860	\$146,619
Sold	4,811	0	4,811
Matured	0	<u>23,011</u>	<u>23,011</u>
		<u>\$13,151-</u>	<u>\$118,797+</u>
		39,575- (Net Change	39,575- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$131,948+</u>	<u>\$52,726-</u>	<u>\$ 79,222+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES OCTOBER 30, 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	\$ 32,840	0	\$ 40,964	0	\$11,857	\$207,027	\$292,688
Bills Purchased	<u>70,968</u>	<u>46,503</u>	<u>133,870</u>	<u>86,755</u>	<u>1,789</u>	<u>0</u>	<u>339,885</u>
Totals	<u>\$103,808</u>	<u>\$46,503</u>	<u>\$174,834</u>	<u>\$86,755</u>	<u>\$13,646</u>	<u>\$207,027</u>	<u>\$632,573</u>

October 30, 1929

Dear Mr. Matteson:

Receipt is acknowledged of your letter  
of October 28, addressed to Governor Young, en-  
closing report of transactions in Government se-  
curities and bankers acceptances as reported to  
the Open Market Investment Committee for the per-  
iod from October 17, to October 23, 1929.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

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

*Mr. Sm  
Riefler  
Callies*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
OCT 30 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

October 28, 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 October 17, 1929 to October 23, 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.



FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 30 1929

PERSONAL

October 28, 1929

Dear Governor Young:

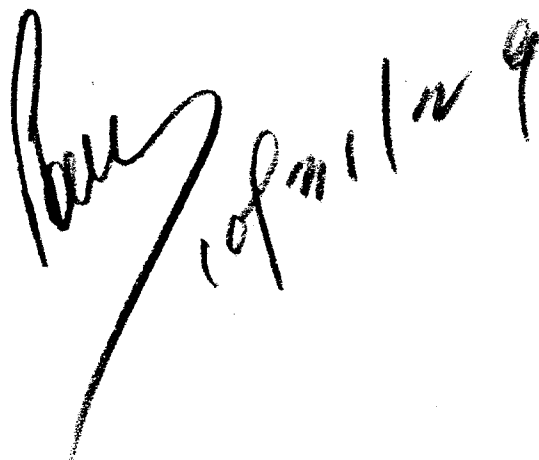
We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from October 17, 1929 to October 23, 1929 inclusive, together with data received by the Committee 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.

FEDERAL RESERVE BANK  
OF NEW YORK

FOR SPECIAL CIRCULATION

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

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

CONFIDENTIAL

October 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 October 17, 1929 to October 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 10/30/29*

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 23, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date

(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,238,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,888	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 16	1,370,428	128,063	9,565	303,260	56,850	848,935
Oct. 23	1,336,656	127,899	7,805	363,500	15,883	796,358

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

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 23	Net Change	Balance Oct. 23	Net Change	Balance Oct. 23	Net Change
Boston	\$ 2,644	\$ 0	\$ 13,345	\$ 372-	\$ 55,251	\$ 7,106-
New York	10,604	0	74,343	9,867*	107,151	22,547-
Philadelphia	16,865	0	15,768	149-	73,628	4,105-
Cleveland	27,914	0	39,227	3,829+	90,945	6,307-
Richmond	1,809	0	18,568	2,137+	55,141	3,109+
Atlanta	3,466	50+	23,998	2,906+	53,587	1,240+
Chicago	23,691	0	45,545	112+	93,916	56,322-
St. Louis	8,625	0	0	0	51,325	3,219+
Minneapolis	8,823	200-	4,131	925-	43,286	139+
Kansas City	313	0	20,560	1,333+	46,133	4,885+
Dallas	11,262	14-	13,878	1,442+	31,802	2,458+
San Francisco	11,883	0	34,751	2,366+	94,193	16,146+
N. Y. holdovers and other bills			59,386	37,694+		
Totals	\$127,899	\$164-	\$363,500	\$60,240+	\$796,358	\$52,577-

COMMENT ON CHANGES WEEK ENDED OCTOBER 23, 1929

Total earning assets of the System showed a decrease of \$33,722,000 for the current statement week. The approximate changes by classification consisted of an increase of \$60,240,000 in outright purchases of bankers acceptances and decreases of \$165,000 in outright purchases of Government securities, \$52,575,000 in bills discounted and \$42,720,000 in investments held under sales contracts. The latter decrease consisted of \$1,760,000 in Government securities and \$40,960,000 in bankers acceptances.

Money  
Market

During the money market week ended October 25, the call loan renewal rate held at 6 per cent. On all days except Friday the Exchange rate for new loans went to 5 per cent in the course of the trading, and in the outside market money was available at 4 1/2 per cent. Offerings of funds on Friday, however, were in smaller volume than in immediately preceding days, with the result that the call rate held on the Exchange at the renewal level of 6 per cent, and no outside money was reported as being available at concessions.

The inter-district flow of funds was in favor of this market in the first part of the week, but toward the end of the period turned against New York, and for the week as a whole a small loss of funds appears to have resulted, which was more than offset by other commercial and agency transactions. The member banks' reserve requirements, however, mounted rapidly as the week progressed - particularly on Thursday and Friday; - this demand for reserve funds was largely covered by a net advance of \$46,000,000 in the amount of New York City banks' borrowings at the Federal, and by an increase in the Reserve Banks' holdings of purchased bills and securities, including \$7,500,000 of securities purchased for the System Special Investment Account. The borrowings of the City banks, although showing increases towards the end of the week, averaged only \$79,000,000 for the period, or \$13,000,000 less than in the previous week, but on Saturday increased \$49,000,000 further to \$156,000,000 due to the very large increase in the banks' reserve requirements which caused actual reserve balances to be substantially in deficit at the opening of business.

In time money rates, a further marked easing occurred during the week. There was a decided absence of brokers' bids for money, in view of the comparatively low level for call money and the reduction that was effected in rates for bankers' bills. At the close of the week, money for periods this side of the year-end (30 and 60-day maturities) was quoted at 6 1/2 per cent bid, 6 3/4 per cent offered; 90-day money at 7 per cent bid, 7 1/4 per cent offered; and 4 to 6 months' loans at 6 3/4 per cent bid, 7 per cent offered. With 30 and 60-day loans placed at 6 3/4 per cent, and 90-day loans at 7 1/4 per cent, the effective trading rates for time money showed a total reduction of 1/2 - 3/4 per cent during the week to the lowest levels of the year.

Further improvement was reported in the commercial paper market. Banks outside New York City, and to some extent the City banks for account of out-of-town correspondents, bought increased amounts of paper, with the result that dealers generally reported a better volume of business than for a long time. Open market rates for prime paper declined slightly to a range of 6 - 6 1/4 per cent, as against a flat 6 1/4 per cent rate reported previously. Dealers are not hesitating to quote the 6 per cent rate to their best commercial customers, so anxious are they to acquire additional supplies of paper in view of the revival of the bank investment demand for open market paper.

Government  
Security  
Market

The demand for United States Government securities continued good during the current calendar week with the long-term bonds in best demand. The volume of trading again showed an increase over the past several weeks and prices of all issues advanced, especially the long-term bonds which showed substantial increases over the previous week's close.

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	1/4% Cert. of Ind. due Dec. 15, 1929	100 2/32	+ 2/32	3.71
4	3/4% " " " " Dec. 15, 1929	100 4/32	+ 2/32	3.77
5	1/8% " " " " Mar. 15, 1930	100 16/32	+ 6/32	3.76
4	7/8% " " " " June 16, 1930	100 16/32	+ 6/32	4.06
3	1/2% Treasury Notes " Mar. 15, 1932	98 17/32	+11/32	4.17
3	1/2% " " " Sept. 15, 1932	98 17/32	+11/32	4.06
3	1/2% " " " Dec. 15, 1932	98 17/32	+11/32	4.01

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	98 10/32	+ 6/32	Treas. 4s 1944-54	106 20/32	+2.
1st 4 1/4s	99 12/32	+22/32	" 4 1/4s 1947-52	110 23/32	+2. 5/32
4th 4 1/4s	99 22/32	+10/32	" 3 3/4s 1946-56	103 16/32	+1.29/32
			" 3 3/8s 1943-47	98 28/32	+ 27/32
			" 3 3/8s 1940-43	98 28/32	+1. 2/32

Bankers  
Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates, 5 per cent for 30s, 60s and 90s, 5 1/8 per cent for 120s and 5 1/4 per cent for 180-day bills, which represents a reduction of 1/8 of 1 per cent on all maturities.

Reports  
week  
ending  
Oct. 23

In Boston dealers reported that the supply of bills continued small with a fairly good demand. Bills moved freely at offered rates with little or no choice shown as to maturities. Offerings to the Reserve Bank continued small although a slight increase was noticed over the previous week. Dealers forwarded approximately \$8,000,000 of bills to other cities during the past period. In New York dealers' sales reached a new record this week, the volume was considerably in excess of the previous peak period, and far in excess of their purchases. The demand was mainly of orders from abroad for ninety days and longer maturities. This extraordinary demand together with our purchases to care for the anticipated heavy foreign reinvestments and new monies within the next few days, resulted in a 70% decrease in dealers' portfolios here. This left the market quite bare of desired maturities and as the investment inquiries continued, all dealers reduced their rates 1/8 to 1/4 per cent on all maturities in hopes of replenishing portfolios. Philadelphia reports that its acceptance market was quiet. Dealers reduced their bid and offered rates during the past week and as the local reserve bank's rate was unchanged, offerings to it were light. Some little improvement was noted in the demand. Dealers reported few bills on hand. Chicago reports that there was practically no demand for bills in its district during the past week. Dallas reports that the supply of new bills increased with the demand substantially heavier than during the previous week. Orders were about equally divided between 90 day bills and those having maturities of 5 or 6 months. Offerings to the Reserve Bank were larger than during the previous week and consisted principally of bills with maturities of 60 days or less.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of sales of \$60,000 aggregate par amount 4 1/4% certificates of indebtedness due December 15, 1929, account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Special Investment Account during the current statement week, the total holdings remained unchanged at the close of business Wednesday, October 23, 1929, at \$22,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,888,500	Dec. 15, 1929 - 4 1/4% C/I	\$ 2,000,000
New York	6,630,000	Dec. 15, 1929 - 4 3/4% "	3,000,000
Philadelphia	1,843,500	June 16, 1930 - 4 7/8% "	7,500,000
Cleveland	2,207,000	Dec. 15, 1932 - 3 1/2% T/N	10,000,000
Richmond	656,500		
Atlanta	819,500		
Chicago	3,754,000		
St. Louis	0		
Minneapolis	943,500		
Kansas City	310,000		
Dallas	1,274,000		
San Francisco	<u>2,173,500</u>		
Totals	<u>\$22,500,000</u>		<u>\$22,500,000</u>

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

TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 50	A-1932 T/N
Atlanta	566,650	Misc. Gov't Sec.	516,650	Misc. Gov't Sec.
Minneapolis	1,305,900	Misc. Gov't Sec.	1,506,350	Misc. Gov't Sec.
Dallas	0	-	14,000	TJ-1930 C/I
Totals	<u>\$1,872,550</u>		<u>\$2,037,050</u>	

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings Oct. 16</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Matur- ities &amp; Sales</u>	<u>Holdings Oct. 23</u>	<u>Other Holdings Close Oct. 23/29</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 13,717	\$ 1,744 R.	0	\$ 2,116	\$ 13,345	\$ 4,509	\$ 1,262
New York	64,476	13,052 " 19,363 A.	0	3,185*	74,343	3,652	6,093
Phila.	15,917	952 R.	0	1,101	15,768	0	1,637
Cleveland	35,398	351 "	5,040	1,562	39,227	0	2,471
Richmond	16,431	316 "	2,268	447	18,568	0	785
Atlanta	21,092	1,618 "	2,293	1,005	23,998	0	1,962
Chicago	45,433	348 "	1,882	2,118	45,545	2,358	2,337
St. Louis	0	0	0	0	0	0	42
Minn.	5,056	0	0	925	4,131	0	426
Kan. City	19,227	0	2,798	1,465	20,560	0	563
Dallas	12,436	757 "	1,720	1,035	13,878	1,194	563
San Fran.	32,385	933 "	3,362	1,929	34,751	4,170	1,228
Totals	\$281,568	\$39,434	\$19,363	\$16,888	\$304,114	\$15,883	\$19,369

Bills held overnight by New York for distribution to other F. R. Banks - - 3,695

" " " " " " " " " " foreign correspondents - 36,322

Total - - - - - \$59,386

\*Includes \$819,000 sold to a foreign correspondent.

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

6

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

	1-30 days 5 1/8-5 1/4%	31-60 days 5 1/8-5 1/4%	61-90 days 5 - 5 1/4%	Over 90-days 5 1/8-5 1/4%	Total
Boston	\$ 389	\$1,355	0	0	\$ 1,744
New York	2,130	3,054	24,371	2,860	32,415
Philadelphia	30	0	922	0	952
Cleveland	351	0	0	0	351
Richmond	100	0	216	0	316
Atlanta	1,089*	47**	453**	29***	1,618
Chicago	25	243	80	0	348
Dallas	108***	442***	191	16	757
San Francisco	192	553	166	22	933
Totals	\$4,414	\$5,694	\$26,399	\$2,927	\$39,434

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 4 7/8%

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

	(Excluding Sales Contracts)		
	Government Securities	Bankers Acceptances	Total
Purchased	\$1,873	\$39,434	\$41,307
Sold	2,037	819	2,856
Matured	0	16,069	16,069
		\$22,546+	\$22,382+
		5,809- (Net Change	5,809- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	\$ 164-	\$16,737+	\$16,573+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES OCTOBER 23, 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	Total
Gov't Securities	\$ 7,805	0	\$ 5,002	0	\$1,067	\$121,830	\$135,704
Bills Purchased	95,715	37,294	111,603	131,233	3,538	0	379,383
Totals	\$103,520	\$37,294	\$116,605	\$131,233	\$4,605	\$121,830	\$515,087



October 22, 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 October 21, addressed to Governor Young, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from October 10, 1929 to October 16, 1929, inclusive.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

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

DECLASSIFIED  
Authority E.O. 10501

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 22 1929  
THE ASSOCIATION

PERSONAL

R. A. Y.  
OCT 22 1929

October 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 October 10, 1929 to October 16, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,  
*W. E. Matteson*

W. E. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl.

*Mr. Smead* ✓  
*Mr. Rieffer* ✓  
*Mr. Collier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 22 1929  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

October 21, 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 October 10, 1929 to October 16, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

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

Gov. Young ✓  
Mr. Platt ✓

Mr. Hamlin ✓  
Mr. Miller ✓

Mr. James ✓  
Mr. Cunningham ✓

Mr. Pole ✓

CONFIDENTIAL

October 21, 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 October 10, 1929 to October 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.

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

*See letter 10/21/29*

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 16, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
1928						
Oct. 31	\$1,603,476	\$200,470	\$26,629	\$355,479	\$33,897	\$ 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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 9	1,345,970	127,493	13,265	287,755	45,396	857,306
" 16	1,370,428	128,063	9,565	303,260	56,850	848,935

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 16	Change	Oct. 16	Change	Oct. 16	Change
Boston	\$ 2,644	\$ 1-	\$ 13,717	\$ 77+	\$ 62,357	\$6,419-
New York	10,604	100+	64,476	4,746+	129,698	1,500-
Philadelphia	16,865	0	15,917	775+	77,733	5,458+
Cleveland	27,914	0	35,398	4,244+	84,638	7,185-
Richmond	1,809	0	16,431	670+	52,032	2,070+
Atlanta	3,416	44+	21,092	1,148+	52,347	4,963-
Chicago	23,691	0	45,433	5,886+	150,238	26,320+
St. Louis	8,625	0	0	0	43,106	3,306-
Minneapolis	9,023	413+	5,056	1,130-	43,147	1,112+
Kansas City	313	0	19,227	1,844+	41,248	544-
Dallas	11,276	14+	12,436	937+	29,344	1,656-
San Francisco	11,883	0	32,385	1,807+	78,047	17,758-
N.Y. holdovers and other bills			21,692	5,499-		
Totals	\$128,063	\$570+	\$303,260	\$15,505+	\$848,935	\$ 8,371-

COMMENT ON CHANGES WEEK ENDED OCTOBER 16, 1929

Total earning assets of the System showed an increase of \$24,458,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$8,370,000 in bills discounted and increases of \$570,000 in outright purchases of government securities, \$15,500,000 in outright purchases of bankers acceptances and \$7,750,000 net in investments held under sales contract. The latter item consisted of a decrease of \$3,700,000 in Government securities and an increase of \$11,450,000 in bankers acceptances.

Money  
Market

Call money turned slightly firmer during the first part of the calendar week, which included the mid-month turnover. The call loan rate held on Monday, the 14th, at the renewal level of 6 per cent, as against declines to 5 per cent in the new loan rate on the previous three days, and, following a loss of funds to other centers, the new loan rate rose to 7 per cent on Tuesday, the 15th. The 7 per cent rate prevailed until noon of Thursday, when a decline to 6 per cent occurred, and on Friday there was a further decline to 5 per cent from the 6 per cent renewal rate. The easing after October 15 reflected a reversal in the inter-district flow of funds and the fact that the New York market was also the gainer through an excess of Government interest payments over withdrawals from depositaries in this district.

During the first part of the week, the slightly firmer money conditions were accompanied by the return of a substantial amount of sales contracts to the Reserve Bank, following the retirement effected during the previous week. Later in the period, when the borrowings of the New York City banks had returned to a level of \$60,000,000 to \$70,000,000 and money had eased, there again was a retirement of sales contract holdings at the Reserve Bank. On Friday, alone, the New York City banks were able to stand a substantial loss of funds to other centers, due to the favorable reserve position which they had built up; a large part of the outflow of Friday doubtless represented the transfer to other cities of funds raised through several large new security flotations during the week.

The time money market continued to ease during the past week, and rates reached a level about 1 1/2 per cent below that prevailing at the beginning of the month. The trading rate for 90 day money worked as low as 7 1/2 - 7 3/4 per cent, and 30 and 60 day loans were arranged toward the end of the week at 7 1/4 and 7 1/2 per cent, respectively. There was little interest shown in maturities beyond 3 months. Offerings of funds were rather large, and as a result of the soft tone of the market, lenders found difficulty at the close of the period in consummating any loans at other than the bid rate.

Commercial paper dealers again reported that the bank investment demand for paper was in more satisfactory volume, and attributed the slight increase in their sales to interior banks to the comparatively low level of call money rates. The prevailing rate for average prime names remained at 6 1/4 per cent, though there were also reports of some distribution of choice names at 6 per cent. Open market drawings of paper continued in relatively light volume.

Government  
Security  
Market

The improvement in the demand for United States Government securities which was reflected in the market during the preceding two weeks, was more marked during the current calendar week. The volume of trading was reported to have been much larger than during the past several weeks and all issues showed advances in prices, the 3 1/2 per cent Treasury notes and long-term bonds showing the largest gains.

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 1/4%	Cert. of Ind. due Dec. 15, 1929	100	+ 2/32	4.18
4 3/4%	" " " " Dec. 15, 1929	100 2/32	+ 1/32	4.30
5 1/8%	" " " " Mar. 15, 1930	100 10/32	+ 3/32	4.30
4 7/8%	" " " " June 16, 1930	100 10/32	+ 4/32	4.37
3 1/2%	Treasury Notes " Mar. 15, 1932	98 6/32	+14/32	4.30
3 1/2%	" " " Sept. 15, 1932	98 6/32	+14/32	4.17
3 1/2%	" " " Dec. 15, 1932	98 6/32	+14/32	4.12

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	98 4/32	+23/32	Treas. 4s 1944-54	104 20/32	+1-24/32
1st 4 1/4s	99 8/32	+22/32	" 4 1/4s 1947-52	108 18/32	+1-21/32
4th 4 1/4s	99 12/32	+22/32	" 3 3/4s 1946-56	101 19/32	+1- 1/32
			" 3 3/8s 1943-47	98 1/32	+ 20/32
			" 3 3/8s 1940-43	97 26/32	+ 13/32

Bankers  
Acceptances

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

Reports  
week  
ending  
Oct. 16

In Boston dealers reported that there was a very small increase in the supply of bills during the past week with a much better local demand. Bills moved freely at offered rates with all maturities in good demand. Dealers' portfolios decreased \$1,000,000 to \$8,300,000. Offerings to the Reserve Bank were very small. In New York the demand for bills reached a peak for all times, and was substantially in excess of the supply. Dealers' sales consisted mainly of orders from abroad for 90s. Local buying was good and mainly for corporation account. Dealers' purchases were in heavy volume but somewhat less than the previous week's record volume. Dealers' portfolios decreased substantially. Rates were unchanged. Philadelphia reports that the bill market in its district was dull during the past week. Offerings by dealers continued fairly heavy, with the demand light. Very few new bills were made. Chicago reports that the bill market in its district remained unchanged. The supply and demand were small. Dallas reports that the demand for bills in its district was considerably less than the previous week. Interior banks continued to be principal buyers with preference shown for bills with maturities of 90 days or longer. Offerings to the Reserve Bank were substantially less than the previous week.

4

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

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

Purchase of \$1,000,000 par amount	4 1/4%	certificates of indebtedness, due	Dec. 15, 1929 account Redemption
1,027,000	"	"	4 1/4% certificates of indebtedness, due
			Dec. 15, 1929 account German Special
			Deposit Account
134,500	"	"	4 1/4% Fourth 4 1/4% Liberty Loan bonds
			account General Railroad Contingent Fund
1,320,000	"	"	4 1/4% certificates of indebtedness, due
			Dec. 15, 1929 account Government Life
			Insurance Fund
930,000	"	"	4 3/4% certificates of indebtedness, due
			Dec. 15, 1929 account Government Life
			Insurance Fund
<u>\$4,411,500</u>		Total Purchases	

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction in the System Special Investment Account during the current statement week, the total holdings remained unchanged at the close of business Wednesday, October 16, 1929, at \$22,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$1,888,500	Dec. 15, 1929 - 4 1/4% C/I	\$2,000,000
New York	6,630,000	Dec. 15, 1929 - 4 3/4% "	3,000,000
Philadelphia	1,843,500	June 16, 1930 - 4 7/8% "	7,500,000
Cleveland	2,207,000	Dec. 15, 1932 - 3 1/2% T/N	10,000,000
Richmond	656,500		
Atlanta	819,500		
Chicago	3,754,000		
St. Louis	0		
Minneapolis	943,500		
Kansas City	310,000		
Dallas	1,274,000		
San Francisco	<u>2,173,500</u>		
Totals	<u>\$22,500,000</u>		<u>\$22,500,000</u>



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

TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	0	-	\$ 1,150	March 15, 1932 T/N
New York	*3,500,000	Misc. Gov't Sec.	*3,400,000	Misc. Gov't Sec.
Atlanta	350,900	" " "	306,950	" " "
Minneapolis	1,176,300	" " "	762,750	" " "
Dallas	<u>14,000</u>	June 16, 1930 C/I	<u>50</u>	Fourth L/L bonds
Totals	<u>\$5,041,200</u>		<u>\$4,470,900</u>	

\*Held temporarily.

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings</u> <u>Oct. 9</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 &amp;</u> <u>Sales</u>	<u>Holdings</u> <u>Oct. 16</u>	<u>Other Holdings</u> <u>Close Oct. 16/29</u>	
						<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 13,640	\$ 962 R.	\$ 0	\$ 885	\$ 13,717	\$ 8,095	\$ 1,260
New York	59,730	10,045 R. 22,884 A.	0	5,299*	64,476	39,390	6,089
Phila.	15,142	1,943 R.	0	1,168	15,917	0	1,635
Cleveland	31,154	460 "	4,732	948	35,398	0	2,468
Richmond	15,761	0	2,278	1,608	16,431	0	783
Atlanta	19,944	1,847 "	1,922	2,621	21,092	0	1,990
Chicago	39,547	551 "	6,511	1,176	45,433	5,276	2,333
St. Louis	0	0	0	0	0	0	42
Minn.	6,186	0	0	1,130	5,056	0	426
Kan. City	17,383	240 "	2,878	1,274	19,227	0	562
Dallas	11,499	371 "	1,657	1,091	12,436	567	562
San. Fran.	<u>30,578</u>	<u>2,234</u> "	<u>2,906</u>	<u>3,333</u>	<u>32,385</u>	<u>3,522</u>	<u>1,226</u>
Totals	\$260,564	\$41,537	\$22,884	\$20,533	\$281,568	\$56,850	\$19,376

Bills held overnight by New York for distribution to other F. R. Banks - 2,316

Total - - - - - \$21,692

\* Includes \$1,799,000 sold to foreign correspondents.

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

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

	1-30 days 5 1/8-5 1/4%	31-60 days 5 1/8-5 1/4%	61-90 days 5 - 5 1/4%	Over 90-days 5 1/8-5 1/4%	Total
Boston	\$ 198	\$ 463	\$ 301	0	\$ 962
New York	2,233	2,254	28,215	247	32,929
Philadelphia	425	50	1,468	0	1,943
Cleveland	0	0	460	0	460
Atlanta	1,185*	307**	355**	0	1,847
Chicago	50	476	25	0	551
Kansas City	30	30	180	0	240
Dallas	221***	83****	42	25	371
San Francisco	130	1,697	326	81	2,234
<b>Totals</b>	<b>\$4,472</b>	<b>\$5,340</b>	<b>\$31,372</b>	<b>\$353</b>	<b>\$41,537</b>

\* Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 4 7/8%,  
\*\*\*\*Purchased at 4 7/8 to 5%

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

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$5,041	\$41,537	\$46,578
Sold	4,471	1,799	6,270
Matured	0	18,734	18,734
		\$21,004+	\$21,574+
		5,499- (Net Change	5,499- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
<b>Totals</b>	<b>\$ 570+</b>	<b>\$15,505+</b>	<b>\$16,075+</b>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES OCTOBER 16, 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	Total
Gov't Securities	\$ 9,565	0	\$ 5,023	0	\$1,072	\$121,968	\$137,628
Bills Purchased	94,021	37,627	96,796	130,028	1,638	0	360,110
<b>Totals</b>	<b>\$103,586</b>	<b>\$37,627</b>	<b>\$101,819</b>	<b>\$130,028</b>	<b>\$2,710</b>	<b>\$121,968</b>	<b>\$497,738</b>

October 16, 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 14th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from October 3, 1929 to October 9, 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.

*Mr. Smead ✓*  
*Mr. Pfeiffer ✓*  
*Mr. Callier ✓*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 16 1929  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

October 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 October 3, 1929 to October 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 16 1929  
FEDERAL RESERVE BANK  
OF NEW YORK

PERSONAL

October 14, 1929

OCT 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 October 3, 1929 to October 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.

FOR SPECIAL CIRCULATION

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

✓ Gov. Young

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt ✓

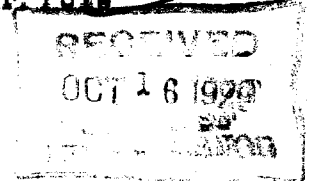
Mr. Miller ✓

Mr. Cunningham ✓

Mr. Poole ✓

FEDERAL RESERVE BANK

OF NEW YORK



CONFIDENTIAL

October 14, 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.

*See (letter) 10/14/29*

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 9, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 2	1,414,228	127,202	18,550	239,339	83,479	930,633
" 9	1,345,970	127,493	13,265	287,755	45,396	857,306

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Oct. 9	Change	Oct. 9	Change	Oct. 9	Change
Boston	\$ 2,645	\$ 757-	\$ 13,640	\$ 320+	\$ 68,776	\$ 2,413-
New York	10,504	2,533-	59,730	13,607+	131,198	20,620-
Philadelphia	16,865	814-	15,142	664+	72,275	2,963-
Cleveland	27,914	1,093-	31,154	7,307+	91,823	12,110+
Richmond	1,809	0	15,761	4,048+	49,962	1,714-
Atlanta	3,372	38-	19,944	3,119+	57,310	7,057-
Chicago	23,691	1,193-	39,547	9,637+	123,918	27,194-
St. Louis	8,625	8,625+	0	0	51,412	21,194-
Minneapolis	8,610	536-	6,186	962-	42,035	622+
Kansas City	313	617-	17,383	4,238+	41,792	1,076-
Dallas	11,262	0	11,499	440+	31,000	3,110-
San Francisco	11,883	953-	30,578	3,864+	95,805	1,282+
N.Y. holdovers and other bills			27,191	2,132+		
Totals	\$127,493	\$ 291+	\$287,755	\$48,416+	\$857,306	\$73,327-

COMMENT ON CHANGES WEEK ENDED OCTOBER 9, 1929

Total earning assets of the System showed a decrease of \$68,258,000 for the current statement week. The approximate changes by classification consisted of an increase of \$290,000 in outright purchases of Government securities, \$48,400,000 in outright purchases of bankers acceptances and decreases of \$73,325,000 in bills discounted and \$43,300,000 net in investments held under sales contracts. The latter item consisted of \$38,000,000 in bankers acceptances and \$5,300,000 in Government securities.

Money  
Market

The past calendar week has been a period of relatively easy conditions in the New York money market. On Monday and Tuesday, the renewal rate was set at 6 1/2 per cent, and on both days the Exchange new loan rate went to 6 per cent. On the last three days of the week the renewal rate was 6 per cent with declines in the new loan rate on the Exchange to 5 per cent, and to 4 1/2 and even 4 per cent in the outside market. The 5 per cent rate for new loans on the Exchange was the lowest since August of last year. Offerings of funds throughout the week were in large volume, but demand for loans was smaller than in other recent weeks. The large supply was attributed at least in part to the offering of funds of financial trading companies which had been obtained through recent issues of stock. This seems to be borne out by a further increase in brokers loans placed for account of "others," notwithstanding the reported withdrawal of foreign funds from this market.

During most of the week funds were transferred out of this market to other centers, but on the other hand there were gains to the market through the return of currency from circulation during the first part of the week and from continued outright purchases of bills for System Account throughout the period. With the New York City banks as a group borrowing only \$60,000,000 to \$70,000,000 at the Reserve Bank on most days, and with the larger banks entirely out of debt, the bill and security dealers retired sales contracts at the Reserve Bank and were able to place them with the City banks at lower than the Reserve Bank rate. On Friday, however, the City banks were forced to borrow an additional \$80,000,000, raising their total indebtedness to \$140,000,000, due to a shortage in their reserve position which they allowed to develop toward the end of the week.

Rates for time money on stock exchange collateral also showed a material easing during the past week. The extent of the decline may be judged from the fact that on Friday, October 4, all maturities were quoted and lent at 9 per cent flat, whereas a week later, or on October 11, the time money market was quoted at 8 per cent bid, 8 1/4 per cent offered. A comparatively large amount of money for all maturities from 30 days to 6 months was placed on Friday at both the 8 and 8 1/4 per cent rates.

Accompanying the lower rates quoted for open market security loans, the bank investment demand for commercial paper has shown signs of reviving. The dealers in general reported a larger volume of sales than in recent weeks. In fact, some dealers indicated that they had even been able to dispose of exceptionally prime paper at 6 per cent. The quoted rate for average prime names, however, continued to be 6 1/4 per cent.

Government  
Security  
Market

Accompanying the easier money conditions which prevailed during the current calendar week the undertone in the United States Government security market continued to improve. While the amount of trading was reported to be moderate, prices of all issues showed fractional gains over the previous week's close.



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 1/4%	Cert. of Ind. due	Dec. 15, 1929	99 30/32	+2/32	4.56
4 3/4%	" " "	Dec. 15, 1929	100 1/32	+1/32	4.55
5 1/8%	" " "	Mar. 15, 1930	100 7/32	+2/32	4.57
4 7/8%	" " "	June 16, 1930	100 6/32	+3/32	4.58
3 1/2%	Treasury notes	Mar. 15, 1932	97 24/32	+8/32	4.50
3 1/2%	" " "	Sept. 15, 1932	97 24/32	+10/32	4.33
3 1/2%	" " "	Dec. 15, 1932	97 24/32	+10/32	4.27

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	97 13/32	+16/32	Treas. 4s 1944-54	102 28/32	+17/32
1st 4 1/4s	98 18/32	+12/32	" 4 1/4s 1947-52	106 29/32	+13/32
4th 4 1/4s	98 22/32	+ 8/32	" 3 3/4s 1946-56	100 18/32	+10/32
			" 3 3/8s 1943-47	97 13/32	+19/32
			" 3 3/8s 1940-43	97 13/32	+13/32

Bankers  
Acceptances

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

Reports  
week  
ending  
Oct. 9

Boston reports that there was some increase in the supply of bills in its district during the past week. There was also better buying by the large banks and corporations. Offerings to the Reserve Bank were moderate. Dealers continued to forward more bills to their offices in other cities than they received. Dealers' portfolios increased slightly. In New York the seasonal drawings financing cotton in warehouse and in process of distribution, together with silk imports and also various commodity shipments between foreign countries, increased the supply of bills very substantially in volume to a peak for all time. The demand also increased substantially but fell short of absorbing the heavy volume of new offerings. As dealers were already carrying large portfolios and had no desire to increase them, the excess on bills which the demand had no need for, were sold to the Reserve Bank for System Account. Owing to easier money conditions, dealers were in a comfortable position, being able to carry most of their portfolios on the outside. Rates were unchanged. Philadelphia reports that other than the fact that there was some little improvement in out-of-town buying, the acceptance market showed little change. Offerings were substantial with the demand fair. Chicago reports that the bill market in its district continued very dull. Dallas reports that there was a substantial improvement in the demand for bills during the past week in its district. Preference was shown for long bills and one dealer reported that the supply of those bills was inadequate. Offerings to the Reserve Bank were less than last week.

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% certificates of indebtedness due Dec. 15, 1929, account Government Life Insurance Fund

and purchase of    7,500,000 " "    3 1/2% Treasury notes due March 15, 1932 account Sinking Fund

I SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

On Wednesday, October 9, 1929, the Federal Reserve Bank of St. Louis repurchased the \$8,625,000 par value of Government securities which had been held temporarily in the System Account since August 6th last. This sale reduced the total amount of holdings in the Account at the close of the statement week to \$22,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 1,888,500	Dec. 15, 1929 - 4 1/4% C/I	\$ 2,000,000
New York	6,630,000	Dec. 15, 1929 - 4 3/4% "	3,000,000
Philadelphia	1,843,500	June 15, 1930 - 4 7/8% "	7,500,000
Cleveland	2,207,000	Dec. 15, 1932 - 3 1/2% T/N	10,000,000
Richmond	656,500		
Atlanta	819,500		
Chicago	3,754,000		
St. Louis	0		
Minneapolis	943,500		
Kansas City	310,000		
Dallas	1,274,000		
San Francisco	2,173,500		
Totals	\$22,500,000		\$22,500,000

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 0	\$ 757,500
New York	0	2,832,500
Philadelphia	0	813,500
Cleveland	0	1,093,500
Richmond	0	0
Atlanta	0	0
Chicago	0	1,193,000
St. Louis	8,625,000	0
Minneapolis	0	364,500
Kansas City	0	617,000
Dallas	0	0
San Francisco	0	953,500
<b>Totals</b>	<b>\$8,625,000</b>	<b>\$8,625,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
		Misc. Gov't Sec.		Misc. Gov't Sec.
New York	\$ 9,550,000	"	\$ 9,250,000	"
Atlanta	615,850	"	654,100	"
Minneapolis	563,150	"	535,550	"
<b>Totals</b>	<b>\$10,729,000</b>		<b>\$10,439,650</b>	

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings	Other Holdings Close Oct. 9/29	
	Oct. 2				Oct. 9	Sales Contracts	Other Bills
Boston	\$ 13,320	\$ 1,125 R.	\$ 0	\$ 805	\$ 13,640	\$ 7,928	\$ 1,255
New York	46,123	18,650 "	0	5,043	59,730	28,592	6,434
		32,641 A.					
Philadelphia	14,478	1,981 R.	0	1,317	15,142	0	1,628
Cleveland	23,847	0	7,649	342	31,154	0	2,217
Richmond	11,713	166 "	4,049	167	15,761	0	780
Atlanta	16,825	2,792 "	3,413	3,086	19,944	0	2,093
Chicago	29,910	1,970 "	8,973	1,306	39,547	4,199	2,322
St. Louis	0	0	0	0	0	0	42
Minneapolis	7,148	0	0	962	6,186	0	424
Kansas City	13,145	0	4,643	405	17,383	0	559
Dallas	11,059	686 "	1,317	1,563	11,499	564	560
San Francisco	26,714	2,789 "	2,597	1,522	30,578	4,113	1,221
<b>Totals</b>	<b>\$214,282</b>	<b>\$62,800</b>	<b>\$32,641</b>	<b>\$16,518</b>	<b>\$260,564</b>	<b>\$45,396</b>	<b>\$19,535</b>
Bills held over night by New York for distribution to other F. R. Banks - - -							5,351
" " " " " " " " " " " Foreign Correspondents - - -							2,305
<b>Total</b> - - - - -							<b>\$27,191</b>

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

6

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

	<u>1-30 days</u> <u>5 1/8%</u>	<u>31-60 days</u> <u>5 1/8-5 1/4%</u>	<u>61-90 days</u> <u>5 - 5 1/4%</u>	<u>Over 90-days</u> <u>5 - 5 1/4%</u>	<u>Total</u>
Boston	\$ 1	\$ 692	\$ 432	\$ 0	\$ 1,125
New York	4,999	6,072	39,819	401	51,291
Philadelphia	65	248	1,668	0	1,981
Richmond	0	166	0	0	166
Atlanta	1,781	286	720	5	2,792
Chicago	137	1,779	54	0	1,970
Dallas	314*	185**	137	50	686
San Francisco	<u>450</u>	<u>2,022</u>	<u>317</u>	<u>0</u>	<u>2,789</u>
Totals	<u>\$7,747</u>	<u>\$11,450</u>	<u>\$43,147</u>	<u>\$456</u>	<u>\$62,800</u>

\* Purchased at 4 7/8%, \*\* Purchased at 4 7/8 to 5%.

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

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$19,354	\$62,800	\$82,154
Sold	19,065	0	19,065
Matured	0	<u>16,518</u>	<u>16,518</u>
		<u>\$46,282+</u>	<u>\$46,571+</u>
		2,132+ (Net Change	2,132+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 289+</u>	<u>\$48,414+</u>	<u>\$48,703+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES OCTOBER 9, 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	\$13,265	\$ 0	\$ 0	\$ 6,594	\$ 567	\$120,332	\$140,758
Bills Purchased	<u>85,797</u>	<u>41,777</u>	<u>84,964</u>	<u>118,464</u>	<u>2,149</u>	<u>0</u>	<u>333,151</u>
Totals	<u>\$99,062</u>	<u>\$41,777</u>	<u>\$84,964</u>	<u>\$125,058</u>	<u>\$2,716</u>	<u>\$120,332</u>	<u>\$473,909</u>

October 8, 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 7th instant, enclosing report of transactions in Government securities and bankers acceptances as reported to your committee for the period from September 26, 1929 to October 2, 1929 inclusive.

Very truly yours,

E. M. McClelland,  
Assistant Secretary

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

FEDERAL RESERVE BANK  
OF NEW YORK

OCT 8 1929  
TELE. ROOM

PERSONAL

October 7, 1929

O. A. Y.  
OCT 9 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 September 26, 1929 to October 2, 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

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

Encl.

*Mr. Smead ✓*  
*Riefler*  
*Collier*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
OCT - 8 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

October 7, 1929

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

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W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

FOR SPECIAL CIRCULATION

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

Mr. Young

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt

Mr. Miller ✓

Mr. Cunningham ✓

Mr. Pole *absent*

FEDERAL RESERVE BANK

OF NEW YORK

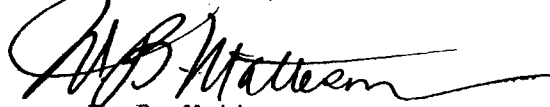
CONFIDENTIAL

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Secretary, Open Market  
Investment Committee

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

Encl.



CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED OCTOBER 2, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
Oct. 31	\$1,603,476	\$200,470	\$26,629	\$355,479	\$83,897	\$ 932,271
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Mar. 27	1,409,712	165,965	4,345	191,627	16,800	1,024,130
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Aug. 28	1,291,562	126,566	18,755	95,266	61,243	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 2	1,414,228	127,202	18,550	239,339	83,479	930,633

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Oct. 2	Net Change	Balance Oct. 2	Net Change	Balance Oct. 2	Net Change
Boston	\$ 3,402	\$ 0	\$ 13,320	\$ 629+	\$ 71,189	\$ 5,838+
New York	13,037	1,350+	46,123	17,980+	151,818	81,125-
Philadelphia	17,679	0	14,478	2,235+	75,238	4,149-
Cleveland	29,007	0	23,847	9,426+	79,713	2,422-
Richmond	1,809	0	11,713	4,503+	51,676	4,333-
Atlanta	3,410	9-	16,825	4,022+	64,367	2,204+
Chicago	24,884	0	29,910	9,856+	151,112	48,891+
St. Louis	0	0	0	0	72,606	2,061+
Minneapolis	8,946	112-	7,148	2,435+	41,413	4,097+
Kansas City	930	0	13,145	5,429+	42,868	6,415+
Dallas	11,262	0	11,059	2,292+	34,110	177+
San Francisco	12,836	0	26,714	5,466+	94,523	8,590+
N.Y. holdovers and other bills			25,057	4,383-		
Totals	\$127,202	\$1,229+	\$239,339	\$59,890+	\$930,633	\$13,766-

COMMENT ON CHANGES WEEK ENDED OCTOBER 2, 1929

Total earning assets of the System showed an increase of \$38,761,000 for the current statement week. The approximate changes by classification consisted of an increase of \$1,230,000 in outright purchases of Government securities and \$59,900,000 in outright purchases of bankers acceptances, and decreases of \$13,750,000 in bills discounted and \$8,565,000 net in investments held under sales contracts. The latter item consisted of \$1,000,000 in bankers acceptances and \$7,535,000 in Government securities.

Money  
Market

Call money held at 9 per cent for renewals and 10 per cent for new loans on September 30 and October 1. On October 2, however, an easier situation developed and money continued to ease for the balance of the calendar week just closed. By Friday the renewal rate had declined to 6 1/2 per cent, the lowest since June 3, and the new loan rate had dropped to 6 per cent. The reserve requirements of the banks rose sharply at the turn of the month, reflecting the accumulation of deposits in New York for the purpose of paying interest and dividends, but there was a subsequent rapid reduction in requirement figures as funds were disbursed. Bill purchases by the Reserve Bank continued to place funds in the market during the first part of the week, but later, due to the accumulation of large excess bank reserves, a substantial amount of sales contract holdings of the Reserve Bank was retired - both of bills and securities. For the week as a whole, the borrowings of the New York City banks averaged only \$86,000,000, which is \$49,000,000 less than the average of the preceding week.

A slightly easier tendency developed in the time money market during the past week. At the opening of the period, time money was quoted at 9 per cent bid, 9 1/4 per cent offered with loans made at both rates, chiefly for the shorter maturities. In the succeeding days the rate declined to a flat 9 per cent basis and all maturities up to 6 months were placed at this rate.

Both the demand for and supply of commercial paper remained of limited proportions during the past week. Most prime names were offered at 6 1/4 per cent, as in some recent weeks.

Government  
Security  
Market

Accompanying easier money conditions during the latter part of the calendar week there was some improvement shown in the demand for United States Government securities, especially for the short-term issues. While the price changes for the week were somewhat irregular the tendency appeared to be toward slightly higher levels.

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 1/4% Cert. of Ind. due Dec. 15, 1929	98 28/32	-1/32	4.86
4 3/4% " " " " Dec. 15, 1929	100	-1/32	4.74
5 1/8% " " " " Mar. 15, 1930	100 5/32	- - -	4.74
4 7/8% " " " " June 16, 1930	100 3/32	+2/32	4.73
3 1/2% Treasury Notes " Mar. 15, 1932	97 16/32	+4/32	4.58
3 1/2% " " " Sept. 15, 1932	97 14/32	+4/32	4.45
3 1/2% " " " Dec. 15, 1932	97 14/32	+4/32	4.37

Closing Prices on New York Stock Exchange at the end of the  
Calendar Week and Net Changes from Previous Week's Close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	96 29/32	-15/32	Treas. 4s 1944-54	102 11/32	-15/32
1st 4 1/4s	98 6/32	- 2/32	" 4 1/4s 1947-52	106 16/32	+ 2/32
4th 4 1/4s	98 14/32	- 1/32	" 3 3/4s 1946-56	100 8/32	+ 4/32
			" 3 3/8s 1943-47	96 26/32	- 8/32
			" 3 3/8s 1940-43	97	- - -

Bankers  
Acceptances

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

Reports  
week  
ending  
Oct. 2

Boston reports that there was no improvement in its bill market during the past period. The supply of bills continued small with the demand negligible. City banks were poor buyers of bills. Dealers continued to ship many of their bills to their offices in other cities. Bills as a whole did not move freely with little choice as to maturities. Offerings to the Reserve Bank increased slightly. In New York the supply of bills increased considerably this week and was substantially in excess of the demand, which fell off to a moderate volume. Dealers' sales were mainly of orders for nineties for foreign account. As a result of the heavy volume of fresh drawings referred to above and in spite of the demand, together with the large reserve bank purchases in support of the situation, dealers' portfolios here increased moderately. Rates were unchanged. Philadelphia reports that its bill market showed little change from the previous week. Offerings continued plentiful with the demand small. New bills coming into the market consisted principally of cotton bills. Dealers reported very little change in portfolios. Chicago reports that there was practically no investment demand for bills in its district. Dallas reports that there was very little change in the bill market in its district from previous week. The demand, although lighter than during the previous week, continued good with preference shown for the long maturities. The supply of new bills coming into the market increased slowly. Offerings to the Reserve Bank were slightly less than in previous week.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

The only transaction consummated under Treasury authorization during the current statement week consisted of a purchase of \$750,000 par amount 4 7/8% certificates of indebtedness due June 16, 1930, for German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction consummated in the System Special Investment Account during the current statement week, the total holdings remaining unchanged at the close of business Wednesday, October 2, 1929, at \$31,125,000, including the \$8,625,000 securities held temporarily for the Federal Reserve Bank of St. Louis. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 2,646,000	Dec. 15, 1929 - 4 1/4% C/I	\$ 2,000,000
New York	9,462,500	Dec. 15, 1929 - 4 3/4% "	3,000,000
Philadelphia	2,657,000	June 16, 1930 - 4 7/8% "	7,500,000
Cleveland	3,300,500	Dec. 15, 1932 - 3 1/2% T/N	10,000,000
Richmond	656,500		
Atlanta	819,500	Plus temporary purchases	
Chicago	4,947,000	from St. Louis' portfolio	
St. Louis	0	Sept. 15, 1932 - 3 1/2% T/N	3,000,000
Minneapolis	1,308,000	Dec. 15, 1932 - 3 1/2% "	3,500,000
Kansas City	927,000	June 15, 1947 - 3 3/8% T/B	1,625,000
Dallas	1,274,000	June 15, 1947 - 4 1/4% 1st L/L	500,000
San Francisco	3,127,000		
Totals	\$31,125,000		\$31,125,000

$$\begin{array}{r} 31125 \\ 8625 \\ \hline 22500 \end{array}$$

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL  
FEDERAL RESERVE BANKS FROM SEPTEMBER 26 TO OCTOBER 2, 1929, INCLUSIVE

TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 400	March 15, 1932 T/N
New York	2,100,000*	June 16, 1930 C/I	750,000*	June 16, 1930 C/I
Atlanta	272,950	Misc. Gov't Sec.	281,950	Misc. Gov't Sec.
Minneapolis	479,600	Misc. Gov't Sec.	591,100	Misc. Gov't Sec.
Totals	<u>\$2,852,550</u>		<u>\$1,623,450</u>	

\* Held Temporarily.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Sept. 25	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings Oct. 2	Other Holdings Close Oct. 2, 1929	
						Sales Contracts	Other Bills
Boston	\$ 12,691	\$ 1,014 R	\$ 0	\$ 385	\$ 13,320	\$ 7,013	\$ 1,255
New York	28,143	22,176 " 44,923 A	0	4,196	46,123	68,352	6,396
Phila.	12,243	2,938 R	0	703	14,478	0	1,628
Cleveland	14,421	479 "	9,444	497	23,847	0	1,973
Richmond	7,210	65 "	4,742	304	11,713	0	780
Atlanta	12,803	682 "	4,476	1,136	16,825	0	2,118
Chicago	20,054	476 "	10,827	1,447	29,910	4,055	2,322
St. Louis	0	0	0	0	0	0	42
Minn.	4,713	0	2,705	270	7,148	0	424
Kan. City	7,716	0	5,758	329	13,145	0	559
Dallas	8,767	866 "	2,329	903	11,059	417	560
San Fran.	21,248	2,317 "	4,642	1,493	26,714	3,642	1,221
Totals	\$150,009	\$75,936	\$44,923	\$11,663	\$214,282	\$83,479	\$19,278
Bills held over night by New York for distribution to other F. R. Banks -						5,779	
Total - - - - -						\$25,057	

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

6

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

	1-30 days 5 1/8-5 1/4%	31-60 days 5 1/8-5 1/4%	61-90 days 5 - 5 1/4%	Over 90-days 5 - 5 1/2%	Total
Boston	\$ 37	\$ 548	\$ 348	\$ 81	\$ 1,014
New York	8,322	5,050	52,426	1,301	67,099
Philadelphia	779	402	1,757	0	2,938
Cleveland	0	0	479	0	479
Richmond	0	25	40	0	65
Atlanta	391*	55**	219**	17	682
Chicago	31	445	0	0	476
Dallas	148***	321****	109	288	866
San Francisco	414	756	1,147	0	2,317
Totals	\$10,122	\$7,602	\$56,525	\$1,687	\$75,936

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 4 7/8%,  
\*\*\*\*Purchased at 4 7/8 to 5%.

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

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$2,853	\$75,936	\$78,789
Sold	1,623	0	1,623
Matured	0	11,663	11,663
		\$64,273+	\$65,503+
		4,383- (Net Change 1-day holdover and other bills)	4,383- (Net Change 1-day holdover and other bills)
Totals	\$1,230+	\$59,890+	\$61,120+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES OCTOBER 2, 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	Total
Gov't Securities	\$ 18,550	0	0	\$ 5,034	\$ 70	\$122,098	\$145,752
Bills Purchased	124,265	37,089	61,388	97,441	2,635	0	322,818
Totals	\$142,815	\$37,089	\$61,388	\$102,475	\$2,705	\$122,098	\$468,570

October 1, 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 September 30th, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from September 19, 1929 to September 25, 1929, inclusive.

Very truly yours,

J. C. Noell,  
Assistant Secretary

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

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
OCT 1 1929

R. A. Y.  
OCT 1 1929

PERSONAL

September 30, 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 September 19, 1929 to September 25, 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.



*Mr. Smead ✓  
Riefler ✓  
Collier*

**FEDERAL RESERVE BANK  
OF NEW YORK**

**RECEIVED**  
OCT - 1 1929  
DIVISION OF RESEARCH  
AND STATISTICS.

CONFIDENTIAL

September 30, 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 September 19, 1929 to September 25, 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.

FOR SPECIAL CIRCULATION

PLEASE RETURN PROMPTLY. INITIAL AND RETURN TO SECRETARY'S OFFICE

✓ Gov. Young      Mr. Hamlin ✓      Mr. James ✓  
 ✓ Mr. Platt      Mr. Miller ✓      Mr. Cunningham ✓      Mr. Pole *absent*

**FEDERAL RESERVE BANK**

**OF NEW YORK**

CONFIDENTIAL

September 30, 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 September 19, 1929 to September 25, 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

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

Encl.

*See letter 10/1/29*

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 25, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 18	1,367,678	130,604	47,005	163,530	77,573	933,916
Sept. 25	1,375,467+	125,973	26,086-20	179,449+6	84,485+7	944,399+

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED SEPTEMBER 25, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 25	Net Change	Balance Sept. 25	Net Change	Balance Sept. 25	Net Change
Boston	\$ 3,402	\$ 464-	\$ 12,691	\$ 197-	\$ 65,351	\$ 6,179+
New York	11,687	6,423-	28,143	4,519+	232,943	12,800+
Philadelphia	17,679	483-	12,243	1,184+	79,387	7,758-
Cleveland	29,007	670-	14,421	1,859+	82,135	6,353+
Richmond	1,809	0	7,210	1,213+	56,009	3,490-
Atlanta	3,419	28+	12,803	156+	62,163	20+
Chicago	24,884	681-	20,054	3,298+	102,221	11,198-
St. Louis	0	0	0	0	70,555	296-
Minneapolis	9,058	189-	4,713	653+	37,316	2,806+
Kansas City	930	377-	7,716	319+	36,453	2,106+
Dallas	11,262	5,211+	8,767	1,360+	33,933	1,528-
San Francisco	12,836	582-	21,248	2,495+	85,933	4,489+
N.Y. holdovers and other bills			29,440	940-		
Totals	\$125,973	\$4,630-	\$179,449	\$15,919+	\$944,399	\$10,483+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 25, 1929

Total earning assets of the System showed an increase of \$7,789,000 for the current statement week. The approximate changes by classification consisted of an increase of \$10,500,000 in bills discounted and \$15,900,000 in outright purchases of bankers acceptances, and decreases of \$4,650,000 in outright purchases of Government securities and \$14,000,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$20,900,000 in Government securities and an increase of \$6,900,000 in bankers acceptances.

Money  
Market

During the calendar week just closed, call money averaged slightly higher than in the previous week. Beginning on Monday, a renewal rate of 8 per cent held only until that afternoon when the new loan rate rose to 10 per cent. On Tuesday, the 8 per cent rate held throughout the day, but on the next day the rate for new loans again advanced to 10 per cent. For the balance of the period, all transactions on the Exchange were at 9 per cent. This firmness in call money apparently was due to a continued large demand for security loans, and also to the approach of the first of October with its large requirements for funds for interest and dividend payments. Movements of funds in and out of the New York money market were, in themselves, elements toward ease, for an inward transfer of funds from other centers and substantial Reserve Bank takings of bills permitted a net retirement of \$66,000,000 of New York City bank borrowings at the Reserve Bank to only \$71,000,000 on Friday, September 27, the lowest for any day since March 15, when borrowings were small on account of Treasury operations. The average borrowings of the New York City banks during the past week were \$135,000,000, a decline of \$13,000,000 from the average of the preceding week and a decrease of \$74,000,000 from the average of two weeks earlier.

The time money market was also firmer during the past week. The opening nominal quotation for all maturities of time loans was 9 per cent flat, but by the end of the week this had advanced to 9 per cent bid, offered at 9 1/4 per cent. Whereas early in the period loans were made at 9 per cent, all the trading on Friday in maturities up to 90 days was at 9 1/4 per cent; 5 and 6 months' money, however, continued to lend at 9 per cent.

Conditions in the commercial paper market were little changed during the past week in point of quietude. The prevailing rate on prime names continued to be 6 1/4 per cent.

Government  
Security  
Market

Accompanying firmer money conditions during the calendar week, the market for United States Government securities was inactive with offerings in excess of the demand. While prices of Treasury certificates of indebtedness were firm, almost all of the other issues of Treasury notes and long-term bonds showed fair sized fractional losses 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>
4 1/4%	Cert. of Ind. due	Dec. 15, 1929	99 29/32	-	4.65
4 3/4%	" " "	Dec. 15, 1929	100 1/32	-	4.58
5 1/8%	" " "	Mar. 15, 1930	100 5/32	-2/32	4.76
4 7/8%	" " "	June 16, 1930	100 1/32	-	4.82
3 1/2%	Treasury Notes	Mar. 15, 1932	97 20/32	-6/32	4.49
3 1/2%	" " "	Sept. 15, 1932	97 18/32	-6/32	4.37
3 1/2%	" " "	Dec. 15, 1932	97 18/32	-6/32	4.31

Closing Prices on New York Stock Exchange at the end of the  
Calendar Week and Net Changes from Previous Week's Close

	Net				Net		
Issue	Price	Change		Issue	Price	Change	
1st 3 1/2s	97 10/32	-14/32	Treas. 4s	1944-54	102 26/32	+ 2/32	
1st 4 1/4s	98 8/32	-17/32	"	4 1/4s 1947-52	106 14/32	- 6/32	
4th 4 1/4s	98 15/32	- 9/32	"	3 3/4s 1946-56	100 4/32	-10/32	
			"	3 3/8s 1943-47	97 2/32	-24/32	
			"	3 3/8s 1940-43	97	-23/32	

Bankers  
Acceptances

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

Reports  
week  
ending  
Sept. 25.

Boston reports that local conditions in its bill market showed but little change over the previous period. The supply of bills remained about the same and was more than ample for the demand which was poor. This was reflected in the amount of bills that dealers forwarded to their offices in other cities which amounted to \$3,351,000 against \$192,000 received. Offerings to the Reserve Bank were small. In New York the supply of bills held up in about the same volume as the preceding week and was moderately in excess of the demand, which fell off somewhat. Investment of foreign owned moneys was very good. Local buying was fair and mainly for corporation account. Dealers' portfolios increased moderately. Rates remained unchanged. Philadelphia reports that its acceptance market was moderately active. Offerings continued substantial, with the demand somewhat lighter. Chicago reports that the bill market in its district was very quiet. There was very little demand with but few new bills coming out. Dallas reports that the demand for bills in its district was broader and more substantial than during the previous week with preference shown for long bills. Offerings to the Reserve Bank were heavier than last week and consisted principally of 30-day bills.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Purchases of \$23,000,000 aggregate par amount	3 1/2%	Treasury notes 1930-32,
		account Sinking Fund
10,000,000	" " "	4 1/4% Fourth Liberty Loan bonds,
		account Sinking Fund
3,000,000	" " "	4 7/8% certificates of indebtedness,
		due June 16, 1930 account German
		Special Deposit Account
<hr/>		
\$36,000,000	Total Purchases	

and sale of \$ 3,000,000 par amount 4 3/4% certificates of indebtedness, due December 15, 1929, account German Special Deposit Account.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions consummated in the System Account during the current statement week were as follows:

- Sale to the  
F. R. B. of Dallas of \$5,000,000 - Fourth 4 1/4% Liberty Loan bonds which had been held temporarily in the System Account since August 21 last.
  
- Sale to the Treasury,  
a/c Sinking Fund of 5,000,000 - Fourth 4 1/4% Liberty Loan bonds which had been held temporarily in the System Account for the F. R. B. of St. Louis since August 6 last.
  
- " " of 5,795,500 - 3 1/2% Treasury notes due December 15, 1930-32
  
- Total Sales \$15,795,500

The latter two mentioned sales aggregating \$10,795,500 were replaced in the Account by the purchase in the market of a like par value of Treasury certificates maturing December 15 of this year and June 16, 1930. These transactions left the total holdings in the System Account at \$31,125,000. The participation by Federal reserve banks and the classification of issues at the close of business, Wednesday, September 25, 1929, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>
Boston \$ 2,646,000	Dec. 15, 1929 - 4 1/4% C/I \$2,000,000
New York 9,462,500	Dec. 15, 1929 - 4 3/4% " 3,000,000
Philadelphia 2,657,000	June 16, 1930 - 4 7/8% " 7,500,000
Cleveland 3,300,500	Dec. 15, 1932 - 3 1/2% T/N 10,000,000
Richmond 656,500	
Atlanta 819,500	Plus temporary purchases
Chicago 4,947,000	from St. Louis' portfolio
St. Louis 0	Sept. 15, 1932 - 3 1/2% T/N 3,000,000
Minneapolis 1,308,000	Dec. 15, 1932 - 3 1/2% " 3,500,000
Kansas City 927,000	June 15, 1947 - 3 3/8% T/B 1,625,000
Dallas 1,274,000	June 15, 1947 - 4 1/4% 1st L/L 500,000
San Francisco <u>3,127,000</u>	
 Totals \$31,125,000	 <u>\$31,125,000</u>

36,750,000

36,750,000



6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 25, 1929  
(000 Omitted)

	<u>1-30 days</u> <u>5 1/8-5 3/8%</u>	<u>31-60 days</u> <u>5 1/8-5 1/4%</u>	<u>61-90 days</u> <u>5 1/8-5 1/4%</u>	<u>Over 90 days</u> <u>5 - 5 1/4%</u>	<u>Total</u>
Boston	\$ 322	\$ 10	\$ 25	0	\$ 357
New York	5,983	4,035	11,593	96	21,707
Philadelphia	171	452	1,681	0	2,304
Cleveland	0	0	75	0	75
Richmond	333	25	0	0	358
Atlanta	145*	0	53**	10***	208
Chicago	461	53	100	0	614
Dallas	511****	177*****	182***	171	1,041
San Francisco	<u>354</u>	<u>1,582</u>	<u>378</u>	<u>0</u>	<u>2,314</u>
Totals	<u>\$8,280</u>	<u>\$6,334</u>	<u>\$14,087</u>	<u>\$277</u>	<u>\$28,978</u>

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 5%,  
\*\*\*\*Purchased at 4 7/8%, \*\*\*\*\*Purchased at 4 7/8 to 5%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPT. 25, 1929  
(000 Omitted)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$18,348	\$28,978	\$47,326
Sold	22,980	0	22,980
Matured	0	<u>12,119</u>	<u>12,119</u>
		\$16,859+	\$12,227+
		940- (Net Change	940- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 4,632-</u>	<u>\$15,919+</u>	<u>\$11,287+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES SEPT. 25, 1929  
(000 Omitted)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91-days</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Total</u>
Gov't Securities	\$ 26,086	0	0	\$ 92	\$ 97	\$125,784	\$152,059
Bills Purchased	<u>123,010</u>	<u>32,213</u>	<u>49,948</u>	<u>57,092</u>	<u>1,671</u>	<u>0</u>	<u>263,934</u>
Totals	<u>\$149,096</u>	<u>\$32,213</u>	<u>\$49,948</u>	<u>\$57,184</u>	<u>\$1,768</u>	<u>\$125,784</u>	<u>\$415,993</u>



September 24, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 23rd instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from September 12, 1929 to September 18, 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.

*Mr. Riefler*  
*Mr. Lueder*  
*Mr. Collier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
SEP 24 1929  
DIVISION OF RESEARCH  
AND STATISTICS

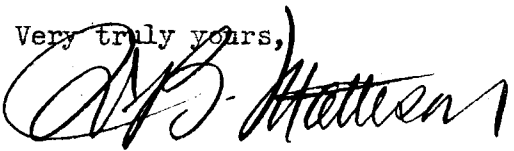
CONFIDENTIAL

September 23, 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 September 12, 1929 to September 18, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
SEP 24 1929  
OFFICE OF  
THE GOVERNOR

PERSONAL

September 23, 1929

SEP 24 1929  
F. A. Y.  
N. Y.

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from September 12, 1929 to September 18, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,

W. E. Matteson  
Secretary, Open Market  
Investment Committee

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

Encl.

DECLASSIFIED  
Authority E.O. 10501

FOR SPECIAL CIRCULATION

PLEASE RETURN  
✓ GOV. YOUNG  
✓ MR. PLATT

PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE  
Mr. Hamlin *absent*, Mr. James ✓  
FEDERAL RESERVE BANK Birmingham ✓

Mr. Fols *absent*

OF NEW YORK

RECEIVED  
SEP 24 1929  
OFFICE OF  
THE GOVERNOR

CONFIDENTIAL

September 23, 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 September 12, 1929 to September 18, 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.

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 18, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 11	1,370,273	127,182	31,835	137,324	84,905	972,927
Sept. 18	1,367,678	130,604	47,005	163,530	77,573	933,916

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED SEPTEMBER 18, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 18	Change	Sept. 18	Change	Sept. 18	Change
Boston	\$ 3,866	\$1,000-	\$ 12,888	\$ 29+	\$ 59,172	\$12,625-
New York	18,110	4,349+	23,624	9,002+	220,143	19,802-
Philadelphia	18,162	16-	11,059	1,408+	87,145	2,543-
Cleveland	29,677	0	12,562	2,331+	75,782	2,475-
Richmond	1,809	0	5,997	1,181+	59,499	1,289-
Atlanta	3,391	13+	12,647	1,712+	62,143	11,842-
Chicago	25,565	0	16,756	2,547+	113,419	19,568+
St. Louis	0	0	0	0	70,851	537+
Minneapolis	9,247	67+	4,060	728+	34,510	2,411+
Kansas City	1,307	3+	7,397	1,548+	34,347	5,113-
Dallas	6,051	6+	7,407	639+	35,461	10,986-
San Francisco	13,419	0	18,753	2,344+	81,444	5,148+
N. Y. holdovers and other bills			30,380	2,737+		
Totals	\$130,604	\$3,422+	\$163,530	\$26,206+	\$933,916	\$39,011-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 18, 1929

Total earning assets of the System showed a decrease of \$2,595,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$39,000,000 in bills discounted and increases of \$3,400,000 in outright purchases of Government securities, \$26,200,000 in outright purchases of bankers acceptances and \$7,800,000 net in investments held under sales contracts. The latter item consisted of an increase of \$15,150,000 in Government securities and a decrease of \$7,350,000 in bankers acceptances.

2

Money  
Market

Call money was steady at 7 1/2 per cent on Monday the 16th, following a renewal rate of 8 per cent and a closing rate of 7 per cent on the preceding Friday. There was, of course, a substantial net payment of funds into the New York market on September 16, due to Treasury redemptions and interest payments which exceeded income tax collections, though by a smaller amount than is usual for the first day of a Treasury tax period. This situation was caused by the occurrence of the 15th on a Sunday, thus allowing a substantial amount of income tax checks to be prepared for clearance on the 16th, the same day that the bulk of the Treasury redemptions and interest payments were made. The Treasury overdraft at all Federal Reserve Banks amounted to \$162,500,000 on September 16, with the New York bank carrying \$86,000,000 of this amount.

On the next day, income tax collections reduced the overdraft throughout the country to \$33,000,000, and call money advanced from 7 1/2 to 10 per cent. Firm conditions, with a renewal rate of 9 and a new loan rate of 10 per cent prevailed on the following day, accompanying the complete retirement of the Treasury overdraft and the establishment of a small credit balance at the Reserve Banks. On Thursday, the call loan renewal rate was set at 10 per cent, but large offerings of funds came into the market, reflecting the comfortable average reserve position in which the banks found themselves, and before the close the new loan rate had eased to 7 per cent. On Friday, a renewal rate of 8 per cent held throughout the day.

For the week as a whole, bill and security operations of the Reserve Bank placed a substantial additional amount of funds at the disposal of the money market. Due to this factor and some excess of Treasury payments (including security purchases toward the end of the week) over receipts, the New York City banks were able to maintain their reserve position by borrowing an average of \$148,000,000, or \$61,000,000 less than in the previous week. The firmness of money occurred notwithstanding this relatively easy bank position.

During the past week all maturities of time loans have been quoted nominally at 9 per cent flat, as compared with 8 3/4 - 9 per cent, bid and asked, in the previous week. There was only a small amount of trading at 9 per cent - confined for the most part to maturities not exceeding 4 months.

The going rate for the small amount of commercial paper sales has remained at 6 1/4 per cent. Dealers generally indicated that new drawings of paper likewise have been in limited volume.

Government  
Security  
Market

The market for United States Government securities turned dull during the latter part of the calendar week. The volume of trading was small with what little preference there was in the demand being for the long-term issues.

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 1/4% Cert. of Ind. due Dec. 15, 1929	99 29/32	-1/32	4.62
4 3/4% " " " " Dec. 15, 1929	100 1/32	-1/32	4.59
5 1/8% " " " " Mar. 15, 1930	100 7/32	-1/32	4.65
4 7/8% " " " " June 15, 1930	100 1/32	-3/32	4.82
3 1/2% Treasury Notes " Mar. 15, 1932	97 26/32	-6/32	4.41
3 1/2% " " " Sept. 15, 1932	97 24/32	-8/32	4.30
3 1/2% " " " Dec. 15, 1932	97 24/32	-8/32	4.25

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	97 24/32	+5/32	Treas. 4s 1944-54	102 24/32	-2/32
1st 4 1/4s	98 25/32	+1/32	" 4 1/4s 1947-52	106 20/32	-2/32
4th 4 1/4s	98 24/32	-1/32	" 3 3/4s 1946-56	100 14/32	+1/32
			" 3 3/8s 1943-47	97 26/32	+6/32
			" 3 3/8s 1940-43	97 23/32	-2/32

Bankers  
Acceptances

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

Reports  
week  
ending  
Sept. 16

Boston reports that local conditions in the bill market remained practically unchanged. Although a few more bills were made than during the previous period, the supply was still small and nearly equal to the demand. Local banks were poor buyers, and sales by dealers showed a decrease over the previous week. Offerings to the Reserve Bank were light. In New York dealers' sales increased somewhat as compared to the previous week's good volume, and were substantially in excess of their purchases. The demand for bills was broader although orders were chiefly for nineties for foreign account. Local buying improved and was mainly for corporation account. As a result of the improved demand together with dealers' sales to the Reserve Bank for System Account, which were much lighter than last week, dealers' portfolios decreased substantially. Rates were unchanged. Philadelphia reports that its bill market was more active. Offerings from banks and dealers were heavier than the previous week. New bills continued to come into the market and dealers report substantial portfolios in face of a good demand. Chicago reports that its bill market was very quiet. There was practically no investment demand for bills. Dallas reports that the demand for bills was slightly better than during the previous week with preference shown for long maturities. Offerings to the Reserve Bank were considerably less than during the previous week and consisted almost entirely of thirty to sixty day bills.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week (exclusive of redemptions and exchanges) consisted of

Sales of	\$ 140,000	- 4 1/4%	certificates of indebtedness due Dec. 15, 1929 for account Government Life Insurance Fund
	560,000	- 4 3/4%	certificates of indebtedness due Dec. 15, 1929 for account Government Life Insurance Fund
	\$ 700,000		Total Sales
and purchases of	\$1,000,000	- 4 7/8%	certificates of indebtedness due June 16, 1930 for account Government Life Insurance Fund
	3,867,000	- 4 7/8%	certificates of indebtedness due June 16, 1930 for account Alien Property Custodian
	5,896,500	- 4 7/8%	certificates of indebtedness due June 16, 1930 for Account German Special Deposit Account
	*18,630,000	- 4 1/4%	certificates of indebtedness due Sept. 15, 1929 account Prior Redemption
	*21,370,000	- 4 3/4%	certificates of indebtedness due Sept. 15, 1929 account Prior Redemption
	\$50,763,500		Total Purchases

\*Purchased in New York and other districts

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week an exchange was made in the System Special Investment Account, with approval of all the participating Federal reserve banks, of \$1,704,500 - 3 1/2% Treasury notes, Series C-1930-32, for a like amount of the new issue of 4 7/8% Treasury certificates due June 16, 1930, pursuant to the terms of the offering of the Secretary of the Treasury dated September 6, 1929. This exchange was limited to \$1,704,500 due to the fact that this amount was all that the Treasury needed to round out the even \$100,000,000 of Treasury note exchanges. This transaction did not affect the total amount of holdings in the Account which remained at the close of business Wednesday, September 18, 1929, at \$36,125,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>
Boston \$ 3,109,500	June 16, 1930 - 4 7/8% C/I \$ 1,704,500
New York 11,196,000	Dec. 15, 1932 - 3 1/2% T/N 15,795,500
Philadelphia 3,155,000	
Cleveland 3,970,000	Plus temporary purchases:
Richmond 656,500	<u>From St. Louis' portfolio</u>
Atlanta 815,000	Sept. 15, 1932 - 3 1/2% T/N 3,000,000
Chicago 5,628,000	Dec. 15, 1932 - 3 1/2% " 3,500,000
St. Louis 0	June 15, 1947 - 3 3/8% T/B 1,625,000
Minneapolis 1,531,500	June 15, 1947 - 4 1/4% 1st L/L 500,000
Kansas City 1,304,000	Oct. 15, 1938 - 4 1/4% 4th " 5,000,000
Dallas 1,048,500	<u>From Dallas' portfolio</u>
San Francisco 3,711,000	Oct. 15, 1938 - 4 1/4% 4th " 5,000,000
Totals \$36,125,000	\$36,125,000

After the close of the statement week the Federal Reserve Bank of St. Louis sold to the Treasury for account of the Sinking Fund the \$5,000,000 - Fourth 4 1/4% Liberty Loan bonds which had been held temporarily in the System Account, and the Federal Reserve Bank of Dallas repurchased the \$5,000,000 Fourth 4 1/4% Liberty Loan bonds which had also been held temporarily in the System Account. With the approval of all the participating Federal reserve banks, a sale was also made from the outright holdings in the System Account to the Treasury for account of the Sinking Fund of \$5,795,500 - 3 1/2% Treasury notes, Series C-1930-32, which were replaced by purchase in the market of \$5,795,500 new 4 7/8% Treasury certificates at par.





MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 18, 1929  
(000 Omitted)

	1-30 days 5 1/8-5 1/4%	31-60 days 5 1/8-5 1/4%	61-90 days 5 1/8-5 3/8%	Over 90-days 5 1/8-5 1/2%	Total
Boston	\$ 2	\$ 323	\$ 687	\$119	\$ 1,131
New York	5,513	3,977	17,213	361	27,064
Philadelphia	662	284	1,256	0	2,202
Cleveland	0	0	200	0	200
Richmond	25	75	60	0	160
Atlanta	645*	212**	283**	0	1,140
Chicago	0	416	215	0	631
Dallas	227***	211****	63*****	0	501
San Francisco	<u>1,113</u>	<u>608</u>	<u>93</u>	<u>25</u>	<u>1,839</u>
Totals	<u>\$8,187</u>	<u>\$6,106</u>	<u>\$20,070</u>	<u>\$505</u>	<u>\$34,868</u>

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 4 7/8%,  
\*\*\*\*Purchased at 4 7/8 to 5%, \*\*\*\*\*Purchased at 5%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPT. 18, 1929  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$31,708	\$34,868	\$66,576
Sold	19,750	0	19,750
Matured	8,536	11,399	19,935
		<u>\$23,469+</u>	<u>\$26,891+</u>
		2,737+(Net Change 1-day holdover & other bills)	2,737+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 3,422+</u>	<u>\$26,206+</u>	<u>\$29,628+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES SEPT. 18, 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	Total
Gov't Securities	\$ 47,005	\$ 0	\$ 0	\$ 442	\$ 106	\$130,056	\$177,609
Bills Purchased	116,023	29,202	45,435	48,410	2,033	0	241,103
Totals	<u>\$163,028</u>	<u>\$29,202</u>	<u>\$45,435</u>	<u>\$48,852</u>	<u>\$2,139</u>	<u>\$130,056</u>	<u>\$418,712</u>

September 17, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 16th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from September 5, 1929 to September 11, 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.

*Mr. Smead*  
*Riefler*  
*Callier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
SEP 17 1929  
FRASER  
AND  
STATISTICS

CONFIDENTIAL

September 16, 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 September 5, 1929 to September 11, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
SEP 17 1929  
FEDERAL RESERVE BANK  
OF NEW YORK

PERSONAL

R. A. Y.  
SEP 18 1929

September 16, 1929

Dear Governor Young:

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Very truly yours,

W. B. Metteson  
Secretary, Open Market  
Investment Committee

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

Encl.

**FOR SPECIAL CIRCULATION**

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

Gov. Young ✓  
Mr. Platt ✓

Mr. Hamlin ✓  
Mr. Miller ✓

**FEDERAL RESERVE BANK**

Mr. James ✓  
Mr. Cunningham ✓

RECEIVED  
17 1929  
GOVERNOR

**OF NEW YORK**

CONFIDENTIAL

September 16, 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.

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED SEPTEMBER 11, 1929

Holdings of Earning Assets of Federal Reserve Banks from Oct. 31, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS' ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
Oct. 31	\$1,603,476	\$200,470	\$26,629	\$355,479	\$83,897	\$ 932,271
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Apr. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
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Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 4	1,394,012	126,766	22,215	101,335	81,581	1,046,016
Sept. 11	1,370,273	127,182	31,835	137,324	84,905	972,927

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED SEPTEMBER 11, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS' ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Sept. 11	Change	Sept. 11	Change	Sept. 11	Change
Boston	\$ 4,866	\$ 0	\$ 12,859	\$ 322+	\$ 71,797	\$ 7,026-
New York	13,761	610+	14,622	6,587+	239,945	63,321-
Philadelphia	18,178	0	9,651	1,290+	89,688	6,784-
Cleveland	29,677	0	10,231	4,781+	78,257	2,842+
Richmond	1,809	0	4,816	2,428+	60,788	394-
Atlanta	3,378	1-	10,935	4,244+	73,985	2,392-
Chicago	25,565	0	14,209	5,981+	93,851	2,664+
St. Louis	0	0	0	0	70,314	4,900-
Minneapolis	9,180	178-	3,332	1,905+	32,099	1,959+
Kansas City	1,304	0	5,849	3,290+	39,460	4,402-
Dallas	6,045	15-	6,768	2,044+	46,447	2,448-
San Francisco	13,419	0	16,409	3,720+	76,296	11,113+
N. Y. holdovers and other bills			27,643	603-		
Totals	\$127,182	\$416+	\$137,324	\$35,989+	\$972,927	\$73,089-

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 11, 1929

Total earning assets of the System showed a decrease of \$23,739,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$73,100,000 in bills discounted and increases of \$400,000 and \$36,000,000 respectively in outright purchases of Government securities and bankers acceptances, and \$12,900,000 in investments held under sales contracts. The latter increase consisted of \$9,600,000 in Government securities and \$3,300,000 in bankers acceptances.

2

Money  
Market

Call money rates were irregular during the past calendar week but in general were somewhat lower than in the previous week. Monday's renewal rate of 8 per cent held throughout the day, but on Tuesday there was an advance in the new loan rate to 10 per cent, reflecting the efforts of the banks to even up their average reserve position on that day, which caused borrowings at the Reserve Bank to be maintained at about \$230,000,000. On Wednesday, however, funds were attracted from other centers and the call rate declined to 7 per cent after renewals had been made at 9. An 8 per cent rate was carried throughout the trading Thursday, but on Friday the new loan rate again went to 7, apparently due to the fact that the banks allowed their actual reserves to drop somewhat below requirements in anticipation of Treasury payments into the market on Saturday and Monday. For the week as a whole the market lost funds in outgoing transfers to other districts, but as Federal Reserve bill and security operations supplied a larger amount of funds, the New York City banks effected a net reduction of \$65,000,000 in their borrowings, which declined to \$175,000,000 on Friday.

The situation in the time money market has continued about the same. Nominal quotations for all dates have been 8 3/4 per cent bid, offered at 9 per cent. The actual loans for the most part have been for 60 and 90 days - placed at both the 8 3/4 and 9 per cent rates.

The volume of sales of commercial paper has continued small during the week, and new supplies of paper likewise have shown no material increase, although total outstandings of paper at the present time are probably slightly heavier than at the end of July. It appears that the going rate for the bulk of the prime paper has been 6 1/4 per cent, a culmination of the firming tendency of recent weeks when the market was quoted at a range of 6 - 6 1/4 per cent.

Government  
Security  
Market

Following allotments of the new Treasury issue of 4 7/8 per cent certificates, which was heavily oversubscribed, this issue of certificates was in good demand and sold in the market at a slight premium and the other issues of Government securities, which had sold at lower levels during the early part of the week when money conditions became firmer, were also in better demand. While prices showed irregular fractional changes from the previous week's close, the undertone at the close of the week was good.

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 1/4%	Cert. of Ind. due Dec. 15, 1929	99 30/32	+2/32	4.45
4 3/4%	" " " " Dec. 15, 1929	100 2/32	+1/32	4.49
5 1/8%	" " " " Mar. 15, 1930	100 8/32	- - -	4.60
4 7/8%	" " " " June 16, 1930	100 4/32	- - -	4.70
3 1/2%	Treasury Notes " Mar. 15, 1932	98	-2/32	4.36
3 1/2%	" " " Sept. 15, 1932	98	-2/32	4.22
3 1/2%	" " " Dec. 15, 1932	98	-2/32	4.17



Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	97 19/32	-11/32	Treas. 4s 1944-54	102 26/32	-6/32
1st 4 1/4s	98 24/32	- 2/32	" 4 1/4s 1947-52	106 22/32	+2/32
4th 4 1/4s	98 25/32	-10/32	" 3 3/4s 1946-56	100 18/32	-2/32
			" 3 3/8s 1943-47	97 20/32	-7/32
			" 3 3/8s 1940-43	97 25/32	-2/32

Bankers  
Acceptances

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

Reports  
week  
ending  
Sept. 11

Boston reports that the bill market in its district was spotty, some dealers finding it exceedingly difficult to buy or sell bills, while other dealers experienced the reverse. As a whole, total sales and purchases of all dealers showed an increase over the previous week. Dealers continued to forward more bills to their offices in other cities than they received. In New York the supply of bills held up in heavy volume and although not quite as large as the preceding week, was considerably in excess of the fair demand. Dealers desired to ease their position somewhat and as they were already carrying a goodly sized portfolio from last week, they offered bills to the Reserve Bank for System Account in substantial volume. Dealers' portfolios decreased slightly. Philadelphia reports that its bill market was fairly active. New bills consisted principally of dollar exchange bills which were more plentiful than for some time. The supply was ample, and while the demand improved slightly, it was still light. Chicago reports that there appeared to be very little interest in the bill market in its district. The demand was negligible. Dallas reports that there was some improvement in the bill market in its district during the past week. Dealers reported a better demand

4

than during the past two or three weeks. Offerings to the Reserve Bank were less than during the previous week and consisted mostly of thirty day bills.

OPERATIONS FOR ACCOUNT UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Purchases of \$5,690,000	par amount	4 1/4%	certificates of indebtedness, due	September 15, 1929, account Redemption
9,310,000	" "	4 3/4%	certificates of indebtedness, due	September 15, 1929, account Redemption
<u>\$15,000,000</u>	Total purchases			

of this amount \$2,000,000 was purchased in the Chicago market and the balance in New York.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no transaction consummated in the System Special Investment Account during the current statement week, the total holdings remaining unchanged at the close of business Wednesday, September 11, 1929, at \$36,125,000, including the \$18,625,000 securities held temporarily for the Federal Reserve Banks of St. Louis and Dallas. 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	\$ 3,109,500
New York	11,196,000
Philadelphia	3,155,000
Cleveland	3,970,000
Richmond	656,500
Atlanta	815,000
Chicago	5,628,000
St. Louis	0
Minneapolis	1,531,500
Kansas City	1,304,000
Dallas	1,048,500
San Francisco	<u>3,711,000</u>
Totals	<u>\$36,125,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1932-3 1/2% T/N	\$17,500,000
Plus temporary purchases:	
<u>From St. Louis' portfolio</u>	
Sept. 15, 1932-3 1/2% T/N	3,000,000
Dec. 15, 1932-3 1/2% "	3,500,000
June 15, 1947-3 3/8% T/B	1,625,000
June 15, 1947-4 1/4% 1st L/L	500,000
Oct. 15, 1938-4 1/4% 4th "	5,000,000
<u>From Dallas' portfolio</u>	
Oct. 15, 1938-4 1/4% 4th "	<u>5,000,000</u>
	<u>\$36,125,000</u>



MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 11, 1929  
(000 Omitted)

	<u>1-30 days</u> <u>5 1/8-5 1/4%</u>	<u>31-60 days</u> <u>5 1/8-5 1/4%</u>	<u>61-90 days</u> <u>5 1/8-5 1/4%</u>	<u>Over 90-days</u> <u>5 1/8-5 1/2%</u>	<u>Total</u>
Boston	\$ 10	\$ 178	\$ 1,043	\$103	\$ 1,334
New York	8,269	14,300	15,467	174	38,210
Philadelphia	4	945	1,074	0	2,023
Richmond	0	350	0	0	350
Atlanta	1,711*	113**	259**	6***	2,089
Chicago	100	325	0	0	425
Kansas City	0	0	500	0	500
Dallas	446x	73xx	80***	215	814
San Francisco	<u>317</u>	<u>496</u>	<u>55</u>	<u>0</u>	<u>868</u>
Totals	<u>\$10,857</u>	<u>\$16,780</u>	<u>\$18,478</u>	<u>\$498</u>	<u>\$46,613</u>

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%, \*\*\*Purchased at 5%

xPurchased at 4 7/8%, xxPurchased at 4 7/8 to 5%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPT. 11, 1929  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$1,891	\$46,613	\$48,504
Sold	1,475	0	1,475
Matured	0	<u>10,021</u>	<u>10,021</u>
		\$36,592+	\$37,008+
		603- (Net Change	603- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$416+</u>	<u>\$35,989+</u>	<u>\$36,405+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES SEPT. 11, 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	\$ 40,268	0	0	0	\$ 93	\$118,656	\$159,017
Bills Purchased	<u>115,879</u>	<u>25,521</u>	<u>41,635</u>	<u>36,738</u>	<u>2,456</u>	<u>0</u>	<u>222,229</u>
Totals	<u>\$156,147</u>	<u>\$25,521</u>	<u>\$41,635</u>	<u>\$36,738</u>	<u>\$2,549</u>	<u>\$118,656</u>	<u>\$381,246</u>

January 4, 1930

Dear Mr. Matteson:

I acknowledge receipt of and thank you for your letter of the 3rd instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from December 26, 1929 to December 31, 1929 inclusive.

Very truly yours,

J. C. Noell,  
Assistant Secretary

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

*Mr. Riefler  
James  
Collier*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
JAN - 4 1930  
FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

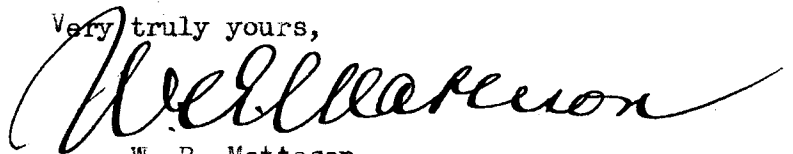
January 3, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 26, 1929 to December 31, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
JAN 3 1930

PERSONAL

January 3, 1930

R. A. Y.  
JAN 7 1930

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 26, 1929 to December 31, 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.

PLEASE READ  
✓ Gov. Young  
✓ Mr. Flatt

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

*about*

**OF NEW YORK**

CONFIDENTIAL

January 3, 1930

Dear Governor Young:

Enclosed is a report of transactions in government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 26, 1929 to December 31, 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

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

Encl.



CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 31, 1929

Holdings of Earning Assets of Federal Reserve Banks from Jan. 2, 1929 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
Jan. 2	\$1,889,660	\$197,103	\$46,850	\$429,511	\$54,847	\$1,151,464
Jan. 30	1,467,039	109,026	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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,349
Dec. 24	1,612,537	475,528	9,515	220,677	134,266	762,781
" 31	1,547,517	487,292	23,295	236,974	155,235	632,421

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED DECEMBER 31, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 31	Net Change	Balance Dec. 31	Net Change	Balance Dec. 31	Net Change
Boston	\$ 25,850	\$ 1,288+	\$ 3,770	\$ 760+	\$ 26,644	\$ 15,331-
New York	217,356	1,493+	54,856	1,495-	171,759	25,961-
Philadelphia	41,806	1,385+	8,441	816+	65,777	7,682-
Cleveland	29,479	1,861+	22,797	1,053-	76,719	20,417-
Richmond	9,559	756+	13,289	1,612-	38,939	1,901-
Atlanta	8,945	117+	17,829	1,018+	29,347	8,354-
Chicago	68,401	2,482+	32,389	931-	112,668	31,164-
St. Louis	29,266	1,147+	9,735	3,058+	17,938	10,680-
Minneapolis	16,873	684+	6,610	1,845+	10,177	2,762+
Kansas City	3,063	0	8,161	2,749-	29,649	7,779-
Dallas	24,878	619+	8,827	635+	13,291	598-
San Francisco	11,816	68-	26,690	1,538+	39,513	3,255-
N.Y. holdovers and other bills			23,580	14,447+		
Totals	\$487,292	\$11,764+	\$236,974	\$16,297+	\$632,421	\$130,360-

COMMENT ON CHANGES WEEK ENDED DECEMBER 31, 1929

Total earning assets of the System showed a decrease of \$65,020,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$130,360,000 in bills discounted and increases of \$16,300,000 and \$11,765,000 respectively, in outright purchases of bankers acceptances and government securities, and \$34,750,000 in investments held under sales contracts. The latter increase consisted of \$13,780,000 in government securities and \$20,970,000 in bankers acceptances.

Money  
Market

Following Christmas, a further advance to 6 per cent occurred in call money. Although offerings toward the close of the week ended Tuesday, December 31, were larger than at the beginning, the Exchange rate held at the 6 per cent figure which was the highest quotation for call funds since the first part of November, but at the same time was only half of the rate paid for call loans at the 1928 year-end period. The principal factor in the firmer money of the past week, of course, was the substantial increase in member bank reserve requirements, which accompanied the usual end of year increase in New York City bank deposits due to taking over loans called by others. During the period, the borrowings of the City banks at the Federal Reserve averaged \$132,000,000, which was slightly less than the amount of the previous week; the return of currency from Christmas circulation, some net return of funds to this market from other centers in the last few days of December, together with further bill and security purchases for System Account, tended to offset the effect of increased reserve requirements and temporary year-end earmarkings of currency for domestic banks and of continued gold exports and foreign account earmarkings.

During the last week of 1929, time money continued to be quoted at 4 3/4 per cent bid, 5 per cent offered, but little activity was reported, in anticipation of the development of easier rates early in the new year.

The prevailing rate for prime commercial paper continued to be 5 per cent. After the turn of the year the dealers expect that both new drawings and bank investment demand for paper will be materially larger than in the closing weeks of 1929.

Government  
Security  
Market

The demand for United States Government securities, which has been running light of late, showed some improvement during the current statement week which was, no doubt, caused by the end of the year demand, principally for tax purposes. Prices of the short and long-term issues of Governments showed fractional gains over the previous week's close, with the long-term issues showing the largest gains.

Dealers' Offering Prices at the Close of the Current Statement  
Week and Net Changes from the Close of the Previous Statement Week

Issue				Price	Net Change	Approx. Yield
5 1/8%	Cert. of Ind.	due Mar.	15,1930	100 16/32	+1/32	2.52
4 7/8%	" " "	June	16,1930	100 27/32	- - -	2.97
3 1/8%	" " "	Sept.	15,1930	99 31/32	+2/32	3.17
3 1/2%	Treasury Notes	Mar.	15,1932	99 23/32	+3/32	3.62
3 1/2%	" " "	Sept.	15,1932	99 23/32	+3/32	3.60
3 1/2%	" " "	Dec.	15,1932	99 23/32	+3/32	3.59
U. S. Treasury Bills "				Mar. 17,1930	3 1/4% to 2 3/4% discount.	

Closing Prices on the New York Stock Exchange at the Close of  
the Current Statement Week and Net Changes from Close  
of the Previous Statement Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 16/32	+ 5/32	Treas. 4s	1944-54	107 10/32 +10/32
1st 4 1/4s	101 6/32	+ 8/32	"	4 1/4s 1947-52	111 6/32 + 6/32
4th 4 1/4s	101 12/32	+10/32	"	3 3/4s 1946-56	104 7/32 + 5/32
			"	3 3/8s 1943-47	99 14/32 -10/32
			"	3 3/8s 1940-43	99 14/32 - - -

Bankers  
Acceptances

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

Reports  
week  
ending  
Dec. 31

Boston reports that the supply of bills showed a slight increase during the past week in its district with the demand small. Bills as a whole did not move freely. Dealers' portfolios showed a slight increase over the previous week. The Reserve bank's holdings of bills, which amounted to \$29,802,000, were the heaviest since early in May due to increased offerings on sales contracts. In New York the supply of bills continued heavy throughout the week. The outside demand increased moderately as compared with the previous week, but was exceeded substantially by the supply. Dealers sold us substantial amounts of the shorter maturities for System Account during the week and their aggregate portfolios only increased slightly. On January 2 all dealers, except one, reduced rates on 30s, 60s and 90s to 4 per cent bid, 3 7/8 per cent asked; other maturities unchanged. Chicago reports that the supply of bills in its district during the past week was good with the demand negligible. Dallas reports that its bill market was very quiet during the past week with very little demand. Offerings to the Reserve Bank were practically the same as last week and consisted principally of short maturities.

4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of               \$ 500,000 - 4 7/8% certificates of indebtedness, due June 16, 1930, account Government Life Insurance Fund

and purchase of 1,385,000 - 3 1/2% Treasury notes due March 15, 1930-32, account German Special Deposit Account

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$15,125,000 aggregate amount of short-term Governments were made for the System Account. These purchases increased the total amount of holdings in the Account to \$277,500,000 at the close of business Tuesday, December 31, 1929. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 25,106,000	Mar. 15, 1930 - 5 1/8% C/I	\$ 18,310,000
New York	93,490,500	Mar. 17, 1930 - Treasury Bills	50,250,000
Philadelphia	26,784,500	June 16, 1930 - 4 7/8% C/I	46,800,000
Cleveland	19,314,000	Sept. 15, 1930 - 3 1/8% "	64,825,000
Richmond	8,407,000	Mar. 15, 1932 - 3 1/2% T/N	12,360,000
Atlanta	6,226,000	Sept. 15, 1932 - 3 1/2% "	12,225,000
Chicago	48,473,000	Dec. 15, 1932 - 3 1/2% "	38,780,000
St. Louis	20,641,000	4th 4 1/4% Liberty Bonds	33,950,000
Minneapolis	8,789,500		
Kansas City	3,060,000		
Dallas	15,035,000		
San Francisco	2,173,500		
Totals	<u>\$277,500,000</u>		<u>\$277,500,000</u>

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM DECEMBER 26 TO DECEMBER 31, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>
Boston	\$ 1,288,500
New York	4,822,000
Philadelphia	1,384,500
Cleveland	1,861,500
Richmond	756,500
Chicago	2,481,500
St. Louis	1,146,500
Minneapolis	620,500
Dallas	763,500
Total	<u>\$15,125,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$ 775,000	Sept. 15, 1930 C/I	\$2,775,000	Sept. 15, 1930 C/I
	55,300	4% Treas. Bds. 1944-54	1,385,000	March 15, 1932 T/N
Atlanta	629,450	Misc. Gov't Sec.	513,050	Misc. Gov't Sec.
Minneapolis	942,450	" " "	879,450	" " "
Dallas	0	-	145,000	" " "
San Francisco	0	-	68,100	" " "
Totals	<u>\$2,402,200</u>		<u>\$5,765,600</u>	

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>Dec. 24</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &amp;</u>	<u>Dec. 31</u>	<u>Sales</u>	<u>Close Dec. 31/29</u>
			<u>New York</u>	<u>Sales</u>		<u>Contracts</u>	<u>Other</u>
							<u>Bills</u>
Boston	\$ 3,010	\$ 1,649 R.	0	\$ 889	\$ 3,770	\$ 26,032	\$ 76
New York	56,351	13,608 "	0	15,103	54,856	115,975	312
		27,685 A.					
Phila.	7,625	2,629 R.	0	1,813	8,441	0	99
Cleveland	23,830	0	4,701	5,734	22,797	0	703
Richmond	14,901	135 "	2,538	4,285	13,289	0	47
Atlanta	16,811	3,148 "	2,516	4,646	17,829	0	1,367
Chicago	33,320	3,392 "	6,185	10,508	32,389	5,031	141
St. Louis	6,677	0	3,683	625	9,735	0	66
Minn.	4,765	0	2,181	336	6,610	0	26
Kan. City	10,910	30 "	0	2,779	8,161	0	34
Dallas	8,192	423 "	2,022	1,810	8,827	348	34
San Fran.	25,152	2,093 "	3,859	4,414	26,690	7,849	74
Totals	\$211,544	\$54,792	\$27,685	\$52,942	\$213,394	\$155,235	\$2,978
Bills held overnight by New York for distribution to other F.R. Banks - - -							4,529
" " " " " " " " " " foreign correspondents							16,073
Total - - - - -							<u>\$23,580</u>

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

6

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 31, 1929  
(000 Omitted)

	<u>1-30 days</u> <u>4 - 4 1/8%</u>	<u>31-60 days</u> <u>4 - 4 1/8%</u>	<u>61-90 days</u> <u>4 - 4 1/8%</u>	<u>Over 90-days</u> <u>4%</u>	<u>Total</u>
Boston	\$ 122	\$ 1,527	\$ 0	\$ 0	\$ 1,649
New York	8,965	24,343	7,985	0	41,293
Philadelphia	360	649	1,620	0	2,629
Richmond	0	30	105	0	135
Atlanta	2,197	620	331	0	3,148
Chicago	2,161	0	1,231	0	3,392
Kansas City	0	0	30*	0	30
Dallas	202	147	29	45	423
San Francisco	291	1,045	757	0	2,093
<b>Totals</b>	<b>\$14,298</b>	<b>\$28,361</b>	<b>\$12,088</b>	<b>\$45</b>	<b>\$54,792</b>

\*Purchased at 4 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 31, 1929  
(000 Omitted)

(Excluding Sales &amp; Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$17,528	\$54,792	\$72,320
Sold	5,764	0	5,764
Matured	0	52,942	52,942
		\$ 1,850+	\$13,614+
		14,447+ (Net Change	14,447+ (Net Change
		1-day holdover	1-day holdover
		& other bills)	& other bills)
<b>Totals</b>	<b>\$11,764+</b>	<b>\$16,297+</b>	<b>\$28,061+</b>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DECEMBER 31, 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	\$ 23,295	\$ 0	\$ 0	\$81,338	\$59,711	\$346,243	\$510,587
Bills Purchased	280,459	45,814	47,422	18,310	204	0	392,209
<b>Totals</b>	<b>\$303,754</b>	<b>\$45,814</b>	<b>\$47,422</b>	<b>\$99,648</b>	<b>\$59,915</b>	<b>\$346,243</b>	<b>\$902,796</b>

*Mr. Riefler  
Ames  
Collins*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
DEC 30 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

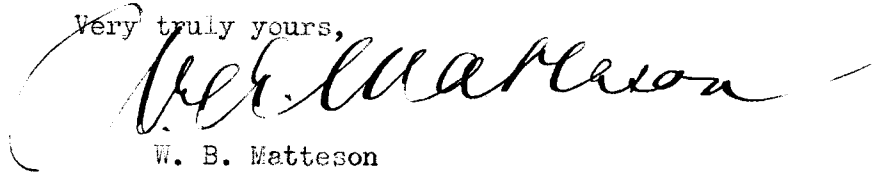
December 28, 1929

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 December 19, 1929 to December 24, 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.

*Rec'd Feb 11/1/20*

FEDERAL RESERVE BANK  
OF NEW YORK

P E R S O N A L

December 28, 1929

R. A. Y.  
DEC 29 1929

Dear Governor Young:

We are enclosing, for your files, a report of transactions in Government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 19, 1929 to December 24, 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.



# FEDERAL RESERVE BANK OF NEW YORK

FOR SPECIAL CIRCULATION

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

Gov. Young ✓

Mr. Hanlin ✓

Mr. James ✓

Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

Mr. [Signature]

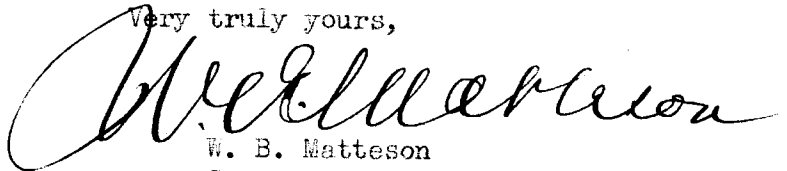
CONFIDENTIAL

December 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 December 19, 1929 to December 24, 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.

CONFIDENTIAL

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

Holdings of Earning Assets of Federal Reserve Banks from December 26, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
Dec. 26	\$1,899,312	\$197,028	\$35,300	\$422,678	\$66,592	\$1,167,579
-1929-						
Jan. 30	1,467,039	109,026	2,745	382,029	53,580	820,634
Feb. 27	1,465,032	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. 24	1,280,601	159,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,549
Dec. 18	1,539,466*	308,990*	24,275	243,102	66,309	737,038
" 24	1,612,537	475,528	9,315	220,677	134,266	762,781

\*Includes \$69,000,000 special one-day Treasury certificates of indebtedness.

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Dec. 24	Change	Dec. 24	Change	Dec. 24	Change
Boston	\$ 24,562	\$ 3,383+	\$ 3,010	\$ 819+	\$ 41,975	\$ 5,363+
New York	215,863	8,405+	56,351	10,011-	197,720	21,547+
Philadelphia	40,421	3,633+	7,625	1,731-	73,459	2,754+
Cleveland	27,618	4,887+	23,830	4,378-	97,136	2,686+
Richmond	8,803	1,985+	14,901	2,974-	40,840	381+
Atlanta	8,828	15-	16,811	500-	37,701	2,059-
Chicago	65,919	6,515+	33,320	1,595-	143,832	25,095+
St. Louis	28,119	3,007+	6,677	715+	28,618	7-
Minneapolis	16,189	1,733+	4,765	13-	7,415	8,399-
Kansas City	3,063	0	10,910	2,069-	37,428	638-
Dallas	24,259	2,005+	8,192	993-	13,889	216+
San Francisco	11,884	0	25,152	947-	42,768	21,196-
N.Y. holdovers and other bills			9,133	1,252+		
Totals	\$475,528	\$35,538+	\$220,677	\$22,425-	\$762,781	\$25,743+

COMMENT ON CHANGES WEEK ENDED DECEMBER 24, 1929

Total earning assets of the System (exclusive of the \$69,000,000 special one-day certificate of indebtedness issued last week by the Treasury to cover the overdraft) showed an increase of \$92,071,000 for the current statement week. The approximate changes, by classification, consisted of a decrease of \$22,425,000 in outright purchases of bankers acceptances, and increases of \$35,540,000 in outright purchases of Government securities, \$25,740,000 in bills discounted and \$53,200,000 net in investments held under sales contracts. The latter item consisted of an increase of \$67,960,000 in bankers acceptances and a decrease of \$14,760,000 in Government securities.

Money  
Market

During the period from Saturday, December 21 to Tuesday, December 24, inclusive, the New York City banks continued to feel the effect of holiday currency requirements which, aside from their own withdrawals of currency from the New York Reserve Bank, also caused an outward movement of funds from New York to other parts of the country. While part of this additional demand for funds was satisfied through the medium of Reserve Bank takings of bills and securities, the New York City banks at the same time were forced to increase their average borrowings at the Reserve Bank to over \$140,000,000, a condition that was accompanied by the quoting of higher rates for call money. Offerings of funds on the Exchange on Monday were rather scant, and an advance to 5 1/2 per cent from the 5 per cent renewal figure occurred, following a rise on Friday from a renewal rate of 4 1/2 per cent to a closing rate of 5 per cent. On Tuesday, the 24th, the setting of the renewal rate at 5 1/2 per cent was sufficient to attract ample offerings. Between the close of the period under review and Friday, the 27th, a further advance to 6 per cent occurred, reflecting the approach of the year-end with its usual preparations for statements and for interest and other payments.

Time money continued to be quoted at 4 3/4 per cent bid, 5 per cent offered. The amount of loans placed again was of a nominal character.

The commercial paper market tended to become less active, due to the advent of the year-end. Both investment demand and offerings of new paper were in quite moderate volume at the generally quoted rate of 5 per cent for prime names.

Government  
Security  
Market

The market for United States Government securities which had developed some weakness during the previous calendar week, reflected very little demand for Governments on Monday and Tuesday, the last two days of the current statement week. Prices of the short-term issues were firm while prices of the long-term bonds showed small fractional losses.

Dealers' Offering Prices at the Close of the Current Statement  
Week and Net Changes from the Close of the Previous Calendar Week

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
5 1/8%	Cert. of Ind. due Mar. 15, 1930	100 15/32	-	2.90
4 7/8%	" " " " June 16, 1930	100 27/32	-1/32	3.05
3 1/8%	" " " " Sept. 15, 1930	99 29/32	-	3.25
3 1/2%	Treasury Notes " Mar. 15, 1932	99 20/32	-	3.66
3 1/2%	" " " Sept. 15, 1932	99 20/32	-	3.64
3 1/2%	" " " Dec. 15, 1932	99 20/32	-	3.63
U. S. Treasury Bills	" Mar. 17, 1930	3 1/8% Discount	-	-

Closing Prices on the New York Stock Exchange at the Close of  
the Current Statement Week and Net Changes from Close  
of the Previous Calendar Week

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 11/32	-1/32	Treas. 4s 1944-54	107	-8/32
1st 1/4s	100 30/32	-1/32	" 4 1/4s 1947-52	111	-5/32
4th 4 1/4s	101 2/32	-8/32	" 3 3/4s 1946-56	104 2/32	-3/32
			" 3 3/8s 1943-47	99 24/32	-3/32
			" 3 3/8s 1940-43	99 14/32	-7/32

Bankers  
Acceptances

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

Reports  
Week  
Ending  
Dec. 24

Boston reports that the supply of bills in its district during the past period showed a falling off from the previous week. The demand, which for the past several weeks, was only fair, showed no improvement. Dealers' portfolios increased and offerings to the reserve bank, particularly on sales contracts, were heavier. In New York the supply of bills was very heavy during the past week, particularly the last two days due to end of the year conditions. The demand fell off substantially as compared with the past few weeks and dealers' portfolios increased by about \$50,000,000. Toward the end of the period dealers increased bid and offered rates by 1/8% on 90's to discourage heavy selling during the remainder of the year. They expect to revert to former rates after the first of the year. Philadelphia reports that its bill market continued quiet. New bills in its district consisted principally of bills received by local banks from foreign correspondents. The supply of bills was heavy with the demand negligible. In Chicago dealers reported there was practically no movement of bills during the past week. Offerings were in usual volume. Dallas reports that its bills market was rather quiet with the demand substantially less than during the previous period. Offerings to the reserve bank were also much smaller than they were last week.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Sales of	\$1,000,000	- 4 7/8%	certificates of indebtedness, due June 16, 1930, account Government Life Insurance Fund
	800,000	- 4 7/8%	certificates of indebtedness, due June 16, 1930, account Alien Property Custodian

\$1,800,000 Total Sales

and purchases of	\$ 189,600	- 3 1/2%	First Liberty Loan bonds, account Re-payments of Principal by Foreign Governments
	5,000,000	- 3 1/2%	Treasury notes, due March 15, 1930-32, account Sinking Fund

\$5,189,600 Total Purchases

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$39,700,000 aggregate amount of short-term Governments were made for the System Account. These purchases increased the total amount of holdings in the Account to \$262,375,000 at the close of business Tuesday, December 24, 1929. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 23,817,500	Mar. 15, 1930 - 5 1/8% C/I	\$ 18,310,000
New York	88,668,500	Mar. 17, 1930 - Treasury Bills	44,900,000
Philadelphia	25,400,000	June 16, 1930 - 4 7/8% C/I	44,300,000
Cleveland	17,452,500	Sept. 15, 1930 - 3 1/8% "	63,050,000
Richmond	7,650,500	Mar. 15, 1932 - 3 1/2% T/N	9,860,000
Atlanta	6,226,000	Sept. 15, 1932 - 3 1/2% "	10,225,000
Chicago	45,991,500	Dec. 15, 1932 - 3 1/2% "	38,780,000
St. Louis	19,494,500	4th 4 1/4% Liberty Bonds	32,950,000
Minneapolis	8,169,000		
Kansas City	3,060,000		
Lallas	14,271,500		
San Francisco	2,173,500		
Totals	<u>\$262,375,000</u>		<u>\$262,375,000</u>

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM DECEMBER 19 TO DECEMBER 24, 1929, INCLUSIVE

GOVERNMENT SECURITIES-SYSTEM INVESTMENT ACCOUNT

	Purchases
Boston	\$ 3,383,000
New York	12,655,500
Philadelphia	3,633,500
Cleveland	4,886,500
Richmond	1,985,000
Chicago	6,515,000
St. Louis	3,007,500
Minneapolis	1,629,000
Dallas	2,005,000
Total	\$39,700,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases		Issue		Sales		Issue
New York	\$5,000,000	March 17, 1930	Tr. Bills	\$5,000,000		June 16, 1930	C/I
	2,000,000	Sept. 15, 1930	C/I	6,250,000*		Sept. 15, 1930	C/I
Atlanta	425,600	Misc. Gov't Sec.		440,700		Misc. Gov't Sec.	
Minneapolis	858,450	" " "		754,700		" " "	
Totals	\$8,284,050			\$12,445,400			

\*Sold to System Account.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Dec. 18	Purchased Own Mkt.	By Allot- Matur-		Holdings Dec. 24	Other Holdings Close Dec. 24, 1929		
			N. Y.	ities & Sales		Sales	Other	
Boston	\$ 2,191	\$ 1,187 R	\$ 0	\$ 368	\$ 3,010	\$ 11,743	\$ 76	
New York	66,362	2,185 "	0	12,196	56,351	111,169	314	
		7,086 A						
Phila.	8,356	565 R	0	1,296	7,625	0	99	
Cleve.	28,208	0	1,298	5,676	23,830	0	324	
Richmond	17,875	177 "	584	3,735	14,901	0	47	
Atlanta	17,311	1,133 "	747	2,380	16,811	0	1,407	
Chicago	35,915	2,128 "	1,377	6,100	33,320	5,232	141	
St. Louis	5,962	0	996	281	6,677	0	66	
Minn.	4,778	0	670	683	4,765	0	26	
Kan. City	12,979	0	0	2,069	10,910	0	34	
Dallas	9,185	387 "	477	1,857	8,192	421	34	
San Fran.	26,099	1,478 "	937	3,362	25,152	5,701	74	
Totals	\$235,221	\$16,326	\$7,086	\$40,003	\$211,544	\$134,266	\$3,142	
Bills held over night by New York for distribution to other F. R. Banks-							90	
" " " " " " " " " " " foreign								
correspondents - - - - -								5,901
Total - - - - -							\$211,544	\$139,133

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

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

	<u>1-30 days</u> 4%	<u>31-60 days</u> 4-4 1/8%	<u>61-90 days</u> 4%	<u>Over 90-days</u> 4%	<u>Total</u>
Boston	\$ 103	\$ 926	\$ 158	\$ 0	\$ 1,187
New York	6,196	2,067	1,008	0	9,271
Philadelphia	106	134	325	0	565
Richmond	31	109	37	0	177
Atlanta	815	68	250	0	1,133
Chicago	230	704	1,194	0	2,128
Dallas	242	74	46	25	387
San Francisco	174	773	525	6	1,478
Totals	<u>\$7,897</u>	<u>\$4,855</u>	<u>\$3,543</u>	<u>\$31</u>	<u>\$16,326</u>

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

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

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$47,984	\$16,326	\$64,310
Sold	12,446	0	12,446
Matured	0	40,003	40,003
		<u>\$23,677-</u>	<u>\$11,861+</u>
		1,252+ (Net Change 1-day holdover & other bills)	1,252+ (Net Change 1-day holdover & other bills)
Totals	<u>\$35,538+</u>	<u>\$22,425-</u>	<u>\$13,113+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DECEMBER 24, 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	\$ 9,515	\$ 0	\$ 0	\$75,989	\$27,048	\$372,491	\$485,043
Bills Purchased	258,148	55,742	30,234	10,344	475	0	354,943
Totals	<u>\$267,663</u>	<u>\$55,742</u>	<u>\$30,234</u>	<u>\$86,333</u>	<u>\$27,523</u>	<u>\$372,491</u>	<u>\$839,986</u>

December 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 23rd instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your committee for the period from December 12, 1929 to December 18, 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.



FEDERAL RESERVE BANK  
OF NEW YORK

R. A. Y.  
DEC 26 1929

PERSONAL

December 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 December 12, 1929 to December 18, 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.

*Mr. Ruffler ✓  
Smead ✓  
Collier ✓*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 26 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

December 23, 1929

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

Dear Mr. Goldwenweiser:

Enclosed is a report of transactions in government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 12, 1929 to December 18, 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

Incl.

FOR SPECIAL CIRCULATION

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

Gov. Young ✓

Mr. Hazlin ✓

Mr. Jones ✓

Mr. Miller ✓

Mr. Cunningham ✓

Mr. Fols ✓

FEDERAL RESERVE BANK

OF NEW YORK

CONFIDENTIAL

December 23, 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.

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 18, 1929

Holdings of Earning Assets of Federal Reserve Banks from November 28, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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	109,026	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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	30,704	44,983	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,575,467	125,973	36,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,349
Dec. 11	1,491,299	386,309	625	242,833	79,007	768,922
Dec. 18	1,589,466*	508,990*	24,275	243,102	66,309	737,038

\* Includes \$69,000,000 special one-day Treasury certificates of indebtedness

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED DECEMBER 18, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 18	Net Change	Balance Dec. 18	Net Change	Balance Dec. 18	Net Change
Boston	\$ 21,179	\$ 3,833+	\$ 2,191	\$ 637-	\$ 36,612	\$ 3,175-
New York	207,458	23,173+	66,362	3,806+	176,173	20,896+
Philadelphia	36,788	4,119+	8,356	403+	70,705	2,419-
Cleveland	22,731	5,155+	28,208	1,647+	94,450	8,324-
Richmond	6,818	2,250+	17,675	1,683+	40,459	2,476+
Atlanta	8,843	60+	17,311	435+	39,760	4,985-
Chicago	59,404	7,385+	35,915	3,421+	118,737	698-
St. Louis	25,112	3,409+	5,962	3,800+	28,625	1,199-
Minneapolis	14,456	2,023+	4,778	1,392+	15,814	4,766-
Kansas City	3,063	0	12,979	2,691-	38,066	14,070-
Dallas	22,254	2,272+	9,185	924+	13,673	7,139-
San Francisco	11,884	0	26,099	2,469+	63,964	8,231-
N. Y. holdovers and other bills			7,881	16,333-		
Totals	\$439,990	\$53,681+	\$243,102	\$ 269+	\$737,038	\$31,884-

COMMENT ON CHANGES WEEK ENDED DECEMBER 18, 1929

Total earning assets of the System (exclusive of the \$69,000,000 special one-day certificates of indebtedness issued by the Treasury to cover the overdraft) showed an increase of \$29,167,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$31,380,000 in bills discounted, and increases of \$53,680,000 and \$270,000 respectively in outright purchases of government securities and bankers acceptances, and \$10,950,000 net in investments held under sales contracts. The latter item consisted of an increase of \$23,650,000 in government securities and decrease of \$12,700,000 in bankers acceptances.

Money  
Market

In the call money market, the Exchange rate was maintained at 4 1/2 per cent until Friday afternoon, when an advance to 5 per cent occurred. This is the first time since November 21 that call money has been quoted at any other rate than 4 1/2 per cent. The shrinkage in offerings of funds at the end of the calendar week just closed reflected a large loss of gold - principally exports to France, an outflow of funds to other districts during the last three days of the week, substantially larger seasonal requirements for currency, and the reduction of the Treasury overdraft at the Reserve Banks to small proportions.

On December 16, the first day of the Treasury tax period, cash redemptions of maturing certificates and interest payments were considerably in excess of income tax collections, and the New York City banks used these funds to retire a substantial amount of their indebtedness at the Reserve Bank; on this day the Treasury overdraft at New York amounted to \$171,000,000 and at all Reserve Banks to \$312,500,000. On the next day, further income tax collections and payments for \$100,000,000 Treasury bills resulted in a large loss of funds to the money market which, however, was partly offset by Reserve Bank purchases of bills and government securities, and as bank reserves were well above requirements at the beginning of the day, the New York City banks did not have to increase immediately their Reserve Bank indebtedness. On this day, the Treasury overdraft at New York was reduced to \$18,000,000 and for the country to \$99,500,000. For the balance of the week, further income tax collections, currency requirements, outward transfers of commercial funds, and losses of gold, though partly offset by Reserve Bank takings of bills and government securities, still had the effect of causing an increase in New York City bank borrowings. The entire Treasury overdraft was concentrated at New York on December 19, and from a figure of \$19,000,000 on that day was reduced to \$9,000,000 on the 20th.

Time money was quoted at 4 3/4 per cent bid, 5 per cent offered, during the past week. That quotation, however, was little more than nominal, due to the very limited demand and even smaller offerings of funds that were reported during the period.

Investment demand for commercial paper tapered off slightly in the past week. While the prevailing rate remained at 5 per cent, those dealers which had been offering some names at 4 3/4 per cent, indicated that sales at that price were even smaller than had been the case in the previous week. New drawings of paper were in light volume.

Government  
Security  
Market

The market for United States Government securities developed some weakness during the current statement week. With the exception of the First 3 1/2 and 4 1/4 per cent Liberty Loan bonds, which showed fractional advances in price for the week, all issues showed fractional losses for the week, the largest of which was for the long-term bonds

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>
5 1/8% Cert. of Ind. due Mar. 15, 1930	100 15/32	-3/32	2.97
4 7/8% " " " " June 16, 1930	100 28/32	-2/32	3.02
3 1/8% " " " " Sept. 15, 1930	99 29/32	-1/32	3.21
3 1/2% Treasury Notes " Mar. 15, 1932	99 20/32	-6/32	3.66
3 1/2% " " " " Sept. 15, 1932	99 20/32	-6/32	3.64
3 1/2% " " " " Dec. 15, 1932	99 20/32	-6/32	3.63

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 12/32	+4/32	Treas. 4s 1944-54	107 8/32	-22/32
1st 4 1/4s	100 31/32	+3/32	" 4 1/4s 1947-52	111 5/32	-25/32
4th 4 1/4s	101 10/32	-3/32	" 3 3/4s 1946-56	104 5/32	-25/32
			" 3 3/8s 1943-47	99 21/32	-11/32
			" 3 3/8s 1940-43	99 21/32	-11/32

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

Reports  
Week  
Ending  
Dec. 18

Boston reports that there was very little change in the bill market conditions in its district from the previous week. Local banks were moderate buyers, but this buying was not sufficient to take care of the supply. Dealers' portfolios increased over \$2,000,000. This necessitated dealers offering their bills to the Reserve Bank mostly on sales contracts and in shipping bills to their offices in other cities. There was little choice as to maturities and bills as a whole did not move freely. In New York the bill market was active the first two days of the period, but was considerably less active the balance of the week. The supply of bills fell off substantially as compared with the past two weeks. The demand was fairly good and about equal to the supply. Offerings to us of shorter maturities from both banks and dealers for System Account were fairly substantial the first part of the week. Dealers' portfolios decreased moderately. Philadelphia reports that its acceptance market was quiet. New bills continued to come into the market but in smaller volume. The demand was very dull. Chicago reports that the bill market in its district continued very quiet. The supply was good with the demand negligible. Dallas reports that there was a very good demand for bills in its district from country banks during the past week with marked preference for long time bills. Distribution in sales was much broader than during the previous week. Offerings to the Reserve Bank were in small volume, although the amount represented an increase over the previous period.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week (exclusive of Treasury financing operations and redemptions) were as follows:

Purchases of \$5,000,000 par amount		3 1/2%	Treasury notes of 1930-32 for account Sinking Fund
71,400	"	"	4 1/4% Fourth Liberty Loan bonds for account General Railroad Contingent Fund
10,500	"	"	3 1/8% certificates of indebtedness due September 15, 1930, account Alien Property Custodian

\$7,081,900 Total purchases

and sales of \$ 600,000 par amount 4 7/8% certificates of indebtedness due June 16, 1930 for account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$45,000,000 aggregate amount of short-term Governments were purchased for the System Account. These purchases increased the total amount of holdings in the Account to \$222,675,000 at the close of business Wednesday, December 18, 1929. An exchange was also effected of the \$53,050,000 certificates of indebtedness which matured on December 15, 1929, for a like amount of the new Treasury 3 1/8% certificates of indebtedness, pursuant to the offering of the Secretary of the Treasury dated December 6. The participation by Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 20,434,500	Mar. 15, 1930 - 5 1/8% C/I	\$ 17,310,000
New York	76,013,000	Mar. 17, 1930 - Treasury Bills	20,000,000
Philadelphia	21,766,500	June 16, 1930 - 4 7/8% C/I	41,300,000
Cleveland	12,566,000	Sept. 15, 1930 - 3 1/8% "	53,050,000
Richmond	5,665,500	Mar. 15, 1932 - 3 1/2% T/N	9,360,000
Atlanta	6,226,000	Sept. 15, 1932 - 3 1/2% "	9,925,000
Chicago	39,476,500	Dec. 15, 1932 - 3 1/2% "	38,780,000
St. Louis	16,487,000	4th 4 1/4% Liberty Bonds	32,950,000
Minneapolis	6,540,000		
Kansas City	3,060,000		
Dallas	12,266,500		
San Francisco	2,173,500		
Totals	<u>\$222,675,000</u>		<u>\$222,675,000</u>





MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 18, 1929  
(000 Omitted)

	<u>1-30 days</u> <u>4%</u>	<u>31-60 days</u> <u>4 - 4 1/8%</u>	<u>61-90 days</u> <u>4 - 4 1/8%</u>	<u>Over 90-days</u> <u>4 - 4 1/8%</u>	<u>Total</u>
Boston	\$ 84	0	0	0	\$ 84
New York	16,205	19,678	1,497	0	37,380
Philadelphia	553	497	170	0	1,220
Atlanta	567	123	80	0	770
Chicago	1,115	250	50	0	1,415
Dallas	269	191	91	103	654
San Francisco	<u>198*</u>	<u>495</u>	<u>702</u>	<u>22</u>	<u>1,417</u>
Totals	<u>\$18,991</u>	<u>\$21,234</u>	<u>\$2,590</u>	<u>\$125</u>	<u>\$42,940</u>

\*Purchased at 4 to 4 1/4%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES  
AND BANKERS ACCEPTANCES DURING WEEK ENDING DECEMBER 18, 1929  
(000 Omitted)

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

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$119,579	\$42,940	\$162,519
Sold	65,898	0	65,898
Matured	<u>0</u>	<u>26,333</u>	<u>26,333</u>
		<u>\$16,802*</u>	<u>\$ 70,283+</u>
		16,333- (Net Change 1-day holdover and other bills)	16,333- (Net Change 1-day holdover and other bills)
Totals	<u>\$53,681+</u>	<u>\$ 269+</u>	<u>\$ 53,950+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DECEMBER 18, 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	\$ 93,275	0	0	\$45,090	\$58,947	\$335,953	\$533,265
Bills Purchased	<u>177,017</u>	<u>90,483</u>	<u>32,940</u>	<u>8,493</u>	<u>478</u>	<u>0</u>	<u>309,411</u>
Totals	<u>\$270,292</u>	<u>\$90,483</u>	<u>\$32,940</u>	<u>\$53,583</u>	<u>\$59,425</u>	<u>\$335,953</u>	<u>\$842,676</u>

December 18, 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 16th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from December 5, 1929 to December 11, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 17 1929  
FEDERAL RESERVE BANK  
OF NEW YORK

PERSONAL

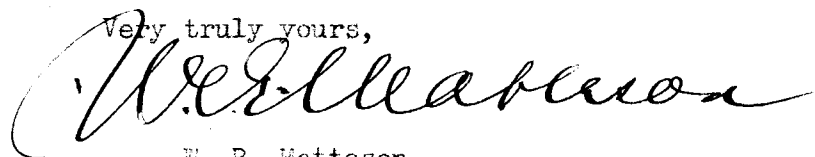
December 16, 1929

R. A. Y.  
DEC 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 December 5, 1929 to December 11, 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.

*Mr. Riefler ✓  
Mr. Moore ✓  
Mr. Callahan ✓*

**FEDERAL RESERVE BANK  
OF NEW YORK**

RECEIVED  
DEC 13 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

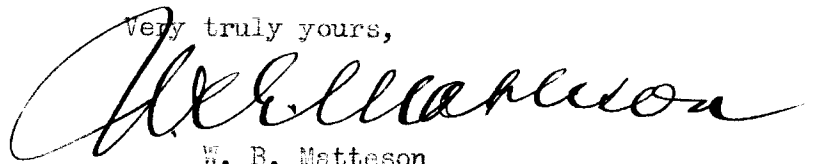
December 16, 1929

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

Dear Mr. Goldenweiser:

Enclosed is a report of transactions in government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 5, 1929 to December 11, 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.

FOR SPECIAL CIRCULATION

PLEASE READ FIRST, 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

RECEIVED  
DEC 17 1929  
SECRETARY'S OFFICE

*about  
then*

CONFIDENTIAL

December 16, 1929

Dear Governor Young:

Enclosed is a report of transactions in government securities and bankers acceptances as reported to the Open Market Investment Committee for the Federal Reserve System for the period from December 5, 1929 to December 11, 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

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

Encl.

*see letter 1/18/29*

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 11, 1929

Holdings of Earning Assets of Federal Reserve Banks from November 28, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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	332,029	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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,349
Dec. 4	1,502,670	352,349	2,795	218,038	38,480	872,310
" 11	1,491,299	386,309	625	242,833	79,007	768,922

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED DECEMBER 11, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 11	Net Change	Balance Dec. 11	Net Change	Balance Dec. 11	Net Change
Boston	\$ 17,344	\$ 2,119+	\$ 2,878	\$ 232-	\$ 39,787	\$ 885+
New York	184,285	17,101+	62,556	772+	155,277	24,916+
Philadelphia	32,669	2,277+	7,953	216-	73,124	25,971-
Cleveland	17,576	1,847+	26,561	2,208-	102,774	3,142-
Richmond	4,568	2,759+	16,192	193-	37,983	5,422-
Atlanta	8,783	47-	16,376	456-	44,745	6,251-
Chicago	52,019	4,083+	32,494	2,827+	119,435	39,679-
St. Louis	21,703	1,884+	2,162	2,087+	29,824	7,571-
Minneapolis	12,433	680+	3,386	601+	20,780	9,114-
Kansas City	3,063	0	15,670	572-	52,136	10,944-
Dallas	19,982	1,257+	8,261	515-	20,862	8,737-
San Francisco	11,884	0	23,630	2,228+	72,195	12,358-
N. Y. holdovers and other bills			24,214	20,672+		
Totals	\$336,309	\$33,960+	\$242,833	\$24,795+	\$768,922	\$103,388-

COMMENT ON CHANGES WEEK ENDED DECEMBER 11, 1929

Total earning assets of the System showed a decrease of \$11,371,000 for the current statement week. The approximate changes by classification consisted of a decrease of \$103,390,000 in bills discounted and increases of \$33,960,000 and \$24,800,000, respectively, in outright purchases of government securities and bankers acceptances, and \$38,360,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$2,170,000 in government securities and an increase of \$40,530,000 in bankers acceptances.

Money  
Market

The rate for call money continued at 4 1/2 per cent on the Exchange throughout the past calendar week, but in the outside market the concession was cut to one-half per cent as against a full one per cent in the previous week. Offerings of funds throughout the period were abundant but the demand for new loan accommodation tended to be slightly larger than in immediately preceding weeks.

With respect to movements of funds in the money market, New York again lost funds to other parts of the country in substantial volume and a loss of \$24,000,000 of gold occurred during the period, reflecting chiefly exports to France and England. Currency requirements also increased somewhat, following a net return from circulation in the previous week. These major losses of funds to the money market, however, were largely offset by increases in Federal Reserve bill and security holdings, so that the borrowings of the New York City banks showed relatively little net change for the period, and at a daily average of \$100,000,000 their indebtedness was only \$7,000,000 larger than in the previous week.

After dropping as low as 4 1/2 per cent bid, 4 3/4 per cent offered in the preceding week, time money on stock exchange collateral firmed slightly during the week just completed. Toward the end of the period all maturities were quoted at 5 per cent flat, with loans, chiefly for the shorter maturities, placed in limited volume.

The going rate for prime commercial paper became established at 5 per cent early in the week. Some paper, of course, continued to be offered at 5 1/4 per cent and occasionally exceptional names at 4 3/4 per cent, but the large bulk of the business was at the 5 per cent level. Investment demand remained good, and dealers continued to report difficulty in acquiring sufficient supplies of new paper.

Government  
Security  
Market

The market for United States Government securities, which during the preceding calendar week was strong and active, developed some weakness during the current calendar week, owing chiefly to a firmer tone in money. While the demand was good for the 3 1/2 per cent Treasury notes due in 1930-32, as reflected in the increase of 10/32nds in dealers' offering prices over the previous week's close, the demand for the other outstanding Treasury issues was somewhat less than the amount of offerings and these issues showed fractional recessions in price for the week. The new Treasury issue of 3 1/8 per cent 9 months' certificates was offered by dealers at the close of the week at 99 30/32, representing a discount of 2/32nds under the issue price.

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>
5 1/8%	Cert. of Ind. due Mar. 15, 1930	100 18/32	- 1/32	2.76
4 7/8%	" " " " June 16, 1930	100 30/32	- 3/32	2.96
3 1/8%	" " " " Sept. 15, 1930	99 30/32	- - -	3.21
3 1/2%	Treasury Notes " Mar. 15, 1932	99 26/32	+10/32	3.58
3 1/2%	" " " " Sept. 15, 1932	99 26/32	+10/32	3.57
3 1/2%	" " " " Dec. 15, 1932	99 26/32	+10/32	3.56

Closing Prices on New York Stock Exchange 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>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	99 8/32	- 8/32	Treas. 4s 1944-54	107 30/32	-20/32
1st 4 1/4s	100 28/32	-14/32	" 4 1/4s 1947-52	111 30/32	-21/32
4th 4 1/4s	101 13/32	- 6/32	" 3 3/4s 1946-56	104 30/32	-20/32
			" 3 3/8s 1943-47	100	- 6/32
			" 3 3/8s 1940-43	100	- 3/32

BankersAcceptances

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

ReportsweekendingDec. 11

Boston reports that the supply of bills was somewhat better during the past week as compared with the previous period with the demand spotty. Although local banks were better buyers of bills during the past period than during the previous one, dealers' portfolios increased and consequently more bills were offered to the Reserve Bank on sales contract than for several weeks past. Local banks likewise had more bills to offer and the Reserve Bank's portfolio increased nearly \$4,000,000. In New York the bill market was active throughout the week. The supply continued very heavy and while the demand was better than the previous week, did not equal the supply and dealers' aggregate portfolios increased substantially to the highest point they have been this year. Early in the week, dealers finding practically no demand at all for short bills increased their bid and offered rates 1/8 per cent on these maturities to 4 1/8 per cent bid, 4 per cent offered. This resulted in short bills being offered to the Reserve Bank for System Account in fairly substantial amounts and principally by banks. Philadelphia reports that its acceptance market was quiet. New bills continued to come into the market more freely than for some time. The demand was generally poor, dealers reporting portfolios at still higher levels. Chicago reports that there was very little demand in its district for bills at the prevailing rates. The supply was considerably in excess of the demand. Dallas reports that the condition of the bill market in its district was practically unchanged from the previous week with the demand and offerings to the Reserve Bank approximately the same as last week.



OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week (exclusive of Treasury financing operations and prior redemptions) were as follows:

Sales of \$1,100,000 - 4 7/8% certificates of indebtedness due June 16, 1930, account Alien Property Custodian.

2,000,000 - 4 7/8% certificates of indebtedness due June 16, 1930, account Government Life Insurance Fund.

---

\$3,100,000

and purchase of \$10,000,000 - 3 1/2% Treasury notes of 1930-32 account Sinking Fund.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week purchases of \$25,175,000 aggregate amount of short-term Governments were purchased for the System Account pursuant to the recommendation contained in the report of the Open Market Investment Committee dated November 12, 1929, and approved by the Federal Reserve Board. These purchases increased the total amount of holdings in the Account to \$177,675,000 at the close of business Wednesday, December 11, 1929. The participation by Federal reserve banks and the classification of issues were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 16,600,000	Dec. 15, 1929 - 4 1/4% C/I	\$12,750,000
New York	61,668,500	Dec. 15, 1929 - 4 3/4% "	40,300,000
Philadelphia	17,647,500	Mar. 15, 1930 - 5 1/8% "	14,260,000
Cleveland	7,027,000	June 16, 1930 - 4 7/8% "	40,200,000
Richmond	3,415,500	Mar. 15, 1932 - 3 1/2% T/N	7,360,000
Atlanta	6,226,000	Sept. 15, 1932 - 3 1/2% "	9,175,000
Chicago	32,091,500	Dec. 15, 1932 - 3 1/2% "	38,780,000
St. Louis	13,078,000	4th 4 1/4% Liberty Bonds	14,850,000
Minneapolis	4,693,500		
Kansas City	3,060,000		
Dallas	9,994,000		
San Francisco	2,173,500		
	Totals		\$177,675,000
	\$177,675,000		\$177,675,000

ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS DECEMBER 5 TO DECEMBER 11, 1929, INCL.

	<u>Purchases</u>
Boston	\$ 2,119,500
New York	7,929,000
Philadelphia	2,277,000
Cleveland	1,846,500
Richmond	2,759,000
Chicago	4,082,500
St. Louis	1,884,500
Minneapolis	1,020,500
Dallas	1,256,500
Total	<u>\$25,175,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$13,172,000	Misc. Gov't Sec.	\$4,000,000	Dec. 15/29 C/I
Atlanta	412,650	Misc. Gov't Sec.	459,750	Misc. Gov't Sec.
St. Louis	1,625,000	Sept. 15, 1932 T/N	1,625,000	3 3/8% 1943-47 Tr. Bds.
Minneapolis	627,500	Misc. Gov't Sec.	967,950	Misc. Gov't Sec.
Totals	<u>\$15,837,150</u>		<u>\$7,052,700</u>	

\*Of this amount \$5,000,000 was purchased by the Treasury for redemption and held temporarily by New York.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Dec. 4	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings Dec. 11	Other Holdings Close Dec. 11/29	
						Sales Contracts	Other Bills
Boston	\$ 3,110	\$ 1,418 R.	0	\$ 1,650	\$ 2,878	\$ 8,693	\$ 76
New York	61,784	8,630 " 12,964 A.	0	7,858	62,556	61,410	312
Phila.	8,169	1,285 R.	0	1,501	7,953	0	99
Cleve.	28,769	0	2,197	4,405	26,561	0	909
Richmond	16,385	97 "	1,148	1,438	16,192	0	47
Atlanta	17,332	737 "	1,053	2,246	16,876	0	1,519
Chicago	29,667	3,657 "	2,768	3,598	32,494	3,200	141
St. Louis	75	0	2,087	0	2,162	0	41
Minneapolis	2,785	0	932	331	3,386	0	26
Kan. City	16,242	0	0	572	15,670	0	34
Dallas	8,776	362 "	916	1,793	8,261	1,262	34
San Fran.	21,402	3,210 "	1,863	2,845	23,630	4,442	74
Totals	\$214,496	\$32,360	\$12,964	\$28,237	\$218,619	\$79,007	\$3,312

Bills held overnight by New York for distribution to other F. R. Banks - - 5,464  
 " " " " " " " " " " " " " foreign correspondents 15,438  
 Total - - - - - \$24,214

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

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 11, 1929  
(000 Omitted)

	<u>1-30 days</u> <u>4 - 4 1/8%</u>	<u>31-60 days</u> <u>4 - 4 1/8%</u>	<u>61-90 days</u> <u>4 - 4 1/8%</u>	<u>Over 90-days</u> <u>4%</u>	<u>Total</u>
Boston	\$ 1,032	\$ 360	\$ 26	\$ 0	\$ 1,418
New York	13,009	7,345	936	304	21,594
Philadelphia	318	857	110	0	1,285
Richmond	0	17	80	0	97
Atlanta	719*	18**	0	0	737
Chicago	2,099	1,554	4	0	3,657
Dallas	196	78	88	0	362
San Francisco	<u>581</u>	<u>1,205</u>	<u>1,424</u>	<u>0</u>	<u>3,210</u>
Totals	<u>\$17,954</u>	<u>\$11,434</u>	<u>\$2,668</u>	<u>\$304</u>	<u>\$32,360</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 DECEMBER 11, 1929  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$41,012	\$32,360	\$73,372
Sold	7,052	0	7,052
Matured	0	28,237	28,237
		\$ 4,123+	\$58,083+
		20,672+ (Net Change	20,672+ (Net Change
		1-day holdcover	1-day holdcover
		and other bills)	and other bills)
Totals	<u>\$33,960+</u>	<u>\$24,795+</u>	<u>\$58,755+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DECEMBER 11, 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	\$ 62,860	0	0	0	\$22,042	\$302,032	\$386,934
Bills Purchased	<u>176,762</u>	<u>99,308</u>	<u>36,346</u>	<u>8,803</u>	<u>621</u>	<u>0</u>	<u>321,840</u>
Totals	<u>\$239,622</u>	<u>\$99,308</u>	<u>\$36,346</u>	<u>\$8,803</u>	<u>\$22,663</u>	<u>\$302,032</u>	<u>\$708,774</u>

December 11, 1929

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 9th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from November 29, 1929 to December 4, 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.

*Mrs. Ames*  
*Ruefler*  
*Callier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 11 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

December 9, 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 November 29, 1929 to December 4, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,  
*W. B. Matteson*

W. B. Matteson  
Assistant Deputy Governor

Encl.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 11 1929

PERSONAL

December 9, 1929

R. A. Y.  
DEC 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 November 29, 1929 to December 4, 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

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

Encl.

FOR SPECIAL CIRCULATION

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

Gov. Young

Mr. Hamlin

Mr. James

Mr. Piatt

FEDERAL RESERVE BANK OF NEW YORK

Mr. Pole

RECEIVED  
DEC 11 1929

OF NEW YORK

CONFIDENTIAL

December 9, 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 November 29, 1929 to December 4, 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.

CONFIDENTIAL

REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED DECEMBER 4, 1929

Holdings of Earning Assets of Federal Reserve Banks from November 28, 1928 to Date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,349
Dec. 4	1,502,670	352,349	2,795	218,038	38,480	872,310

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)  
DURING WEEK ENDED DECEMBER 4, 1929  
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Dec. 4	Net Change	Balance Dec. 4	Net Change	Balance Dec. 4	Net Change
Boston	\$ 15,225	\$ 3,092+	\$ 3,110	\$ 1,309-	\$ 38,902	\$11,342-
New York	167,184	11,565+	61,784	4,871-	130,361	1,384+
Philadelphia	30,392	3,320+	8,169	1,441-	99,095	7,911+
Cleveland	15,729	0	28,769	4,232-	105,916	969+
Richmond	1,809	0	16,385	799-	43,405	9,236-
Atlanta	8,830	53-	17,332	1,496-	50,996	7,488-
Chicago	47,936	5,954+	29,667	5,392-	159,114	6,884-
St. Louis	19,819	2,748+	75	75+	37,395	4,386-
Minneapolis	11,753	1,829+	2,785	83-	29,894	2,363+
Kansas City	3,063	0	16,242	1,602-	63,080	33+
Dallas	18,725	1,831+	8,776	1,180-	29,599	18+
San Francisco	11,884	0	21,402	3,270-	84,553	13,381-
N. Y. holdovers and other bills			3,542	6,406-		
Totals	\$352,349	\$30,286+	\$218,038	\$32,006-	\$872,310	\$40,039-

COMMENT ON CHANGES WEEK ENDED DECEMBER 4, 1929

Total earning assets of the System showed a decrease of \$11,790,000 for the current statement week. The approximate changes by classification consisted of decreases of \$40,040,000 in bills discounted and \$32,000,000 in outright purchases of bankers acceptances, and increases of \$50,290,000 in outright purchases of government securities and \$29,970,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$1,240,000 in government securities and an increase of \$31,210,000 in bankers acceptances.



Money  
Market

Call money during the past calendar week was quoted at 4 1/2 per cent on the Exchange and during much of the time at 3 1/2 per cent in the outside market. Demand for accommodation remained light throughout the period, and at the close of business on all days substantial amounts of funds remained unlent on the Exchange money desk. The reserve balances of the principal New York City banks were materially above requirements at the beginning of the week, due to the heavy borrowings of these banks on the preceding Friday in order to bring their average reserves up to requirements. As a result of this situation and gains to the market which included the return of currency to the Reserve Bank, purchases of securities for System Account, and the tendering of bills to the Reserve Bank under sales contract, the New York banks were able to stand an outflow of funds to other parts of the country and a loss of \$13,500,000 of gold, and still effect a marked net reduction in their indebtedness from the level of the previous Friday. Federal funds were quoted at 4 1/4 - 4 1/2 per cent practically all week, or the same level as on the preceding Friday. The return of Federal funds to a level close to the discount rate indicates that a considerable part of the plethora of funds that existed in the market during the middle part of November has been absorbed.

Time money rates eased further to a new low level since March 1928. Borrowers reduced their bid rate to 4 1/2 per cent for all maturities, and the nominal offering rate dropped to 4 3/4 per cent. Actually, however, little money was offered for fixed date accommodation, and only a few short dated loans were placed.

Prime commercial paper was offered and sold at a range of 5 - 5 1/4 per cent during the past week. The tendency seems to be toward a flat 5 per cent rate, and in fact one of the principal dealers recently has been offering exceptional names at 4 3/4 per cent, though few sales have occurred at that rate. Outside of New York City, there continued to be an excellent investment demand for paper, and even in New York City some of the smaller banks were buyers of paper. The chief limitation on sales continued to be the small amount of new drawings that dealers were receiving from commercial and industrial concerns.

Government  
Security  
Market

The market for United States Government securities during the current calendar week was strong and active with the 3 1/2 per cent Treasury notes of 1930-32 and the long-term bonds in best demand. Buying by corporations, representing investments of surplus funds, was stimulated by the reduction which will take place on December 16 next of the amount of Treasury issues outstanding, as a result of the announcement made by the Secretary of the Treasury on December 6 of a new issue of about \$325,000,000 of 3 1/8 per cent nine months' Treasury certificates of indebtedness to be issued on December 16. The buying by corporations together with purchases of short-term Governments for the System Account caused an upward trend in prices and practically all issues showed fractional gains 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
5 1/8%	Cert. of Ind. due Mar. 15, 1930	100 19/32	- - -	2.80
4 7/8%	" " " " " June 15, 1930	101 1/32	+ 2/32	2.84
3 1/2%	Treasury Notes " " " Mar. 15, 1932	100	+16/32	3.50
3 1/2%	" " " " " Sept. 15, 1932	100	+16/32	3.50
3 1/2%	" " " " " Dec. 15, 1932	100	+16/32	3.50

Closing Prices on New York Stock Exchange at the End of the  
Calendar Week and Net Changes from Previous Week's Close

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	99 16/32	+12/32	Treas. 4s	1944-54 108 18/32	+2/32
1st 4 1/4s	101 10/32	+14/32	" 4 1/4s	1947-52 112 19/32	+1/32
4th 4 1/4s	101 19/32	+19/32	" 3 3/4s	1946-56 105 18/32	-4/32
			" 3 3/8s	1943-47 100 6/32	+6/32
			" 3 3/8s	1940-43 100 3/32	+3/32

Bankers  
Acceptances

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

Reports  
week  
ending  
Dec. 4

Boston reports that sales by dealers fell off sharply with the supply also showing a large decrease from the previous week. Dealers had no bills to offer the Reserve Bank except a few offerings on sales contract. In New York the bill market was active throughout the week. The supply was very heavy. The demand while good, was not equal to the supply and dealers' portfolios increased very substantially to the highest point they have been this year. Dealers were buying quite large amounts of short bills for which there was practically no demand and indicated they might increase rates on short bills. Philadelphia reports that its bill market was only moderately active. There were quite a few new bills, principally cotton, coming into the market. The demand was dull; dealers reporting portfolios substantially higher. Reserve Bank buying was negligible. Chicago reports that there was very little demand for bills in its district as a result of which dealers were accumulating fairly large portfolios. Dallas reports that its bill market was very quiet with the demand very light. Offerings to the Reserve Bank were also very light and consisted entirely of short bills.



ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS NOVEMBER 28 TO DECEMBER 4, 1929, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>
Boston	\$ 3,091,500
New York	11,565,000
Philadelphia	3,320,500
Chicago	5,954,000
St. Louis	2,747,500
Minneapolis	1,489,000
Dallas	1,832,500
Total	<u>\$30,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	*\$25,000,000	<del>XXXX</del> -1930-32 Notes	*\$25,000,000	1st L/L bonds
Atlanta	520,100	Misc. Gov't Sec.	572,950	Misc. Gov't Sec.
Minneapolis	1,042,200	Misc. Gov't Sec.	702,350	Misc. Gov't Sec.
Dallas	0	-	1,000	4th L/L bonds
Totals	<u>\$26,562,300</u>		<u>\$26,276,300</u>	

\*Exchanged in N. Y. market.

BANKERS ACCEPTANCES  
(000 Omitted)

	<u>Holdings</u> Nov. 27	<u>Purchased</u> Own Mkt.	<u>By Allot-</u> ment from New York	<u>Matur-</u> ities & Sales	<u>Holdings</u> Dec. 4	<u>Other Holdings</u> Close Dec. 4/29	
						<u>Sales</u> Contracts	<u>Other</u> Bills
Boston	\$ 4,419	0	0	\$ 1,309	\$ 3,110	\$ 4,529	\$ 76
New York	66,655	3,621* R. 550 A.	0	8,492	61,784	25,330	390
Phila.	9,610	141 R.	0	1,582	8,169	0	99
Cleve.	33,001	0	100	4,332	28,769	0	1,069
Richmond	17,184	715 "	50	1,564	16,385	0	47
Atlanta	18,828	645 "	50	2,191	17,332	0	1,491
Chicago	35,059	550 "	100	6,042	29,667	3,567	141
**St. Louis	0	0	75	0	75	0	41
Minn.	2,868	0	50	133	2,785	0	26
Kan. City	17,844	0	0	1,602	16,242	0	34
Dallas	9,956	400 "	50	1,630	8,776	627	34
San Fran.	24,672	686 "	75	4,031	21,402	4,427	74
Totals	<u>\$240,096</u>	<u>\$7,308</u>	<u>\$550</u>	<u>\$32,908</u>	<u>\$214,496</u>	<u>\$38,480</u>	<u>\$3,522</u>

Bills held overnight by New York for distribution to other F.R. Banks - - - 20

Total - - - - - \$3,542

\*Of this amount \$2,871,000 of one and two-day maturities were purchased from a foreign correspondent.

\*\*During the current statement week the Federal Reserve Bank of St. Louis resumed participation in System purchases of bills.

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

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING DECEMBER 4, 1929  
(000 Omitted)

	1-30 days <u>4 - 4 1/8%</u>	31-60 days <u>4 - 4 1/8%</u>	61-90 days <u>4 - 4 1/8%</u>	Over 90-days <u>-</u>	Total
New York	\$4,171	0	0	0	\$4,171
Philadelphia	26	41	74	0	141
Richmond	179	308	228	0	715
Atlanta	610*	15**	20**	0	645
Chicago	213	312	25	0	550
Dallas	143	225	32	0	400
San Francisco	44	594	48	0	686
Totals	<u>\$5,386</u>	<u>\$1,495</u>	<u>\$427</u>	<u>0</u>	<u>\$7,308</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 DECEMBER 4, 1929  
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$56,562	\$7,308	\$63,870
Sold	26,276	0	26,276
Matured	0	32,908	32,908
		<u>\$25,600-</u>	<u>\$ 4,686+</u>
		6,406- (Net Change	6,406- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$30,286+</u>	<u>\$32,006-</u>	<u>\$ 1,720-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DECEMBER 4, 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>
Cov't Securities	\$ 64,058	0	0	0	\$18,822	\$272,264	\$355,144
Bills Purchased	<u>93,042</u>	<u>93,268</u>	<u>63,078</u>	<u>6,604</u>	<u>526</u>	<u>0</u>	<u>256,518</u>
Totals	<u>\$157,100</u>	<u>\$93,268</u>	<u>\$63,078</u>	<u>\$6,604</u>	<u>\$19,348</u>	<u>\$272,264</u>	<u>\$611,662</u>

December 3, 1929

Dear Mr. Matteson:

Receipt is acknowledged of your letter of December 2, addressed to Governor Young, enclosing a report of transactions in Government securities and bankers' acceptances as reported to the Open Market Investment Committee for the period from November 21 to November 27, 1929, inclusive.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

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

*Mr. Incead  
Rifler  
Collins*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 5 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

December 2, 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*

W. B. Matteson  
Secretary, Open Market  
Investment Committee

Encl.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
DEC 3 1929

P E R S O N A L

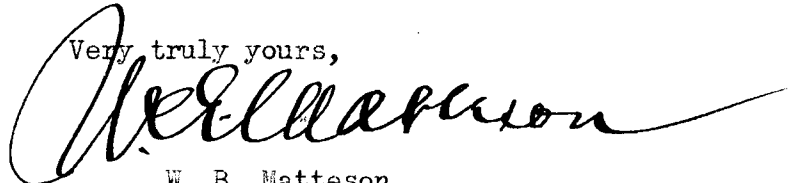
December 2, 1929

R. A. Y.  
DEC 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 November 21, 1929 to November 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.



FEDERAL RESERVE BANK  
OF NEW YORK

Gov. Young ✓  
Mr. P. A. ✓

Mr. Hamilton ✓ Mr. Johnson ✓  
Mr. Miller ✓ Mr. [unclear] ✓

CONFIDENTIAL

December 2, 1929

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Secretary, Open Market  
Investment Committee

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

Encl.

*Sup [unclear] 11/23/29*

## CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 27, 1929

Holdings of Earning Assets of Federal Reserve Banks from October 31, 1928 to date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 20	1,530,265	322,683	3,845	276,452	7,379	899,558
Nov. 27	1,514,460	322,063	4,035	250,044	7,271	912,349

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 27	Net Change	Balance Nov. 27	Net Change	Balance Nov. 27	Net Change
Boston	\$ 12,133	\$ 0	\$ 4,419	\$ 817-	\$ 50,244	\$ 7,958+
New York	155,619	0	66,655	11-	128,977	3,037+
Philadelphia	27,072	0	9,610	914-	91,184	3,243-
Cleveland	15,729	0	33,001	3,095-	104,947	13,294-
Richmond	1,809	0	17,184	1,108-	52,641	1,508-
Atlanta	8,883	89-	18,828	2,307-	58,484	2,100+
Chicago	41,982	0	35,059	3,165-	165,998	36,624+
St. Louis	17,071	0	0	0	41,781	9,181-
Minneapolis	9,924	533-	2,868	57-	27,531	2,562+
Kansas City	3,063	0	17,844	839-	63,047	4,016+
Dallas	16,894	1+	9,956	712-	29,581	1,492+
San Francisco	11,884	1+	24,672	2,455-	97,934	17,770-
N. Y. holdovers and other bills			9,948	9,819-		
Totals	\$322,063	\$620-	\$250,044	\$26,408-	\$912,349	\$12,791+

## COMMENT ON CHANGES WEEK ENDED NOVEMBER 27, 1929

Total earning assets of the System showed a decrease of \$15,805,000 for the current statement week. The approximate changes by classification consisted of decreases of \$620,000 and \$26,410,000, respectively, in outright purchases of government securities and bankers acceptances and increases of \$12,790,000 in bills discounted and \$80,000 net in investments held under sales contracts. The latter item consisted of an increase of \$190,000 in government securities and a decrease of \$110,000 in bankers acceptances.

Money  
 Market

The Stock Exchange rate for call money was steady at 4 1/2 per cent throughout the short trading week which ended Wednesday; Thursday was a holiday and the Exchange remained closed on Friday, with no quoting of call money on that day. Notwithstanding this low official rate for money and the continued placing of loans in the outside market as low as 3 per cent, there was some indication of the development of an underlying firmer tendency in day-to-day money. This may be ascertained from the raising of the quotation for Federal Funds from 1 1/2 - 2 per cent on the preceding Friday to 2 3/4 - 3 per cent on Monday, and to 3 1/2 - 3 3/4 per cent on the next two days. On Friday, Federal Funds were in good demand all day at 4 1/4 - 4 1/2 per cent. The situation on Friday was the result of an impairment in bank reserves that occurred on Wednesday, due to heavy currency withdrawals, net gold exports, and some flow of funds to other districts; as this shortage in reserve carried through the Thursday holiday, the member banks on the last day of the reserve period were faced with the necessity of increasing their actual reserves by a large amount in order to raise the average for the period to the required level. This they did by borrowing an additional \$103,000,000 at the Reserve Bank, and actual reserves consequently advanced some \$65,000,000 above requirements, while average reserves for the period became slightly in excess.

Time money against stock exchange collateral declined further during the past week, and on Wednesday, the last day of trading, all maturities were quoted at 4 3/4 per cent flat, a new low level since April 1928. The market was very largely a normal one, however; only a few loans maturing beyond the year-end were placed.

Under the impetus of a continuing good investment demand and a comparatively short supply, rates for open market commercial paper declined further during the past week. While the bulk of the sales was made at 5 1/4 per cent, the movement of paper at 5 per cent increased materially and now represents a sizeable portion of the total. Sales at 5 1/2 per cent continued to be consummated, but the volume at this rate decreased considerably in importance, so that the prevailing range for prime paper is now 5 - 5 1/4 per cent.

Government  
 Security  
 Market

Although the volume of trading in United States Government securities was good during the first three days of the current calendar week, the demand fell off slightly and on Wednesday, November 27, 1929, the day on which the New York Stock Exchange closed for the balance of the week, prices of all issues showed very small changes over the previous week's close.

Closing Prices on New York Stock Exchange on Wednesday, November 27, 1929  
 (on which day the Exchange closed for the balance of week)  
 and Net Changes from the Closing Prices of the Previous Week

<u>Issue</u>	<u>Price</u>	<u>Net Change from Closing Prices N. Y. Stock Ex- change, Friday, November 22, 1929</u>
1st 3 1/2s	99 4/32	+ 5/32
1st 4 1/4s	100 28/32	- 1/32
4th 4 1/4s	101	+ 1/32
Treas. 4s 1944-54	108 16/32	- 4/32
" 4 1/4s 1947-52	112 18/32	- 4/32
" 3 3/4s 1946-56	0	- - -
" 3 3/8s 1943-47	100	- - -
" 3 3/8s 1940-43	100	- 4/32

Dealers' Offering Prices at the End of the Calendar Week for the Short-term Governments and Net Changes from Previous Week's Close

	<u>Issue</u>		<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
4	1/4% Cert. of Ind. due	Dec. 15, 1929	100 2/32	-2/32	2.51
4	3/4% " " " "	Dec. 15, 1929	100 3/32	-2/32	1.92
5	1/8% " " " "	Mar. 15, 1930	100 19/32	-1/32	2.95
4	7/8% " " " "	June 16, 1930	100 31/32	-2/32	3.04
3	1/2% Treasury Notes	Mar. 15, 1932	99 16/32	-2/32	3.73
3	1/2% " " " "	Sept. 15, 1932	99 16/32	-2/32	3.70
3	1/2% " " " "	Dec. 15, 1932	99 16/32	-2/32	3.69

Bankers Acceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates at the close of the current statement week:

3 3/4 to 3 7/8 per cent for 30s, 60s and 90s, 3 7/8 to 4 per cent for 120s and 4 to 4 1/8 per cent for 180-day bills.

Reports week ending Nov. 27

Boston reports that the demand for bills in its district continued good with the supply increasing slowly. The low return on other short-term investments was favorable to the bill market with local banks best buyers. Sales to out-of-town banks were negligible. Short 60 and 90-day bills were moving more freely than previously reported. In New York the supply of bills increased moderately and was substantially in excess of the demand which fell off considerably. Dealers' sales consisted mainly of orders for nineties for foreign account. Local bank buying was light. Dealers' portfolios increased substantially. Philadelphia reports that its bill market was quiet. Offerings continued very light. The local demand for bills was negligible and out-of-town buying slightly improved. Chicago reports that its bill market was very quiet during the past period. Dallas reports that the bill market in its district was quiet during the past week. Offerings to the Reserve Bank were small and consisted entirely of sixty day bills.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Sales of \$	820,000	par amount	4 1/4%	certificates of indebtedness, due	December 15, 1929, account Government Life Insurance Fund
	930,000	" "	4 3/4%	certificates of indebtedness, due	December 15, 1929, account Government Life Insurance Fund
	300,000	" "	4 7/8%	certificates of indebtedness, due	June 16, 1930, account Alien Property Custodian
	<u>\$2,050,000</u>	Total sales			

and purchase of \$203,050 par amount 3 1/2% First Liberty Loan bonds, account Repayments of Principal by Foreign Governments.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

The only transaction in the System Special Investment Account was an exchange of \$600,000 par amount 3 1/2% Treasury notes of March 15, 1930-32 for a like amount of Treasury certificates. The total holdings remained unchanged at the close of business Wednesday, November 27, 1929, at \$122,500,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 11,389,000	Dec. 15, 1929 - 4 1/4% C/I	\$12,500,000
New York	42,174,500	Dec. 15, 1929 - 4 3/4% "	37,500,000
Philadelphia	12,050,000	Mar. 15, 1930 - 5 1/8% "	12,500,000
Cleveland	5,180,500	June 16, 1930 - 4 7/8% "	37,500,000
Richmond	656,500	Mar. 15, 1932 - 3 1/2% T/N	2,500,000
Atlanta	6,226,000	Dec. 15, 1932 - 3 1/2% "	20,000,000
Chicago	22,055,000		
St. Louis	8,446,000		
Minneapolis	2,184,000		
Kansas City	3,060,000		
Dallas	6,905,000		
San Francisco	2,173,500		
Totals	<u>\$122,500,000</u>		<u>\$122,500,000</u>

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 56,000	\$ 56,000
New York	206,500	206,500
Philadelphia	59,000	59,000
Cleveland	25,500	25,500
Richmond	3,000	3,000
Atlanta	30,500	30,500
Chicago	108,000	108,000
St. Louis	41,500	41,500
Minneapolis	10,500	10,500
Kansas City	15,000	15,000
Dallas	34,000	34,000
San Francisco	10,500	10,500
<b>Total</b>	<b>\$600,000</b>	<b>\$600,000</b>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$17,050,000*	Misc. Gov't Sec.	\$17,050,000*	Misc. Gov't Sec.
Atlanta	528,900	" " "	617,850	" " "
Minneapolis	900,750	" " "	1,434,650	" " "
<b>Totals</b>	<b>\$18,479,650</b>		<b>\$19,102,500</b>	

\*Exchange of longer term issues for short term issues.

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Nov. 20	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings Nov. 27	Other Holdings Close Nov. 27/29	
						Sales Contracts	Other Bills
Boston	\$ 5,236	\$ 383	0	\$ 1,200	\$ 4,419	\$ 278	\$ 76
New York	67,755	0	0	1,100	66,655	0	421
Phila.	10,524	573	0	1,487	9,610	0	99
Cleve.	36,096	0	0	3,095	33,001	0	1,069
Richmond	18,292	100	0	1,208	17,184	0	47
Atlanta	21,135	564	0	2,671	18,828	0	1,514
Chicago	38,244	328	0	3,513	35,059	1,705	141
St. Louis	0	0	0	0	0	0	42
Minn.	2,925	0	0	57	2,868	0	26
Kan. City	18,683	0	0	839	17,844	0	34
Dallas	10,668	383	0	1,095	9,956	558	34
San Fran.	27,127	2,151	0	4,606	24,672	4,730	74
<b>Totals</b>	<b>\$256,685</b>	<b>\$4,282</b>	<b>0</b>	<b>\$20,871</b>	<b>\$240,096</b>	<b>\$7,271</b>	<b>\$3,577</b>
Bills held overnight by New York for distribution to other F.R. Banks - -							31
" " " " " " " " " " " Foreign Correspondent							6,340
<b>Total</b> - - - - -							<b>\$9,948</b>

6

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

	1-30 days 4 - 4 1/4%	31-60 days 4 - 4 1/4%	61-90 days 4 - 4 1/4%	Over 90-days 4 - 4 1/8%	Total
Boston	\$ 30	\$ 92	\$ 23	\$238	\$ 383
Philadelphia	36	215	322	0	573
Richmond	0	0	100	0	100
Atlanta	289*	0	75**	0	364
Chicago	11	317	0	0	328
Dallas	99	231	27	26	383
San Francisco	366	1,460	325	0	2,151
Totals	\$831	\$2,315	\$872	\$264	\$4,282

\*Purchased at 4 1/2%, \*\*Purchased at 4 3/4%

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

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$19,082	\$ 4,282	\$23,364
Sold	19,702	0	19,702
Matured	0	20,871	20,871
		\$16,589-	\$17,209-
		9,819- (Net Change	9,819- (Net Change
		1-day holdovers	1-day holdover
		and other bills)	and other bills)
Totals	\$ 620-	\$26,408-	\$27,028-

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES NOVEMBER 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	\$ 4,035	\$ 57,344	0	0	\$17,868	\$246,851	\$326,098
Bills purchased	74,963	76,510	99,086	6,058	698	0	257,315
Totals	\$78,998	\$133,854	\$99,086	\$6,058	\$18,566	\$246,851	\$583,413

November 27, 1929

Dear Mr. Matteson:

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



*Mr. Reapler ✓*  
*Smead ✓*  
*Collier*

RECEIVED  
NOV 27 1929  
DIVISION OF RESEARCH  
AND STATISTICS

FEDERAL RESERVE BANK  
OF NEW YORK

CONFIDENTIAL

November 25, 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 November 14, 1929 to November 20, 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.

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
NOV 27 1929

PERSONAL

November 25, 1929

R. A. Y.  
NOV 27 1929

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Secretary, Open Market  
Investment Committee

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

Encl.

FOR SPECIAL CIRCULATION

PLEASE READ

COMPLETELY, INITIAL AND RETURN TO SECRETARY'S OFFICE

✓ Gov. Young

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt ✓

FEDERAL RESERVE BANK

Mr. Pole ✓

OF NEW YORK

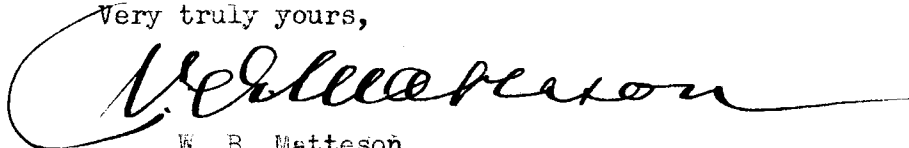
CONFIDENTIAL

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Secretary, Open Market  
Investment Committee

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

Encl.

*sent back 11/27/29*

CONFIDENTIAL

## REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED NOVEMBER 20, 1929

Holdings of Earning Assets of Federal Reserve Banks from October 31, 1928 to date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
Oct. 31	\$1,603,476	\$200,470	\$26,629	\$355,479	\$83,897	\$ 932,271
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Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 13	1,606,304	311,261	1,295	287,109	12,403	971,355
" 20	1,530,265	322,683	3,845	276,452	7,379	899,558

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Nov. 20	Change	Nov. 20	Change	Nov. 20	Change
Boston	\$ 12,133	\$ 2,565+	\$ 5,236	\$ 1,306-	\$ 42,288	\$12,623-
New York	155,619	3,302-	67,755	268-	125,940	238-
Philadelphia	27,072	2,767+	10,524	238-	94,427	22,019-
Cleveland	15,729	0	36,096	940-	118,241	13,374-
Richmond	1,809	0	18,292	219-	54,149	5,988+
Atlanta	8,972	178+	21,135	335-	56,384	162+
Chicago	41,982	4,962+	38,244	3,496-	129,374	29,734-
St. Louis	17,071	2,290+	0	0	50,962	288+
Minneapolis	10,457	446+	2,925	277-	24,969	5,408-
Kansas City	3,063	0	18,683	428-	59,031	1,544+
Dallas	16,893	1,527+	10,668	841-	28,089	37-
San Francisco	11,883	0	27,127	2,110-	115,704	3,654+
N.Y. holdovers and other bills			19,767	199-		
Totals	\$322,683	\$11,433+	\$276,452	\$10,657-	\$899,558	\$71,797-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 20, 1929

Total earning assets of the System showed a decrease of \$76,039,000 for the current statement week. The approximate changes by classification consisted of an increase of \$11,450,000 in outright purchases of Government securities and decreases of \$71,800,000 in bills discounted, \$10,650,000 in outright purchases of bankers acceptances and \$2,450,000 net in investments held under sales contract. The latter item consisted of an increase of \$2,550,000 in Government securities and a decrease of \$5,000,000 in bankers acceptances.

Money  
Market

Conditions in the New York money market eased further during the calendar week just ended. The decline in call rates was a direct reflection of the huge excess reserves which the New York City banks were carrying at the beginning of the period and which were disposed of as the week progressed through transfers of funds to banks in other centers, chiefly Philadelphia, Boston and Chicago. As the result of this rather substantial net outflow of funds to other districts and some further retirement of Reserve Bank credit in this market, the surplus of actual reserves of the City banks at the end of the week was reduced to more moderate proportions. The New York City banks were borrowing an average of only \$50,000,000 during the past week, and Federal Funds were quoted between 1 1/2 and 2 per cent throughout.

As to actual rates for call money in New York, a Stock Exchange renewal rate of 5 1/2 per cent on Monday was followed by a decline to 5 per cent in the rate for new loans. The 5 per cent rate held through Tuesday, but on the next two days recessions to 4 1/2 per cent occurred in the new loan rate. On Friday, a 4 1/2 per cent renewal rate was announced at the Exchange, the lowest since March 1928. Through most of the week, however, offerings of funds were so large and the demand so little more than nominal that in the outside market it was possible to obtain loans at 3 per cent against securities and 2 1/2 per cent against acceptances.

Quoted rates for time loans secured by stock exchange collateral dropped further to 5 per cent bid, 5 1/4 per cent offered. The market was largely nominal, but a little 90-day money was actually placed as low as 5 1/4 per cent, and 60-day money at 5 per cent. This is a new low level for time funds since May 1928.

The prevailing selling range for prime commercial paper declined further to 5 1/4 - 5 1/2 per cent, lowest since January of this year, and one leading dealer toward the end of the week even began to offer paper as low as 5 per cent. Investment demand for paper on the part of the banks has generally remained good, and in fact has been in more satisfactory volume than the supply, so that dealers have been urgently in need of new drawings of prime material.

Government  
Security  
Market

During the forepart of the current calendar week the market for United States Government securities continued strong and active. While the volume of trading fell off somewhat during the latter part of the week, the demand continued good, especially for the long-term bonds which registered good sized fractional gains in prices over the previous week's close. Most of the long-term bonds at the close of the week were selling at or near the high levels of the year and the Treasury 3 3/8s of 1940-43 sold at the highest price since date of issue.

Closing Prices on New York Stock Exchange on Friday, November 22, 1929  
(Exchange Closed Saturday, November 23, 1929)  
and Net Changes from the Closing Prices of the Previous Week

Issue	Price	Net Changes from Closing Prices N. Y. Stock Ex- change, Friday November 15, 1929
1st 3 1/2s	98 31/32	+25/32
1st 4 1/4s	100 29/32	+12/32
4th 4 1/4s	100 31/32	+ 8/32
Treas. 4s 1944-54	108 20/32	+ 1/32
" 4 1/4s 1947-52	112 22/32	+ 3/32
" 3 3/4s 1946-56	105 22/32	+24/32
" 3 3/8s 1943-47	100	+16/32
" 3 3/8s 1940-43	100 4/32	+11/32

Dealers' Offering Prices at the End of the Calendar Week for the  
Short-term Governments and Net Changes from Previous Week's Close

Issue	Price	Net Change	Approx. Yield
4 1/4% Cert. of Ind. due Dec. 15, 1929	100 4/32	- - -	1.80
4 3/4% " " " " Dec. 15, 1929	100 5/32	- - -	1.76
5 1/8% " " " " Mar. 15, 1930	100 20/32	- 6/32	2.99
4 7/8% " " " " June 16, 1930	100 29/32	- 3/32	3.21
3 1/2% Treasury Notes " Mar. 15, 1932	99 18/32	- - -	3.70
3 1/2% " " " " Sept. 15, 1932	99 18/32	- - -	3.66
3 1/2% " " " " Dec. 15, 1932	99 18/32	- - -	3.65

BankersAcceptances

Dealers' offerings of unindorsed bankers acceptances were at the following rates at the close of the current statement week: 3 7/8 per cent for 30s, 60s and 90s, 4 per cent for 120s and 4 1/8 per cent for 180-day bills, which represent a net reduction of 5/8 per cent for all maturities except 120s, which showed a reduction of 1/2 per cent over the dealers' offering prices at the close of the previous statement week.

ReportsweekendingNov. 20

Boston reports that there was a good demand for bills in its district during the past period, and a slight increase in the supply. Local banks, with increased deposits and fewer call loans were good buyers of bills while out-of-town buying was negligible. Bills moved freely with sixty and ninety day maturities in best demand. In New York, during the first two days of the current statement week the demand continued to improve and increased to a good volume which was substantially in excess of the supply as stated in last week's report. This condition continued for the balance of the period covered by this report. Investment of foreign owned moneys was good as was the buying by local banks for their own account and for account of corporations. Dealers' portfolios decreased substantially. Philadelphia reports that its acceptance market was quiet with very little if any demand for bills during the week. With the continued lowering of rates by dealers, there were practically no offerings to the Federal Reserve bank. Chicago reports that there was practically no demand for bills at current prices. Dealers looked to the New York market for outlet for purchases made in their district. Dallas reports that the demand for bills continued fairly active in spite of lowered rates. Offerings to the Reserve Bank were in small volume and consisted entirely of thirties and sixties.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction under Treasury authorization during the current statement week was a sale of \$500,000 par amount 4 7/8% certificates of indebtedness due June 16, 1930 for account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week a transfer was made to the System account of \$25,000,000 short-term Government securities from the Federal Reserve Bank of New York purchases, as mentioned in last week's report. The transfer of these securities brought the total holdings in the System account up to \$122,500,000. The participation by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, November 20, 1929, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 11,389,000
New York	42,174,500
Philadelphia	12,050,000
Cleveland	5,180,500
Richmond	656,500
Atlanta	6,226,000
Chicago	22,055,000
St. Louis	8,446,000
Minneapolis	2,184,000
Kansas City	3,060,000
Dallas	6,905,000
San Francisco	2,173,500

Totals	\$122,500,000
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RECAPITULATION OF HOLDINGS BY MATURITIES

Dec. 15, 1929 - 4 1/4% C/I	\$12,442,000
Dec. 15, 1929 - 4 3/4% "	37,458,000
Mar. 15, 1930 - 5 1/8% "	12,000,000
June 16, 1930 - 4 7/8% "	37,500,000
Mar. 15, 1932 - 3 1/2% T/N	3,100,000
Dec. 15, 1932 - 3 1/2% "	20,000,000

Totals	\$122,500,000
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ITEMIZED STATEMENT OF TRANSACTIONS AFFECTING THE INVESTMENT ACCOUNT OF  
ALL FEDERAL RESERVE BANKS NOVEMBER 14 TO NOVEMBER 20, 1929 INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>
Boston	\$ 2,576,500
New York	9,637,500
Philadelphia	2,767,000
Chicago	4,962,000
St. Louis	2,290,000
Minneapolis	1,240,500
Dallas	1,526,500
Total	<u>\$25,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	\$ 0	-	\$ 11,350	3 1/2% T/N 3/15/32
New York	12,060,000	Misc. Gov't Sec.	25,000,000*	Misc. Gov't Sec.
New York	8,500,000**	3 1/2% T/N	8,500,000**	Fourth L/L
Atlanta	549,850	Misc. Gov't Sec.	372,350	Misc. Gov't Sec.
Minneapolis	1,893,200	Misc. Gov't Sec.	2,687,000	Misc. Gov't Sec.
Totals	<u>\$23,003,050</u>		<u>\$36,570,700</u>	

\* Sold by Federal Reserve Bank of New York to System Account

\*\* Exchanged in New York market

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Nov. 13	Purchased Own Mkt.	By Allot- Matur-		Holdings Nov. 20	Other Holdings Close Nov. 20/29	
			ment from N. Y.	ities & Sales		Sales Contracts	Other Bills
Boston	\$ 6,542	\$ 12 R	\$ 0	\$ 1,318	\$ 5,236	\$ 207	\$ 1,263
New York	68,023	1,142 R 954 A	0	1,410	67,755	0	5,962
Phila.	10,762	333 R	0	576	10,524	0	1,638
Cleve.	37,036	0	279	1,219	36,096	0	2,704
Richmond	18,511	50 R	125	394	18,292	0	785
Atlanta	21,470	1,210 R	109	1,654	21,135	0	2,216
Chicago	41,740	579 R	0	4,075	38,244	2,644	2,338
St. Louis	0	0	0	0	0	0	42
Minn.	3,202	0	127	404	2,925	0	427
Kan. City	19,111	0	0	428	18,683	0	563
Dallas	11,509	421 R	97	1,359	10,668	513	563
San Fran.	29,237	1,492 R	217	3,819	27,127	4,015	1,229
Totals	<u>\$267,143</u>	<u>\$6,198</u>	<u>\$954</u>	<u>\$16,656</u>	<u>\$256,685</u>	<u>\$7,379</u>	<u>\$19,730</u>
Bills held overnight by New York for distribution to other F. R. Banks - - - 37							
Total - - - - -						<u>\$19,767</u>	

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



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

	1-30 days 4 1/4-4 1/2%	31-60 days 4 1/4-4 3/4%	61-90 days 4 1/4-4 7/8%	Over 90-days 4 5/8%	Total
Boston	0	0	\$ 12	0	\$ 12
New York	815	576	651	54	2,096
Philadelphia	26	50	262	0	338
Richmond	0	0	50	0	50
Atlanta	392	410	408	0	1,210
Chicago	447	82	50	0	579
Dallas	22	399	0	0	421
San Francisco	<u>1,292</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>1,492</u>
Totals	<u>\$2,994</u>	<u>\$1,717</u>	<u>\$1,433</u>	<u>\$54</u>	<u>\$6,198</u>

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

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$48,003	\$6,198	\$54,201
Sold	36,570	0	36,570
Matured	<u>0</u>	<u>16,656</u>	<u>16,656</u>
		\$10,458-	\$ 975+
		199- (Net Change	199- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$11,433+</u>	<u>\$10,657-</u>	<u>\$ 776+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES NOVEMBER 20, 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	\$ 3,845	\$ 57,244	0	0	\$17,369	\$248,070	\$326,528
Bills Purchased	<u>65,270</u>	<u>60,158</u>	<u>145,298</u>	<u>12,676</u>	<u>429</u>	<u>0</u>	<u>283,831</u>
Totals	<u>\$69,115</u>	<u>\$117,402</u>	<u>\$145,298</u>	<u>\$12,676</u>	<u>\$17,798</u>	<u>\$248,070</u>	<u>\$610,359</u>

November 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, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from November 7, 1929 to November 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.

*Mr. Smead ✓*  
*Mr. Riefler ✓*  
*Mr. Callier*

FEDERAL RESERVE BANK  
OF NEW YORK

RECEIVED  
NOV 19 1929  
DIVISION OF RESEARCH  
AND STATISTICS

CONFIDENTIAL

November 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 November 7, 1929 to November 13, 1929 inclusive, together with data received by the Committee from the Federal reserve banks.

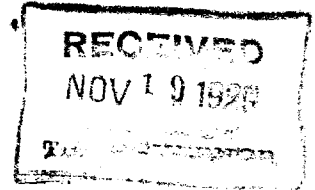
Very truly yours,



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

Encl.

FEDERAL RESERVE BANK  
OF NEW YORK



PERSONAL

November 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 November 7, 1929 to November 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.

FOR SPECIAL CIRCULATION

PLEASE RE  
✓ Gov. Young  
✓ Mr. Platt

PROMPTLY, INITIAL AND RETURN SECRETARY'S OFFICE

Mr. Hamlin ✓

Mr. James ✓

Mr. Miller ✓

Mr. Cunningham ✓

Mr. Po. ✓

FEDERAL RESERVE BANK

OF NEW YORK

CONFIDENTIAL

, November 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 November 7, 1929 to November 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.

CONFIDENTIAL

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

Holdings of Earning Assets of Federal Reserve Banks from October 31, 1928 to date  
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1928-						
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. 24	1,280,601	139,112	10,670	119,244	21,931	974,513
May 29	1,258,502	137,132	7,440	103,416	14,503	988,194
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
July 31	1,308,014	126,579	20,704	44,988	29,579	1,075,714
Aug. 28	1,291,562	126,566	18,755	95,266	61,248	973,627
Sept. 25	1,375,467	125,973	26,086	179,449	84,485	944,399
Oct. 30	1,648,742	259,848	32,840	310,774	29,111	991,038
Nov. 6	1,637,634	282,974	9,775	305,411	24,963	990,880
Nov. 13	1,606,304	311,261	1,295	287,109	12,403	971,355

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

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Nov. 13	Net Change	Balance Nov. 13	Net Change	Balance Nov. 13	Net Change
Boston	\$ 9,568	\$ 2,491+	\$ 6,542	\$ 2,270-	\$ 54,911	\$26,365+
New York	158,921	26,575+	68,023	5,440-	126,178	95,169-
Philadelphia	24,305	2,676+	10,762	472-	116,446	7,614+
Cleveland	15,729	15,158-	37,036	1,387-	131,615	4,988+
Richmond	1,809	0	18,511	579-	48,161	2,480+
Atlanta	8,794	1,980+	21,470	1,651-	56,222	4,447-
Chicago	37,030	4,797+	41,740	1,448-	159,108	36,924+
St. Louis	14,781	2,214+	0	0	50,674	4,518+
Minneapolis	10,011	1,235+	3,202	260-	30,377	2,174-
Kansas City	3,063	0	19,111	909-	57,487	3,165+
Dallas	15,366	1,476+	11,509	1,436-	28,126	7,669-
San Francisco	11,884	0	29,237	2,118-	112,050	3,880+
N. Y. holdovers and other bills			19,966	332-		
Totals	\$311,261	\$28,286+	\$287,109	\$18,302-	\$971,355	\$19,525-

COMMENT ON CHANGES WEEK ENDED NOVEMBER 13, 1929

Total earning assets of the System showed a decrease of \$31,330,000 for the current statement week. The approximate changes by classification consisted of an increase of \$28,290,000 in outright purchases of Government securities and decreases of \$18,300,000 in outright purchases of bankers acceptances, \$19,525,000 in bills discounted and \$21,040,000 in investments held under sales contracts. The latter decrease consisted of \$8,480,000 in Government securities and \$12,560,000 in bankers acceptances.

Money  
Market

During the past calendar week, the rate for call money held at 6 per cent on the Stock Exchange until Friday, although funds were available at concessions in the outside market. On Friday, Exchange renewals were set at 5 1/2 per cent, and the rate held at that level throughout the trading, with loans arranged outside the Exchange as low as 4 1/2 per cent. The easing in call rates at the end of the week, followed the reduction in the discount rate of the New York Reserve Bank but more particularly appears to have reflected the very large excess reserves which the New York City banks had accumulated as the result of an inflow of funds from other parts of the country. The New York City Banks reduced their Reserve Bank borrowings \$11,000,000 further to the unusually low figure of \$56,000,000, a situation that was accompanied by the quoting of Federal Funds at a rate as low as 2 - 2 1/4 per cent. Aggregate bill and security operations of the Reserve Banks this week had little net effect on the supply of funds in the money market.

Further easing developed in time loans against stock exchange collateral. Demand for such accommodation was so limited, however, that time money brokers by the end of the week were not able to quote any effective trading rate but only to quote all maturities of time money as nominally 5 1/2 per cent bid, 6 per cent offered. This is a new low level for time money since July 1928.

Bank investment demand for commercial paper was maintained in sizeable volume during the past week, and rates continued to ease. Whereas in the beginning of the week the prevailing range was 5 3/4 - 6 per cent, by the end of the week dealers were selling paper principally at 5 1/2 and 5 3/4 per cent, the lowest since February of this year. The paper firms are making strong efforts to secure additional amounts of new paper in order to satisfy the investment demand.

Government  
Security  
Market

During the first four days of the calendar week the volume of trading in United States securities was moderate and prices of almost all issues showed small fractional gains over the previous week's close. On Friday, however, following the further reduction of the rediscount rate at the New York Reserve Bank, the demand was stronger and prices advanced further, especially for the long-term bonds, with the exception of the First 3 1/2s which showed a loss of 4/32nds for the week. The current prices of almost all the issues represent the high levels for the year.

Closing Prices on New York Stock Exchange on Friday, November 15, 1929  
(Exchange Closed Saturday, November 16, 1929)  
and Net Changes from the Closing Prices of the Previous Week

Issue	Price	Net Changes from Closing Prices N. Y. Stock Ex- change, Friday November 9, 1929
1st 3 1/2s	98 6/32	+ 4/32
1st 4 1/4s	100 17/32	+23/32
4th 4 1/4s	100 23/32	+25/32
Treas. 4s 1944-54	108 19/32	+31/32
" 4 1/4s 1947-52	112 19/32	+24/32
" 3 3/4s 1946-56	104 30/32	+16/32
" 3 3/8s 1943-47	99 16/32	+ 4/32
" 3 3/8s 1940-43	99 25/32	+25/32

Dealers' Offering Prices at the End of the Calendar Week for the Short-term Governments and Net Changes from Previous Week's Close

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
4 1/4%	Cert. of Ind. due Dec. 15, 1929	100 4/32	+ 2/32	2.44
4 3/4%	" " " " Dec. 15, 1929	100 5/32	+ 1/32	2.54
5 1/8%	" " " " Mar. 15, 1930	100 26/32	+ 4/32	2.55
4 7/8%	" " " " June 16, 1930	101	+ 6/32	3.09
3 1/2%	Treasury Notes " Mar. 15, 1932	99 18/32	+ 8/32	3.70
3 1/2%	" " " Sept. 15, 1932	99 18/32	+ 8/32	3.66
3 1/2%	" " " Dec. 15, 1932	99 18/32	+ 8/32	3.65

Bankers  
Acceptances

On November 12 dealers reduced their offering rates 1/8 per cent on unindorsed bankers acceptances thereby establishing the following rates effective during the balance of the statement week: 4 1/2 per cent for 30s, 60s and 90s, 4 5/8 per cent for 120s and 4 3/4 per cent for 180-day bills.

Boston reports that there was a noticeable falling off in both the supply of and the demand for bills in its district during the past period. Reporting dealers' purchases of bills from acceptors decreased over \$5,000,000, while sales showed a decrease of nearly \$2,000,000. For the third consecutive week no bills were offered to the Reserve Bank for purchase, its portfolio declining to \$9,000,000. In New York the supply of bills this week was good and moderately in excess of the demand, which decreased somewhat, but inquiries for bills in substantial amounts caused dealers to consider the possibility of further rate reductions, as their portfolios here are not heavy and consist mainly of 90-day bills. During the first two days after the close of the current statement week the demand increased and was substantially in excess of the supply. On November 14 in the morning, dealers lowered bid and asked rates on all maturities 1/8 per cent, and after the close of the market and announcement of reduction of the New York rediscount rate, dealers made further reduction of 1/8 per cent on all maturities. On November 15 dealers again lowered their rates 1/8 per cent, bidding 4 1/4 and asking 4 1/8 for maturities up to 90 days, for 4 months' bidding 4 3/8 and offering 4 1/4, 5 and 6 months' bidding 4 1/2, offering 4 3/8, indorsed bills 1/8 per cent lower on each maturity. The Reserve Bank's currently effective minimum buying rates were reduced November 14 in order to bring them nearer the market and were effective November 15 as follows: 1 to 120 days, 4 1/4 per cent, 5 and 6 months, 4 1/2 per cent, trade bills 4 1/2 per cent, sales contracts 4 1/4 per cent. Philadelphia reports that its bill market was without new feature. The demand was stronger and principally for 90-day bills. There were practically no new bills in its district during the week. Chicago reports that there appeared to be some investment demand for bills in its district, but dealers' portfolios were unusually low. Dallas reports that the demand for bills during the past week was practically the same as during the previous period. Preference for long maturities continued. Offerings to the Reserve Bank were practically negligible.



OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of

Sale of \$500,000 - 4 1/4% certificates of indebtedness due December 15, 1929 for account Government Life Insurance Fund

" " 500,000 - 4 7/8% certificates of indebtedness due June 16, 1930 for account Alien Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week a transfer was made to the System Account of \$25,000,000 short-term Government securities from the Federal Reserve Bank of New York purchases, as mentioned in last week's report. The transfer of these securities brought the total holdings in the System Account up to \$97,500,000. The participation by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, November 13, 1929, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 8,812,500	Dec. 15, 1929 - 4 1/4% C/I	\$12,442,000
New York	32,537,000	Dec. 15, 1929 - 4 3/4% "	32,458,000
Philadelphia	9,283,000	Mar. 15, 1930 - 5 1/8% "	7,000,000
Cleveland	5,180,500	June 16, 1930-- 4 7/8% "	27,500,000
Richmond	656,500	Mar. 15, 1932 - 3 1/2% T/N	3,100,000
Atlanta	6,226,000	Dec. 15, 1932 - 3 1/2% "	15,000,000
Chicago	17,093,000		
St. Louis	6,156,000		
Minneapolis	943,500		
Kansas City	3,060,000		
Dallas	5,378,500		
San Francisco	2,173,500		
Totals	<u>\$97,500,000</u>		<u>\$97,500,000</u>

Note: A further transfer was made to the System Account on Thursday, November 14, 1929, of \$25,000,000 short-term Governments from purchases previously made and held by the Federal Reserve Bank of New York.

5

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

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>
Boston	\$ 2,490,500
New York	9,317,500
Philadelphia	2,675,500
Atlanta	2,029,500
Chicago	4,797,000
St. Louis	2,214,000
Dallas	1,476,000
Total	<u>\$25,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$15,157,950*	Misc. Gov't Sec.	\$25,000,000**	Misc. Gov't Sec.
" "	29,100,000	" " "	2,000,000	First L/L bonds
Cleveland	1,818,950***	" " "	1,818,950***	Misc. Gov't Sec.
" "	0	-	15,157,950*	" " "
Atlanta	408,550	Misc. Gov't Sec.	457,800	" " "
Minneapolis	2,123,050	" " "	838,450	" " "
Totals	<u>\$48,608,500</u>		<u>\$45,323,150</u>	

\*Sold from Cleveland Portfolio to Federal Reserve Bank of New York

\*\*Sold by Federal Reserve Bank of New York to System Account

\*\*\*Held temporarily for resale

BANKERS ACCEPTANCES  
(000 Omitted)

	Holdings Nov. 6	Purchased Own Mkt.	By Allot-		Matur- ities & Sales	Holdings Nov. 13	Other Holdings Close Nov. 13/29	
			ment from New York				Sales Contracts	Other Bills
Boston	\$ 8,812	\$ 18	0		\$ 2,288	\$ 6,542	\$ 2,469	\$ 1,263
New York	73,463	975	0		6,415*	68,023	3,098	5,983
Phila.	11,234	707	0		1,179	10,762	0	1,638
Cleve.	38,423	0	0		1,387	37,036	0	2,703
Richmond	19,090	0	0		579	18,511	0	785
Atlanta	23,121	1,460	0		3,111	21,470	0	2,144
Chicago	43,188	387	0		1,835	41,740	1,941	2,338
St. Louis	0	0	0		0	0	0	42
Minneapolis	3,462	0	0		260	3,202	0	427
Kan. City	20,020	0	0		909	19,111	0	563
Dallas	12,945	217	0		1,653	11,509	796	563
San Fran.	31,355	760	0		2,878	29,237	4,099	1,229
Totals	\$285,113	\$4,524	0		\$22,494	\$267,143	\$12,403	\$19,678
Bills held overnight by New York for distribution to other F.R. Banks - -							-	288
Total - -							-	<u>\$19,966</u>

\*Includes \$4,397,000 sold to foreign correspondents.

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

	<u>1-30 days</u> <u>4 3/4-4 7/8%</u>	<u>31-60 days</u> <u>4 3/4-4 7/8%</u>	<u>61-90 days</u> <u>4 3/4 - 5%</u>	<u>Over 90-days</u> <u>4 3/4%</u>	<u>Total</u>
Boston	\$ 0	\$ 0	\$ 18	\$ 0	\$ 18
New York	524	434	17	0	975
Philadelphia	221	238	248	0	707
Atlanta	1,223	93	144	0	1,460
Chicago	0	10	377	0	387
Dallas	2	37	0	178	217
San Francisco	646	72	42	0	760
Totals	<u>\$2,616</u>	<u>\$884</u>	<u>\$846</u>	<u>\$178</u>	<u>\$4,524</u>

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

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$73,609	\$4,524	\$78,133
Sold	45,323	0	45,323
Matured	0	22,494	22,494
		<u>\$17,970-</u>	<u>\$10,316+</u>
		332-(Net Change 1-day holdover & other bills)	332-(Net Change 1-day holdover & other bills)
Totals	<u>\$28,286+</u>	<u>\$18,302-</u>	<u>\$ 9,984+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES NOVEMBER 13, 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>Totals</u>
Gov't Securities	\$ 1,295	\$ 0	\$ 53,076	\$ 0	\$17,357	\$240,828	\$312,556
Bills Purchased	55,706	66,158	153,690	22,733	1,225	0	299,512
Totals	<u>\$57,001</u>	<u>\$66,158</u>	<u>\$206,766</u>	<u>\$22,733</u>	<u>\$18,582</u>	<u>\$240,828</u>	<u>\$612,068</u>