

DECLASSIFIED
Authority E.O. 10501

September 6, 1930.

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 5, enclosing a report of open market operations for the period from August 28, 1930, to September 3, 1930, inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

September 5, 1930

Dear Mr. Platt:

We are enclosing, for your files, a report of open market operations for the period from August 28, 1930 to September 5, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Hatteson
Assistant Deputy Governor

Honorable Edmund Platt,
Vice Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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*Mr. Riefler ✓
Smead ✓
Callier*

RECEIVED
SEP - 6 1930
RESEARCH
STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 5, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of open market operations
for the period from August 28, 1930 to September 3, 1930
inclusive, together with data received from Federal re-
serve banks.

Very truly yours,

W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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

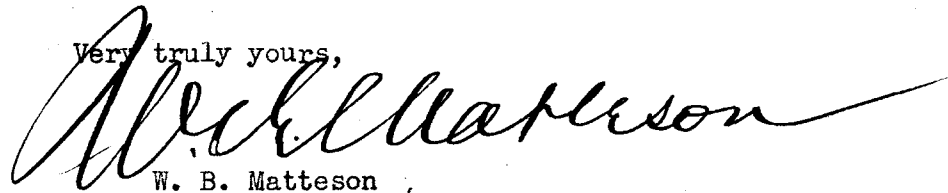
CONFIDENTIAL

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Encl.

See (letter) 9/4/30

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED SEPTEMBER 3, 1930

Holdings of Earning Assets of Federal Reserve Banks from September 4, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
Sept. 4	\$1,394,012	\$126,766	\$22,215	\$101,335	\$81,581	\$1,046,016
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 30	911,554	576,323	45	127,965	2,797	197,101
Aug. 27	967,034	601,913	0	159,137	4,137	193,275
Sept. 3	1,012,271	601,639	405	160,087	10,308	231,260

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 3, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Sept. 3	Net Change	Balance Sept. 3	Net Change	Balance Sept. 3	Net Change
Boston	\$ 46,177	\$ 0	\$ 16,303	\$323+	\$ 14,097	\$ 787-
New York	187,746	0	28,376	222-	63,575	32,360+
Philadelphia	52,252	0	0	0	16,493	175-
Cleveland	57,856	0	16,844	1,407+	15,501	430+
Richmond	16,983	0	8,774	716-	21,648	1,020+
Atlanta	12,700	35-	9,589	572+	32,141	2,583+
Chicago	81,128	0	12,448	3,328-	15,762	160-
St. Louis	23,899	0	8,886	604+	16,927	2,521+
Minneapolis	25,924	239-	7,375	444+	4,082	256-
Kansas City	28,736	0	10,263	222+	8,703	97-
Dallas	29,229	0	7,197	495+	14,406	139+
San Francisco	39,009	0	17,858	638+	7,925	407+
N. Y. holdovers and other bills			16,174	511+		
Totals	\$601,613	\$274-	\$160,087	\$ 950+	\$231,260	\$37,985+

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 3, 1930

Total earning assets of the System showed an increase of \$45,237,000 for the current statement week. The changes by classification consisted of increases of \$950,000 and \$37,985,000 respectively, in outright purchases of bankers acceptances and bills discounted, and \$6,576,000 in sales contracts, and a decrease of \$274,000 in outright purchases of government securities. The increase in sales contracts consisted of \$405,000 in government securities and \$6,171,000 in bankers acceptances.

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Money
Market

Call money on the Stock Exchange remained at 2 per cent through the month-end, in fact until the afternoon of Wednesday, September 3, when an advance to 2 1/2 per cent occurred, followed by a 2 1/2 per cent rate all day Thursday. Bank reserves at the opening of the reporting period were materially in excess of the required level, but holiday currency requirements in this district, an outflow of funds to other centers, a Government call from depositaries, and net gold exports resulted in losses to the money market during the week, and in addition there was a month-end increase in reserve requirements of the member banks. The surplus of reserves existing at the opening of the week served for a while to provide for these increased demands for funds, but on Tuesday, September 2, the New York banks were forced to borrow nearly \$50,000,000 in order to maintain their average reserve position. Some repayment of indebtedness occurred on Wednesday, but the banks' borrowings at the close of the reporting week still amounted to \$42,000,000. On Thursday, a reversal of the inter-district movement of funds, substantial bank selling of bills to the Reserve Bank, and a decline in required reserves from their month-end peak permitted a further reduction in member bank indebtedness to around \$20,000,000.

Nominal quotations for time money were unchanged from the close of the previous period. Trading during the week centered principally in the 4 months' maturity, now carrying beyond the year-end, at 3 per cent; in addition, a little 90-day money was reported to have been loaned at 2 3/4 per cent.

Sales of commercial paper were reported to have been in rather limited volume during the week. Insufficient quantities of choice material in the dealers' portfolios was reported to have been the principal reason for the lack of activity, but the advent of the holiday and month-end period also probably contributed to the lack of inquiry from the banks. The prime rate remained 3 per cent.

Government
Security
Market

There was practically no change in the condition of the market for United States Government securities this week, as compared with past few weeks. The market continued dull and the demand light. Prices showed irregular fractional changes for the week and the average selling price of the long-term bonds at the close of the statement week was 104.49 as compared with the high of the year of 104.77.

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

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 1/8%	Cert. of Ind. due Sept. 15, 1930	to yield 1.25%	-.25%	
3 1/4%	" " " " Dec. 15, 1930	100 15/32	-1/32	1.53
2 7/8%	" " " " June 15, 1931	100 18/32	- - -	2.13
3 1/2%	Treasury Notes " Mar. 15, 1932	100 26/32	+1/32	1.94
3 1/2%	" " " Sept. 15, 1932	100 26/32	+1/32	1.94
3 1/2%	" " " Dec. 15, 1932	100 28/32	+2/32	2.34
	Treasury Bills " Sept. 15, 1930	2% - 1 1/4% discount		
	" " " Nov. 17, 1930	2% - 1 5/8% "		

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Closing Prices on 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>Change</u>		<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 30/32	-1/32	Treas. 4s	1944-54	108	+5/32
1st 4 1/4s	102 2/32	+1/32	"	4 1/4s 1947-52	112 19/32	+3/32
4th 4 1/4s	102 30/32	+3/32	"	3 3/4s 1946-56	106	+6/32
			"	3 3/8s 1943-47	101 23/32	-5/32
			"	3 3/8s 1940-43	101 12/32	-2/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30s, 60s and 90s, 2 per cent for 120s and 2 1/4 per cent for 180-day bills.

Reports
week
ending
Sept. 3

Boston reports that there was no improvement in the local bill market conditions in its district during the past week. In fact, the demand for bills was the smallest of the entire year. New bills have been very slow in making their appearances and the supply was consequently kept very low but continued to be more than ample for the local demand. Dealers continued to forward most of their bills to the New York market with the result that reporting dealers' portfolios have not exceeded \$2,000,000 for the past five weeks. In New York the bill market was slightly less active this week than it has been for the past two weeks. Dealers' sales exceeded their purchases moderately until the last day of the period when money became slightly firmer and new bills came into the market a little more freely. Dealers' aggregate portfolios, however, only increased slightly over last week's figure. Philadelphia reports that its acceptance market continued quiet. Dealers reported a considerable improvement in the supply of new bills, with the demand practically nil. Chicago reports that the bill market in its district was extremely dull during the past period. Dallas reports that its bill market was very quiet during the past week. There were no offerings made to the Reserve Bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

GOVERNMENT SECURITIES - SYSTEM SPECIAL INVESTMENT ACCOUNT

During the current statement week exchanges were effected in the System Account of

\$10,000,000 - 3 1/8% certificates of indebtedness due September 15, 1930
11,500,000 - 4 1/4% Fourth Liberty Loan bonds

Total \$21,500,000 for a like par amount of various other issues of short-term Government securities. These transactions did not affect the total amount of holdings in the Account, which remained at the close of business Wednesday, September 3, at \$402,300,000. The participation by Federal reserve banks and the classification of issues in the Account at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 45,472,500	Sept. 15, 1930 - Treas. Bills	\$ 6,985,000
New York	73,851,000	Nov. 17, 1930 - " "	17,214,000
Philadelphia	37,245,000	Sept. 15, 1930 - 3 1/8% C/I	27,215,000
Cleveland	47,690,000	Dec. 15, 1930 - 3 1/4% "	69,325,000
Richmond	15,830,500	June 15, 1931 - 2 7/8% "	63,131,000
Atlanta	10,146,500	Mar. 15, 1932 - 3 1/2% T/N	54,114,100
Chicago	61,201,000	Sept. 15, 1932 - 3 1/2% "	109,306,000
St. Louis	15,274,000	Dec. 15, 1932 - 3 1/2% "	35,411,900
Minneapolis	18,248,500	Oct. 15, 1938 - 4th 4 1/4% L/L	19,598,000
Kansas City	28,733,000		
Dallas	19,241,000		
San Francisco	<u>29,367,000</u>		
 Totals	 \$402,300,000		 \$402,300,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM AUGUST 28 TO SEPTEMBER 3, 1930**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales
Boston	\$ 2,430,000	\$ 2,430,000
New York	3,946,500	3,946,500
Philadelphia	1,990,000	1,990,000
Cleveland	2,549,000	2,549,000
Richmond	846,500	846,500
Atlanta	542,000	542,000
Chicago	3,270,500	3,270,500
St. Louis	816,000	816,000
Minneapolis	975,500	975,500
Kansas City	1,536,000	1,536,000
Dallas	1,028,500	1,028,500
San Francisco	1,569,500	1,569,500
Totals	\$21,500,000	\$21,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Sales	Issue
		Misc. Gov't Sec.		Misc. Gov't Sec.
New York	\$1,000,000	" " "	\$1,000,000	" " "
Atlanta	78,950	" " "	113,400	" " "
Minneapolis	238,150	" " "	477,750	" " "
Totals	\$1,317,100		\$1,591,150	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings	Purchased	By Allot-	Matur-	Holdings	Other Holdings	
	Aug. 27					Own Mkt.	ment from
			New York	Sales		Sales	Bills
Boston	\$ 15,980	\$ 178 R	\$ 1,222	\$ 1,077	\$ 16,303	\$ 1,599	\$ 79
New York	28,598	5,866 "	0	6,088	28,376	6,106	352
		10,710 A					
Phila.	0	0	0	0	0	0	104
Cleveland	15,437	0	1,635	228	16,844	0	107
Richmond	9,490	0	940	1,656	8,774	0	45
Atlanta	9,017	236 R	1,033	697	9,589	0	598
Chicago	15,776	232 "	1,319	4,879	12,448	702	144
St. Louis	8,282	0	809	205	8,886	0	39
Minn.	6,931	246 "	542	344	7,375	0	25
Kan. City	10,041	0	992	770	10,263	0	32
Dallas	6,702	0	739	244	7,197	0	32
San Fran.	17,220	781 "	1,479	1,582	17,858	1,901	74
Totals	\$143,474	\$18,249	\$10,710	\$17,810	\$143,913	\$10,308	\$ 1,631
Bills held over night by New York for distribution to foreign correspondents -						10,263	
" " " " " " " " " " " " other Fed. Res. Banks -						4,830	
Total - - - - -						\$16,174	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING SEPTEMBER 3, 1930
(000 Omitted)

	1-30 days <u>1 7/8%</u>	31-60 days <u>1 7/8%</u>	61-90 days <u>1 7/8%</u>	Over 90-days <u>-</u>	Total
Boston	\$ 25	\$ 85	\$ 68	0	\$ 178
New York	6,782*	8,586*	1,208*	0	16,576
Atlanta	84	52	100**	0	236
Chicago	0	0	232	0	232
Minneapolis	0	0	246	0	246
San Francisco	775	2	4	0	781
Totals	<u>\$7,666</u>	<u>\$8,725</u>	<u>\$1,858</u>	<u>0</u>	<u>\$18,249</u>

* Purchased at 1 7/8 - 2 1/8%.

**Purchased at 2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING SEPT. 3, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$22,817	\$18,249	\$41,066
Sold	23,091	0	23,091
Matured	0	17,810	17,810
		\$ 439+	\$ 165+
		511+(Net Change 1-day holdover & other bills)	511+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 274-</u>	<u>\$ 950+</u>	<u>\$ 676+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES SEPTEMBER 3, 1930
(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	\$35,171	\$ 0	\$ 0	\$17,214	\$86,832	\$462,827	\$602,044
Bills Purchased	62,775	53,417	50,948	3,135	120	0	170,395
Totals	<u>\$97,946</u>	<u>\$53,417</u>	<u>\$50,948</u>	<u>\$20,349</u>	<u>\$86,952</u>	<u>\$462,827</u>	<u>\$772,439</u>

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Authority E.O. 10501

August 30, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of August 29th, enclosing a report of open market operations for the period from August 21, 1930 to August 27, 1930, inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

Mr. W. B. Matteson,
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FEDERAL RESERVE BANK
OF NEW YORK

AUG 30 1930
DEPT. OF
TREASURY

PERSONAL

August 29, 1930

AUG 29 1930
N. Y.

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Encl.

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*Mr. Ripley
to meet
Callie*

RECEIVED
AUG 30 1930
DIVISION OF RESEARCH AND STATISTICS
FEDERAL RESERVE BANK

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 29, 1930

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Federal Reserve Board,
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 FEDERAL RESERVE BANK
 OF NEW YORK

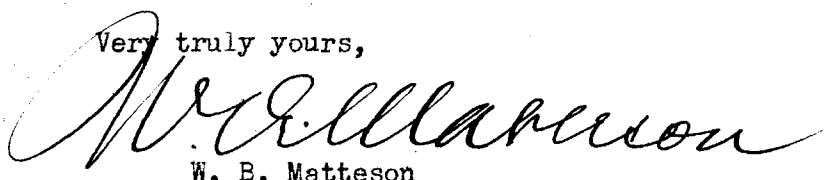
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 AUG 28 1930
 OFFICE OF
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CONFIDENTIAL

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED AUGUST 27, 1930

Holdings of Earning Assets of Federal Reserve Banks from August 28, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
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
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Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 30	911,554	576,323	43	127,965	2,797	197,101
Aug. 20	964,963	601,850	90	151,671	7,251	196,179
Aug. 27	967,034	601,913	0	159,137	4,137	193,275

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 27, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 27	Net Change	Balance Aug. 27	Net Change	Balance Aug. 27	Net Change
Boston	\$ 46,177	\$ 0	\$ 15,980	\$ 579-	\$ 14,884	\$2,061+
New York	187,746	0	28,598	2,531+	31,215	819-
Philadelphia	52,252	0	0	0	16,668	64+
Cleveland	57,856	0	15,437	394+	15,071	1,275+
Richmond	16,983	0	9,490	668+	20,628	2,893-
Atlanta	12,735	121-	9,017	234+	29,558	468-
Chicago	81,128	0	15,776	245-	15,922	413+
St. Louis	23,899	0	8,282	35-	14,406	2,464-
Minneapolis	26,163	184+	6,931	258+	4,338	82-
Kansas City	28,736	0	10,041	444+	8,800	163-
Dallas	29,229	0	6,702	160+	14,267	282+
San Francisco	39,009	0	17,220	421+	7,518	110-
N. Y. holdovers and other bills			15,663	3,215+		
Totals	\$601,913	\$ 63+	\$159,137	\$7,466+	\$193,275	\$2,904-

COMMENT ON CHANGES WEEK ENDED AUGUST 27, 1930

Total earning assets of the System showed an increase of \$2,071,000 for the current statement week. The changes by classification consisted of increases of \$63,000 and \$7,466,000 respectively, in outright purchases of government securities and bankers acceptances, and decreases of \$2,904,000 in bills discounted and \$3,204,000 in investments held under sales contracts. The latter item consisted of \$90,000 in government securities and \$3,114,000, in bankers acceptances.

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Money
Market

Throughout the past reporting week call money has been quoted at 2 per cent on the Stock Exchange, but outside money has been available at all times at as low as 1 1/2 per cent. Offerings of funds have been heavy and in view of the limited demand for new accommodation, large amounts of money have remained unlent on the Exchange at the close of most days. The Federal funds quotation has also reflected an easy situation; for the most part these funds have been available at around 1 1/2 per cent.

The New York City banks began the week with their actual reserve balances somewhat above requirements, and transactions during the period served to increase this surplus, so that at the opening of business on Thursday, August 28, a large excess of reserves existed with which to meet at least part of the month-end and holiday requirements for credit and currency, which will have to be met after the close of the present statement week. These gains to the money market included chiefly a moderate inflow of funds from other centers and an excess of Federal Reserve bill purchases in New York over maturities, which were only partly offset by a net increase in currency circulation.

In a quiet time money market, the principal development was a decline in the trading rate for the longer maturities from the level of the previous week. Five and six months' loans, which mature past the end of the year, were placed on Tuesday and Wednesday at 3 and 3 1/8 per cent, respectively, as against 3 1/4 per cent previously.

The principal selling rate for prime commercial paper continued to be 3 per cent. The investment demand for the best names remained active, but new paper coming into the market was in rather small volume.

Government
Security
Market

The market for United States Government securities still continues dull and the demand light. The prices of both the long and short-term issues generally show small fractional reductions as compared with those of a week ago. The average selling price of long-term bonds at the close of the statement week was 104.41 against the high for the year of 104.77. In spite of the continuing ease in money for the greater part of the period and the strong position of the banks, purchases have run more to high class miscellaneous bonds than to governments with the result that the former have continued firm and at advancing prices, while the latter have declined a shade, as stated.

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 1/8% Cert. of Ind. due Sept. 15, 1930	to yield 1.50%	- - -	- - -
3 1/4% " " " " Dec. 15, 1930	100 16/32	-2/32	1.53
2 7/8% " " " " June 15, 1931	100 18/32	-1/32	2.15
3 1/2% Treasury Notes " Mar. 15, 1932	100 25/32	-3/32	2.05
3 1/2% " " " " Sept. 15, 1932	100 25/32	-2/32	2.05
3 1/2% " " " " Dec. 15, 1932	100 26/32	-3/32	2.45
Treasury Bills " Sept. 15, 1930	2% - 1 1/4% discount		
" " " " Nov. 17, 1930	2% - 1 5/8% "		

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 31/32	+1/32	Treas. 4s 1944-54	107 27/32	-4/32
1st 4 1/4s	102 1/32	-1/32	" 4 1/4s 1947-52	112 16/32	- - -
4th 4 1/4s	102 27/32	-4/32	" 3 3/4s 1946-56	105 26/32	-6/32
			" 3 3/8s 1943-47	101 28/32	- - -
			" 3 3/8s 1940-43	101 14/32	+2/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week:

1 7/8 per cent for 30s, 60s and 90s, 2 per cent for 120s and 2 1/4 per cent for 180-day bills.

Reports
week
ending
August 27

Boston reports that its local bill market showed very little change during the past period from the previous week. The supply of new bills continued small but adequate for the very light local demand. Total sales to local banks were only \$1,683,000, chiefly for foreign account. Offerings to the reserve bank continued very light. In New York the bill market was slightly less active this week than the previous week. The supply and demand was about equal and dealers' portfolios remained at about \$35,000,000. Rates unchanged.

Philadelphia reports that its acceptance market was practically unchanged. Dealers reported a little improvement in the supply of new bills, with no demand. Chicago reports that the demand for bills in its district in the past week was fair with the supply small. Dallas reports that there was a slight improvement in the demand for bills during the past week. Offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of \$1,000,000	par amount	Fourth 4 1/4%	Liberty Loan bonds,
			account Government Life Insurance Fund
200,000	"	"	Fourth 4 1/4% Liberty Loan bonds,
			account German Special Deposit Account
<hr/>			
\$1,200,000	Total Sales		

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week exchanges were effected in the System Account of

\$13,000,000 - 3 1/8% certificates of indebtedness due Sept. 15, 1930
10,000,000 - 3 1/2% Series B Treasury notes, due Sept. 15, 1932

Total \$23,000,000 - for a like par amount of various other issues of short-term governments.

These exchanges did not affect the amount of total holdings in the Account which remained at \$402,300,000. The participation by Federal reserve banks and the classification of issues at the close of business Wednesday, August 27, 1930, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 45,472,500	Sept. 15, 1930 - Treas. Bills \$ 6,985,000
New York	73,851,000	Nov. 17, 1930 - " " 17,214,000
Philadelphia	37,245,000	Sept. 15, 1930 - 3 1/8% C/I 33,615,000
Cleveland	47,690,000	Dec. 15, 1930 - 3 1/4% " 68,075,000
Richmond	15,830,500	June 15, 1931 - 2 7/8% " 59,981,000
Atlanta	10,146,500	Mar. 15, 1932 - 3 1/2% T/N 40,614,100
Chicago	61,201,000	Sept. 15, 1932 - 3 1/2% " 109,306,000
St. Louis	15,274,000	Dec. 15, 1932 - 3 1/2% " 35,411,900
Minneapolis	18,248,500	4th L/L - 4 1/4% bonds 31,098,000
Kansas City	28,733,000	
Dallas	19,241,000	
San Francisco	29,367,000	
	<hr/>	
Totals	\$402,300,000	<hr/> \$402,300,000 <hr/>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM AUGUST 21 TO AUGUST 27, 1950, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 2,599,500	\$ 2,599,500
New York	4,221,500	4,221,500
Philadelphia	2,129,500	2,129,500
Cleveland	2,726,500	2,726,500
Richmond	905,000	905,000
Atlanta	579,500	579,500
Chicago	3,499,000	3,499,000
St. Louis	873,500	873,500
Minneapolis	1,043,000	1,043,000
Kansas City	1,643,000	1,643,000
Dallas	1,101,000	1,101,000
San Francisco	1,679,000	1,679,000
Total	\$23,000,000	\$23,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Sales</u>		<u>Issue</u>
Atlanta	\$381,600	Misc. Gov't Sec.			\$502,350	Misc. Gov't Sec.	
Minneapolis	588,400	"	"	"	403,700	"	"
Totals	\$970,000				\$906,050		

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings	Purchased	By Allot-	Matur-	Holdings	Other Holdings	
	Aug. 20					Own Mkt.	ment from
			New York	Sales		Contracts	Bills
Boston	\$ 16,559	\$ 482 R	\$ 1,157	\$ 2,218	\$ 15,980	\$ 862	\$ 79
New York	26,067	6,784 "	0	4,253	28,598	1,544	356
		10,397 A					
Phila.	0	0	0	0	0	0	103
Cleveland	15,043	0	1,523	1,129	15,437	0	107
Richmond	8,822	60 R	881	273	9,490	0	45
Atlanta	8,783	27 "	869	662	9,017	0	584
Chicago	16,021	0	1,810	2,055	15,776	1,731	143
St. Louis	8,317	0	745	780	8,282	0	38
Minn.	6,673	0	484	226	6,931	0	25
Kan. City	9,597	0	1,020	576	10,041	0	32
Dallas	6,542	19 "	603	462	6,702	0	32
San Fran.	16,799	0	1,305	884	17,220	0	74
Totals	\$139,223	\$17,769	\$10,397	\$13,518	\$143,474	\$4,137	\$ 1,618
Bills held over night by New York for distribution to foreign correspondents-							7,260
" " " " " " " "							other Fed. Res. Banks - 6,785
Total							-\$15,663

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 27, 1930
(000 Omitted)

	1-30 days <u>1 7/8%</u>	31-60 days <u>1 7/8%</u>	61-90 days <u>1 7/8%</u>	Over 90-days <u>2 1/8-2 3/8%</u>	<u>Total</u>
Boston	\$ 9	\$ 175	\$ 298	\$ 0	\$ 482
New York	5,546	10,935	700	0	17,181
Richmond	0	10	50	0	60
Atlanta	25	0	2	0	27
Dallas	0	0	0	19	19
Totals	\$5,580	\$11,120	\$1,050	\$19	\$17,769

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 27, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$23,970	\$17,769	\$41,739
Sold	23,907	0	23,907
Matured	0	13,518	13,518
		\$ 4,251+	\$ 4,314+
		3,215+ (Net Change 1-day holdover & other bills)	3,215+ (Net Change 1-day holdover & other bills)
Totals	\$ 63+	\$ 7,466+	\$ 7,529+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AUGUST 27, 1930
(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	\$ 0	\$41,166	\$ 0	\$17,214	\$85,572	\$457,961	\$601,913
Bills Purchased	53,960	33,575	71,621	4,097	21	0	163,274
Totals	\$53,960	\$74,741	\$71,621	\$21,311	\$85,593	\$457,961	\$765,187

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August 23, 1930;

Dear Mr. Matteson:

I acknowledge receipt of your letter
of August 22nd, enclosing a report of open market
operations for the period from August 14 to August
20, 1930.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
AUG 25 1930

PERSONAL

August 22, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from August 14, 1930 to August 20, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

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

Encl.

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

CONFIDENTIAL

August 22, 1930

Dear Governor Young:

Enclosed is a report of open market operations for the period from August 14, 1930 to August 20, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

3rd letter 8/23/30

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED AUGUST 20, 1930

Holdings of Earning Assets of Federal Reserve Banks from August 21, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1929-						
Aug. 21	\$1,283,072	\$126,631	\$21,975	\$64,311	\$57,826	\$ 986,378
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 30	911,554	576,323	45	127,965	2,797	197,101
Aug. 13	959,652	606,152	185	140,090	14,238	190,515
Aug. 20	964,963	601,850	90	151,570	7,352	196,179

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 20, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Aug. 20	Change	Aug. 20	Change	Aug. 20	Change
Boston	\$ 46,177	\$ 0	\$ 16,559	\$ 606+	\$ 12,823	\$1,887+
New York	187,746	4,442-	26,067	3,029+	32,034	313-
Philadelphia	52,252	0	0	2-	16,604	614-
Cleveland	57,856	0	15,043	2,200+	13,796	1,524-
Richmond	16,983	0	8,822	1,385+	23,521	4,024+
Atlanta	12,856	165+	8,783	1,205*	30,026	465+
Chicago	81,128	0	16,021	2,374+	15,509	266+
St. Louis	23,899	0	8,317	379+	16,870	1,920+
Minneapolis	25,979	25-	6,673	633+	4,420	40-
Kansas City	28,736	0	9,597	1,374+	8,963	152-
Dallas	29,229	0	6,441	852+	13,985	113-
San Francisco	39,009	0	16,799	2,945+	7,628	142-
N. Y. holdovers and other bills			12,448	5,550-		
Totals	\$601,850	\$4,302-	\$151,570	\$11,480+	\$196,179	\$5,664+

COMMENT ON CHANGES WEEK ENDED AUGUST 20, 1930

Total earning assets of the System showed an increase of \$5,311,000 for the current statement week. The changes by classification consisted of increases of \$11,480,000 and \$5,664,000 respectively, in outright purchases of bankers acceptances and bills discounted, and decreases of \$4,302,000 in outright purchases of government securities and \$6,981,000 in investments held under sales contracts. The latter item consisted of \$95,000 in government securities and \$6,886,000 in bankers acceptances.

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Money
Market

Despite the fact that there has been an abundance of funds since August 12, the Stock Exchange rate for call money held at 2 1/2 per cent until the noon hour Wednesday, the 20th, when a reduction to 2 per cent for new loans occurred. Following this decline in the Exchange rate funds became available in the outside market as low as 1 1/2 per cent.

The issuance in New York of new Treasury bills on August 18 had little effect on the money market as the loss occasioned by the sale was approximately counterbalanced by Treasury bill maturities (in the market and by replacement purchases of government securities for the System Special Investment Account.) The flow of funds between New York and other centers also approximately balanced for the week, though there was a moderately large inflow on the last day of the period, August 20, a movement that coincided with a return to the Reserve Bank of part of the currency withdrawn in response to mid-month requirements. For the week as a whole, the total movement of funds in and out of the market resulted in only a small net loss, and as reserve requirements of the banks were little changed, there was no need for member bank borrowing at the Reserve Bank.

Time money, as indicated in the nominal market quotations for the 3 to 6 months maturities was a trifle firmer during the past week. Bid and asked rates at the close of business on Thursday, August 21, were: 30 days, 2 - 2 1/4; 60 days, 2 1/4 - 1/2; 90 days, 2 1/2 - 3/4; 4 months, 2 3/4 - 3; 5 months, 3 - 3 1/4; and 6 months, 3 1/4 flat. Trading activity was confined chiefly to the 6 months maturity. Almost daily these loans were made in small amounts at 3 1/4 per cent, and some 4 months loans were arranged at 3 per cent.

Sales of prime commercial paper continued to be in only fair volume due to the inability of dealers to secure additional supplies of new material. According to the dealers, no difficulty would be encountered in moving large blocks of paper were they available, as the demand continued to be active and general. The prevailing rate for prime names remained 3 per cent, and with no sales below this level reported.

Government
Security
Market

The market for United States Government securities has continued dull, with very little demand for either the long or short-term issues, the former having shown fractional declines during the week of from 2/32 to 8/32nds, while the latter have remained practically unchanged. The average selling price for long-term bonds at the close of the statement week was 104.46 against the high for the year of 104.77. The position of the banks in this district continues to be quite easy and while there has been some buying of high grade miscellaneous bonds, there has apparently been little inclination on their part to buy government bonds.

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
3 1/8%	Cert. of Ind. due Sept. 15, 1930	to yield 1.50%	- - -	
3 1/4%	" " " " Dec. 15, 1930	100 18/32	- - -	1.44
2 7/8%	" " " " June 15, 1931	100 19/32	+1/32	2.13
3 1/2%	Treasury Notes " Mar. 15, 1932	100 28/32	- - -	1.93
3 1/2%	" " " " Sept. 15, 1932	100 27/32	-1/32	1.98
3 1/2%	" " " " Dec. 15, 1932	100 29/32	+1/32	2.36
	Treasury Bills " Sept. 15, 1930	2% - 1 1/4% discount		
	" " " " Nov. 17, 1930	2% - 1 5/8%	"	

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Closing Prices on 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>Change</u>	Net	<u>Issue</u>	<u>Price</u>	<u>Change</u>	Net
1st 3 1/2s	100 30/32	-2/32	Treas. 4s	1944-54	107 31/32	-7/32	
1st 4 1/4s	102 2/32	- - -	"	4 1/4s 1947-52	112 16/32	-8/32	
4th 4 1/4s	102 31/32	- - -	"	3 3/4s 1946-56	106	-6/32	
			"	3 3/8s 1943-47	101 28/32	- - -	
			"	3 3/8s 1940-43	101 12/32	-4/32	

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30s, 60s and 90s; 2 per cent for 120s and 2 1/4 per cent for 180-day bills.

Reports
week
ending
August 20

Boston reports that the supply of bills in its district continued small during the past week but was more than ample to take care of the local demand which continued light. Dealers reported only \$2,000,000 bills sold to local banks, most of which was to foreign accounts. Offerings to the Reserve Bank were very light. In New York the bill market was more active during the week. The demand for bills was better and came principally from local institutions who were buying for their own accounts and for the accounts of foreign correspondents. The supply of bills was also better, but the greater percentage of dealers' purchases were all made on one day which was last Monday, and included large purchases from one or two local banks. Philadelphia reports that its acceptance market was very quiet and dealers reported practically no transactions in its district during the week. Chicago reports that its bill market was quiet, the supply of bills was in excess of the demand and dealers were obliged to sell local new bills in other markets. Dallas reports that its market was exceedingly quiet during the past week with practically no demand and no new bills being offered.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction under Treasury authorization during the current statement week was a sale of

\$310,000 - Fourth 4 1/4% Liberty Loan bonds
for account German Special Deposit Account

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week consisted of the redemption on August 18 of

\$ 38,000,000 maturing Treasury bills which were replaced
in the account by the purchase in the market
of a like par amount of other issues

and exchanges in the market of

\$ 3,500,000 - Fourth 4 1/4% Liberty Loan bonds, and
9,200,000 - 3 1/8% certificates of indebtedness due
September 15, 1930

Total exchange \$12,700,000 for a like par amount of short-term governments.

These transactions did not affect the amount of total holdings in the Account which remained at \$402,300,000. The participation by Federal reserve banks and the classification of issues in the Account at the close of business Wednesday, August 20, 1930, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 45,472,500	Sept. 15, 1930 - Treas. Bills	\$ 6,985,000
New York	73,851,000	Nov. 17, 1930 - " "	6,214,000
Philadelphia	37,245,000	Sept. 15, 1930 - 3 1/8% C/I	46,615,000
Cleveland	47,690,000	Dec. 15, 1930 - 3 1/4% "	64,075,000
Richmond	15,830,500	June 15, 1931 - 2 7/8% "	59,481,000
Atlanta	10,146,500	March 15, 1932 - 3 1/2% T/N	33,814,100
Chicago	61,201,000	Sept. 15, 1932 - 3 1/2% "	118,606,000
St. Louis	15,274,000	Dec. 15, 1932 - 3 1/2% "	35,411,900
Minneapolis	18,248,500	4th L/L - 4 1/4% bonds	31,098,000
Kansas City	28,733,000		
Dallas	19,241,000		
San Francisco	29,367,000		
Totals	\$402,300,000		\$402,300,000

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM AUGUST 14 TO AUGUST 20, 1930, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 5,730,000	\$ 5,730,000
New York	9,306,500	9,306,500
Philadelphia	4,694,000	4,694,000
Cleveland	6,010,000	6,010,000
Richmond	1,995,500	1,995,500
Atlanta	1,278,000	1,278,000
Chicago	7,713,000	7,713,000
St. Louis	1,926,000	1,926,000
Minneapolis	2,300,500	2,300,500
Kansas City	3,621,000	3,621,000
Dallas	2,424,500	2,424,500
San Francisco	3,701,000	3,701,000
Totals	\$50,700,000	\$50,700,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales & Maturities</u>	<u>Issue</u>
New York	0	-	\$3,915,000 527,000	Misc. Gov't Sec. Aug. 18, 1930 Tr. Bills
Atlanta	365,600	Misc. Gov't Sec.	201,500	Misc. Gov't Sec.
Minneapolis	523,850	" " "	548,350	" " "
Totals	\$889,450		\$5,191,850	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings	Purchased	By Allot-	Matur-	Holdings	Other Holdings	
	Aug. 13	Own Mkt.	ment from New York	ities & Sales	Aug. 20	Close Aug. 20/30 Sales	Other Contracts Bills
Boston	\$ 15,953	\$ 443 R.	\$ 2,703	\$ 2,540	\$ 16,559	\$1,711	\$ 79
New York	23,038	10,560 "	0	7,531	26,067	0	353
		22,365 A.					
Phila.	2	0	0	2	0	0	103
Cleve.	12,843	0	3,636	1,436	15,043	0	107
Rich.	7,437	0	1,805	420	8,822	0	45
Atlanta	7,578	0	1,832	627	8,783	0	634
Chicago	13,647	1,569 R.	3,341	2,536	16,021	5,540	143
St. Louis	7,938	0	1,567	1,188	8,317	0	38
Minn.	6,040	0	1,016	383	6,673	0	25
Kan. City	8,223	0	1,887	513	9,597	0	32
Dallas	5,589	0	1,380	528	6,441	101	32
San Fran.	13,854	1,276 "	3,198	1,529	16,799	0	74
Totals	\$122,142	\$36,213	\$22,365	\$19,233	\$139,122	\$7,352	\$ 1,665
Bills held overnight by New York for distribution to foreign correspondents - 9,998							
" " " " " " " " " "	" other Federal res. bks. - 785						
Total - - - - -						\$12,448	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 20, 1930
(000 Omitted)

	1-30 days <u>1 7/8%</u>	31-60 days <u>1 7/8%</u>	61-90 days <u>1 7/8%</u>	Over 90-days <u>-</u>	<u>Total</u>
Boston	\$ 18	\$ 396*	\$ 29*	0	\$ 443
New York	5,451*	27,204*	270**	0	32,925
Chicago	635	884	50	0	1,569
San Francisco	<u>23</u>	<u>1,239</u>	<u>14</u>	<u>0</u>	<u>1,276</u>
Totals	<u>\$6,127</u>	<u>\$29,723</u>	<u>\$363</u>	<u>0</u>	<u>\$36,213</u>

*Purchased at 1 7/8% to 2%, **Purchased at 1 7/8% to 2 1/8%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 20, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$51,589	\$36,213	\$87,802
Sold	55,065	0	55,065
Matured	527	<u>19,233</u>	<u>19,760</u>
		\$16,080+	\$12,977+
		5,500- (Net Change	5,500- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 4,003-</u>	<u>\$11,480+</u>	<u>\$ 7,477+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AUGUST 20, 1930
(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	\$ 90	\$54,211	0	\$ 6,214	\$81,571	\$459,854	\$601,940
Bills Purchased	<u>41,413</u>	<u>33,015</u>	<u>76,634</u>	<u>7,425</u>	<u>435</u>	<u>0</u>	<u>158,922</u>
Totals	<u>\$41,503</u>	<u>\$87,226</u>	<u>\$76,634</u>	<u>\$13,639</u>	<u>\$82,006</u>	<u>\$459,854</u>	<u>\$760,862</u>

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FOR SPECIAL CIRCULATION
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Gov. Young Mr. Hamlin Mr. James
Mr. Platt Mr. Miller Mr. Cunningham Mr. Pole

August 19, 1930.

Dear Mr. Matteson:

Receipt is acknowledged of your letter of
August 15th, addressed to Governor Young, enclosing
a report of open market operations for the period
from August 7 to August 13, 1930.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Mr. W. B. Matteson,
Asst. Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

DECLASSIFIED
Authority E.O. 10501

August 16, 1930.

Dear Mr. Matteson:

Receipt is acknowledged of your letter
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Very truly yours,

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Assistant Secretary.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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FEDERAL RESERVE BANK OF NEW YORK

PERSONAL

August 15, 1930.

Dear Governor Young:

Enclosed is a report of open market operations for the period from August 7 to August 13, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

(S) W. B. Matteson

Assistant Deputy Governor.

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

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Mr Riefler
~~*Mr Lueder*~~
Mr Collier

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AUG 19 1930
DIVISION

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 15, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of open market operations
for the period from August 7 to August 13, 1930 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

DECLASSIFIED
Authority E.O. 10501

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 ✓
FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG 16 1930
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

August 15, 1930

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W. B. Matteson
Assistant Deputy Governor

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

Encl.

see letter 8/14/30

DECLASSIFIED
Authority E.O. 10501

FOR SPECIAL CIRCULATION
PLEASE REPLY PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Gov. Young ✓
Mr. Platt ✓
Mr. Hamlin ✓
Mr. Miller ✓
Mr. James ✓
Mr. Cunningham ✓
Mr. Pole ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG 16 1930
OFFICE OF
THE GOVERNOR

R. A. Y.
AUG 13 1930

PERSONAL

August 15, 1930

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Assistant Deputy Governor

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

Encl.

See letter 8/19/30

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CONFIDENTIAL
REPORT OF OPEN MARKET OPERATIONS WEEK ENDED AUGUST 13, 1930

Holdings of Earning Assets of Federal Reserve Banks from August 14, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
Aug. 14	\$1,310,826	\$126,636	\$27,667	\$ 68,647	\$ 49,238	\$1,027,988
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 30	911,554	576,323	45	127,965	2,797	197,101
Aug. 6	922,990	576,224	0	119,965	13,606	205,923
Aug. 13	959,652	606,162	185	140,090	14,238	190,515

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 13, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Aug. 13	Change	Aug. 13	Change	Aug. 13	Change
Boston	\$ 46,177	\$ 1,918+	\$ 15,953	\$ 235+	\$ 10,936	\$ 794+
New York	192,188	11,712+	23,038	7,545+	32,347	12,810-
Philadelphia	52,252	2,050+	2	494-	17,218	2,243-
Cleveland	57,856	2,514+	12,843	1,011+	15,320	791-
Richmond	16,983	1,389+	7,437	1,575+	19,497	1,788-
Atlanta	12,691	1,267+	7,578	1,676+	29,561	641+
Chicago	81,128	3,571+	13,647	1,031+	15,243	574-
St. Louis	23,899	1,256+	7,938	2,078+	14,950	1,625+
Minneapolis	26,004	878+	6,040	683+	4,460	37+
Kansas City	28,736	0	8,223	2,532+	9,115	255-
Dallas	29,229	1,059+	5,589	1,355+	14,098	845+
San Francisco	39,009	2,314+	13,854	1,890+	7,770	889-
N. Y. holdovers and other bills			17,948	990-		
Totals	\$606,152	\$29,928+	\$140,090	\$20,125+	\$190,515	\$15,408-

COMMENT ON CHANGES WEEK ENDED AUGUST 13, 1930

Total earning assets of the System showed an increase of \$36,662,000 for the current statement week. The changes, by classification, consisted of increases of \$29,928,000 and \$20,125,000 respectively, in outright purchases of government securities and bankers acceptances and \$817,000 in investments held under sales contracts, and a decrease of \$15,408,000 in bills discounted. The increase in sales contracts consisted of \$185,000 in government securities and \$632,000 in bankers acceptances.

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Money
Market

On last Thursday, August 7, large offerings of funds caused a decline in stock exchange call money to the 2 per cent rate which, except for a rise to 2 1/2 per cent on the two days preceding, had been in effect for approximately three weeks. Notwithstanding payment for \$25,000,000 of securities purchased for system special investment account was made on Thursday, the New York banks found it necessary to borrow approximately \$80,000,000 on Friday to average reserves. These borrowings were reduced to \$20,000,000, however, on Saturday and liquidated entirely on Monday and Tuesday, this having been made possible in part through increases in the system's bill portfolio.

During the last three days of the period there has been a return flow of funds from other districts and some return of currency from circulation, only partly offset by further gold exports, thus resulting in some easing in the money position. Reserves, however, have been very slightly more than requirements and the official call loan rate has continued through the week at 2 1/2 per cent, although funds have been freely offered outside the exchange at 2 per cent.

Activity in the time money market was confined to small occasional transactions. A little 90-day money was loaned at 2 1/2 per cent, compared with 2 3/4 per cent about three weeks ago, when the last previous trading was reported to us. Some 70-day money was loaned at 2 1/2 per cent, up 1/4 per cent from last week, and 6 months funds were placed at 3 1/4 per cent, also up 1/4 per cent. Nominal quotations, however, were practically unchanged.

In the commercial paper market, there was no material change in the general conditions which prevailed at the close of the previous period. The rate for prime names continued at 3 per cent, with sales limited by the quantity of new material currently entering the market. Demand remained generally good, with fair supplies available.

Government
Security
Market

The market for United States Government securities has been quite dull with small fractional changes in both the long and short-term securities on the downward side. The average selling price for the long-term bonds at the close of the statement week was 104.57, the same as the previous week, the high for the year being 104.77.

While the money position has tended easier during the last few days, there has been considerable resistance to any reduction in rates. There was also evident some disposition on the part of the banks to sell the longer term Governments in favor of the shorter maturities.

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3 1/8% Cert. of Ind. due Sept. 15, 1930	100 5/32	-1/32	1.50
3 1/4% " " " " Dec. 15, 1930	100 18/32	-1/32	1.53
2 7/8% " " " " June 15, 1931	100 18/32	-1/32	2.19
3 1/2% Treasury Notes " Mar. 15, 1932	100 28/32	-1/32	1.98
3 1/2% " " " " Sept. 15, 1932	100 28/32	- - -	1.98
3 1/2% " " " " Dec. 15, 1932	100 28/32	-1/32	2.42
Treasury Bills " Sept. 15, 1930	1 3/4% - 1 1/4% discount		

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3

Closing Prices on 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</u> <u>Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>
1st 3 1/2s	101	+3/32	Treas. 4s	108 6/32	+3/32
1st 4 1/4s	102 2/32	-4/32	" 4 1/4s	112 24/32	-1/32
4th 4 1/4s	102 31/32	-1/32	" 3 3/4s	106 6/32	+5/32
			" 3 3/8s	101 28/32	-1/32
			" 3 3/8s	101 16/32	-4/32

BankersAcceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30s, 60s, and 90s, 2 per cent for 120s and 2 1/4 per cent for 180-day bills.

ReportsweekendingAugust 13

Boston reports that there was no change in the local bill market during the past week. Outside of some buying for foreign account the demand was exceedingly poor although the supply remained about the same as during the previous week. Most of the new bills purchased were forwarded to dealers' offices in other cities. In New York the bill market was quiet throughout the week. Dealers' purchases were light, slightly less than their sales and their aggregate portfolios were reduced by about \$5,000,000. Dealers' sales were principally for the accounts of foreign correspondents. Rates unchanged.

Philadelphia reports that its acceptance market was dull. A slight improvement was noted in the amount of new bills coming out but there was no demand. There were no offerings made to the Reserve Bank.

Chicago reports that its bill market was dull during the past week. The supply of bills was about equal to the small demand. Dallas reports that its bill market was quiet during the past week. Dealers reported no sales.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of \$1,000,000	- Fourth 4 1/4% Liberty Loan bonds account Government Life Insurance Fund	
	900,000 - 3 1/2% Treasury notes due December 15, 1932, account Alien Property Custodian	
	50,000 - 3 1/2% Treasury notes due December 15, 1932, account Department of the Interior	
<hr/>		
	\$1,950,000 - Total Sales	

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

As mentioned in last week's report, purchases of \$25,000,000 government securities were made during the current statement week which were apportioned to all the Federal reserve banks except Kansas City, which did not wish to receive an allotment at that time. These purchases brought the total holdings in the account at the close of business Wednesday, August 13, 1930, up to \$402,300,000. Other transactions during the week which did not change the total holdings in the account were as follows:

Exchange of \$13,350,000 - 3 1/8% certificates of indebtedness due September 15, 1930 for

\$ 3,000,000	- 3 1/2% Treasury notes due Sept. 15, 1932	
1,400,000	- 2 7/8% certificates " June 15, 1931	
<u>8,950,000</u>	- United States Treasury bills due Aug. 18, 1930	
\$13,350,000		

The participation by Federal reserve banks and the classification of issues in the account at the close of business August 13, 1930 were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 45,472,500
New York	73,851,000
Philadelphia	37,245,000
Cleveland	47,690,000
Richmond	15,830,500
Atlanta	10,146,500
Chicago	61,201,000
St. Louis	15,274,000
Minneapolis	18,248,500
Kansas City	28,733,000
Dallas	19,241,000
San Francisco	<u>29,367,000</u>
Totals	<u>\$402,300,000</u>

RECAPITULATION OF HOLDINGS BY MATURITIES

Aug. 18, 1930 - Treas. Bills	\$ 38,000,000
Sept. 15, 1930 - " "	6,985,000
" 15, 1930 - 3 1/8% C/I	55,815,000
Dec. 15, 1930 - 3 1/4% "	58,575,000
June 15, 1931 - 2 7/8% "	56,981,000
March 15, 1932 - 3 1/2% T/N	23,947,100
Sept. 15, 1932 - 3 1/2% "	112,156,000
Dec. 15, 1932 - 3 1/2% "	34,661,900
4th L/L - 4 1/4% bonds	<u>15,179,000</u>
Totals	<u>\$402,300,000</u>

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ITEMIZED STATEMENT OF ACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM AUGUST 7 TO AUGUST 15, 1930, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 3,665,000	\$ 1,747,000
New York	9,600,500	2,788,500
Philadelphia	3,474,500	1,424,500
Cleveland	4,339,000	1,825,500
Richmond	1,987,500	598,500
Atlanta	1,701,000	378,500
Chicago	5,909,500	2,338,000
St. Louis	1,835,000	578,500
Minneapolis	1,495,000	701,000
Kansas City	1,120,000	1,120,000
Dallas	1,794,500	736,000
San Francisco	3,428,500	1,114,000
Totals	\$40,350,000	\$15,350,000

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	*\$6,900,000				\$2,000,000		
Atlanta	126,050	"	"	"	181,300	"	"
Minneapolis	615,500	"	"	"	531,600	"	"
Totals	\$7,641,550				\$2,712,900		

* To be held temporarily.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings</u> <u>Aug. 6</u>	<u>Purchased</u> <u>Own Mkt.</u>	<u>By Allot-</u> <u>ment from</u> <u>New York</u>	<u>Matur-</u> <u>ities &</u> <u>Sales</u>	<u>Holdings</u> <u>Aug. 13</u>	<u>Other Holdings</u> <u>Close Aug. 13, 1930</u>	
						<u>Sales</u> <u>Contracts</u>	<u>Other</u> <u>Bills</u>
Boston	\$ 15,720	\$ 0	\$ 2,502	\$ 2,269	\$ 15,953	\$ 1,344	\$ 79
New York	15,493	12,819 R 29,376 A	0	5,274	23,038	10,077	351
Phila.	496	0	0	494	2	0	103
Cleve.	11,832	0	4,494	3,483	12,843	0	107
Richmond	5,862	25 R	2,534	984	7,437	0	45
Atlanta	5,902	25 "	2,409	758	7,578	0	526
Chicago	12,616	510 "	6,040	5,519	13,647	1,463	143
St. Louis	5,860	0	2,335	257	7,938	0	38
Minn.	5,357	0	1,482	799	6,040	0	25
Kan. City	5,691	0	2,701	169	8,223	0	32
Dallas	4,234	19 "	1,862	526	5,589	0	32
San Fran.	11,964	729 "	3,017	1,856	13,854	1,354	74
Totals	\$101,027	\$43,503	\$29,376	\$22,388	\$122,142	\$14,238	\$ 1,555
Bills held overnight by New York for distribution to foreign correspondents -						14,056	
" " " " " " " " " other F. R. Banks -						2,337	
Total						- - - \$17,948	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 13, 1930
(000 Omitted)

	1-30 days <u>1 7/8%</u>	31-60 days <u>1 7/8%</u>	61-90 days <u>1 7/8%</u>	Over 90 days <u>-</u>	<u>Total</u>
New York	\$22,162*	\$19,830*	\$ 203*	0	\$42,195
Richmond	0	25**	0	0	25
Atlanta	25***	0	0	0	25
Chicago	10	0	500	0	510
Dallas	5	14	0	0	19
San Francisco	27	394	308	0	729
Totals	<u>\$22,229</u>	<u>\$20,263</u>	<u>\$1,011</u>	<u>0</u>	<u>\$43,503</u>

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 13, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$47,991	\$43,503	\$91,494
Sold	18,063	0	18,063
Matured	0	22,388	22,388
		<u>\$21,115+</u>	<u>\$51,043+</u>
		990- (Net Change 1-day holdover and other bills)	990- (Net Change 1-day holdover and other bills)
Totals	<u>\$29,928+</u>	<u>\$20,125+</u>	<u>\$50,053+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AUGUST 13, 1930
(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	\$38,712	0	\$63,414	0	\$ 76,071	\$428,140	\$606,337
Bills Purchased	57,564	32,849	58,391	5,240	284	0	154,328
Totals	<u>\$96,276</u>	<u>\$32,849</u>	<u>\$121,805</u>	<u>\$5,240</u>	<u>\$ 76,355</u>	<u>\$428,140</u>	<u>\$760,665</u>

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Authority E.O. 10501

August 9, 1930.

Dear Mr. Matteson:

Receipt is acknowledged of your letter
of August 8th, addressed to Governor Young, en-
closing a report of open market operations for
the period from July 31 to August 6, 1930 inclusive.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. W. A. Matteson,
Assistant Deputy Governor
Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG 9 1930
OFFICE OF
THE GOVERNOR

R. A. Y.
AUG 9 1930

PERSONAL

August 8, 1930

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Assistant Deputy Governor

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

Encl.

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Authority E.O. 10501

Mr. Repley ✓
Mr. Lmead ✓
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG - 9 1930
DIVISION OF RESEARCH
& STATISTICS

CONFIDENTIAL

August 8, 1930

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

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Assistant Deputy Governor

Encl.

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FOR SPECIAL CIRCULATION

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

Gov. Young ✓

Mr. Hamlin ✓

Mr. James ✓

Mr. Platt ✓

Mr. Miller ✓

Mr. Cunningham ✓

Mr. Polk ✓

FEDERAL RESERVE BANK

OF NEW YORK

REC'D 8/10/30

CONFIDENTIAL

August 8, 1930

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Governor, Federal Reserve Board,
Washington, D. C.

Encl.

see letter 8/9/30

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CONFIDENTIAL

REPORT OF OPEN MARKET OPERATIONS WEEK ENDED AUGUST 6, 1930

Holdings of Earning Assets of Federal Reserve Banks from August 7, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
Aug. 7	\$1,311,428	\$126,608	\$30,992	\$35,831	\$43,327	\$1,064,070
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 23	924,555	576,089	50	145,068	5,455	190,570
July 30	911,554	576,323	45	127,965	2,797	197,101
Aug. 6	922,990	576,224	0	119,965	13,606	205,923

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 6, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 6	Net Change	Balance Aug. 6	Net Change	Balance Aug. 6	Net Change
Boston	\$ 44,259	\$ 1-	\$ 15,720	\$ 127-	\$ 10,142	\$ 142+
New York	180,476	0	15,493	1,649-	45,157	11,727+
Philadelphia	50,202	0	496	116-	19,461	1,129-
Cleveland	55,342	0	11,832	1,313-	16,111	2,925-
Richmond	15,594	0	5,862	433-	21,285	1,866+
Atlanta	11,424	9-	5,902	1,401-	28,920	577+
Chicago	77,557	0	12,616	6,416-	15,817	923-
St. Louis	22,643	0	5,860	93+	13,325	190+
Minneapolis	25,126	89-	5,357	884-	4,423	88+
Kansas City	28,736	0	5,691	150+	9,370	71-
Dallas	28,170	0	4,234	241-	13,253	438+
San Francisco	36,695	0	11,964	1,892-	8,659	1,158-
N. Y. holdovers and other bills			18,938	6,229+		
Totals	\$576,224	\$99-	\$119,965	\$8,000-	\$205,923	\$8,822+

COMMENT ON CHANGES WEEK ENDED AUGUST 6, 1930

Total earning assets of the System showed an increase of \$11,436,000 for the current statement week. The changes, by classification, consisted of decreases of \$99,000 and \$8,000,000 respectively in outright purchases of Government securities and bankers acceptances, and increases of \$8,822,000 in bills discounted and \$10,764,000 in investments held under sales contracts. The increase in the latter item was almost entirely in bankers acceptances.

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Money
Market

Over the week-end there was a large loss to the New York money market necessitating very substantial borrowings on the part of the New York banks. On Friday the banks were obliged to borrow \$51,000,000 to average reserves, and were unable to pay this off during the following reserve period. In fact, on Tuesday they were obliged to borrow an additional amount, bringing the total up to \$136,000,000, the highest since the first of the year. The average borrowings of the New York banks during the reserve period ended on Tuesday were \$66,000,000. During the two or three weeks previous these banks had carried excess reserves of approximately \$40,000,000, indicating, therefore, a net change in position of approximately \$100,000,000. On Wednesday the banks reduced their borrowings to \$20,000,000, but this was accomplished in part at the expense of a deficiency in reserves amounting to about \$20,000,000.

This change in the money position resulted from a variety of causes partly temporary and partly permanent. The outflow of funds to other districts was substantial. There was also an increase in the Treasury balance of about \$10,000,000, these items being more or less temporary. There was, however, during the same period a very substantial increase in the amount of currency in circulation, a considerable portion of which may be expected to be permanent at this season of the year. Exports of gold have continued, the loss during this statement week having been \$23,800,000 and the loss on the current movement since July 16, \$50,000,000.

Following about three weeks of 2 per cent money, the call rate advanced to 2 1/2 per cent on Tuesday afternoon and remained at that level until Thursday afternoon, when a return to 2 per cent was effected.

Time money showed no appreciable change from a week ago. Nominal quotations at the close of business on Thursday, August 7, were: 30 days 2 per cent bid, 2 1/4 per cent asked; 60 days 2 1/4 per cent bid, 2 1/2 per cent asked; 3 and 4 months 2 1/2 per cent bid, 2 3/4 per cent asked, 5 and 6 months, 3 per cent bid, 3 1/4 per cent asked. Trading was extremely small, the 6 months' maturity being most sought after, with the rate varying between 3 and 3 1/4 per cent. A small amount was loaned until the middle of October, a period of some 70 days, at 2 1/4 per cent.

During the period the rate for prime commercial paper declined slightly from the 3 - 3 1/4 per cent range in effect during the past three weeks to 3 per cent, the lowest since early in 1916. Supplies generally were reported to be in fair volume, but far too small to provide adequately for the continued active demand.

Government
Security
Market

The market for United States Government securities remained dull during the greater part of the statement week, with the demand for the short-term issues somewhat in excess of the supply. Prices for the shorter maturities showed decreases of 2/32nds for the September certificates and 1/32 for the notes. The average selling price for the longer term bonds was 104.57 at the close of the statement week, as compared with 104.51 the previous week, and a high for the year of 104.77.

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

	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Approx. Yield</u>
3	1/8% Cert. of Ind. due Sept. 15, 1930	100 6/32	-2/32	1.29%
3	1/4% " " " Dec. 15, 1930	100 19/32	-	1.54%
2	7/8% " " " June 15, 1931	100 19/32	-	2.16%
3	1/2% Treasury Notes " Mar. 15, 1932	100 29/32	-1/32	1.97%
3	1/2% " " " Sept. 15, 1932	100 28/32	-1/32	2.02%
3	1/2% " " " Dec. 15, 1932	100 29/32	-1/32	2.41%
	Treasury Bills " Aug. 18, 1930	1 3/4% - 1 1/4% discount		
	" " " Sept. 15, 1930	1 3/4% - 1 1/4%		

Closing Prices on 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	100 29/32	+1/32	Treas. 4s 1944-54	108 3/32	-3/32
1st	4 1/4s	102 6/32	+3/32	" 4 1/4s 1947-52	112 25/32	+3/32
4th	4 1/4s	103	-	" 3 3/4s 1946-56	106 1/32	+4/32
				" 3 3/8s 1943-47	101 29/32	+3/32
				" 3 3/8s 1940-43	101 20/32	+3/32

Bankers
Acceptances

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

Reports
Week
Ending
August 6

Boston reports that there was a slight increase in the supply of new bills in its district during the past period, with the demand very poor. Consequently, dealers forwarded nearly all of their bills to offices in other cities, principally New York, reducing their portfolios to the lowest amount for the year. Offerings to the reserve bank were very light. In New York the bill market was considerably less active this week. Dealers sales fell off substantially as compared with the past few weeks. Their purchases were light and during the first part of the week they had difficulty in filling orders, but for the past few days there has been a slight increase in the supply and dealers aggregate portfolios increased by about \$15,000,000. Philadelphia reports that its acceptance market continued quiet, with a few small lots of bills, mostly 90 days and over, coming into the market. The supply of bills was low with no demand. Chicago reports that the demand for bills in its district during the past week was fair, but the supply poor. Dallas reports that the bill market in its district continued quiet.

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SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week exchanges were effected in the System Account of

\$1,950,000 U. S. Treasury Bills due August 18, 1930

for a like amount of United States 3 1/2% Treasury Notes due 1930-32. These transactions did not affect the amount of total holdings in the Account which remained at \$377,300,000. The participation by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 6, 1930, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>		
Boston	\$ 43,554,500	Aug. 18, 1930 - Treas. Bills	\$ 29,050,000
New York	67,039,000	Sept. 15, 1930 - " "	6,985,000
Philadelphia	35,195,000	" 15, 1930 - 3 1/8% C/I	71,165,000
Cleveland	45,176,500	Dec. 15, 1930 - 3 1/4% "	53,575,000
Richmond	14,441,500	June 15, 1931 - 2 7/8% "	53,231,000
Atlanta	8,824,000	March 15, 1932 - 3 1/2% T/N	18,397,100
Chicago	57,629,500	Sept. 15, 1932 - 3 1/2% "	106,306,000
St. Louis	14,017,500	Dec. 15, 1932 - 3 1/2% "	33,411,900
Minneapolis	17,454,500	4th L/L - 4 1/4% bonds	5,179,000
Kansas City	28,733,000		
Dallas	18,182,500		
San Francisco	27,052,500		
Totals	\$377,300,000		\$377,300,000

After the close of the statement week purchases of Government securities were made to the extent of \$25,000,000 for System Account, with the approval of the Open Market Policy Conference and the Federal Reserve Board, and all Federal reserve banks will participate in this amount, with the exception of Kansas City who advise that they do not wish to receive an allotment at this time.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of \$ 500,000 U. S. 3 3/8% Treasury Bonds of 1943-47
a/c Commissioner of Indian Affairs
100,000 U. S. Fourth Liberty Loan 4 1/4% bonds
a/c German Special Deposit Account
400,000 U. S. 3 1/2% Treasury Notes due Dec. 15, 1930-32
a/c Alien Property Custodian

\$1,000,000 Total Sales

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM JULY 31 TO AUGUST 6, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 225,500	\$ 225,500
New York	346,500	346,500
Philadelphia	182,000	182,000
Cleveland	233,500	233,500
Richmond	74,500	74,500
Atlanta	45,500	45,500
Chicago	297,500	297,500
St. Louis	72,500	72,500
Minneapolis	90,000	90,000
Kansas City	148,500	148,500
Dallas	94,000	94,000
Sán Francisco	140,000	140,000
Totals	\$1,950,000	\$1,950,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
				Misc. Gov't Sec.
Boston	\$ 0	-	\$ 1,000	
New York	3,500,000	Misc. Gov't Sec.	3,500,000	" " "
Philadelphia	3,500,000	" " "	3,500,000	" " "
Atlanta	236,800	" " "	245,500	" " "
Minneapolis	438,900	" " "	528,300	" " "
Totals	\$7,675,700		\$7,774,800	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings July 30</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Matur- ities & Sales</u>	<u>Holdings Aug. 6</u>	<u>Other Holdings Close Aug. 6, 1930</u>	
						<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 15,847	\$ 863 R	\$ 938	\$ 1,928	\$ 15,720	\$ 451	\$ 79
New York	17,142	3,941 " 8,329 A	0	5,590	15,493	11,649	351
Phila.	612	0	0	116	496	0	103
Cleve.	13,145	0	1,243	2,556	11,832	0	107
Richmond	6,295	81 R	712	1,226	5,862	0	45
Atlanta	7,303	20 "	676	2,097	5,902	0	562
Chicago	19,032	63 "	1,741	8,220	12,616	484	143
St. Louis	5,767	0	625	532	5,860	0	38
Minn.	6,241	0	393	1,277	5,357	0	25
Kan. City	5,541	0	716	566	5,691	0	32
Dallas	4,475	14 "	537	792*	4,234	0	32
San Fran.	13,856	841 "	748	3,481	11,964	1,022	74
Totals	\$115,256	\$14,152	\$8,329	\$28,381	\$101,027	\$13,606	\$ 1,591
Bills held over night by New York for distribution to foreign correspondents 15,599							
" " " " " " " " " " other F. R. Banks - - 1,748							
Total - - - - -						-\$18,938	

* Includes \$16,000 sold.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING AUGUST 6, 1930
(000 Omitted)

	1-30 days <u>1 7/8%</u>	31-60 days <u>1 7/8%</u>	61-90 days <u>1 7/8%</u>	Over 90 days <u>-</u>	<u>Total</u>
Boston	\$ 41*	\$ 535*	\$287*	0	\$ 863
New York	6,793*	5,476	1****	0	12,270
Richmond	0	55**	26**	0	81
Atlanta	0	20***	0	0	20
Chicago	15	27	21	0	63
Dallas	14	0	0	0	14
San Francisco	185	399	257	0	841
Totals	<u>\$7,048</u>	<u>\$6,512</u>	<u>\$592</u>	<u>0</u>	<u>\$14,152</u>

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING AUGUST 6, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$9,626	\$14,152	\$23,778
Sold	9,725	16	9,741
Matured	0	28,365	28,365
		<u>\$14,229-</u>	<u>\$14,328</u>
		6,229+ (Net Change	6,229+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 99-</u>	<u>\$ 8,000-</u>	<u>\$ 8,099-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AUGUST 6, 1930
(000 Omitted)

(Including Sales Contracts)

	Within <u>15-days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91-days <u>6 months</u>	Over 6 <u>months</u>	<u>Total</u>
Gov't Securities	\$29,577	0	\$78,765	0	\$71,070	\$396,812	\$576,224
Bills Purchased	65,459	17,497	43,651	6,836	128	0	133,571
Totals	<u>\$95,036</u>	<u>\$17,497</u>	<u>\$122,416</u>	<u>\$6,836</u>	<u>\$71,198</u>	<u>\$396,812</u>	<u>\$709,795</u>

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August 5, 1930.

Dear Mr. Matteson:

Receipt is acknowledged of your letter of August 1, addressed to Governor Young, enclosing a report of open market operations for the period from July 24 to July 30, inclusive.

Very truly yours,

J. C. Noell,
Assistant Secretary.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

DECLASSIFIED
Authority E.O. 10501

August 2, 1930.

Dear Matteson:

Receipt is acknowledged of your letter of August 1st, enclosing a report of open market operations for the period from July 24 to July 30, 1930, inclusive.

Very truly yours,

(Signed) J. C. Hoell

J. C. Hoell,
Assistant Secretary.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 10501

FOR SPECIAL CIRCULATION
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Mr. Hamlin ✓
Mr. Platt ✓ Mr. Miller ✓ Mr. Cunningham ✓ Mr. Pole ✓
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 ✓

PERSONAL

August 1, 1930

Dear Governor Young:

Enclosed is a report of open market operations for the period from July 24 to July 30, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

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402
Mr. Reffler ✓
Mr. Lusk ✓
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
AUG -2 1930
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

August 1, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of open market operations for the period from July 24 to July 30, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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

CONFIDENTIAL

August 1, 1930

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W. B. Matteson
Assistant Deputy Governor

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

Enc,

enc (letter) 8/2/30

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Authority E.O. 10501

CONFIDENTIAL**REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JULY 30, 1930**

Holdings of Earning Assets of Federal Reserve Banks from July 31, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
		Purchases	Contracts	Purchases	Contracts	
-1929-						
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
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Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 23	924,555	576,089	50	145,068	5,455	190,570
July 30	911,554	576,323	45	127,965	2,797	197,101

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 30, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 30	Change	July 30	Change	July 30	Change
Boston	\$ 44,260	\$ 0	\$ 15,847	\$ 514-	\$ 10,000	\$1,105+
New York	180,476	259+	17,142	1,157-	33,430	6,495+
Philadelphia	50,202	0	612	173-	20,590	382-
Cleveland	55,342	0	13,145	814-	19,036	1,602+
Richmond	15,594	0	6,295	1,516-	19,419	27-
Atlanta	11,433	8+	7,303	1,209-	28,343	715+
Chicago	77,557	0	19,032	2,454-	16,740	581-
St. Louis	22,643	0	5,767	42-	13,135	4,168-
Minneapolis	25,215	33-	6,241	962-	4,335	84+
Kansas City	28,736	0	5,541	5+	9,441	314-
Dallas	28,170	0	4,475	884-	12,815	591+
San Francisco	36,695	0	13,856	1,594-	9,817	1,411+
N. Y. holdovers and other bills			12,709	5,789-		
Totals	\$576,323	\$234+	\$127,965	\$17,103-	\$197,101	\$6,531+

COMMENT ON CHANGES WEEK ENDED JULY 30, 1930

Total earning assets of the System showed a decrease of \$13,001,000 for the current statement week. The changes, by classification, consisted of increases of \$234,000 and \$6,531,000, respectively, in outright purchases of Government securities and bills discounted, and decreases of \$17,103,000 in outright purchases of bankers acceptances, and \$2,663,000 in investments held under sales contracts. The decrease in the latter item was almost entirely in bankers acceptances.

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Money
Market

Although the official rate for call money on the Stock Exchange held at 2 per cent, month-end influences and a gold outflow caused the rate for call loans arranged outside the Exchange to advance from the 1 per cent low of last week to a high of 2 per cent at the end of the past reporting period. On the 31st, however, outside money was generally available at 1 1/2 per cent. The rate for federal funds also advanced from the 1/4-1/2 per cent quotation of a week ago to 1 1/2-3/4 per cent on the 30th, but eased slightly on the following day.

During the first two days of the period there was a large loss to the New York money market, principally the result of a movement of funds to other parts of the country, currency withdrawals for week-end circulation, and net gold exports. These losses more than absorbed the large surplus of reserves existing on Wednesday, so that by Friday actual bank reserves were impaired to a material extent. As there was a surplus of average reserves, however, the member banks found it unnecessary to borrow from the Reserve Bank. In the remainder of the week under review a return flow of funds from other districts and currency deposits more than offset further net gold exports and a drop in Reserve Bank bill holdings, with the result that the money market banks again had a surplus of reserves, though the surplus was of small proportions.

Other than a slight easing in the bid and asked quotations for 5 and 6 months maturities, there was little change in the condition of the time money market. Only small transactions were reported during the week, and all maturities from 3 to 6 months shared on occasions in the small total.

Demand for prime commercial paper during the past week continued to be extremely active, and dealers expressed the opinion that no difficulty would be experienced in moving large blocks of high grade material at 3 per cent, if such supply were available. Actual sales, however, were rather small, due to the inability of brokers to secure paper. The rate range continued to be 3 - 3 1/4 per cent, with the larger proportion of sales at 3 per cent.

Government
Security
Market

The demand for United States Government securities, which was quite strong during the latter part of the previous statement week, coincident with the adjustment in the Federal Reserve buying rate for bills, continued strong during the past week, principally, however, for the short-term issues. On the other hand, the market for longer term bonds has weakened somewhat, and, while prices for the short maturities have shown small fractional gains, the prices of some of the bonds have declined somewhat. At the close of the current statement week the average selling price for the longer term bonds was 104.51, as compared with 104.65 last week, and a high for the year of 104.77.

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
3 1/8%	Cert. of Ind. due Sept. 15, 1930	100 8/32	-	1.06%
3 1/4%	" " " " Dec. 15, 1930	100 19/32	+1/32	1.63%
2 7/8%	" " " " June 15, 1931	100 19/32	+1/32	2.18%
3 1/2%	Treasury Notes " March 15, 1932	100 30/32	+2/32	1.97%
3 1/2%	" " " " Sept. 15, 1932	100 29/32	+2/32	2.02%
3 1/2%	" " " " Dec. 15, 1932	100 30/32	+2/32	2.40%
	Treasury Bills " Aug. 18, 1930	1 5/8 - 1 1/8% discount		
	" " " " Sept. 15, 1930	1 5/8 - 1 1/8% " "		

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Authority E.O. 10501

July 26, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of July 25th, enclosing a report of open market operations for the period from July 17, 1930 to July 23, 1930 inclusive.

Very truly yours,

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

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 26 1930
OFFICE OF
THE GOVERNOR

PERSONAL

July 25, 1930

R. A. Y.
JUL 26 1930

Dear Governor Young:

Enclosed is a report of open market operations for the period from July 17, 1930 to July 23, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

Mr. Riefler ✓
Mr. Smead ✓
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 25 1930
DIVISION OF RESEARCH AND STATISTICS

CONFIDENTIAL

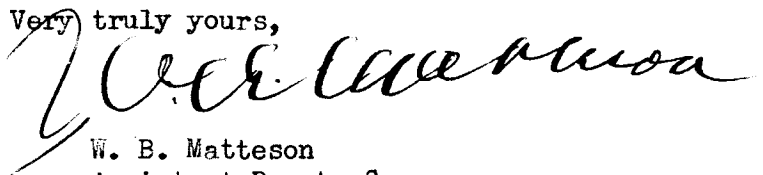
July 25, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of open market operations for
the period from July 17, 1930 to July 23, 1930 inclusive, to-
gether with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

DECLASSIFIED
Authority E.O. 10501

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 ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
JUL 25 1930
OFFICE OF
THE COMPTROLLER

CONFIDENTIAL

July 25, 1930

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Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

See letter 7/26/30

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CONFIDENTIAL
REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JULY 23, 1930

Holdings of Earning Assets of Federal Reserve Banks from July 24, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
July 24	\$1,288,748	\$126,601	\$19,099	\$ 48,479	\$ 20,363	\$1,063,958
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 16	960,116	576,893	225	153,978	14,689	207,030
July 23	924,555	576,089	50	145,068	5,455	190,570

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 23, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 23	Net Change	Balance July 23	Net Change	Balance July 23	Net Change
Boston	\$ 44,260	\$ 0	\$ 16,361	\$1,525+	\$ 8,895	\$ 2,521-
New York	180,217	446-	18,299	914+	26,935	4,510-
Philadelphia	50,202	0	785	38-	20,972	2,612-
Cleveland	55,342	0	13,959	50+	17,434	6,672-
Richmond	15,594	0	7,811	252-	19,446	1,141+
Atlanta	11,425	525-	8,512	484-	27,628	2,518-
Chicago	77,557	0	21,486	563-	17,321	1,154-
St. Louis	22,643	0	5,809	1,151-	17,303	897+
Minneapolis	25,248	167+	7,203	829-	4,251	133+
Kansas City	28,736	0	5,536	334-	9,755	330-
Dallas	28,170	0	5,359	101+	12,224	1,217+
San Francisco	36,695	0	15,450	291-	8,406	469+
N. Y. holdovers and other bills			18,498	7,558-		
Totals	\$576,089	\$804-	\$145,068	\$8,910-	\$190,570	\$16,460-

COMMENT ON CHANGES WEEK ENDED JULY 23, 1930

Total earning assets of the System showed a decrease of \$35,561,000 for the current statement week. The changes, by classification, consisted of decreases of \$804,000 and \$8,910,000, respectively, in outright purchases of Government securities and bankers acceptances, \$16,460,000 in bills discounted, and \$9,409,000 in investments held under sales contracts. The decrease in the latter item consisted of \$175,000 in Government securities and \$9,234,000 in bankers acceptances.

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2

Money
Market

Although offerings of call money were consistently in excess of the demand for new accommodation, the rate for call loans on the Stock Exchange held at 2 per cent, unchanged since July 16, the closing day of the previous period. The amounts left unloaned daily on the Exchange varied between two to more than four times the amounts of new loans actually placed, and in the outside market funds were freely available at 1 1/4 and even at 1 per cent. The rate for Federal reserve funds dropped further to a low of 1/4 - 1/2 per cent.

This continued easy situation was the result of the substantial excess reserves which the money market banks were in possession of from the beginning of the week together with reluctance on the part of the banks to employ funds for more than very short periods. A moderate amount of funds flowed into the New York money market from other districts during the period, and miscellaneous credits also caused a gain to the market; this aggregate gain of funds was about absorbed by a substantial net export of gold (to France and Canada), and by a reduction in Federal reserve bill holdings.

Following the previous week's slight firming, a return to somewhat easier conditions in the time money market occurred toward the close of the past week. Bid and asked rates at the close of business on the 24th were: 30 days, 2 - 2 1/4 per cent; 60 days, 2 1/4 - 2 1/2 per cent; 3 and 4 months, 2 1/2 - 2 3/4 per cent; 5 months, 2 3/4 - 3 per cent; and 6 months, 3 1/4 per cent bid. Trading activity was rather limited, but by the 24th the trading rate for 3 and 4 months money had returned to 2 3/4 per cent.

Bank investment demand for commercial paper continued active and general, but sales were limited by the quantity of new material currently available. The rate range was unchanged at 3 - 3 1/4 per cent.

Government
Security
Market

During the greater part of the statement week the demand for United States Government securities continued to fall off slightly and prices of all issues declined fractionally. However, beginning with this calendar week, and coincident with an adjustment in the Federal reserve buying rate for 45 to 75 day bills which appeared to remove the hesitation the market has felt, a substantial improvement set in, with a strong demand for both the long and short term issues. As a result, prices advanced sharply, in some instances close to the high point for the year. At the close of the statement week the average selling price for the long term bonds was 104.65, as compared with the high average for the year of 104.77.

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
3 1/8% Cert. of Ind. due Sept. 15, 1930	100 8/32	+1/32	1.33%
3 1/4% " " " " Dec. 15, 1930	100 18/32	+1/32	1.79%
2 7/8% " " " " June 15, 1931	100 18/32	-	2.23%
3 1/2% Treasury Notes " Mar. 15, 1932	100 28/32	-1/32	2.11%
3 1/2% " " " " Sept. 15, 1932	100 27/32	-2/32	2.16%
3 1/2% " " " " Dec. 15, 1932	100 28/32	-1/32	2.49%
Treasury Bills " Aug. 18, 1930	2% - 1 1/2% discount		
" " " " Sept. 15, 1930	2% - 1 1/2%	"	

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Closing Prices on 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	101	+6/32	Treas. 4s 1944-54	108 15/32	+2/32
1st 4 1/4s	102 3/32	-1/32	" 4 1/4s 1947-52	112 28/32	+4/32
4th 4 1/4s	103	+1/32	" 3 3/4s 1946-56	106 8/32	+4/32
			" 3 3/8s 1943-47	101 29/32	+2/32
			" 3 3/8s 1940-43	101 20/32	+2/32

Bankers
Acceptances

Dealers' offering of unindorsed prime bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30's, 60's and 90's; 2 per cent for 120's; and 2 1/4 per cent for 180-day bills.

Reports
Week
Ending
July 23

Boston reports the supply of new bills in its district, as reported by dealers, showed a decided drop from the previous week. The local demand for bills showed some improvement due to extremely low money rates which, together with the Reserve Bank including 75-day maturities at 1 7/8 per cent effective July 21, resulted in dealers' portfolios showing a good shrinkage. In New York there was not much activity during the early part of the period covered by this report. However, the New York Reserve Bank's reduction on July 21 of the rate for bills between 46 and 75 days had the effect of removing the hesitation banks had felt in buying bills of longer maturities. Dealers' sales since then have been well diversified, in large volume, and have exceeded their purchases to such an extent that there has been a substantial reduction in portfolios. Philadelphia reported the market in its district was still dull. No new bills came into the market and dealers reported no sales. Chicago reports its bill market was exceedingly quiet and dealers appeared to be accumulating 90-day bills, Dallas also reported its market was very quiet with practically no sales, and offerings to the reserve bank light.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization consisted of the sale for the German Special Deposit Account of

\$18,864,500 aggregate amount of Government securities of various issues

These securities were taken over temporarily into the Investment Account of the Federal Reserve Bank of New York, and sold in the market over a period of two or three days.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week exchanges were effected in the account of

\$24,160,000 aggregate amount of 3 1/8% September 15, 1930 certificates of indebtedness for a like par amount of short-term Governments of various issues.

These exchanges did not affect the total amount of holdings in the account which remained at the close of business Wednesday, July 23, 1930, at \$377,300,000. 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	Aug. 18, 1930 - Treas. Bills
\$ 43,554,500	\$ 36,000,000
New York	Sept. 15, 1930 - " "
67,039,000	8,985,000
Philadelphia	" 15, 1930 - 3 1/8% C/I
35,195,000	79,415,000
Cleveland	Dec. 15, 1930 - 3 1/4% "
45,176,500	51,325,000
Richmond	June 15, 1931 - 2 7/8% "
14,441,500	43,231,000
Atlanta	Mar. 15, 1932 - 3 1/2% T/N
8,824,000	15,197,100
Chicago	Sept. 15, 1932 - 3 1/2% "
57,629,500	104,556,000
St. Louis	Dec. 15, 1932 - 3 1/2% "
14,017,500	33,411,900
Minneapolis	4th L/L - 4 1/4% bonds
17,454,500	5,179,000
Kansas City	
28,733,000	
Dallas	
18,182,500	
San Francisco	
27,052,500	
<u>Totals</u>	<u>\$377,300,000</u>
<u>\$377,300,000</u>	<u>\$377,300,000</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JULY 17 TO JULY 23, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 2,789,000	\$ 2,789,000
New York	4,293,000	4,293,000
Philadelphia	2,254,500	2,254,500
Cleveland	2,892,500	2,892,500
Richmond	925,000	925,000
Atlanta	565,000	565,000
Chicago	3,690,000	3,690,000
St. Louis	897,000	897,000
Minneapolis	1,118,000	1,118,000
Kansas City	1,840,000	1,840,000
Dallas	1,164,000	1,164,000
San Francisco	<u>1,732,000</u>	<u>1,732,000</u>
Totals	<u>\$24,160,000</u>	<u>\$24,160,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$30,724,500	Misc. Gov't Sec.	\$31,171,000	Misc. Gov't Sec.
Atlanta	279,250	" " "	804,100	" " "
Minneapolis	<u>530,100</u>	" " "	<u>363,100</u>	" " "
Totals	<u>\$31,533,850</u>		<u>\$32,338,200</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings	Purchased	By Allot-	Matur-	Holdings	Other Holdings	
	<u>July 16</u>	<u>Own Mkt.</u>	<u>ment from</u>	<u>ities &</u>	<u>July 23</u>	<u>Sales</u>	<u>Other</u>
			<u>New York</u>	<u>Sales</u>		<u>Contracts</u>	<u>Bills</u>
Boston	\$ 14,836	\$ 1,441 R	\$ 1,170	\$ 1,086	\$ 16,361	\$2,565	\$ 79
New York	17,385	5,775 "	0	4,861	18,299	1,609	350
		11,070 A					
Phila.	823	0	0	38	785	0	103
Cleve.	13,909	0	1,595	1,545	13,959	0	106
Richmond	8,063	237 R	947	1,436	7,811	0	45
Atlanta	8,996	0	976	1,460	8,512	0	556
Chicago	22,049	451 "	1,723	2,737	21,486	1,281	143
St. Louis	6,960	0	944	2,095	5,809	0	38
Minn.	8,032	0	549	1,378	7,203	0	24
Kan. City	5,870	0	1,050	1,384	5,536	0	32
Dallas	5,258	38 "	736	673	5,359	0	32
San Fran.	<u>15,741</u>	<u>1,039 "</u>	<u>1,380</u>	<u>2,710</u>	<u>15,450</u>	<u>0</u>	<u>73</u>
Totals	\$127,922	\$20,051	\$11,070	\$21,403	\$126,570	\$5,455	\$1,581

Bills held over night by New York for distribution to other F. R. Banks - - - 2,051
 " " " " " " " " " " " " " foreign correspondents-14,866

Total - - - - \$18,498

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 23, 1930
(000 Omitted)

	1-30 days 1 7/8 - 2%	31-60 days 1 7/8 - 2%	61-90 days 1 7/8 - 2 1/8%	Over 90 days -	Total
Boston	\$ 70	\$ 417	\$ 954	0	\$ 1,441
New York	5,112	5,331	6,402	0	16,845
Richmond	147	70*	20	0	237
Chicago	10	416	25	0	451
Dallas	26	12	0	0	38
San Francisco	605	433	1	0	1,039
Totals	\$5,970	\$6,679	\$7,402	0	\$20,051

* Purchased at 2 1/8%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 23, 1930
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$55,694	\$20,051	\$75,745
Sold	56,498	0	56,498
Matured	0	21,403	21,403
		\$ 1,352-	\$ 2,156-
		7,558-(Net Change 1-day holdover & other bills)	7,558-(Net Change 1-day holdover & other bills)
Totals	\$ 804-	\$ 8,910-	\$ 9,714-

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JULY 23, 1930
(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	\$ 50	\$48,027	\$ 94,566	\$ 0	\$72,105	\$361,391	\$576,139
Bills Purchased	73,456	30,306	28,720	15,592	2,449	0	150,523
Totals	\$73,506	\$78,333	\$123,286	\$15,592	\$74,554	\$361,391	\$726,662

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FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
JUL 21 1930

RECEIVED
JUL 19 1930
OFFICE OF
THE GOVERNOR

PERSONAL

July 18, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from July 10, 1930 to July 16, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

Mr. Ripley
Mr. Inead
Mr. Collier

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 19 1930
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

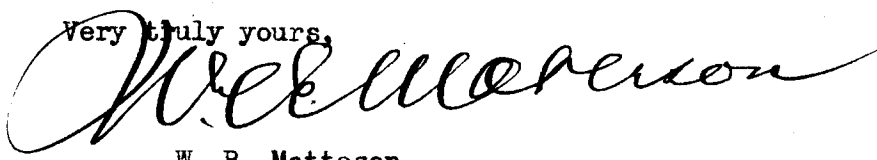
July 18, 1930

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Director, Division of Research and Statistics,
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Assistant Deputy Governor

Encl.

DECLASSIFIED
Authority E.O. 10501

PLEASE READ COMPLETELY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Gov. Young ✓ Mr. Hamlin ✓ Mr. James ✓
Mr. Platt ✓ Mr. Miller *Amant* Mr. Cunningham *Amant* Mr. Pole ✓
FEDERAL RESERVE BANK

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Honorable Roy A. Young,
Governor, Federal Reserve Board,
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Encl.

DECLASSIFIED
Authority E.O. 10501

July 19, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of July 18th, enclosing report of transactions in Government securities and bankers' acceptances as reported to the Open Market Policy Conference for the period from July 10, 1930 to July 16, 1930 inclusive.

Very truly yours,

(Signed) J. C. Hoell

J. C. Hoell,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JULY 16, 1930

Holdings of Earning Assets of Federal Reserve Banks from July 17, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
July 17	\$1,314,708	\$126,800	\$26,315	\$41,843	\$25,795	\$1,083,700
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
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-1930-						
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Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,235	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,048
June 25	916,038	576,560	410	94,735	7,578	231,505
July 9	983,141	577,185	13,395	122,612	26,333	236,315
July 16	960,116	576,893	225	153,978	14,689	207,030

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 16, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 16	Net Change	Balance July 16	Net Change	Balance July 16	Net Change
Boston	\$ 44,260	\$ 0	\$ 14,836	\$ 3,207+	\$ 11,416	\$ 4,031-
New York	180,663	641-	17,385	6,644+	31,445	15,809-
Philadelphia	50,202	0	823	1,061-	23,584	2,054-
Cleveland	55,342	0	13,909	3,808+	24,106	5,859-
Richmond	15,594	0	8,063	1,724+	18,305	1,284-
Atlanta	11,950	582+	8,996	1,069+	30,146	1,206+
Chicago	77,557	0	22,049	7,520+	18,475	281-
St. Louis	22,643	0	6,960	1,002+	16,406	150-
Minneapolis	25,081	233-	8,032	1,687+	4,118	67+
Kansas City	28,736	0	5,870	1,207+	10,085	1,093-
Dallas	28,170	0	5,258	922+	11,007	458+
San Francisco	36,695	0	15,741	2,917+	7,937	455-
N.Y. holdovers and other bills			26,056	720+		
Totals	\$576,893	\$292-	\$153,978	\$31,366+	\$207,030	\$29,285-

COMMENT ON CHANGES WEEK ENDED JULY 16, 1930

Total earning assets of the System showed a decrease of \$23,025,000 for the current statement week. The changes, by classification, consisted of an increase of \$31,366,000 in outright purchases of bankers acceptances, and decreases of \$292,000 and \$29,285,000 respectively in outright purchases of Government securities and bills discounted, and \$24,814,000 in investments held under sales contracts. The decrease in the latter item consisted of \$13,170,000 in Government securities and \$11,644,000 in bankers acceptances.

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2

Money
Market

During the past week there has been a return to the easy conditions that prevailed in the money market just prior to the mid-year. The call rate on the Exchange held at 2 1/2 per cent for all transactions on Thursday, July 10, the first day of the period, but in the succeeding three business days the rate for new loans was reduced to 2 per cent from a 2 1/2 per cent renewal figure. By Wednesday and Thursday, the Exchange renewal rate had dropped to 2 per cent, and, although no money was loaned on the Exchange at below that figure, outside money was obtainable at 1 1/2 per cent. Further indicative of the easy state of the money^{market} was the fact that there was no demand for Federal Reserve funds at the prevailing quotation of 1 - 1 1/4 per cent.

The easier conditions reflected the large surplus of reserves which the New York City banks were carrying throughout the week. The City banks entered the week practically out of debt at the Reserve Bank, and supplementing this situation the money market continued to gain funds, chiefly as a result of net Treasury disbursements and Federal Reserve bill transactions.

Contrary to the movement in call money, time funds became slightly firmer during the week. Ninety day money, and to some extent 4 months money, loaned at 3 per cent, as against 2 3/4 per cent in recent weeks. Interest in fixed date accommodation was extremely limited, so that rate quotations were largely nominal. At the end of the week, bid and asked quotations were: 60 days 2 1/2 - 3 per cent; 90 days 2 3/4 - 3 per cent; 4 months 3 per cent flat; 5 months 3 - 3 1/4 per cent; 6 months 3 1/4 - 3 1/2 per cent.

In the commercial paper market, the best names now command the 3 per cent rate, so that the selling range for prime material has declined to 3 - 3 1/4 per cent. A good investment demand and quite moderate new drawings have kept dealers' portfolios at a low figure.

Government
Security
Market

The volume of trading reported in the market for United States Government securities was smaller during the current statement week than for the past few weeks. There was some falling off in the demand, especially for the long-term bonds, and prices of all issues showed fractional losses for the week.

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
3 1/8% Cert. of Ind. due Sept. 15, 1930	100 7/32	-1/32	1.73%
3 1/4% " " " " Dec. 15, 1930	100 17/32	-2/32	1.93%
2 7/8% " " " " June 15, 1931	100 18/32	-1/32	2.24%
3 1/2% Treasury Notes " March 15, 1932	100 29/32	-1/32	2.11%
3 1/2% " " " " Sept. 15, 1932	100 29/32	-1/32	2.11%
3 1/2% " " " " Dec. 15, 1932	100 29/32	-2/32	2.48%
Treasury Bills " Aug. 18, 1930	2% - 1 1/2%	discount	
" " " " Sept. 15, 1930	2% - 1 3/4%	"	

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3

Closing Prices on 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	100 26/32	-6/32	Treas. 4s	1944-54 108 13/32	-13/32
1st 4 1/4s	102 4/32	-2/32	"	4 1/4s 1947-52 112 24/32	- 4/32
4th 4 1/4s	102 31/32	-2/32	"	3 3/4s 1946-56 106 4/32	- 7/32
			"	3 3/8s 1943-47 101 27/32	- 5/32
			"	3 3/8s 1940-43 101 18/32	-12/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30's, 60's and 90's; 2 per cent for 120's, and 2 1/4 per cent for 180-day bills.

Reports
Week
Ending
July 16

Boston reports that the local supply of new bills continued good, although somewhat less than during the preceding period. Outside of some buying for account of foreign banks the local demand was very poor. Dealers' portfolios increased and were the highest since the first week in May. As local banks as a whole were practically out of the market dealers continued to forward bills to their offices in other cities. In New York the bill market was active during the week. The first few days of the period dealers purchased substantial amounts of bills, principally of the 90-day maturities, which exceeded their sales quite substantially. The last few days, however, their purchases fell off materially and a good demand developed for bills of the shorter maturities. At the close of the period dealers' portfolios had only increased by about 11 millions over last week's figure. Philadelphia reports that its acceptance market was dull. Dealers reported purchases of few small lots. Chicago reports that the demand for bills increased somewhat during the past week for short maturities. Dallas reports that there was a slight demand for bills in its district during the past week. Offerings to the reserve bank were negligible.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Purchase of \$13,000,000 U. S. 3 1/2% Treasury Notes due March 15, 1930-32
account Sinking Fund

and sale of 1,000,000 U. S. Fourth Liberty Loan 4 1/4% bonds
account Government Life Insurance Fund

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week, the following transactions were effected in the System Account:

Redemption on July 14 of \$12,500,000 maturing Treasury Bills

Exchange in the market
of

4,000,000 Fourth L/L 4 1/4% bonds for a like amount of series "A" 3 1/2% Treasury Notes due March 15, 1930-32, and September 15, 1930 Treasury Bills.

The \$12,500,000 maturing Treasury Bills referred to above were replaced in the System Account by the purchase in the market of a like par amount of other issues of short-term Government securities. These transactions did not affect the total amount of holdings in the Account which remained at the close of business Wednesday, July 16, 1930 at \$377,300,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 43,554,500
New York	67,039,000
Philadelphia	35,195,000
Cleveland	45,176,500
Richmond	14,441,500
Atlanta	8,824,000
Chicago	57,629,500
St. Louis	14,017,500
Minneapolis	17,454,500
Kansas City	28,733,000
Dallas	18,182,500
San Francisco	27,052,500

Totals \$377,300,000

RECAPITULATION OF HOLDINGS BY MATURITIES

Aug. 18, 1930 - Treas. Bills	\$ 36,000,000
Sept. 15, 1930 - " "	3,000,000
Sept. 15, 1930 - 3 1/8% C/I	103,575,000
Dec. 15, 1930 - 3 1/4% "	50,325,000
June 15, 1931 - 2 7/8% "	30,231,000
March 15, 1932 - 3 1/2% T/N	14,022,100
Sept. 15, 1932 - 3 1/2% "	101,556,000
Dec. 15, 1932 - 3 1/2% "	33,411,900
4th L/L - 4 1/4% bonds	5,179,000

\$377,300,000

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM JULY 10 TO JULY 16, 1930

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales
Boston	\$ 1,905,000	\$ 1,905,000
New York	2,931,500	2,931,500
Philadelphia	1,539,500	1,539,500
Cleveland	1,975,000	1,975,000
Richmond	632,000	632,000
Atlanta	385,500	385,500
Chicago	2,520,000	2,520,000
St. Louis	613,000	613,000
Minneapolis	764,000	764,000
Kansas City	1,256,500	1,256,500
Dallas	795,000	795,000
San Francisco	1,183,000	1,183,000
Totals	\$16,500,000	\$16,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Maturities and Sales	Issue
		Misc. Gov't Sec.		Misc. Gov't Sec. Treas. Bills due 7/14/30
New York	\$21,150,000 0	-	\$11,803,000 9,988,000	
Atlanta	712,600	" "	131,400	Misc. Gov't Sec.
Minneapolis	520,100	" "	752,850	" "
Totals	\$22,382,700		\$22,675,250	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 9	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings July 16	Other Holdings Close July 16/30 Sales Contracts	Other Bills
Boston	\$11,629	\$ 1,146 R.	\$ 4,129	\$ 2,068	\$ 14,836	\$ 4,351	\$ 79
New York	10,741	12,516 " 37,863 A.	0	5,872	17,385	9,213	350
Phila.	1,884	0	0	1,061	823	0	103
Cleve.	10,101	0	5,293	1,485	13,909	0	106
Richmond	6,339	0	3,241	1,517	8,063	0	45
Atlanta	7,927	25 R.	3,048	2,004	8,996	0	496
Chicago	14,529	393 "	8,672	1,545	22,049	1,125	143
St. Louis	5,958	0	2,710	1,708	6,960	0	38
Minn.	6,345	818 "	1,882	1,013	8,032	0	24
Kan. City	4,663	0	3,230	2,023	5,870	0	32
Dallas	4,336	0	2,375	1,453	5,258	0	32
San Fran.	12,824	2,152 "	3,283	2,518	15,741	0	73
Totals	\$97,276	\$54,913	\$37,863	\$24,267	\$127,922	\$14,689	\$ 1,521
Bills held overnight by New York for distribution to other F.R. Banks							551
" " " " " " " " " " " " " foreign correspondents							-23,984
Total						\$26,056	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 16, 1930
(000 Omitted)

	1-30 days <u>1 7/8 - 2%</u>	31-60 days <u>1 7/8 - 2%</u>	61-90 days <u>2%</u>	Over 90-days <u>2 1/8%</u>	Total
Boston	\$ 385	\$ 314	\$ 447**	\$ 0	\$ 1,146
New York	23,907	12,309	14,040	123	50,379
Atlanta	25*	0	0	0	25
Chicago	350	43	0	0	393
Minneapolis	0	217	601	0	818
San Francisco	<u>530</u>	<u>1,315</u>	<u>307</u>	<u>0</u>	<u>2,152</u>
Totals	<u><u>\$25,197</u></u>	<u><u>\$14,198</u></u>	<u><u>\$15,395</u></u>	<u><u>\$123</u></u>	<u><u>\$54,913</u></u>

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 16, 1930
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$38,883	\$54,913	\$93,796
Sold	29,187	0	29,187
Matured	9,988	24,267	34,255
		<u>\$30,646+</u>	<u>\$30,354+</u>
		720+ (Net Change 1-day holdover & other bills)	720+ (Net Change 1-day holdover & other bills)
Totals	<u><u>\$ 292-</u></u>	<u><u>\$31,366+</u></u>	<u><u>\$31,074+</u></u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JULY 16, 1930
(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	\$ 225	\$ 0	\$48,027	\$117,392	\$76,170	\$335,304	\$577,118
Bills Purchased	<u>86,909</u>	<u>40,109</u>	<u>23,831</u>	<u>15,590</u>	<u>2,228</u>	<u>0</u>	<u>168,667</u>
Totals	<u><u>\$87,134</u></u>	<u><u>\$40,109</u></u>	<u><u>\$71,858</u></u>	<u><u>\$132,982</u></u>	<u><u>\$78,398</u></u>	<u><u>\$335,304</u></u>	<u><u>\$745,785</u></u>

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July 12, 1930

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 the Open Market Policy Conference for the period from July 3, 1930 to July 9, 1930, inclusive.

Very truly yours,

J. C. Noell,
Assistant Secretary

Mr. W. E. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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File

FEDERAL RESERVE BANK
OF NEW YORK

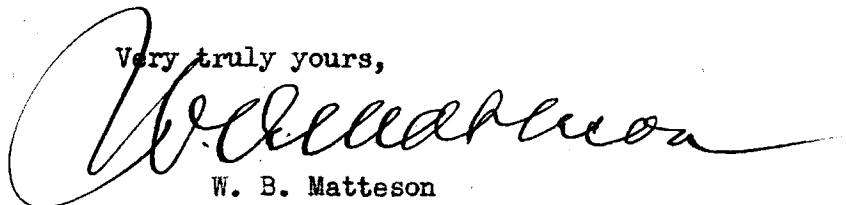
RECEIVED
JUL 12 1930
OFFICE OF
THE GOVERNOR

PERSONAL

July 11, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from July 3, 1930 to July 9, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

Mr. Kellers
Imead ✓
Collins

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 12 1930
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

July 11, 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 open market operations for
the period from July 3, 1930 to July 9, 1930 inclusive, to-
gether with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

DECLASSIFIED
Authority E.O. 10501

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 ✓

FEDERAL RESERVE BANK

OF NEW YORK

CONFIDENTIAL

July 11, 1930

Dear Governor Young:

Enclosed is a report of open market operations for the period from July 3, 1930 to July 9, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JULY 9, 1930

Holdings of Earning Assets of Federal Reserve Banks from July 10, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
July 10	\$1,365,826	\$126,139	\$10,005	\$53,838	\$12,138	\$1,153,041
" 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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,523	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,285	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 2	1,021,152	582,088	13,865	132,863	24,622	260,413
" 9	983,141	577,185	13,395	122,612	26,333	236,315

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 9, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 9	Change	July 9	Change	July 9	Change
Boston	\$ 44,260	0	\$ 11,629	\$ 640+	\$ 15,447	\$ 2,143-
New York	181,304	5,065-	10,741	2,595-	47,254	1,367-
Philadelphia	50,202	0	1,884	409-	25,638	4,484-
Cleveland	55,342	0	10,101	1,403-	29,965	1,957-
Richmond	15,594	0	6,339	422-	19,589	3,060-
Atlanta	11,368	6-	7,927	1,634-	28,940	612-
Chicago	77,557	0	14,529	1,310-	18,756	1,084-
St. Louis	22,643	0	5,958	849-	16,556	537+
Minneapolis	25,314	168+	6,345	1,103-	4,051	578-
Kansas City	28,736	0	4,663	924-	11,178	399-
Dallas	28,170	0	4,336	131-	10,549	476+
San Francisco	36,695	0	12,824	1,742-	8,392	9,427-
N. Y. holdovers and other bills			25,336	1,631+		
Totals	\$577,185	\$4,903-	\$122,612	\$10,251-	\$236,315	\$24,098-

COMMENT ON CHANGES WEEK ENDED JULY 9, 1930

Total earning assets of the System showed a decrease of \$38,011,000 for the current statement week. The changes, by classification, consisted of decreases of \$4,903,000 and \$10,251,000, respectively, in outright purchases of Government securities and bankers acceptances, \$24,098,000 in bills discounted, and an increase of \$1,241,000 net in investments held under sales contracts. The latter item consisted of a decrease of \$470,000 in Government securities and an increase of \$1,711,000 in bankers acceptances.

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2

Money
Market

Following the holiday and week-end, the rate for call money on July 7 again rose temporarily to 3 per cent, but on the next and succeeding days a 2 1/2 per cent rate ruled. Except for a 2 per cent renewal rate on one day, the seventh, renewals have been steady at 2 1/2 per cent since July 1.

Out-of-town withdrawals of funds through July 5 resulted in a substantial loss to the money market, and there was also some further increase in currency requirements here. Beginning with July 7, however, a large return of currency to this bank occurred and funds returned to this market from other centers in moderate volume. The borrowings of the New York City banks rose to \$70,000,000 on July 7 in order to correct a shortage in reserves which had accumulated over the week-end, but in subsequent days member bank discounts were reduced, accompanying gains to the market in commercial and agency transactions, and on the ninth and tenth the City banks were largely out of debt at this bank.

Time money was practically dormant with nominal quotations unchanged. A small amount of ninety-day funds was placed at 2 3/4 per cent, but otherwise interest in fixed maturity accommodation was lacking.

A three per cent rate for prime commercial paper, which had been reported to some extent in the previous week or so, became increasingly important in the rate structure of the open market during the past week, with the result that the prevailing selling range declined slightly to 3 - 3 1/2 per cent, as compared with 3 1/4 - 1/2 per cent formerly. Sales at all rates were limited by the small volume of new material being received.

Government
Security
Market

The volume of trading in the market for United States Government securities during the current statement week was moderate. The demand for Fourth Liberty Loan 4 1/4% bonds was exceptionally strong, while the demand for all of the other issues was generally good. Prices showed further fractional gains for the week and the average price of the long-term bonds again reached a new high level for the year on Wednesday, July 9, 1930, at 104.77.

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
3 1/8% Cert. of Ind. due Sept. 15, 1930	100 8/32	-1/32	1.70%
3 1/4% " " " " Dec. 15, 1930	100 19/32	-	1.83%
2 7/8% " " " " June 15, 1931	100 19/32	+2/32	2.22%
3 1/2% Treasury Notes " Mar. 15, 1932	100 30/32	+2/32	2.11%
3 1/2% " " " " Sept. 15, 1932	100 30/32	+2/32	2.11%
3 1/2% " " " " Dec. 15, 1932	100 31/32	+3/32	2.44%

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3

Closing Prices on 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</u> <u>Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net</u> <u>Change</u>
1st 3 1/2s	101	+2/32	Treas. 4s	1944-54 108 26/32	+ 2/32
1st 4 1/4s	102 6/32	+1/32	" 4 1/4s	1947-52 112 28/32	+ 6/32
4th 4 1/4s	103 1/32	+5/32	" 3 3/4s	1946-56 106 11/32	+10/32
			" 3 3/8s	1943-47 102	+ 1/32
			" 3 3/8s	1940-43 101 30/32	- 2/32

Bankers
Acceptances

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

Reports
Week
Ending
July 9

Boston reports that the supply of new bills in its district increased to \$8,000,000 during the past period, the highest for the year. The demand, however, was very poor with the exception of some local buying for foreign banks. Dealers forwarded their excess supply to their offices in other cities, most of these bills going to New York. Offerings to the reserve bank were very small. In New York the supply of bills increased this week, particularly the last three days of the period. The demand fell off considerably as compared with the past few weeks and was substantially exceeded by the supply. Dealers' portfolios increased by about \$40,000,000 during the week. An increased amount of 5 and 6 months' bills were offered to dealers towards the end of the period with very little demand and dealers increased rates on those maturities by 1/8 per cent but made no change in other maturities. Philadelphia reports that its bill market was without change. Some odd lots of bills came on the market, but the demand was especially light. Dealers reported portfolios somewhat higher. Chicago reports that its bill market continued very light. Dallas reports that there was no demand for bills at all during the past week, no orders having been received for bills by the reserve bank or dealers. Offerings to the reserve bank were negligible.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of \$ 500,000 - 3 1/2% Treasury Notes due Dec. 15, 1930-32
 account Alien Property Custodian

and purchase of 12,000,000 - 3 1/2% Treasury Notes due March 15, 1930-32
 account Sinking Fund.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There were no transactions effected in the System Account during the current statement week, the total holdings remaining unchanged at the close of business Wednesday, July 9, at \$377,300,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 43,554,500
New York	67,039,000
Philadelphia	35,195,000
Cleveland	45,176,500
Richmond	14,441,500
Atlanta	8,824,000
Chicago	57,629,500
St. Louis	14,017,500
Minneapolis	17,454,500
Kansas City	28,733,000
Dallas	18,182,500
San Francisco	27,052,500
Totals	\$377,300,000

RECAPITULATION OF HOLDINGS BY MATURITIES

July 14, 1930 - Treasury Bills	\$12,500,000
Aug. 18, 1930 - " "	36,000,000
Sept. 15, 1930 - 3 1/8% C/I	103,575,000
Dec. 15, 1930 - 3 1/4% "	48,325,000
June 15, 1931 - 2 7/8% "	25,231,000
March 15, 1932 - 3 1/2% T/N	7,822,100
Sept. 15, 1932 - 3 1/2% "	101,256,000
Dec. 15, 1932 - 3 1/2% "	33,411,900
4th L/L - 4 1/4% bonds	9,179,000
	\$377,300,000

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 9, 1930
(000 Omitted)

	<u>1-30 days</u> <u>1 7/8 - 2%</u>	<u>31-60 days</u> <u>1 7/8 - 2%</u>	<u>61-90 days</u> <u>2 - 2 1/4%</u>	<u>Over 90-days</u> <u>2 1/8%</u>	<u>Total</u>
Boston	\$ 2,868	\$ 64	0	0	\$ 2,932
New York	8,713	1,732	90	1,604	12,139
Richmond	50	30**	0	0	80
Atlanta	60*	0	0	0	60
Chicago	475	691	0	0	1,166
Dallas	6	10	1	0	17
San Francisco	100	176	98	0	374
Totals	<u>\$12,272</u>	<u>\$2,703</u>	<u>\$189</u>	<u>\$1,604</u>	<u>\$16,768</u>

*Purchased at 3%, **Purchased at 2 1/8%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 9, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$24,786	\$16,768	\$41,554
Sold	29,889	2,505	32,194
Matured	0	26,145	26,145
		<u>\$11,882-</u>	<u>\$16,785-</u>
		1,631+ (Net Change	1,631+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 4,903-</u>	<u>\$10,251-</u>	<u>\$15,154-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JULY 9, 1930
(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	\$ 35,883	0	\$43,080	\$119,642	\$74,070	\$317,905	\$590,580
Bills purchased	90,897	31,137	21,029	3,715	2,167	0	148,945
Totals	<u>\$126,780</u>	<u>\$31,137</u>	<u>\$64,109</u>	<u>\$123,357</u>	<u>\$76,237</u>	<u>\$317,905</u>	<u>\$739,525</u>

DECLASSIFIED
Authority E.O. 10501

July 8, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of July 7th, enclosing report of transactions in Government securities and bankers' acceptances, as reported to the Open Market Policy Conference for the period from June 26, 1930 to July 2, 1930 inclusive.

Very truly yours,

J. C. Noell,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
c/o Federal Reserve Bank,
New York, N. Y.

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see file

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 8 1930
OFFICE OF

CONFIDENTIAL

July 7, 1930

Dear Mr. Platt:

Enclosed is a report of open market operations for the period from June 26, 1930 to July 2, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Honorable Edmund Platt,
Vice Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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Authority E.O. 10501

*Mr. Rieffers
Leland
Collier*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL - 8 1930
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

July 7, 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 open market operations for
the period from June 26, 1930 to July 2, 1930 inclusive, to-
gether with data received from Federal reserve banks.

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

Encl.

R

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Authority E.O. 10501

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. Felt ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
JUL - 8 1930
OFFICE OF
THE GOVERNOR

PERSONAL

July 7, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from June 26, 1930 to July 2, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

See letter 7/8/30

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Authority E.O. 10501

CONFIDENTIAL

REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JULY 2, 1930

Holdings of Earning Assets of Federal Reserve Banks from July 3, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
July 3	\$1,350,852	\$126,787	\$14,595	\$ 61,856	\$12,066	\$1,125,083
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 25	916,038	576,560	410	94,735	7,578	231,505
July 2	1,021,152	582,088	13,865	132,863	24,622	260,413

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 2, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 2	Net Change	Balance July 2	Net Change	Balance July 2	Net Change
Boston	\$ 44,260	\$ 0	\$ 10,989	\$ 1,751-	\$ 17,590	\$ 283+
New York	186,369	6,424+	13,336	4,703+	48,621	10,468+
Philadelphia	50,202	0	2,293	65-	30,122	1,918+
Cleveland	55,342	0	11,504	2,940+	31,922	2,581+
Richmond	15,594	0	6,761	1,161+	22,649	1,232+
Atlanta	11,374	395-	9,561	1,580+	29,552	3,217+
Chicago	77,557	0	15,839	2,441+	19,840	806+
St. Louis	22,643	0	6,807	2,737+	16,019	844-
Minneapolis	25,146	501-	7,448	1,232+	4,629	683+
Kansas City	28,736	0	5,587	1,458+	11,577	1,014-
Dallas	28,170	0	4,467	1,605+	10,073	87+
San Francisco	36,695	0	14,566	866-	17,819	9,491+
N. Y. holdovers and other bills			23,705	20,953+		
Totals	\$582,088	\$5,528+	\$132,863	\$38,128+	\$260,413	\$28,908+

COMMENT ON CHANGES WEEK ENDED JULY 2, 1930

Total earning assets of the System showed an increase of \$105,114,000 for the current statement week. The changes by classification consisted of increases of \$5,528,000 and \$38,128,000 respectively in outright purchases of government securities and bankers acceptances, \$28,908,000 in bills discounted and \$30,499,000 in investments held under sales contracts. The increase in the latter items consisted of \$13,455,000 in government securities and \$17,044,000 in bankers acceptances.

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2

Money
Market

Reflecting mid-year influences, call money rose during the past week from the 1 1/2 per cent quotation of June 26 to a maximum charge of 3 per cent for new loans on June 30 and July 1. Subsequently, there was a return to more normal conditions, for on July 2 the exchange rate held at 2 1/2 per cent and on Thursday, the 3rd, the new loan rate declined to 2 per cent from the 2 1/2 per cent renewal figure. The range of renewal rates for the whole period was narrow at 2 to 2 1/2 per cent.

Currency requirements for the month-end and holiday, and a movement of funds to other centers during the week caused a large aggregate loss to the market. In addition, the customary month-end increase in reserve requirements' figures occurred. Extension of Reserve bank credit through the bill and government security markets, however, satisfied the money market's need for funds, with the result that member bank borrowings at the end of the week showed no net change from the small figure of the previous week, although for a few days the City banks were temporarily borrowing about \$50,000,000 at the Federal.

Nominal quotations for time money were unchanged during the week, and trading in 90-day funds continued to be at 2 3/4 per cent. Loans for 6 months were arranged at 3 per cent in considerable volume at the beginning of the reporting week, but since the turn of the month there has been a small amount loaned for 6 months at 3 1/4 per cent, the slightly higher rate reflecting the fact that these loans now carry beyond the end of 1930.

There was little change in the market for commercial paper. Demand for prime names continued fairly active, while supplies were scarce, particularly with respect to the choice names. The rate range continued to be 3 1/4 - 3 1/2 per cent.

Government
Security
Market

The market for United States Government securities was quieter this week than for the past few weeks. The undertone, however, was good with a slightly diminished demand for the shorter term issues and an increased investment demand for the longer term issues. Prices showed small fractional changes for the week, while the average price of all issues again reached a new high level for the year on Wednesday, July 2, 1930, at 104.68.

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
3 1/8%	Cert. of Ind. due Sept. 15, 1930	100 9/32	-2/32	1.62
3 1/4%	" " " " Dec. 15, 1930	100 19/32	-3/32	1.87
2 7/8%	" " " " June 15, 1931	100 17/32	+2/32	2.30
3 1/2%	Treasury Notes " Mar. 15, 1932	100 28/32	+1/32	2.24
3 1/2%	" " " " Sept. 15, 1932	100 28/32	+1/32	2.24
3 1/2%	" " " " Dec. 15, 1932	100 28/32	+1/32	2.57
	Treasury Bills " July 14, 1930	2% - 1 1/2% discount		
	" " " " Aug. 18, 1930	2% - 1 1/2% " "		

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3

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 30/32	-1/32	Treas.4s 1944-54	108 24/32	+1/32
1st 4 1/4s	102 5/32	-1/32	" 4 1/4s 1947-52	112 22/32	-6/32
4th 4 1/4s	102 28/32	+1/32	" 3 3/4s 1946-56	106 1/32	+2/32
			" 3 3/8s 1943-47	101 31/32	+4/32
			" 3 3/8s 1940-43	102	+5/32

Bankers
Acceptances

Dealers' offerings of unindorsed bankers acceptances continued at the following rates during the current statement week: 1 7/8 per cent for 30s, 60s and 90s, 2 per cent for 120s and 2 1/8 per cent for 180-day bills.

Reports
week
ending
July 2

Boston reports that there was no change in the bill market in its district during the past period. The supply of new bills remained about the same as during the previous period and was more than sufficient to meet the local demand which was poor. Local banks were poor buyers of bills and dealers were obliged to send nearly \$6,000,000 to their offices in other cities, principally New York. Offerings to the Reserve bank were not sufficient to meet its maturities as a result of which its holdings dropped about \$3,000,000. In New York the bill market was active during the week. Dealers purchased a substantial amount of bills near the end of the month and their aggregate portfolios at the close of the month had increased to \$66,000,000. The demand, however, continued good and since the first of the month has exceeded the supply. Dealers' portfolios at the end of the week declined to \$52,000,000, an increase of about \$14,000,000 over last week's figure. Philadelphia reports that its acceptance market continued inactive. A few small bills came out but there was generally no interest in acceptances during the week. There were no offerings to the Reserve bank. Chicago reports that dealers during the past week appeared to be accumulating a few new bills with the demand very small. Dallas reports that the demand for bills was lighter during the past period than any week this year due principally to prevailing low rates. Offerings to the Reserve bank unusually light.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

During the current statement week exchanges were effected in the System Account of

\$ 7,000,000 Fourth 4 1/4% Liberty Loan bonds, and

10,000,000 Treasury bills due July 14, 1930

Total -\$17,000,000 for a like amount of Treasury certificates of indebtedness due September 15, December 15, 1930 and June 15, 1931 and 3 1/2% Treasury notes of 1930-32.

These exchanges did not affect the total amount of holdings in the System Account which remained at the close of business Wednesday, July 2, 1930, at \$377,300,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 43,554,500
New York	67,039,000
Philadelphia	35,195,000
Cleveland	45,176,500
Richmond	14,441,500
Atlanta	8,824,000
Chicago	57,629,500
St. Louis	14,017,500
Minneapolis	17,454,500
Kansas City	28,733,000
Dallas	18,182,500
San Francisco	27,052,500

July 14, 1930 - Treasury Bills	\$12,500,000
Aug. 18, 1930 - " "	36,000,000
Sept. 15, 1930 - 3 1/8% C/I	103,575,000
Dec. 15, 1930 - 3 1/4% "	48,325,000
June 15, 1931 - 2 7/8% "	25,231,000
Mar. 15, 1932 - 3 1/2% T/N	7,822,100
Sept. 15, 1932 - 3 1/2% "	101,256,000
Dec. 15, 1932 - 3 1/2% "	33,411,900
4th L/L - 4 1/4% bonds	9,179,000

Totals \$377,300,000

\$377,300,000

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5

ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JUNE 26 TO JULY 2, 1930, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 1,962,500	\$ 1,962,500
New York	3,021,000	3,021,000
Philadelphia	1,586,000	1,586,000
Cleveland	2,035,000	2,035,000
Richmond	650,500	650,500
Atlanta	397,500	397,500
Chicago	2,596,500	2,596,500
St. Louis	631,000	631,000
Minneapolis	786,500	786,500
Kansas City	1,295,000	1,295,000
Dallas	819,500	819,500
San Francisco	1,219,000	1,219,000
Totals	<u>\$17,000,000</u>	<u>\$17,000,000</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$40,000,000	Misc. Gov't Sec.	\$33,576,000	Misc. Gov't Sec.
Atlanta	563,800	" " "	963,250	" " "
Minneapolis	1,056,900	" " "	1,557,550	" " "
Totals	<u>\$41,625,700</u>		<u>\$36,096,800</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings June 25	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings July 2	Other Holdings Close July 2, 1930	
						Sales Contracts	Other Bills
Boston	\$12,740	501 R.	0	\$ 2,252	\$ 10,989	\$ 2,138	\$ 79
New York	8,633	12,006 " 27,080 A.	0	7,303	13,336	20,019	353
Phila.	2,358	0	0	65	2,293	0	103
Cleve.	8,564	0	4,260	1,320	11,504	0	106
Richmond	5,600	110 R.	3,151	2,100	6,761	0	45
Atlanta	7,981	30 "	3,518	1,968	9,561	0	592
Chicago	13,398	1,116 "	4,242	2,917	15,839	2,465	143
St. Louis	4,070	0	3,006	269	6,807	0	38
Minn.	6,216	0	1,736	504	7,448	0	24
Kan. City	4,129	0	2,573	1,115	5,587	0	32
Dallas	2,862	81 "	2,157	633	4,467	0	32
San Fran.	15,432	876 "	2,437	4,179	14,566	0	73
Totals	\$91,983	\$41,800	\$27,080	\$24,625	\$109,158	\$24,622	\$1,620

Bills held overnight by New York for distribution to other F. R. Banks - - - 1,475
 " " " " " " " " " " " " " foreign correspondents - 20,610
 Total - - - - - \$23,705

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

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 Authority E.O. 10501

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JULY 2, 1930
(000 Omitted)

	1-30 days <u>1 7/8 - 2%</u>	31-60 days <u>1 7/8 - 2%</u>	61-90 days <u>2%</u>	Over 90-days <u>2 1/8 - 2 3/8%</u>	<u>Total</u>
Boston	\$ 45	\$ 436	0	0	\$ 501
New York	25,155*	13,633*	280**	18	39,086
Richmond	5***	0	105***	0	110
Atlanta	30****	0	0	0	30
Chicago	790	326	0	0	1,116
Dallas	44	27	10	0	81
San Francisco	614	118	143	1	876
Totals	<u>\$26,683</u>	<u>\$14,560</u>	<u>\$538</u>	<u>\$19</u>	<u>\$41,800</u>

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JULY 2, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$58,625	\$41,800	\$100,425
Sold	53,097	0	53,097
Matured	0	24,625	24,625
		<u>\$17,175+</u>	<u>\$ 22,703+</u>
		20,953+ (Net Change 1-day holdover and other bills)	20,953+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 5,528+</u>	<u>\$38,128+</u>	<u>\$ 43,656+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JULY 2, 1930
(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	\$ 36,353	\$ 0	\$43,145	\$119,642	\$64,085	\$332,728	\$595,953
Bills purchased	92,947	31,189	28,692	3,912	745	0	157,485
Totals	<u>\$129,300</u>	<u>\$31,189</u>	<u>\$71,837</u>	<u>\$123,554</u>	<u>\$64,830</u>	<u>\$332,728</u>	<u>\$753,438</u>

DECLASSIFIED
Authority E.O. 10501

June 28, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 27th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to the Open Market Policy Conference for the period from June 19, 1930 to June 25, 1930 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

DECLASSIFIED
Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

JUN 27 1930

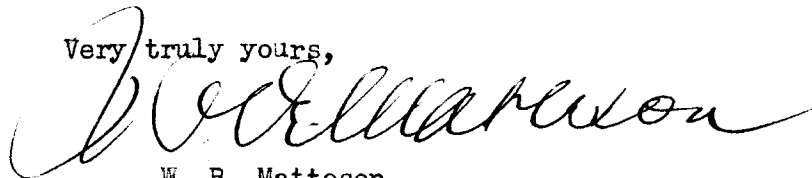
PERSONAL

June 27, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from June 19, 1930 to June 25, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 28 1930
DIVISION OF RESEARCH
AND STATISTICS.

*Rublee
Leland
Allen*

CONFIDENTIAL

June 27, 1930

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

Dear Mr. Goldenweiser:

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the period from June 19, 1930 to June 25, 1930 inclusive, to-
gether with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

DECLASSIFIED
Authority E.O. 10501

FOR SPECIAL CIRCULATION

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

FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
JUN 27 1930

CONFIDENTIAL

June 27, 1930

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Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

June 21, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of the 20th instant, enclosing report of transactions in Government securities and bankers' acceptances as reported to the Open Market Policy Conference, for the period from June 12th to June 18th, 1930, inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

Ruff
Almeida
RECEIVED
JUN 21 1930
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

June 20, 1930

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

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the period from June 12, 1930 to June 18, 1930 inclusive, to-
gether with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

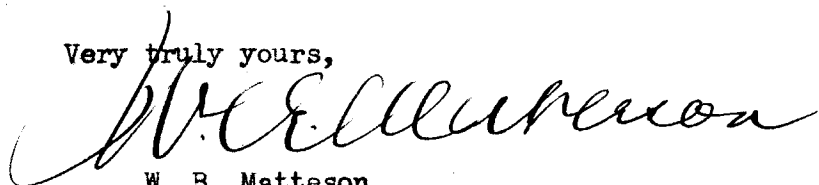
PERSONAL

June 20, 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from June 12, 1930 to June 18, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

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

Encl.

DECLASSIFIED
Authority E.O. 10501

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 ✓

FEDERAL RESERVE BANK
OF NEW YORK

R. A. Y.
JUN 21 1930

Mr. for clearance

CONFIDENTIAL

June 20, 1930

Dear Governor Young:

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CONFIDENTIAL
 REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JUNE 18, 1930

Holdings of Earning Assets of Federal Reserve Banks from June 19, 1929 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
June 19	\$1,198,761	\$129,948	\$ 9,510	\$ 79,671	\$ 7,361	\$ 959,104
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 11	943,213	578,452	255	107,711	40,461	210,484
June 18	942,568	576,332	21,316	99,466	33,310	206,794

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
 DURING WEEK ENDED JUNE 18, 1930
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	June 18	Change	June 18	Change	June 18	Change
Boston	\$ 44,261	\$ 0	\$13,173	\$1,059-	\$ 15,322	\$1,849-
New York	190,472	10,055-	10,628	225+	24,078	4,063-
Philadelphia	50,202	3-	2,568	73-	25,477	815-
Cleveland	55,342	0	9,393	171-	20,276	18+
Richmond	15,594	0	5,637	981-	19,146	764+
Atlanta	11,396	7,963+	8,466	1,596-	28,639	1,550-
Chicago	77,557	0	11,635	1,244-	15,622	870-
St. Louis	22,643	0	4,799	1,401-	18,941	3,463+
Minneapolis	25,264	25-	6,066	808-	3,750	316+
Kansas City	18,736	0	4,302	1,019-	13,488	2,283-
Dallas	28,170	0	3,299	419-	9,896	462-
San Francisco	36,695	0	16,433	1,269-	12,159	3,641+
N. Y. holdovers and other bills			3,067	1,570+		
Totals	\$576,332	\$2,120-	\$99,466	\$8,245-	\$206,794	\$3,690-

COMMENT ON CHANGES WEEK ENDED JUNE 18, 1930

Total earning assets of the System showed a decrease of \$645,000 for the current statement week. The changes by classification consisted of decreases of \$2,120,000 and \$8,245,000 respectively, in outright purchases of government securities and bankers acceptances and \$3,690,000 in bills discounted. Investments held under sales contracts showed a net increase of \$13,910,000. The latter item consisted of an increase of \$21,061,000 in government securities and a decrease of \$7,151,000 in bankers acceptances.

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Money Market

Throughout the past reporting week, which included the quarterly financing period of the Treasury, stable conditions prevailed in the New York call money market. Following the decline in the new loan rate to 2 1/2 per cent on Thursday, June 12, Exchange call money was unchanged at that level except for a temporary advance to 3 per cent on the afternoon of Tuesday, the 17th.

In the beginning of the reporting week, currency withdrawals, an outflow of funds to other centers, and a reduction in Federal Reserve bill holdings were accompanied by an increase in New York City bank borrowings to nearly \$50,000,000 on Friday, the 13th, but on the following day about half of this amount was retired and the market lost funds through Treasury and commercial transactions, so that for Saturday the City banks had reserve balances that were nearly \$50,000,000 below requirements. As these balances carried through Sunday, the banks entered the Treasury tax date, June 16, with their reserves showing an accumulated shortage of nearly \$100,000,000. Treasury disbursements on June 16 showed an unusually small excess over receipts, due to large exchanges of the maturing certificate issue for the new issue and to foreign government debt payments being made in cash instead of in securities. In fact, the Treasury overdraft of \$114,000,000 at New York was of relatively small proportions, and lasted only one day, notwithstanding that the entire Treasury overdraft for the country was concentrated at New York. Although the inter-district flow of funds on this day was also strongly in favor of New York, the New York market had need of additional Reserve Bank credit because of the large deficit in reserves which had accumulated over the week-end. The gains for the day, while raising actual reserve balances considerably above requirements, still left average reserves somewhat in deficit. The additional large income tax collections effected on Tuesday, the end of the reserve period, were partly offset by other Treasury transactions and a continued inflow of funds from other districts, but further recourse to Federal Reserve credit was required in order to balance average reserves for the four day period. On the concluding day of the reporting week, the New York banks had a large surplus of actual reserves which, together with an excess of security purchases by the Treasury over further income tax collections, was only partly absorbed by a return to other markets of part of the funds sent to New York in the preceding two days. As a consequence, the New York banks were able to retire virtually all of their indebtedness at the Reserve Bank.

In the time money market, nominal quotations for maturities up to 90 days and for 6 months loans were about 1/4 per cent lower at the end of the week than a week earlier. There was little activity reported, however, and the trading rates for the 90 day and 6 months maturities, in which there appeared to be greatest interest shown, were unchanged. On Thursday, the 19th, time money rates declined further, and rather large loans for 3 and 4 months were placed at 2 3/4 and 3 per cent, respectively, new low rates since 1924.

The commercial paper market was generally quiet, with a continued scarcity of new drawings reported. The principal selling range remained at 3 1/2 - 3/4 per cent, but very limited offerings of paper priced at below the prevailing level appeared in the market.

On Thursday the Federal Reserve Bank of New York reduced its discount rate to 2 1/2 per cent.

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Government
Security
Market

The market for United States Government securities continued active. The demand was good for the short-term issues and Liberty Loan bonds, which showed further advances in prices for the week. The volume of trading in Treasury bonds was small and prices declined fractionally. The average price of all issues reached a new high level for the year during the early part of the statement week, but declined slightly during the latter part of the week.

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
3 1/8% Cert. of Ind. due Sept. 15, 1930	100 11/32	- - -	1.65
3 1/4% " " " " Dec. 15, 1930	100 20/32	+3/32	1.95
2 7/8% " " " " June 15, 1931	100 8/32	+3/32	2.61
3 1/2% Treasury Notes " Mar. 15, 1932	100 23/32	+4/32	2.50
3 1/2% " " " " Sept. 15, 1932	100 23/32	+4/32	2.50
3 1/2% " " " " Dec. 15, 1932	100 23/32	+4/32	2.75
Treasury Bills " July 14, 1930	2 1/8%-1 5/8% discount		
" " " Aug. 18, 1930	2 1/8%-1 5/8% "		

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 30/32	+6/32	Treas. 4s 1944-54	108 17/32	-7/32
1st 4 1/4s	102 1/32	+3/32	" 4 1/4s 1947-52	112 29/32	-7/32
4th 4 1/4s	102 25/32	+8/32	" 3 3/4s 1946-56	106 1/32	-7/32
			" 3 3/8s 1943-47	101 22/32	-6/32
			" 3 3/8s 1940-43	101 20/32	+2/32

Bankers
Acceptances

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

Reports
week
ending
June 18

Boston reports that the supply of new bills in its district while showing a slight falling off held up fairly well during the past week with the demand only fair. Dealers' portfolios decreased \$1,600,000, the smallest for the year caused principally by dealers forwarding over \$6,000,000 to their offices in other cities, most of these shipments being made to New York offices. Offerings to the reserve bank were very light. In New York there was an excellent demand for bills during the week with fewer new bills coming out. Dealers aggregate portfolios were reduced by about \$34,000,000 to the lowest they have been since the week of March 19. For the past few days one dealer has been bidding 2 1/8 per cent on unindorsed 90s and offering at 2 per cent; other dealers were inclined to hold the rate steady. Philadelphia reports that the demand for bills continued extremely small during the past week. Dealers reported that more new bills came in that district than for some time. There were no offerings to the reserve bank as its rates continued higher than open market rates. Chicago reports that more bills came out during the past week than for several previous weeks. There was practically no local demand for bills at present rates. Dallas reports that the bill market in its district continued very dull. The demand for bills and offerings to the reserve bank continued very light.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorizations during the current statement week (exclusive of Treasury financing) were as follows:
 Purchases of \$60,000,000 par amount 3 1/2% Treasury notes due March 15, 1932,
 account Surplus Money

34,210,000 par amount 3 1/2% Treasury notes due December 15, 1932,
 account Alien Property Custodian (in exchange for a
 like amount of Series "A" notes)

369,500 par amount 4 1/4% Fourth Liberty Loan bonds,
 account Alien Property Custodian

21,000 par amount 2 7/8% Certificates of indebtedness,
 due June 15, 1931, account Alien Property Custodian

5,388,750 par amount 4 1/4% Fourth Liberty Loan bonds,
 account German Special Deposit Account

and exchange of 485,500 par amount 4 7/8% certificates of indebtedness due
 June 16, 1930 for like amount of 2 7/8% certificates,
 account Alien Property Custodian

" " 7,082,500 par amount 4 7/8% certificates of indebtedness due
 June 16, 1930 for like amount of 2 7/8% certificates,
 account German Special Deposit Account

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

- (1) Sales to the Treasury
 for account Surplus
 Money of

\$45,000,000 aggregate amount of
 3 1/2% Series "A" Treasury notes.
 These sales were replaced in the
 System Account by purchases in
 the market of a like amount of
 various issues of government se-
 curities.

- (2) Exchange of the
 balance of the
 maturing issue

\$10,360,000 - 4 7/8% Treasury
 certificates, which matured June
 16, 1930, for a like amount of
 the new issue of 2 7/8% Treasury
 certificates. (Part of the latter
 were received by allotment on ex-
 change subscription and the balance
 were purchased in the market at par.)

- (3) Exchange with
 Treasury, account
 Alien Property
 Custodian of

\$34,210,000 - 3 1/2% Series "C"
 Treasury notes for a like amount
 of Series "A" notes which were
 acquired for resale to the Treasury
 for account Surplus Money.

- (4) Exchange in the
 market of

\$10,000,000 U. S. Fourth Liberty
 Loan bonds for a like amount of
 shorter-term government securities.

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4a

These transactions did not affect the total amount of holdings in the System Account which remained at the close of business Wednesday, June 18, 1930, at \$377,300,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 43,554,500
New York	77,039,000
Philadelphia	35,195,000
Cleveland	45,176,500
Richmond	14,441,500
Atlanta	8,824,000
Chicago	57,629,500
St. Louis	14,017,500
Minneapolis	17,454,500
Kansas City	18,733,000
Dallas	18,182,500
San Francisco	27,052,500

Totals \$377,300,000

RECAPITULATION OF HOLDINGS BY MATURITIES

July 14, 1930 - Treasury Bills	\$22,500,000
Aug. 18, 1930 - " "	36,000,000
Sept. 15, 1930 - 3 1/8% C/I	86,575,000
Dec. 15, 1930 - 3 1/4% "	39,825,000
June 15, 1931 - 2 7/8% "	18,231,000
Mar. 15, 1932 - 3 1/2% T/N	33,822,100
Sept. 15, 1932 - 3 1/2% "	94,256,000
Dec. 15, 1932 - 3 1/2% "	33,411,900
4th L/L - 4 1/4% bonds	12,679,000

\$377,300,000

NOTE: On Monday, June 16, the Federal Reserve Bank of Atlanta repurchased the \$8,000,000 of its participation of government securities in the System Account, which it had temporarily sold on June 11. (These securities had been taken over into the Federal Reserve Bank of New York's participation in the System Account on June 11 and apportioned on June 12 to the other Federal reserve banks except New York, St. Louis and Minneapolis.)

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JUNE 12 TO JUNE 18, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$12,206,500	\$12,206,500	\$ 0	\$ 0
New York	20,329,500	28,329,500	0	8,000,000*
Philadelphia	10,024,000	10,024,000	0	0
Cleveland	14,243,500	14,243,500	0	0
Richmond	4,344,500	4,344,500	0	0
Atlanta	8,853,500	853,500	8,000,000*	0
Chicago	16,504,000	16,504,000	0	0
St. Louis	3,699,000	3,699,000	0	0
Minneapolis	4,606,500	4,606,500	0	0
Kansas City	6,165,000	6,165,000	0	0
Dallas	5,257,000	5,257,000	0	0
San Francisco	9,337,000	9,337,000	0	0
Totals	\$115,570,000	\$115,570,000	\$8,000,000	\$8,000,000

*See footnote on Page 4.

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Maturities and Sales</u>	<u>Issue</u>
New York	\$57,545,000	Misc. Gov't Sec. 12,182,000 Rec'd on Exch. Sub.	\$50,028,900	Misc. Gov't Sec. 21,753,000 Matured 6/16/30
Philadelphia	22,500	New 2 7/8% C/I	25,500	" 6/16/30
Cleveland	0	-	500	" 6/16/30
Atlanta	864,500	Misc. Gov't Sec.	900,700	Misc. Gov't Sec.
Minneapolis	1,281,700	" " "	1,278,900	" " "
	0	-	28,000	Matured 6/16/30
Totals	\$71,895,700		\$74,015,500	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings June 11</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Matur- ities & Sales</u>	<u>Holdings June 18</u>	<u>Other Holdings Close June 18, 1930</u>	<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 14,232	\$ 620 R	\$ 0	\$ 1,679	\$13,173	\$ 1,585	\$ 78	
New York	10,403	6,483 " 5,296 A	0	6,258	10,628	23,144	367	
Phila.	2,641	0	0	73	2,568	0	103	
Cleveland	9,864	0	869	1,040	9,393	0	106	
Richmond	6,618	245 R	494	1,720	5,637	0	44	
Atlanta	10,062	0	608	2,204	8,466	0	499	
Chicago	12,879	1,175 "	1,146	3,565	11,635	3,307	142	
St. Louis	6,200	0	553	1,954	4,799	0	38	
Minn.	6,874	0	342	1,150	6,066	0	24	
Kan. City	5,321	0	471	1,490	4,302	0	32	
Dallas	3,718	169 "	426	1,014	3,299	0	32	
San Fran.	17,702	1,280 "	387	2,936	16,433	5,274	73	
Totals	\$106,214	\$15,268	\$5,296	\$25,083	\$96,399	\$33,310	\$1,538	
Bills held over night by New York for distribution to other F. R. Banks - - - 810								
" " " " " " " " " " " Foreign correspondents - 719								
Total - - - \$3,067								

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 18, 1930
(000 Omitted)

	1-30 days <u>2 1/8-2 1/4%</u>	31-60 days <u>2 1/8-2 1/4%</u>	61-90 days <u>2 1/4%</u>	Over 90 days <u>2 1/4%</u>	<u>Total</u>
Boston	\$ 81*	\$ 215***	\$199****	\$125	\$ 620
New York	10,055	1,724	0	0	11,779
Richmond	155**	90**	0	0	245
Chicago	769	406	0	0	1,175
Dallas	34	34	69	32	169
San Francisco	140	1,140	0	0	1,280
Totals	\$11,234	\$3,609	\$268	\$157	\$15,268

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 18, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$187,466	\$15,268	\$202,734
Sold	167,779	12	167,791
Matured	21,807	25,071	46,878
		\$ 9,815-	\$ 11,935-
		1,570+ (Net Change 1-day holdover & other bills)	1,570+ (Net Change 1-day holdover & other bills)
Totals	\$ 2,120-	\$ 8,245-	\$ 10,365-

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JUNE 18, 1930
(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	\$21,316	\$44,488	\$ 0	\$153,863	\$51,070	\$326,911	\$597,648
Bills Purchased	73,105	31,024	22,147	5,151	1,349	0	132,776
Totals	\$94,421	\$75,512	\$22,147	\$159,014	\$52,419	\$326,911	\$730,424

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Authority E.O. 10501

June 14, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of June 13th, enclosing report of transactions in Government securities and bankers' acceptances for the period from June 5, 1930 to June 11, 1930 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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Authority E.O. 10501

*Mr. Riefler ✓
Smeach ✓
Collins ✓*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 14 1930
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

June 13, 1930

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

Dear Mr. Goldenweiser:

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for the period from June 5, 1930 to June 11, 1930 inclu-
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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 14 1930
OFFICE OF
THE GOVERNOR

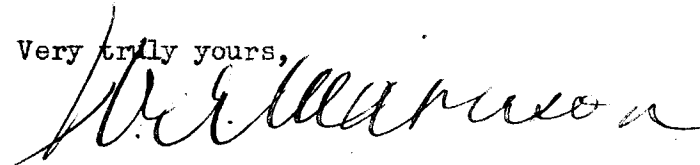
PERSONAL

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JUNE 11, 1930

Holdings of Earning Assets of Federal Reserve Banks from June 12, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1929-						
June 12	\$1,227,818	\$132,208	\$37,665	\$ 89,493	\$24,624	\$ 933,911
June 26	1,262,428	129,717	19,810	71,207	11,632	1,016,747
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May 28	958,776	529,450	320	130,066	45,494	247,046
June 4	978,652	542,159	1,675	127,969	61,271	239,728
June 11	943,213	578,452	255	107,711	40,461	210,484

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 11, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 11	Net Change	Balance June 11	Net Change	Balance June 11	Net Change
Boston	\$ 44,261	\$ 2,784+	\$ 14,232	\$ 3,004+	\$ 17,171	\$ 585+
New York	200,527	18,947+	10,403	9,552-	28,141	20,429-
Philadelphia	50,205	2,885+	2,641	608-	26,292	1,911-
Cleveland	55,342	3,780+	9,564	1,777-	20,258	2,334+
Richmond	15,594	2,089+	6,618	1,114-	18,382	325-
Atlanta	3,433	6,495-	10,062	1,319-	30,189	2,599-
Chicago	77,557	5,072+	12,879	2,160-	16,492	1,899-
St. Louis	22,643	2,386+	6,200	805-	15,478	5,649-
Minneapolis	25,289	1,367+	6,874	531-	3,434	188+
Kansas City	18,736	1,687+	5,321	696-	15,771	492+
Dallas	28,170	1,791+	3,718	1,042-	10,358	715+
San Francisco	36,695	0	17,702	1,815-	8,518	370-
N. Y. holdovers and other bills			1,497	1,843-		
Totals	\$578,452	\$36,293+	\$107,711	\$20,258-	\$210,484	\$29,244-

COMMENT ON CHANGES WEEK ENDED JUNE 11, 1930

Total earning assets of the System showed a decrease of \$35,439,000 for the current statement week. The changes by classification consisted of an increase of \$36,293,000 in outright purchases of government securities, and decreases of \$20,258,000 in outright purchases of bankers acceptances, \$29,244,000 in bills discounted, and \$22,230,000 in investments held under sales contracts. This latter item consisted of a decrease of \$1,420,000 in government securities and \$20,810,000 in bankers acceptances.

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Money Market

Easy conditions continued to prevail in the call money market during the past reporting week. The Stock Exchange rate held at 3 per cent until Thursday, June 12 when the rate for new loans dropped to 2 1/2 per cent. And on Friday, June 13 money renewed at 2 1/2 per cent.

An inflow of funds from other centers, a further return of currency from circulation after the holiday, a continued decline in reserve requirements, and purchases of \$35,000,000 more of securities for the System Special Investment Account during the week more than offset a decline in Federal Reserve bill holdings and permitted the New York City banks to again get almost completely out of debt at the New York Reserve Bank.

Time money quotations continued to decline to new low levels since the latter part of 1924. Thirty day money at the end of the week was quoted at 2 3/4 bid, 3 per cent offered; 60 days at 3 per cent flat; 90 and 120 days at 3 bid, 3 1/4 asked; 5 months at 3 1/4 bid, 3 1/2 asked; and 6 months at 3 1/2 bid, 3 3/4 asked. Although the total volume of business was extremely limited, 6 months money loaned at a new low general rate of 3 1/2 per cent. Ninety day money did not drop below 3 1/4 per cent, except for a small amount of renewals at 3 per cent.

In the commercial paper market, there continued to be a scarcity of drawings of high grade paper, despite the low rate range of 3 1/2 - 3 3/4 per cent prevailing. While a fairly good general bank investment demand for paper continued, the activity of the market was curtailed by the limited amount of paper that dealers had to offer.

Government Security Market

The market for United States Government securities continued active and strong. The demand was good for both the short and long-term issues and prices advanced fractionally. The average price of all issues was very close to the high level for the year.

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
3 1/8%	Cert. of Ind. due Sept. 15, 1930	100 11/32	+1/32	1.75
3 1/4%	" " " " Dec. 15, 1930	100 17/32	+2/32	2.18
2 7/8%	" " " " June 15, 1931	100 5/32	+5/32	2.71
3 1/2%	Treasury Notes " Mar. 15, 1932	100 19/32	+4/32	2.69
3 1/2%	" " " Sept. 15, 1932	100 19/32	+4/32	2.69
3 1/2%	" " " Dec. 15, 1932	100 19/32	+4/32	2.31
Treasury Bills " July 14, 1930		2 1/4% - 1	3/4% discount	
" " " Aug. 18, 1930		2 1/4% - 1	7/8% "	

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 24/32	+13/32	Treas. 4s	1944-54 108 24/32	+16/32
1st 4 1/4s	101 30/32	+ 8/32	" 4 1/4s	1947-52 113 4/32	+17/32
4th 4 1/4s	102 17/32	+ 4/32	" 3 3/4s	1946-56 106 8/32	+15/32
			" 3 3/8s	1943-47 101 16/32	+ 9/32
			" 3 3/8s	1940-43 101 18/32	+12/32

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3

Bankers
Acceptances

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

Reports
week
ending
June 11

Boston reports that the supply of new bills in its district during the past period increased considerably. The demand although showing some improvement was not sufficient to take care of the new supply. The result was that more bills were offered to the reserve bank during the past week than for several months past. Dealers forwarded nearly \$2,000,000 bills to their offices in other cities, receiving approximately \$700,000. With this outlet and with increased sales to the reserve bank dealers' portfolios showed little change over the previous period. In New York the bill market was fairly active during the week. Following the reduction in rates at the end of the last statement week, dealers made a further reduction of 1/8 per cent on the opening day of this period to 2 1/4 bid, 2 1/8 offered up to 90 days, 2 3/8 bid, 2 1/4 asked for 4 months, 2 1/2 bid, 2 3/8 asked for 5 and 6 months. Indorsed bills 1/8 per cent less. This reduction brought rates to the lowest levels they have been since the autumn of 1924. This resulted in dealers' purchases exceeding sales considerably the first day of the period, but for the balance of the period their purchases and sales were about equal. Philadelphia reports that its bill market continued very dull, there being practically no interest shown in bills during the period week. Chicago reports that the bill market in its district continues very quiet. Dallas reports that its bill market was very dull. The demand for bills and offerings to the reserve bank continued very light.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of \$	400,000	par amount	3 1/2%	Treasury notes due	March 15, 1932
				account	Alien Property Custodian
	1,000,000	"	"	4 1/4%	Fourth Liberty Loan bonds, account
					Government Life Insurance Fund
	275,000	"	"	2%	Consols of 1930, account Comptroller
					of the Currency

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority to purchase government securities for the System Account not to exceed \$25,000,000 a week for two weeks, as mentioned in last week's report, purchases of \$35,000,000 have been made during the current statement week. Of this \$35,000,000, \$10,000,000 was delivered during the calendar week ending June 7 and \$25,000,000 was delivered during the current calendar week. These purchases together with the \$15,000,000 purchased during the calendar week ending June 7, mentioned in last week's report, complete the purchase of \$50,000,000 as authorized.

These purchases brought the total amount of holdings in the System Account up to \$377,300,000 at the close of business Wednesday, June 11, 1930. 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	\$ 43,554,500	June 16, 1930 - 4 7/8% C/I	\$ 10,360,000
New York	85,039,000	July 14, 1930 - Treas. Bills	22,500,000
Philadelphia	35,195,000	Aug. 18, 1930 - " "	36,000,000
Cleveland	45,176,500	Sept. 15, 1930 - 3 1/8% C/I	80,575,000
Richmond	14,441,500	Dec. 15, 1930 - 3 1/4% "	38,425,000
Atlanta	824,000	Mar. 15, 1932 - 3 1/2% T/N	39,012,100
Chicago	57,629,500	Sept. 15, 1932 - 3 1/2% "	77,806,000
St. Louis	14,017,500	Dec. 15, 1932 - 3 1/2% "	63,671,900
Minneapolis	17,454,500	4th L/L - 4 1/4% bonds	8,950,000
Kansas City	18,733,000		
Dallas	18,182,500		
San Francisco	27,052,500		
Totals	<u>\$377,300,000</u>		<u>\$377,300,000</u>

NOTE: On Wednesday, June 11, ^{327,300} the Federal Reserve Bank of Atlanta, due to conditions in Florida, asked to be relieved temporarily of \$8,000,000 of its participation of government securities in the System Account. These securities were taken over into the Federal Reserve Bank of New York's participation on June 11 and were apportioned to other Federal reserve banks on June 12, which expressed a willingness to participate.

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 2,902,500	\$ 118,000	\$ 2,784,500	0
New York	17,746,500	199,000	17,547,500	0
Philadelphia	2,979,500	94,000	2,885,500	0
Cleveland	3,900,500	120,500	3,780,000	0
Richmond	2,125,000	36,500	2,088,500	0
Atlanta	1,507,000	8,023,000	0	6,516,000
Chicago	5,224,500	153,000	5,071,500	0
St. Louis	2,421,000	35,000	2,386,000	0
Minneapolis	1,241,000	47,000	1,194,000	0
Kansas City	2,036,500	49,000	1,987,500	0
Dallas	1,839,000	48,000	1,791,000	0
San Francisco	77,000	77,000	0	0
Totals	\$44,000,000	\$9,000,000	\$41,516,000	\$6,516,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$17,400,000	Misc. Gov't Sec.	\$16,000,000	Misc. Gov't Sec.
Atlanta	329,000	" " "	308,350	" " "
Minneapolis	1,943,050	" " "	1,770,200	" " "
Kansas City	0	-	300,000	" " "
Totals	\$19,672,050		\$18,378,550	

**BANKERS ACCEPTANCES
(000 Omitted)**

	<u>Holdings June 4</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Matur- ities & Sales</u>	<u>Holdings June 11</u>	<u>Other Holdings Close June 11, 1930</u>		
						<u>Sales Contracts</u>	<u>Other Bills</u>	
Boston	\$ 11,228	\$ 4,083* ^{R.}	0	\$ 1,079	\$ 14,232	\$ 3,574	\$ 78	
New York	19,955	3,029 " 8,662 ^{A.}	0	12,581*	10,403	29,977	367	
Phila.	3,249	0	0	608	2,641	0	103	
Cleve.	11,341	0	998	2,775	9,564	0	106	
Rich.	7,732	245 ^{R.}	804	2,163	6,618	0	44	
Atlanta	11,381	0	960	2,279	10,062	0	458	
Chicago	15,039	710 "	2,005	4,875	12,879	3,955	142	
St. Louis	7,005	0	915	1,720	6,200	0	38	
Minn.	7,405	0	445	976	6,874	0	24	
Kan. City	6,017	0	779	1,475	5,321	0	32	
Dallas	4,760	77 "	612	1,731	3,718	0	32	
San Fran.	19,517	552 "	1,144	3,511	17,702	2,955	73	
Totals	\$124,629	\$17,358	8,662	\$35,773	\$106,214	\$40,461	\$1,497	
Bills held overnight by New York for distribution to other F.R. Banks - -							0	
Total - - -							\$1,497	

*Includes \$1,808,000 sold to Boston from New York portfolio.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 11, 1930
(000 Omitted)

	1-30 days <u>2 1/4-2 5/8%</u>	31-60 days <u>2 1/4-2 5/8%</u>	61-90 days <u>2 1/4-2 3/8%</u>	Over 90-days <u>2 1/2%</u>	Total
Boston	\$ 1,810	\$ 786	\$1,487	0	\$ 4,083
New York	8,616	3,024	40	11	11,691
Richmond	5	240	0	0	245
Chicago	436	274	0	0	710
Dallas	49	28	0	0	77
San Francisco	<u>217</u>	<u>305</u>	<u>30</u>	<u>0</u>	<u>552</u>
Totals	<u>\$11,133</u>	<u>\$4,657</u>	<u>\$1,557</u>	<u>\$11</u>	<u>\$17,358</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 11, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$63,672	\$17,358	\$81,030
Sold	27,379	1,833	29,212
Matured	0	33,940	33,940
		<u>\$18,415-</u>	<u>\$17,878+</u>
		1,843- (Net Change 1-day holdover and other bills)	1,843- (Net Change 1-day holdover and other bills)
Totals	<u>\$36,293+</u>	<u>\$20,258-</u>	<u>\$16,035+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JUNE 11, 1930
(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	\$ 32,422	0	\$44,500	\$60,689	\$87,742	\$353,354	\$578,707
Bills Purchased	<u>79,187</u>	<u>37,021</u>	<u>23,434</u>	<u>7,283</u>	<u>1,247</u>	<u>0</u>	<u>148,172</u>
Totals	<u>\$111,609</u>	<u>\$37,021</u>	<u>\$67,934</u>	<u>\$67,972</u>	<u>\$88,989</u>	<u>\$353,354</u>	<u>\$726,879</u>

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June 7, 1930

Dear Mr. Matteson:

This will acknowledge receipt of your letter of June 6, addressed to Governor Young, enclosing report of open market operations for the period from May 29 to June 4, inclusive.

Very truly yours,

(Signed) J. C. Noell

J. C. Noell,
Assistant Secretary.

Mr. W. B. Matteson,
Asst. Deputy Governor,
Federal Reserve Bank,
New York City, N. Y.

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*Mr. Riefler ✓
Smead ✓
Callahan*

RECEIVED
JUN - 7 1930
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 6, 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 open market operations
for the period from May 29, 1930 to June 4, 1930 inclusive,
together with data received from Federal reserve banks.

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

Encl.

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RECEIVED
JUN 7 1930
OFFICE OF
THE GOVERNOR

FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

June 6, 1930

R. A. Y.
JUN 9 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from May 29, 1930 to June 4, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

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

Encl.

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FOR SPECIAL CIRCULATION

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

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

Mr. Poirer
RECEIVED
JUN 7 1930
OFFICE OF
THE GOVERNOR

**FEDERAL RESERVE BANK
OF NEW YORK**

CONFIDENTIAL

June 6, 1930

Dear Governor Young:

Enclosed is a report of open market operations for the period from May 29, 1930 to June 4, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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

Encl.

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED JUNE 4, 1930

Holdings of Earning Assets of Federal Reserve Banks from June 5, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
June 5	\$1,247,436	\$136,868	\$10,460	\$ 96,532	\$16,215	\$ 977,444
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 28	958,776	529,450	320	130,066	45,494	247,046
June 4	978,652	542,159	1,675	127,969	61,271	239,728

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 4, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 4	Net Change	Balance June 4	Net Change	Balance June 4	Net Change
Boston	\$ 41,477	\$ 1,154+	\$ 11,228	\$1,305-	\$ 16,586	\$3,126-
New York	181,580	2,532+	19,955	4,824+	48,570	4,257-
Philadelphia	47,320	1,195+	3,249	742-	28,203	3,293-
Cleveland	51,562	1,566+	11,341	314+	17,924	3,607-
Richmond	13,505	865+	7,732	204+	18,707	2,186+
Atlanta	9,928	898+	11,381	1,376-	32,788	4,074+
Chicago	72,485	2,101+	15,039	485-	18,391	1,026+
St. Louis	20,257	989+	7,005	308-	21,127	1,869+
Minneapolis	23,922	57-	7,405	781+	3,622	61+
Kansas City	17,049	724+	6,017	212-	15,279	855-
Dallas	26,379	742+	4,760	1,015-	9,643	1,047+
San Francisco	36,695	0	19,517	2,077-	8,888	2,443-
N. Y. holdovers and other bills			3,340	700-		
Totals	\$542,159	\$12,709+	\$127,969	\$2,097-	\$239,728	\$7,318-

COMMENT ON CHANGES WEEK ENDED JUNE 4, 1930

Total earning assets of the System showed an increase of \$19,876,000 for the current statement week. The changes by classification consisted of an increase of \$12,709,000 in outright purchases of government securities and decreases of \$2,097,000 and \$7,318,000 respectively in outright purchases of bankers acceptances and bills discounted, and an increase of \$17,132,000 in investments held under sales contracts. The latter item consisted of increases of \$1,355,000 in government securities and \$15,777,000 in bankers acceptances.

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Money
Market

During the past reporting week Stock Exchange call money was unchanged at 3 per cent. The month-end and week-end holiday had only a minor effect upon rates in the call money market; for a time, funds were not available at 2 1/2 per cent in the outside market, but shortly after the turn of the month outside money again became available at concessions from the Exchange rate.

Just before the May 30 holiday, funds were withdrawn in large volume from the New York money market, presumably to provide for currency requirements in other centers, and there was also a considerable increase in currency circulation in this district. These losses, together with the usual month-end increase in member bank reserve requirements, made necessary the use of an increased amount of Reserve Bank credit, which chiefly took the form of member bank borrowings, though there also was a rise in Federal Reserve repurchase agreement bill holdings. Accompanying some decline in reserve requirements after the opening of the new month and a return of currency from circulation, the indebtedness of the New York City banks began to decline, a retirement that was greatly accelerated by a security purchase for the System Special Investment Account. Although the New York City banks' borrowings showed only a moderate net increase for the period, their average indebtedness rose to \$54,000,000 from \$10,000,000 in the previous week.

Time money was featureless during the week, at levels practically unchanged from the close of the previous period. Nominal quotations at the close of business on June 4 were: 30 to 60 days, 3 per cent flat; 90 days, 3 1/4 per cent flat; 4 to 5 months, 3 1/4 bid, 3 1/2 per cent asked; 6 months, 3 1/2 bid, 3 3/4 per cent asked.

The commercial paper market was less active during the past week, due largely to the limited volume of new drawings of prime paper that came into the market. The rate range for prime names continued to be 3 1/2 - 3/4 per cent.

Government
Security
Market

The market for United States Government securities continued strong and active. The demand was good for all issues, especially for the shorter maturities and prices of most issues advanced fractionally.

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
4 7/8%	Cert. of Ind. due June 16, 1930	100 3/32	-2/32	1.41
3 1/8%	" " " " Sept. 15, 1930	100 10/32	- - -	1.96
3 1/4%	" " " " Dec. 15, 1930	100 15/32	+2/32	2.34
3 1/2%	Treasury Notes " Mar. 15, 1932	100 15/32	+1/32	2.87
3 1/2%	" " " " Sept. 15, 1932	100 15/32	+1/32	2.87
3 1/2%	" " " " Dec. 15, 1932	100 15/32	+1/32	2.59
	Treasury Bills " July 14, 1930	2 3/8% - 2	% discount	
	" " " " Aug. 18, 1930	2 1/2% - 2	1/8%	"

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Closing Prices on 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	100 11/32	-1/32	Treas. 4s	1944-54	108 8/32	+4/32
1st 4 1/4s	101 22/32	-1/32	"	4 1/4s 1947-52	112 19/32	+3/32
4th 4 1/4s	102 13/32	+3/32	"	3 3/4s 1946-56	105 25/32	+7/32
			"	3 3/8s 1943-47	101 7/32	-4/32
			"	3 3/8s 1940-43	101 6/32	+1/32

BankersAcceptances

Dealers' offering rates for unindorsed bankers acceptances were at the following rates at the close of the statement week: 2 1/4 per cent for 30s, 60s and 90s; 2 3/8 per cent for 120s and 2 1/2 per cent for 180-day bills, representing a reduction of 1/8 per cent on all maturities over the rates prevailing at the close of the previous statement week.

Reportsweek
ending
June 4

Boston reports that there was very little change during the past week in the local bill market. The supply of new bills was smaller than during the previous week, while sales by dealers dropped to the lowest amount for the year. Dealers consequently forwarded an excess of nearly \$2,500,000 bills to their offices in other cities. Thirty or ninety day maturities were easiest moved, but as a whole bills did not move freely. In New York the supply of bills fell off substantially this week as compared with the past two weeks. The demand was good particularly for 90-day maturities and came principally from foreign buyers. Dealers' sales exceeded their purchases considerably and portfolios were reduced accordingly. Some dealers were very low on nineties. This condition resulted in dealers reducing rates on the last day of the period by 1/8 per cent on all maturities. Philadelphia reports that its bill market was very quiet. The supply of new bills was negligible with the demand small. Offerings to the reserve bank were practically nil as its buying rates were still out of line with market rates. Chicago reports that the bill market in its district continued very quiet during the past week. Dallas reports that its bill market was also quiet during the past period. There was very little demand for bills and offerings to the reserve bank were light.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of \$1,100,000 - 3 1/2% Treasury notes due March 15, 1932
account Alien Property Custodian

1,000,000 - 4 1/4% Fourth Liberty Loan bonds, account
Government Life Insurance Fund

\$2,100,000 - Total Sales

and purchase of \$15,000,000 - 3 1/2% Treasury notes due March 15, 1932, account Surplus Money.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

A majority of the executive committee of the Open Market Policy Conference and a majority of the governors of the Federal reserve banks and the Federal Reserve Board approved the purchase of government securities not to exceed \$25,000,000 a week for the next two weeks, with the understanding that the matter will again be reviewed at that time. Under this program \$15,000,000 of government securities were purchased on Wednesday, June 4, and apportioned to eleven Federal reserve banks which expressed a desire to participate. This purchase brought the total holdings in the Account at the close of business Wednesday, June 4, 1930, up to \$342,300,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 40,770,000
New York	67,491,500
Philadelphia	32,309,500
Cleveland	41,396,500
Richmond	12,353,000
Atlanta	7,340,000
Chicago	52,558,000
St. Louis	11,631,500
Minneapolis	16,260,500
Kansas City	16,745,500
Dallas	16,391,500
San Francisco	27,052,500

Totals \$342,300,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June 16, 1930 - 4 7/8% C/I	\$ 5,360,000
July 14, 1930 - Treas. Bills	22,500,000
Aug. 18, 1930 - " "	36,000,000
Sept. 15, 1930 - 3 1/8% C/I	80,075,000
Dec. 15, 1930 - 3 1/4% "	38,425,000
Mar. 15, 1932 - 3 1/2% T/N	20,212,100
Sept. 15, 1932 - 3 1/2% "	74,806,000
Dec. 15, 1932 - 3 1/2% "	56,971,900
4th L/L - 4 1/4% bonds	7,950,000

\$342,300,000

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING JUNE 4, 1930
(000 Omitted)

	1-30 days		31-60 days		61-90 days		Over 90-days	Total
	2 3/8-2 5/8%	2 5/8%	2 3/8-2 5/8%	2 5/8%	2 3/8-2 5/8%	2 5/8%	2 1/2%	
Boston	\$ 50		\$ 9		\$172		\$ 0	\$ 231
New York	17,345		6,352		155		579	24,431
Richmond	0		0		165		0	165
Atlanta	0		45*		0		0	45
Chicago	136		213		0		0	349
Minneapolis	0		1		426		0	427
Dallas	16		16		0		0	32
San Francisco	208		1,664		31		0	1,903
Totals	\$17,755		\$8,300		\$949		\$579	\$27,583

* Purchased at 3%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING JUNE 4, 1930
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$48,174	\$27,583	\$75,757
Sold	35,465	0	35,465
Matured	0	28,980	28,980
		\$ 1,397-	\$11,312+
		700-(Net Change	700-(Net Change
		1-day holdover!	1-day holdover!
		& other bills)	& other bills)
Totals	\$12,709+	\$ 2,097-	\$10,612+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES JUNE 4, 1930
(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	\$ 26,840	\$ 0	\$44,500	\$60,689	\$87,142	\$324,654	\$543,834
Bills Purchased	116,554	30,334	33,890	7,126	1,336	0	189,240
Totals	\$143,403	\$30,334	\$78,390	\$67,815	\$88,478	\$324,654	\$733,074

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June 3, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Federal Reserve Board your letter of June 2nd, enclosing report of transactions in Government securities and bankers' acceptances as reported to your Committee for the period from May 22, 1930 to May 28, 1930 inclusive.

Very truly yours,

~~(Signed)~~ E. M. McClelland

E. M. McClelland,
Assistant Secretary

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

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

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN - 3 1930
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

June 2, 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 open market operations
for the period from May 22, 1930 to May 28, 1930 inclusive,
together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN - 3 1930
OFFICE OF
THE GOVERNOR

PERSONAL

June 2, 1930

R. A. Y.
JUN 3 1930

Dear Governor Young:

We are enclosing, for your files, a report of open market operations for the period from May 22, 1930 to May 28, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

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

Encl.

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Authority E.O. 10501

FOR SPECIAL CIRCULATION

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

Gov. Young ✓ Mr. Hamlin Mr. James ✓
Mr. [unclear] ✓ Mr. Miller *Absent* Mr. Cunningham ✓ Mr. Pole ✓

FEDERAL RESERVE BANK

OF NEW YORK

RECEIVED
JUN - 3 1930
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

June 2, 1930

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Enclosed is a report of open market operations for the period from May 22, 1930 to May 28, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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

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Authority E.O. 10501

CONFIDENTIAL

REPORT OF OPEN MARKET OPERATIONS WEEK ENDED MAY 28, 1930

Holdings of Earning Assets of Federal Reserve Banks from May 29, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 21	931,603	526,695	1,625	147,915	38,969	209,999
May 28	958,776	529,450	320	130,066	45,494	247,046

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 28, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 28	Net Change	Balance May 28	Net Change	Balance May 28	Net Change
Boston	\$ 40,323	0	\$ 12,533	\$ 101+	\$ 19,712	\$ 1,643+
New York	179,048	1,990+	15,131	3,586-	52,827	23,547+
Philadelphia	46,125	0	3,991	596-	31,496	2,065+
Cleveland	49,996	0	11,027	1,917-	21,531	3,160+
Richmond	12,640	0	7,528	1,322-	16,521	216-
Atlanta	9,030	243+	12,757	3,354-	28,714	2,711+
Chicago	70,384	0	15,524	522-	17,365	1,414-
St. Louis	19,268	0	7,313	1,847-	19,258	2,326+
Minneapolis	23,979	522+	6,624	367-	3,561	330+
Kansas City	16,325	0	6,229	2,493-	16,134	528+
Dallas	25,637	0	5,775	1,402-	8,596	213-
San Francisco	36,695	0	21,594	989-	11,331	2,580+
N. Y. holdovers and other bills			4,040	445+		
Totals	\$529,450	\$2,755+	\$130,066	\$17,849-	\$247,046	\$37,047+

COMMENT ON CHANGES WEEK ENDED MAY 28, 1930

Total earning assets of the System showed an increase of \$27,173,000 for the current statement week. The changes by classification, consisted of increases of \$2,755,000 and \$37,047,000 respectively in outright purchases of government securities and bills discounted and \$5,220,000 net in investments held under sales contracts, and a decrease of \$17,849,000 in outright purchases of bankers acceptances. The change in sales contracts consisted of a decrease of \$1,305,000 in government securities and an increase of \$6,525,000 in bankers acceptances.

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2

Money
Market

For the third consecutive week call money was steady at 3 per cent on the Stock Exchange, with trades in the outside market reported during much of the time at 2 1/2 per cent. Funds were in somewhat increased demand on the approach of the month-end and holiday, but supplies were ample throughout the period.

During the reporting week currency requirements and an excess of bill maturities over System purchases caused moderately large losses to the money market, which were only partly counterbalanced by an inflow from other districts. As a result of this situation and of an increase in reserve requirements, the member banks borrowed moderately at the Reserve Bank.

The time money market remained quiet with a further easing tendency in evidence. At the close of the period nominal quotations (chiefly on the asked rate side of the market) were down approximately 1/4 per cent to the following: 30 and 60 days, 3 per cent flat; 90 days, 3 1/4 per cent flat; 4 months, 3 1/4 bid, 3 1/2 per cent asked; 5 months, 3 1/2 bid, 3 3/4 per cent asked; and 6 months, 3 3/4 per cent flat. Loans for 90 days at 3 1/4 per cent were arranged almost daily throughout the period, a level unchanged from the previous week. Six months' loans were made on Monday at 3 1/2 per cent, but transactions later in the period were at 3 3/4 per cent unchanged from the close of the previous period.

The commercial paper rate eased somewhat further this week to a principal selling range of 3 1/2 - 3/4 per cent for prime names, a new low level since early in 1925. Demand was rather active while the supply of new drawings continued in only fair volume.

Government
Security
Market

The market for United States Government securities continued strong and fairly active. The demand continued fair for almost all issues, most of which showed fractional gains in prices for the week.

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
4 7/8%	Cert. of Ind. due June 16, 1930	100 5/32	-2/32	0.78
3 1/8%	" " " " Sept. 15, 1930	100 10/32	+1/32	2.00
3 1/4%	" " " " Dec. 15, 1930	100 14/32	+3/32	2.42
3 1/2%	Treasury Notes " Mar. 15, 1932	100 14/32	+3/32	2.93
3 1/2%	" " " " Sept. 15, 1932	100 14/32	+3/32	2.93
3 1/2%	" " " " Dec. 15, 1932	100 14/32	+3/32	2.67
	Treasury Bills " July 14, 1930	2 3/8% - 2% discount		
	" " " " Aug. 18, 1930	2 1/2% - 2 1/4% "		

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3

Closing Prices on 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	100 12/32	+3/32	Treas. 4s 1944-54	108 4/32	+ 6/32
1st 4 1/4s	101 23/32	+5/32	" 4 1/4s 1947-52	112 16/32	+15/32
4th 4 1/4s	102 10/32	+5/32	" 3 3/4s 1946-56	105 18/32	+ 4/32
			" 3 3/8s 1943-47	101 11/32	+ 8/32
			" 3 3/8s 1940-43	101 5/32	- 1/32

Bankers
Acceptances

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

Reports
For Week
Ending
May 28

Boston reports that there was very little change in the local bill market conditions in its district during the past week. The supply of new bills fell off slightly, with the demand from local banks somewhat improved. One dealer was obliged to import bills from offices in other cities to fill orders. However, there were more bills being forwarded to other cities than there were bills received from their offices in other cities by about \$1,500,000. Offerings to the reserve bank were light. In New York the bill market was active during the week. The supply continued good. The demand was also good, especially for 90-day maturities and came principally from local institutions who were buying for the accounts of foreign correspondents. The demand was about equal to the supply and dealers' portfolios only increased slightly. Rates were unchanged. Philadelphia reports that the bill market conditions in its district were unchanged; the supply of new bills was small, but in excess of the demand. Dealers reported portfolios slightly higher than the previous week. In Chicago dealers reported that there was practically no demand for bills in that district. The supply was small. Dallas reports that its bill market was extremely dull during the past week. There was practically no demand for bills. Offerings to the reserve bank were exceedingly light, dealers carrying only a nominal amount in their portfolios.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of	\$1,400,000	par amount 3 1/2% Treasury notes due March 15, 1932
		account Alien Property Custodian
	2,000,000	" " 4 1/4% Fourth Liberty Loan bonds, account
		Government Life Insurance Fund
	<u>\$3,400,000</u>	Total Sales

and purchase of \$10,000,000 par amount 3 1/2% Treasury notes due March 15, 1932 account Surplus Money.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

Exchanges in the market of \$46,375,000 par amount Treasury certificates of indebtedness due June 16, 1930 and December 15, 1930 for \$36,375,000 of 3 1/2% Treasury notes due 1930-32 and the balance 3 1/8% certificates of indebtedness due September 15, 1930.

Sale to Treasury a/c Surplus Money \$10,000,000 par amount 3 1/2% Treasury notes due March 15, 1932, which sale was replaced in the account by purchases in the market of a like par amount of various issues of government securities.

The greater part of the exchanges mentioned above were for the purpose of acquiring 3 1/2% Treasury notes which the Treasury is desirous of obtaining.

These transactions did not affect the total amount of holdings in the System Account which remained at the close of business Wednesday, May 28, 1930, at \$327,300,000. The participation by Federal reserve banks and the classification of issues were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDING BY MATURITIES

Boston	\$ 39,616,000	June 16, 1930 - 4 7/8% C/I	\$ 5,360,000
New York	63,535,500	July 14, 1930 - Treas. Bills	22,500,000
Philadelphia	31,114,500	Aug, 18, 1930 - " "	36,000,000
Cleveland	39,830,500	Sept. 15, 1930 - 3 1/8% C/I	80,075,000
Richmond	11,487,500	Dec. 15, 1930 - 3 1/4% "	38,425,000
Atlanta	6,227,500	Mar. 15, 1932 - 3 1/2% T/N	20,212,100
Chicago	50,456,500	Sept. 15, 1932 - 3 1/2% "	59,806,000
St. Louis	10,642,500	Dec. 15, 1932 - 3 1/2% "	56,971,900
Minneapolis	15,766,000	4th L/L - 4 1/4% bonds	7,950,000
Kansas City	15,921,500		
Dallas	15,649,500		
San Francisco	27,052,500		
Totals	<u>\$327,300,000</u>		<u>\$327,300,000</u>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM MAY 22 TO MAY 28, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 6,823,500	\$ 6,823,500
New York	10,943,000	10,943,000
Philadelphia	5,359,500	5,359,500
Cleveland	6,860,500	6,860,500
Richmond	1,978,500	1,978,500
Atlanta	1,072,500	1,072,500
Chicago	8,690,500	8,690,500
St. Louis	1,833,000	1,833,000
Minneapolis	2,716,500	2,716,500
Kansas City	2,742,500	2,742,500
Dallas	2,695,000	2,695,000
San Francisco	4,660,000	4,660,000
Totals	\$56,375,000	\$56,375,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$19,975,600	Misc. Gov't Sec.	\$17,985,450	Misc. Gov't Sec.
Atlanta	371,200	" " "	128,850	" " "
Minneapolis	2,165,500	" " "	1,643,700	" " "
Totals	\$22,512,300		\$19,758,000	

BANKERS ACCEPTANCES
 (000 Omitted)

	Holdings	Purchased	By Allot-	Matur-	Holdings	Other Holdings	
	May 21					Own Mkt.	ment from
			New York	Sales		Contracts	Bills
Boston	\$ 12,432	\$ 688 R	\$ 0	\$ 587	\$ 12,533	\$ 4,247	\$ 78
New York	18,717	2,603 " 5,768 A	0	6,189	15,131	29,357	377
Phila.	4,587	73 R	0	669	3,991	0	102
Cleve.	12,944	0	809	2,726	11,027	0	105
Rich.	8,850	367 "	542	2,231	7,528	0	44
Atlanta	16,111	75 "	656	4,085	12,757	0	534
Chicago	16,046	637 "	1,149	2,308	15,524	3,689	141
St. Louis	9,160	0	617	2,464	7,313	0	38
Minn.	6,991	1,000 "	331	1,698	6,624	0	24
Kan. City	8,722	0	530	3,023	6,229	0	32
Dallas	7,177	112 "	380	1,894	5,775	0	32
San. Fran.	22,583	1,907 "	754	3,650	21,594	8,201	73
Totals	\$144,320	\$13,230	\$5,768	\$31,524	\$126,026	\$45,494	\$1,580
Bills held over night by New York for distribution to other F. R. Banks - -						2,460	
Total - - - - -						\$4,040	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 28, 1930
 (000 Omitted)

	1-30 days <u>2 1/4 - 3%</u>	31-60 days <u>2 1/2 - 3%</u>	61-90 days <u>2 1/2 - 3%</u>	Over 90-days <u>2 5/8 - 2 3/4%</u>	<u>Total</u>
Boston	\$ 0	\$ 192	\$ 395	\$101	\$ 688
New York	5,524	1,884	963	0	8,371
Philadelphia	5	56	12	0	73
Richmond	148	179	40	0	367
Atlanta	75	0	0	0	75
Chicago	283	232	122	0	637
Minneapolis	0	0	1,000	0	1,000
Dallas	90	22	0	0	112
San Francisco	675	1,121	111	0	1,907
Totals	<u>\$6,800</u>	<u>\$3,686</u>	<u>\$2,643</u>	<u>\$101</u>	<u>\$13,230</u>

**RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
 AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 28, 1930**
 (000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$78,888	\$13,230	\$92,118
Sold	76,133	25	76,158
Matured	0	31,499	31,499
		<u>\$18,294-</u>	<u>\$15,539-</u>
		445+ (Net Change 1-day holdover & other bills)	445+ (Net Change 1-day holdover & other bills)
Totals	<u>\$ 2,755+</u>	<u>\$17,849-</u>	<u>\$15,094-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MAY 28, 1930
 (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	\$ 320	\$13,382	\$40,000	\$27,213	\$86,142	\$362,713	\$529,770
Bills Purchased	103,869	29,069	32,573	9,177	872	0	175,560
Totals	<u>\$104,189</u>	<u>\$42,451</u>	<u>\$72,573</u>	<u>\$36,390</u>	<u>\$87,014</u>	<u>\$362,713</u>	<u>\$705,330</u>

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*Mr. Riefler ✓
Smead ✓
Collier ✓*

RECEIVED
MAY 24 1930
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

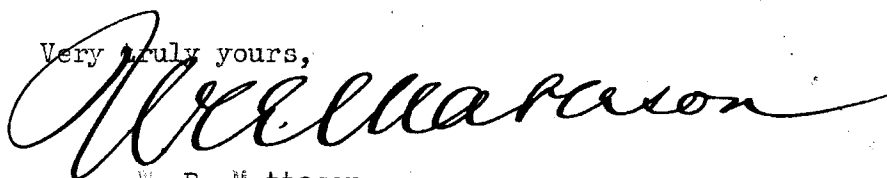
May 23, 1930

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

Dear Mr. Goldenweiser:

Enclosed is a report of open market operations
for the period from May 15, 1930 to May 21, 1930 inclusive,
together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY 23 1930
OFFICE OF
THE GOVERNOR

PERSONAL

May 23, 1930

ROY A. YOUNG
MAY 23 1930

Dear Governor Young:

We are enclosing, for your files, a report of open operations for the period from May 15, 1930 to May 21, 1930 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

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

Encl.

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check

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

OF NEW YORK

RECEIVED
MAY 23 1930
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THE GOVERNOR

CONFIDENTIAL

May 23, 1930

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Assistant Deputy Governor

Encl.

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

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REPORT OF OPEN MARKET OPERATIONS WEEK ENDED MAY 21, 1930

Holdings of Earning Assets of Federal Reserve Banks from May 22, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
May 22	\$1,203,516	\$137,117	\$16,170	\$113,074	\$ 24,912	\$ 904,426
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
Apr. 30	982,225	527,124	2,385	161,846	47,718	233,452
May 14	920,023	527,637	265	150,352	20,683	210,486
May 21	931,603	526,695	1,625	147,915	38,969	209,999

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 21, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 21	Net Change	Balance May 21	Net Change	Balance May 21	Net Change
Boston	\$ 40,323	\$ 0	\$ 12,432	\$3,310+	\$ 18,069	\$1,509-
New York	177,058	805-	18,717	2,078+	29,280	1,024-
Philadelphia	46,125	0	4,587	860-	29,431	912+
Cleveland	49,996	0	12,944	898-	18,371	4,603-
Richmond	12,640	0	8,850	110-	16,737	70-
Atlanta	8,787	46-	16,111	271+	26,003	1,068+
Chicago	70,384	0	16,046	986+	18,779	812+
St. Louis	19,268	0	9,160	1,239-	16,932	2,426+
Minneapolis	23,457	9+	6,991	72+	3,231	722-
Kansas City	16,325	100-	8,722	2,924-	15,606	888+
Dallas	25,637	0	7,177	895+	8,809	1,033+
San Francisco	36,695	0	22,583	629-	8,751	302+
N. Y. holdovers and other bills			3,595	3,389-		
Totals	\$526,695	\$942-	\$147,915	\$2,437-	\$209,999	\$ 487-

COMMENT ON CHANGES WEEK ENDED MAY 21, 1930

Total earning assets of the System showed an increase of \$11,580,000 for the current statement week. The changes, by classification, consisted of decreases of \$942,000 and \$2,437,000 in outright purchases of government securities and bankers acceptances respectively, and \$487,000 in bills discounted, and an increase of \$19,646,000 in investments held under sales contracts. The latter item consisted of an increase of \$1,360,000 in government securities and \$18,286,000 in bankers acceptances.

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Money
Market

Conditions in the call money market were unchanged during the past week. The Exchange rate was steady throughout at 3 per cent, and during much of the time funds were available at 2 1/2 per cent in the outside market. The Treasury bill sale on the 19th took more funds out of the New York market than were expended by the Treasury in redeeming maturing Treasury bills and purchasing securities, but an inflow of funds from other centers and reserve bank takings of bills (largely under repurchase agreement) offset the net loss to the market in Treasury transactions. Consequently, the New York City banks were able to stay largely out of debt at the reserve bank, except for very temporary borrowings of moderate amounts.

The time money market continued to show signs of easing, and by the end of the week 30 and 60-day money was quoted at 3 per cent bid, 3 1/4 per cent offered, 90-day loans at 3 1/4 bid, 3 1/2 offered, 4 months at 3 1/2 per cent flat, and 5 and 6 months at 3 3/4 bid, 4 per cent offered. Ninety day money loaned at a new low for recent years of 3 1/4 per cent, also 60-day money at that rate, and 6 months' loans at 3 3/4 per cent. In the aggregate, however, business was of limited volume.

In the commercial paper market, the principal selling rate for prime names declined to 3 3/4 per cent. Dealers also were able to sell some paper at 3 1/2 per cent, whereas in the previous week very little business had been done at this rate. Supply of new paper relative to bank investment demand remained fair.

Government
Security
Market

The market for United States Government securities during the current statement week was strong and fairly active. The demand, which had been principally for the short-term issues during the previous week, was extended to include most of the long-term issues. Prices of the short-term issues and all of the long-term issues with the exception of the First 3 1/2s and Treasury 3 3/8s showed fractional gains for the week.

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
4 7/8% Cert. of Ind. due June 16, 1930	100 7/32	-1/32	1.53
3 1/8% " " " " Sept. 15, 1930	100 9/32	+2/32	2.20
3 1/4% " " " " Dec. 15, 1930	100 11/32	+1/32	2.62
3 1/2% Treasury Notes " Mar. 15, 1932	100 11/32	+2/32	3.07
3 1/2% " " " " Sept. 15, 1932	100 11/32	+2/32	3.07
3 1/2% " " " " Dec. 15, 1932	100 11/32	+2/32	2.95
Treasury Bills " July 14, 1930	2 3/8% - 2% discount		
" " " Aug. 18, 1930	2 1/2% - 2 1/4% "		

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Closing Prices on 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	100 9/32	-2/32	Treas. 4s 1944-54	107 30/32	+ 9/32
1st 4 1/4s	101 18/32	+4/32	" 4 1/4s 1947-52	112 1/32	+11/32
4th 4 1/4s	102 5/32	+3/32	" 3 3/4s 1946-56	105 14/32	+ 3/32
			" 3 3/8s 1943-47	101 3/32	- 6/32
			" 3 3/8s 1940-43	101 6/32	- 3/32

Bankers
Acceptances

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

Reports
week
ending
May 21

Boston reports that although dealers again lowered their rates during the past period, the supply of bills which was still small showed no material gain over the previous week. Local banks were poor buyers of bills, but sales increased slightly due to increased offerings to the reserve bank. The demand for bills in outside districts, particularly the second district, resulted in dealers forwarding many of their bills to their offices in other districts. In New York the bill market was more active this week. During the first few days of the statement week there was an excellent investment demand for bills with very few coming out and dealers' portfolios were reduced to the lowest point they have been this year. This resulted in dealers making a further reduction of 1/8 per cent on maturities up to and including 90 days, but they made no change on the longer maturities. The change in rate brought more new bills out and the demand slackened somewhat with the result that dealers' portfolios increased by about \$12,000,000 during the week. Purchases by the reserve bank for System Account were principally from banks and foreign correspondents. Philadelphia reports that its bill market showed little change from the previous week. The low rates had the effect of bringing out a few more bills, but the amount was still small. The demand was very dull. There were no offerings made to the reserve bank during the week. Chicago reports that the bill market in its district was very quiet. Dallas reports that the demand for bills in its district was light during the past week. There were few new bills offered to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sale of \$	500,000	par amount	3 3/8%	Treasury bonds of 1943-47, account Commissioner of Indian Affairs
	500,000	" "	4 1/4%	Fourth Liberty Loan bonds, account Alien Property Custodian
	1,000,000	" "	4 1/4%	Fourth Liberty Loan bonds, account Government Life Insurance Fund
	56,300	" "	3 1/2%	Treasury notes due March 15, 1930-32, account Foreign Service Retirement and Disability Fund
<hr/>				
	\$2,056,300	Total Sales		

and purchase of \$20,000,000 par amount 3 1/2% Treasury notes due March 15, 1930-32, account Surplus Money.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Transactions effected in the System Account during the current statement week consisted of exchanges in the market of

\$ 2,500,000 par amount 3 1/4% certificates of indebtedness due December 15, 1930 for a like amount of 3 1/2% Treasury notes due March 15, 1930-32

and 10,000,000 par amount 3 1/8% certificates of indebtedness due September 15, 1930 for a like amount of Treasury bills due August 18, 1930

The \$26,000,000 Treasury bills due May 19, 1930, held in the Account were redeemed on the maturity date and replaced in the Account by the purchase in the market of \$26,000,000 of Treasury bills due August 18, 1930. These transactions did not affect the total amount of holdings which remained at the close of business Wednesday, May 21, 1930, at \$327,300,000. 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	\$ 39,616,000	June 16, 1930 - 4 7/8% C/I	\$ 23,360,000
New York	63,535,500	July 14, 1930 - Treas. Bills	20,000,000
Philadelphia	31,114,500	Aug. 18, 1930 - " "	36,000,000
Cleveland	39,830,500	Sept. 15, 1930 - 3 1/8% C/I	69,075,000
Richmond	11,487,500	Dec. 15, 1930 - 3 1/4% "	65,800,000
Atlanta	6,227,500	Mar. 15, 1932 - 3 1/2% T/N	14,055,000
Chicago	50,456,500	Sept. 15, 1932 - 3 1/2% "	54,735,000
St. Louis	10,642,500	Dec. 15, 1932 - 3 1/2% "	39,825,000
Minneapolis	15,766,000	4th L/L - 4 1/4% bonds	4,450,000
Kansas City	15,921,500		
Dallas	15,649,500		
San Francisco	27,052,500		
<hr/>			
Totals	\$327,300,000		\$327,300,000
	<hr/>		<hr/>

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MAY 15 TO MAY 21, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales
Boston	\$ 4,660,000	\$ 4,660,000
New York	7,474,000	7,474,000
Philadelphia	3,660,000	3,660,000
Cleveland	4,685,000	4,685,000
Richmond	1,351,500	1,351,500
Atlanta	732,500	732,500
Chicago	5,935,000	5,935,000
St. Louis	1,252,000	1,252,000
Minneapolis	1,854,500	1,854,500
Kansas City	1,872,500	1,872,500
Dallas	1,841,000	1,841,000
San Francisco	3,182,000	3,182,000
Totals	\$38,500,000	\$38,500,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Maturities and Sales	Issue
New York	\$62,594,000	Misc. Gov't Sec.	\$63,398,900	Misc. Gov't Sec.
Philadelphia	4,000,000	" " "	4,000,000	" " "
Atlanta	93,250	" " "	138,400	" " "
Minneapolis	3,502,750	" " "	3,494,550	" " "
Kansas City	0	-	100,000	" " "
Dallas	400,000	Misc. Gov't Sec.	400,000	" " "
Totals	\$70,590,000		\$71,531,850	

Of above sales \$4,000,000 by Philadelphia, \$3,058,750 by Minneapolis, and \$400,000 by Dallas, represent series A Treasury Notes which were sold to the Treasury, account Surplus Money, and replaced by purchase of series B Treasury notes.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings May 14	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings May 21	Other Holdings Close May 21, 1930	
						Sales Contracts	Other Bills
Boston	\$ 9,122	\$ 2,535 R	\$ 2,501	\$ 1,726	\$ 12,432	\$ 4,903	\$ 78
New York	16,639	6,786 " 25,133 A	0	4,708	18,717	29,402	1,006
Phila.	5,447	0	0	860	4,587	0	102
Cleve.	13,842	0	2,375	3,273	12,944	0	105
Richmond	8,960	232 R	2,159	2,501	8,850	0	44
Atlanta	15,840	0	2,676	2,405	16,111	0	495
Chicago	15,060	558 "	4,904	4,476	16,046	1,997	141
St. Louis	10,399	0	2,366	3,605	9,160	0	38
Minn.	6,919	0	1,240	1,168	6,991	0	24
Kan. City	11,646	0	2,008	4,932	8,722	0	32
Dallas	6,282	104 "	1,642	851	7,177	56	32
San Fran.	23,212	1,585 "	3,262	5,476	22,583	2,611	73
Totals	\$143,368	\$36,933	\$25,133	\$35,981	\$144,320	\$38,969	\$2,170
Bills held over night by New York for distribution to other F. R. Banks - - -						1,425	
Total - - - - -						\$3,595	

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 21, 1930
(000 Omitted)

	1-30 days 2 1/2-2 5/8%	31-60 days 2 1/2-2 3/4%	61-90 days 2 1/2-2 3/4%	Over 90-days 2 5/8-2 3/4%	Total
Boston	\$ 1,215	\$ 676	\$594	\$ 50	\$ 2,535
New York	26,625	4,836	80	378	31,919
Richmond	10	197	25	0	232
Chicago	427	131	0	0	558
Dallas	75	29	0	0	104
San Francisco	529	1,002	54	0	1,585
Totals	<u>\$28,881</u>	<u>\$6,871</u>	<u>\$753</u>	<u>\$428</u>	<u>\$36,933</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 21, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$109,090	\$36,933	\$146,023
Sold	101,182	0	101,182
Matured	8,850	35,981	44,831
		\$ 952+	\$ 10+
		3,389- (Net Change 1-day holdover and other bills)	3,389- (Net Change 1-day holdover and other bills)
Totals	<u>\$ 942-</u>	<u>\$ 2,437-</u>	<u>\$ 3,379-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MAY 21, 1930
(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	\$ 1,625	\$47,137	\$37,500	\$63,213	\$74,642	\$304,203	\$528,320
Bills Purchased	103,146	36,754	37,118	9,212	654	0	186,884
Totals	<u>\$104,771</u>	<u>\$83,891</u>	<u>\$74,618</u>	<u>\$72,425</u>	<u>\$75,296</u>	<u>\$304,203</u>	<u>\$715,204</u>

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May 17, 1930

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 May 8 to May 14, 1930 inclusive.

Very truly yours,

(signed) J. C. Noell

J. C. Noell,
Assistant Secretary

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

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*Mr. Riefler
Smead
Collins*

**FEDERAL RESERVE BANK
OF NEW YORK**

CONFIDENTIAL

May 16, 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 May 8, 1930 to May 14, 1930 inclusive, together with data received by the committee from the Federal reserve banks.

Very truly yours,



W. B. Matteson
Secretary, Open Market
Investment Committee

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY 16 1930
OFFICE OF
THE GOVERNOR

PERSONAL

MAY 16 1930
R. A. Y.
May 16 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 May 8, 1930 to May 14, 1930 inclusive, together with data received by the committee from the Federal reserve banks.

Very truly yours,

W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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FOR SPECIAL CIRCULATION
PLEASE READ PROMPTLY, INITIAL AND RETURN TO SECRETARY'S OFFICE
Gov. Young ✓ Mr. Hamlin ✓ Mr. James ✓
Mr. Piatt ✓ Mr. Miller ✓ Mr. Cunningham ✓ Mr. Pole ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY 16 1930
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

May 16, 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 May 8, 1930 to May 14, 1930 inclusive, together with data received by the Committee from the Federal reserve banks.

Very truly yours,


W. B. Matteson
Secretary, Open Market
Investment Committee

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

Encl.

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REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 14, 1930

Holdings of Earning Assets of Federal Reserve Banks from May 15, 1929 to Date

(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
May 15	\$1,224,349	\$138,511	\$17,315	\$106,446	\$39,661	\$ 914,599
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
April 30	982,225	527,124	2,385	161,846	47,718	233,452
May 7	951,095	527,614	230	136,652	38,551	237,448
May 14	920,023	527,637	265	150,352	20,683	210,486

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)

DURING WEEK ENDED MAY 14, 1930

(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 14	Net Change	Balance May 14	Net Change	Balance May 14	Net Change
Boston	\$ 40,323	0	\$ 9,122	\$ 477-	\$ 19,578	\$ 4,599+
New York	177,863	15,000-	16,639	9,552+	30,304	26,881-
Philadelphia	46,125	0	5,447	1,472-	28,519	749+
Cleveland	49,996	0	13,842	2,406-	22,974	2,019+
Richmond	12,640	0	8,960	858+	16,807	816-
Atlanta	8,833	6+	15,840	3,525-	24,935	255-
Chicago	70,384	0	15,060	3,257+	17,967	3,933-
St. Louis	19,268	0	10,399	957+	14,506	900+
Minneapolis	23,448	5,061+	6,919	217-	3,953	296-
Kansas City	16,425	10,001+	11,646	535+	14,718	893+
Dallas	25,637	45-	6,282	828+	7,776	1,416-
San Francisco	36,695	0	23,212	964+	8,449	2,525-
N. Y. holdovers and other bills			6,984	4,846+		
Totals	\$527,637	\$ 23+	\$150,352	\$13,700+	\$210,486	\$26,962-

COMMENT ON CHANGES WEEK ENDED MAY 14, 1930

Total earning assets of the System showed a decrease of \$31,072,000 for the current statement week. The changes, by classification, consisted of increases of \$23,000 and \$13,700,000 in outright purchases of government securities and bankers acceptances respectively, and decreases of \$26,962,000 in bills discounted and \$17,833,000 in investments held under sales contracts. The latter item consisted of an increase of \$35,000 in government securities and a decrease of \$17,868,000 in bankers acceptances.

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Money
Market

The conditions which prevailed in the call money market at the close of the last reporting week continued throughout the period ended May 14. Both renewals and new loans on the Exchange were arranged daily at 3 per cent, and on occasions funds were obtained in the outside market at 2 1/2 per cent. The excess of offerings over the new loan demand became smaller as the week progressed, but nevertheless sizable amounts remained unlent on the Exchange almost daily.

The interdistrict movement of funds was in favor of the New York money market during the week, and in addition there were small gains resulting from net currency deposits, reserve bank bill transactions in this market and other miscellaneous credits. The aggregate gain was sufficient not only to provide for a moderate increase in reserve requirements, but also for a reduction of \$30,000,000 in member bank discounts at the reserve bank.

Time money was very dull and slightly easier during the week. Loans for 90 days were made as low as 3 1/2 per cent, down 1/4 per cent from the previous week, and a small amount of loans maturing just after mid-year was placed at 3 1/4 per cent. Nominal quotations were also about 1/4 per cent lower, except in the 5 and 6 months' maturities which were unchanged. At the close of the week quotations were: 30 days, 3 1/4 per cent flat; 60 days, 3 1/4 bid, 3 1/2 per cent asked; 3 and 4 months, 3 1/2 bid, 3 3/4 per cent asked; 5 and 6 months, 3 3/4 bid, 4 per cent asked. These are the lowest quotations since December 1924.

A further slight easing tendency in the commercial paper market during the period did not result in a lowered actual selling range. The prevailing level at 3 3/4 - 4 per cent continued, but comments indicated that sales at the lower level represented a majority of the aggregate turnover. Dealers' offerings of 3 1/2 per cent paper have met with little success; only a few trades have been consummated - and these for especially choice paper of short maturity.

Government
Security
Market

There was a very good demand in the United States government security market for the short-term issues, while the long-term issues appeared to be "marking time." Prices of the former showed an increase for the week of from 2/32 to 5/32nds, while the latter were somewhat irregular.

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

<u>Issue</u>	<u>Price</u>	<u>Net</u>	<u>Approx.</u>
		<u>Change</u>	<u>Yield</u>
4 7/8% Cert. of Ind. due June 16, 1930	100 8/32	-1/32	1.88
3 1/8% " " " Sept. 15, 1930	100 7/32	+2/32	2.44
3 1/4% " " " Dec. 15, 1930	100 10/32	+5/32	2.70
3 1/2% Treasury Notes " Mar. 15, 1932	100 9/32	+4/32	3.15
3 1/2% " " " Sept. 15, 1932	100 9/32	+4/32	3.15
3 1/2% " " " Dec. 15, 1932	100 9/32	+4/32	3.00
Treasury Bills " July 14, 1930	2 3/4% - 2 1/4% discount		

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

			Net						Net		
Issue	Price	Change	Issue	Price	Change	Issue	Price	Change	Issue	Price	Change
1st 3 1/2s	100 11/32	+2/32	Treas. 4s	1944-54	107 21/32	-11/32					
1st 4 1/4s	101 14/32	-2/32	"	4 1/4s 1947-52	111 22/32	-18/32					
4th 4 1/4s	102 2/32	-2/32	"	3 3/4s 1946-56	105 11/32	- 6/32					
			"	3 3/8s 1943-47	101 9/32	+ 9/32					
			"	3 3/8s 1940-43	101 9/32	+ 5/32					

Bankers
Acceptances

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

Reports
week
ending
May 14

Boston reports that the local bill market showed very little change over the previous period. There was a slight increase in the supply of new bills, but the demand was poor. Dealers' sales of \$2,000,000 were the lowest since the first of March and they forwarded nearly \$4,000,000 of their bills to offices in other cities. In New York the bill market was fairly active during the statement week. The supply of new bills fell off considerably as compared with the past two weeks. The investment demand was better and came principally from local banks who were buying for their own accounts and for the accounts of foreign correspondents. The demand exceeded the supply substantially and dealers aggregate portfolios were reduced by about \$30,000,000 to the lowest they have been since the week of March 19. Early in the week dealers reported a good demand for 5 and 6 months' bills and they reduced rates on these maturities by 1/8 per cent. Rates on other maturities unchanged. Philadelphia reports that its bill market was inactive again. Dealers reported very few new bills coming out during the week with no demand. Offerings to the reserve bank were practically nil as its buying rates were out of line with market rates. In Chicago dealers reported that the local bill market was unusually quiet during the past week. Dallas reports that its bill market showed practically no change from the previous week. There was really no demand for bills and offerings to the reserve bank were light.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of \$	445,000	par amount	3 1/8%	certificates of indebtedness, due September 15, 1930, account German Special Deposit Account
	1,200,000	" "	3 1/2%	Treasury notes due March 15, 1930-32, account Alien Property Custodian
	<u>\$1,645,000</u>	Total Sales		

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total amount of holdings in the System Account during the current statement week, the amount remaining at the close of business Wednesday, May 14, 1930, at \$327,300,000, and the maturities practically unchanged. 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

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 39,616,000	May 19, 1930 - Treas. Bills	\$ 26,000,000
New York	63,535,500	July 14, 1930 - " "	20,000,000
Philadelphia	31,114,500	June 16, 1930 - 4 7/8% C/I	23,360,000
Cleveland	39,830,500	Sept. 15, 1930 - 3 1/8% "	79,075,000
Richmond	11,487,500	Dec. 15, 1930 - 3 1/4% "	68,300,000
Atlanta	6,227,500	Mar. 15, 1932 - 3 1/2% T/N	11,555,000
Chicago	50,456,500	Sept. 15, 1932 - 3 1/2% "	54,735,000
St. Louis	10,642,500	Dec. 15, 1932 - 3 1/2% "	39,825,000
Minneapolis	15,766,000	4th L/L - 4 1/4% bonds	4,450,000
Kansas City	15,921,500		
Dallas	15,649,500		
San Francisco	<u>27,052,500</u>		
Totals	<u><u>\$327,300,000</u></u>		<u><u>\$327,300,000</u></u>

NOTE: At the request of the Federal Reserve Banks of Minneapolis and Kansas City, their participations of government securities in the System Account were increased \$5,000,000 and \$10,000,000 respectively. These sales were made from the Federal Reserve Bank of New York's participation in the Account.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 14, 1930
(000 Omitted)

	1-30 days <u>2 1/2 - 3%</u>	31-60 days <u>2 1/2 - 3%</u>	61-90 days <u>2 1/2 - 3%</u>	Over 90-days <u>2 5/8%</u>	Total
Boston	\$ 186	\$ 146	\$ 0	\$ 0	\$ 332
New York	14,737	14,533	351	3,676	33,297
Philadelphia	64	35	44	0	143
Chicago	388	977	0	0	1,365
Dallas	30	43	65	0	138
San Francisco	<u>470</u>	<u>736</u>	<u>15</u>	<u>4</u>	<u>1,225</u>
Totals	<u>\$15,875</u>	<u>\$16,470</u>	<u>\$475</u>	<u>\$3,680</u>	<u>\$36,500</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 14, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$25,859	\$36,500	\$62,359
Sold	25,836	0	25,836
Matured	0	<u>27,646</u>	<u>27,646</u>
		\$ 8,854+	\$ 8,877+
		4,846+ (Net Change 1-day holdover & other bills)	4,846+ (Net Change 1-day holdover & other bills)
Totals	<u>\$ 23+</u>	<u>\$13,700+</u>	<u>\$13,723+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MAY 14, 1930
(000 Omitted)

(Including Sales Contracts)

	Within <u>15-days</u>	16-30 <u>days</u>	31-60 <u>days</u>	61-90 <u>days</u>	91 days- <u>6 months</u>	Over 6 <u>months</u>	Total
Gov't Securities	\$ 35,115	\$ 0	\$49,642	\$39,500	\$84,642	\$319,003	\$527,902
Bills Purchased	<u>86,374</u>	<u>38,448</u>	<u>36,375</u>	<u>9,417</u>	<u>421</u>	<u>0</u>	<u>171,035</u>
Totals	<u>\$121,489</u>	<u>\$38,448</u>	<u>\$86,017</u>	<u>\$48,917</u>	<u>\$85,063</u>	<u>\$319,003</u>	<u>\$698,937</u>

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Authority E.O. 10501

May 10, 1930

Dear Mr. Matteson:

I acknowledge receipt of and shall bring to the attention of the members of the Board your letter of May 9th, enclosing report of transactions in Government securities and bankers acceptances as reported to your Committee for the period from May 1 to May 7, 1930 inclusive.

Very truly yours,

E. M. McClelland,
Assistant Secretary

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

DECLASSIFIED
Authority E.O. 10501

*Mr. Riefler
Smead
Collins*

RECEIVED
MAY 10 1930
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

May 9, 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 May 1 to May 7, 1930 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

Enc.

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FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY 10 1930
OFFICE OF
THE GOVERNOR

R. A. Y.
MAY 10 1930

PERSONAL

May 9, 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 May 1 to May 7, 1930 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.

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

RECEIVED
MAY 10 1930
OFFICE OF
THE GOVERNOR

CONFIDENTIAL

May 9, 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 May 1 to May 7, 1930 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.

Enc.

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CONFIDENTIAL**REPORT OF OPEN MARKET INVESTMENT COMMITTEE WEEK ENDED MAY 7, 1930**

Holdings of Earning Assets of Federal Reserve Banks from May 8, 1929 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1929-						
May 8	\$1,281,912	\$137,907	\$11,581	\$108,197	\$48,984	\$ 962,022
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. 31	1,547,517	487,292	23,295	236,974	155,235	632,421
-1930-						
Jan. 29	1,154,379	476,466	70	185,677	72,795	406,941
Feb. 26	1,138,522	477,610	5,145	232,521	66,785	342,781
Mar. 26	1,001,090	526,284	2,715	143,772	112,710	206,829
April 23	1,004,963	527,198	190	177,870	78,999	211,491
April 30	982,225	527,124	2,385	161,846	47,718	233,452
May 7	951,095	527,614	230	136,652	38,551	237,448

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 7, 1930
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	May 7	Change	May 7	Change	May 7	Change
Boston	\$ 40,323	0	\$ 9,599	\$ 232-	\$ 14,979	\$ 1,242+
New York	192,863	0	7,087	4,349-	57,185	15,915+
Philadelphia	46,125	0	6,919	966-	27,770	1,811-
Cleveland	49,996	0	16,248	3,258-	20,955	238+
Richmond	12,640	0	8,102	832-	17,623	1,308-
Atlanta	8,827	35+	19,365	2,335-	25,190	462-
Chicago	70,384	0	11,803	5,381-	21,900	1,398-
St. Louis	19,268	0	9,442	383-	13,606	2,512-
Minneapolis	18,387	90-	7,136	1,455-	4,249	568+
Kansas City	6,424	500+	11,111	560-	13,825	1,274-
Dallas	25,682	45+	5,454	703-	9,192	1,002+
San Francisco	36,695	0	22,248	4,977-	10,974	6,204+
N. Y. holdovers and other bills			2,138	237+		
Totals	\$527,614	\$490+	\$136,652	\$25,194-	\$237,448	\$3,996+

COMMENT ON CHANGES WEEK ENDED MAY 7, 1930

Total earning assets of the System showed a decrease of \$31,130,000 for the current statement week. The changes, by classification, consisted of increases of \$490,000 and \$3,996,000 in outright purchases of government securities and bills discounted respectively, and decreases of \$25,194,000 in outright purchases of bankers acceptances and \$11,322,000 in investments held under sales contracts. The latter item consisted of a decrease of \$2,155,000 in government securities and \$9,167,000 in bankers acceptances.

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Money
Market

Following the slight month-end firming in rates for new loans on the Stock Exchange, call money declined from 4 per cent for renewals at the opening of the period to 3 1/2 per cent on Friday, May 2, the day the reduction in the New York Bank's discount rate became effective. Renewals at 3 1/2 per cent through May 6 were followed each day by declines to 3 per cent in the Exchange new loan rate, and on May 7 the renewal rate reached 3 per cent, the lowest since the temporary ease of the March Treasury financing period. Although the Exchange rate for new loans did not fall below 3 per cent, money was loaned at 2 1/2 per cent in the outside market. Demand for accommodation continued rather limited throughout the period and large amounts of funds remained unlent on the Exchange at the close of most days of the week.

There was a large outflow of funds to other districts during the first few days of the month, and although member bank reserve requirements were reduced from their month-end peak the New York City banks still had to borrow rather heavily at the Reserve Bank in order to maintain their average reserve position. A large part of these borrowings were repaid later in the week when funds began to return to the market from out-of-town, but as Reserve Bank bill transactions (principally an excess of maturities over outright purchases) took funds out of the market, the indebtedness of the City banks showed some net increase for the week and averaged \$54,000,000, a figure more than double that of the previous week.

Time money also eased during the week; both nominal and trading rates declined 1/4 per cent. Ninety day loans were arranged at 3 3/4 per cent, equaling the temporary level of March, which was the lowest in five years. Nominal quotations at the close of business on Wednesday, May 7, were: 30 days 3 1/2 per cent flat; 60 days 3 1/2 bid, 3 3/4 per cent asked; 90 days 3 3/4 per cent flat; and 4 to 6 months 3 3/4 bid, 4 per cent asked.

Commercial paper was unchanged in discount at the 3 3/4 - 4 per cent range in effect since late in March. There was a slightly easier tendency noticeable, however, in that sales at the lower rate increased, and a few offerings of especially choice paper were made at 3 1/2 per cent. Demand was reported as moderately active with supplies generally in fair volume.

Government
Security
Market

Accompanying easier money conditions, the market for United States government securities has shown a marked improvement. The volume of trading, which has been rather light for some time, increased during the current statement week with the demand good for all maturities. Prices of both the long and short-term issues showed fractional increases for the week, the long-term bonds 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
4 7/8% Cert. of Ind. due June 16, 1930	100 9/32	-	2.13
3 1/8% " " " " Sept. 15, 1930	100 5/32	+3/32	2.66
3 1/4% " " " " Dec. 15, 1930	100 5/32	+3/32	2.98
3 1/2% Treasury Notes " Mar. 15, 1932	100 5/32	+4/32	3.30
3 1/2% " " " " Sept. 15, 1932	100 5/32	+4/32	3.30
3 1/2% " " " " Dec. 15, 1932	100 5/32	+4/32	3.32
Treasury Bills " May 19, 1930	2 3/4% - 2	% discount	
" " " July 14, 1930	2 3/4% - 2 1/4%	"	

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Closing Prices on 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	100 9/32	+ 8/32	Treas. 4s 1944-54	108	+22/32
1st 4 1/4s	101 18/32	+ 6/32	" 4 1/4s 1947-52	112 8/32	+31/32
4th 4 1/4s	102 4/32	+12/32	" 3 3/4s 1946-56	105 17/32	+27/32
			" 3 3/8s 1943-47	101	+18/32
			" 3 3/8s 1940-43	101 4/32	+22/32

Bankers
Acceptances

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

Reports
Week
Ending
May 7

Boston reports that there was little change in its bill market. The supply of new bills, as reported by dealers, showed a slight increase over the previous period. While the total amount of bills sold by dealers was less than the previous week, the amount sold to local banks was slightly greater. Dealers' offices in other cities called for Boston bills which were shipped to amount of \$3,200,000 against \$1,700,000 received. The recent lowering of rates had little effect upon local conditions. In New York the bill market was fairly active throughout the week. The first few days of the period the supply exceeded the demand moderately but money became easier the last two days and a better investment demand developed particularly for 90-day maturities with few new bills coming out. Dealers reduced rates three times during the week by about 1/8 each time, the first reduction occurring on May 1 following the reduction in the discount rate of the Bank of England and the Bank of France, the second occurred on May 2 following the reduction in discount rate of the Federal Reserve Bank of New York, the third occurred on May 7 after money had become easier making dealers rates 2 5/8 bid up to 120 days offering at 2 1/2; 2 7/8 bid for 5 and 6 months offering at 2 3/4; indorsed bills 1/8 less. Philadelphia reports that its acceptance market was dull and unchanged. New bills continued scarce, although dealers reported portfolios slightly higher. There were no offerings to the reserve bank during the week, nor was there any demand for bills. Chicago reports that its local bill market was very quiet. Dealers reported the supply of bills small with practically no demand. Dallas reports that its bill market was very dull during the past week. The demand for bills and offerings to the reserve bank were very light.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Sales of	\$1,000,000 - 4 1/4%	Fourth Liberty Loan Bonds account Government Life Insurance Fund
	200,000 - 3 1/2%	Treasury Notes due March 15, 1930-32 account Alien Property Custodian
	410,000 - 3 1/8%	Treasury certificates of indebtedness due September 15, 1930 account German Special Deposit Account
	<u>\$1,610,000</u>	Total sales

and a purchase of

\$1,953,850 - 4 1/4%	Fourth Liberty Loan Bonds account General Railroad Contingent Fund
----------------------	---

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the total amount of holdings in the System Account during the current statement week, the amount remaining at the close of business Wednesday, May 7, at \$327,300,000. The participation by Federal reserve banks and the classification of issues at the close of the statement week were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 39,616,000
New York	78,535,500
Philadelphia	31,114,500
Cleveland	39,830,500
Richmond	11,487,500
Atlanta	6,227,500
Chicago	50,456,500
St. Louis	10,642,500
Minneapolis	10,766,000
Kansas City	5,921,500
Dallas	15,649,500
San Francisco	27,052,500

Totals \$327,300,000

RECAPITULATION OF HOLDINGS BY MATURITIES

May 19, 1930 - Treas. Bills	\$ 26,000,000
July 14, 1930 - " "	20,000,000
June 16, 1930 - 4 7/8% C/I	23,360,000
Sept. 15, 1930 - 3 1/8% "	79,075,000
Dec. 15, 1930 - 3 1/4% "	70,300,000
Mar. 15, 1932 - 3 1/2% T/N	9,555,000
Sept. 15, 1932 - 3 1/2% "	54,735,000
Dec. 15, 1932 - 3 1/2% "	39,825,000
4th L/L - 4 1/4% bonds	4,450,000

\$327,300,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MAY 1 TO MAY 7, 1930, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>
Boston	\$ 121,000	\$ 121,000
New York	240,000	240,000
Philadelphia	95,000	95,000
Cleveland	122,000	122,000
Richmond	35,000	35,000
Atlanta	19,000	19,000
Chicago	154,000	154,000
St. Louis	32,500	32,500
Minneapolis	33,000	33,000
Kansas City	18,000	18,000
Dallas	48,000	48,000
San Francisco	82,500	82,500
Totals	\$1,000,000	\$1,000,000

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$29,953,850	Misc. Gov't Sec.	\$29,953,850	Misc. Gov't Sec.
Atlanta	286,500	" "	251,700	" "
Minneapolis	697,450	" "	787,300	" "
Kansas City	500,000*	" "	0	-
Dallas	45,250	" "	0	-
Totals	\$31,483,050		\$30,992,850	

* Purchased from the Federal Land Bank of Omaha under repurchase contract.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings April 30	Purchased Own Mkt.	By Allot- ment from New York	Matur- ities & Sales	Holdings May 7	Other Holdings Close May 7, 1930	
						Sales Contracts	Other Bills
Boston	\$ 9,831	\$ 824 R.	\$ 0	\$ 1,056	\$ 9,599	\$ 5,370	\$ 78
New York	11,436	1,343 " 4,960 A.	0	5,692	7,087	29,001	923
Phila.	7,885	0	0	966	6,919	0	102
Cleve.	19,506	0	775	4,033	16,248	0	105
Richmond	8,934	102 R	496	1,430	8,102	0	44
Atlanta	21,700	0	542	2,877	19,365	0	546
Chicago	17,184	669 "	984	7,034	11,803	2,428	141
St. Louis	9,825	0	520	903	9,442	0	38
Minn.	8,591	0	321	1,776	7,136	0	24
Kan. City	11,671	0	489	1,049	11,111	0	32
Dallas	6,157	108 "	356	1,167	5,454	195	32
San Fran.	27,225	434 "	477	5,888	22,248	1,557	73
Totals	\$159,945	\$8,440	\$4,960	\$33,871	\$134,514	\$38,551	\$2,138
Bills held over night by New York for distribution to other F. R. Banks						-	0
Total						-	\$2,138

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDING MAY 7, 1930
(000 Omitted)

	1-30 days <u>2 3/4 - 3%</u>	31-60 days <u>2 3/4 - 3%</u>	61-90 days <u>2 3/4 - 2 7/8%</u>	Over 90 days <u>2 3/4%</u>	Total
Boston	\$ 306	\$ 444	\$ 74	0	\$ 824
New York	5,027	994	277	5	6,303
Richmond	0	57	45	0	102
Chicago	669	0	0	0	669
Dallas	22	56	30	0	108
San Francisco	344	90	0	0	434
Totals	<u>\$6,368</u>	<u>\$1,641</u>	<u>\$426</u>	<u>\$5</u>	<u>\$8,440</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDING MAY 7, 1930
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$32,483	\$ 8,440	\$40,923
Sold	31,993	200	32,193
Matured	0	33,671	33,671
		<u>\$25,431 -</u>	<u>\$24,941 -</u>
		237+ (Net Change 1-day holdover and other bills)	237+ (Net Change 1-day holdover and other bills)
Totals	<u>\$ 490+</u>	<u>\$25,194-</u>	<u>\$24,704-</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES MAY 7, 1930
(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	\$ 35,080	0	\$54,937	\$39,500	\$82,692	\$315,635	\$527,844
Bills Purchased	99,090	32,293	29,864	12,082	1,874	0	175,203
Totals	<u>\$134,170</u>	<u>\$32,293</u>	<u>\$84,801</u>	<u>\$51,582</u>	<u>\$84,566</u>	<u>\$315,635</u>	<u>\$703,047</u>