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Authority E.O. 10501

Mr. Reifler ✓
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 2, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations for
the period from August 25, 1932 to August 31, 1932 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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SEP -3 1932
DIVISION OF RESEARCH
AND STATISTICS.

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FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

September 2, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

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the period from August 25, 1932 to August 31, 1932 inclusive,
together with data received from Federal reserve banks.

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Assistant Deputy Governor

Encl.

REVISIONS
File No. 32.1

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For CIRCULATION

Gov. Meyer

~~Mr. Tolson~~

Mr. James

Mr. Moore

Mr. Miller

~~Mr. [unclear]~~

Mr. [unclear]

Mr. [unclear]

Mr. [unclear]

Please note - Initial and
return to Secretary's Office

File

Mr. Tolson

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 2, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from August 25, 1932 to August 31, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED AUGUST 31, 1932

Holdings of Earning Assets of Federal Reserve Banks from September 2, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Sept. 2	\$1,189,513	\$ 728,108	\$ 0	\$197,474	\$ 394	\$ 257,285
" 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 27	2,412,232	1,841,191	0	38,210	1,490	525,390
Aug. 24	2,319,249	1,851,061	0	35,433	0	426,704
" 31	2,324,484	1,851,315	400	34,098	0	432,756

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 31, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 31	Net Change	Balance Aug. 31	Net Change	Balance Aug. 31	Net Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 0	\$ 17,454	\$ 745-
New York	711,292	0	852	314-	90,476	446-
Philadelphia	139,325	0	78	0	62,938	1,451+
Cleveland	178,282	0	0	0	33,547	906+
Richmond	47,133	0	1,413	125-	26,174	417-
Atlanta	46,945	270+	70	95-	33,331	974+
Chicago	274,810	0	297	198-	31,276	342+
St. Louis	66,156	0	3	21-	11,619	373+
Minneapolis	54,712	16-	0	0	13,529	61-
Kansas City	57,267	0	0	0	20,432	109+
Dallas	30,721	0	17	4-	15,748	75-
San Francisco	123,444	0	534	586-	76,232	3,641+
N. Y. holdovers and other bills			30,834	8+		
Totals	\$1,851,315	\$254+	\$34,098	\$1,335-	\$432,756	\$6,052+

COMMENT ON CHANGES WEEK ENDED AUGUST 31, 1932

Total earning assets of the System showed an increase of \$5,235,000 for the current statement week. The principal changes by classification consisted of an increase of \$6,052,000 in bills discounted, and a decline of \$1,335,000 in outright holdings of bankers acceptances.

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Money
Market

Excess reserves of all member banks in the country are estimated to have amounted to \$319,000,000 on Wednesday, August 31, as compared with \$322,000,000 the preceding Wednesday. Surplus reserves averaged \$309,000,000 during the past statement week, an increase of \$21,000,000 over the previous reporting week. There occurred during the week an increase of \$30,000,000 in Treasury balances at the Reserve Banks, a moderate increase in reserve requirements of New York City banks, and a slight increase in the amount of money in circulation - less than usually occurs in a week including the month-end, but these demands for funds were counterbalanced by a further increase of \$22,000,000 in the country's monetary gold stock, the issuance of an additional \$19,000,000 of new National bank notes and a rise of \$6,000,000 in member bank borrowings, so that as a result excess member bank reserves showed little net change. During the forthcoming week, currency requirements for the Labor Day holiday will probably reduce excess reserves somewhat.

In New York, excess bank reserves also showed little variation, the surplus at the end of the week amounting to \$184,000,000, whereas on the preceding Wednesday the figure was \$188,000,000. A small amount of funds was placed in the market as a result of operations here, representing an inflow from other centers and releases of gold from earmark and gold imports, which exceeded a net withdrawal of funds from the market by the Treasury and an increase in the amount of currency outstanding. This net gain of funds, however, was more than absorbed by a further rise of \$10,000,000 in the amount of reserves required to be carried by New York City banks due to an increase in deposits.

The only change in money rates in the New York market during the week was an advance in the call loan rate outside the Exchange from 1 to 1 1/2 per cent on August 31 and September 1. Meanwhile the Stock Exchange call loan rate remained at 2 per cent, time money at the nominal quotation of 1 1/4 - 1 1/2 per cent, commercial paper at 2-2 1/4 per cent, and 90 day unendorsed bills at 3/4 of one per cent offered. Yields on short-term Government's and the federal funds rate likewise were steady.

Government
Security
Market

The market for United States Government securities, as a whole, continued quiet during the current statement week, with a slight increase in the volume of offerings. The demand continued good for the short and intermediate maturities and fell off somewhat for the long-term Treasury bonds. The First 3 1/2% and Fourth 4 1/4% Liberty Loan bonds were somewhat stronger. There was a large demand for the Treasury certificates maturing September 15, 1932, which were purchased in anticipation of the exchange privilege they might carry under the September Treasury offering. At the close of the current reporting period the average yield on short-term issues, at dealers' offering prices, was about 0.63% as compared with 0.67% at the close of the previous week, and the average selling price for Liberty Loan bonds was 101.81 and for Treasury bonds 101.16 as compared with the previous week's average closing price of 101.75 and 101.19 respectively.

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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>
1	1 1/8% Cert. of Ind. due Sept. 15, 1932	100 12/32 (Bid)	- - -	- - -
3	% " " " " " 15, 1932	100 12/32 "	- - -	- - -
3	1/8% " " " " Oct. 15, 1932	100 15/32	-1/32	- - -
3	1/4% Treasury Notes " Dec. 15, 1932	100 29/32	-2/32	.06%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 16/32	-1/32	.11%
3	3/4% " " " " Mar. 15, 1933	101 27/32	-2/32	.30%
2	% " " " " May 2, 1933	100 31/32	-1/32	.54%
1	1/2% " " " " June 15, 1933	100 19/32	+3/32	.73%
3	% Treasury Notes " May 2, 1934	102	- - -	1.77%
2	1/8% " " " Aug. 1, 1934	100 15/32	+1/32	1.87%
3	% " " " June 15, 1935	101 2/32	-1/32	2.60%
3	1/4% " " " Aug. 1, 1936	101 2/32	-1/32	2.96%

Treasury Bills - all maturities - 0.45% discount bid, 0.20% asked

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 27/32	+2/32	Treasury 4 1/4s 1947-52	107 18/32	+9/32
1st 4 1/4s	101 13/32	- - -	" 4s 1944-54	103 30/32	-2/32
4th 4 1/4s	103 6/32	+4/32	" 3 3/4s 1946-56	102 2/32	+2/32
			" 3 3/8s 1943-47	100 14/32	-1/32
			" 3 3/8s 1940-43	100 15/32	- - -
			" 3 3/8s 1941-43	100 16/32	+1/32
			" 3 1/8s 1946-49	97 26/32	-4/32
			" 3s 1951-55	96 17/32	-12/32

Bankers
Acceptances

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

Reports
week
ended
Aug. 31

Boston reported there was very little change in the local bill market during the past period. Accepting banks were not inclined to sell their bills, which resulted in a smaller supply. The demand was mostly for short bills and dealers found it necessary to import bills from their offices in other cities to fill their orders. In New York the volume of bills handled by dealers showed a moderate decrease as compared with the previous week. The demand continued good and whatever bills came into the market were immediately absorbed by local institutions which had surplus investment funds. Dealers' portfolios declined further to the very low level of \$5,000,000. Philadelphia reported that its acceptance market was inactive. Bills continued in good demand with the supply small. Chicago reported that the bill market in its district continued very dull. Dallas reported that there was a small demand for bills in its district and no offerings were made to the Reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of United States Government securities under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since member bank reserves continued well above \$200,000,000, there were no purchases of United States Government securities for the System Account during the current statement week pursuant to the program adopted at the meeting of the Open Market Policy Conference held in Washington on July 14, 1932. Transactions consummated in the System Account during the week consisted of:

(1) Exchanges in the market at advantageous rates of:

\$30,635,000 -1 1/8% C/I due Sept. 15, 1932	for \$13,500,000 -Treas. Bills due Oct. 19/32
4,400,000 -3 % " " " 15, 1932	3,750,000 -2 % C/I " May 2/33
900,000 -3 1/8% " " Oct. 15, 1932	5,500,000 -1 1/2% " " June 15/33
1,000,000 -3 1/4% T/N " Dec. 15, 1932	13,785,000 -2 1/8% T/N " Aug. 1/34
6,500,000 -3 1/2% 1st L/L Bds.	400,000 -3 % " " May 2/34
	6,500,000 -4 1/4% 4th L/L Bds.
\$43,435,000	\$43,435,000

(2) Redemption on August 31, 1932 and replacement:

<u>Redeemed</u>	<u>Purchased in the market</u>
\$61,029,000 maturing Treas. Bills	\$25,000,000 - 3 C/I due Sept. 15, 1932
	1,000,000 - 3 1/8% " " Oct. 15, 1932
	19,087,000 - Treas. Bills due Nov. 30, 1932
	14,000,000 - 3 3/4% C/I due Mar. 15, 1933
	1,942,000 - 2 1/8% T/N " Aug. 1, 1934
\$61,029,000	\$61,029,000

(3) Sale in the market of securities acquired temporarily to be held until such time as permanent replacement could be made:

<u>Sold</u>	<u>Replaced by purchase in the market</u>
\$2,500,000 - 3% C/I due Sept. 15, 1932	\$2,500,000 - 2% C/I due May 2, 1933
\$2,500,000	\$2,500,000

The aforementioned transactions did not affect the amount of total holdings in the System Account which remained at \$1,639,607,500. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 31, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	622,453,000
Philadelphia	135,919,000
Cleveland	178,282,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,655,500
Minneapolis	47,087,000
Kansas City	57,180,500
Dallas	20,721,000
San Francisco	123,443,500

RECAPITULATION OF HOLDINGS BY MATURITIES

Sept. 28, 1932 - Treas. Bills	\$ 19,500,000
Oct. 11, 1932 - " "	44,822,000
" 19, 1932 - " "	31,100,000
" 26, 1932 - " "	55,000,000
Nov. 9, 1932 - " "	14,500,000
" 16, 1932 - " "	42,500,000
" 23, 1932 - " "	38,677,000
" 30, 1932 - " "	19,087,000
Sept. 15, 1932 - 1 1/8% C/I	25,773,000
" 15, 1932 - 3 % "	115,159,500
Oct. 15, 1932 - 3 1/8% "	90,111,500
Dec. 15, 1932 - 3 1/4% T/N	112,697,000
Feb. 1, 1933 - 3 3/4% C/I	13,775,000
Mar. 15, 1933 - 3 3/4% "	170,025,000
May 2, 1933 - 2 % "	123,987,500
June 15, 1933 - 1 1/2% "	112,575,000
May 2, 1934 - 3 % T/N	75,725,000
Aug. 1, 1934 - 2 1/8% "	90,052,000
June 15, 1935 - 3 % "	78,100,000
Aug. 1, 1936 - 3 1/4% "	30,825,000
June 15, 1932/47-3 1/2% 1st L/L	53,025,000
" 15, 1932/47-4 1/4% 1st "	23,000,000
Oct. 15, 1933/38-4 1/4% 4th "	259,591,000

Totals \$1,639,607,500

\$1,639,607,500

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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 25, 1932 TO AUGUST 31, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Redemption and Sales</u>
Boston	\$ 6,261,000	\$ 6,261,000
New York	40,608,000	40,608,000
Philadelphia	8,867,000	8,867,000
Cleveland	11,631,000	11,631,000
Richmond	3,075,500	3,075,500
Atlanta	3,037,000	3,037,000
Chicago	12,995,500	12,995,500
St. Louis	4,282,500	4,282,500
Minneapolis	3,071,500	3,071,500
Kansas City	3,730,000	3,730,000
Dallas	1,351,000	1,351,000
San Francisco	8,054,000	8,054,000
Totals	\$106,964,000	\$106,964,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

		<u>Net Change From Previous Week</u>
Chicago	\$ 400,000	\$400,000+

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	<u>Purchases</u>		<u>Issue</u>		<u>Redemption and Sales</u>		<u>Issue</u>
New York	\$4,413,000	Nov. 30/32 Tr. Bills			\$4,413,000	Aug. 31/32 Tr. Bills	
Atlanta	494,950	Misc. Gov't Sec.			224,400	Misc. Gov't Sec.	
Minneapolis	552,500	" " "			569,200	" " "	
Totals	\$5,460,450				\$5,206,600		

BANKERS ACCEPTANCES
 (000 Omitted)

	<u>Holdings Aug. 24</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings Aug. 31</u>	<u>Other Holdings Close Aug. 31/32</u>	
				<u>Held in N.Y.</u>	<u>Held Else- where</u>		<u>Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	0	\$ 2,343
New York	1,166	0	0	314	0	852	0	10,214
Phila.	78	0	0	0	0	78	0	3,175
Cleve.	0	0	0	0	0	0	0	3,102
Richmond	1,538	350 R.	0	25	450	1,413	0	1,228
Atlanta	165	0	0	0	95	70	0	1,136
Chicago	495	0	0	0	198	297	0	4,131
St. Louis	24	0	0	21	0	3	0	1,004
Minn.	0	0	0	0	0	0	0	631
Kan. City	0	0	0	0	0	0	0	891
Dallas	21	0	0	0	4	17	0	860
San Fran.	1,120	0	0	0	586	534	0	2,119
Totals	\$4,607	\$350	0	\$360	\$1,333	\$3,264	0	\$30,834

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 31, 1932
(000 Omitted)

	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90-days</u>	<u>Total</u>
	-	-	1 1/2%	-	
Richmond	0	0	\$350	0	\$350

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 31, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>		<u>Total</u>
Purchased	\$112,424	\$ 350		\$112,774
Sold	46,728	0		46,728
Matured	65,442	1,693		67,135
		<u>\$1,343-</u>		<u>\$ 1,089-</u>
		8+ (Net Change	8+ (Net Change	
		1-day holdover	1-day holdover	
		and other bills)	and other bills)	
Totals	<u>\$ 254-</u>	<u>\$1,335-</u>		<u>\$ 1,081-</u>

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED AUGUST 31, 1932
(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	\$164,293	\$19,500	\$223,034	\$132,350	\$158,067	\$1,154,471	\$1,851,715
Bills Purchased	10,009	9,458	3,836	10,815	0	0	34,098
Totals	<u>\$174,302</u>	<u>\$28,938</u>	<u>\$226,870</u>	<u>\$143,165</u>	<u>\$158,067</u>	<u>\$1,154,471</u>	<u>\$1,885,813</u>

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DIVISION OF BANK OPERATIONS
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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 26, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations for
the period from August 18, 1932 to August 24, 1932 inclusive,
together with data received from Federal Reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

Division of Bank Operations
File No. 132.1

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*The Right ✓
Mr. Thompson*

FEDERAL RESERVE BANK
OF NEW YORK

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AUG 27 1932
DIVISION OF RESEARCH
AND STATISTICS

*Mr. Parry
See p. 2.*

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August 26, 1932

*Return to
Mr. Thompson*

Dr. E. A. Goldenweiser, Director,
Division of Research and Statistics,
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Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

Mr. Tolson	✓
Mr. Clegg	✓
Mr. Glavin	✓
Mr. Ladd	✓
Mr. Nichols	✓
Mr. Rosen	✓
Mr. Tracy	✓
Mr. Carson	✓
Mr. Egan	✓
Mr. Gurnea	✓
Mr. Harbo	✓
Mr. Hendon	✓
Mr. Jones	✓
Mr. Quinn	✓
Mr. Nease	✓
Miss Gandy	✓

Harrison Albrit
File

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CONFIDENTIAL

REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED AUGUST 24, 1932

Holdings of Earning Assets of Federal Reserve Banks from August 26, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Aug. 26	\$1,156,636	\$ 727,998	\$ 0	\$179,476	\$ 1,042	\$ 241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
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June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 27	2,412,232	1,841,191	0	38,210	1,490	525,390
Aug. 17	2,335,815	1,851,046	0	35,890	0	442,860-
" 24	2,319,249	1,851,061	0	35,433	0	426,704-

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS
DURING WEEK ENDED AUGUST 24, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 24	Net Change	Balance Aug. 24	Net Change	Balance Aug. 24	Net Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 0	\$ 18,199	\$ 169+
New York	711,292	0	1,166	76-	90,922	52-
Philadelphia	139,325	0	78	43+	61,487	1,518-
Cleveland	178,282	0	0	0	32,641	3,064-
Richmond	47,133	1+	1,538	1-	26,591	398-
Atlanta	46,675	17-	165	49-	32,357	1,267-
Chicago	274,810	0	495	187-	30,934	1,759-
St. Louis	66,156	0	24	2-	11,246	1,236-
Minneapolis	54,728	31+	0	0	13,590	87-
Kansas City	57,267	0	0	55-	20,323	44-
Dallas	30,721	0	21	15-	15,823	330-
San Francisco	123,444	0	1,120	115-	72,591	6,570-
N. Y. holdovers and other bills			30,826	0		
Totals	\$1,851,061	\$15+	\$35,433	\$457-	\$426,704	\$16,156-

COMMENT ON CHANGES WEEK ENDED AUGUST 24, 1932

Total earning assets of the System showed a decline of \$16,566,000 for the current statement week. The changes by classification consisted of decreases of \$457,000 in outright holdings of bankers acceptances and \$16,156,000 in bills discounted.

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2

Money
Market

During the past statement week, the estimated excess reserves of all member banks in the country averaged \$288,000,000, an increase of \$37,000,000 from the previous week's average surplus. Excess reserves on Wednesday, the 24th, amounted to \$322,000,000, an increase of \$56,000,000 from the \$266,000,000 figure of the preceding Wednesday. The increase in member bank reserve balances can be attributed to a net return of \$22,000,000 of currency to the Reserve Banks, an increase of \$18,000,000 in the monetary gold stock, a net reduction of \$19,000,000 in the Treasury balance at the Reserve Banks, a reduction of \$19,000,000 in the National Credit Corporation account at the Federal Reserve, and the issuance by the Treasury of \$11,500,000 of new National Bank notes. This increased supply of funds was used in part to retire an additional \$16,000,000 of member bank borrowings and to provide for a moderate increase in reserve requirements, but for the most part it went to increase excess reserves of the member banks at the Reserve Banks.

All of the increase in excess reserves of the member banks indicated above occurred in New York. In fact, the excess held by the principal New York City institutions was increased \$67,000,000, while the surplus reserves of all other member banks in the country declined \$11,000,000. There was an inflow of funds to New York from other parts of the country, in addition to the payment of \$19,000,000 from the National Credit Corporation account at the Reserve Banks to a New York bank in preparation for the retirement of an additional part of the outstanding debentures of that Corporation, and the gold gain which also centered in New York. There was also some gain to the New York market through the return of currency to the Reserve Bank. These gains considerably exceeded a loss through Treasury operations and some increase in reserve requirements for the period.

Money rates in New York again showed no variation except for a further slight decline in yields on short-term Government securities.

Government
Security
Market

Although the market for United States Government securities, for the current statement week as a whole, was not very active, the undertone was strong, with the demand for all of the short-term issues and some of the longer term bonds in excess of the supply. The demand was especially good for the Treasury certificates maturing September 15 (in anticipation of the exchange privilege they might carry for the September Treasury offering) and the First 3 1/2% Liberty Loan bonds. Prices for the short-term issues maturing up to next March 15 were steady, while prices for those maturing subsequent to March 15 and the Liberty Loan bonds advanced from 2/32 to 4/32. Prices for the Treasury bonds advanced from 1/32 to 11/32. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.67% as compared with 0.73% a week ago, and the average price for the Liberty Loan bonds was 101.75 and for the Treasury bonds 101.19 as compared with the previous week's average closing prices of 101.64 and 101.03 respectively.

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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>
1 1/8%	Cert. of Ind. due Sept. 15, 1932	100 7/32	- - -	- - -
3 %	" " " " " 15, 1932	100 10/32	- - -	- - -
3 1/8%	" " " " Oct. 15, 1932	100 16/32	- - -	- - -
3 1/4%	Treas. Notes " Dec. 15, 1932	100 31/32	-1/32	.05%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	101 17/32	- - -	.20%
3 3/4%	" " " " Mar. 15, 1933	101 29/32	- - -	.31%
2 %	" " " " May 2, 1933	101	+4/32	.53%
1 1/2%	" " " " June 15, 1933	100 16/32	+2/32	.87%
3 %	Treas. Notes " May 2, 1934	102	+3/32	1.78%
2 1/8%	" " " Aug. 1, 1934	100 14/32	+4/32	1.89%
3 %	" " " June 15, 1935	101 3/32	+3/32	2.59%
3 1/4%	" " " Aug. 1, 1936	101 3/32	+3/32	2.95%
Treasury Bills - August 31 maturity			- 0.50% discount bid, 0.20% asked	
" " - Sept., Oct. & Nov. maturities			- 0.50% " " 0.30% "	

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 25/32	+4/32	Treasury 4 1/4s 1947-52	107 9/32	+ 2/32
1st 4 1/4s	101 13/32	+3/32	" 4 s 1944-54	104	+ 2/32
4th 4 1/4s	103 2/32	+4/32	" 3 3/4s 1946-56	102	+ 1/32
			" 3 3/8s 1943-47	100 15/32	+11/32
			" 3 3/8s 1940-43	100 15/32	+ 2/32
			" 3 3/8s 1941-43	100 15/32	+11/32
			" 3 1/8s 1946-49	97 30/32	+ 7/32
			" 3 s 1951-55	96 29/32	+ 5/32

Bankers
Acceptances

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

Reports
week
ended
August 24

Boston reported that the supply of bills was inadequate to meet the demand for desired maturities during the past week. Buying by country banks improved considerably over the previous period and was confined to a few of the larger institutions. Short maturities were in best demand, dealers being obliged to import bills from their offices in other cities in order to obtain these maturities. In New York the bill market was more active this week, the volume of bills being heavier than any week since June 8. Dealers' purchases, while considerably larger than they have been for the past several weeks, were exceeded by their sales and aggregate portfolios were reduced further to approximately six millions. The bulk of the business was done locally and in many instances the banks who were selling their own bills were buyers of others. Philadelphia reported that its acceptance market continued inactive during the past week, principally because dealers were unable to obtain new bills to meet the good demand. Chicago reported that its bill market was very quiet. The demand was fair, few bills were offered. Dallas reported that there was no demand for bills in its district and that no offerings were made 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 consisted of a sale of \$100,000 - Fourth 4 1/4% Liberty Loan bonds for account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since member bank excess reserves continued well above \$200,000,000, there were no purchases of United States Government securities for the System Account during the current statement week pursuant to the program adopted at the meeting of the Open Market Policy Conference held in Washington on July 14, 1932. Transactions consummated in the System Account during the week consisted of:-

(1) Exchanges in the market at advantageous rates of:

<p>\$13,500,000-1st 3 1/2% L/L Bds 13,485,000-1 1/8% C/I due Sept. 15, 1932 2,000,000-3 % " " " 15, 1932 2,000,000-3 1/8% " " Oct. 15, 1932 3,000,000-3 % T/N " June 15, 1935</p> <hr/> <p>\$33,985,000</p>	<p>for \$13,500,000-4th 4 1/4% L/L Bds 2,500,000-Treas. Bills due Nov. 9, 1932 500,000- " " " " 16, 1932 7,485,000-2 % C/I " May 2, 1933 1,000,000-3 % T/N " " 2, 1934 9,000,000-2 1/8% " " Aug. 1, 1934</p> <hr/> <p>\$33,985,000</p>
---	---

(2) Redemption on August 24, 1932 and replacement:

<u>Redeemed</u>	<u>Purchased in the market</u>
<p>\$47,427,000 maturing Treasury Bills</p>	<p>\$38,677,000 - Treas. Bills due Nov. 23, 1932 5,100,000 - 2 % C/I " May 2, 1933 2,650,000 - 3 % T/N " " 2, 1934 1,000,000 - 2 1/8% " " Aug. 1, 1934</p>
<p>\$47,427,000</p>	<p>\$47,427,000</p>

(3) Sale in the market of securities acquired under resale agreement to be held until such time as permanent replacement could be made:

<u>Sold</u>	<u>Replaced by purchase in the market</u>
<p>\$2,000,000 - 3% C/I due Sept. 15, 1932</p>	<p>\$1,000,000 - 3 3/4% C/I due Mar. 15, 1933 1,000,000 - 2 1/8% T/N " Aug. 1, 1934</p>
<p>\$2,000,000</p>	<p>\$2,000,000</p>

The aforementioned transactions did not affect the amount of total holdings in the System Account which remained at \$1,639,607,500. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 24, 1932, were as follows:

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PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	622,453,000
Philadelphia	135,919,000
Cleveland	178,282,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,655,500
Minneapolis	47,087,000
Kansas City	57,180,500
Dallas	20,721,000
San Francisco	123,443,500

Totals \$1,639,607,500

RECAPITULATION OF HOLDINGS BY MATURITIES

Aug. 31, 1932 - Treas. Bills	\$ 61,029,000
Sept. 28, 1932 - " "	19,500,000
Oct. 11, 1932 - " "	44,822,000
" 19, 1932 - " "	17,600,000
" 26, 1932 - " "	55,000,000
Nov. 9, 1932 - " "	14,500,000
" 16, 1932 - " "	42,500,000
" 23, 1932 - " "	38,677,000
Sept. 15, 1932 - 1 1/8% C/I	56,408,000
" 15, 1932 - 3 % "	97,059,500
Oct. 15, 1932 - 3 1/8% "	90,011,500
Dec. 15, 1932 - 3 1/4% T/N	113,697,000
Feb. 1, 1933 - 3 3/4% C/I	13,775,000
Mar. 15, 1933 - 3 3/4% "	156,025,000
May 2, 1933 - 2 % "	117,737,500
June 15, 1933 - 1 1/2% "	107,075,000
May 2, 1934 - 3 % T/N	75,325,000
Aug. 1, 1934 - 2 1/8% "	74,325,000
June 15, 1935 - 3 % "	78,100,000
Aug. 1, 1936 - 3 1/4% "	30,825,000
June 15, 1932/47-3 1/2% 1st L/L	59,525,000
" 15, 1932/47-4 1/4% 1st "	23,000,000
Oct. 15, 1933/38-4 1/4% 4th "	<u>253,091,000</u>

\$1,639,607,500

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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 18 TO AUGUST 24, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Redemptions and Sales
Boston	\$ 4,882,500	\$ 4,882,500
New York	31,665,500	31,665,500
Philadelphia	6,915,000	6,915,000
Cleveland	9,069,500	9,069,500
Richmond	2,398,500	2,398,500
Atlanta	2,369,000	2,369,000
Chicago	10,134,000	10,134,000
St. Louis	3,339,500	3,339,500
Minneapolis	2,394,500	2,394,500
Kansas City	2,909,500	2,909,500
Dallas	1,053,500	1,053,500
San Francisco	6,281,000	6,281,000
TOTALS	\$83,412,000	\$83,412,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Redemptions and Sales	Issue
New York	\$12,573,000	Nov. 23/32 T.Bills	(a) \$10,000,000	Nov. 23/32 Tr.Bills
			2,573,000	Aug. 24/32 " "
Atlanta	462,700	Misc. Gov't Sec.	479,650	Misc. Gov't Sec.
Chicago	(b) 20,000,000	" " "	10,000,000	" " "
			10,000,000	Aug. 24/32 Tr. Bills
Minneapolis	977,750	" " "	947,200	Misc. Gov't Sec.
TOTALS	\$34,013,450		\$33,999,850	

- (a) Sold to F.R.B. Chicago to replace Aug. 24 Treas. Bills taken over temporarily by Chicago on June 29, owing to low reserve position of New York on that date.
- (b) Includes \$10,000,000 Nov. 23/32 Treas. Bills purchased from F.R.B. N.Y, portfolio to replace maturing Aug. 24/32 Treas. Bills acquired from that bank on June 29.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Aug. 17	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Aug. 24	Other Holdings Close Aug. 24/32	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	0	\$ 2,343
New York	1,242	0	0	76	0	1,166	0	10,206
Phila.	35	43 R.	0	0	0	78	0	3,175
Cleve.	0	0	0	0	0	0	0	3,102
Richmond	1,539	0	0	0	1	1,538	0	1,228
Atlanta	214	0	0	43	6	165	0	1,136
Chicago	682	0	0	0	187	495	0	4,131
St. Louis	26	0	0	2	0	24	0	1,004
Minn.	0	0	0	0	0	0	0	631
Kan. City	55	0	0	55	0	0	0	891
Dallas	36	0	0	15	0	21	0	860
San Fran.	1,235	11 "	0	11	115	1,120	0	2,119
Totals	\$5,064	\$54	0	\$202	\$309	\$4,607	0	\$30,826

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 24, 1932
(000 Omitted)

	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>Over 90-days</u>	<u>Total</u>
	-	-	2 1/2%	-	
Philadelphia	0	0	\$43	0	\$43
San Francisco	<u>0</u>	<u>0</u>	<u>11*</u>	<u>0</u>	<u>11</u>
Totals-	<u>0</u>	<u>0</u>	<u>\$54</u>	<u>0</u>	<u>\$54</u>

*Purchased at 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 24, 1932
(000 Omitted)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Totals</u>
Purchased	\$117,426	\$ 54	\$117,480
Sold	57,411	0	57,411
Matured	60,000	<u>511</u>	<u>60,511</u>
		\$457-	\$ 442-
		0 (Net Change 1-day holdover & other bills)	0 (Net Change 1-day holdover & other bills)
Totals	<u>\$ 15+</u>	<u>\$457-</u>	<u>\$ 442-</u>

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED AUGUST 24, 1932
(000 Omitted)

	<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>Totals</u>
Gov't Securities	\$65,442	\$176,425	\$173,934	\$128,100	\$194,817	\$1,112,343	\$1,851,061
Bills Purchased	<u>8,111</u>	<u>8,529</u>	<u>8,447</u>	<u>10,346</u>	<u>0</u>	<u>0</u>	<u>35,433</u>
Totals	<u>\$73,553</u>	<u>\$184,954</u>	<u>\$182,381</u>	<u>\$138,446</u>	<u>\$194,817</u>	<u>\$1,112,343</u>	<u>\$1,886,494</u>

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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 19, 1932

Mr. E. I. Smead,
Chief, Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations for the period from August 11 to August 17, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

Division of Bank Operations
File No. 1321

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AUG 20 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

Mr. Thompson
Mr. Riefler
Mr. Thompson

CONFIDENTIAL

August 19, 1932

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations for the period from August 11 to August 17, 1932 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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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller absent
Mr. [unclear] ✓
Mr. [unclear] ✓
Mr. [unclear] ✓
Take note - initial and
return to Secretary's office
File

CONFIDENTIAL

August 19, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from August 11 to August 17, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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 REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED AUGUST 17, 1932

Holdings of Earning Assets of Federal Reserve Banks from August 19, 1931 to Date
 (COO Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Aug. 19	\$1,118,229	\$ 727,890	\$ 0	\$153,934	\$ 694	\$ 230,609
" 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 27	2,412,232	1,841,191	0	38,210	1,490	525,390
Aug. 10	2,347,678	1,851,011	0	36,530	2,190	451,938
" 17	2,335,815	1,851,046	0	35,890	0	442,860

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS
DURING WEEK ENDED AUGUST 17, 1932
 (OOO Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	Aug. 17	Change	Aug. 17	Change	Aug. 17	Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 0	\$ 18,030	\$2,370-
New York	711,292	0	1,242	281-	90,974	3,516-
Philadelphia	139,325	0	35	0	63,005	1,316-
Cleveland	178,282	0	0	0	35,705	1,618-
Richmond	47,132	0	1,539	160-	26,989	134+
Atlanta	46,692	85+	214	84-	33,624	3,139+
Chicago	274,810	0	682	104-	32,693	515-
St. Louis	66,156	0	26	8-	12,482	33+
Minneapolis	54,697	50-	0	0	13,677	31+
Kansas City	57,267	0	55	0	20,367	857-
Dallas	30,721	0	36	5-	16,153	857-
San Francisco	123,444	0	1,235	3-	79,161	1,366-
N. Y. holdovers and other bills			30,826	5+		
Totals	\$1,851,046	\$35+	\$35,890	\$640-	\$442,860	\$9,078-

COMMENT ON CHANGES WEEK ENDED AUGUST 17, 1932

Total earning assets of the System showed a decline of \$11,863,000 for the current statement week. The changes, by classification, consisted of decreases of \$640,000 in outright holdings of bankers acceptances, \$2,190,000 in bankers acceptances held under sales contracts and \$9,078,000 in bills discounted.

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2

Money
Market

During the past statement week, excess reserves of all member banks in the country are estimated to have averaged \$251,000,000, as compared with \$215,000,000 in the previous week. This increase reflects principally the maintenance during the past week of the higher level of reserves reached at the end of the preceding period. The gain to member bank reserve balances arising from an increase of \$41,000,000 in the monetary gold stock of the country was largely offset by a restoration of Treasury balances at the Reserve Banks to a more normal figure and by a further decline in member bank borrowings to \$443,000,000, a new low level since last September.

At the end of the week, excess reserves of the New York money market banks amounted to \$121,000,000, whereas on the preceding Wednesday the surplus amounted to \$116,000,000. Reserve balances of these banks rose \$10,000,000 while their reserve requirements advanced \$5,000,000. The gain to the New York money market represented chiefly payments to City banks of the proceeds of gold released from earmark, and of imported gold. The week's gain of gold brought the increase in the country's gold stock from the June low to \$142,000,000. Most of the gold released from earmark was used to provide funds for the redemption of \$33,000,000 of Paris-Lyons-Mediterranean Railroad Company bonds which were called for payment on August 15. The principal offset to the market's gain of funds through gold operations was through a net withdrawal of funds by the Treasury.

Money rates in the New York market were entirely unchanged during the past week. Call loans were 2 per cent on the Exchange and 1 per cent in the outside market; time money at 2 - 2 1/4 per cent; 90 day bills at 3/4 per cent offered; and federal funds at 1/8 - 1/4 per cent.

Government
Security
Market

On Thursday and Friday of the current reporting period the market for United States Government securities was firm. In the long-term bonds there was a good demand, particularly for the issues eligible to secure currency, other issues moving upwards in sympathy. On Saturday, however, following the Attorney General's ruling that under the law the currency privilege carried by these bonds was limited to three years, these issues sold off about two points. The remaining issues of Liberty Loan and Treasury Bonds, with the exception of the long 4 1/4% Treasury Bonds of 1947-52 which advanced 1/32nd, showed recessions in prices of from 3/32nds to 13/32nds. In the early part of the week the market for short-term Governments showed some weakness but developed a good undertone toward the close of the period at which time there was an excellent demand for most issues, particularly the September 1932 maturities which were being acquired for a possible exchange privilege they might carry for the September 15 offering.

At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about .71% as compared with .73% at the close of the previous week, and the average price for Liberty Loan bonds was 101.64 and for the Treasury Bonds 101.03, as compared with the previous week's average closing prices of 101.79 and 101.56 respectively.

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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>
1	1/8% Cert. of Ind. due Sept. 15, 1932	-	-	-
3	% " " " " " 15, 1932	-	-	-
3	1/8% " " " " Oct. 15, 1932	100 16/32	-1/32	-
3	1/4% Treas. Notes " Dec. 15, 1932	101	-1/32	.14%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 17/32	-	.34%
3	3/4% " " " " Mar. 15, 1933	101 29/32	-1/32	.41%
2	% " " " " May 2, 1933	100 28/32	-	.74%
1	1/2% " " " " June 15, 1933	100 14/32	+2/32	.96%
3	% Treas. Notes " May 2, 1934	101 29/32	-	1.85%
2	1/8% " " " Aug. 1, 1934	100 10/32	+5/32	1.95%
3	% " " " June 15, 1935	101	-	2.63%
3	1/4% " " " Aug. 1, 1936	101	+6/32	2.97%
Treasury Bills Aug. maturities - 0.50% discount bid, 0.20% asked				
"	" Sept. 28 & Oct. 11	" - 0.50%	"	" 0.30% "
"	" Oct. 19 & " 26	" - 0.60%	"	" 0.30% "
"	" Nov.	" - 0.60%	"	" 0.30% "

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 21/32	-11/32	Treasury 4 1/4s 1947-52	107 7/32	+ 1/32
" 4 1/4s	101 10/32	- 4/32	" 4 s 1944-54	103 30/32	-13/32
4th 4 1/4s	102 30/32	-	" 3 3/4s 1946-56	101 31/32	- 3/32
			" 3 3/8s 1943-47	100 4/32	-16/32
			" 3 3/8s 1940-43	100 13/32	- 5/32
			" 3 3/8s 1941-43	100 4/32	-20/32
			" 3 1/8s 1946-49	97 23/32	-1.6/32
			" 3 s 1951-55	96 24/32	-1.6/32

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

Reports Week Ended Aug. 17 Boston reported that there was a small improvement in the demand for bills in its market during the past week, with the supply insufficient to meet the demand and dealers were obliged to import \$1,658,000 from their offices in other cities. In New York the bill market during the week was typical of the situation that has obtained for the past several weeks. A strong demand for bills still continued and with a diminishing supply, dealers' portfolios were further reduced to \$7,600,000, the lowest on record. Of the bills sold by the dealers, large local banks, in an effort to employ excess reserves, took a very substantial portion, while a moderate amount was purchased by the reserve bank for application on foreign orders. Comparatively few bills were sold out-of-town. Philadelphia reported that its bill market was less active during the past week. The demand continued good, with the supply dried up. Bankers were holding bills rather than selling. Chicago reported that the bill market in its district continued very quiet with the demand fair. Dallas reported that the demand for bills was small and offerings to the reserve bank were negligible.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The following transaction was consummated under Treasury authorization during the current statement week:

Sale of \$300,000 - 4 1/4% Fourth L/L Bonds
for account of Alien Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Since member bank excess reserves were well above \$200,000,000 and the four weeks of minimum purchases of \$5,000,000 had been completed there were no purchases of United States government securities for the System Account during the current statement week under authorization granted at the meeting of the Open Market Policy Conference held in Washington on July 14, 1932. Transactions effected in the Account during the week were as follows:

Exchanges in the market at advantageous rates of:

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">\$15,000,000</td> <td style="width: 35%;">Treas. Bills due 8/31/32</td> <td style="width: 10%;">for</td> <td style="width: 15%;">\$ 2,000,000</td> <td style="width: 15%;">Treas. Bills due 10/11/32</td> </tr> <tr> <td>12,000,000</td> <td>- 1 1/8% C/I " 9/15/32</td> <td></td> <td>2,000,000</td> <td>" " " 10/19/32</td> </tr> <tr> <td>2,000,000</td> <td>- 3 % " " 9/15/32</td> <td></td> <td>7,000,000</td> <td>" " " 11/ 9/32</td> </tr> <tr> <td>2,000,000</td> <td>- 3 1/8% " " 10/15/32</td> <td></td> <td>500,000</td> <td>- 3 3/4% C/I " 2/ 1/33</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1,000,000</td> <td>- 2 % " " 5/ 2/33</td> </tr> <tr> <td></td> <td></td> <td></td> <td>6,000,000</td> <td>- 1 1/2% " " 6/15/33</td> </tr> <tr> <td></td> <td></td> <td></td> <td>1,000,000</td> <td>- 3 % T/N " 5/ 2/34</td> </tr> <tr> <td></td> <td></td> <td></td> <td>6,000,000</td> <td>- 2 1/8% " " 8/ 1/34</td> </tr> <tr> <td></td> <td></td> <td></td> <td>3,000,000</td> <td>- 3 % " " 6/15/35</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2,500,000</td> <td>- 3 1/4% " " 8/ 1/36</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$31,000,000</td> <td></td> <td></td> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$31,000,000</td> <td></td> </tr> </table>	\$15,000,000	Treas. Bills due 8/31/32	for	\$ 2,000,000	Treas. Bills due 10/11/32	12,000,000	- 1 1/8% C/I " 9/15/32		2,000,000	" " " 10/19/32	2,000,000	- 3 % " " 9/15/32		7,000,000	" " " 11/ 9/32	2,000,000	- 3 1/8% " " 10/15/32		500,000	- 3 3/4% C/I " 2/ 1/33				1,000,000	- 2 % " " 5/ 2/33				6,000,000	- 1 1/2% " " 6/15/33				1,000,000	- 3 % T/N " 5/ 2/34				6,000,000	- 2 1/8% " " 8/ 1/34				3,000,000	- 3 % " " 6/15/35				2,500,000	- 3 1/4% " " 8/ 1/36	\$31,000,000			\$31,000,000		
\$15,000,000	Treas. Bills due 8/31/32	for	\$ 2,000,000	Treas. Bills due 10/11/32																																																				
12,000,000	- 1 1/8% C/I " 9/15/32		2,000,000	" " " 10/19/32																																																				
2,000,000	- 3 % " " 9/15/32		7,000,000	" " " 11/ 9/32																																																				
2,000,000	- 3 1/8% " " 10/15/32		500,000	- 3 3/4% C/I " 2/ 1/33																																																				
			1,000,000	- 2 % " " 5/ 2/33																																																				
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\$31,000,000			\$31,000,000																																																					

Redemption on August 17, 1932

\$52,600,000 - maturing Treasury Bills

Replaced by purchase in the market

\$ 4,600,000	- Treas. Bills due 10/19/32
42,000,000	- " " " 11/16/32
1,500,000	- 3 3/4% C/I " 3/15/33
1,000,000	- 2 % " " 5/ 2/33
1,500,000	- 3 % T/N " 5/ 2/34
1,500,000	- 2 1/8% " " 8/ 1/34
500,000	- 3 % " " 6/15/35
\$52,600,000	

Sales in the market on August 11, 15 and 16, 1932 of

\$3,000,000 - 3 % C/I due 9/15/32
(in accordance with the terms of contract under which these certificates were purchased on July 20, 1932)

which was replaced by purchase in the market of

\$1,000,000	- 1 1/2% C/I due 6/15/33
2,000,000	- 2 1/8% " " 8/ 1/34
\$3,000,000	

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These transactions did not affect the amount of total holdings in the System Account which remained at \$1,639,607,500. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 17, 1932, were as follows:

PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	622,453,000
Philadelphia	135,919,000
Cleveland	178,282,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,655,500
Minneapolis	47,087,000
Kansas City	57,180,500
Dallas	20,721,000
San Francisco	123,443,500

RECAPITULATION OF HOLDINGS BY MATURITIES

Aug. 24, 1932	Treas. Bills	\$ 47,427,000
" 31, 1932	" "	61,029,000
Sept. 28, 1932	" "	19,500,000
Oct. 11, 1932	" "	44,822,000
" 19, 1932	" "	17,600,000
" 26, 1932	" "	55,000,000
Nov. 9, 1932	" "	12,000,000
" 16, 1932	" "	42,000,000
Sept. 15, 1932	- 1 1/8% C/I	69,893,000
" 15, 1932	- 3 % "	101,059,500
Oct. 15, 1932	- 3 1/8% "	92,011,500
Dec. 15, 1932	- 3 1/4% T/N	113,697,000
Feb. 1, 1933	- 3 3/4% C/I	13,775,000
Mar. 15, 1933	- 3 3/4% "	155,025,000
May 2, 1933	- 2 % "	105,152,500
June 15, 1933	- 1 1/2% "	107,075,000
May 2, 1934	- 3 % T/N	71,675,000
Aug. 1, 1934	- 2 1/8% "	63,325,000
June 15, 1935	- 3 % "	81,100,000
Aug. 1, 1936	- 3 1/4% "	30,825,000
June 15, 1932-47	-3 1/2% 1st L/L	73,025,000
" 15, 1932-47	-4 1/4% " "	23,000,000
Oct. 15, 1933-38	-4 1/4% 4th "	239,591,000

Totals \$1,639,607,500

\$1,639,607,500

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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 11 TO AUGUST 17, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Redemption and Sales
Boston	\$ 5,069,500	\$ 5,069,500
New York	32,876,000	32,876,000
Philadelphia	7,179,500	7,179,500
Cleveland	9,416,000	9,416,000
Richmond	2,489,500	2,489,500
Atlanta	2,459,500	2,459,500
Chicago	10,520,000	10,520,000
St. Louis	3,468,500	3,468,500
Minneapolis	2,487,500	2,487,500
Kansas City	3,020,000	3,020,000
Dallas	1,094,500	1,094,500
San Francisco	6,519,500	6,519,500
Totals	\$86,600,000	\$86,600,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week
 N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

	Purchases	Issue	Redemption and Sales	Issue
Boston	(a) \$10,000,000	Nov. 16/32 Tr. Bills	\$10,000,000	Aug. 17/32 Tr. Bills
New York	10,000,000	" 16/32 " "	(b) 10,000,000	Nov. 16/32 " "
Atlanta	1,077,100	Misc. Gov't Sec.	992,750	Misc. Gov't Sec.
Minneapolis	1,069,200	" " "	1,117,950	" " "
Totals	\$22,146,300		\$22,110,700	

- (a) Purchased from F.R.B. New York portfolio to replace maturing Aug. 17/32 Tr. Bills acquired from that bank on June 29.
- (b) Sold to F.R.B. Boston for replacement of Aug. 17/32 Tr. Bills taken over temporarily by Boston on June 29, owing to low reserve position of New York on that date.

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings Aug. 10	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings Aug. 17	Other Holdings Close Aug. 17, 1932	
				Held in N. Y.	Held Else- where		Sales Contracts	Other Bills
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	0	\$ 2,343
New York	1,523	101 R.	0	382	0	1,242	0	10,206
Phila.	35	0	0	0	0	35	0	3,175
Cleve.	0	0	0	0	0	0	0	3,102
Richmond	1,699	125 "	0	0	285	1,539	0	1,228
Atlanta	298	0	0	3	81	214	0	1,136
Chicago	786	0	0	0	104	682	0	4,131
St. Louis	34	0	0	8	0	26	0	1,004
Minn.	0	0	0	0	0	0	0	631
Kan. City	55	0	0	0	0	55	0	891
Dallas	41	7 "	0	12	0	36	0	860
San Fran.	1,238	155 "	0	0	158	1,235	0	2,119
Totals	\$5,709	\$388	0	\$405	\$628	\$5,064	0	\$30,826

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 17, 1932
(000 Omitted)

	<u>1-30 days</u> <u>1 1/2%</u>	<u>31-60 days</u> <u>1%</u>	<u>61-90 days</u> <u>1 1/2%</u>	<u>Over 90-days</u> <u>-</u>	<u>Total</u>
New York	\$ 0	\$101	\$ 0	0	\$101
Richmond	25	0	100	0	125
Dallas	4*	3	0	0	7
San Francisco	<u>104*</u>	<u>51**</u>	<u>0</u>	<u>0</u>	<u>155</u>
Totals	<u>\$133</u>	<u>\$155</u>	<u>\$100</u>	<u>0</u>	<u>\$388</u>

*Purchased at 1%

**Purchased at 1 to 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 17, 1932
(000 Omitted)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Totals</u>
Purchased	\$109,746	\$ 388	\$109,134
Sold	46,111	0	46,111
Matured	62,600	1,033	63,633
	-----	<u>\$ 645-</u>	<u>\$ 610-</u>
	-----	5+(Net Change 1-day holdover & other bills)	5+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 35+</u>	<u>\$ 640-</u>	<u>\$ 605-</u>

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED AUGUST 17, 1932
(000 Omitted)

	<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>Totals</u>
Gov't Securities	\$125,442	\$203,911	\$158,333	\$90,600	\$187,578	\$1,085,182	\$1,851,046
Bills Purchased	<u>8,353</u>	<u>10,455</u>	<u>10,532</u>	<u>6,550</u>	<u>0</u>	<u>0</u>	<u>35,890</u>
Totals	<u>\$133,795</u>	<u>\$214,366</u>	<u>\$168,865</u>	<u>\$97,150</u>	<u>\$187,578</u>	<u>\$1,085,182</u>	<u>\$1,886,936</u>

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Mr. Thompson
Mr. Riefler
Mr. Thompson

RECEIVED
AUG 13 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

August 12, 1932

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from August 4 to August 10, 1932 inclu-
sive, 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

CONFIDENTIAL

August 12, 1932

Mr. E. L. Smead,
Chief, Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations for the period from August 4 to August 10, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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Am. The [unclear]

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION

Gov. Meyer
Mr. Hamlin
Mr. James
Mr. Mingo
Mr. Miller
Mr. Fole
Mr.
Mr.

Please note - initial and
Return to Secretary's Office

File

CONFIDENTIAL

August 12, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from August 4 to August 10, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED AUGUST 10, 1932

Holdings of Earning Assets of Federal Reserve Banks from August 12, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
Aug. 12	\$1,064,781	\$ 727,961	\$ 0	\$100,590	\$35,148	\$ 194,980
" 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,371	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,231	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 27	2,412,232	1,841,191	0	38,210	1,490	525,390
Aug. 3	2,380,039	1,846,135	0	37,011	3,682	487,183
Aug. 10	2,347,678	1,851,011	0	36,530	2,190	451,938

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 10, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 10	Net Change	Balance Aug. 10	Net Change	Balance Aug. 10	Net Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 0	\$ 20,400	\$ 488-
New York	711,292	3,000+	1,523	212-	94,490	4,145-
Philadelphia	139,325	388+	35	30+	64,321	5,495-
Cleveland	178,282	525+	0	0	37,323	1,069-
Richmond	47,133	0	1,699	178-	26,855	1,115-
Atlanta	46,607	89-	298	17-	30,485	5,298-
Chicago	274,810	0	786	56-	33,208	2,603-
St. Louis	66,156	213+	34	5-	12,449	1,229-
Minneapolis	54,746	114+	0	0	13,646	298-
Kansas City	57,267	300+	55	0	21,224	2,411-
Dallas	30,721	0	41	12-	17,010	1,501-
San Francisco	123,444	425+	1,238	197-	80,527	9,593-
N. Y. holdovers and other bills			30,821	166+		
Totals	\$1,851,011	\$4,876+	\$36,530	\$481-	\$451,938	\$35,245-

COMMENT ON CHANGES WEEK ENDED AUGUST 10, 1932

Total earning assets of the System showed a decrease of \$32,361,000 for the current statement week. The changes, by classification, consisted of an increase of \$4,876,000 in outright holdings of government securities, and decreases of \$481,000 in outright holdings of bankers acceptances, \$1,492,000 in bankers acceptances held under sales contracts and \$35,245,000 in bills discounted.

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Money
Market

Excess reserves of all member banks in the United States are estimated to have averaged about \$215,000,000 during the past statement week, or slightly less than the average for the previous week. The excess on Wednesday was \$255,000,000, as compared with \$205,000,000 on the previous reporting date. The increase reflected to a large extent a temporary reduction in the Treasury balances maintained at the Reserve Banks to the low figure of \$26,000,000, due to large payments for account of the Reconstruction Finance Corporation. A continued gain of gold and a return flow of currency to the Reserve Banks also increased member bank reserve balances by a somewhat larger amount than they were reduced as a result of the repayment of member bank borrowings outside of New York City.

The excess reserves of the New York City money market banks were considerably increased during the week, reserve balances rising \$61,000,000, while reserve requirements increased only \$3,000,000. The surplus reserves held on Wednesday, the 10th, at \$116,000,000, consequently were twice as large as a week earlier. Fairly sizable gains occurred through an inflow of funds from other districts, representing a favorable balance of wire transfers and collections over payments to other districts for Government securities delivered in New York; through net Treasury disbursements in this market for the Reconstruction Finance Corporation; and through gold imports and releases of gold from earmark. New York bank reserves were also increased by smaller amounts due to currency deposits at the Reserve Bank and the purchase of an additional \$5,000,000 of Government securities for the System Special Investment.

The prevailing quotations for prime open market commercial paper have declined to a range of 2 - 2 1/4 per cent, a decrease of about 1/4 per cent from a week ago. The dealers who initiated the lower quotations secured a somewhat larger supply of paper which has been quickly moved due to the good investment demand for paper on the part of the banks. Federal funds are now quoted at 1/8 - 1/4 per cent, or slightly lower than on the preceding Thursday. Other money rates have shown no variation: call money at 2 per cent on the Exchange and 1 per cent in the outside market, and time money nominally at 1 1/4 - 1 1/2 per cent.

Government
Security
Market

The market for United States government securities was quite active during the entire week. The increased amount of trading in the long-term Treasury Bonds was largely confined to the issues which can be used to secure national bank notes. These issues advanced from 18/32nds to 1.3/32nds over the previous week's prices and established new high quotations for the year. All issues of Liberty Loan bonds declined fractionally. There was considerable liquidation in the new issues of two-year and four-year Treasury notes, with the result that prices receded from 2/32nds to 7/32nds during the week. The new 2 1/8% two-year notes are now selling at a premium of 7/32nds and the 3 1/4% four-year notes at a premium of 26/32nds.

At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about .73%, as compared with .66% at the close of the previous week, and the average price for the Liberty Loan bonds was 101.79 and for the Treasury Bonds 101.56, as compared with the previous week's average closing prices of 101.96 and 100.91, respectively.

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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>
1	1/8% Cert. of Ind. due Sept. 15, 1932	100 6/32	-	-
3	% " " " " " 15, 1932	100 12/32	-2/32	-
3	1/8% " " " " Oct. 15, 1932	100 17/32	-3/32	.09%
3	1/4% Treas. Notes " Dec. 15, 1932	101 1/32	-3/32	.22%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 17/32	-7/32	.47%
3	3/4% " " " " Mar. 15, 1933	101 30/32	-2/32	.47%
2	% " " " " May 2, 1933	100 28/32	-4/32	.78%
1	1/2% " " " " June 15, 1933	100 12/32	-4/32	1.04%
3	% Treas. Notes " May 2, 1934	101 29/32	-3/32	1.86%
2	1/8% " " " Aug. 1, 1934	100 7/32	-2/32	2.00%
3	% " " " June 15, 1935	101	-1/32	2.63%
3	1/4% " " " Aug. 1, 1936	100 26/32	-7/32	3.03%
Treasury Bills - August maturities - 0.50% discount bid, 0.20% asked				
	" " Sept. 28 and Oct. 11			
	" " Oct. 19, Oct. 26 and		0.30%	"
	" " Nov. 9 maturities-0.60%		0.30%	"

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	101	- 4/32	Treasury 4 1/4s 1947-52	107 6/32	+16/32
" 4 1/4s	101 14/32	-10/32	" 4 s 1944-54	104 11/32	+19/32
4th 4 1/4s	102 30/32	- 2/32	" 3 3/4s 1946-56	102 2/32	+ 2/32
			" 3 3/8s 1943-47	100 20/32	+18/32
			" 3 3/8s 1940-43	100 18/32	+18/32
			" 3 3/8s 1941-43	100 24/32	+24/32
			" 3 1/8s 1946-49	98 31/32	+1.3/32
			" 3 s 1951-55	98	+1.3/32

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

Reports Week Ended Aug. 10 Boston reported that the supply of bills in its district decreased considerably during the past period, with the demand fair. Sales of \$3,782,000 reflected chiefly the transaction of one local dealer. In New York the past week showed no slackening in the demand for bankers acceptances, but the supply of new bills to the market was in such small volume that dealers were not in a position to make substantial offerings with the result that their purchases and sales were moderate in amount. Dealers' portfolios were reduced to about \$12,000,000 at the end of the week. Philadelphia reported that its acceptances market was active. There was some improvement in the supply of new bills, the demand continuing good for bills of all maturities. Chicago reported that bills were scarce in its district with the demand fair. Dallas reported that there was a small demand for bills and that no offerings were made to the reserve bank.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of government securities for account of the United States Treasury during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States government securities for the System Account during the current statement week, under authorization granted at the meeting of the Open Market Policy Conference held in Washington on July 14, 1932, amounted to \$5,000,000, as follows:

\$5,000,000 aggregate amount 2 1/8% Treasury Notes due August 1, 1934

All of these purchases were made in the New York market.

Other transactions effected during the week consisted of:

Exchanges in the market at advantageous rates of

\$4,000,000 - 1 1/8% C/I due Sept. 15, 1932
 1,000,000 - 3 % " " " 15, 1932 for \$5,000,000-2 1/8% T/N due
 8/1/34

Redemption on August 10

\$16,000,000 - maturing Treasury Bills

Replaced by purchase in the market

\$ 5,000,000 - Treas. Bills due 11/ 9/32
 5,000,000 - 1 1/2% C/I " 6/15/33
6,000,000 - 2 1/8% T/N " 8/ 1/34

\$16,000,000

Sales in the market on August 4 and 9 of

\$16,000,000 - 3 % C/I due 9/15/32
 (in accordance with the terms of contract under which these certificates were purchased on July 8 and 20, 1932)

which was replaced by purchase in the market of

\$ 4,000,000 - Treas. Bills due 9/28/32
 4,500,000 - 3 1/4% T/N " 8/ 1/36
7,500,000 - 2 1/8% " " 8/ 1/34

\$16,000,000

The additional purchases during the week of \$5,000,000 government securities increased the amount of total holdings in the account to \$1,639,607,500. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, August 10, 1932, were as follows:

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PARTICIPATION BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 95,978,500
New York	622,455,000
Philadelphia	135,919,000
Cleveland	178,282,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,655,500
Minneapolis	47,087,000
Kansas City	57,180,500
Dallas	20,721,000
San Francisco	123,443,500

Aug. 17, 1932	Treas. Bills	\$ 52,600,000
" 24, 1932	" "	47,427,000
" 31, 1932	" "	76,029,000
Sept. 28, 1932	" "	19,500,000
Oct. 11, 1932	" "	42,822,000
" 19, 1932	" "	11,000,000
" 26, 1932	" "	55,000,000
Nov. 9, 1932	" "	5,000,000
Sept. 15, 1932-1	1/8% C/I	81,893,000
" 15, 1932-3	% "	106,059,500
Oct. 15, 1932-3	1/8% "	94,011,500
Dec. 15, 1932-3	1/4% T/N	113,697,000
Feb. 1, 1933-3	3/4% C/I	13,275,000
Mar. 15, 1933-3	3/4% "	153,525,000
May 2, 1933-2	% "	103,152,500
June 15, 1933-1	1/2% "	100,075,000
May 2, 1934-3	% T/N	69,175,000
Aug. 1, 1934-2	1/8% "	53,825,000
June 15, 1935-3	% "	77,600,000
Aug. 1, 1936-3	1/4% "	28,325,000
June 15, 1932-47-3	1/2% 1st L/L	73,025,000
" 15, 1932-47-4	1/4% " "	23,000,000
Oct. 15, 1933-38-4	1/4% 4th "	239,591,000

Totals \$1,639,607,500

\$1,639,607,500

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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 4 TO AUGUST 10, 1932, INCLUSIVE**

<u>GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT</u>				
	<u>Purchases</u>	<u>Redemption and Sales</u>	<u>Adjustments in Participations</u>	<u>Net Increase</u>
Boston	\$ 2,166,000	\$ 2,166,000	\$ 0	\$ 0
New York	17,191,500	14,041,500	150,000-	3,000,000
Philadelphia	3,455,000	3,067,500	0	387,500
Cleveland	4,548,500	4,023,500	0	525,000
Richmond	1,064,000	1,064,000	0	0
Atlanta	1,051,500	1,051,500	0	0
Chicago	4,497,500	4,497,500	0	0
St. Louis	1,694,000	1,481,500	0	212,500
Minneapolis	1,213,500	1,063,500	0	150,000
Kansas City	1,440,000	1,290,000	150,000+ *	300,000
Dallas	467,500	467,500	0	0
San Francisco	3,211,000	2,786,000	0	425,000
Totals	\$42,000,000	\$37,000,000	\$150,000 Adj.	\$5,000,000

*Represents allotment on Aug. 4 of share of \$5,000,000 purchases made on Aug. 3.

HOLDINGS IN GOVERNMENT SECURITIES - (SALES CONTRACTS)

	<u>Net Change From Previous Week</u>
N O N E	-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>		<u>Issue</u>	<u>Redemption and Sales</u>		<u>Issue</u>
Boston	(a) \$6,000,000	Nov. 9/32	Treas. Bills	\$ 6,000,000	Aug. 10/32	Tr. Bills
New York	6,000,000	" 9/32	" "	(b) 6,000,000	Nov. 9/32	" "
Atlanta	556,450	Misc. Gov't Sec.		644,750	Misc. Gov't Sec.	
Minneapolis	1,103,400	" " "		1,139,000	" " "	
Totals	\$13,659,850			\$13,783,750		

(a) Purchased from F.R.B. New York portfolio to replace maturing 8/10/32 Tr. Bills acquired from that bank on July 13.

(b) Sold to F.R.B. Boston for replacement of 8/10/32 Tr. Bills taken over temporarily by Boston on July 13, owing to low reserve position of New York bank on that date.

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings Aug. 3</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings Aug. 10</u>	<u>Other Holdings Close Aug. 10/32</u>	
				<u>Held in N.Y.</u>	<u>Held Else- where</u>		<u>Sales Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,343
New York	1,735	96 R	0	308	0	1,523	2,190	10,201
Phila.	5	30 "	0	0	0	35	0	3,175
Cleve.	0	0	0	0	0	0	0	3,102
Richmond	1,877	0	0	3	175	1,699	0	1,228
Atlanta	315	0	0	0	17	298	0	1,136
Chicago	842	0	0	0	56	786	0	4,131
St. Louis	39	0	0	5	0	34	0	1,004
Minn.	0	0	0	0	0	0	0	631
Kansas City	55	0	0	0	0	55	0	891
Dallas	53	0	0	7	5	41	0	860
San Fran.	1,435	0	0	0	197	1,238	0	2,119
Totals	\$6,356	\$126	0	\$323	\$450	\$5,709	\$2,190	\$30,821

NOTE: R. indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 10, 1932
(000 Omitted)

	1-30 days	31-60 days	61-90 days	Over 90-days	Total
	-	1%	2 1/2%	-	
New York	0	\$96	\$ 0	0	\$ 96
Philadelphia	0	0	30	0	30
Totals	0	\$96	\$30	0	\$126

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 10, 1932
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Totals
Purchased	\$55,660	\$126	\$55,786
Sold	28,784	0	28,784
Matured	22,000	773	22,773
		\$647-	\$ 4,229+
		166+ (Net Change 1-day holdover & other bills)	166+ (Net Change 1-day holdover & other bills)
Totals	\$ 4,876+	\$481-	\$ 4,395+

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED AUGUST 10, 1932
(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	\$122,600	\$80,442	\$240,412	\$204,834	\$146,074	\$1,056,649	\$1,851,011
Bills Purchased	9,438	6,404	11,012	11,866	0	0	38,720
Totals	\$132,038	\$86,846	\$251,424	\$216,700	\$146,074	\$1,056,649	\$1,889,731

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DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

Mr. [unclear]
Mr. [unclear]
Mr. [unclear]

CONFIDENTIAL

August 5, 1932

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from July 28 to August 3, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

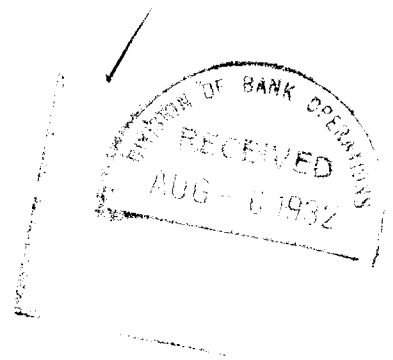
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK



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August 5, 1932

Mr. E. L. Smead,
Chief, Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from July 28 to August 3, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

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

W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. McCalland

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION

Gov. Meyer
Mr. Hamilton
Mr. James
Mr. Kagee
Mr. Miller
Mr. Pole
Mr.
Mr.
Please note - Initial and
return to Secretary's Office

CONFIDENTIAL

August 5, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from July 28 to August 3, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

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AUG - 6 1932
OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED AUGUST 3, 1932

Holdings of Earning Assets of Federal Reserve Banks from August 5, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
Aug. 5	\$ 941,582	\$ 680,631	\$ 0	\$ 63,105	\$ 2,969	\$ 188,575
" 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 27	2,412,232	1,841,191	0	38,210	1,490	525,380
Aug. 3	2,380,039	1,846,135	0	37,011	3,682	487,183

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED AUGUST 3, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance Aug. 3	Net Change	Balance Aug. 3	Net Change	Balance Aug. 3	Net Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 0	\$ 20,888	\$ 1,917-
New York	708,292	3,300+	1,735	316-	98,635	5,017-
Philadelphia	138,937	387+	5	2-	69,816	4,272-
Cleveland	177,757	525+	0	0	38,392	6,620-
Richmond	47,133	0	1,877	60-	27,970	399-
Atlanta	46,696	27-	315	8-	35,783	6,496-
Chicago	274,810	0	842	72-	35,811	5,101-
St. Louis	65,943	212+	39	0	13,678	186+
Minneapolis	54,632	122+	0	0	13,944	693+
Kansas City	56,967	0	55	0	23,635	631-
Dallas	30,721	0	53	56-	18,511	112+
San Francisco	123,019	425+	1,435	694-	90,120	8,735-
N. Y. holdovers and other bills			30,655	9+		
Totals	\$1,846,135	\$4,944+	\$37,011	\$1,199-	\$487,183	\$38,197-

COMMENT ON CHANGES WEEK ENDED AUGUST 3, 1932

Total earning assets of the System showed a decrease of \$32,193,000 for the current statement week. The changes, by classification, consisted of increases of \$4,944,000 in outright holdings of Government securities and \$2,192,000 in bankers acceptances held under sales contract, and decreases in outright holdings of bankers acceptances and bills discounted of \$1,199,000 and \$38,197,000 respectively.

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Money
Market

For all member banks in the country, excess reserves are estimated to have averaged about \$220,000,000 during the past week. This surplus of bank reserves was somewhat less than in the previous week, due to an increase in the amount of money in circulation over the turn of the month, a rise in Treasury balances at the Reserve Banks, and to the repayment of \$38,000,000 of member bank borrowings. All of these transactions exceeded the gain to bank reserves arising from an increase of \$27,000,000 in the United States monetary gold stock.

In the case of the New York City money market banks, excess reserves were reduced from \$120,000,000 to \$58,000,000 during the statement week just closed. Reserve requirements showed a net advance of \$3,000,000 while actual reserve balances declined \$59,000,000. The principal reason for the drop in reserve balances of the City banks was an outflow of funds to other centers representing payments to other districts for Government securities sold in the New York market. There were in addition smaller losses of funds occasioned by month-end currency withdrawals from the Reserve Banks and by Treasury operations. The Treasury transactions consummated during the week, although they did not result in any great change in the amount of funds available to the market, were of some magnitude, including as they did the sale of \$30,000,000 of new Treasury note issues for cash and the withdrawal of \$58,000,000 of funds from Government depositories, operations which somewhat exceeded net cash redemptions of \$31,000,000 of the maturing certificate issues and other net disbursements of \$45,000,000, of which a considerable part was for account of the Reconstruction Finance Corporation. Other Treasury transactions which had no effect on the market were the exchange of \$128,000,000 of maturing certificates for the new Treasury note issues, and the establishment of book credits for that part of the new issue so paid for.

Only partly offsetting the losses of funds to New York through the inter-district outflow, currency demand, and Treasury operations were gains resulting from imports of gold and releases of gold from amounts so held for foreign account. Also providing some gain to the market was the purchase of \$5,000,000 of Government securities for the System Special Investment Account and other miscellaneous transactions.

Money rates in New York were virtually unchanged during the past week. Call money held at 2 per cent, the official rate on the Stock Exchange, and at 1 per cent in the outside market; time loans at 1 1/4 - 1 1/2 per cent; and 90 day bills at 3/4 of one per cent offered. Yields on short-term Government securities moved very little, while the prevailing range for prime commercial paper in the open market narrowed to 2 1/4 - 2 1/2 per cent, as against 2 1/4 - 2 3/4 per cent formerly. Federal funds of late have been 1/4 per cent, as compared with 1/8 per cent formerly, this rate being particularly sensitive to any reduction in excess reserves of the City banks.

Government
Security
Market

The market for United States government securities during the current statement week was quiet but it had a firm undertone. There was less activity in the long-term issues, and while there was a slight recession in the quotations, the demand for the issues of Treasury Bonds which may be used to secure national bank notes remained firm and helped strengthen the entire list. With the exception of the new issues of two-year and four-year notes, the short-term government security market was inactive and eased off fractionally.

At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was

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about .66%, including the two new issues of Treasury Notes and .46% excluding these, as compared with .49% at the close of the previous week, and the average price for the Liberty Loan Bonds was 101.96 and of the Treasury Bonds 100.91, as compared with the previous week's average closing prices of 101.95 and 101.03 respectively.

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
1	1/8% Cert. of Ind. due Sept. 15, 1932	100 6/32	+1/32	- - -
3	% " " " " " 15, 1932	100 14/32	+1/32	- - -
3	1/8% " " " " Oct. 15, 1932	100 20/32	- - -	- - -
3	1/4% Treasury Notes " Dec. 15, 1932	101 4/32	- - -	0.13%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 24/32	-3/32	0.17%
3	3/4% " " " " Mar. 15, 1933	102	-1/32	0.47%
2	% " " " " May 2, 1933	101	-1/32	0.64%
1	1/2% " " " " June 15, 1933	100 16/32	+2/32	0.91%
3	% Treasury Notes " May 2, 1934	102	- - -	1.82%
2	1/8% " " " Aug. 1, 1934	100 9/32	-5/32	1.97%
3	% " " " June 15, 1935	101 1/32	-1/32	2.62%
3	1/4% " " " Aug. 1, 1936	101 1/32	+1/32	2.97%
Treasury Bills - August maturities - 0.45% discount bid, 0.15% asked				
" " - Sept. " - 0.45% " " 0.25% "				
" " - October " - 0.50% " " 0.25% "				

Closing Sale Price on the 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	101 4/32	- - -	Treasury 4 1/4s 1947-52	106 22/32	-6/32
1st 4 1/4s	101 24/32	-1/32	" 4s 1944-54	103 24/32	-4/32
4th 4 1/4s	103	+2/32	" 3 3/4s 1946-56	102	-8/32
			" 3 3/8s 1943-47	100 2/32	-1/32
			" 3 3/8s 1940-43	100	-4/32
			" 3 3/8s 1941-43	100	-4/32
			" 3 1/8s 1946-49	97 28/32	-2/32
			" 3s 1951-55	96 29/32	-2/32

Bankers
Acceptances

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

Reports
Week
Ended
Aug. 3

Boston reported that there was a good increase in the supply of bills in its district during the past period. The local demand, which was chiefly for short maturities, was not sufficient to take up the increased supply which necessitated dealers forwarding \$3,248,000 to their offices in other cities. In New York dealers reported a diminishing supply of new bills with a continuing strong demand, particularly for selective names, portfolios showed a further decline to slightly more than \$15,000,000, the lowest since April 30 last. There were no offerings for System Account, except for a sales contract made by one of the dealers, as a result of which, due to very light maturities, the System's holdings of bills increased moderately. Philadelphia reported that the demand for bills in its market continued good for all maturities and far exceeded the supply. New bills were at a premium. Chicago reported that the demand for bills was in excess of the supply in its district. Dallas reported that there were no offerings made to the reserve bank, with the demand negligible.

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 95,978,500
New York	619,453,000
Philadelphia	135,531,500
Cleveland	177,757,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,443,000
Minneapolis	46,937,000
Kansas City	56,880,500
Dallas	20,721,000
San Francisco	123,018,500

Aug. 10, 1932	Treas. Bills	\$ 16,000,000
" 17, 1932	" "	52,600,000
" 24, 1932	" "	47,427,000
" 31, 1932	" "	76,029,000
Sept. 28, 1932	" "	15,500,000
Oct. 11, 1932	" "	42,822,000
" 19, 1932	" "	11,000,000
" 26, 1932	" "	55,000,000
Sept. 15, 1932	- 1 1/8% C/I	85,893,000
" 15, 1932	- 3 % "	123,059,500
Oct. 15, 1932	- 3 1/8% "	94,011,500
Dec. 15, 1932	- 3 1/4% T/N	113,697,000
Feb. 1, 1933	- 3 3/4% C/I	13,275,000
Mar. 15, 1933	- 3 3/4% "	153,525,000
May 2, 1933	- 2 % "	103,152,500
June 15, 1933	- 1 1/2% "	95,075,000
May 2, 1934	- 3 % T/N	69,175,000
Aug. 1, 1934	- 2 1/8% "	30,325,000
June 15, 1935	- 3 % "	77,600,000
Aug. 1, 1936	- 3 1/4% "	23,825,000
June 15, 1932-47-3	1/2% 1st L/L	73,025,000
" 15, 1932-47-4	1/4% " "	23,000,000
Oct. 15, 1933-38-4	1/4% 4th L/L	239,591,000

Totals \$1,634,607,500

\$1,634,607,500

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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 28 TO AUGUST 3, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Increase</u>
Boston	\$ 2,953,500	\$ 2,953,500	0	\$ 0
New York	22,261,500	18,961,500	0	3,300,000
Philadelphia	4,546,500	4,159,000	0	387,500
Cleveland	5,979,500	5,454,500	0	525,000
Richmond	1,450,500	1,450,500	0	0
Atlanta	1,433,000	1,433,000	0	0
Chicago	6,130,000	6,130,000	0	0
St. Louis	2,220,000	2,007,500	0	212,500
Minneapolis	1,589,500	1,439,500	0	150,000
Kansas City	1,750,500	1,750,500	0	0
Dallas	637,500	637,500	0	0
San Francisco	4,198,000	3,773,000	0	425,000
Totals	<u>\$55,150,000</u>	<u>\$50,150,000</u>	<u>0</u>	<u>\$5,000,000</u>

HOLDINGS IN GOVERNMENT SECURITIES - (SALES CONTRACTS)

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 934,250	Misc. Gov't Sec.	\$ 961,800	Misc. Gov't Sec.
Minneapolis	1,011,600	" " "	1,040,350	" " "
Chicago	2,500,000	" " "	2,500,000	3 1/8% C/I-8/1/32(Red.)
Totals	<u>\$4,445,850</u>		<u>\$4,502,150</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings July 27</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings Aug. 3</u>	<u>Other Holdings Close Aug. 3/32</u>	<u>Other Bills</u>
				<u>Held in N.Y.</u>	<u>Held Else- where</u>			
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	\$ 0	\$ 2,343	
New York	2,051	0	0	316	0	1,735	3,682	
Phila.	7	0	0	0	2	5	0	
Cleve.	0	0	0	0	0	0	3,175	
Richmond	1,937	155 R.	0	0	215	1,877	0	
Atlanta	323	0	0	5	3	315	0	
Chicago	914	0	0	0	72	842	0	
St. Louis	39	0	0	0	0	39	0	
Minn.	0	0	0	0	0	0	631	
Kan. City	55	0	0	0	0	55	0	
Dallas	109	0	0	19	37	53	0	
San Fran.	2,129	0	0	0	694	1,435	0	
Totals	<u>\$7,564</u>	<u>\$155</u>	<u>0</u>	<u>\$340</u>	<u>\$1,023</u>	<u>\$6,356</u>	<u>\$3,682</u>	<u>\$30,646</u>
Bills held overnight by New York for distribution to other Fed. Res. Bks. --								9
Total --								<u><u>-\$30,655</u></u>

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED AUGUST 3, 1932
(000 Omitted)

	1-30 days	31-60 days	61-90 days	Over 90-days	Total
	-	1 1/2%	1 1/2%	-	
Richmond	-	\$90	\$65	-	\$155

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT
SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED AUGUST 3, 1932
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Totals
Purchased	\$11,946	\$ 155	\$12,101
Sold	4,502	0	4,502
Matured	2,500	1,363	3,863
*Exchanged	47,650	0	47,650
		<u>\$1,208-</u>	<u>\$ 3,736+</u>
		9+(Net Change 1-day holdover & other bills)	9+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 4,944+</u>	<u>\$1,199-</u>	<u>\$ 3,745+</u>

*Represents 3 1/8% C/I due 8/1/32 held by System Account which were exchanged for a like amount of Treasury Notes, under Treasury offering of July 25.

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
WEEK ENDED AUGUST 3, 1932
(000 Omitted)

(Including Sales Contracts)

	Within 15 days	16-30 days	31-60 days	61-90 days	91 days- 6 months	Over 6 months	Totals
Gov't Securities	\$84,600	\$140,442	\$257,411	\$202,833	\$134,967	\$1,025,882	\$1,846,135
Bills Purchased	9,910	7,769	10,632	12,382	0	0	40,693
Totals	<u>\$94,510</u>	<u>\$148,211</u>	<u>\$268,043</u>	<u>\$215,215</u>	<u>\$134,967</u>	<u>\$1,025,882</u>	<u>\$1,886,828</u>

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*Mr. Thompson ✓
Mr. Riefler ✓
Mr. Thompson ✓*

RECEIVED
JUL 30 1932
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

July 29, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from July 21, 1932 to July 27, 1932 inclu-
sive, together with data received from Federal Reserve
banks.

Very truly yours,

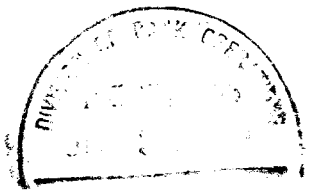
W. B. Matteson
Assistant Deputy Governor

Encl.

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Wan ✓

FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

July 29, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from July 21, 1932 to July 27, 1932 inclu-
sive, together with data received from Federal Reserve
Banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JULY 27, 1932

Holdings of Earning Assets of Federal Reserve Banks from July 29, 1931 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
July 29	\$ 934,795	\$ 677,977	\$ 0	\$ 62,909	\$ 3,627	\$ 183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 20	2,431,429	1,836,175	0	43,526	8,376	537,565
" 27	2,412,232	1,841,191	0	38,210	1,490	525,380

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 27, 1932
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 27	Change	July 27	Change	July 27	Change
Boston	\$ 121,228	\$ 0	\$ 0	\$ 743-	\$ 22,805	\$ 809+
New York	704,992	2,513+	2,051	492+	103,652	1,113+
Philadelphia	138,550	388+	7	0	74,088	1,729+
Cleveland	177,232	525+	0	225-	45,012	7,680-
Richmond	47,133	0	1,937	404-	28,369	247-
Atlanta	46,723	47-	323	487-	42,279	1,320-
Chicago	274,810	637+	914	1,506-	40,912	10,434-
St. Louis	65,731	213+	39	435-	13,492	405-
Minneapolis	54,510	212+	0	39-	13,251	645+
Kansas City	56,967	150+	55	575-	24,266	125-
Dallas	30,721	0	109	263-	18,399	1,590+
San Francisco	122,594	425+	2,129	1,007-	98,855	2,140+
N. Y. holdovers and other bills			30,646	124-		
Totals	\$1,841,191	\$5,016+	\$38,210	\$5,316-	\$525,380	\$12,185-

COMMENT ON CHANGES WEEK ENDED JULY 27, 1932

Total earning assets of the System showed a decrease of \$19,197,000 for the current statement week. The changes by classification consisted of an increase of \$5,016,000 in outright holdings of government securities, and decreases of \$5,316,000 in outright holdings of bankers acceptances, \$6,886,000 in bankers acceptances held under sales contract and \$12,185,000 in bills discounted.

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Money
Market

Excess reserves of all member banks in the United States are estimated to have increased about \$40,000,000 during the past statement week to \$250,000,000 on July 27. This rise was the result principally of a return flow of \$45,000,000 of currency from circulation, following the unseasonal increase of the previous week. For the whole week, excess bank reserves averaged approximately \$235,000,000, as compared with \$175,000,000 in the preceding week.

In New York, the large money market banks increased their surplus reserves from \$92,000,000 at the beginning of the week to \$120,000,000 at the close. The largest gain of funds was through an inflow from other centers, probably as a result of the return of currency from circulation in other Reserve Districts. There was also a small gain to member bank reserves arising from a further increase in the country's gold stock, due to imports and releases of gold from earmark above the amount exported. The effect of these transactions was partly offset by a net withdrawal of Treasury funds from the New York market, by a reduction in the Federal Reserve purchased bill portfolio which exceeded additional purchases of \$5,000,000 of Government securities for the System Special Investment Account, and by a moderate increase in the reserve requirements of the New York banks, the first in some weeks.

Money rates in the New York market again showed little change. Throughout most of the week, time loans were quoted at the 1 per cent bid, 1 1/4 per cent asked quotation reached on July 21 but late in the week quotations were marked up to 1 1/4 per cent bid, 1 1/2 per cent asked, as compared with the 1 1/2 per cent flat quotation which prevailed before the cut of July 21. Little activity continued to be reported in the time money market. On the other hand, federal funds have recently been quoted at 1/8 per cent flat, as against 1/8 - 1/4 per cent previously. Stock Exchange call loans remained at 2 per cent with outside money freely available at 1 per cent; bills held at 3/4 per cent offered for the 90 day maturity and open market commercial paper at a range of 2 1/4 - 2 3/4 per cent for prime names.

Government
Security
Market

There was an increasingly good demand for United States Government securities during the current statement week, especially for the long-term Treasury bonds. The 3 3/8% issues, also the 3 1/8s and 3s, which now carry the circulation privilege, advanced sharply. Prices for the short-term issues of Liberty Loan bonds showed slight irregular changes for the week, while prices for Treasury bonds advanced from 22/32 to 2.1/32. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.49%, excluding the two new issues of 2 1/8% and 3 1/4% Treasury notes, as compared with 0.46% at the close of the previous week, and the average selling price for the Liberty Loan bonds was 101.95 and of Treasury bonds was 101.03, as compared with the previous week's average closing prices of 101.84 and 99.78 respectively. The new issues of 2 1/8% - 2 year notes sold on a when issued basis at 100 12/32, and the new 3 1/4% - 4 year notes, at 101.

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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>
1	1/8% Cert. of Ind. due Sept. 15, 1932	100 5/32	- - -	- - -
3	% " " " " " 15, 1932	100 13/32	- 1/32	- - -
3	1/8% " " " " Oct. 15, 1932	100 20/32	- 2/32	0.19%
3	1/4% Treasury Notes " Dec. 15, 1932	101 4/32	- 2/32	0.28%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 27/32	- 2/32	0.12%
3	3/4% " " " " Mar. 15, 1933	102 1/32	- 1/32	0.52%
2	% " " " " May 2, 1933	101 1/32	- - -	0.63%
1	1/2% " " " " June 15, 1933	100 14/32	- 3/32	0.99%
3	% Treasury Notes " May 2, 1934	102	- 1/32	1.83%
2	1/8% " " " Aug. 1, 1934*	100 14/32	+14/32	1.90%
3	% " " " June 15, 1935	101 2/32	+ 1/32	2.61%
3	1/4% " " " Aug. 1, 1936*	101	+1.	2.98%
Treasury Bills - August maturities - 0.45% discount bid, 0.15% asked				
" " - Sept. and Oct. " - 0.45% " " 0.25% "				

* when issued

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	101 4/32	- 1/32	Treasury 4 1/4s 1947-52	106 28/32	+ 22/32
1st 4 1/4s	101 25/32	+ 2/32	" 4 s 1944-54	103 28/32	+1. 3/32
4th 4 1/4s	102 30/32	+ 9/32	" 3 3/4s 1946-56	102 8/32	+1.14/32
			" 3 3/8s 1943-47	100 3/32	+1. 2/32
			" 3 3/8s 1940-43	100 4/32	+ 24/32
			" 3 3/8s 1941-43	100 4/32	+1. 1/32
			" 3 1/8s 1946-49	97 30/32	+1.29/32
			" 3 s 1951-55	96 31/32	+2. 1/32

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

Reports Boston reported that the supply of bills in the local market
week improved somewhat during the past period. The demand, which was small,
ended was chiefly for the short maturities. In New York there was a good
July 27 demand for bills this week, especially the last two days which came principally from local banks who were substantially over in their reserve positions. Dealers' purchases fell off considerably as compared with the past few weeks and aggregate portfolios declined by about \$11,000,000 to \$21,000,000 which is the lowest they have been since the end of May. Philadelphia reported that the acceptance market in its district was more active. Few new bills came out and demand for short bills was good. Chicago reported that there was a good demand for bills during the past week with the supply very small. Dallas reported that there was no demand for bills and that there were no offerings made 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 were as follows:

Sale of \$ 776,100 - 4 200,000 - 4 1/4% 88,500 - 3 1/8% <hr/> \$1,064,600 - Total Sales	% Treasury Bonds of 1944-54, account General Railroad Contingent Fund Fourth Liberty Loan bonds, account Alien Property Custodian Certificates of Indebtedness, due August 1, 1932 account Alien Property Custodian
--	--

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority granted at the meeting of the Open Market Policy Conference, held in Washington on July 14, 1932, purchases of \$5,000,000 United States Government securities were made for the System Account during the current statement week, as follows:

\$ 550,000 - 3% C/I 1,000,000 - Treasury Bills 600,000 - " " 2,850,000 - " " <hr/> \$5,000,000	due Sept. 15, 1932 " Sept. 28, 1932 " Oct. 11, 1932 " " 26, 1932
--	---

Other transactions consummated in the Account during the week consisted of the

(1) <u>Redemption on July 27</u> \$43,150,000 - maturing Treas. Bills	<u>Replaced by purchase in the market</u> \$43,150,000 - Treas. Bills due Oct. 26, 1932
--	--

(2) Exchange in the market at advantageous rates of:
 \$ 9,000,000 - 3 1/8% C/I due Aug. 1, 1932 for \$9,000,000 - Treas. Bills due Oct. 26, 1932

The additional purchase during the week of \$5,000,000 government securities increased the amount of total holdings in the Account to \$1,629,607,500. The participations by Federal Reserve Banks and the classification of issues held in the Account at the close of business Wednesday, July 27, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	618,153,000
Philadelphia	135,144,000
Cleveland	177,232,000
Richmond	47,132,500
Atlanta	46,560,000
Chicago	199,195,000
St. Louis	65,230,500
Minneapolis	46,787,000
Kansas City	56,880,500
Dallas	20,721,000
San Francisco	122,593,500

Totals \$1,629,607,500

RECAPITULATION OF HOLDINGS BY MATURITIES

Aug. 10, 1932	-	Treas. Bills	\$ 16,000,000
" 17, 1932	-	" "	52,600,000
" 24, 1932	-	" "	47,427,000
" 31, 1932	-	" "	76,029,000
Sept. 28, 1932	-	" "	15,500,000
Oct. 11, 1932	-	" "	42,822,000
" 19, 1932	-	" "	11,000,000
" 26, 1932	-	" "	55,000,000
Aug. 1, 1932	-	3 1/8% C/I	47,650,000
Sept. 15, 1932	-	1 1/8% "	86,893,000
" 15, 1932	-	3 % "	124,559,500
Oct. 15, 1932	-	3 1/8% "	94,011,500
Dec. 15, 1932	-	3 1/4% T/N	113,697,000
Feb. 1, 1933	-	3 3/4% C/I	13,275,000
Mar. 15, 1933	-	3 3/4% "	153,025,000
May 2, 1933	-	2 % "	102,652,500
June 15, 1933	-	1 1/2% "	95,075,000
May 2, 1934	-	3 % T/N	69,175,000
June 15, 1935	-	3 % "	77,600,000
" 15, 1932/47-3	-	1/2% 1st L/L	73,025,000
" 15, 1932/47-4	-	1/4% 1st "	23,000,000
Oct. 15, 1933/38-4	-	1/4% 4th "	<u>239,591,000</u>

\$1,629,607,500

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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 21 TO JULY 27, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Increase</u>
Boston	\$ 3,080,500	\$ 3,080,500	0	\$ 0
New York	22,210,500	19,698,000	0	2,512,500
Philadelphia	4,713,000	4,325,500	0	387,500
Cleveland	6,197,500	5,672,500	0	525,000
Richmond	1,513,000	1,513,000	0	0
Atlanta	1,494,500	1,494,500	0	0
Chicago	7,011,000	6,373,500	0	637,500
St. Louis	2,299,500	2,087,000	0	212,500
Minneapolis	1,647,000	1,497,000	0	150,000
Kansas City	1,971,500	1,821,500	0	150,000
Dallas	665,000	665,000	0	0
San Francisco	4,347,000	3,922,000	0	425,000
Totals	\$57,150,000	\$52,150,000	0	\$5,000,000

HOLDINGS IN GOVERNMENT SECURITIES (SALES CONTRACTS)

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 361,500	Misc. Gov't Sec.	\$ 408,950	Misc. Gov't Sec.
Minneapolis	844,850	" " "	782,200	" " "
Totals	\$1,206,350		\$1,191,150	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings July 20	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings July 27	Other Holdings Close July 27/32	
				Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 743	\$ 0	0	\$ 0	\$ 743	\$ 0	\$ 2,343	
New York	1,559	671 R.	0	179	0	2,051	1,490	
Phila.	7	0	0	0	0	7	3,175	
Cleve.	225	0	0	0	225	0	3,102	
Rich.	2,341	40 "	0	419	25	1,937	0	
Atlanta	810	0	0	469	18	323	0	
Chicago	2,420	0	0	0	1,506	914	0	
St. Louis	474	0	0	435	0	39	0	
Minn.	39	0	0	39	0	0	631	
Kan. City	630	0	0	575	0	55	0	
Dallas	372	0	0	259	4	109	0	
San Fran.	3,136	0	0	860	147	2,129	0	
Totals	\$12,756	\$711	0	\$3,235	\$2,668	\$7,564	\$1,490	
Bills held over night by New York for distribution to other Federal Res. Bks. -								2
Total - - - - -								\$30,644

NOTE: R. indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 27, 1932
(000 Omitted)

	<u>1-30 days</u> 1%	<u>31-60 days</u> 1%	<u>61-90 days</u> 1%	<u>Over 90-days</u> -	<u>Total</u>
New York	\$525	\$38	\$108	0	\$671
Richmond	0	0	40*	0	40
Totals	\$525	\$38	\$148	0	\$711

*Purchased at 1 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JULY 27, 1932
(000 Omitted)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$58,357	\$ 711	\$59,068
Sold	10,191	0	10,191
Matured	43,150	5,903	49,053
		<u>\$5,192-</u>	<u>\$ 1,176-</u>
		124-(Net Change 1-day holdover & other bills)	124-(Net Change 1-day holdover & other bills)
Totals	\$5,016+	\$5,316-	\$ 300-

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JULY 27, 1932
(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	\$72,150	\$122,600	\$324,852	\$163,334	\$176,694	\$981,561	\$1,841,191
Bills Purchased	7,663	7,241	12,122	12,674	0	0	39,700
Totals	\$79,813	\$129,841	\$336,974	\$176,008	\$176,694	\$981,561	\$1,880,891

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Mr. Thompson
Mr. Riefler
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 23 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

July 22, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from July 14, 1932 to July 20, 1932 inclu-
sive, 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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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

July 22, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from July 14, 1932 to July 20, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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Authority E.O. 10501

RECEIVED
JUL 23 1932
OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓
Mr. Pole ✓

July 22, 1932.

CONFIDENTIAL

Mr.
Mr.
Please note - Initial and
Return to Secretary's Office
File

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from July 14, 1932 to July 20, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JULY 20, 1932

Holdings of Earning Assets of Federal Reserve Banks from July 22, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
July 22	\$ 933,810	\$ 678,001	\$ 0	\$ 65,479	\$ 1,554	\$ 181,602
" 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 13	2,404,258	1,821,132	0	49,183	12,438	515,570
" 20	2,431,429	1,836,175	0	43,526	8,376	537,565

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 20, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 20	Change	July 20	Change	July 20	Change
Boston	\$ 121,228	\$ 2,500+	\$ 743	\$ 0	\$ 21,996	\$ 4,821-
New York	702,479	6,699+	1,559	2,536-	102,539	514-
Philadelphia	138,162	1,164+	7	749-	72,359	1,974+
Cleveland	176,707	1,578+	225	829-	52,692	106+
Richmond	47,133	0	2,341	50+	28,616	2,332+
Atlanta	46,770	4,912-	810	212-	43,599	3,828+
Chicago	274,173	4,416+	2,420	855-	51,346	14,220+
St. Louis	65,518	1,488+	474	11-	13,897	1,235+
Minneapolis	54,298	382+	39	315-	12,606	222+
Kansas City	56,817	451+	630	15-	24,391	1,445+
Dallas	30,721	0	372	159-	16,809	1,066+
San Francisco	122,169	1,277+	3,136	54-	96,715	902+
N. Y. holdovers and other bills			30,770	28+		
Totals	\$1,836,175	\$15,043+	\$43,526	\$5,657-	\$537,565	\$21,995+

COMMENT ON CHANGES WEEK ENDED JULY 20, 1932

Total earning assets of the System showed an increase of \$27,171,000 for the current statement week. The changes by classification consisted of increases of \$15,043,000 in outright holdings of government securities and \$21,995,000 in bills discounted, and decreases in outright holdings of bankers acceptances and bankers acceptances held under sales contract of \$5,657,000 and \$4,062,000, respectively.

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Money
Market

For the statement week just closed, it is estimated that all member banks in the country held an average amount of \$175,000,000 of excess reserves, as compared with about \$140,000,000 in the previous week. This larger excess reflected principally the maintenance during the past week of the increase that occurred in the previous week, although there was some further net increase in reserve balances as a result of a further gain of \$20,000,000 to the monetary gold stock, additional security purchases by the Reserve Banks, and a rise in member bank borrowings, all of which exceeded an unseasonal demand for currency.

In New York, bank reserves at the end of the week were surplus to the extent of \$92,000,000, as compared with \$72,000,000 on the preceding Wednesday. New purchases of \$15,000,000 of Government securities for the System Special Investment Account and a \$3,000,000 decline in reserve requirements of the New York City banks accounted for most of the enlargement of the excess of bank reserves. For the rest, payments to the market arising from gold transactions, chiefly releases from earmark, and an inflow of funds from other parts of the country were largely offset by a net loss of funds to the New York market in Treasury transactions, by a reduction in Federal Reserve bill holdings, and by a net withdrawal of currency from the Reserve Bank for the period.

Virtually no change occurred in money rates during the week under review. Call money was 2 per cent on the Exchange and 1 per cent in the outside market. Time money likewise held at 1 1/2 per cent flat for maturities of 2 to 6 months until Thursday July 21 when the market was quoted at 1 per cent bid, 1 1/4 per cent offered. This is a new low level for time funds, being somewhat below the quotations that prevailed during June 1931. Activity continued limited, although some 90 day loans were reported at 1 1/4 per cent. Ninety day bills continued to be offered at 3/4 of one per cent, prime commercial paper at a range of 2 1/4 - 2 3/4 per cent, and federal funds at 1/8 - 1/4 per cent. Yields on short term Government securities fluctuated irregularly, closing the week with little net change.

Government
Security
Market

The market for United States Government securities was less active this week than last. The short-term issues and the Liberty Loan bonds were slightly easier and the long-term Treasury bonds somewhat stronger. While the latter issues reflected a good undertone, the volume of trading was not large and dealers reported that buying orders for Treasury bonds having the three lowest rates of interest were being held up pending signature of the bill extending the circulation privilege to these issues. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.46% as compared with 0.41% at the close of the previous week, and the average selling price for the Liberty Loan bonds was 101.84 and of Treasury bonds was 99.78 as compared with the previous week's average closing prices of 101.92 and 99.53 respectively.

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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

	Issue	Price	Change	Approx. Yield
3	1/8% Cert. of Ind. due Aug. 1, 1932	100 7/32	-1/32	- - -
1	1/8% " " " " Sept. 15, 1932	100 5/32	-1/32	0.08%
3	% " " " " " 15, 1932	100 14/32	-4/32	0.07%
3	1/8% " " " " Oct. 15, 1932	100 22/32	-4/32	0.17%
3	1/4% Treasury Notes " Dec. 15, 1932	101 6/32	-5/32	0.27%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 29/32	-4/32	0.13%
3	3/4% " " " " Mar. 15, 1933	102 2/32	-4/32	0.56%
2	% " " " " May 2, 1933	101 1/32	-4/32	0.67%
1	1/2% " " " " June 15, 1933	100 17/32	-1/32	0.90%
3	% Treasury Notes " May 2, 1934	102 1/32	-4/32	1.83%
3	% " " " " June 15, 1935	101 1/32	-3/32	2.62%
	Treasury Bills - July & August maturities - 0.45% discount bid, 0.15% asked			
	" " - Sept. & Oct. " - 0.45% " " 0.25% "			

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	101 5/32	-5/32	Treasury 4 1/4s 1947-52	106 6/32	+11/32
1st 4 1/4s	101 23/32	-1/32	" 4s 1944-54	102 25/32	+ 4/32
4th 4 1/4s	102 21/32	-1/32	" 3 3/4s 1946-56	100 26/32	+ 2/32
			" 3 3/8s 1943-47	99 1/32	+ 1/32
			" 3 3/8s 1940-43	99 12/32	+ 4/32
			" 3 3/8s 1941-43	99 3/32	- 4/32
			" 3 1/8s 1946-49	96 1/32	+21/32
			" 3s 1951-55	94 30/32	+28/32

Bankers
Acceptances

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

Reports
week
ended
July 20

Boston reported the supply of bills in its district continued small and dealers were obliged to obtain bills from their offices in other cities to complete sales aggregating \$7,151,000. These sales, however, were restricted to two buyers and the local market as a whole was dull. In New York the bill market was quiet throughout the week. Dealers' sales exceeded their purchases by about \$3,000,000 and aggregate portfolios declined by a like amount to \$32,000,000. Dealers reported a good inquiry for selective names, but very few were offered. Philadelphia reported the market in its district continued dull. Offerings were very small and the demand continued to decline. Chicago reported there was some demand for bills in its district but the supply was small. Dallas reported there was no demand for bills in its district and no bills were offered to the reserve bank.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction consummated under Treasury authorization during the current statement week consisted of the

Sale of \$300,000 - Fourth 4 1/4% Liberty Loan bonds for account Alien Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority granted at the meeting of the Open Market Policy Conference held in Washington on July 14, 1932, and in view of the fact that excess reserves of all member banks were estimated at about \$175 millions, purchases of \$15,024,500 United States Government securities were made for System Account during the current statement week, as follows:

\$	500,000	- Treasury Bills due Sept. 28, 1932
	2,222,000	- " " " Oct. 11, 1932
	3,000,000	- 3 1/8% C/I " " 15, 1932
	2,000,000	- 3 1/4% T/N " Dec. 15, 1932
	302,500	- 2 % C/I " May 2, 1933
	<u>7,000,000</u>	- 4 1/4% 4th L/L Bds. of 1933-38
	<u>\$15,024,500</u>	

of these securities, \$14,722,000 were purchased in the New York market and \$302,500 in the San Francisco market.

Other transactions effected in the Account during the current period consisted of:

(1) <u>Redemption on July 20</u>	<u>Replaced by purchase in the market</u>
\$40,475,000 - maturing Treas. Bills	\$23,000,000 - 3 % C/I due Sept. 15, 1932
	6,000,000 - 3 1/8% " " Oct. 15, 1932
	11,000,000 - Treas. Bills " " 19, 1932
	<u>475,000</u> - 1 1/2% C/I due June 15, 1933
	<u>\$40,475,000</u> - Of this amount, \$475,000 was purchased in the San Francisco market.

(2) Exchanges in the market at advantageous rates:

	<u>Sold</u>		<u>Purchased</u>
\$1,000,000	+ Treas. Bills due Aug. 17, 1932	\$5,000,000	- Treas. Bills due Sept. 28, 1932
<u>4,000,000</u>	- 3 1/8% C/I " " 1, 1932		
<u>\$5,000,000</u>			

On July 20, owing to the low reserve position of the Federal Reserve Bank of Atlanta, \$5,000,000 of its participation in government securities held in the System Account was taken over temporarily into the participation of the Federal Reserve Bank of New York.

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The additional purchases during the week of \$15,024,500 government securities increased the amount of total holdings in the Account to \$1,624,607,500. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, July 20, 1932, were as follows:

<u>PARTICIPATION BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 95,978,500	July 27, 1932 - Treas. Bills	\$ 43,150,000
New York	613,640,500	Aug. 10, 1932 - " "	16,000,000
Philadelphia	134,756,500	" 17, 1932 - " "	52,600,000
Cleveland	176,707,000	" 24, 1932 - " "	47,427,000
Richmond	47,132,500	" 31, 1932 - " "	76,029,000
Atlanta	46,560,000	Sept. 28, 1932 - " "	14,500,000
Chicago	198,557,500	Oct. 11, 1932 - " "	42,222,000
St. Louis	65,018,000	" 19, 1932 - " "	11,000,000
Minneapolis	46,637,000	Aug. 1, 1932 - 3 1/8% C/I	56,650,000
Kansas City	56,730,500	Sept. 15, 1932 - 1 1/8% "	86,893,000
Dallas	20,721,000	" 15, 1932 - 3 % "	124,009,500
San Francisco	122,168,500	Oct. 15, 1932 - 3 1/8% "	94,011,500
		Dec. 15, 1932 - 3 1/4% T/N	113,697,000
		Feb. 1, 1933 - 3 3/4% C/I	13,275,000
		Mar. 15, 1933 - 3 3/4% "	153,025,000
		May 2, 1933 - 2 % "	102,652,500
		June 15, 1933 - 1 1/2% "	95,075,000
		May 2, 1934 - 3 % T/N	69,175,000
		June 15, 1935 - 3 % "	77,600,000
		" 15, 1932/47-3 1/2% 1st L/L	73,025,000
		" 15, 1932/47-4 1/4% 1st "	23,000,000
		Oct. 15, 1933/38-4 1/4% 4th "	239,591,000
Totals	\$1,624,607,500		\$1,624,607,500

ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM JULY 14 TO JULY 20, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 2,711,500	\$ 2,711,500	\$ 0	\$ 0	\$ 0
New York	28,705,000	17,005,500	0	11,699,500	0
Philadelphia	4,939,000	3,774,500	0	1,164,500	0
Cleveland	6,525,500	4,948,000	0	1,577,500	0
Richmond	1,331,500	1,331,500	0	0	0
Atlanta	1,457,000	6,457,000	0	0	5,000,000
Chicago	7,471,500	5,556,000	0	1,915,500	0
St. Louis	3,283,500	1,795,000	0	1,488,500*	0
Minneapolis	1,756,000	1,305,000	0	451,000	0
Kansas City	2,041,000	1,590,000	0	451,000	0
Dallas	585,500	585,500	0	0	0
San Francisco	4,692,500	3,415,500	0	1,277,000	0
Totals	\$65,499,500	\$50,475,000	\$ 0	\$20,024,500	\$5,000,000

* Represents their share of purchases for System Account during statement weeks ended July 13 and 20, 1932.

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HOLDINGS IN GOVERNMENT SECURITIES (SALES CONTRACTS)

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>		<u>Issue</u>
Boston	(a) \$2,500,000 - 1 1/8% C/I 9/15/32		\$ 0		-
New York	(d) 4,999,500 - Misc. Gov't Sec.		(b) 9,999,500	Misc. Gov't Sec.	
Atlanta	594,350 - " " "		505,950	" " "	
Chicago	(c) 2,500,000 - 1 1/8% C/I 9/15/32		0		-
Minneapolis	934,150 - Misc. Gov't Sec.		<u>1,003,610</u>	Misc. Gov't Sec.	
Totals	<u>\$11,528,000</u>		<u>\$11,509,060</u>		

- (a) Purchased temporarily from portfolio F. R. B. N. Y.
- (b) Includes temporary sale of \$2,500,000 each to F. R. Bks. of Boston and Chicago owing to low reserve position of New York Bank,
- (c) Purchased temporarily from portfolio F. R. B. N. Y.
- (d) Held temporarily for resale to System Account.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings July 13</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Other Holdings Close July 20/32</u>		
				<u>Held in N. Y.</u>	<u>Held Else- where</u>	<u>Holdings July 20</u>	<u>Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 743	\$ 0	0	\$ 0	\$ 0	\$ 743	\$ 0	\$ 2,343
New York	4,095	119 R.	0	2,655	0	1,559	7,569	10,150
Phila.	756	0	0	749	0	7	0	3,175
Cleve.	1,054	0	0	0	829	225	0	3,102
Richmond	2,291	140 "	0	90	0	2,341	0	1,228
Atlanta	1,022	0	0	2	210	810	0	1,136
Chicago	3,275	0	0	0	855	2,420	0	4,131
St. Louis	485	0	0	11	0	474	0	1,004
Minn.	354	0	0	315	0	39	0	631
Kan. City	645	0	0	15	0	630	0	891
Dallas	531	0	0	159	0	372	0	860
San Fran.	<u>3,190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54</u>	<u>3,136</u>	<u>807</u>	<u>2,119</u>
Totals	<u>\$18,441</u>	<u>\$259</u>	<u>0</u>	<u>\$3,996</u>	<u>\$1,948</u>	<u>\$12,756</u>	<u>\$8,376</u>	<u>\$30,770</u>

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 20, 1932
(000 Omitted)

	<u>1-30 days</u> <u>1%</u>	<u>31-60 days</u> <u>1 1/2%</u>	<u>61-90 days</u> <u>1%</u>	<u>Over 90-days</u> <u>-</u>	<u>Total</u>
New York	\$ 3	\$ 0	\$116	0	\$119
Richmond	<u>15*</u>	<u>125</u>	<u>0</u>	<u>0</u>	<u>140</u>
Totals	<u>\$18</u>	<u>\$125</u>	<u>\$116</u>	<u>0</u>	<u>\$259</u>

*Purchased at 1 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JULY 20, 1932

(000 Omitted)
(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$77,027	\$ 259	\$77,286
Sold	21,509	0	21,509
Matured	40,475	5,944	46,419
		<u>\$5,685-</u>	<u>\$ 9,358+</u>
		28+ (Net Change 1-day holdover and other bills)	28+ (Net Change 1-day holdover and other bills)
Totals	<u>\$15,043+</u>	<u>\$5,657-</u>	<u>\$ 9,386+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JULY 20, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>15-30</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	\$102,354	\$84,600	\$384,302	\$150,734	\$132,717	\$981,468	\$1,836,175
Bills Purchased	<u>18,192</u>	<u>5,087</u>	<u>11,474</u>	<u>17,149</u>	<u>0</u>	<u>0</u>	<u>51,902</u>
Totals	<u>\$120,546</u>	<u>\$89,687</u>	<u>\$395,776</u>	<u>\$167,883</u>	<u>\$132,717</u>	<u>\$981,468</u>	<u>\$1,888,077</u>

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Mrs. Thompson
Mr. Riefler
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUL 16 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

July 15, 1932

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from July 7, 1932 to July 13, 1932 inclu-
sive, 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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FEDERAL RESERVE BANK
OF NEW YORK

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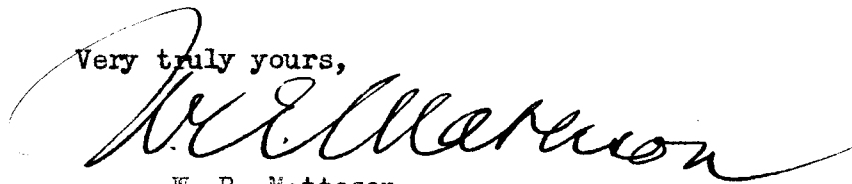
July 15, 1932

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sive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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Authority E.O. 10501

For DISTRIBUTION

Gov. Meyer ✓
Mr. Hamilton absent
Mr. James ✓
Mr. Moore ✓
Mr. Miller absent
Mr. Tule ✓

FEDERAL RESERVE BANK
OF NEW YORK


Mr.
Mr.
Please note - initial and
Return to Secretary.

CONFIDENTIAL

July 15, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from July 7, 1932 to July 13, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JULY 13, 1932

Holdings of Earning Assets of Federal Reserve Banks from July 15, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
July 15	\$ 921,157	\$ 677,853	\$ 0	\$ 70,074	\$ 334	\$ 161,803
" 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 6	2,384,237	1,801,065	0	51,296	26,057	499,826
" 13	2,404,258	1,821,132	0	49,183	12,438	515,570

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JULY 13, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance July 13	Net Change	Balance July 13	Net Change	Balance July 13	Net Change
Boston	\$ 118,728	\$ 5,999+	\$ 743	\$ 31-	\$ 26,817	\$ 1,798-
New York	695,780	3,400+	4,095	238+	103,053	171+
Philadelphia	136,998	2,000+	756	0	70,385	1,943+
Cleveland	175,129	2,100+	1,054	1,142-	52,586	1,163-
Richmond	47,133	0	2,291	0	26,284	160-
Atlanta	51,682	6+	1,022	81+	39,771	3,835+
Chicago	269,757	2,552+	3,275	600-	37,126	2,352+
St. Louis	64,030	0	485	0	12,662	541-
Minneapolis	53,916	660+	354	0	12,384	656-
Kansas City	56,366	1,650+	645	0	22,946	938+
Dallas	30,721	0	531	15+	15,743	2,505+
San Francisco	120,892	1,700+	3,190	155-	95,813	8,318+
N. Y. holdovers and other bills			30,742	519-		
Totals	\$1,821,132	\$20,067+	\$49,183	\$2,113-	\$515,570	\$15,744+

COMMENT ON CHANGES WEEK ENDED JULY 13, 1932

Total earning assets of the System showed an increase of \$20,021,000 for the current statement week. The changes by classification consisted of increases of \$20,067,000 in outright holdings of government securities and \$15,744,000 in bills discounted and decreases in outright holdings of bankers acceptances and bankers acceptances held under sales contract of \$2,113,000 and \$13,619,000 respectively.

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Money
Market

The daily average volume of excess reserves held by all member banks throughout the country was estimated to be \$140,000,000 for the week ended yesterday, compared with about \$110,000,000 a week earlier.

For the large New York City banks, the excess of actual reserves at the opening of business today amounted to \$72,000,000, representing a rise of \$45,000,000 from last week's figure. Gains for the week resulted chiefly from an inflow of funds to New York from other parts of the country, net currency deposits at the Reserve Bank, and an increase in the country's monetary gold stock, representing principally a net release of gold from foreign earmarkings. Additional purchases of Government securities for the System Special Investment Account also placed a sizable volume of funds at the market's disposal, but only a small net expansion in outstanding Reserve Bank credit occurred, as the aforementioned gain exceeded by only a moderate amount the retirements of Federal Reserve repurchase agreement bill holdings. Offsetting in part these additions to City bank balances, there was a net withdrawal of Treasury funds from New York through calls from Government depositaries and through a sale of Treasury Bills, which were substantially larger than Treasury disbursements here, chiefly for a maturity of Treasury Bills.

In some divisions of the money market slightly lower quotations were in effect. Commercial paper was reduced to a range of 2 1/4 to 2 3/4 per cent for prime four to six month material, compared with 2 1/2 to 2 3/4 per cent a week ago. The ruling rate for Federal funds is now 1/8 to 1/4 per cent. Yields on short-term United States Government securities are also slightly lower. Other rates, however, held to the low levels reported last week: call money, 2 per cent; ninety day bills, offered at 3/4 per cent; and time money, 1 1/2 per cent flat for all maturities from two to six months.

Government
Security
Market

The market for United States Government securities continued active and moderately strong during the current statement week. The short-term issues, and Liberty Loan bonds, advanced to slightly higher levels while the Treasury bonds recorded gains in prices ranging from 7/32 to 1.10/32, the largest gains being made in the issues bearing the lower rates of interest, due, no doubt, to the proposed legislation which would extend the circulation privilege to these issues. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.41% as compared with 0.47% at the close of the previous week and the average selling price for the Liberty Loan bonds was 101.92 and for the Treasury bonds 99.53 as compared with the previous week's average prices of 101.91 and 98.71 respectively.

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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**

Issue	Price	Net Change	Approx. Yield
3 1/8% Cert. of Ind. due Aug. 1, 1932	100 8/32	---	---
1 1/8% " " " " Sept. 15, 1932	100 6/32	---	0.01%
3 % " " " " 15, 1932	100 18/32	---	---
3 1/8% " " " " Oct. 15, 1932	100 26/32	---	---
3 1/4% Treasury Notes " Dec. 15, 1932	101 11/32	---	0.08%
3 3/4% Cert. of Ind. " Feb. 1, 1933	102 1/32	+1/32	0.03%
3 3/4% " " " " Mar. 15, 1933	102 6/32	+2/32	0.46%
2 % " " " " May 2, 1933	101 5/32	+4/32	0.54%
1 1/2% " " " " June 15, 1933	100 18/32	+4/32	0.87%
3 % Treasury Notes " May 2, 1934	102 5/32	+4/32	1.77%
3 % " " " " June 15, 1935	101 4/32	+3/32	2.59%
Treasury Bills maturing July 20 & 27			
	Aug. 10, 17 & 24	- 0.40% discount bid,	0.15% asked
	Aug. 31, Sept. 28	- 0.40%	" " 0.20% "
	Oct. 11	- 0.40%	" " 0.25% "

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	101 10/32	+2/32	Treasury 4 1/4s 1947-52	105 27/32	+ 20/32
1st 4 1/4s	101 24/32	+1/32	" 4s 1944-54	102 21/32	+ 7/32
4th 4 1/4s	102 22/32	-2/32	" 3 3/4s 1946-56	100 24/32	+ 17/32
			" 3 3/8s 1943-47	99	+ 26/32
			" 3 3/8s 1940-43	99 8/32	+ 21/32
			" 3 3/8s 1941-43	99 7/32	+1. 3/32
			" 3 1/8s 1946-49	95 12/32	+1. 7/32
			" 3s 1951-55	94 2/32	+1.10/32

**Bankers
Acceptances**

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

**Reports
week
ended
July 13**

Boston reported that there was some improvement in the demand for bills in its district with the supply small. Dealers were obliged to import about \$3,500,000 bills from their offices in other cities in order to fill their orders. In New York the bill market was more active. Dealers' sales increased considerably, principally to local banks, the volume being greater than any week since the middle of March. Dealers' purchases, however, showed no increase over the previous week and were exceeded by their sales to the extent of \$20,000,000, thereby reducing portfolios to \$35,000,000. Philadelphia reported its acceptance market was dull with very little outside buying. Portfolios showed little change. Chicago and Dallas both reported there was no change in their respective bill markets.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

The only transaction consummated under Treasury authorization during the current statement week consisted of the

Sale of \$100,000 - Fourth 4 1/4% Liberty Loan bonds for account Alien
Property Custodian

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Under authority granted at the meeting of the Open Market Policy Conference in Washington on May 17, 1932, purchases were made of \$20,000,000 government securities for System Account during the current statement week as follows:

\$ 7,000,000	-	3	1/8%	C/I	due	Aug.	1,	1932
4,500,000	-	3	%	"	"	Sept.	15,	1932
3,500,000	-	1	1/8%	"	"	"	15,	1932
500,000	-	2	%	"	"	May	2,	1933
<u>4,500,000</u>	-	3	%	T/N	"	June	15,	1935
<u>\$20,000,000</u>								

Of these purchases, \$19,500,000 were made in the New York market and \$500,000 in the San Francisco market.

Other transactions effected in the Account during the current period consisted of:

<p>(1) <u>Redemption on July 13</u> \$41,000,000 - maturing Treas. bills</p>	<p style="text-align: center;"><u>Replaced by purchase in the market</u> \$40,000,000 - Treas. bills due Oct. 11, 1932 <u>1,000,000 - 3% T/N " May 2, 1934</u> \$41,000,000</p>
--	---

<p>(2) <u>Exchanges in the market:</u> <u>Sold</u> \$ 6,500,000 - 3% T/N due June 15, 1935</p>	<p style="text-align: center;"><u>Purchased</u> \$6,500,000 - 4th 4 1/4% L/L Bds. of 1933-38</p>
--	--

(3) Sale in the market of securities acquired under resale agreement to be held until such time as permanent replacements could be made.

<p style="text-align: center;"><u>Sold</u> \$10,000,000 - 3 1/8% C/I due Aug. 1, 1932</p>	<p style="text-align: center;"><u>Replaced by purchase in the market</u> \$1,000,000 - 3% T/N due May 2, 1934 <u>9,000,000 - 3% " " June 15, 1935</u> \$10,000,000</p>
---	--

The additional purchases during the week of \$20,000,000 government securities increased the amount of total holdings in the Account to \$1,609,583,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, July 13, 1932, were as follows:

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PARTICIPATION BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	601,941,000
Philadelphia	133,592,000
Cleveland	175,129,500
Richmond	47,132,500
Atlanta	51,560,000
Chicago	196,642,000
St. Louis	63,529,500
Minneapolis	46,186,000
Kansas City	56,279,500
Dallas	20,721,000
San Francisco	120,891,500

Totals \$1,609,583,000

RECAPITULATION OF HOLDINGS BY MATURITIES

July 20, 1932 - Treas. Bills	\$ 40,475,000
" 27, 1932 - " "	43,150,000
Aug. 10, 1932 - " "	16,000,000
" 17, 1932 - " "	53,600,000
" 24, 1932 - " "	47,427,000
" 31, 1932 - " "	76,029,000
Sept. 28, 1932 - " "	9,000,000
Oct. 11, 1932 - " "	40,000,000
Aug. 1, 1932 - 3 1/8% G/I	60,650,000
Sept. 15, 1932 - 1 1/8% "	86,893,000
" 15, 1932 - 3 % "	101,009,500
Oct. 15, 1932 - 3 1/8% "	85,011,500
Dec. 15, 1932 - 3 1/4% T/N	111,697,000
Feb. 1, 1933 - 3 3/4% C/I	13,275,000
Mar. 15, 1933 - 3 3/4% "	153,025,000
May 2, 1933 - 2 % "	102,350,000
June 15, 1933 - 1 1/2% "	94,600,000
May 2, 1934 - 3 % T/N	69,175,000
June 15, 1935 - 3 % "	77,600,000
" 15, 1932/47-3 1/2% 1st L/L	73,025,000
" 15, 1932/47-4 1/4% 1st "	23,000,000
Oct. 15, 1933/38-4 1/4% 4th "	232,591,000

\$1,609,583,000

ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS FROM JULY 7 TO JULY 13, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Increase</u>
Boston	\$ 3,436,000	\$ 3,436,000	\$ 0	\$ 0
New York	30,891,500	19,841,500	1,650,000-	9,400,000
Philadelphia	6,770,500	4,770,500	0	2,000,000
Cleveland	8,357,000	6,257,000	0	2,100,000
Richmond	1,688,000	1,688,000	0	0
Atlanta	1,846,000	1,846,000	0	0
Chicago	9,574,000	7,024,000	0	2,550,000
St. Louis	2,274,500	2,274,500	0	0
Minneapolis	2,249,000	1,649,000	0	600,000
Kansas City	2,004,500	2,004,500	1,650,000+ *	1,650,000
Dallas	742,000	742,000	0	0
San Francisco	6,017,000	4,317,000	0	1,700,000
Totals	<u>\$75,850,000</u>	<u>\$55,850,000</u>	<u>\$1,650,000 Adj.</u>	<u>\$20,000,000</u>

*Represents allotment on July 12 of their share of \$30,000,000 purchases made on July 6.

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HOLDINGS IN GOVERNMENT SECURITIES (SALES CONTRACTS)

Net Change from
Previous Week

N O N E

-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES -(EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	(a) \$6,000,000 Treas. Bills due 8/10/32		0	-
New York	21,500,000 Misc. Gov't Sec.		(b) \$27,500,000	Misc. Gov't Sec.
Atlanta	111,150	" " "	105,400	" " "
Chicago	1,900	" " "	0	-
Minneapolis	<u>1,333,400</u>	" " "	<u>1,274,500</u>	Misc. Gov't Sec.
Totals	<u>\$28,946,450</u>		<u>\$28,879,900</u>	

(a) Purchased temporarily from portfolio F. R. B. New York

(b) Includes \$6,000,000 taken over temporarily by F.R.B. Boston due to low reserve position of the New York bank.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings July 6</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings July 13</u>	<u>Other Holdings Close July 13/32</u>	
				<u>Held in N.Y.</u>	<u>Held Else- where</u>		<u>Sales Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 774	\$ 0	0	\$ 0	\$ 31	\$ 743	\$ 0	\$ 2,343
New York	3,857	338 R.	0	100	0	4,095	12,438	10,122
Phila.	756	0	0	0	0	756	0	3,175
Cleve.	2,196	0	0	0	1,142	1,054	0	3,102
Richmond	2,291	0	0	0	0	2,291	0	1,228
Atlanta	941	102 R.	0	0	21	1,022	0	1,136
Chicago	3,875	0	0	0	600	3,275	0	4,131
St. Louis	485	0	0	0	0	485	0	1,004
Minn.	354	0	0	0	0	354	0	631
Kan. City	645	0	0	0	0	645	0	891
Dallas	516	20 R.	0	5	0	531	0	860
San Fran.	<u>3,345</u>	<u>262 R.</u>	<u>0</u>	<u>0</u>	<u>417</u>	<u>3,190</u>	<u>0</u>	<u>2,119</u>
Totals	<u>\$20,035</u>	<u>\$722</u>	<u>0</u>	<u>\$105</u>	<u>\$2,211</u>	<u>\$18,441</u>	<u>\$12,438</u>	<u>\$30,742</u>

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 13, 1932
(000 Omitted)

	<u>1-30 days</u> 1%	<u>31-60 days</u> 1%	<u>61-90 days</u> 3 1/2%	<u>Over 90-days</u> -	<u>Total</u>
New York	\$288	\$ 50	\$ 0	0	\$338
Atlanta	0	102	0	0	102
Dallas	8	12	0	0	20
San Francisco	0	20*	242	0	262
Totals	\$296	\$184	\$242	0	\$722

*Purchased at 3 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JULY 13, 1932

(000 Omitted)
(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$104,797	\$ 722	\$105,519
Sold	43,730	0	43,730
Matured	41,000	2,316	43,316
		\$ 1,594-	\$ 18,473+
		519- (Net Change	519- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	\$ 20,067+	\$ 2,113-	\$ 17,954+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JULY 13, 1932
(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	\$ 83,625	\$85,150	\$204,042	\$269,860	\$204,704	\$973,751	\$1,821,132
Bills Purchased	28,002	5,552	11,670	16,397	0	0	61,621
Totals	\$111,627	\$90,702	\$215,712	\$286,257	\$204,704	\$973,751	\$1,882,753

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Mr. Thompson
Mr. Riefler
Mr. Thompson

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JUL -9 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

July 8, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from June 30, 1932 to July 6, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,

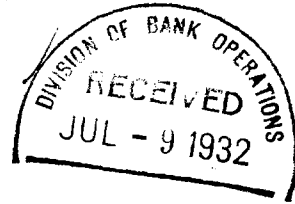


W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK



CONFIDENTIAL

July 8, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations for the period from June 30, 1932 to July 6, 1932 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

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CONFIDENTIAL

July 8, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from June 30, 1932 to July 6, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JULY 6, 1932

Holdings of Earning Assets of Federal Reserve Banks from July 8, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
July 8	\$ 932,102	\$ 667,953	0	\$ 88,936	\$ 2,852	\$ 162,386
" 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
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May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828
July 6	2,384,237	1,801,065	0	51,296	26,057	499,826

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago on June 29.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS AND SPECIAL ONE-DAY CERTIFICATE OF INDEBTEDNESS) DURING WEEK ENDED JULY 6, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	July 6	Change	July 6	Change	July 6	Change
Boston	\$ 112,729	\$ 6,000+	\$ 774	\$ 1,233-	\$ 28,615	\$ 917+
New York	692,380	2,165-	3,857	3,319+	102,882	5,794-
Philadelphia	134,998	3,000+	756	518+	68,442	900+
Cleveland	173,029	3,149+	2,196	932-	53,749	10,079+
Richmond	47,133	0	2,291	239+	26,444	553+
Atlanta	51,676	96-	941	5-	35,936	8,132+
Chicago	267,205	3,825+	3,875	1,514-	34,774	690+
St. Louis	64,030	1,615+	485	485+	13,203	1,241+
Minneapolis	53,256	843+	354	354+	13,040	2,735+
Kansas City	54,716	0	645	645+	22,008	1,705+
Dallas	30,721	1,125+	516	447+	13,238	1,605+
San Francisco	119,192	12,550+	3,345	638+	87,495	7,235+
N.Y. holdovers and other bills			31,261	548+		
Totals	\$1,801,065	\$29,846+	\$51,296	\$3,509+	\$499,826	\$29,998+

COMMENT ON CHANGES WEEK ENDED JULY 6, 1932

Total earning assets of the System, exclusive of the special one-day certificate of indebtedness issued to the Federal Reserve Bank of Chicago on June 29, showed an increase of \$67,975,000 for the current statement week. The changes by classification consisted of increases of \$29,846,000 in outright holdings of government securities, \$3,509,000 in outright holdings of bankers acceptances, \$10,325,000 in bankers acceptances held under sales contract and \$29,998,000 in bills discounted, and a decrease of \$5,752,000 in government securities held under sales contract.

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2

Money
Market

The surplus reserves of all member banks are estimated to have declined during the past statement week from an average of more than \$150,000,000 to an average of about \$110,000,000. The principal factor in this reduction of excess reserves was a continued large demand for currency, reflecting largely requirements for the month-end and holiday.

Excess reserves of the large New York City banks, which were \$36,000,000 on June 29, were entirely eliminated on July 1 but were subsequently increased to \$27,000,000 on July 6. A net reduction of \$12,000,000 in reserve balances was partly offset by a net decrease of \$3,000,000 in requirements, following a temporary increase over the first of the month. Funds were taken out of the market through a continued outward movement to other centers, representing to a considerable extent payments to other districts for Government securities delivered in New York. In addition currency withdrawals to meet month-end and holiday requirements also accounted for a material absorption of money market funds. Treasury operations had little net effect on the market, as calls for funds from depositaries were about offset by Treasury disbursements here, somewhat more than half of which were for the Reconstruction Finance Corporation.

Partially counterbalancing these losses were additional purchases of Government securities, mostly for the System Special Investment Account but to a smaller extent for the Federal Land Banks. There was also a sizable increase in this bank's holdings of bills under repurchase agreement.

Notwithstanding an increase of \$30,000,000 in System Special Investment Account during the past week, total holdings of Government's showed practically no net change, due to the retirement of a \$24,000,000 Special Certificate of Indebtedness issued on June 29 to cover a Treasury overdraft in Chicago and a reduction of \$5,752,450 in Government securities held under sales contract at the Federal reserve banks of Cleveland and Atlanta.

Stock Exchange call money renewed at 2 per cent today, the lowest quotation since last October; the 2 1/2 per cent rate had continued since early in January. Yields on short-term United States Government securities also moved somewhat lower during the week. A slightly easier tendency is reported by commercial paper dealers, although the prevailing quotation is still a range of 2 1/2 to 2 3/4 per cent.

Government
Security
Market

Following the turn of the month, the market for United States Government securities became moderately active and generally stronger. The short-term issues as a whole advanced to slightly higher levels and long-term Treasury bonds more than recovered the losses made during the latter part of the previous statement week. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.47% as compared with 0.54% at the close of the previous week and the average selling price for the Liberty Loan bonds was 101.91 and for Treasury bonds 98.91 as compared with the previous week's average closing prices of 101.76 and 97.97 respectively.

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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 Aug. 1, 1932	100 8/32	-2/32	- - -
1	1/8% " " " " Sept. 15, 1932	100 6/32	-1/32	0.12%
3	1/8% " " " " " 15, 1932	100 18/32	-1/32	- - -
3	1/8% " " " " Oct. 15, 1932	100 26/32	-2/32	0.13%
3	1/4% Treasury Notes " Dec. 15, 1932	101 11/32	- - -	0.21%
3	3/4% Cert. of Ind. " Feb. 1, 1933	102	+4/32	0.21%
3	3/4% " " " " Mar. 15, 1933	102 4/32	+2/32	0.64%
2	1/8% " " " " May 2, 1933	101 1/32	+6/32	0.73%
1	1/2% " " " " June 15, 1933	100 14/32	+5/32	1.02%
3	1/8% Treasury Notes " May 2, 1934	102 1/32	+6/32	1.85%
3	1/8% " " " " June 15, 1935	101 1/32	+6/32	2.63%
-	Treasury Bills, July & August maturities -	0.45% discount bid,	0.15% asked	
-	" " Sept. 28 maturity	0.45%	" " 0.25%	

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	101 8/32	+6/32	Treasury 4 1/4s 1947-52	105 7/32	+24/32
1st 4 1/4s	101 23/32	+4/32	" 4s 1944-54	102 14/32	+30/32
4th 4 1/4s	102 24/32	+5/32	" 3 3/4s 1946-56	100 7/32	+27/32
			" 3 3/8s 1943-47	98 6/32	+18/32
			" 3 3/8s 1940-43	98 19/32	+30/32
			" 3 3/8s 1941-43	98 4/32	+20/32
			" 3 1/8s 1946-49	94 5/32	+24/32
			" 3s 1951-55	92 24/32	+20/32

Bankers
Acceptances

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

Report
week
ended
July 6

Boston reported that both the supply and demand for bills in its district continued small. Bills did not move freely and dealers were obliged to forward \$2,600,000 bills to their offices in other cities. In New York the volume of bills handled by dealers during the week fell off considerably as compared with last week. Their purchases, due in a large measure to the reserve bank selling a block of bills to the market for the account of a foreign correspondent, continued to exceed their sales and aggregate portfolios increased by about \$11,000,000 to \$55,000,000, which is the highest they have been since March 9. Philadelphia reported there was no material change in the conditions in its acceptance market. Offerings were moderate with a falling off in the demand. Chicago reported there was very little, if any, activity in its bill market and Dallas reported small demand for bills in its district with no offerings 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 were as follows:

Purchase of \$	100,000	-	3 3/8%	Treasury Bonds of 1940-43, account Sinking Fund
	3,100,000	-	3 3/8%	" " " 1941-43, " " "
	<u>3,155,550</u>	-	3 3/8%	" " " 1943-47, " " "
		-		\$6,355,550

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference in Washington on May 17, 1932, amounted to \$30,000,000 as follows:

\$10,000,000	-	3 1/8%	C/I	due Aug. 1, 1932
8,000,000	-		Treasury Bills	" Sept. 28, 1932
5,000,000	-	3 1/8%	C/I	" Oct. 15, 1932
1,200,000	-	1 1/2%	"	" June 15, 1933
<u>5,800,000</u>	-	3	% T/N	" " 15, 1935
				\$30,000,000

These purchases were made by the following reserve banks in their respective markets: Boston \$500,000; New York \$29,000,000 and Philadelphia \$500,000.

Other transactions effected in the Account during the current period consisted of

(1) Exchange in the market, at advantageous rates,

of \$1,000,000 - 2% C/I due May 2, 1933
for 1,000,000 - 3% T/N " June 15, 1935

(2) Sale to Federal Reserve Bank of San Francisco of \$10,000,000 of the Federal Reserve Bank of New York's participation in the System Account, owing to the low reserve ratio of the latter bank.

The additional purchases during the week of \$30,000,000 securities increased the amount of total holdings in the System Account to \$1,589,583,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, July 6, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 95,978,500
New York	592,541,000
Philadelphia	131,592,000
Cleveland	173,029,500
Richmond	47,132,500
Atlanta	51,560,000
Chicago	194,092,000
St. Louis	63,529,500
Minneapolis	45,586,000
Kansas City	54,629,500
Dallas	20,721,000
San Francisco	119,191,500

July	13, 1932	-	Treas. Bills	\$	41,000,000
"	20, 1932	-	" "		40,475,000
"	27, 1932	-	" "		43,150,000
Aug.	10, 1932	-	" "		16,000,000
"	17, 1932	-	" "		53,600,000
"	24, 1932	-	" "		47,427,000
"	31, 1932	-	" "		76,029,000
Sept.	28, 1932	-	" "		9,000,000
Aug.	1, 1932	-	3 1/8% C/I		63,650,000
Sept.	15, 1932	-	1 1/8% "		83,393,000
"	15, 1932	-	3 % "		96,509,500
Oct.	15, 1932	-	3 1/8% "		85,011,500
Dec.	15, 1932	-	3 1/4% T/N		111,697,000
Feb.	1, 1933	-	3 3/4% C/I		13,275,000
Mar.	15, 1933	-	3 3/4% "		153,025,000
May	2, 1933	-	2 % "		101,850,000
June	15, 1933	-	1 1/2% "		94,600,000
May	2, 1934	-	3 % T/N		67,175,000
June	15, 1935	-	3 % "		70,600,000
"	15, 1932/47-3		1 1/2% 1st L/L		73,025,000
"	15, 1932/47-4		1 1/4% 1st "		23,000,000
Oct.	15, 1933/38-4		1 1/4% 4th "		226,091,000

Totals \$1,589,583,000

\$1,589,583,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM JUNE 30, TO JULY 6, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Net Decrease</u>	<u>Net Increase</u>
Boston	\$ 61,500	\$ 61,500	0	\$ 0
New York	14,206,000	10,371,000	0	3,835,000
Philadelphia	3,082,500	82,500	0	3,000,000
Cleveland	3,259,000	109,000	0	3,150,000
Richmond	30,500	30,500	0	0
Atlanta	33,000	33,000	0	0
Chicago	3,947,000	122,000	0	3,825,000
St. Louis	1,654,500	39,500	0	1,615,000
Minneapolis	928,500	28,500	0	900,000
Kansas City	35,000	35,000	0	0
Dallas	1,137,500	12,500	0	1,125,000
San Francisco	12,625,000	75,000	0	12,550,000
Totals	<u>\$41,000,000</u>	<u>\$11,000,000</u>	<u>0</u>	<u>\$30,000,000</u>

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

		<u>Net Change from Previous Week</u>
N O N E	Cleveland Atlanta	\$4,650,000- <u>1,072,450-</u> <u>\$5,752,450-</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	(a) \$6,000,000 - 1 1/8% C/I due 9/15/32		\$ 0	-
New York	(b) 500,000 - 3 % T/N " 6/15/35		(c) 6,500,000 - Misc. Gov't Sec.	
Philadelphia	(d) 500,000 - 3 % " " 6/15/35		(d) 500,000 - 3% T/N due 6/15/35	
Atlanta	140,250 - Misc. Gov't Sec.		235,550 - Misc. Gov't Sec.	
Chicago	0	-	24,000,000 - Spec. 1-day C/I (Issued June 29 matured June 30)	
Minneapolis	731,490 - Misc. Gov't Sec.		790,000 - Misc. Gov't Sec.	
Totals	<u>\$7,871,740</u>		<u>\$32,025,550</u>	

- (a) Purchased temporarily from portfolio F. R. B. New York,
- (b) Purchased from F. R. B. Philadelphia and held temporarily in New York portfolio for resale to System Account.
- (c) Includes \$6,000,000 taken over temporarily by F. R. B. Boston due to low reserve position of New York bank.
- (d) Purchased for System Account and held over night in portfolio.

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BANKERS ACCEPTANCES
(000 Omitted)

	Holdings June 29	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings July 6	Other Holdings Close July 6/32	
				Held in N.Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 2,007	\$ 0	\$ 743	\$ 0	\$1,976	\$ 774	\$ 0	\$ 2,343
New York	538	3,349 R* 7,972 A.*	0	30	0	3,857	15,446	10,142
Phila.	238	0	749	231	0	756	0	3,175
Cleve.	3,128	0	1,054	0	1,986	2,196	0	3,102
Richmond	2,052	419 R.	559	589	150	2,291	0	1,228
Atlanta	946	164 "	535	671	33	941	0	1,136
Chicago	5,389	0	1,436	0	2,950	3,875	9,555	4,131
St. Louis	0	0	485	0	0	485	0	1,004
Minn.	0	0	354	0	0	354	0	631
Kan. City	0	0	645	0	0	645	0	891
Dallas	69	0	447	0	0	516	0	860
San Fran.	2,707	0	965	0	327	3,345	1,056	2,119
Totals	\$17,074	\$11,904	\$7,972	\$1,521	\$7,422	\$20,035	\$26,057	\$30,762
Bills held over night by New York in Foreign Suspense Account - - - - -								499
Total - - - - -								\$31,261

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

* Includes \$10,365 purchased from foreign correspondent and \$301 foreign trade acceptances.

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JULY 6, 1932
(000 Omitted)

	1-30 days 1% - 1 1/8%	31-60 days 1% - 1 1/8%	61-90 days 1% - 1 1/8%	Over 90 days -	Total
New York	\$10,262	\$558*	\$501	0	\$11,321
Richmond	0	0	419	0	419
Atlanta	10	98	56	0	164
Totals	\$10,272	\$656	\$976	0	\$11,904

*Includes \$301 foreign trade acceptances purchased at 2 1/2%.

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RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JULY 6, 1932
 (000 Omitted)

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

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$48,872	\$11,904	\$60,776
Sold	19,026	0	19,026
Matured	0	8,943	8,943
		<u>\$ 2,961+</u>	<u>\$32,807+</u>
		548+ (Net Change	548+ (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u><u>\$29,846+</u></u>	<u><u>\$ 3,509+</u></u>	<u><u>\$33,355+</u></u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JULY 6, 1932

(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	\$81,475	\$109,320	\$226,042	\$221,860	\$204,704	\$957,664	\$1,801,065
Bills Purchased	<u>42,528</u>	<u>6,767</u>	<u>6,249</u>	<u>21,796</u>	<u>13</u>	<u>0</u>	<u>77,353</u>
Totals	<u><u>\$124,003</u></u>	<u><u>\$116,087</u></u>	<u><u>\$232,291</u></u>	<u><u>\$243,656</u></u>	<u><u>\$204,717</u></u>	<u><u>\$957,664</u></u>	<u><u>\$1,878,418</u></u>

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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

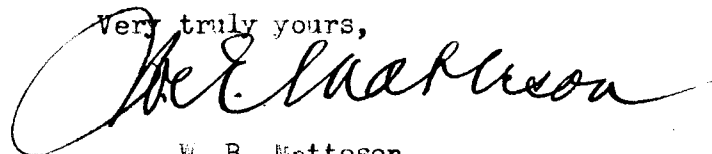
July 1, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations for the period from June 23, 1932 to June 29, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. Rielt ✓
Mr. Thompson

REC-11
JUL 29 1932
DIVISION OF RESEARCH
& STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

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July 1, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from June 23, 1932 to June 29, 1932 inclu-
sive, 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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For CIRCULATION
Gov. Meyer ✓
Mr. Hamilton ✓
Mr. James ✓
Mr. Keen *absent*
Mr. Miller ✓
Mr. Tolson ✓
Mr.
Mr.
Mr. [unclear]
Mr. [unclear]


FEDERAL RESERVE BANK
OF NEW YORK

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July 1, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from June 25, 1932 to June 29, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JUNE 29, 1932

Holdings of Earning Assets of Federal Reserve Banks from July 1, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
July 1	\$ 927,541	\$ 663,399	\$ 0	\$ 96,851	\$ 6,490	\$ 150,200
" 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 22	2,277,341	1,729,701	0	53,718	0	488,206
" 29	2,340,262*	1,795,219*	5,752	47,787	15,732	469,828

*Includes \$24,000,000 special one-day certificate of indebtedness issued by Treasury to Federal Reserve Bank of Chicago.

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS AND SPECIAL ONE-DAY CERTIFICATE OF INDEBTEDNESS) DURING WEEK ENDED JUNE 29, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 29	Net Change	Balance June 29	Net Change	Balance June 29	Net Change
Boston	\$ 106,729	\$10,000+	\$ 2,007	\$ 0	\$ 27,698	\$ 1,023-
New York	694,545	27,386-	538	549-	108,676	5,267+
Philadelphia	131,998	620+	238	1,945-	67,542	93+
Cleveland	169,880	840+	3,128	0	43,670	1,675-
Richmond	47,133	0	2,052	708-	25,891	764+
Atlanta	51,772	48+	946	467-	27,804	5,275-
Chicago	263,380	52,535+	5,389	1,680+	34,084	25-
St. Louis	62,415	0	0	1,232-	11,962	894-
Minneapolis	52,413	45-	0	0	10,305	371-
Kansas City	54,716	4,906+	0	0	20,303	1,639-
Dallas	29,596	0	69	6+	11,633	877-
San Francisco	106,642	0	2,707	2,574-	80,260	12,723-
N. Y. holdovers and other bills			30,713	142-		
Totals	\$1,771,219	\$41,518+	\$47,787	\$5,931-	\$469,828	\$18,378-

COMMENT ON CHANGES WEEK ENDED JUNE 29, 1932

Exclusive of \$24,000,000 special one-day certificate of indebtedness issued by the Treasury to the Federal Reserve Bank of Chicago to cover the Treasury overdraft, total earning assets of the System showed an increase of \$38,921,000 for the current statement week. The changes by classification consisted of increases of \$41,518,000 in outright purchases of government securities, \$5,752,000 in government securities held under sales contract and \$15,732,000 in bankers acceptances held under sales contract, and decreases in outright holdings of bankers acceptances and bills discounted of \$5,931,000 and \$18,378,000 respectively.

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Money
Market

During the past statement week, the excess reserves of all member banks of the Federal Reserve System are estimated to have averaged about \$165,000,000, as compared with a surplus above requirements of \$222,000,000 in the previous week. The drop in excess reserves of the banks throughout the country was very largely the result of the situation in Chicago, which reached its height during the middle of the reporting week. A net increase of \$144,000,000 in the amount of currency outstanding caused funds to be withdrawn from New York, thereby drawing down excess reserves of the New York City banks as well as those of the Chicago banks.

In New York, the excess reserves of the money market banks dropped from \$103,000,000 on June 22 to \$36,000,000 on June 29. The actual reserves on deposit to the credit of these banks were reduced \$63,000,000, which, together with net increase of \$4,000,000 in their required reserves, accounted for the decrease in the amount of the surplus. The inter-district movement of funds was considerably against New York, due chiefly to the transfers to Chicago mentioned above, and in addition Treasury withdrawals of funds from this market were materially larger than disbursements here. This came about through the Treasury bill sale of June 29 and calls from depository institutions, which exceeded the amount of maturing Treasury bills held by the market and other payments. There was also a small loss of money market funds due to additional currency requirements in the New York district.

Only partially offsetting these losses were payments to the market out of foreign bank funds on deposit at the Reserve Banks, an increase in Federal Reserve bill holdings, due to takings under repurchase agreement, and some net purchase of securities for the System Special Investment Account, total holdings in which, however, did not show any increase for the week, since a block of \$36,550,000 of the Treasury bills that matured on June 29 were allowed to run off without replacement.

The increase of \$71,000,000 in total security holdings of all Reserve Banks represented principally \$41,000,000 of Government securities purchased in Chicago from member banks and held in the Chicago Reserve Bank's own portfolio, and also a \$24,000,000 special one-day certificate of indebtedness to cover a Treasury overdraft at Chicago on June 29, incurred presumably in connection with payments made by the Reconstruction Finance Corporation.

Open market bill rates have been reduced 1/8 per cent since the reduction in the discount and bill buying rates of the Federal Reserve Bank of New York, which became effective June 24. Yields on short-term Government securities likewise have declined between 1/8 and 1/4 per cent. For the rest, money rates in New York have held at levels previously current.

Government
Security
Market

The activity in the government bond market during the statement week was largely confined to purchases made for the Treasury, for account of the Sinking Fund, and in connection with the investment of the new capital of the Federal Land banks. The short-term market was somewhat stronger, the average yield being .54% at the close of the week as compared with .62% last week. The average price on the Liberty Loan bonds was 101.76 as compared with 101.67 the previous week. The Treasury issues, due to the Treasury buying referred to, held firm during the greater part of the week but reacted yesterday with the completion of the Treasury purchases, with the result that the average closing price was 97.97 as compared with 98.57 a week ago.

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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

				Price	Net Change	Approx. Yield
3 1/8%	Cert. of Ind.	due Aug. 1, 1932		100 10/32	-1/32	- - -
1 1/8%	" " "	" Sept. 15, 1932		100 7/32	+1/32	0.06%
3 %	" " "	" " 15, 1932		100 19/32	-1/32	0.12%
3 1/8%	" " "	" Oct. 15, 1932		100 28/32	+1/32	0.11%
3 1/4%	Treasury Notes	" Dec. 15, 1932		101 11/32	+2/32	0.32%
3 3/4%	Cert. of Ind.	" Feb. 1, 1933		101 28/32	+1/32	0.53%
3 3/4%	" " "	" Mar. 15, 1933		102 2/32	+3/32	0.81%
2 %	" " "	" May 2, 1933		100 27/32	+4/32	0.98%
1 1/2%	" " "	" June 15, 1933		100 9/32	+3/32	1.20%
3 %	Treasury Notes	" May 2, 1934		101 27/32	+4/32	1.97%
3 %	" " "	" June 15, 1935		100 27/32	+8/32	2.69%
Treasury Bills, July maturities				- 0.45% discount bid,	0.15% asked	
" " August				- 0.50%	" " 0.20%	"
" " September				- 0.45%	" " 0.30%	"

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	101 2/32	- - -	Treasury 4 1/4s 1947-52	104 15/32	-13/32
1st 4 1/4s	101 19/32	+1/32	" 4s 1944-54	101 16/32	-28/32
4th 4 1/4s	102 19/32	+7/32	" 3 3/4s 1946-56	99 12/32	-18/32
			" 3 3/8s 1943-47	97 20/32	-11/32
			" 3 3/8s 1940-43	97 21/32	-24/32
			" 3 3/8s 1941-43	97 16/32	-17/32
			" 3 1/8s 1946-49	93 13/32	-23/32
			" 3s 1951-55	92 4/32	-23/32

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 3/4 to 7/8 per cent for 30s, 60s and 90s, 7/8 to 1 per cent for 120s and 1 1/8 to 1 1/4 per cent for 180-day bills. This represents a reduction of 1/8 per cent on all maturities from the previous week's rates.

Reports
week
ended
June 29

Boston reported that there was a small increase in the supply of bills in its district during the past week with the demand as a whole negligible. One dealer to complete a special order was obliged to import bills from his offices in other cities, which accounted for the large increase in "bills sold." Local dealers in line with out-of-town dealers lowered their rates to 7/8 bid - 3/4 asked for 90-day bills. In New York the supply of bills increased considerably this week as compared with the past two weeks, the largest seller having been a Chicago bank who sold a substantial block of its own bills in this market. Dealers' sales, while slightly larger, were not very widely distributed as the demand came principally from only three or four of the local banks who were selecting special names. Dealers' portfolios increased during the week by about \$16,000,000 to \$44,000,000. Following the reduction in the Reserve bank's discount rate and bill rates, some dealers on June 24 reduced their rates by 1/8 per cent on all maturities; the other dealers did not follow and rates continued to be divided until the afternoon of June 30, when all dealers fell into line at the lower levels. Rates now are for maturities up to 90 days 7/8 bid, 3/4 asked; 4 months' 1 per cent bid, 7/8 asked; 5 and 6 months' 1 1/4 bid, 1 1/8 asked. Philadelphia reported that its acceptance

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market was quiet. The supply of new bills was small with the demand fair for better names. Chicago reported that there was practically no activity in the bill market in its district. Dallas reported that there was no demand for bills during the past week and offerings to the reserve bank were negligible.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Purchases of \$	65,000	-	3 3/8%	Treas. Bonds of 1940-43,	account	Sinking Fund
	6,200,000	-	3 3/8%	" " " 1941-43,	"	" "
	<u>1,835,000</u>	-	3 3/8%	" " " 1943-47,	"	" "
	<u>\$8,100,000</u>					

and sale of \$93,000 - Fourth 4 1/4% Liberty Loan bonds, account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

There was no change in the amount of total holdings of government securities in the System Account for the current statement week. On the first two days of the current statement week purchases of \$30,000,000 short-term government securities were made for the System Account, under authority granted at the meeting of the Open Market Policy Conference in Washington on May 17, 1932, which were allocated to participating Federal reserve banks. Subsequent to this, however, the Federal Reserve Bank of Chicago purchased from member banks \$41,515,000 government securities, which it will retain in its own investment account for the present, and as this increase in its holdings is reflected in the System total for the week ending June 29, 1932, the executive committee decided to apply the \$30,000,000 government securities purchased earlier in the week as an offset to \$30,000,000 of the Treasury Bills maturing June 29 in the holdings in the System Account. Accordingly, the \$30,000,000 of government securities previously allocated to participating Federal reserve banks was repurchased from them on June 29, and the securities were re-allocated as replacements for a like amount of maturing Treasury Bills. The net result of transactions effected in the System Account during the current statement week was as follows:

Redemption on June 29 of \$36,550,000 maturing Treasury Bills which were replaced by purchases of:

\$	9,000,000	-	3 1/8%	C/I due Aug. 1, 1932
	16,550,000	-	3 3/4%	" " Mar. 15, 1933
	4,000,000	-	2 %	" " May 2, 1933
	4,000,000	-	1 1/2%	" " June 15, 1933
	2,000,000	-	3 %	T/N " May 2, 1934
	<u>1,000,000</u>	-	3 %	" " June 15, 1935
	<u>\$36,550,000</u>			

(These purchases were made by the following reserve banks in their respective markets: New York - \$25,550,000; Philadelphia - \$1,000,000; Chicago - \$10,000,000).

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Exchanges in the market at advantageous rates:

<u>SOLD</u>				
\$ 6,000,000	Tr. Bills due	July	13,	1932
5,150,000	" "	Aug.	17,	1932
9,250,000	3 1/8% C/I "	"	1,	1932
1,000,000	1 1/8% " "	Sept.	15,	1932
1,000,000	3 1/8% " "	Oct.	15,	1932
500,000	3 1/4% T/N "	Dec.	15,	1932
250,000	3 3/4% C/I "	Feb.	1,	1933
500,000	3 3/4% " "	Mar.	15,	1933

\$23,650,000

<u>PURCHASED</u>				
\$ 442,000	Tr. Bills due	Aug.	31,	1932
1,000,000	" "	Sept.	28,	1932
2,058,000	3 % C/I "	"	15,	1932
5,000,000	3 1/4% T/N "	Dec.	15,	1932
1,650,000	3 3/4% C/I "	Mar.	15,	1933
8,500,000	1 1/2% " "	June	15,	1933
5,000,000	3 % T/N "	"	15,	1935

\$23,650,000 (Of these purchases, \$500,000 were made in Philadelphia, \$11,092,000 in New York and \$12,058,000 in Chicago).

Sale in the market (in accordance with the terms of contract under which these certificates were purchased on June 14) of

- \$ 7,000,000 - 3% C/I due Sept. 15, 1932
- 3,000,000 - 2% " " May 2, 1933

a total of \$10,000,000 (completing the sale of securities purchased on June 14 under resale agreement) which was replaced by purchase in the market of \$10,000,000 - 3% T/N due June 15, 1935.

The total holdings in the System Account at the close of the statement week ending June 29, 1932, amounted to \$1,559,583,000, unchanged from the previous week. The participations by Federal reserve banks and the classification of issues in the Account, at the close of business Wednesday, June 29, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	588,706,000
Philadelphia	128,592,000
Cleveland	169,879,500
Richmond	47,132,500
Atlanta	51,560,000
Chicago	190,267,000
St. Louis	61,914,500
Minneapolis	44,686,000
Kansas City	54,629,500
Dallas	19,596,000
San Francisco	106,641,500

RECAPITULATION OF HOLDINGS BY MATURITIES

July 13, 1932-Treasury Bills	\$ 41,000,000
" 20, 1932- " "	40,475,000
" 27, 1932- " "	43,150,000
Aug. 10, 1932- " "	16,000,000
" 17, 1932- " "	53,600,000
" 24, 1932- " "	47,427,000
" 31, 1932- " "	76,029,000
Sept. 28, 1932- " "	1,000,000
Aug. 1, 1932- 3 1/8% C/I	53,650,000
Sept. 15, 1932- 1 1/8% "	83,393,000
" 15, 1932- 3 % "	96,509,500
Oct. 15, 1932- 3 1/8% "	80,011,500
Dec. 15, 1932- 3 1/4% T/N	111,697,000
Feb. 1, 1933- 3 3/4% C/I	13,275,000
Mar. 15, 1933- 3 3/4% "	153,025,000
May 2, 1933- 2 % "	102,850,000
June 15, 1933- 1 1/2% "	93,400,000
May 2, 1934- 3 % T/N	67,175,000
June 15, 1935- 3 % "	63,800,000
" 15, 1932/47-3 1/2% 1st L/L	73,025,000
" 15, 1932/47-4 1/4% 1st "	23,000,000
Oct. 15, 1933/38-4 1/4% 4th "	226,091,000

Totals \$1,559,583,000

\$1,559,583,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JUNE 23 TO JUNE 29, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Decrease</u>	<u>Net Increase</u>
Boston	\$ 4,323,000	\$ 4,323,000	0	0	0
New York	26,643,500	26,643,500	7,386,500-	7,386,500	0
Philadelphia	5,785,500	5,785,500	620,000+*	0	620,000
Cleveland	7,598,000	7,598,000	840,000+*	0	840,000
Richmond	2,104,500	2,104,500	0	0	0
Atlanta	2,303,500	2,303,500	0	0	0
Chicago	8,561,000	8,561,000	1,020,000+*	0	1,020,000
St. Louis	2,765,500	2,765,500	0	0	0
Minneapolis	2,010,500	2,010,500	0	0	0
Kansas City	2,425,000	2,425,000	4,906,500+**	0	4,906,500
Dallas	875,000	875,000	0	0	0
San Francisco	4,805,000	4,805,000	0	0	0
Totals	\$70,200,000	\$70,200,000	\$7,386,500	\$7,386,500	\$7,386,500

*Represents allotment on June 23 of their share of purchases made on June 22.

**Represents balance of its pro rata share of purchases during period April 12 to May 18.

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

		<u>Net Change From Previous Week</u>
Cleveland	\$4,680,000	\$4,680,000+
Atlanta	1,072,450	1,072,450+
		<u>\$5,752,450</u>

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Boston	(a) \$10,000,000	Treas. Bills due 8/17/32	0	-
New York	(b) 4,558,000	Misc. Gov't Sec.	(c) 24,558,000	Misc. Gov't Sec.
Atlanta	527,750	" " "	480,300	" " "
Chicago	(d) 75,515,000	" " "	0	-
Minneapolis	1,114,250	" " "	1,159,650	Misc. Gov't Sec.
Totals	\$91,715,000		\$26,197,950	

(a) Purchased temporarily from portfolio F. R. B. New York.

(b) Purchased by F. R. B. Chicago and held temporarily in New York Investment Account for resale to System Account.

(c) Includes \$10,000,000 each taken over temporarily by F. R. B. Chicago and F. R. B. Boston due to low reserve of New York bank; also includes \$4,558,000 held temporarily for resale to System Account.

(d) Includes \$10,000,000 - Aug. 24, 1932, Treasury Bills purchased temporarily from portfolio F. R. B. New York, and \$24,000,000 special 1-day C/I issued by Treasury.

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BANKERS ACCEPTANCES
(OOO Omitted)

	Holdings June 22	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings June 29	Other Holdings Close June 29/32	
				Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 2,007	\$ 0	0	\$ 0	\$ 0	\$ 2,007	\$ 0	\$ 2,345
New York	1,087	326 R.	0	875	0	538	976	10,073
Phila.	2,183	4 "	0	1,949	0	238	0	3,178
Cleve.	3,128	0	0	0	0	3,128	0	3,104
Richmond	2,760	100 "	0	808	0	2,052	0	1,230
Atlanta	1,413	170 "	0	616	21	946	0	1,137
Chicago	3,709	1,930 "	0	0	250	5,389	10,735	4,134
St. Louis	1,232	0	0	1,232	0	0	0	1,005
Minn.	0	0	0	0	0	0	0	632
Kan. City	0	0	0	0	0	0	0	891
Dallas	63	10 "	0	0	4	69	0	861
San Fran.	5,281	0	0	2,411	163	2,707	4,021	2,121
Totals	\$22,863	\$2,540	0	\$7,891	\$438	\$17,074	\$15,732	\$30,711
Bills held over night by New York for distribution to other F. R. Banks - -								2
Total - - - - -								\$30,713

NOTE: R. indicates Retained in above statement.

MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JUNE 29, 1932
(OOO Omitted)

	1-30 days 1%	31-60 days 1%	61-90 days 1%	Over 90-days 1 1/8%	Total
New York	\$ 67	\$100	\$124	\$35	\$ 326
Philadelphia	0	0	4*	0	4
Richmond	0	0	100	0	100
Atlanta	167	3	0	0	170
Chicago	741	834	355	0	1,930
Dallas	10	0	0	0	10
Totals	\$985	\$937	\$583	\$35	\$2,540

*Purchased at 2 1/2%

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RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JUNE 29, 1932
 (000 Omitted)

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

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$145,302	\$2,540	\$147,842
Sold	67,234	0	67,234
Matured	36,550	8,329	44,879
		<u>\$5,789-</u>	<u>\$ 35,729+</u>
	_____	142-(Net Change 1-day holdover & other bills)	142-(Net Change 1-day holdover & other bills)
Totals	\$ 41,518+	\$5,931-	\$ 35,587+
	<u>=====</u>	<u>=====</u>	<u>=====</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JUNE 29, 1932

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

	<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	\$70,752	\$83,625	\$201,750	\$293,312	\$200,704	\$950,828	\$1,800,971
Bills Purchased	<u>29,041</u>	<u>2,545</u>	<u>2,945</u>	<u>28,975</u>	<u>13</u>	<u>0</u>	<u>63,519</u>
Totals	\$99,793	\$86,170	\$204,695	\$322,287	\$200,717	\$950,828	\$1,864,490
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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FEDERAL RESERVE BANK
OF NEW YORK

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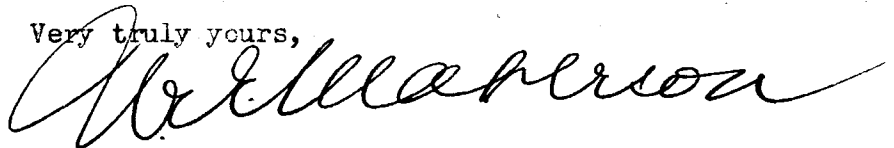
June 24, 1932

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from June 16, 1932 to June 22, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. Plummer
Mr. Riefler
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 27 1932
DIVISION OF RESEARCH
AND STATISTICS

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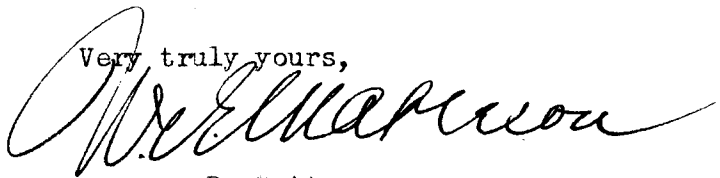
June 24, 1932

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from June 16, 1932 to June 22, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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RECEIVED
JUN 25 1932
OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD


FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 24, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from June 16, 1932 to June 22, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

For CIRCULATION
~~Gov. Meyer~~
Mr. Harding ✓
Mr. James ✓
Mr. Egan ✓
Mr. Miller ✓
Mr. Folsom ✓
Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...
Mr. ...

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JUNE 22, 1932

Holdings of Earning Assets of Federal Reserve Banks from June 24, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
June 24	\$ 947,334	\$ 618,503	\$ 0	\$103,164	\$ 3,226	\$ 197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 15	2,259,718	1,691,432	775	65,661	0	496,239
" 22	2,277,341	1,729,701	0	53,718	0	488,206

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 22, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 22	Net Change	Balance June 22	Net Change	Balance June 22	Net Change
Boston	\$ 96,729	\$ 0	\$ 2,007	\$ 0	\$ 28,721	\$ 834-
New York	721,931	20,972+	1,087	12,424-	103,409	1,664+
Philadelphia	131,378	2,345+	2,183	4-	67,449	2,287+
Cleveland	169,040	3,177+	3,128	0	45,345	14,082-
Richmond	47,133	0	2,760	203+	25,127	590+
Atlanta	51,724	1,672+	1,413	35-	33,079	747+
Chicago	210,845	3,857+	3,709	0	34,109	4,241+
St. Louis	62,415	4,935+	1,232	0	12,856	183-
Minneapolis	52,458	1,311+	0	0	10,676	139+
Kansas City	49,810	0	0	0	21,942	3,327-
Dallas	29,596	0	63	0	12,510	2,665-
San Francisco	106,642	0	5,281	313+	92,983	3,390+
N. Y. holdovers and other bills			30,855	4+		
Totals	\$1,729,701	\$38,269+	\$53,718	\$11,943-	\$488,206	\$8,033-

COMMENT ON CHANGES WEEK ENDED JUNE 22, 1932

Total earning assets of the System showed an increase of \$17,623,000 for the current statement week. The changes by classification consisted of an increase of \$38,269,000 in outright purchases of government securities and decreases of \$11,943,000 in outright purchases of bankers acceptances, \$8,033,000 in bills discounted and \$775,000 in government securities held under sales contract.

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Money
Market

For all member banks in the country, excess reserves during the past week are estimated to have averaged about \$222,000,000, which is somewhat less than in the previous week. The decrease in excess reserves of all member banks, despite additional purchases of \$38,000,000 of Government securities by the Reserve Banks, was chiefly the result of Treasury withdrawals of funds from the market, part of which increased Treasury deposits at the Reserve Banks to somewhat above their usual level, and part of which was transferred to the Federal Land Bank accounts at the New York Reserve Bank. These payments to the Land Banks, which represented a further subscription by the Treasury to the capital stock of the institutions, were temporarily held in the Land Bank accounts at the Reserve Bank pending investment. Another reason for the decline in surplus reserves was the increase of \$38,000,000 in money in circulation, which accompanied banking disturbances in Chicago.

The excess reserves of the New York City banks during most of the past statement week fluctuated between \$60,000,000 and \$85,000,000 and on Wednesday, the 22nd, rose to \$103,000,000 as compared with \$76,000,000 on the preceding Wednesday. The New York City banks' actual reserve balances showed a net increase of \$22,000,000 for the period, while their reserve requirements declined \$5,000,000 further.

The reserve balances of these banks were increased \$14,000,000 by purchases in New York of that amount of Government securities for the System Special Investment Account out of a total of \$38,000,000 acquired for the Account during the week. Other transactions of the week also resulted in a net increase in member bank balances; large payments to the market from foreign bank deposits at the Reserve Bank, a net addition to the gold stock by operations at New York (the first since the week ended April 6), and a net return of currency from circulation in this district somewhat exceeded losses through the interdistrict movement of funds, net Treasury withdrawals, and the maturity of a part of the bills taken over in the Reserve Bank account from a foreign central bank during the previous week.

Money rates continued easy during the past week, and quotations were very little changed. In fact, the only rates to show any fluctuation were federal funds which moved between $1/8$ and $1/8 - 1/4$ per cent, and yields on short-term Government securities which underwent small mixed changes.

Government
Security
Market

The market for United States Government securities was less active this week than last, with yields on the short-term issues tending slightly higher and those for the long-term Treasury bonds slightly lower, partly due to purchases by the Federal Land Banks to employ their new capital. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.62% as compared with 0.60% at the close of the previous period and the average selling price of the Liberty Loan bonds was 101.67 and of Treasury bonds 98.57 as compared with the previous week's average closing prices of 101.53 and 98.37 respectively.

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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 Aug. 1, 1932	100 11/32	-2/32	- - -
1	1/8% " " " " Sept. 15, 1932	100 6/32	-1/32	0.29%
3	% " " " " " 15, 1932	100 20/32	-2/32	0.22%
3	1/8% " " " " Oct. 15, 1932	100 27/32	-3/32	0.39%
3	1/4% Treasury Notes " Dec. 15, 1932	101 9/32	-3/32	0.55%
3	3/4% Cert. of Ind. " Feb. 1, 1933	101 27/32	-1/32	0.69%
3	3/4% " " " " Mar. 15, 1933	101 31/32	-3/32	1.01%
2	% " " " " May 2, 1933	100 23/32	-2/32	1.15%
1	1/2% " " " " June 15, 1933	100 6/32	-2/32	1.29%
3	% Treasury Notes " May 2, 1934	101 23/32	-2/32	2.05%
3	% " " " " June 15, 1935	100 19/32	-6/32	2.78%
Treasury Bills, June & July maturities - 0.45% discount bid,				0.15% asked
" " August " 0.50% " " 0.20% "				

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	101 2/32	+12/32	Treasury 4 1/4s 1947-52	104 28/32	- 5/32
1st 4 1/4s	101 18/32	- 1/32	" 4s 1944-54	102 12/32	+ 2/32
4th 4 1/4s	102 12/32	+ 2/32	" 3 3/4s 1946-56	99 30/32	+ 6/32
			" 3 3/8s 1943-47	97 31/32	+19/32
			" 3 3/8s 1940-43	98 13/32	+ 3/32
			" 3 3/8s 1941-43	98 1/32	+ 3/32
			" 3 1/8s 1946-49	94 4/32	+16/32
			" 3s 1951-55	92 27/32	+ 7/32

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

Reports week ended June 22 Boston reported that the supply of bills in the local market continued small during the past period but was sufficient to meet the local demand. As a whole bills did not move freely. In New York the bill market was extremely dull this week. Accepting and discounting banks continued to withhold their bills from the market and dealers' purchases were very light. Dealers' sales while small exceeded their purchases and aggregate portfolios declined by about \$7,000,000 to \$28,000,000. Dealers reported near the close of the week that they were carrying a good proportion of their portfolios at 1/2 per cent. In Philadelphia, dealers reported offerings were in small volume. Portfolios continued heavy. Dallas reported that the demand for bills was negligible and no offerings were made 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 were as follows:

Purchases of \$	550,000	- 3 3/8%	Treasury Bonds of 1940-43 account Sinking Fund
	7,045,000	- 3 3/8%	" " " 1941-43 " " "
	5,205,000	- 3 3/8%	" " " 1943-47 " " "
	<u>\$12,800,000</u>		

and sales of \$ 400,000 - Fourth 4 1/4% Liberty Loan bonds, account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference in Washington on May 17, 1932, amounted to \$38,250,000 as follows:

\$	500,000	- 3 1/8%	C/I due Aug. 1, 1932
	4,000,000	- 1 1/8%	" " Sept. 15, 1932
	4,700,000	- 3 %	" " " 15, 1932
	600,000	- 3 1/8%	" " Oct. 15, 1932
	1,500,000	- 3 3/4%	" " Feb. 1, 1933
	3,800,000	- 3 3/4%	" " Mar. 15, 1933
	14,700,000	- 1 1/2%	" " June 15, 1933
	<u>8,450,000</u>	- 3 %	T/N " June 15, 1935
	<u>\$38,250,000</u>		

These purchases were made by the following listed Federal reserve banks in their respective districts:

New York \$13,650,000 Chicago \$15,100,000 San Francisco \$9,500,000

Other transactions effected in the Account during the current statement week consisted of the exchange in the market, at advantageous rates of \$60,000,000 aggregate amount of short-term issues for a like amount of other short-term issues as follows, (all of which were effected in the New York market with the exception of \$5,000,000 which was effected in the Chicago market).

<u>SOLD</u>				<u>PURCHASED</u>			
\$27,000,000	Tr. Bills due	July 13, 1932		\$ 1,000,000	2	% C/I due	May 2, 1933
16,000,000	3 1/8% C/I	" Aug. 1, 1932		37,250,000	1	1/2% " "	June 15, 1933
4,500,000	1 1/8% " "	Sept. 15, 1932		6,000,000	3	% T/N " "	May 2, 1934
1,000,000	3 % " "	" 15, 1932		15,750,000	3	% " "	June 15, 1935
6,500,000	3 1/8% " "	Oct. 15, 1932					
3,000,000	3 1/4% T/N	" Dec. 15, 1932					
2,000,000	3 3/4% C/I	" Mar. 15, 1933					
<u>\$60,000,000</u>				<u>\$60,000,000</u>			

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Sale in the market (in accordance with the terms of contract under which these certificates were purchased on June 14) of

\$6,000,000 - 2 % C/I due May 2, 1933
3,000,000 - 3 3/4% " " Mar. 15, 1933

a total of \$9,000,000 which was replaced by purchase in the market of

\$6,250,000 - 1 1/2% C/I due June 15, 1933
2,750,000 - 3 % T/N " " 15, 1935
\$9,000,000

The additional purchases during the week of \$38,250,000 government securities increased the amount of total holdings in the System Account to \$1,559,583,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, June 22, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>	<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>			
Boston	\$ 95,978,500	June 29, 1932	Treas. Bills	\$ 36,550,000
New York	596,092,500	July 13, 1932	" "	47,000,000
Philadelphia	127,972,000	" 20, 1932	" "	40,475,000
Cleveland	169,039,500	" 27, 1932	" "	43,150,000
Richmond	47,132,500	Aug. 10, 1932	" "	16,000,000
Atlanta	51,560,000	" 17, 1932	" "	58,750,000
Chicago	189,247,000	" 24, 1932	" "	47,427,000
St. Louis	61,914,500	" 31, 1932	" "	75,587,000
Minneapolis	44,686,000	" 1, 1932	- 3 1/8% C/I	53,900,000
Kansas City	49,723,000	Sept. 15, 1932	- 1 1/8% "	84,393,000
Dallas	19,596,000	" 15, 1932	- 3 % "	101,451,500
San Francisco	106,641,500	Oct. 15, 1932	- 3 1/8% "	81,011,500
		Dec. 15, 1932	- 3 1/4% T/N	107,197,000
		Feb. 1, 1933	- 3 3/4% C/I	13,525,000
		Mar. 15, 1933	- 3 3/4% "	135,325,000
		May 2, 1933	- 2 % "	101,850,000
		June 15, 1933	- 1 1/2% "	80,900,000
		May 2, 1934	- 3 % T/N	65,175,000
		June 15, 1935	- 3 % "	47,800,000
		" 15, 1932/47-3	1/2% 1st L/L	73,025,000
		" 15, 1932/47-4	1/4% 1st "	23,000,000
		Oct. 15, 1933/38-4	1/4% 4th "	226,091,000
Totals	<u>\$1,559,583,000</u>			<u>\$1,559,583,000</u>

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**SUMMARIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
 AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
 FROM JUNE 16 TO JUNE 22, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Decrease</u>	<u>Net Increase</u>
Boston	\$ 3,994,500	\$ 3,994,500	\$ 0	0	\$ 0
New York	58,694,000	34,072,500	3,649,000-	0	20,972,500
Philadelphia	7,616,000	5,271,500	0	0	2,344,500
Cleveland	10,088,000	6,911,500	0	0	3,176,500
Richmond	1,961,500	1,961,500	0	0	0
Atlanta	3,914,000	2,097,000	0	0	1,817,000
Chicago	11,644,000	7,787,000	0	0	3,857,000
St. Louis	3,761,500	2,475,500	3,649,000+ *	0	4,935,000
Minneapolis	2,976,000	1,828,500	0	0	1,147,500
Kansas City	2,069,000	2,069,000	0	0	0
Dallas	816,000	816,000	0	0	0
San Francisco	4,437,000	4,437,000	0	0	0
Totals	<u>\$111,971,500</u>	<u>\$73,721,500</u>	<u>\$3,649,000 Adj.</u>	<u>0</u>	<u>\$38,250,000</u>

*Represents balance of their pro rata share in all purchases made for System Account since April 12.

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

N O N E	Chicago	<u>Net Change from Previous Week</u>
		\$775,000-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
New York	\$10,000,000	June 15/33 C/I	\$10,000,000*	June 15/33 C/I
Atlanta	387,500	Misc. Gov't Sec.	532,600	Misc. Gov't Sec.
Minneapolis	1,204,000	" " "	1,040,400	" " "
Totals	<u>\$11,591,500</u>		<u>\$11,573,000</u>	

*Held temporarily for resale to System Account.

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings June 15</u>	<u>Purchased Own Mkt.</u>	<u>By Allotment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings June 22</u>	<u>Other Holdings Close June 22/32</u>	
				<u>Held in N.Y.</u>	<u>Held Elsewhere</u>		<u>Sales Contracts</u>	<u>Other Bills</u>
Boston	\$ 2,007	\$ 0	0	\$ 0	\$ 0	\$ 2,007	0	\$ 2,345
New York	13,511	215* R.	0	12,639	0	1,087	0	10,213
Phila.	2,187	0	0	0	4	2,183	0	3,178
Cleve.	3,128	0	0	0	0	3,128	0	3,104
Richmond	2,557	203 "	0	0	0	2,760	0	1,230
Atlanta	1,448	0	0	0	35	1,413	0	1,137
Chicago	3,709	0	0	0	0	3,709	0	4,134
St. Louis	1,232	0	0	0	0	1,232	0	1,005
Minn.	0	0	0	0	0	0	0	632
Kan. City	0	0	0	0	0	0	0	891
Dallas	63	0	0	0	0	63	0	861
San Fran.	4,968	360 "	0	0	47	5,281	0	2,121
Totals	<u>\$34,810</u>	<u>\$778</u>	<u>0</u>	<u>\$12,639</u>	<u>\$86</u>	<u>\$22,863</u>	<u>0</u>	<u>\$30,851</u>
Bills held over night by New York for distribution to other F. R. Banks - - - - - 4								
Total - - - - -								<u>\$30,855</u>

NOTE: R. indicates Retained in above statement.

* Foreign trade acceptances.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JUNE 22, 1932
(000 Omitted)

	<u>1-30 days</u> 3 1/2%	<u>31-60 days</u> 3%	<u>61-90 days</u> 2 1/2%	<u>Over 90-days</u> 2 1/2%	<u>Total</u>
New York	\$ 0	\$215**	\$ 0	0	\$215
Richmond	0	0	203	0	203
San Francisco	<u>10</u>	<u>183*</u>	<u>167</u>	<u>0</u>	<u>360</u>
Totals	<u>\$10</u>	<u>\$398</u>	<u>\$370</u>	<u>0</u>	<u>\$778</u>

*Purchased at 2 1/2%

**Foreign trade acceptances

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JUNE 22, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$123,563	\$ 778	\$124,341
Sold	85,294	0	85,294
Matured	0	<u>12,725</u>	<u>12,725</u>
		<u>\$11,947-</u>	<u>\$ 26,322+</u>
		4+(Net Change 1-day holdover & other bills)	4+(Net Change 1-day holdover & other bills)
Totals	<u>\$ 38,269+</u>	<u>\$11,943-</u>	<u>\$ 26,326+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JUNE 22, 1932
(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	\$36,550	\$87,475	\$187,800	\$340,543	\$192,705	\$884,628	\$1,729,701
Bills Purchased	<u>21,403</u>	<u>2,618</u>	<u>2,831</u>	<u>26,866</u>	<u>0</u>	<u>0</u>	<u>53,718</u>
Totals	<u>\$57,953</u>	<u>\$90,093</u>	<u>\$190,631</u>	<u>\$367,409</u>	<u>\$192,705</u>	<u>\$884,628</u>	<u>\$1,783,419</u>

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June 20, 1932.

Mr. W. B. Matteson,
Assistant Deputy Governor,
Federal Reserve Bank of New York,
New York City, New York.

Dear Mr. Matteson:

Receipt is acknowledged of your letter of June 17, 1932, addressed to Governor Meyer, inclosing a report of transactions in Government securities and bankers' acceptances as reported to your committee for the period from June 9, 1932, to June 15, 1932, inclusive.

Your letter and inclosure will be brought to the attention of the members of the Federal Reserve Board.

Very truly yours,

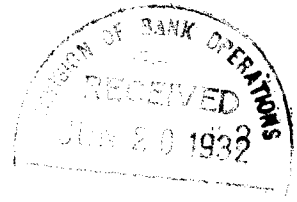
E. M. McClelland,
Assistant Secretary.

EMM/acw



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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 17, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from June 9, 1932 to June 15, 1932 inclu-
sive, together with data received from Federal reserve
banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

Division of Bank Operations
SF 32.1
File No.

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Mr. Thompson
Mr. Rutter
Mr. Thompson

RECEIVED
JUN 20 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 17, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from June 9, 1932 to June 15, 1932 inclu-
sive, 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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Executive Folder

For CIRCULATION

- Gov. Meyer
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller
- Mr. Pole
- Mr.
- Mr.

FEDERAL RESERVE BANK OF NEW YORK

RECEIVED
JUN 20 1932
OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

Please note - initial and
Return to Secretary's Office *CW*

CONFIDENTIAL

June 17, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from June 9, 1932 to June 15, 1932 inclusive, together with data received from Federal reserve banks.

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

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JUNE 15, 1932

Holdings of Earning Assets of Federal Reserve Banks from June 17, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
June 17	\$ 900,454	\$ 599,004	\$ 0	\$102,711	\$ 4,103	\$ 185,388
" 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 8	2,187,973	1,644,567	0	35,717	0	501,911
" 15	2,259,718	1,691,432	775	65,661	0	496,239

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 15, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 15	Net Change	Balance June 15	Net Change	Balance June 15	Net Change
Boston	\$ 96,729	\$ 0	\$ 2,007	\$ 2,007+	\$ 29,555	\$ 21+
New York	700,959	33,355+	13,511	12,394+	101,745	1,281+
Philadelphia	129,033	3,631+	2,187	2,182+	65,162	1,002+
Cleveland	165,863	4,919+	3,128	3,128+	59,427	3,753+
Richmond	47,133	0	2,557	1,397+	24,537	747-
Atlanta	50,052	2,332+	1,448	1,286+	32,332	5,217-
Chicago	206,988	5,973+	3,709	3,609+	29,868	4,105-
St. Louis	57,480	340+	1,232	1,232+	13,039	467-
Minneapolis	51,147	1,315+	0	0	10,537	84+
Kansas City	49,810	0	0	0	25,269	678-
Dallas	29,596	5,000-	63	0	15,175	76+
San Francisco	106,642	0	4,968	2,701+	89,593	675-
N. Y. holdovers and other bills			30,851	8+		
Totals	\$1,691,432	\$46,865+	\$65,661	\$29,944+	\$496,239	\$5,672-

COMMENT ON CHANGES WEEK ENDED JUNE 15, 1932

Total earning assets of the System showed an increase of \$71,745,000 for the current statement week. The changes by classification consisted of increases of \$46,865,000 in outright purchases of government securities, \$775,000 in government securities held under sales contract and \$29,944,000 in outright purchases of bankers acceptances and a decrease of \$5,672,000 in bills discounted.

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Money
Market

The excess reserves of the New York City banks showed little change during the past week, being \$76,000,000 on June 15 as compared with \$79,000,000 on the preceding Wednesday. The reserve balances of these banks declined \$9,000,000, but at the same time their reserve requirements dropped an additional \$6,000,000. For the week as a whole, excess reserves of all member banks in the country are estimated to have averaged about \$245,000,000, or moderately higher than in the previous week.

The most important operations of the week continued to be gold transactions, which were very largely limited to the conversion of funds of foreign central banks into gold, and which did not in their entirety affect member bank reserve balances; this was due to the fact that about one-half of the week's loss of \$70,000,000 of gold was paid for by acceptances taken over by the Reserve Banks from a foreign bank. For the coming week gold transactions now in prospect are chiefly exports of gold previously earmarked, transactions which will have no effect on our gold supply.

In addition to that part of the gold loss that did affect the New York money market, there were also moderate losses through mid-month currency requirements and through a net increase in foreign bank deposits at the Reserve Bank. The losses from these causes, however, were largely offset by the purchase in New York of an additional \$46,000,000 of Government securities for the System Special Investment Account, out of a total of \$47,000,000 acquired during the week, by a small net gain to this market through the inter-district movement of funds (a considerable gain through commercial transfers and check settlements was largely offset by large payments to other districts for Government securities delivered in New York), and by a net gain of funds to this market through Treasury transactions.

On June 15, the Treasury was able to close the day with a small credit balance at the Reserve Banks, as compared with an overdraft which is usual for the first day of a tax period. This circumstance was due to the relatively large amount of maturing Treasury certificates that were exchanged for the new issues dated June 15 and also to the fact that a sizable amount of the maturing certificates were not presented on that day for payment in cash. The Treasury by utilizing most of its credit balance of the 14th and by making deposits in the Reserve Banks of gold held above Treasury requirements was thus able to balance its position without selling special one-day certificates of indebtedness to the Reserve Banks. There appears to have developed in recent months a tendency for a number of holders of maturing issues of Treasury obligations to hold them beyond maturity. It appears to be a form of hoarding.

The principal development in money rates during the week was a reduction in the rate for open market commercial paper to a prevailing range of $2\frac{1}{2}$ - $2\frac{3}{4}$ per cent. Call money, time money, and bills were all unchanged at levels previously current. Yields on short-term Government securities tended slightly lower, following last week's small advance.

Government
Security
Market

The market for United States Government securities, especially for the long-term issues of Treasury bonds, turned strong and active, due, no doubt, to the public announcement during the week regarding gold movements and the feeling of hopefulness regarding the outcome of the bonus legislation. Prices for the week showed small fractional losses for the early maturities of the short-term issues, small fractional gains for the later maturities of the short-term issues and the Liberty Loan bonds, and gains ranging from 1.18/32 to 2.26/32 for the long-term Treasury bonds. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.60% (0.43% excluding the new issues dated June 15 of $1\frac{1}{2}$ % certificates and 3% notes) as compared with 0.42% at the close of the previous period and the average selling price of the Liberty Loan bonds was 101.53 and of Treasury bonds 98.37 as compared with the previous week's average closing prices of 101.44 and 96.37 respectively.

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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 Aug. 1, 1932	100 13/32	- 1/32	- - -
1 1/8%	" " " " Sept. 15, 1932	100 7/32	- - -	0.22%
3 %	" " " " " 15, 1932	100 22/32	- 2/32	0.18%
3 1/8%	" " " " Oct. 15, 1932	100 30/32	- 2/32	0.26%
3 1/4%	Treasury Notes " Dec. 15, 1932	101 12/32	- 3/32	0.46%
3 3/4%	Cert. of Ind. " Feb. 1, 1933	101 28/32	- 2/32	0.72%
3 3/4%	" " " " Mar. 15, 1933	102 2/32	- 1/32	0.96%
2 %	" " " " May 2, 1933	100 25/32	+ 4/32	1.09%
1 1/2%	" " " " June 15, 1933	100 8/32	+ 8/32	1.24%
3 %	Treasury Notes " May 2, 1934	101 25/32	+ 8/32	2.02%
3 %	" " " " June 15, 1935	100 13/32	+13/32	2.85%
Treasury Bills, June & July maturities - 0.45% discount bid, 0.15% asked				
	" " August " 0.45% " " 0.20% "			

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 22/32	+3/32	Treasury 4 1/4s 1947-52	105 1/32	+1.25/32
1st 4 1/4s	101 19/32	+4/32	" 4s 1944-54	102 10/32	+1.18/32
4th 4 1/4s	102 10/32	+2/32	" 3 3/4s 1946-56	99 24/32	+1.28/32
			" 3 3/8s 1943-47	97 12/32	+1.21/32
			" 3 3/8s 1940-43	98 10/32	+1.27/32
			" 3 3/8s 1941-43	97 30/32	+2. 6/32
			" 3 1/8s 1946-49	93 20/32	+2.10/32
			" 3s 1951-55	92 20/32	+2.26/32

Bankers
 Acceptances

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

Reports
 week
 ended
 June 15

Boston reported that the supply, which continued small during the past period, was insufficient to meet the improved local demand, and dealers found it necessary to import bills from their offices in other cities to complete orders. In New York, dealers' purchases fell off very substantially this week as compared with the past two weeks. Their sales to the outside market were in about the same volume while sales to the Reserve bank for the accounts of foreign correspondents were very light. Total sales, however, exceeded purchases moderately and aggregate portfolios declined by about \$6,500,000. Due to the lack of demand for endorsed bills, most of the dealers increased their rates on maturities up to 90 days to the same levels as for unendorsed bills, i. e., 1 per cent bid, 7/8 asked. Philadelphia reported that offerings of bills were in small volume with the demand slack and portfolios continued upward. Chicago reported that there was practically no supply of bills in its market. Dallas reported that the demand for bills was negligible and no offerings were made to the Reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of government securities under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on May 17, 1932, amounted to \$46,850,000, as follows:

\$12,000,000	- 3	1 1/8%	certificates	due Aug.	1,	1932
1,000,000	- 1	1 1/8%	"	" Sept.	15,	1932
14,000,000	- 3	%	"	" "	15,	1932
750,000	- 3	1 1/4%	Treasury notes	" Dec.	15,	1932
2,500,000	- 3	3/4%	certificates	" Feb.	1,	1933
4,700,000	- 3	3/4%	"	" Mar.	15,	1933
11,400,000	- 2	%	"	" May	2,	1933
500,000	- 3	%	Treasury notes	" "	2,	1934
\$46,850,000						

All of these purchases were made in the New York market with the exception of \$1,000,000 which was made in the Chicago market. Other transactions effected during the week consisted of

Exchanges in the market at advantageous rates

of \$1,000,000-Tr. Bills due July 13, 1932	for	\$1,000,000-3 % C/I due Sept. 15/32
2,000,000-1 1/8% C/I due Sept. 15, 1932	"	2,000,000-1 1/2% " " June 15/33
2,000,000-3 % T/N " May 2, 1934	"	2,000,000-3 % T/N " " 15/35
1,000,000-3 1/2% 1st L/L Bds.	"	1,000,000-3 1/8% C/I " Oct. 15/32
\$6,000,000		\$6,000,000

Exchanges by subscriptions to new Treasury issues dated June 15, 1932 pursuant to Treasury offering dated June 6, 1932:

\$29,550,000-2 3/4% C/I due June 15, 1932 for	\$14,775,000-1 1/2% C/I due June 15/33
	14,775,000-3 % T/N " " 15/35
	\$29,550,000

Of these exchange subscriptions \$9,000,000 was entered by the Federal Reserve Bank of Chicago (for \$9,000,000 maturing certificates held by them in safekeeping for System Account) and the balance of \$20,550,000 was entered by the Federal Reserve Bank of New York.

Sale in the market on June 15, of \$10,000,000 - 2 3/4% certificates due June 15, 1932 (in accordance with the terms of contract under which this block of certificates was purchased on June 7), which was replaced by purchase in the market of \$9,075,000 new 3% Treasury notes due June 15, 1935 and \$925,000 new 1 1/2% certificates due June 15, 1933.

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On June 13, the Federal Reserve Bank of Dallas, owing to its reserve position, was temporarily relieved of \$5,000,000 of its participation in government securities in the System Account. This participation was taken over into the participation of the Federal Reserve Bank of New York.

The additional purchases of \$46,850,000 government securities referred to in the foregoing statement increased the amount of total holdings in the System Account to \$1,521,333,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, June 15, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 95,978,500	June 29, 1932	Treas. Bills	\$ 36,550,000
New York	575,120,000	July 13, 1932	" "	74,000,000
Philadelphia	125,627,500	" 20, 1932	" "	40,475,000
Cleveland	165,863,000	" 27, 1932	" "	43,150,000
Richmond	47,132,500	Aug. 10, 1932	" "	16,000,000
Atlanta	49,743,000	" 17, 1932	" "	58,750,000
Chicago	185,390,000	" 24, 1932	" "	47,427,000
St. Louis	56,979,500	" 31, 1932	" "	75,587,000
Minneapolis	43,538,500	Aug. 1, 1932	- 3 1/8% C/I	69,400,000
Kansas City	49,723,000	Sept. 15, 1932	- 1 1/8% "	84,893,000
Dallas	19,596,000	" 15, 1932	- 3 % "	97,751,500
San Francisco	106,641,500	Oct. 15, 1932	- 3 1/8% "	86,911,500
		Dec. 15, 1932	- 3 1/4% T/N	110,197,000
		Feb. 1, 1933	- 3 3/4% C/I	12,025,000
		Mar. 15, 1933	- 3 3/4% "	136,525,000
		May 2, 1933	- 2 % "	106,850,000
		June 15, 1933	- 1 1/2% "	22,700,000
		May 2, 1934	- 3 % T/N	59,175,000
		June 15, 1935	- 3 % "	20,850,000
		June 15, 1932/47-3	1/2% 1st L/L	73,025,000
		" 15, 1932/47-4	1/4% 1st "	23,000,000
		Oct. 15, 1933/38-4	1/4% 4th "	226,091,000
Totals	\$1,521,333,000			\$1,521,333,000

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ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JUNE 9 TO JUNE 15, 1932, INCLUSIVE

<u>GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT</u>					
	<u>Purchases</u>	<u>Sales</u>	<u>Adjustments in Participations</u>	<u>Net Decrease</u>	<u>Net Increase</u>
Boston	\$ 2,876,500	\$ 2,876,500	0	\$ 0	\$ 0
New York	55,961,500	17,687,000	0	0	33,355,000
Philadelphia	7,392,000	3,761,000	0	0	3,631,000
Cleveland	4,823,500	4,823,500	0	0	4,919,500
Richmond	1,412,500	1,412,500	0	0	0
Atlanta	3,714,000	1,488,500	0	0	2,225,500
Chicago	11,523,500	5,550,000	0	0	5,973,500
St. Louis	2,047,500	1,707,500	0	0	340,000
Minneapolis	2,709,000	1,303,500	0	0	1,405,500
Kansas City	1,490,000	1,490,000	0	0	0
Dallas	594,000	5,594,000	0	5,000,000	0
San Francisco	3,196,000	3,196,000	0	0	0
Totals	\$97,740,000	\$50,890,000	0	\$5,000,000	\$51,850,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

	<u>Net Change From Previous Week</u>
Chicago	\$775,000
	\$775,000+

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Sales</u>	<u>Issue</u>
Atlanta	\$ 335,400	Misc. Gov't Sec.	\$ 228,800	Misc. Gov't Sec.
Minneapolis	728,900	" " "	819,800	" " "
Totals	\$1,064,300		\$1,048,600	

BANKERS ACCEPTANCES
(OCO Omitted)

	Holdings June 8	Purchased Own Mkt.	Maturities and Sales			Holdings June 15	Other Holdings Close June 15/32	
			By Allot- ment from New York	Held in N. Y.	Held Else- where		Sales Con- tracts	Other Bills
Boston	\$ 0	\$ 0	\$ 2,007	\$ 0	\$ 0	\$ 2,007	0	\$ 2,345
New York	1,117	16,113*R. 17,353 A.	0	3,719	0	13,511	0	10,213
Phila.	5	0	2,182	0	0	2,187	0	3,178
Cleve.	0	0	3,128	0	0	3,128	0	3,104
Richmond	1,160	0	1,397	0	0	2,557	0	1,230
Atlanta	162	0	1,287	0	1	1,448	0	1,137
Chicago	100	0	3,709	0	100	3,709	0	4,134
St. Louis	0	0	1,232	0	0	1,232	0	1,005
Minn.	0	0	0	0	0	0	0	632
Kan. City	0	0	0	0	0	0	0	891
Dallas	63	0	0	0	0	63	0	861
San Fran.	2,267	624 R.	2,411	0	334	4,968	0	2,121
Totals	\$4,874	\$34,090	\$17,353	\$3,719	\$435	\$34,810	0	\$30,851

* Bought from foreign correspondent.

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

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JUNE 15, 1932

	1-30 days <u>1%</u>	31-60 days <u>2 1/2%</u>	61-90 days <u>2 1/2-3 1/2%</u>	Over 90-days <u>-</u>	<u>Total</u>
New York	\$33,466	\$ 0	\$ 0	0	\$33,466
San Francisco	<u>42*</u>	<u>183</u>	<u>399</u>	<u>0</u>	<u>624</u>
Totals	<u>\$33,508</u>	<u>\$183</u>	<u>\$399</u>	<u>0</u>	<u>\$34,090</u>

*Purchased at 2 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JUNE 15, 1932

(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$103,723	\$34,090	\$137,813
Sold	27,308	0	27,308
Matured	29,550	<u>4,154</u>	<u>33,704</u>
		<u>\$29,936+</u>	<u>\$ 76,801+</u>
		8+ (Net Change 1-day holdover & other bills)	8+ (Net Change 1-day holdover & other bills)
Totals	<u>\$ 46,865+</u>	<u>\$29,944+</u>	<u>\$ 76,809+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JUNE 15, 1932

(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	\$37,325	\$74,000	\$175,030	\$208,750	\$398,948	\$798,154	\$1,692,207
Bills Purchased	<u>26,979</u>	<u>9,793</u>	<u>1,761</u>	<u>27,128</u>	<u>0</u>	<u>0</u>	<u>65,661</u>
Totals	<u>\$64,304</u>	<u>\$83,793</u>	<u>\$176,791</u>	<u>\$235,878</u>	<u>\$398,948</u>	<u>\$798,154</u>	<u>\$1,757,868</u>

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Mr. Thompson
Mr. Riefler ✓
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN 11 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

June 10, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from June 2, 1932 to June 8, 1932 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

CONFIDENTIAL

June 10, 1932.

✓
Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from June 2, 1932 to June 8, 1932 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

9
CIRCULATION

Gov. Meyer ✓
Mr. Hamilton ✓
Mr. James ✓
Mr. McGee ✓
Mr. Miller ✓
Mr. Pole ✓

Mr.

Mr.

Please note - initial and
return to Secretary's Office

File

CONFIDENTIAL

June 10, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from June 2, 1932 to June 8, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JUNE 8, 1932

Holdings of Earning Assets of Federal Reserve Banks from June 10, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
June 10	\$ 912,683	\$ 599,024	\$ 0	\$ 119,237	\$ 7,930	\$ 184,755
" 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,373	0	471,267
June 1	2,110,424	1,574,900	300	35,479	0	494,601
" 8	2,187,973	1,644,567	0	35,717	0	501,911

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 8, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance June 8	Net Change	Balance June 8	Net Change	Balance June 8	Net Change
Boston	\$ 96,729	\$ 1-	\$ 0	\$ 0	\$ 29,534	\$ 670-
New York	667,604	13,358-	1,117	180+	100,464	4,657-
Philadelphia	125,402	5,387+	5	0	64,160	70-
Cleveland	160,944	7,298+	0	0	55,674	5,462+
Richmond	47,133	0	1,160	225+	25,284	135+
Atlanta	47,720	3,356+	162	75-	37,549	3,504+
Chicago	201,015	8,862+	100	0	35,973	3,643+
St. Louis	57,140	13,925+	0	0	13,506	2,915-
Minneapolis	49,832	2,198+	0	0	10,453	603-
Kansas City	49,810	5,000+	0	0	25,947	362+
Dallas	34,596	0	63	61-	15,099	2,474+
San Francisco	106,642	37,000+	2,267	37-	90,268	625+
N.Y. holdovers and other bills			30,843	6+		
Totals	\$1,644,567	\$69,667+	\$35,717	\$238+	\$501,911	\$7,310+

COMMENT ON CHANGES WEEK ENDED JUNE 8, 1932

Total earning assets of the System showed an increase of \$77,549,000 for the current statement week. The changes by classification consisted of increases of \$69,667,000 in outright holdings of government securities, \$238,000 in outright holdings of bankers acceptances and \$7,310,000 in bills discounted, and a decrease of \$300,000 in government securities held under sales contract.

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Money
Market

The excess reserves of the New York City banks showed a further decline from \$103,000,000 to \$79,000,000 during the past statement week, despite a decrease of \$17,000,000 in the reserve requirements of these banks which accompanied a drop in deposits. Meanwhile, the excess reserves of all member banks averaged about \$225,000,000, compared with \$260,000,000 in the previous week.

The loss of \$127,000,000 to the monetary gold stock of the United States during the past week exerted a heavy drain on the reserve balances of the New York City banks and in addition the Treasury withdrew about \$35,000,000 more of funds from this market than was disbursed here, about two-thirds of this amount remaining in Treasury balances at the Reserve Banks. Offsetting to a moderate extent the outflow of gold was a decline of \$32,000,000 in the amount of foreign bank deposits at the Reserve Banks, and there was also some reduction in other deposits at the New York Reserve Bank, including chiefly payments from the National Credit Corporation account to the market, but the aggregate net loss from foreign, Treasury, and commercial transactions exceeded the effect of the purchase in New York of an additional \$69,500,000 of Government securities for the System Special Investment Account and of the decline in New York City bank reserve requirements, with the result that by the end of the week the surplus reserves of the City banks were about one-quarter smaller than at the preceding Wednesday.

The week's reduction of \$127,000,000 in the monetary gold stock caused this country's holdings to drop to \$3,979,000,000 on June 8. Gold exports of the week totaled \$94,000,000 and included \$47,000,000 to France, \$22,000,000 to Switzerland, \$17,500,000 to Holland, and \$7,500,000 to Belgium. While a considerable part of gold was released from earmark, additional amounts were set aside for foreign banks so that total earmarkings were increased by a net amount of \$38,000,000. Imports for the week totaled about \$3,000,000, including receipts at San Francisco. The present indications are that the net loss of gold will be much smaller during the ensuing week, as most of the principal European exchanges have now declined below the levels at which gold shipments are profitable. Gold transactions now scheduled for the coming week are limited to additional conversions of the funds of foreign central banks into gold.

Money rates at New York again showed little change during the past week. The Stock Exchange call loan rate held at 2 1/2 per cent with outside market loans placed principally at 1 per cent which was the low of the previous week. Time loans likewise were unchanged at a nominal rate of 1 1/2 per cent. In commercial paper, an increasing proportion of prime paper moved at 2 1/2 per cent, and dealers are now quoting a prevailing range of 2 1/2 - 3 per cent. The rate for federal funds which for a few days rose to 1/2 - 3/4 per cent declined to 1/8 per cent by the close of the past week. Yields on short term United States Government securities, on the other hand, tended slightly higher for the week.

Government
Security
Market

The market for short-term issues of United States Government securities continued to be slightly easier with prices declining for the week from 1/32 to 10/32. The market for United States Government bonds was quiet, prices showing irregular fractional changes each day during the week, with the general trend reflecting a slight improvement over the previous week. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.42% as compared with 0.38% at the close of the previous period and the average selling price of the Liberty Loan bonds was 101.44 and of Treasury bonds 96.37 as compared with the previous week's average closing prices of 101.40 and 96.19 respectively.

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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>
2 3/4% Cert. of Ind. due June 15, 1932	-	-	-
3 1/8% " " " " Aug. 1, 1932	100 14/32	- 2/32	0.06%
1 1/8% " " " " Sept. 15, 1932	100 7/32	- 1/32	0.29%
3 % " " " " " 15, 1932	100 24/32	- 2/32	0.15%
3 1/8% " " " " Oct. 15, 1932	101	- 2/32	0.24%
3 1/4% Treasury Notes " Dec. 15, 1932	101 15/32	- 3/32	0.38%
3 3/4% Cert. of Ind. " Feb. 1, 1933	101 30/32	- 3/32	0.72%
3 3/4% " " " " Mar. 15, 1933	102 3/32	- 4/32	0.98%
2 % " " " " May 2, 1933	100 21/32	- 7/32	1.25%
3 % Treasury Notes " " 2, 1934	101 17/32	-10/32	2.16%
Treasury Bills, maturities June 29 to Aug. 24, 1932			
0.45% discount bid, 0.15% asked			
" " maturing Aug. 31, 1932 0.45% discount bid, 0.20% asked			

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 19/32	+8/32	Treasury 4 1/4s 1947-52	103 8/32	- 4/32
1st 4 1/4s	101 15/32	-2/32	" 4 s 1944-54	100 24/32	+19/32
4th 4 1/4s	102 8/32	-2/32	" 3 3/4s 1946-56	97 28/32	+ 8/32
			" 3 3/8s 1943-47	95 23/32	-11/32
			" 3 3/8s 1940-43	96 15/32	+11/32
			" 3 3/8s 1941-43	95 24/32	- 2/32
			" 3 1/8s 1946-49	91 10/32	+10/32
			" 3 s 1951-55	89 26/32	+14/32

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

Reports week ended June 8 Boston reported that there was little activity in the local bill market during the past period. Both the supply and demand decreased somewhat and dealers were obliged to forward their excess offerings to offices in other cities. In New York, dealers' purchases increased moderately as compared with last week, while their sales declined moderately. Their aggregate portfolios increased by about \$15,000,000 to \$41,000,000, the highest they have been since March 9. One or two of the dealers were hesitant about building up their portfolios at the present level of rates but the majority of them felt they would need the bills a little later on in the month and no changes were made in rates. Philadelphia reported that bills were offered a little more freely during the past week. The demand, however, eased somewhat and portfolios were up for the week. Dallas reported that there was no demand for bills in its district and no offerings were made to the reserve bank.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of government securities under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on May 17, 1932, amounted to \$69,500,000 as follows:

\$10,000,000	-	Treasury Bills due	Aug. 31, 1932
10,000,000	-	2 3/4% certificates due	June 15, 1932
3,500,000	-	3 1/8% "	Aug. 1, 1932
5,000,000	-	3 % "	Sept. 15, 1932
33,500,000	-	4 1/4% Fourth Liberty Loan bonds	1933-38
4,500,000	-	2 % certificates due	May 2, 1933
<u>3,000,000</u>	-	3 % Treasury notes	" " 2, 1934
<u>\$69,500,000</u>			

All of these purchases were made in the New York market. In addition, exchanges were effected in the market, at advantageous rates, of

	\$10,000,000	-	2 3/4% certificates due	June 15, 1932
	<u>5,000,000</u>	-	3 1/2% First Liberty Loan bonds	
a total of	\$15,000,000			
for	\$10,000,000	-	1 1/8% certificates due	Sept. 15, 1932
	<u>5,000,000</u>	-	4 1/4% Fourth Liberty Loan bonds	
	<u>\$15,000,000</u>			

The purchase of \$69,500,000 government securities, referred to in the foregoing statement, increased the amount of total holdings in the System Account to \$1,474,483,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, June 8, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 95,978,500
New York	541,765,000
Philadelphia	121,996,500
Cleveland	160,943,500
Richmond	47,132,500
Atlanta	47,517,500
Chicago	179,416,500
St. Louis	56,639,500
Minneapolis	42,133,000
Kansas City	49,723,000
Dallas	24,596,000
San Francisco	106,641,500

Totals \$1,474,483,000

RECAPITULATION OF HOLDINGS BY MATURITIES

June 29, 1932-Treasury Bills	\$ 36,550,000
July 13, 1932- " "	75,000,000
" 20, 1932- " "	40,475,000
" 27, 1932- " "	43,150,000
Aug. 10, 1932- " "	16,000,000
" 17, 1932- " "	58,750,000
" 24, 1932- " "	47,427,000
" 31, 1932- " "	75,587,000
June 15, 1932-2 3/4% C/I	39,550,000
Aug. 1, 1932-3 1/8% "	57,400,000
Sept. 15, 1932-1 1/8% "	85,893,000
" 15, 1932-3 % "	82,751,500
Oct. 15, 1932-3 1/8% "	85,911,500
Dec. 15, 1932-3 1/4% T/N	109,447,000
Feb. 1, 1933-3 3/4% C/I	9,525,000
Mar. 15, 1933-3 3/4% "	131,825,000
May 2, 1933-2 % "	95,450,000
" 3, 1934-3 % T/N	60,675,000
June 15, 1932/47-3 1/2% 1st L/L	74,025,000
" 15, 1932/47-4 1/4% 1st "	23,000,000
Oct. 15, 1933/38-4 1/4% 4th "	<u>226,091,000</u>

\$1,474,483,000

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**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM JUNE 2 TO JUNE 8, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	Purchases	Sales	Adjustments in Participations	Net Decrease	Net Increase
Boston	\$ 1,020,500	\$ 1,020,500	\$ 0	\$ 0	\$ 0
New York	47,392,500*	5,782,000	54,969,000-	13,358,500	0
Philadelphia	6,631,500	1,244,500	0	0	5,387,000
Cleveland	8,937,500	1,640,000	0	0	7,297,500
Richmond	501,000	501,000	0	0	0
Atlanta	3,775,000	473,000	0	0	3,302,000
Chicago	10,683,500	1,821,500	0	0	8,862,000
St. Louis	1,551,000	595,000	12,969,000+	0	13,925,000
Minneapolis	2,512,500	427,500	0	0	2,085,000
Kansas City	493,500	493,500	5,000,000+	0	5,000,000
Dallas	261,500	261,500	0	0	0
San Francisco	740,000	740,000	37,000,000+	0	37,000,000
Totals	\$84,500,000	\$15,000,000	\$54,969,000 Adj.	\$13,358,500	\$82,858,500

*Excludes \$1,785,000, representing Cleveland's pro rata share of purchases June 3 held in New York's participation over night and allotted to Cleveland June 4.

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

	Net Change From Previous Week
N O N E	
Kansas City	\$300,000-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	Purchases	Issue	Sales	Issue
Atlanta	\$207,500	Misc. Gov't Sec.	\$153,300	Misc. Gov't Sec.
Minneapolis	768,000	" " "	655,400	" " "
Totals	\$975,500		\$808,700	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings June 1	Purchased Own Mkt.	By Allotment from New York	Maturities and Sales		Other Holdings Close June 8/32	
				Held in N. Y.	Held Elsewhere	Con-tracts	Other Bills
Boston	\$ 0	\$ 0	0	\$ 0	\$ 0	0	\$ 2,345
New York	937	2,472* R	0	2,292	0	1,117	10,206
Phila.	5	2 "	0	0	2	5	3,178
Cleve.	0	0	0	0	0	0	3,104
Richmond	935	375 "	0	0	150	1,160	1,229
Atlanta	237	0	0	0	75	162	1,137
Chicago	100	0	0	0	0	100	4,134
St. Louis	0	0	0	0	0	0	1,005
Minn.	0	0	0	0	0	0	632
Kan. City	0	0	0	0	0	0	891
Dallas	124	0	0	0	61	63	861
San Fran.	2,304	0	0	0	37	2,267	2,121
Totals	\$4,642	\$2,849	0	\$2,292	\$325	\$4,874	\$30,843

*Bought from foreign correspondent,
NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED JUNE 8, 1932
(000 Omitted)

	1-30 days 2 1/2%	31-60 days 2 1/2%	61-90 days 2 1/2%	Over 90-days -	Total
New York	\$2,472	\$0	\$ 0	0	\$2,472
Philadelphia	0	2*	0	0	2
Richmond	0	50	325	0	375
Totals	\$2,472	\$52	\$325	0	\$2,849

*Purchased at 3%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JUNE 8, 1932
(000 Omitted)

(Excluding Sales Contracts)

	Government Securities	Bankers Acceptances	Total
Purchased	\$85,476	\$2,849	\$88,325
Sold	15,809	0	15,809
Matured	0	2,617	2,617
		\$ 232+	\$69,899+
		6+ (Net Change	6+ (Net Change
		1-day holdover	1-day holdover
Totals	\$69,667+	\$ 238+ and other bills)	\$69,905+ and other bills)

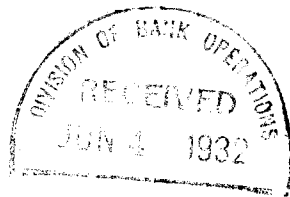
HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JUNE 8, 1932
(000 Omitted)

(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	\$39,590	\$36,550	\$216,105	\$230,750	\$269,255	\$852,317	\$1,644,567
Bills Purchased	3,091	4,000	2,212	26,414	0	0	35,717
Totals	\$42,681	\$40,550	\$218,317	\$257,164	\$269,255	\$852,317	\$1,680,284

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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

June 3, 1932.

Mr. E. L. Smead, Chief,
Division of Bank Operations,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Smead:

Enclosed is a report of open market operations
for the period from May 26, 1932 to June 1, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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Mr. Thompson
Mr. Quinn
Mr. [unclear]
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
JUN - 4 1932
DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

June 3, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from May 26, 1932 to June 1, 1932 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

For CIRCULATION
Gov. Meyer
Mr. Hamlin
Mr. James
Mr. Magee
Mr. Miller
Mr. Pole
Mr.
Mr.
Please note - initial and
Return to Secretary's Office
File

CONFIDENTIAL

June 3, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from May 26, 1932 to June 1, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

RECEIVED
JUN 4 1932
OFFICE OF
THE GOVERNOR

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CONFIDENTIALREPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED JUNE 1, 1932

Holdings of Earning Assets of Federal Reserve Banks from June 3, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
June 3	\$ 907,016	\$ 598,348	\$ 0	\$126,205	\$7,950	\$ 172,826
" 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 25	2,040,056	1,524,896	300	38,375	0	471,267
June 1	2,110,424	1,574,900	300	35,479	0	494,601

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED JUNE 1, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance	Net	Balance	Net	Balance	Net
	June 1	Change	June 1	Change	June 1	Change
Boston	\$ 96,730	\$ 0	\$ 0	\$ 0	\$ 30,204	\$ 35-
New York	680,962	28,502+	937	1,583-	105,101	5,363+
Philadelphia	120,015	3,874+	5	100-	64,230	1,780+
Cleveland	153,646	5,250+	0	0	50,212	1,596-
Richmond	47,133	0	935	200-	25,149	783+
Atlanta	44,364	2,411+	237	49-	34,045	1,890+
Chicago	192,153	6,376+	100	380-	30,330	2,820+
St. Louis	43,215	2,126+	0	0	16,421	2,412+
Minneapolis	47,634	1,465+	0	0	11,056	2,844-
Kansas City	44,810	0	0	0	25,585	769+
Dallas	34,596	0	124	2-	12,625	814+
San Francisco	69,642	0	2,304	583-	89,643	11,178+
N. Y. holdovers and other bills			30,837	3+		
Totals	\$1,574,900	\$50,004+	\$35,479	\$2,894-	\$494,601	\$23,334+

COMMENT ON CHANGES WEEK ENDED JUNE 1, 1932

Total earning assets of the System showed an increase of \$70,368,000 for the current statement week. The changes by classification consisted of increases of \$50,004,000 in outright holdings of government securities and \$23,334,000 in bills discounted, and a decrease of \$2,894,000 in outright holdings of bankers acceptances.

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Money
Market

During the past reporting week the excess reserves of the New York money market banks were reduced from \$222,000,000 to \$103,000,000. The surplus reserves of all member banks in the country also showed a considerable net decline for the period, but it is estimated that the excess averaged about \$260,000,000 this week as compared with \$285,000,000 for the week ended May 25. ✓

The principal reason for the decrease in excess reserves held by the New York City banks was a continued outflow of gold, which for the latest week amounted to \$103,000,000, and which was composed of exports of \$63,700,000 and a net increase of \$41,100,000 in gold held under earmark for foreign account, partly offset by imports of \$2,100,000 of gold at New York. The exports included chiefly \$28,600,000 shipped to France, \$13,700,000 to Holland, \$13,000,000 to Switzerland, \$6,900,000 to Belgium, and \$1,500,000 to England. Part of the gold exported was released from earmark but as additional amounts were set aside for foreign account, the total amount held under earmark showed a large net increase. Currency and coin withdrawals from the Reserve Bank for the holiday and month-end were also a drain on bank reserves during the week, and an increase in foreign deposit balances at the Reserve Banks as a result of bill maturities also took funds from the money market. The net withdrawal of Treasury funds from the New York market, however, was substantially smaller than it has been in other recent weeks, due to the disbursements that the Treasury made in the Second District for account of the Reconstruction Finance Corporation. The inter-district movement of funds on balance of transfers and check settlements, including payments to other districts for Government securities delivered in New York, was also slightly against New York, whereas in the previous week the New York market was a large gainer. The effect of these losses of funds on the money market was only offset in part by the purchase of an additional \$49,000,000 of Government securities in New York out of a total of \$50,000,000 acquired for the System Special Investment Account during the reporting week.

There was little variation in money rates in the New York market during the past week. The Stock Exchange rate for call money remained at 2 1/2 per cent, and in the outside market loans were contracted as low as 1 per cent, as against a low of 1 1/4 per cent previously. Time money nominal quotations were steady at 1 1/2 per cent with a little 30 day money placed at that rate. Likewise commercial paper in the open market was unchanged at 2 3/4 - 3 per cent for the 4 to 6 month maturity and at 2 1/2 per cent for 90 days, and bill rates continued at 7/8 per cent for 90 days. Yields on short-term United States Government obligations were virtually unchanged. On Thursday, June 2, however, the rate for federal funds closed at 1/2 - 3/4 of one per cent, as against the nominal rate of 1/8 per cent which has prevailed for some time.

Government
Security
Market

The market for short-term issues of United States Government securities was slightly easier during the current statement week with offerings more plentiful than during recent weeks and prices in most cases showing slight recessions for the week. The market for United States Government bonds, which has been weak for the past two weeks, made a recovery on Thursday and Friday of the current period, becoming weak again on Saturday and Tuesday. However, on the last day of the statement week prices in most cases recovered part of the net losses recorded earlier, a few of the issues recovering all of the net losses and making fractional gains for the week. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.38% as compared with 0.37% (revised) at the close of the previous period and the average selling price of the Liberty Loan bonds was 101.40 and of Treasury bonds 96.19 as compared with the previous week's average closing prices of 101.40 and 96.45 respectively.

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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

Issue	Price	Net Change	Approx. Yield
2 3/4% Cert. of Ind. due June 15, 1932	- - - - -	- - -	- - -
3 1/8% " " " " Aug. 1, 1932	100 16/32	-3/32	0.03%
1 1/8% " " " " Sept. 15, 1932	100 8/32	-1/32	0.23%
3 % " " " " " 15, 1932	100 26/32	-2/32	0.12%
3 1/8% " " " " Oct. 15, 1932	101 2/32	-3/32	0.22%
3 1/4% Treasury Notes " Dec. 15, 1932	101 18/32	-1/32	0.31%
3 3/4% Cert. of Ind. " Feb. 1, 1933	102 1/32	-2/32	0.66%
3 3/4% " " " " Mar. 15, 1933	102 7/32	-1/32	0.89%
2 % " " " " May 2, 1933	100 28/32	- - -	1.03%
3 % Treasury Notes " " 2, 1934	101 27/32	-1/32	2.01%
Treasury Bills, maturities June 29 to Aug. 24, 1932			
0.40% discount bid, 0.15% asked			
" " maturing Aug. 31, 1932 - 0.40% discount bid, 0.25% asked			

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 11/32	-1/32	Treasury 4 1/4s 1947-52	103 12/32	+12/32
1st 4 1/4s	101 17/32	-2/32	" 4s 1944-54	100 5/32	+ 2/32
4th 4 1/4s	102 10/32	+3/32	" 3 3/4s 1946-56	97 20/32	-11/32
			" 3 3/8s 1943-47	96 2/32	- 9/32
			" 3 3/8s 1940-43	96 4/32	-12/32
			" 3 3/8s 1941-43	95 26/32	-21/32
			" 3 1/8s 1946-49	91	- 4/32
			" 3s 1951-55	89 12/32	-24/32

Bankers
 Acceptances

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

Reports
 week
 ending
 June 1

Boston reported that the demand for bills in its district during the past period showed a good improvement, while the supply continued small. As a whole bills moved freely. In New York there was a moderate increase in the volume of bills handled by dealers this week as compared with the past several weeks. Dealers' purchases exceeded sales slightly and aggregate portfolios increased by about \$5,000,000 to \$27,000,000, which is the highest they have been since March 23, 1932. Philadelphia reported that the amount of new bills showed an increase during the past week but the supply of prime names was still low, with the demand fair. Portfolios remained unchanged. Chicago reported that there was very little, if any, movement in bills in its district during the last week. Dallas reported that there was no demand for bills and no offerings were made to the reserve bank.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

\$ 690,000	-	3 3/8%	Treas. Bonds of 1941-43	-	account Sinking Fund
<u>2,160,000</u>	-	3 3/8%	" " " 1943-47	-	" " "
<u>\$2,850,000</u>					

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities made for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on May 17, amounted to \$50,003,000 as follows:

\$15,500,000	-	Treasury Bills	due Aug. 31, 1932
750,000	-	3 1/8% certificates	" Oct. 15, 1932
272,000	-	3 1/4% Treasury notes	" Dec. 15, 1932
4,000,000	-	3 3/4% certificates	" Mar. 15, 1933
2,500,000	-	2 %	" " May 2, 1933
4,975,000	-	3 % Treasury notes	" " 2, 1934
2,750,000	-	4 1/4% 1st L/L Bds	1932-47
<u>19,256,000</u>	-	4 1/4% 4th " "	1933-38
<u>\$50,003,000</u>			

These purchases were made by the following Federal reserve banks in their respective markets:

Boston \$1,000,000 New York \$48,731,000 San Francisco \$272,000.

The only other transaction consummated in the Account during the week was the

Redemption on June 1 of \$50,087,000 maturing Treasury Bills, which were replaced by purchase in the market of a like amount of Treasury Bills dated June 1, due August 31, 1932.

The purchase of \$50,003,000 government securities, referred to in the foregoing statement, increased the amount of total holdings in the System Account to \$1,404,983,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, June 1, 1932, were as follows:

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Authority E.O. 10501

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

Boston	\$ 95,978,500	June 29, 1932-Treasury Bills	\$ 36,550,000
New York	555,123,500	July 13, 1932- " "	75,000,000
Philadelphia	116,609,500	" 20, 1932- " "	40,475,000
Cleveland	153,646,000	" 27, 1932- " "	43,150,000
Richmond	47,132,500	Aug. 10, 1932- " "	16,000,000
Atlanta	44,215,500	" 17, 1932- " "	58,750,000
Chicago	170,554,500	" 24, 1932- " "	47,427,000
St. Louis	42,714,500	" 31, 1932- " "	65,587,000
Minneapolis	40,048,000	June 15, 1932- 2 3/4% C/I	39,550,000
Kansas City	44,723,000	Aug. 1, 1932- 3 1/8% "	53,900,000
Dallas	24,596,000	Sept. 15, 1932- 1 1/8% "	75,893,000
San Francisco	69,641,500	" 15, 1932- 3 % "	77,751,500
		Oct. 15, 1932- 3 1/8% "	85,911,500
		Dec. 15, 1932- 3 1/4% T/N	109,447,000
		Feb. 1, 1933- 3 3/4% C/I	9,525,000
		Mar. 15, 1933- 3 3/4% "	131,825,000
		May 2, 1933- 2 % "	90,950,000
		" 2, 1934- 3 % T/N	57,675,000
		June 15, 1932/47- 3 1/2% 1st L/L	79,025,000
		June 15, 1932/47- 4 1/4% 1st "	23,000,000
		Oct. 15, 1933/38- 4 1/4% 4th "	187,591,000
Totals	\$1,404,983,000		\$1,404,983,000

ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MAY 26 TO JUNE 1, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Redemption</u>	<u>Net Increase</u>
Boston	\$ 3,486,000	\$ 3,486,000	\$ 0
New York	48,126,500	19,624,500	28,502,000
Philadelphia	8,037,500	4,162,500	3,875,000
Cleveland	10,731,500	5,481,500	5,250,000
Richmond	1,712,000	1,712,000	0
Atlanta	3,936,000	1,561,000	2,375,000
Chicago	12,450,500	6,074,500	6,376,000
St. Louis	3,636,500	1,511,500	2,125,000
Minneapolis	2,926,000	1,426,000	1,500,000
Kansas City	1,624,500	1,624,500	0
Dallas	893,500	893,500	0
San Francisco	2,529,500	2,529,500	0
Totals	\$100,090,000	\$50,087,000	\$50,003,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Kansas City	\$300,000	<u>Net Change From Previous Week</u>	-
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OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$4,413,000	Tr. Bills due 8/31/32	\$4,413,000	June 1, 1932 Tr. Bills
Atlanta	246,000	Misc. Gov't Sec.	210,100	Misc. Gov't Sec.
Minneapolis	371,000	" " "	406,000	" " "
Totals	\$5,030,000		\$5,029,100	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings May 25</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings June 1</u>	<u>Other Holdings Close June 1/32</u>	
				<u>Held in N. Y.</u>	<u>Held Else- where</u>		<u>Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 0	0	0	\$ 0	\$ 0	\$ 0	0	\$ 2,345
New York	2,520	0	0	1,583	0	937	0	10,199
Phila.	105	0	0	0	100	5	0	3,178
Cleveland	0	0	0	0	0	0	0	3,104
Richmond	1,135	0	0	0	200	935	0	1,230
Atlanta	286	0	0	0	49	237	0	1,137
Chicago	480	0	0	0	380	100	0	4,134
St. Louis	0	0	0	0	0	0	0	1,005
Minn.	0	0	0	0	0	0	0	632
Kan. City	0	0	0	0	0	0	0	891
Dallas	126	0	0	0	2	124	0	861
San Fran.	2,887	0	0	0	583	2,304	0	2,121
Totals	\$7,539	0	0	\$1,583	\$1,314	\$4,642	0	\$30,837

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED JUNE 1, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$105,120	\$ 0	\$105,120
Sold	616	0	616
Matured	54,500	2,897	57,397
		\$2,897-	\$ 47,107+
		3+ (Net Change 1-day holdover and other bills)	3+ (Net Change 1-day holdover and other bills)
Totals	\$50,004+	\$2,894-	\$ 47,110+

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED JUNE 1, 1932
(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	\$39,850	\$36,550	\$158,625	\$204,650	\$324,255	\$1,346,494	\$2,110,424
Bills Purchased	7,506	7,447	8,019	12,493	14	0	35,479
Totals	\$47,356	\$43,997	\$166,644	\$217,143	\$324,269	\$1,346,494	\$2,145,903

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**REPORT OF OPEN MARKET OPERATIONS FOR WEEK
ENDED MAY 25, 1932**

(First report received by Mr. Smead)

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Mr. P. ...
Mr. ...
Mr. ...
Mr. ...

FEDERAL RESERVE BANK
OF NEW YORK

DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

May 27, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from May 19, 1932 to May 25, 1932 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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W. B. Matteson

FEDERAL RESERVE BANK
OF NEW YORK

For Circulation

Gov. Meyer	✓
Mr. Hamilton	✓
Mr. James	✓
Mr. George	✓
Mr. Fisher	✓
Mr. Felt	✓
Mr. ...	✓
Mr. ...	✓
Mr. ...	✓
Mr. ...	✓

CONFIDENTIAL

May 27, 1932. *File*

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from May 19, 1932 to May 25, 1932 inclusive, together with data received from Federal reserve banks.

Very truly yours,
W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer, Governor,
Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MAY 25, 1932

Holdings of Earning Assets of Federal Reserve Banks from May 27, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	DISCOUNTED
-1931-						
May 27	\$ 876,489	\$ 598,368	\$ 0	\$121,210	\$ 3,291	\$ 152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,153,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 18	1,977,012	1,466,403	0	40,643	0	464,943
May 25	2,040,056	1,524,896	300	38,373	0	471,267

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 25, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 25	Net Change	Balance May 25	Net Change	Balance May 25	Net Change
Boston	\$ 96,730	\$30,575+	\$ 0	\$ 0	\$ 30,239	\$1,240+
New York	652,460	67,488-	2,520	1,162-	99,738	1,544+
Philadelphia	116,141	4,536+	105	104-	62,450	2,602+
Cleveland	148,396	21,628+	0	1	51,808	1,893-
Richmond	47,133	15,326+	1,135	35+	24,366	692+
Atlanta	41,953	20,814+	286	72-	32,155	1,814+
Chicago	185,777	7,462+	480	200-	27,510	132-
St. Louis	41,089	2,486+	0	0	14,009	776+
Minneapolis	46,169	13,154+	0	60-	113,900	1,576+
Kansas City	44,810	10,000+	0	386-	24,816	835-
Dallas	34,596	0	126	7-	11,811	430+
San Francisco	69,642	0	2,887	314-	78,465	1,490-
N. Y. holdovers and other bills			30,834	0		
Totals	\$1,524,896	\$58,493+	\$38,373	\$2,270-	\$471,267	\$6,324+

COMMENT ON CHANGES WEEK ENDED MAY 25, 1932

Total earning assets of the System showed an increase of \$63,044,000 for the current statement week. The changes by classification consisted of increases of \$58,493,000 in outright holdings of government securities, \$300,000 in government securities held under sales contract, and \$6,324,000 in bills discounted, and a decrease of \$2,270,000 in outright purchases of bankers acceptances.

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Money
Market

For most of the past statement week, the excess reserves of the New York City banks were maintained between \$160,000,000 and \$180,000,000, and on Wednesday May 25, the surplus rose to \$222,000,000, reflecting the delivery on that day of the larger part of the securities purchased during the week for the System Special Investment Account. The total purchased in New York during the past week was \$57,700,000 out of a total of \$58,500,000 of securities acquired for the Account. The excess reserves maintained by all member banks in the country averaged about \$285,000,000 for the week ended the 25th.

The net increase in the excess reserves of the New York City banks from \$176,000,000 on Wednesday May 18th to \$222,000,000 on the 25th resulted principally from a gain of funds to the New York market on balance of wire transfers and check settlements with other parts of the country which exceeded funds withdrawn from this market by the Treasury. The Federal Reserve security purchases made during the week largely offset the loss of funds to the market arising from gold export and earmarking transactions of the period. The monetary gold stock of the United States Government showed a further drop of \$67,000,000 during the past week, but a part of this did not affect the money market within this week since the necessary funds to purchase the gold were from foreign bank balances at the Reserve Banks.

No material changes were evident in the rate structure of the money market during the past week. Some call loans were placed outside the Exchange at 1 1/4 per cent, as compared with a previous low of 1 1/2 per cent, but the official Stock Exchange rate remained at 2 1/2 per cent and time money was unchanged at a nominal quotation of 1 1/2 per cent. Commercial paper rates generally became 2 3/4 - 3 per cent for 4 - 6 month prime material, with 90 day paper being marketed at 2 1/2 per cent. In fact, some 5 - 6 month material of exceptional grade has been sold in the Middle West at 2 1/2 per cent. Yields on short-term Government securities moved downward very slightly, while bill rates were unchanged.

Government
Security
Market

The market for long-term Treasury bonds, which had been very weak during the previous statement week, continued to reflect the unsettled conditions, prices declining from 12/32 to 1.10/32 for the week. The demand for the short-term issues continued good, and prices for these issues and for the Liberty Loan bonds were steady. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was about 0.41% as compared with 0.38% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 101.40 and of Treasury bonds 96.45 as compared with the previous week's average closing prices of 101.34 and 97.32 respectively.

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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>
2	3/4% Cert. of Ind. due June 15, 1932	- - - -	- - - -	- - - -
3	1/8% " " " " Aug. 1, 1932	100 19/32	-1/32	- - - -
1	1/8% " " " " Sept. 15, 1932	100 9/32	-2/32	0.19%
3	% " " " " Sept. 15, 1932	100 28/32	-2/32	0.09%
3	1/8% " " " " Oct. 15, 1932	101 5/32	-1/32	0.12%
3	1/4% Treasury Notes " Dec. 15, 1932	101 19/32	- - -	0.35%
3	3/4% Cert. of Ind. " Feb. 1, 1933	102 3/32	- - -	0.66%
3	3/4% " " " " Mar. 15, 1933	102 8/32	- - -	0.92%
2	% " " " " May 2, 1933	100 28/32	+1/32	1.05%
3	% Treasury Notes " May 2, 1934	101 28/32	+1/32	2.00%

Treasury Bills, all maturities from June 1 to Aug. 24, 1932
0.35% discount bid, 0.15% asked

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

<u>Issue</u>	<u>Price</u>	<u>Net Change</u>	<u>Issue</u>	<u>Price</u>	<u>Net Change</u>
1st 3 1/2s	100 12/32	-2/32	Treasury 4 1/4s 1947-52	103	-1.10/32
1st 4 1/4s	101 19/32	+4/32	" 4s 1944-54	100 3/32	- 30/32
4th 4 1/4s	102 7/32	+3/32	" 3 3/4s 1946-56	97 31/32	- 30/32
			" 3 3/8s 1943-47	96 11/32	- 25/32
			" 3 3/8s 1940-43	96 16/32	-1. 2/32
			" 3 3/8s 1941-43	96 15/32	- 17/32
			" 3 1/8s 1946-49	91 4/32	-1.
			" 3s 1951-55	90 4/32	- 12/32

Bankers
Acceptances

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

Reports
week
ending
May 25

Boston reported that there was very little demand in its district during the past period. While the supply showed a slight increase over the previous period, it was still small but more than sufficient to take care of the demand. There were no offerings to the reserve bank. In New York the volume of bills handled by bill dealers during the week while slightly larger than the past few weeks, continued to be extremely small. With investment funds in good supply, most accepting and discounting banks held as investments the bulk of the new bills created so that the dealers acquired very few bills with which to meet the demand or build up their portfolios. Rates were unchanged. Philadelphia reported that its acceptance market was moderately active. Offerings improved slightly and there was a fair demand for good names. Portfolios continued low. Chicago reported that there was practically no bill market in its district because of the lack of supply. Dallas reported that there was no demand for bills in its district during the past week and no offerings were made 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 consisted of purchases of

<u>\$2,525,000</u>	- Treasury Bonds 1943-47, account Sinking Fund	
<u>700,000</u>	- " " 1941-43, " " "	
<u>\$3,225,000</u>		

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities made for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on May 17, amounted to \$58,520,000 as follows:

<u>\$ 5,000,000</u>	- Treasury Bills	due Aug. 17, 1932
<u>32,520,000</u>	- " "	" " 24, 1932
200,000	- 1 1/8% certificates	" Sept. 15, 1932
1,000,000	- 3 1/8% "	" Oct. 15, 1932
2,000,000	- 3 3/4% "	" Mar. 15, 1933
1,200,000	- 2 % "	" May 2, 1933
750,000	- 3 % Treasury Notes	" " 2, 1934
<u>15,850,000</u>	- 4 1/4% 4th Liberty Loan bonds	1933-38
<u>\$58,520,000</u>		

These purchases were made by the following Federal reserve banks in their respective markets:

Philadelphia \$450,000	New York \$57,870,000	St. Louis \$200,000
---------------------------	------------------------------	----------------------------

Other transactions consummated in the Account during the week consisted of the

Redemption on May 25 of \$14,907,000 maturing Treasury Bills, which were replaced by purchase in the market of 14,907,000 Treasury Bills due August 24, 1932

and the exchange in the market, at advantageous rates, of \$ 500,000 - Treasury Bills due July 13, 1932
1,000,000 - 2 3/4% certificates due June 15, 1932

a total of \$1,500,000

for \$ 200,000 - 3 1/4% Treasury Notes due Dec. 15, 1932
 300,000 - 3 3/4% certificates " Mar. 15, 1933
1,000,000 - 2 % " " May 2, 1933

\$1,500,000

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The purchase of \$58,520,000 government securities referred to in the foregoing statement increased the amount of total holdings in the System Account to \$1,354,980,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, May 25, 1932, were as follows:

<u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u>		<u>RECAPITULATION OF HOLDINGS BY MATURITIES</u>	
Boston	\$ 95,978,500	June 1, 1932-Treasury Bills	\$ 50,087,000
New York	526,621,500	" 29, 1932- "	36,550,000
Philadelphia	112,734,500	July 13, 1932- "	75,000,000
Cleveland	148,396,000	" 20, 1932- "	40,475,000
Richmond	47,132,500	" 27, 1932- "	43,150,000
Atlanta	41,840,500	Aug. 10, 1932- "	16,000,000
Chicago	164,178,500	" 17, 1932- "	58,750,000
St. Louis	40,589,500	" 24, 1932- "	47,427,000
Minneapolis	38,548,000	June 15, 1932- 2 3/4% C/I	39,550,000
Kansas City	44,723,000	Aug. 1, 1932- 3 1/8% "	53,900,000
Dallas	24,596,000	Sept. 15, 1932- 1 1/8% "	75,893,000
San Francisco	69,641,500	" 15, 1932- 3 % "	77,751,500
		Oct. 15, 1932- 3 1/8% "	85,161,500
		Dec. 15, 1932- 3 1/4% T/N	109,175,000
		Feb. 1, 1933- 3 3/4% C/I	9,525,000
		Mar. 15, 1933- 3 3/4% "	127,825,000
		May 2, 1933- 2 % "	88,450,000
		" 2, 1934- 3 % T/N	52,700,000
		June 15, 1947- 3 1/2% 1st L/L	79,025,000
		" 15, 1947- 4 1/4% 1st "	20,250,000
		Oct. 15, 1938- 4 1/4% 4th "	168,335,000
	<hr/>		<hr/>
Totals	<u>\$1,354,980,000</u>		<u>\$1,354,980,000</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 19 to MAY 25, 1932, INCLUSIVE**

<u>GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT</u>				
	<u>Purchases</u>	<u>Redemption and Sales</u>	<u>Net Increase</u>	<u>Net Decrease</u>
Boston	\$ 31,391,500	\$ 817,000	\$30,574,500	\$ 0
New York	40,305,500	107,793,500	0	67,488,000
Philadelphia	5,903,500	1,368,000	4,535,500	0
Cleveland	23,427,500	1,799,000	21,628,500	0
Richmond	15,915,500	589,500	15,326,000	0
Atlanta	21,108,000	272,500	20,835,500	0
Chicago	9,446,000	1,984,500	7,461,500	0
St. Louis	2,972,000	485,000	2,487,000	0
Minneapolis	13,621,500	462,000	13,159,500	0
Kansas City	10,434,000	434,000	10,000,000	0
Dallas	306,500	306,500	0	0
San Francisco	870,000	870,000	0	0
Totals	\$175,701,500	\$117,181,500	\$126,008,000	\$67,488,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

	<u>Net Change From Previous Week</u>
Kansas City	\$300,000
	\$300,000+

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$12,573,000	Aug. 24/32 Tr. Bills	\$12,573,000	May 25/32 Tr. Bills
Atlanta	113,400	Misc. Gov't Sec.	134,700	Misc. Gov't Sec.
Minneapolis	573,550	" " "	579,100	" " "
Totals	\$13,259,950		\$13,286,800	

BANKERS ACCEPTANCES
(000 Omitted)

	<u>Holdings May 18</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings May 25</u>	<u>Other Holdings Close May 25/32</u>	
				<u>Held in N. Y.</u>	<u>Held Else- where</u>		<u>Sales Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 0	0	0	\$ 0	\$ 0	\$ 0	0	\$ 2,344
New York	3,682	0	0	1,162	0	2,520	0	10,196
Phila.	209	0	0	0	104	105	0	3,178
Cleve.	0	0	0	0	0	0	0	3,104
Richmond	1,100	60 R.	0	0	25	1,135	0	1,229
Atlanta	358	0	0	0	72	286	0	1,137
Chicago	680	0	0	0	200	480	0	4,134
St. Louis	0	0	0	0	0	0	0	1,005
Minn.	60	0	0	60	0	0	0	632
Kan. City	386	0	0	386	0	0	0	891
Dallas	133	0	0	0	7	126	0	862
San Fran.	3,201	161 R.	0	0	475	2,887	0	2,122
Totals	\$9,809	\$221	0	\$1,608	\$883	\$7,539	0	\$30,834

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MAY 25, 1932
(000 Omitted)

	<u>1-30 days</u> 3 1/2%	<u>31-60 days</u> 3 1/2%	<u>61-90 days</u> 2 1/2%	<u>Over 90-days</u> -	<u>Total</u>
Richmond	\$ 0	\$ 0	\$ 60	0	\$ 60
San Francisco	<u>40</u>	<u>20</u>	<u>101*</u>	<u>0</u>	<u>161</u>
Totals	<u>\$40</u>	<u>\$20</u>	<u>\$161</u>	<u>0</u>	<u>\$221</u>

*Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MAY 25, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$188,962	\$ 221	\$189,183
Sold	102,989	0	102,989
Matured	27,480	<u>2,491</u>	<u>29,971</u>
		<u>\$2,270-</u>	<u>\$ 56,223+</u>
		0 (Net Change	0 (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 58,493+</u>	<u>\$2,270-</u>	<u>\$ 56,223+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MAY 25, 1932
(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	\$54,800	\$39,550	\$152,025	\$187,800	\$313,505	\$777,516	\$1,525,196
Bills Purchased	<u>6,054</u>	<u>10,092</u>	<u>10,095</u>	<u>11,892</u>	<u>240</u>	<u>0</u>	<u>58,373</u>
Totals	<u>\$60,854</u>	<u>\$49,642</u>	<u>\$162,120</u>	<u>\$199,692</u>	<u>\$313,745</u>	<u>\$777,516</u>	<u>\$1,563,569</u>

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AND STATISTICS.

Mr. Thompson
Mr. Riefler
Mr. Ince
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

May 20, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from May 12, 1932 to May 18, 1932 inclu-
sive, 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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Authority E.O. 10501

9

For CIRCULATION

- Gov. Meyer ✓
- Mr. Hamlin ✓
- Mr. James ✓
- Mr. Magee ✓
- Mr. Miller ✓
- Mr. Pole ✓

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
MAY 21 1932
OFFICE OF
THE GOVERNOR

Mr.
Mr.
Please note - Initial and
Return to Secretary's Office

CONFIDENTIAL

May 20, 1932.

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for the period from May 12, 1932 to May 18, 1932 inclusive,
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Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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 REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MAY 18, 1932

Holdings of Earning Assets of Federal Reserve Banks from May 20, 1931 to Date
 (000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS
		Outright	Sales	Outright	Sales	DISCOUNTED
-1931-						
May 20	\$ 879,186	\$ 598,536	\$ 0	\$124,069	\$ 6,938	\$ 148,876
" 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 11	1,904,401	1,385,267	0	42,719	0	471,373
May 18	1,977,012	1,466,403	0	40,643	0	464,943

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 18, 1932
 (000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 18	Net Change	Balance May 18	Net Change	Balance May 18	Net Change
Boston	\$ 66,155	\$ 0	\$ 0	\$ 1-	\$ 28,999	\$ 301+
New York	719,948	27,790+	3,682	5-	98,194	1,883-
Philadelphia	111,605	6,289+	209	0	59,848	1,237-
Cleveland	126,768	8,520+	0	0	53,701	4,741-
Richmond	31,807	4,057+	1,100	175+	23,674	1,053+
Atlanta	21,139	3,832+	358	75-	30,341	630-
Chicago	178,315	10,345+	680	199-	27,642	5,335-
St. Louis	38,603	3,449+	0	514-	13,233	321+
Minneapolis	33,015	2,451+	60	0	12,324	1,768+
Kansas City	34,810	4,463+	386	191-	25,651	2,642-
Dallas	34,596	3,043+	133	427-	11,381	137+
San Francisco	69,642	6,897+	3,201	894-	79,955	6,458+
N. Y. holdovers and other bills			30,834	55+		
Totals	\$1,466,403	\$81,136+	\$40,643	\$2,076-	\$464,943	\$6,430-

COMMENT ON CHANGES WEEK ENDED MAY 18, 1932

Total earning assets of the System showed an increase of \$72,611,000 for the current statement week. The changes by classification consisted of an increase of \$81,136,000 in outright purchases of government securities and decreases of \$2,076,000 in outright purchases of bankers acceptances and \$6,430,000 in bills discounted.

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Money
Market

The reserve balances of the New York City banks remained surplus to the extent of about \$135,000,000 until Wednesday, May 18, when the excess was increased to \$176,000,000, as compared with \$139,000,000 on the preceding Wednesday. The rise on this day reflected the delivery of the major part of the week's purchases of Government securities for the System Special Investment Account. Total security purchases in New York during the statement week amounted to \$76,000,000 out of an aggregate of \$81,000,000 acquired for the account.

For the week as a whole, the funds put in the New York money market by Federal Reserve security purchases were absorbed in considerable part by a net loss of funds in commercial, Treasury, and foreign transactions. The largest single loss resulted from gold operations, including exports of \$20,000,000 to Switzerland, \$11,800,000 to Holland, \$6,200,000 to France, and \$4,200,000 to Belgium, and a net increase of \$3,600,000 in earmarked holdings for foreign account, which considerably exceeded the amount of gold imported and reduced further the monetary gold stock of this country by \$41,000,000. Treasury transactions of the period took a smaller amount from this market than in other recent weeks since the Treasury used part of the funds realized from withdrawals from depositaries and from the sale of new Treasury bills to buy securities in this market for the Cumulative Sinking Fund in addition to its usual disbursements for Treasury bill maturities and other payments. At the same time, the market this week lost funds due to an excess of withdrawals of currency and coin over deposits at the Reserve Bank. The gold, Treasury, and currency losses were substantially larger than a moderate net balance in favor of this market through the movement of commercial and banking funds.

In some divisions of the New York money market rates became slightly easier during the past week. Five and six month time loans against securities were reduced to a flat nominal quotation of 1 1/2 per cent, the same as for shorter maturities, and open market commercial paper rates showed an easier tendency in that some dealers reported their offering range for prime paper as 2 3/4 - 3 per cent, as against 3 - 3 1/4 per cent formerly. Yields on short-term Government securities declined an additional 1/4 per cent, while bill, call loan, and federal funds rates continued at the low levels previously current.

Government
Security
Market

The market for long-term government issues was very weak during the entire week, reflecting discussions in Washington of additional bond issues. Offerings were light and there was practically no demand aside from the support given by purchases of 3 3/8% Treasury bonds for account of the Sinking Fund. Prices of all issues of Treasury bonds fell off sharply, dropping from 1.10/32 to 2.26/32. The Liberty Loan bonds, however, showed recessions of only 5/32 to 13/32 from the previous week's prices. The market for short-term issues, on the other hand, was quite strong and prices advanced sharply. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices, was 0.38% as compared with 0.65% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 101.34 and of the Treasury bonds 97.32 as compared with the previous week's closing prices of 101.61 and 99.18 respectively.

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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</u>	<u>Approx.</u>
				<u>Change</u>	<u>Yield</u>
2	3/4%	Cert. of Ind. due June 15, 1932	- - -	- - -	- - -
3	1/8%	" " " " Aug. 1, 1932	100 20/32	- - -	- - -
1	1/8%	" " " " Sept. 15, 1932	100 11/32	+ 3/32	0.05%
3	%	" " " " " 15, 1932	100 30/32	+ 1/32	0.07%
3	1/8%	" " " " Oct. 15, 1932	101 6/32	+ 2/32	0.19%
3	1/4%	Treasury Notes " Dec. 15, 1932	101 19/32	+ 4/32	0.45%
3	3/4%	Cert. of Ind. " Feb. 1, 1933	102 3/32	+ 1/32	0.74%
3	3/4%	" " " " Mar. 15, 1933	102 8/32	+ 3/32	0.98%
2	%	" " " " May 2, 1933	100 27/32	+ 8/32	1.10%
3	%	Treasury Notes " " 2, 1934	101 27/32	+10/32	2.03%

Treasury Bills, all maturities from May 25 to Aug. 17, 1932
0.40% discount bid, 0.15% asked

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

				<u>Net</u>			<u>Net</u>
<u>Issue</u>	<u>Price</u>	<u>Change</u>	<u>Issue</u>	<u>Price</u>	<u>Change</u>	<u>Net</u>	
1st 3 1/2s	100 14/32	- 8/32	Treas. 4 1/4s 1947-52	104 10/32	-1.10/32		
1st 4 1/4s	101 15/32	- 5/32	" 4s 1944-54	101 1/32	-1.11/32		
4th 4 1/4s	102 4/32	-13/32	" 3 3/4s 1946-56	98 29/32	-1.16/32		
			" 3 3/8s 1943-47	97 4/32	-1.27/32		
			" 3 3/8s 1940-43	97 18/32	-1.13/32		
			" 3 3/8s 1941-43	97	-1.31/32		
			" 3 1/8s 1946-49	92 4/32	-2.22/32		
			" 3s 1951-55	90 16/32	-2.26/32		

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

Reports week ending May 18 Boston reported that while the supply of bills continued small, the local demand showed a good improvement during the past period. Ninety day bills were in best demand. In New York the bill market continued very inactive during the past week. Dealers' purchases exceeded sales slightly and their aggregate portfolios increased by about \$4,000,000 to \$18,500,000. Rates unchanged. Philadelphia reported that its acceptance market remained very inactive. A slight increase was noticed in the supply of new bills, but the demand was only fair. Chicago reported that the market for bills in its district continued very dull. Dallas reported that the demand for bills was small and no offerings were made to the reserve bank.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

Purchases of \$ 1,645,000 - Treasury Bonds 1940-43, account Sinking Fund
15,034,000 - " " 1941-43, " " "
<u>8,321,000 - " " 1943-47, " " "</u>
<u>\$25,000,000</u>

and sale of \$300,000 Fourth 4 1/4% Liberty Loan bonds, account Alien Property Custodian.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of United States Government securities made for the System Account during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, amounted to \$81,139,000, as follows:

\$ 1,000,000 - Treasury Bills	due Aug. 10, 1932
37,639,000 - " "	" " 17, 1932
1,500,000 - 3 3/4% certificates	" Feb. 1, 1933
5,750,000 - 3 3/4% "	" Mar. 15, 1933
11,050,000 - 2 % "	" May 2, 1933
11,700,000 - 3 % Treasury notes	" " 2, 1934
<u>12,500,000 - 4 1/4% Fourth Liberty Loan bonds</u>	<u>1933-38</u>
<u>\$81,139,000</u>	

These purchases were made by the following Federal reserve banks in their respective markets:

Philadelphia \$1,000,000. New York \$75,639,000. Chicago \$4,500,000.

Other transactions consummated in the Account during the week consisted of the

Redemption on May 18 of \$16,111,000 maturing Treasury bills, which were replaced by purchase in the market of 16,111,000 Treasury bills maturing August 17, 1932

and the exchange in the market, at advantageous rates of \$2,000,000 - 2 3/4% certificates due June 15, 1932

for 2,000,000 - 1 1/8% " " Sept. 15, 1932

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The purchase of \$81,139,000 government securities referred to in the foregoing statement increased the amount of total holdings in the Account to \$1,296,460,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, May 18, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 65,404,000
New York	594,109,500
Philadelphia	108,199,000
Cleveland	126,767,500
Richmond	31,806,500
Atlanta	21,005,000
Chicago	156,717,000
St. Louis	38,102,500
Minneapolis	25,388,500
Kansas City	34,723,000
Dallas	24,596,000
San Francisco	69,641,500

Totals \$1,296,460,000

RECAPITULATION OF HOLDINGS BY MATURITIES

May 25, 1932-Treasury Bills	\$	14,907,000
June 1, 1932-	" "	50,087,000
" 29, 1932-	" "	36,550,000
July 13, 1932-	" "	75,500,000
" 20, 1932-	" "	40,475,000
" 27, 1932-	" "	43,150,000
Aug. 10, 1932-	" "	16,000,000
" 17, 1932-	" "	53,750,000
June 15, 1932- 2 3/4% C/I		40,550,000
Aug. 1, 1932- 3 1/8% "		53,900,000
Sept. 15, 1932- 1 1/8% "		75,693,000
" 15, 1932- 3 % "		77,751,500
Oct. 15, 1932- 3 1/8% "		84,161,500
Dec. 15, 1932- 3 1/4% T/N		108,975,000
Feb. 1, 1933- 3 3/4% C/I		9,525,000
Mar. 15, 1933- 3 3/4% "		125,525,000
May 2, 1933- 2 % "		86,250,000
" 2, 1934- 3 % T/N		51,950,000
June 15, 1947- 3 1/2% 1st L/L		79,025,000
" 15, 1947- 4 1/4% 1st "		20,250,000
Oct. 15, 1938- 4 1/4% 4th "		152,485,000

\$1,296,460,000

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6

**ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM MAY 12 TO MAY 18, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Redemption and Sales</u>	<u>Net Increase</u>
Boston	\$ 961,500	\$ 961,500	\$ 0
New York	40,698,000	12,908,000	27,790,000
Philadelphia	7,805,000	1,517,000	6,288,000
Cleveland	10,233,500	1,764,000	8,519,500
Richmond	4,477,500	420,500	4,057,000
Atlanta	4,118,000	264,000	3,854,000
Chicago	12,528,000	2,183,000	10,345,000
St. Louis	3,968,000	520,000	3,448,000
Minneapolis	2,779,000	345,000	2,434,000
Kansas City	4,921,500	458,500	4,463,000
Dallas	3,369,000	326,000	3,043,000
San Francisco	7,840,000	943,500	6,896,500
Totals	\$103,750,000	\$22,611,000	\$81,139,000

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

	<u>Net Change From Previous Week</u>
N O N E	-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$10,000,000	Aug. 17/32 Tr. Bills	\$10,000,000	May 18/32 Tr. Bills
Atlanta	238,000	Misc. Gov't Sec.	259,650	Misc. Gov't Sec.
Minneapolis	682-350	" " "	665,050	" " "
Totals	\$10,920,350		\$10,924,700	

BANKERS ACCEPTANCES

(000 Omitted)

	<u>Holdings May 11</u>	<u>Purchased Own Mkt.</u>	<u>By Allot- ment from New York</u>	<u>Maturities and Sales</u>		<u>Holdings May 18</u>	<u>Other Holdings Close May 18/32</u>	
				<u>Held in N.Y.</u>	<u>Held Else- where</u>		<u>Sales Con- tracts</u>	<u>Other Bills</u>
Boston	\$ 1	0	0	\$ 0	\$ 1	\$ 0	0	\$ 2,346
New York	3,687	0	0	5	0	3,682	0	10,196
Phila.	209	0	0	0	0	209	0	3,178
Cleve.	0	0	0	0	0	0	0	3,104
Richmond	925	425 R.	0	0	250	1,100	0	1,229
Atlanta	433	0	0	0	75	358	0	1,137
Chicago	879	0	0	0	199	680	0	4,134
St. Louis	514	0	0	514	0	0	0	1,005
Minn.	60	0	0	0	0	60	0	632
Kan. City	577	0	0	191	0	386	0	891
Dallas	560	0	0	427	0	133	0	861
San Fran.	4,095	100 R.	0	0	994	3,201	0	2,121
Totals	\$11,940	\$525	0	\$1,137	\$1,519	\$9,809	0	\$30,834

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MAY 18, 1932
(000 Omitted)

	<u>1-30 days</u> -	<u>31-60 days</u> 2 1/2%	<u>61-90 days</u> 2 1/2%	<u>Over 90-days</u> -	<u>Totals</u>
Richmond	0	\$25	\$400	0	\$425
San Francisco	0	0	100*	0	100
Totals	<u>0</u>	<u>\$25</u>	<u>\$500</u>	<u>0</u>	<u>\$525</u>

*Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MAY 18, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government</u> <u>Securities</u>	<u>Bankers</u> <u>Acceptances</u>	<u>Total</u>
Purchased	\$114,670	\$ 525	\$115,195
Sold	7,423	0	7,423
Matured	26,111	2,656	28,767
		<u>\$2,151-</u>	<u>\$ 79,005+</u>
		55+ (Net Change one-day holdover and other bills)	55+ (Net Change one-day holdover and other bills)
Totals	<u>\$ 81,136+</u>	<u>\$2,076-</u>	<u>\$ 79,060+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MAY 18, 1932
(000 Omitted)

(Including Sales Contracts)

	<u>Within</u> <u>15-days</u>	<u>16-30</u> <u>days</u>	<u>31-60</u> <u>days</u>	<u>61-90</u> <u>days</u>	<u>91 days-</u> <u>6 months</u>	<u>Over 6</u> <u>months</u>	<u>Totals</u>
Gov't Securities	\$81,980	\$40,550	\$112,050	\$159,525	\$316,060	\$756,238	\$1,466,405
Bills Purchased	8,042	7,600	12,830	11,931	240	0	40,643
Totals	<u>\$90,022</u>	<u>\$48,150</u>	<u>\$124,880</u>	<u>\$171,456</u>	<u>\$316,300</u>	<u>\$756,238</u>	<u>\$1,507,046</u>

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Mr. Thompson
Mr. Riefler
Mr. Smead
Mr. Thompson

FEDERAL RESERVE BANK
OF NEW YORK

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DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

May 13, 1932.

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

Dear Dr. Goldenweiser:

Enclosed is a report of open market operations
for the period from May 5, 1932 to May 11, 1932 inclusive,
together with data received from Federal reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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For CIRCULATION

- Gov. Meyer
- Mr. Hamlin
- Mr. James
- Mr. Megee
- Mr. Miller
- Mr. Fole

FEDERAL RESERVE BANK
OF NEW YORK

Mr. Merrill
Mr. Callahan

Mr.
Mr.
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return to ~~Secretary's Office~~
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Assistant Deputy Governor

Honorable Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Encl.

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED MAY 11, 1932

Holdings of Earning Assets of Federal Reserve Banks from May 13, 1931 to Date
(000 Omitted)

	TOTAL EARNING ASSETS	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED
		Outright Purchases	Sales Contracts	Outright Purchases	Sales Contracts	
-1931-						
May 13	\$ 897,544	\$ 598,414	\$ 0	\$142,269	\$10,839	\$ 144,904
" 27	876,489	598,368	0	121,210	3,291	152,852
June 24	947,334	618,503	0	103,164	3,226	197,678
July 29	934,795	677,977	0	62,909	3,627	183,036
Aug. 26	1,156,636	727,998	0	179,476	1,042	241,718
Sept. 30	1,557,970	738,455	3,890	449,022	19,505	327,925
Oct. 28	2,198,238	726,659	0	723,262	1,418	716,680
Nov. 25	1,925,509	727,101	0	479,225	573	686,401
Dec. 30	2,185,216	764,933	38,295	248,708	78,267	1,024,133
-1932-						
Jan. 27	1,787,912	750,216	1,500	153,671	8,590	837,639
Feb. 24	1,723,862	740,006	550	126,865	6,517	835,243
Mar. 30	1,578,146	860,056	11,562	62,281	4,081	633,255
Apr. 27	1,773,745	1,191,232	0	45,874	0	531,824
May 4	1,842,133	1,286,881	0	44,522	0	505,801
" 11	1,904,401	1,385,267	0	42,719	0	471,373

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED MAY 11, 1932
(000 Omitted)

	GOVERNMENT SECURITIES		BANKERS ACCEPTANCES		BILLS DISCOUNTED	
	Balance May 11	Net Change	Balance May 11	Net Change	Balance May 11	Net Change
Boston	\$ 66,155	\$ 0	\$ 1	\$ 3-	\$ 28,698	\$ 2,934-
New York	692,158	33,692+	3,687	37-	100,077	4,155-
Philadelphia	105,316	7,624+	209	0	61,085	689-
Cleveland	118,248	10,328+	0	0	58,442	4,757-
Richmond	27,750	4,919+	925	25-	22,621	1,121-
Atlanta	17,307	4,683+	433	602-	30,971	1,011+
Chicago	167,970	12,543+	879	49-	32,977	5,386-
St. Louis	35,154	4,180+	514	0	12,912	1,226-
Minneapolis	30,564	2,956+	60	139-	10,556	102+
Kansas City	30,347	5,411+	577	0	28,293	1,444-
Dallas	31,553	3,689+	560	13-	11,244	92+
San Francisco	62,745	8,361+	4,095	363-	73,497	13,921-
N. Y. holdovers and other bills			30,779	572-		
Totals	\$1,385,267	\$98,386+	\$42,719	\$1,803-	\$471,373	\$34,428-

COMMENT ON CHANGES WEEK ENDED MAY 11, 1932

Total earning assets of the System showed an increase of \$62,268,000 for the current statement week. The changes by classification consisted of an increase of \$98,386,000 in outright purchases of government securities and decreases of \$1,803,000 in outright purchases of bankers acceptances and \$34,428,000 in bills discounted.

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Money
Market

Further purchases of \$82,000,000 of United States Government securities were made during the past statement week in the New York market for the System Special Investment Account out of a total of \$98,000,000 acquired for the Account. The purchases in New York were largely absorbed by losses of funds to the market in other transactions and by a further increase in the reserve requirement figures of the New York City banks, so that at the close of the week excess bank reserves amounted to \$139,000,000, as compared with \$143,000,000 on the previous Wednesday.

The principal loss of funds to the New York market during this period was through Treasury transactions and represented an excess of withdrawals from Government depositaries in this district and sales of new Treasury bills over Treasury bill maturities and other disbursements here. It appears that this net withdrawal of funds from the New York market this week was not immediately disbursed in other districts by the Treasury, since Treasury balances maintained at all Reserve Banks rose from the small figure of \$13,000,000 on May 4 to \$51,000,000 on May 11. There was also a loss of \$33,000,000 to the New York market as the net result of gold export, import, and earmarking transactions. This gold loss reflected principally exports to Holland, Switzerland, France, and Belgium, some of the gold being taken from stocks previously earmarked. At the same time, the balance between New York and other parts of the country, including settlements for banking, commercial, and security transfers, was somewhat against the New York market. The only offsets to these losses were a net return of outstanding currency to the Reserve Bank and a gain in miscellaneous commercial and agency transactions.

Further easing of nominal quotations for stock exchange time loans occurred during the past week. The rate for 2 to 4 month loans was reduced to 1 1/2 per cent flat, and bid and asked rates for 5 and 6 month money to 1 1/2 - 1 3/4 per cent. Early in the week some 4 month money loaned at 2 per cent, and more recently a substantial block of September 1 money went at 1 1/2 per cent. On the 11th, bill rates were reduced 1/4 per cent to the quotations in effect before the 1/4 per cent rise of May 5, and the prevailing range for open market commercial paper became established at 3 - 3 1/4 per cent, or about 1/4 per cent below the previous level. Yields on short term United States Government securities, meanwhile, showed an average drop of approximately 1/4 per cent. The official Stock Exchange rate for call loans against securities remained at 2 1/2 per cent, with "outside market" loans being arranged generally at 1 1/2 per cent.

Government
Security
Market

The market for United States Government securities, which had turned weak during the latter part of the previous statement week, improved slowly as the current period progressed, developing into a strong market during the latter part of the week, especially for the short-term issues. This improvement was probably assisted by the reduction in interest rates allowed by Clearing House banks on deposits, and the reduction in bill rates. Prices advanced for the week from 1/32 to 19/32 for the short-term issues and from 14/32 to 2.6/32 for the bonds. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices was about 0.65% as compared with 0.79% at the close of the previous period, and the average selling price of the Liberty Loan bonds was 101.61 and of the Treasury bonds 99.18 as compared with the previous week's average closing price of 101.04 and 97.70 respectively.

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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

Issue	Price	Net Change	Approx. Yield
2 3/4% Cert. of Ind. due June 15, 1932	100 9/32	---	---
3 1/8% " " " " Aug. 1, 1932	100 20/32	- 1/32	0.27%
1 1/8% " " " " Sept. 15, 1932	100 8/32	+ 3/32	0.38%
3 " " " " " 15, 1932	100 29/32	+ 1/32	0.32%
3 1/8% " " " " Oct. 15, 1932	101 4/32	+ 1/32	0.46%
3 1/4% Treasury Notes " Dec. 15, 1932	101 15/32	+ 4/32	0.75%
3 3/4% Cert. of Ind. " Feb. 1, 1933	102 2/32	+ 3/32	0.86%
3 3/4% " " " " Mar. 15, 1933	102 5/32	+ 6/32	1.16%
2 % " " " " May 2, 1933	100 19/32	+ 9/32	1.38%
3 % Treasury Notes " " 2, 1934	101 17/32	+ 19/32	2.20%

Treasury Bills, all maturities May 18 to Aug. 10, 1932
0.65% discount bid, 0.40% asked

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

Issue	Price	Net Change	Issue	Price	Net Change
1st 3 1/2s	100 22/32	+14/32	Treasury 4 1/4s 1947-52	105 20/32	+ 1. 2/32
1st 4 1/4s	101 20/32	+24/32	" 4s 1944-54	102 12/32	+ 22/32
4th 4 1/4s	102 17/32	+17/32	" 3 3/4s 1946-56	100 13/32	+ 23/32
			" 3 3/8s 1943-47	98 31/32	+ 1.31/32
			" 3 3/8s 1940-43	98 31/32	+ 1.31/32
			" 3 3/8s 1941-43	98 31/32	+ 1.31/32
			" 3 1/8s 1946-49	94 26/32	+ 2. 6/32
			" 3s 1951-55	93 10/32	+ 1.10/32

Bankers
Acceptances

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

Reports
week
ending
May 11

Boston reported that both the supply and demand for bills in its district decreased somewhat during the past period. During the first part of the period, dealers increased their rates 1/4 of 1 per cent on all maturities but were obliged later in the period to return to their previous rates of 1 per cent bid, 7/8 per cent asked for 90-day bills. In New York the bill market was extremely dull this week. At the close of business May 5, dealers, whose portfolios had increased \$8,000,000 last week, from \$12,000,000 to \$20,000,000, increased their rates 1/4 per cent on all maturities. This increase in rates resulted in a slightly better foreign demand and aggregate portfolios declined again to approximately \$15,000,000. Following the Clearing House action reducing interest on most demand deposits to 1/2 of 1 per cent, bill dealers reduced their rates on May 11 by 1/4 per cent bringing them back to the levels which prevailed from April 21 to May 5, i. e., 1 per cent bid for unendorsed bills maturing up to 90 days, 7/8 asked; 4 months 1 1/8 bid, 1 per cent asked; 5 and 6 months 1 3/8 bid, 1 1/4 asked. Indorsed bills 1/8 less. Philadelphia reported that its acceptance market was less active. The demand for bills slackened and was very light for the first part of the week but improved in the last half, this causing dealers to lower their rates 1/4 of 1 per cent, thereby restoring them to their former level. The supply was small and portfolios were further depleted. Chicago reported that there was practically no supply of bills available in its market. Dallas reported that there was practically no demand for bills and 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	\$ 184,800	-	Fourth 4 1/4% Liberty Loan bonds,
			account Demobilized Military Organizations
and purchases of	370,000	-	Treasury Bonds 1940-43, account Sinking Fund
	4,996,000	-	" " 1941-43, " " "
	<u>4,424,000</u>	-	" " 1943-47, " " "
	<u>\$9,790,000</u>		

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

Purchases of short-term government securities made during the current statement week, under authority granted at the meeting of the Open Market Policy Conference held in Washington on April 12, amounted to \$98,375,000 as follows:

\$ 1,000,000	-	1 1/8%	certificates due Sept. 15, 1932
750,000	-	3 %	" " " 15, 1932
5,780,000	-	3 1/8%	" " Oct. 15, 1932
8,500,000	-	3 1/4%	Treasury notes " Dec. 15, 1932
2,750,000	-	3 3/4%	certificates " Feb. 1, 1933
14,000,000	-	3 3/4%	" " Mar. 15, 1933
31,595,000	-	2 %	" " May 2, 1933
<u>34,000,000</u>	-	3 %	Treasury notes " " 2, 1934
<u>\$98,375,000</u>			

These purchases were made by the following reserve banks in their respective markets:

Boston	\$ 530,000	Philadelphia	\$ 700,000
New York	82,395,000	Chicago	14,750,000

Other transactions affected in the holdings during the week consisted of the

<u>Redemption</u> on May 11 of \$18,355,000 maturing Treasury bills, which were replaced
by purchase in the market of \$ 1,000,000 Treasury bills maturing June 1, 1932
15,000,000 " " " Aug. 10, 1932
<u>2,355,000</u> - 2% certificates due May 2, 1933
<u>\$18,355,000</u>

and the exchange in the market, at advantageous rates of \$2,000,000- 2 3/4% certificates due June 15, 1932 for 2,000,000- 3 3/4% " " Mar. 15, 1933

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The purchase of \$98,375,000 short-term government securities referred to in the foregoing statement, increased the amount of total holdings in the Account to \$1,215,321,000. The participations by Federal reserve banks and the classification of issues held in the Account at the close of business Wednesday, May 11, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

Boston	\$ 65,404,000
New York	566,319,500
Philadelphia	101,910,000
Cleveland	118,248,000
Richmond	27,749,500
Atlanta	17,151,000
Chicago	146,372,000
St. Louis	34,654,500
Minneapolis	22,954,500
Kansas City	30,260,000
Dallas	21,553,000
San Francisco	62,745,000

Totals \$1,215,321,000

RECAPITULATION OF HOLDINGS BY MATURITIES

May 18, 1932-Treasury Bills	\$ 16,111,000
" 25, 1932- " "	14,907,000
June 1, 1932- " "	50,087,000
" 29, 1932- " "	36,550,000
July 13, 1932- " "	75,500,000
" 20, 1932- " "	40,475,000
" 27, 1932- " "	43,150,000
Aug. 10, 1932- " "	15,000,000
June 15, 1932- 2 3/4% C/I	42,550,000
Aug. 1, 1932- 3 1/8% "	53,900,000
Sept. 15, 1932- 1 1/8% "	73,693,000
" 15, 1932- 3 % "	77,751,500
Oct. 15, 1932- 3 1/8% "	84,161,500
Dec. 15, 1932- 3 1/4% T/N	108,975,000
Feb. 1, 1933- 3 3/4% C/I	8,025,000
Mar. 15, 1933- 3 3/4% "	119,775,000
May 2, 1933- 2 % "	75,200,000
" 2, 1934- 3 % T/N	40,250,000
June 15, 1947- 3 1/2% 1st L/L	79,025,000
" 15, 1947- 4 1/4% 1st "	20,250,000
Oct. 15, 1938- 4 1/4% 4th "	139,985,000

\$1,215,321,000

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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 5, 1932 TO MAY 11, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

	<u>Purchases</u>	<u>Redemption and Sales</u>	<u>Net Increase</u>
Boston	\$ 1,109,500	\$ 1,109,500	\$ 0
New York	46,825,000	13,132,500	33,692,500
Philadelphia	9,333,000	1,708,500	7,624,500
Cleveland	12,307,000	1,978,500	10,328,500
Richmond	5,376,500	457,500	4,919,000
Atlanta	4,951,500	278,500	4,673,000
Chicago	14,993,500	2,450,000	12,543,500
St. Louis	4,757,500	577,000	4,180,500
Minneapolis	3,332,500	381,000	2,951,500
Kansas City	5,910,000	499,000	5,411,000
Dallas	4,045,500	356,000	3,689,500
San Francisco	9,403,500	1,042,000	8,361,500
Totals	<u>\$122,345,000</u>	<u>\$23,970,000</u>	<u>\$98,375,000</u>

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

	<u>Net Change From Previous Week</u>
N O N E	-

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SALES CONTRACTS)

	<u>Purchases</u>	<u>Issue</u>	<u>Redemption and Sales</u>	<u>Issue</u>
New York	\$6,500,000	Misc. Gov't Sec.	\$6,500,000	May 11/32 Tr. Bills
Atlanta	422,400	" " "	412,450	Misc. Gov't Sec.
Minneapolis	776,850	" " "	772,250	" " "
Totals	<u>\$7,699,250</u>		<u>\$7,684,700</u>	

BANKERS ACCEPTANCES
(000 Omitted)

	Holdings May 4	Purchased Own Mkt.	By Allot- ment from New York	Maturities and Sales		Holdings May 11	Other Holdings Close May 11/32	
				Held in N.Y.	Held Else- where		Con- tracts Sales	Other Bills
Boston	\$ 4	\$ 0	0	\$ 0	\$ 3	\$ 1	0	\$ 2,345
New York	3,724	0	0	37	0	3,687	0	10,142
Phila.	209	0	0	0	0	209	0	3,178
Cleve.	0	0	0	0	0	0	0	3,104
Richmond	950	0	0	0	25	925	0	1,229
Atlanta	1,035	0	0	267	335	433	0	1,137
Chicago	928	0	0	0	49	879	0	4,134
St. Louis	514	0	0	0	0	514	0	1,005
Minn.	199	0	0	139	0	60	0	632
Kan. City	577	0	0	0	0	577	0	891
Dallas	573	14 R.	0	0	27	560	0	861
San Fran.	4,458	10 "	0	0	373	4,095	0	2,121
Totals	<u>\$13,171</u>	<u>\$24</u>	<u>0</u>	<u>\$443</u>	<u>\$812</u>	<u>\$11,940</u>	<u>0</u>	<u>\$30,779</u>

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED MAY 11, 1932
(000 Omitted)

	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u> 3 1/2%	<u>Over 90-days</u> 2 1/2%	<u>Totals</u>
Dallas	0	0	0	\$14	\$14
San Francisco	0	0	10	0	10
Totals	<u>0</u>	<u>0</u>	<u>\$10</u>	<u>\$14</u>	<u>\$24</u>

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED MAY 11, 1932
(000 Omitted)

(Excluding Sales Contracts)

	<u>Government Securities</u>	<u>Bankers Acceptances</u>	<u>Total</u>
Purchased	\$130,044	\$ 24	\$130,068
Sold	6,803	0	6,803
Matured	24,855	1,255	26,110
		<u>\$1,231-</u>	<u>\$ 97,155+</u>
		572- (Net Change	572- (Net Change
		1-day holdover	1-day holdover
		and other bills)	and other bills)
Totals	<u>\$ 98,386+</u>	<u>\$1,803-</u>	<u>\$ 96,583+</u>

HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED MAY 11, 1932
(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>Totals</u>
Gov't Securities	\$53,591	\$54,500	\$79,100	\$213,025	\$271,305	\$713,746	\$1,385,267
Bills Purchased	11,410	4,953	8,049	18,067	240	0	42,719
Totals	<u>\$65,001</u>	<u>\$59,453</u>	<u>\$87,149</u>	<u>\$231,092</u>	<u>\$271,545</u>	<u>\$713,746</u>	<u>\$1,427,986</u>