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DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

December 30, 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 December 22, 1932 to December 28,
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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DIVISION OF BANK OPERATIONS
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JAN 1 - 1933

CONFIDENTIAL

December 30, 1932.

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

Dear Mr. Smead:

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W. B. Matteson
Assistant Deputy Governor

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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓
Mr.
Mr.
Please note - Initial and
Secretary's Office
File

CONFIDENTIAL

December 30, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from December 22, 1932 to December 28,
1932 inclusive, together with data received from Federal
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W. B. Matteson
Assistant Deputy Governor

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

Encl.

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CONFIDENTIAL
 REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED DECEMBER 28, 1932

Holdings of Earning Assets of Federal Reserve Banks from December 30, 1931 to Date
 (000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|-------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| 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 | 835,245 |
| 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 359,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 30 | 2,200,030 | 1,850,766 | 0 | 34,800 | 0 | 508,973 |
| Dec. 21 | 2,159,806 | 1,850,699 | 0 | 33,221 | 0 | 270,315 |
| " 28 | 2,157,075 | 1,850,757 | 0 | 33,307 | 0 | 267,382 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED DECEMBER 28, 1932
 (000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Balance Dec. 28 | Net Change | Balance Dec. 28 | Net Change | Balance Dec. 28 | Net Change |
| Boston | \$ 96,668 | \$ 0 | \$ 0 | \$ 0 | \$ 13,383 | \$1,350- |
| New York | 733,292 | 0 | 100 | 1- | 60,209 | 3,368- |
| Philadelphia | 139,269 | 0 | 4 | 0 | 49,755 | 100- |
| Cleveland | 178,282 | 0 | 0 | 0 | 26,176 | 1,809- |
| Richmond | 47,133 | 0 | 687 | 96- | 16,528 | 204+ |
| Atlanta | 46,618 | 18+ | 2,552 | 226+ | 24,580 | 4,651+ |
| Chicago | 262,210 | 0 | 0 | 0 | 17,063 | 138+ |
| St. Louis | 66,156 | 0 | 0 | 0 | 7,016 | 1,079- |
| Minneapolis | 54,692 | 20+ | 0 | 0 | 10,430 | 1,012- |
| Kansas City | 57,252 | 0 | 0 | 0 | 11,860 | 593- |
| Dallas | 45,721 | 0 | 0 | 0 | 5,265 | 158- |
| San Francisco | 123,444 | 0 | 492 | 57+ | 25,117 | 1,543+ |
| N. Y. holdovers and other bills | | | 29,472 | 100- | | |
| Totals | \$1,850,737 | \$38+ | \$33,307 | \$ 86+ | \$267,382 | \$2,935- |

COMMENT ON CHANGES WEEK ENDED DECEMBER 28, 1932

Total earning assets of the System declined \$2,731,000 during the current statement week. This change was accounted for primarily by a decrease in bills discounted amounting to \$2,933,000.

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Money
Market

During the first few days of the past reporting week the excess reserves of all member banks in the country dropped only from \$530,000,000 to \$508,000,000, as additional Christmas currency requirements during these days were distinctly below the usual seasonal expectations. In succeeding days the usual return flow of currency withdrawn for Christmas circulation, together with gold imports, resulted in substantial additions to member bank reserve accounts. As a consequence the estimated excess reserves on Wednesday, December 28, amounted to \$557,000,000. The net increase of \$27,000,000 in the estimated excess reserves for the past week was the result of a net reduction of \$43,000,000 in money in circulation and an increase of \$17,000,000 in the country's monetary gold stock, partly offset by some increase in Treasury balances at the Reserve Banks, a decrease in Federal Reserve float, an increase in reserve requirements of the member banks, and a small reduction in member bank discounts. In the forthcoming week, further return of currency from holiday circulation and expected gold imports will increase excess bank reserves considerably further.

In New York City, the excess reserves of the banks showed an increase of \$31,000,000 for the week to \$332,000,000 on December 28, although dropping as low as \$274,000,000 on the day before Christmas. The largest gain to the New York market was through an inflow of funds from other parts of the country but there were substantial gains also through decreases in currency outstanding and gold imports. Only partly offsetting these gains were an increase in reserve requirements of the New York banks and losses to the market in Treasury transactions, including an excess of Treasury bill sales and withdrawals from depositaries over the amount of maturing Treasury bills held in this market.

Yields on short term United States Government securities declined about 1/16 per cent further during the past week and the December 28 Treasury bills were sold at a price to yield only 0.09 per cent, a new low. Other rates in the New York market were without change.

Government
Security
Market

The unusually good demand for United States Government securities, which developed in the market during the previous statement week, continued during the current week with the demand in excess of the supply throughout almost the entire list. Prices for short term issues and the Liberty Loan bonds recorded gains for the week ranging from 1/32 to 16/32nds and prices for the Treasury bonds advanced from 13/32 to 31/32nds. The First 3 1/2s and Fourth 4 1/4s and all of the Treasury bonds, except the 3% and 3 1/8% bonds, sold during the week at the high levels of the year. The new issue of Treasury bills dated December 28 was sold by the Treasury at a record low rate of 0.09% discount. At the close of the statement week the average yield on short term issues at dealers' offering prices (exclusive of the four issues of Treasury certificates maturing up to and including June 15, 1933, which showed no yield at current prices) was about 0.77% as compared with 0.83% at the close of the previous reporting period, and the average selling price for the Liberty Loan bonds was 102.97 and for Treasury bonds 103.16 as compared with the previous week's average closing price of 102.75 and 102.49 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 3/4% Certs. of Ind. due Feb. 1, 1933 | 100 22/32 | + 1/32 | - - - |
| 3 3/4% " " " " Mar. 15, 1933 | 101 2/32 | + 1/32 | - - - |
| 2 % " " " " May 2, 1933 | 100 26/32 | + 1/32 | - - - |
| 1 1/2% " " " " June 15, 1933 | 100 24/32 | + 1/32 | - - - |
| 1 1/4% " " " " Sept. 15, 1933 | 100 26/32 | + 2/32 | 0.10% |
| 5/4% " " " " Dec. 15, 1933 | 100 17/32 | + 3/32 | 0.19% |
| 3 % Treasury Notes " May 2, 1934 | 103 14/32 | + 4/32 | 0.42% |
| 2 1/8% " " " " Aug. 1, 1934 | 102 9/32 | +10/32 | 0.68% |
| 3 % " " " " June 15, 1935 | 103 9/32 | +10/32 | 1.63% |
| 3 1/4% " " " " Aug. 1, 1936 | 103 7/32 | +10/32 | 2.31% |
| 2 3/4% " " " " Dec. 15, 1936 | 101 19/32 | +16/32 | 2.32% |
| 3 % " " " " Apr. 15, 1937 | 102 6/32 | +13/32 | 2.45% |
| 3 1/4% " " " " Sept. 15, 1937 | 102 29/32 | +11/32 | 2.58% |

Treasury Bills - all maturities - 0.20% discount bid, 0.05% 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

| Issue | Price | Net Change | Issue | Price | Change |
|------------|-----------|------------|-------------------------|-----------|--------|
| 1st 3 1/2s | 102 19/32 | +8/32 | Treasury 4 1/4s 1947-52 | 109 28/32 | +18/32 |
| 1st 4 1/4s | 102 10/32 | +6/32 | " 4 s 1944-54 | 106 23/32 | +31/32 |
| 4th 4 1/4s | 104 | +7/32 | " 3 3/4s 1946-56 | 104 26/32 | +30/32 |
| | | | " 3 3/8s 1943-47 | 102 10/32 | +26/32 |
| | | | " 3 3/8s 1940-43 | 102 8/32 | +13/32 |
| | | | " 3 3/8s 1941-43 | 102 8/32 | +18/32 |
| | | | " 3 1/8s 1946-49 | 99 14/32 | +19/32 |
| | | | " 5 s 1951-55 | 97 21/32 | +18/32 |

Bankers
 Acceptances

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

Reports
 week
 ended
 Dec. 28

Boston reported a decrease in both the supply and demand in its district during the past period, and as bills did not move freely, dealers were obliged to forward excess offerings to their offices in other cities. In New York the bill market was very dull during the past week with the exception of Tuesday when dealers experienced a fair turnover consisting of substantial sales of bills by certain large banks in exchange for bills of other New York banks, and outright sales by one local institution of about \$6,000,000, which were not replaced. This resulted in an increase in dealers' portfolios of \$6,000,000 to \$13,500,000. Investment funds are still plentiful, however, and it is quite probable that dealers' portfolios will again be depleted after the turn of the year. Philadelphia reported no important change in its acceptance market during the past week. There was a slight improvement in offerings but demand continued narrow and selective.

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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 \$200,000 Fourth 4 1/4% Liberty Loan bonds for account Alien Property Custodian, Account No. 8. Delivery was made on December 27 of \$15,000,000 of the \$30,977,000 - 3% Treasury Bonds of 1951-55 purchased for account "Payment of Principal Obligations by Foreign Governments" as mentioned in last week's report.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Redemption of December 28, 1932 Treasury Bills and replacement by purchases in the market

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|---|---|
| \$46,850,000-Treas. Bills due Dec. 28, 1932 | \$34,350,000-Treas. Bills due Mar. 29, 1933 |
| | 3,000,000-1 1/4% C/I " Sept. 15, 1933 |
| | 2,000,000-3 % T/N " May 2, 1934 |
| | 2,500,000-2 1/8% " " Aug. 1, 1934 |
| | 5,000,000-2 3/4% " " Dec. 15, 1936 |
| -\$46,850,000 | \$46,850,000 |

(2) Sales in the market

| <u>Sales in the market</u> | <u>Purchases in the market</u> |
|---|--|
| \$ 500,000 - 3 3/4% C/I due Mar. 15, 1933 | \$1,500,000 - 3/4% C/I due Dec. 15, 1933 |
| 1,000,000 - 2 % " " May 2, 1933 | |
| \$1,500,000 | \$1,500,000 |

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, December 28, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> |
|--|---|
| Boston \$ 95,978,500 | Jan. 11, 1933-Treasury Bills \$ 55,600,000 |
| New York 607,453,000 | " 18,1933- " " 46,208,000 |
| Philadelphia 135,919,000 | " 25,1933- " " 69,550,000 ^{171,35} |
| Cleveland 178,282,000 | Feb. 8, 1933- " " 43,200,000 |
| Richmond 47,132,500 | " 15,1933- " " 38,600,000 ^{13,775} |
| Atlanta 46,560,000 | " 23,1933- " " 49,950,000 ^{131,73} |
| Chicago 199,195,000 | Mar. 1, 1933- " " 35,000,000 |
| St. Louis 65,655,500 | " 29,1933- " " 34,350,000 ^{145,5} |
| Minneapolis 47,087,000 | Feb. 1, 1933- 3 3/4% C/I 13,775,000 |
| Kansas City 57,180,500 | Mar. 15, 1933- 3 3/4% " 151,025,000 ^{199,37} |
| Dallas 35,721,000 | May 2, 1933- 2 % " 123,237,500 |
| San Francisco 123,443,500 | June 15, 1933- 1 1/2% " 118,725,000 ^{516,25} |
| | Sept. 15, 1933- 1 1/4% " 175,983,000 |
| | Dec. 15, 1933- 3/4% " 66,454,000 |
| | May 2, 1934- 3 % T/N 78,225,000 |
| | Aug. 1, 1934- 2 1/8% " 104,952,000 |
| | June 15, 1935- 3 % " 79,277,000 |
| | Dec. 15, 1936- 2 3/4% " 19,880,000 |
| | June 15, 1932/47-3 1/2% 1st L/L 25,025,000 |
| | " 15, 1932/47-4 1/4% 1st " 29,000,000 |
| | Oct. 15, 1933/38-4 1/4% 4th " 281,591,000 |
| 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 DECEMBER 22 TO DECEMBER 28, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> |
|---------------|---------------------|---------------------------------|
| Boston | \$ 2,830,500 | \$ 2,830,500 |
| New York | 17,912,500 | 17,912,500 |
| Philadelphia | 4,008,000 | 4,008,000 |
| Cleveland | 5,257,500 | 5,257,500 |
| Richmond | 1,390,000 | 1,390,000 |
| Atlanta | 1,373,000 | 1,373,000 |
| Chicago | 5,873,500 | 5,873,500 |
| St. Louis | 1,936,000 | 1,936,000 |
| Minneapolis | 1,388,500 | 1,388,500 |
| Kansas City | 1,686,500 | 1,686,500 |
| Dallas | 1,054,000 | 1,054,000 |
| San Francisco | 3,640,000 | 3,640,000 |
| Totals | \$48,350,000 | \$48,350,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

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

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | | <u>Issue</u> | <u>Redemption and Sales</u> | | <u>Issue</u> |
|---------------|---------------------|----------------------|---------------------|---------------------------------|----------------------|--------------|
| New York | \$ 1,900,000 | Mar. 29/33 Tr. Bills | \$ 1,900,000 | | Dec. 28/32 Tr. Bills | |
| Atlanta | 95,850 | Misc. Gov't Sec. | 77,400 | | Misc. Gov't Sec. | |
| Chicago | 7,500,000* | Mar. 29/33 Tr. Bills | 7,500,000 | | Dec. 28/32 Tr. Bills | |
| Minneapolis | 566,450 | Misc. Gov't Sec. | 546,600 | | Misc. Gov't Sec. | |
| | | | | | | |
| Totals | \$10,062,300 | | \$10,024,000 | | | |

*Purchased in New York market

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Dec. 21 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Dec. 28 | Other Holdings Close Dec. 28/32 | |
|---------------|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|---------------------|------------------------------------|-----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,261 |
| New York | 101 | 100 R. | 0 | 101 | 0 | 100 | 0 | 9,558 |
| Phila. | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 3,066 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,995 |
| Richmond | 783 | 132 " | 0 | 0 | 228 | 687 | 0 | 1,186 |
| Atlanta | 2,326 | 538 " | 0 | 0 | 312 | 2,552 | 0 | 1,097 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,987 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 974 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 612 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 860 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 830 |
| San Fran. | 435 | 63 " | 0 | 0 | 6 | 492 | 0 | 2,046 |
| Totals | \$3,649 | \$833 | 0 | \$101 | \$546 | \$3,835 | 0 | \$29,472 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED DECEMBER 28, 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 | \$ 0 | \$ 0 | \$100 | 0 | \$100 |
| Richmond | 4 | 0 | 128 | 0 | 132 |
| Atlanta | 45 | 306 | 187 | 0 | 538 |
| San Francisco | <u>1</u> | <u>8</u> | <u>54</u> | <u>0</u> | <u>63</u> |
| Totals | <u>\$50</u> | <u>\$314</u> | <u>\$469</u> | <u>0</u> | <u>\$833</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 28, 1932
(000 Omitted)

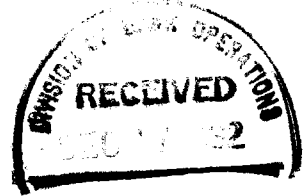
| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|---------------|--|---|---|
| Purchased | \$58,412 | \$833 | \$59,245 |
| Sold | 2,124 | 0 | 2,124 |
| Matured | 56,250 | 647 | 56,897 |
| | | <u>\$186+</u> | <u>\$ 224+</u> |
| | | 100-(Net Change 1-day holdover & other bills) | 100-(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 38+</u> | <u>\$ 86+</u> | <u>\$ 124+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 28, 1932
(000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Totals</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$58,356 | \$119,758 | \$151,525 | \$224,285 | \$296,513 | \$1,000,300 | \$1,850,737 |
| Bills Purchased | 6,452 | 5,742 | 10,385 | 10,728 | 0 | 0 | 33,307 |
| Totals | <u>\$64,808</u> | <u>\$125,500</u> | <u>\$161,910</u> | <u>\$235,013</u> | <u>\$296,513</u> | <u>\$1,000,300</u> | <u>\$1,884,044</u> |

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Handwritten marks: a large checkmark and some illegible scribbles.



FEDERAL RESERVE BANK
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December 23, 1932.

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

Dear Mr. Smead:

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for the period from December 15, 1932 to December 21,
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Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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Mr. Thompson ✓
Mr. [unclear] ✓
Mr. [unclear]

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Mr. [unclear]
[unclear]

FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Hooge ✓
Mr. Miller ✓
Mr. _____
Mr. _____
Please note - mail should
return to sender, if blank

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RECEIVED
DEC 27 1932
OFFICE OF THE GOVERNOR
FEDERAL RESERVE BOARD

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CONFIDENTIAL
REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED DECEMBER 21, 1932

Holdings of Earning Assets of Federal Reserve Banks from December 23, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Dec. 23 | \$1,957,221 | \$ 758,222 | \$ 0 | \$247,074 | \$10,277 | \$ 911,194 |
| 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 30 | 2,200,030 | 1,850,766 | 0 | 34,800 | 0 | 308,973 |
| Dec. 14 | 2,174,346 | 1,850,726 | 0 | 33,769 | 0 | 284,473 |
| Dec. 21 | 2,159,806 | 1,850,699 | 0 | 33,221 | 0 | 270,315 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED DECEMBER 21, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|--------|------------------|-----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Dec. 21 | Change | Dec. 21 | Change | Dec. 21 | Change |
| Boston | \$ 96,668 | \$45- | \$ 0 | \$ 0 | \$ 14,733 | \$ 546+ |
| New York | 733,292 | 0 | 101 | 50- | 63,577 | 630+ |
| Philadelphia | 139,269 | 0 | 4 | 0 | 49,855 | 560- |
| Cleveland | 178,282 | 0 | 0 | 0 | 27,985 | 2,545- |
| Richmond | 47,133 | 0 | 783 | 7- | 16,324 | 139- |
| Atlanta | 46,600 | 31- | 2,326 | 326- | 19,929 | 3,279- |
| Chicago | 262,210 | 0 | 0 | 0 | 16,925 | 1,199- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,095 | 502+ |
| Minneapolis | 54,672 | 49+ | 0 | 0 | 11,442 | 295- |
| Kansas City | 57,252 | 0 | 0 | 0 | 12,453 | 828- |
| Dallas | 45,721 | 0 | 0 | 0 | 5,423 | 296- |
| San Francisco | 123,444 | 0 | 435 | 2- | 23,574 | 6,695- |
| N. Y. holdovers and other bills | | | 29,572 | 163- | | |
| Totals | \$1,850,699 | \$27- | \$33,221 | \$548- | \$270,315 | \$14,158- |

COMMENT ON CHANGES WEEK ENDED DECEMBER 21, 1932

Total earning assets of the System declined \$14,540,000 during the current statement week. The principal changes by classification consisted of decreases in outright holdings of bankers acceptances and bills discounted of \$548,000 and \$14,158,000 respectively, and an increase of \$193,000 in holdings of other assets.

| |
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| DECLASSIFIED Authority <u>E.O. 10501</u> |
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2

Money
Market

As was indicated in last week's report, excess reserves of all member banks in the country showed very little net change for the reporting week ended December 21. Beginning the week at \$522,000,000, estimated excess reserves rose to over \$600,000,000 on the 15th reflecting the Treasury overdraft and also disbursements by the Treasury of funds realized from the British debt payment in gold. In succeeding days the Treasury overdraft was reduced and finally terminated on December 19 by a withdrawal of Government funds from depositaries. Coincident with the reduction and termination of the Treasury overdraft, the participations of New York City banks in the special certificate of indebtedness covering the overdraft were reduced and completely retired on December 19. The withdrawal of Treasury funds from the market, with the consequent restoration of Treasury balances to their customary level, and holiday currency requirements reduced excess reserves of the member banks to \$530,000,000 on December 21 as compared with \$522,000,000 on December 14. Holiday currency demands are reducing this excess further.

For the week as a whole, gains to the national money market through an increase of \$119,000,000 in the monetary gold stock and through other transactions were largely absorbed by an increase of \$66,000,000 in money in circulation, and by an increase in the reserve requirements of the member banks, a decrease of \$14,000,000 in discounts of member banks at the Federal Reserve Banks, and by net increases in Treasury and foreign bank deposits at the Reserve Banks. The week's increase in the amount of money in circulation was considerably less than was to be expected on the basis of seasonal factors alone.

During the past week, excess reserves of the New York City banks were increased from \$293,000,000 to \$301,000,000. Reflecting largely the Treasury operations around the 15th, Treasury disbursements in this market exceeded withdrawals from the market by about \$50,000,000, and there were also gains through gold import and foreign account earmarking transactions and through a decrease in the National Credit Corporation account at the Reserve Banks. These gains, however, were largely offset by an outflow of funds to other parts of the country in settlement of commercial, banking, and security transactions, in addition to which a sizable amount of currency was withdrawn from the Reserve Bank for holiday circulation and a net increase in foreign bank deposits occurred.

In call money, loans arranged in the outside market were largely at $\frac{3}{4}$ of 1 per cent although some quotations of $\frac{1}{2}$ and $\frac{5}{8}$ of 1 per cent were reported. Meanwhile Stock Exchange call money remained at 1 per cent. Following the easing reported last week, open market commercial paper rates became established at a range of $1\frac{1}{4}$ - $1\frac{1}{2}$ per cent, and yields on short-term United States Government securities receded about $\frac{1}{8}$ per cent further. No other changes occurred in the various divisions of the New York money market.

Government
Security
Market

There was an unusually good demand for all issues of government securities, and prices of short-term issues advanced from $\frac{2}{32}$ to $\frac{14}{32}$ nds, and prices for the Liberty Loan and Treasury bonds advanced from $\frac{2}{32}$ to $\frac{28}{32}$ nds. Additional gold imports and the limited amount of the new issue were factors in the increased demand for government issues. At the close of the statement week the average yield on the short-term issues at dealers' offering prices (exclusive of the four issues of Treasury certificates maturing up to and including June 15, 1933, which showed no yield at current prices) was about 0.83% as compared with 0.81% (a calculation which excluded only two issues showing no yield) at the close of the previous reporting period, and the average selling price for the Liberty Loan bonds was 102.75 and of Treasury bonds 102.49 as compared with the previous week's average closing price of 102.56 and 102.09 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 3/4% | Cert. of Ind. due Feb. 1, 1933 | 100 21/32 | + 2/32 | - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 1/32 | + 2/32 | - - - |
| 2 % | " " " " May 2, 1933 | 100 25/32 | + 2/32 | - - - |
| 1 1/2% | " " " " June 15, 1933 | 100 23/32 | + 2/32 | - - - |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 24/32 | - - - | 0.21% |
| 3/4% | " " " " Dec. 15, 1933 | 100 14/32 | + 2/32 | 0.30% |
| 3 % | Treasury Notes " May 2, 1934 | 103 10/32 | + 5/32 | 0.55% |
| 2 1/8% | " " " " Aug. 1, 1934 | 101 31/32 | + 6/32 | 0.89% |
| 3 % | " " " " June 15, 1935 | 102 31/32 | + 7/32 | 1.76% |
| 3 1/4% | " " " " Aug. 1, 1936 | 102 29/32 | + 9/32 | 2.40% |
| 2 3/4% | " " " " Dec. 15, 1936 | 101 3/32 | +11/32 | 2.46% |
| 3 % | " " " " Apr. 15, 1937 | 101 25/32 | +11/32 | 2.56% |
| 3 1/4% | " " " " Sept. 15, 1937 | 102 18/32 | +14/32 | 2.66% |

Treasury Bills - all maturities - 0.20% discount bid, 0.05% 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 | 102 11/32 | +11/32 | Treasury 4 1/4s 1947-52 | 109 10/32 | + 9/32 |
| 1st 4 1/4s | 102 4/32 | + 2/32 | " 4 s 1944-54 | 105 24/32 | +14/32 |
| 4th 4 1/4s | 103 25/32 | + 5/32 | " 3 3/4s 1946-56 | 105 28/32 | +18/32 |
| | | | " 3 3/8s 1943-47 | 101 16/32 | +14/32 |
| | | | " 3 3/8s 1940-43 | 101 27/32 | + 2/32 |
| | | | " 3 3/8s 1941-43 | 101 22/32 | + 5/32 |
| | | | " 3 1/8s 1946-49 | 98 27/32 | +28/32 |
| | | | " 3 s 1951-55 | 97 3/32 | +13/32 |

Bankers
 Acceptances

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

Reports
 week
 ended
 Dec. 21

Boston reported that both the supply and demand for bills showed an increase in its district during the past week. Bills moved freely with short maturities in best demand. In New York the volume of bills handled by dealers during the week showed a moderate increase over last week. Trading, however, was very narrow and confined chiefly to a few local banks which were willing to sell some of their own bills in order to obtain bills accepted by other banks. The demand while very selective as to names, continued good, and dealers' aggregate portfolios declined further to \$7,500,000. Philadelphia reported that its acceptance market remained unchanged. The demand for bills slackened and offerings were slight.

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4
OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

During the current statement week purchases were made, under Treasury authorization of

\$ 600,000 3 1/8% Treasury bonds of 1946-49 for account Secretary of the Interior.
30,977,000 3 % " " " 1951-55 " " Payment of Principal Obligations by Foreign Govts.

Delivery of the latter purchase will be made on December 27 and December 29.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Exchanges by subscriptions to new Treasury issues dated Dec. 15, 1932 pursuant to Treasury offering dated Dec. 7, 1932:

| | |
|---|--|
| \$40,554,000- 3/4% C/I due Dec.15,1933* | for \$55,434,000-3 1/4% T/N due Dec.15,1932* |
| 14,880,000-2 3/4% T/N " " 15,1936 | |
| \$55,434,000 | \$55,434,000 |

* Of these amounts \$3,160,000 was exchanged by the Federal Reserve Bank of Chicago for Treasury notes held by them in safekeeping for System Account.

(2) Purchases in the market in replacement of redemption of unallocated portion of Dec. 15, 1932 Treasury notes entered for exchange:

| <u>Purchases in the market</u> | <u>Redemption</u> |
|---|---|
| \$ 5,000,000-Treas. Bills due Dec.28,1932 | \$19,900,000-3 1/4% T/N due Dec.15,1932** |
| 5,000,000- " " " Feb. 8,1933 | |
| 9,900,000-3/4% C/I " Dec.15,1933** | |
| \$19,900,000 | \$19,900,000 |

** Of these amounts, \$840,000 was redeemed and purchased in Chicago.

(3) Purchases in the market

| <u>Purchases in the market</u> | <u>Sales in the market</u> |
|--|---|
| \$ 4,500,000-1 1/4% C/I due Sept.15,1933 | \$11,750,000-Treas. Bills due Dec.28,1932 |
| 14,500,000- 3/4% " " Dec. 15,1933 | 7,000,000-3 3/4% C/I " Mar.15,1933 |
| 750,000-3 % T/N " June 15,1935 | 1,000,000-2 % " " May 2,1933 |
| \$19,750,000 | \$19,750,000 |

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, December 21, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> | |
|--|------------------------|---|------------------------|
| Boston | \$ 95,978,500 | Dec. 28,1932 - Treasury Bills | \$ 46,850,000 |
| New York | 607,453,000 | Jan. 11,1933 - " " | 55,600,000 |
| Philadelphia | 135,919,000 | " 18,1933 - " " | 46,208,000 |
| Cleveland | 178,282,000 | " 25,1933 - " " | 69,550,000 |
| Richmond | 47,132,500 | Feb. 8,1933 - " " | 43,200,000 |
| Atlanta | 46,560,000 | " 15,1933 - " " | 38,600,000 |
| Chicago | 199,195,000 | " 23,1933 - " " | 49,950,000 |
| St. Louis | 65,655,500 | Mar. 1,1933 - " " | 35,000,000 |
| Minneapolis | 47,087,000 | Feb. 1,1933 - 3 3/4% C/I | 13,775,000 |
| Kansas City | 57,180,500 | Mar. 15,1933 - 3 3/4% " | 151,525,000 |
| Dallas | 35,721,000 | May 2,1933 - 2 % " | 124,237,500 |
| San Francisco | 123,443,500 | June 15,1933 - 1 1/2% " | 118,725,000 |
| | | Sept.15,1933 - 1 1/4% " | 172,983,000 |
| | | Dec. 15,1933 - 3/4% " | 64,954,000 |
| | | May 2,1934 - 3 % T/N | 76,225,000 |
| | | Aug. 1,1934 - 2 1/8% " | 102,257,000 |
| | | June 15,1935 - 3 % " | 79,272,000 |
| | | Dec. 15,1936 - 2 3/4% " | 14,880,000 |
| | | June 15,1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " 15,1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. 15,1933/38-4 1/4% 4th " | 281,591,000 |
| 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 DECEMBER 15 TO DECEMBER 21, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases and Exchanges</u> | <u>Sales, Redemptions and Exchanges</u> |
|---------------|------------------------------------|---|
| Boston | \$ 5,566,000 | \$ 5,566,000 |
| New York | 35,227,500 | 35,227,500 |
| Philadelphia | 7,882,500 | 7,882,500 |
| Cleveland | 10,339,000 | 10,339,000 |
| Richmond | 2,733,000 | 2,733,000 |
| Atlanta | 2,700,000 | 2,700,000 |
| Chicago | 11,551,000 | 11,551,000 |
| St. Louis | 3,808,000 | 3,808,000 |
| Minneapolis | 2,731,000 | 2,731,000 |
| Kansas City | 3,316,000 | 3,316,000 |
| Dallas | 2,071,500 | 2,071,500 |
| San Francisco | 7,158,500 | 7,158,500 |
| Totals | \$95,084,000 | \$95,084,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES - (EXCLUDING SPECIAL 1-DAY C/I)

| | <u>Purchases and Exchanges</u> | <u>Issue</u> | <u>Sales, Exchanges and Redemptions</u> | <u>Issue</u> |
|-------------|------------------------------------|------------------|---|------------------|
| Boston | \$ 0 | - | \$ 45,000 | Dec. 15/32 T/N |
| New York | (a) 5,422,000 | Dec. 15/33 C/I | 6,865,000 | Dec. 15/32 T/N |
| | 3,441,000 | Misc. Gov't Sec. | 2,000,000 | Aug. 1/34 T/N |
| Atlanta | 122,750 | " " " | 153,650 | Misc. Gov't Sec. |
| Chicago | (a) 3,081,000 | Dec. 15/33 C/I | 3,900,000 | Dec. 15/32 T/N |
| | 819,000 | " 15/33 " | | |
| Minneapolis | 703,700 | Misc. Gov't Sec. | 656,100 | Misc. Gov't Sec. |
| Totals | \$13,589,450 | | \$13,617,750 | |

(a) Received in exchange for a like amount of 3 1/4% T/N due Dec. 15, 1932, under Treasury offering dated Dec. 7, 1932.

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Dec. 14 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Dec. 21 | Other Holdings Close Dec. 21/32 | |
|--|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|---------------------|------------------------------------|----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,261 |
| New York | 151 | 0 | 0 | 50 | 0 | 101 | 0 | 9,650 |
| Phila. | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 3,066 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,995 |
| Richmond | 790 | 0 | 0 | 0 | 7 | 783 | 0 | 1,186 |
| Atlanta | 2,652 | 97 R. | 0 | 0 | 423 | 2,326 | 0 | 1,098 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,987 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 974 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 612 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 860 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 830 |
| San Fran. | 437 | 0 | 0 | 0 | 2 | 435 | 0 | 2,046 |
| Totals | \$4,034 | \$97 | 0 | \$50 | \$432 | \$3,649 | 0 | \$29,565 |
| Bills held over night by New York for distribution to other Fed. res. banks- | | | | | | | | 7 |
| Total | | | | | | | | \$29,572 |

NOTE: R. indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASES WEEK ENDED DECEMBER 21, 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> |
|---------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Atlanta | \$33 | \$44 | \$20 | 0 | \$97 |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 21, 1932
 (000 Omitted)

(Excluding Special 1-day Cert. of Ind.)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Totals</u> |
|-----------|------------------------------|---|---|
| Purchased | \$44,737 | \$ 97 | \$44,834 |
| Sold | 22,559 | 0 | 22,559 |
| Matured | 22,205 | 482 | 22,687 |
| Exchanged | 65,937 | 0 | 65,937 |
| | | <u>\$385-</u> | <u>\$ 412-</u> |
| | | 163-(Net Change 1-day holdover & other bills) | 163-(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 27-</u> | <u>\$548-</u> | <u>\$ 575-</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 21, 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 | \$56,250 | \$108,564 | \$171,125 | \$274,733 | \$253,763 | \$986,264 | \$1,850,699 |
| Bills Purchased | 8,061 | 4,855 | 11,005 | 9,302 | 0 | 0 | 33,221 |
| Totals | <u>\$64,311</u> | <u>\$113,419</u> | <u>\$182,128</u> | <u>\$284,035</u> | <u>\$253,763</u> | <u>\$986,264</u> | <u>\$1,883,920</u> |

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*Mr. Rieffers ✓
Mr. Thompson*

FEDERAL RESERVE BANK
OF NEW YORK

RECEIVED
DEC 17 1932
DIVISION OF RESEARCH
AND STATISTICS.

CONFIDENTIAL

December 16, 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 December 8, 1932 to December 14, 1932
inclusive, together with data received from Federal Reserve
banks.

Very truly yours,
W. B. Matteson

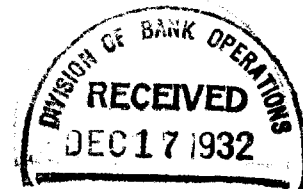
W. B. Matteson
Assistant Deputy Governor

Encl.

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Authority E.O. 10501

✓
✓

FEDERAL RESERVE BANK
OF NEW YORK




CONFIDENTIAL

December 16, 1932.

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

Dear Sir:

Enclosed is a report of open market operations
for the period from December 8, 1932 to December 14, 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 [unclear]
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller

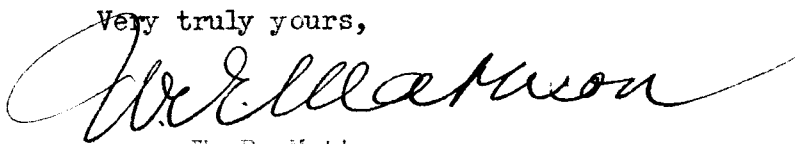
Mr.
Mr.
Please note initial and
return to [unclear]

CONFIDENTIAL

December 16, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from December 8, 1932 to December 14, 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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CONFIDENTIALREPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED DECEMBER 14, 1932Holdings of Earning Assets of Federal Reserve Banks from December 16, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| Dec. 16 | \$1,941,351* | \$ 905,694* | \$ 0 | \$302,926 | \$ 4,151 | \$ 697,908 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 35,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 30 | 2,200,030 | 1,850,766 | 0 | 34,800 | 0 | 308,973 |
| Dec. 7 | 2,188,349 | 1,850,677 | 0 | 33,717 | 0 | 298,618 |
| " 14 | 2,174,346 | 1,850,726 | 0 | 33,769 | 0 | 284,473 |

*Includes \$246,000,000 special one-day Treasury certificate of indebtedness, \$48,500,000 of which was sold to member banks as follows: In New York \$26,500,000, in Boston \$22,000,000.

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED DECEMBER 14, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Balance Dec. 14 | Net Change | Balance Dec. 14 | Net Change | Balance Dec. 14 | Net Change |
| Boston | \$ 96,713 | \$ 0 | \$ 0 | \$ 0 | \$ 14,187 | \$ 339+ |
| New York | 733,292 | 0 | 151 | 3- | 62,947 | 2,413- |
| Philadelphia | 139,269 | 0 | 4 | 4+ | 50,415 | 136+ |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,530 | 424- |
| Richmond | 47,135 | 0 | 790 | 30+ | 16,463 | 935- |
| Atlanta | 46,631 | 51+ | 2,652 | 5+ | 23,208 | 550+ |
| Chicago | 262,210 | 0 | 0 | 0 | 18,124 | 485- |
| St. Louis | 66,156 | 0 | 0 | 0 | 7,593 | 2- |
| Minneapolis | 54,623 | 2- | 0 | 0 | 11,737 | 280- |
| Kansas City | 57,252 | 0 | 0 | 0 | 13,281 | 79- |
| Dallas | 45,721 | 0 | 0 | 0 | 5,719 | 342- |
| San Francisco | 123,444 | 0 | 437 | 63+ | 30,269 | 10,210- |
| N. Y. holdovers and other bills | | | 29,735 | 79+ | | |
| Totals | \$1,850,726 | \$49+ | \$33,769 | \$52+ | \$284,473 | \$14,145- |

COMMENT ON CHANGES WEEK ENDED DECEMBER 14, 1932

Total earning assets of the System declined \$14,003,000 during the current statement week. The most important change was a decrease in bills discounted amounting to \$14,145,000.

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Money
Market

Due to a number of elements, the excess reserves held by all member banks in the country increased about \$35,000,000 during the week ended December 14th, amounting on that date to \$522,000,000. About one-half of the rise in excess bank reserves was the result of gold movements, representing an excess of imports of gold over a net increase in the amount held under earmark for foreign account. Other factors contributing to the increase in excess reserves were an unseasonal reduction in money in circulation which amounted to \$5,000,000, an increase in Federal Reserve float, a small decrease in Treasury balances at the Reserve Banks, a decline in reserve requirements, and a decrease in foreign bank deposits at the Reserve Banks. Part of the funds provided by these transactions were absorbed in a further repayment of \$15,000,000 of member bank borrowings, but the larger portion went to increase excess reserves. The estimated average excess reserves held by all member banks in the country were \$510,000,000 during the week ended December 14, as compared with a \$467,000,000 surplus in the preceding week.

Surplus reserves of New York City banks rose from \$234,000,000 on December 7 to \$293,000,000 on December 14. This increase was very largely the result of an inflow of funds to New York from other parts of the country, and in a smaller degree resulted from gold operations and payments to the market by foreign account.

Operations on December 15th materially increased the excess reserves of all member banks in the country. The volume of Treasury disbursements for redemption of maturing notes and interest payments considerably exceeded the Treasury's receipts from the money market which included those for cash sales of the new issues and some income tax collections. The Treasury overdraft at all Reserve Banks on the 15th amounted to only \$64,000,000, however, as the Treasury realized from the British debt payment the amount of \$95,550,000 which was provided by the Federal Reserve Bank of New York against the earmarking in London of an equivalent amount of gold by the Bank of England. A part of the gain of funds to the money market on December 15 was absorbed by the sale to New York City banks of \$40,000,000 of participations in the special one day certificate of indebtedness issued to the Reserve Bank to cover the Treasury overdraft.

Income tax collections within the next few days, a withdrawal of Treasury funds from Government depositaries on the 19th to restore its balance at the Reserve Banks to the customary level, and the holiday currency requirements will draw down the excess reserves of the member banks, so that at the end of the forthcoming week they should not be greatly different from the surplus of December 14. With the return of currency after Christmas, however, the excess reserves of the member banks may be expected to show a renewed expansion.

Money rates in the New York market showed no important variation during the past week. Call money was available in the outside market at $5/8$ and $3/4$ of one per cent, as against a range of $1/2$ to $3/4$ of one per cent in the previous week. On the other hand, open market commercial paper was traded in at a slightly lower range of $1\ 1/4$ - $1\ 3/4$ per cent, and yields on United States Government short-term securities receded slightly. Other divisions of the money market were entirely without change.

Government
Security
Market

The market for United States Government securities was fairly active for the current statement week with a steady demand for the short-term issues and an increasingly good demand for the long-term Treasury bonds at rising prices. All Treasury bonds except the 3s and $3\ 1/8$ s reached new high prices for the year. The $4\ 1/4$ s and 4s went to a yield basis well under $3\ 1/2$ per cent. Prices for short-term issues which

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showed the smallest or no yields, declined fractionally, reflecting the reduced value of the exchange privilege in the December 15 issue. Prices for the highest yield short-term issues made fractional advances. The new Treasury issues of one-year certificates and four-year notes, at the close of the period, were offered in the market at premiums of 12/32 and 24/32 respectively. At the close of the statement week the average yield on the short-term issues at dealers' offering prices (exclusive of the two issues of Treasury certificates maturing next February and March, which showed no yield at current prices) was about 0.81% including the two new Treasury issues and 0.73% excluding the new issues as compared with 0.74% at the close of the previous reporting period and the average selling price for the Liberty Loan bonds was 102.56 and of Treasury bonds 102.09 as compared with the previous week's average closing price of 102.59 and 101.64 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 |
|--------|---------------------------------|-----------|------------|---------------|
| 3 3/4% | Certs. of Ind. due Feb. 1, 1933 | 100 19/32 | - 7/32 | - - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 100 31/32 | - 3/32 | - - - - |
| 2 % | " " " " May 2, 1933 | 100 23/32 | - 1/32 | 0.10% |
| 1 1/2% | " " " " June 15, 1933 | 100 21/32 | - 2/32 | 0.18% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 24/32 | - - - | 0.24% |
| 3/4% | " " " " Dec. 15, 1933 | 100 12/32 | +12/32 | 0.37% |
| 3 % | Treasury Notes " May 2, 1934 | 103 5/32 | - 2/32 | 0.69% |
| 2 1/8% | " " " Aug. 1, 1934 | 101 25/32 | - - - | 1.01% |
| 3 % | " " " June 15, 1935 | 102 24/32 | - - - | 1.87% |
| 3 1/4% | " " " Aug. 1, 1936 | 102 20/32 | + 4/32 | 2.49% |
| 2 3/4% | " " " Dec. 15, 1936 | 100 24/32 | +24/32 | 2.55% |
| 3 % | " " " Apr. 15, 1937 | 101 14/32 | + 6/32 | 2.64% |
| 3 1/4% | " " " Sept. 15, 1937 | 102 4/32 | + 4/32 | 2.77% |

Treasury Bills - all maturities - 0.20% discount bid, 0.05% 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

| Issue | Price | Net Change | Issue | Price | Net Change |
|------------|-----------|------------|-------------------------|-----------|------------|
| 1st 3 1/2s | 102 | - - - - | Treasury 4 1/4s 1947-52 | 109 1/32 | +18/32 |
| 1st 4 1/4s | 102 2/32 | -4/32 | " 4s 1944-54 | 105 10/32 | +27/32 |
| 4th 4 1/4s | 103 20/32 | -1/32 | " 3 3/4s 1946-56 | 103 10/32 | +28/32 |
| | | | " 3 3/8s 1943-47 | 101 2/32 | + 4/32 |
| | | | " 3 3/8s 1940-43 | 101 25/32 | +11/32 |
| | | | " 3 3/8s 1941-43 | 101 17/32 | + 8/32 |
| | | | " 3 1/8s 1946-49 | 97 31/32 | + 5/32 |
| | | | " 3s 1951-55 | 96 22/32 | +13/32 |

Bankers
Acceptances

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

Reports
week
ended
Dec. 14

Boston reported that there was very little activity in its bill market during the past period; both the supply and demand was small. Short maturities moved best. In New York trading in the bill market was extremely dull. The supply of new bills was very light as local banks, which were considerably over in their reserve positions, were not inclined to sell to the dealers. The demand, while very selective as to names, was fairly good and dealers' aggregate portfolios declined during the week by \$6,000,000 to \$8,000,000. Philadelphia reported that in its acceptance market offerings continued small. Buying increased slightly but was still limited and selective.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

| <u>Sales in the market of</u> | <u>Purchases in the market</u> |
|---|---|
| \$ 5,000,000 - Treas. Bills due Dec.28,1932 | \$ 5,000,000 - 3 1/4% T/N due Dec.15,1932 |
| 26,750,000 - 3 1/4% T/N " Dec.15,1932 | 1,500,000 - Treas.Bills " Jan.11,1933 |
| 15,500,000 - 3 3/4% C/I " Mar.15,1933 | 27,550,000 - " " " Jan.25,1933 |
| | 2,200,000 - " " " Feb. 8,1933 |
| | 5,000,000 - " " " Mar. 1,1933 |
| | 250,000 - 2 % C/I " May 2,1933 |
| | 2,750,000 - 1 1/2% " " June.15,1933 |
| | 3,000,000 - 1 1/4% " " Sept.15,1933 |
| | |
| <u>\$47,250,000</u> | <u>\$47,250,000</u> |

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, December 14, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | |
|---------------|-----------------|-------------------------------|-----------------|
| Boston | \$ 95,978,500 | Dec. 28,1932 - Treasury Bills | \$ 53,600,000 |
| New York | 607,453,000 | Jan. 11,1933 - " " | 55,600,000 |
| Philadelphia | 135,919,000 | " 18,1933 - " " | 46,208,000 |
| Cleveland | 178,282,000 | " 25,1933 - " " | 69,550,000 |
| Richmond | 47,132,500 | Feb. 8,1933 - " " | 38,200,000 |
| Atlanta | 46,560,000 | " 15,1933 - " " | 38,600,000 |
| Chicago | 199,195,000 | " 23,1933 - " " | 49,950,000 |
| St. Louis | 65,655,500 | Mar. 1,1933 - " " | 35,000,000 |
| Minneapolis | 47,087,000 | Dec. 15,1932 - 3 1/4% T/N | 75,334,000 |
| Kansas City | 57,180,500 | Feb. 1,1933 - 3 3/4% C/I | 13,775,000 |
| Dallas | 35,721,000 | Mar. 15,1933 - 3 3/4% " | 158,525,000 |
| San Francisco | 123,443,500 | May 2,1933 - 2 % " | 125,237,500 |
| | | June 15,1933 - 1 1/2% " | 118,725,000 |
| | | Sept. 15,1933 - 1 1/4% " | 168,483,000 |
| | | May 2,1934 - 3 % T/N | 76,225,000 |
| | | Aug. 1,1934 - 2 1/8% " | 102,452,000 |
| | | June 15,1935 - 3 % " | 78,527,000 |
| | | " 15,1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " 15,1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. 15,1933/38-4 1/4% 4th " | 281,591,000 |
| | | | |
| 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 DECEMBER 8 TO DECEMBER 14, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales</u> |
|---------------|---------------------|---------------------|
| Boston | \$ 2,765,500 | \$ 2,765,500 |
| New York | 17,506,000 | 17,506,000 |
| Philadelphia | 3,916,500 | 3,916,500 |
| Cleveland | 5,137,500 | 5,137,500 |
| Richmond | 1,359,000 | 1,359,000 |
| Atlanta | 1,341,500 | 1,341,500 |
| Chicago | 5,740,500 | 5,740,500 |
| St. Louis | 1,891,500 | 1,891,500 |
| Minneapolis | 1,357,000 | 1,557,000 |
| Kansas City | 1,647,500 | 1,647,500 |
| Dallas | 1,030,000 | 1,030,000 |
| San Francisco | 3,557,500 | 3,557,500 |
| Totals | \$47,250,000 | \$47,250,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

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

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|---------------|------------------|------------------|------------------|------------------|
| Atlanta | \$ 84,450 | Misc. Gov't Sec. | \$ 32,400 | Misc. Gov't Sec. |
| Minneapolis | 498,450 | " " " | 500,850 | " " " |
| Totals | \$582,900 | | \$533,250 | |

BANKERS ACCEPTANCES

(000 Omitted)

| | <u>Holdings Dec. 7</u> | <u>Purchased Own Mkt.</u> | <u>By Allot- ment from New York</u> | <u>Maturities and Sales</u> | | <u>Holdings Dec. 14</u> | <u>Other Holdings Close Dec. 14, 1932</u> | |
|---------------|----------------------------|-------------------------------|---|---------------------------------|---------------------------------|-----------------------------|---|------------------------|
| | | | | <u>in N. Y.</u> | <u>Held Else- where</u> | | <u>Sales Contracts</u> | <u>Other Bills</u> |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,261 |
| New York | 154 | 0 | 0 | 3 | 0 | 151 | 0 | 9,820 |
| Phila. | 0 | 4 R. | 0 | 0 | 0 | 4 | 0 | 3,066 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,995 |
| Richmond | 760 | 50 " | 0 | 0 | 20 | 790 | 0 | 1,186 |
| Atlanta | 2,647 | 711 " | 0 | 0 | 706 | 2,652 | 0 | 1,098 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,987 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 974 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 612 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 860 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 830 |
| San Fran. | 500 | 0 | 0 | 0 | 63 | 457 | 0 | 2,046 |
| Totals | \$4,061 | \$765 | 0 | \$ 3 | \$789 | \$4,034 | 0 | \$29,735 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED DECEMBER 14, 1932
 (000 Omitted)

| | <u>1-30 days</u> 1% | <u>31-60 days</u> 1% | <u>61-90 days</u> 2 1/2% | <u>Over 90-days</u> - | <u>Total</u> |
|--------------|------------------------|-------------------------|-----------------------------|--------------------------|---------------|
| Philadelphia | \$ 0 | \$ 0 | \$ 4 | 0 | \$ 4 |
| Richmond | 0 | 0 | 50* | 0 | 50 |
| Atlanta | <u>338</u> | <u>207</u> | <u>166*</u> | <u>0</u> | <u>711</u> |
| Totals | <u>\$338</u> | <u>\$207</u> | <u>\$220</u> | <u>0</u> | <u>\$ 765</u> |

*Purchased at 1%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 14, 1932
 (000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|-----------|--|--------------------------------------|------------------|
| Purchased | \$47,832 | \$765 | \$48,597 |
| Sold | 47,783 | 0 | 47,783 |
| Matured | 0 | 792 | 792 |
| | | \$ 27- | \$ 22+ |
| | | 79+ (Net Change | 79+ (Net Change |
| | | 1-day holdover | 1-day holdover |
| | | and other bills) | and other bills) |
| Totals | <u>\$ 49+</u> | <u>\$ 52+</u> | <u>\$ 101+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 14, 1932
 (000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Totals</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$149,142 | \$58,356 | \$177,733 | \$143,550 | \$302,020 | \$1,019,925 | \$1,850,726 |
| Bills Purchased | <u>4,074</u> | <u>2,766</u> | <u>1,923</u> | <u>25,006</u> | <u>0</u> | <u>0</u> | <u>33,769</u> |
| Totals | <u>\$153,216</u> | <u>\$61,122</u> | <u>\$179,656</u> | <u>\$168,556</u> | <u>\$302,020</u> | <u>\$1,019,925</u> | <u>\$1,884,495</u> |

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*Mr. [unclear] ✓
Mr. [unclear] ✓
Mr. [unclear]*

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DEC 10 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK


CONFIDENTIAL

December 9, 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 December 1, 1932 to December 7, 1932
inclusive, together with data received from Federal Re-
serve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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Handwritten initials and checkmarks

DIVISION OF BANK OPERATIONS
RECEIVED
DEC 10 1932

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

December 9, 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 December 1, 1932 to December 7, 1932 inclusive, 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
File No. 132.1

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FEDERAL RESERVE BANK
OF NEW YORK

For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Megee ✓
Mr. Miller ✓

Mr.
Mr.
Please note - initial and
forward to Secretary's office

CONFIDENTIAL

December 9, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from December 1, 1932 to December 7, 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 DECEMBER 7, 1932

Holdings of Earning Assets of Federal Reserve Banks from December 9, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| Dec. 9 | \$1,861,566 | \$ 717,193 | \$ 0 | \$575,934 | \$13,285 | \$ 725,182 |
| " 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 | 4,061 | 633,255 |
| Apr. 27 | 1,773,745 | 1,191,232 | 0 | 45,874 | 0 | 531,824 |
| May 25 | 2,040,056 | 1,524,896 | 500 | 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 452,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 30 | 2,200,030 | 1,850,766 | 0 | 34,880 | 0 | 308,973 |
| Dec. 7 | 2,188,349 | 1,850,677 | 0 | 33,717 | 0 | 298,618 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED DECEMBER 7, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|----------|------------------|-----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Dec. 7 | Change | Dec. 7 | Change | Dec. 7 | Change |
| Boston | \$ 96,713 | \$ 0 | \$ 0 | \$ 0 | \$ 13,848 | \$ 291- |
| New York | 753,292 | 2,500- | 154 | 47- | 65,360 | 3,783+ |
| Philadelphia | 139,269 | 0 | 0 | 0 | 50,279 | 76- |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,954 | 589+ |
| Richmond | 47,133 | 1+ | 760 | 150- | 17,398 | 783- |
| Atlanta | 46,580 | 17- | 2,647 | 1- | 22,658 | 75+ |
| Chicago | 262,210 | 0 | 0 | 0 | 18,609 | 60+ |
| St. Louis | 66,156 | 0 | 0 | 0 | 7,595 | 63+ |
| Minneapolis | 54,625 | 73- | 0 | 0 | 12,017 | 711- |
| Kansas City | 57,252 | 0 | 0 | 0 | 13,360 | 541- |
| Dallas | 45,721 | 2,500+ | 0 | 0 | 6,061 | 1,141- |
| San Francisco | 123,444 | 0 | 500 | 31+ | 40,479 | 11,382- |
| N. Y. holdovers and other bills | | | 29,656 | 996- | | |
| Totals | \$1,850,677 | \$ 89- | \$33,717 | \$1,163- | \$298,618 | \$10,355- |

COMMENT ON CHANGES WEEK ENDED DECEMBER 7, 1932.

Total earning assets of the System declined \$11,681,000 during the current statement week. The principal changes, by classification, consisted of decreases in outright holdings of bankers acceptances and bills discounted of \$1,163,000 and \$10,355,000 respectively.

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2

Money
Market

For the week ended December 7, excess reserves of all member banks in the country are estimated to have averaged about \$467,000,000, as compared with an average of \$502,000,000 in the preceding week. The generally lower level of surplus reserves resulted from currency requirements around the December 1 week-end and from a temporary increase in Treasury balances at the Reserve Banks.

The net change from Wednesday, November 30, to Wednesday, December 7, however, was a decline of only \$8,000,000, with excess reserves on the latter date amounting to \$487,000,000. During this week the amount of currency outstanding showed a seasonal increase of \$21,000,000 despite the return to the New York Reserve Bank of gold certificates temporarily earmarked for foreign account toward the close of November. Other factors tending to reduce reserve balances of the member banks were a net increase in Treasury balances at the Reserve Banks and a \$10,000,000 reduction in member bank discounts. These losses of funds to the national money market were largely offset for the week by an increase of \$14,000,000 in the monetary gold stock, a decrease of \$12,000,000 in foreign bank deposits at the Reserve Banks, a sizable reduction in member bank reserve requirements from their December 1 peak, an increase in Federal Reserve float, and additional issues of national bank notes.

In New York City excess reserves of the banks dropped from \$278,000,000 on November 30 to \$234,000,000 on December 7. By far the most important element in this reduction in surplus reserves was the usual first of the month outflow of commercial and banking funds to other parts of the country. The New York money market also sustained a sizable loss of funds through Treasury transactions, as withdrawals of funds from Government depositories in this district were substantially larger than the amount of funds disbursed in the New York market. These losses of reserve funds considerably exceeded the return to the Reserve Bank of currency previously earmarked for foreign account, payments to the market from foreign balances at the Reserve Bank, a net gain of funds through gold operations, and a decrease in reserve requirements of the New York banks.

After the passage of the first of the month, call money, which had been held at $3/4$ of one per cent in the outside market, again became available at $1/2$ of one per cent. Furthermore, on December 5, all dealers reduced their quoted rates for bankers bills by $1/8$ per cent, the offering rate for the 90 day maturity becoming $3/8$ of one per cent, a new low in the history of the American acceptance market. This definite change in the bill market was in recognition of the fact that some of the dealers had been endeavoring to obtain choice names at $1/8$ per cent below their quoted rates. No change occurred in other divisions of the money market.

Government
Security
Market

The market for United States Government securities was moderately active for the current statement week and some improvement was shown in the demand for the long-term bonds. Prices for the short-term issues of Treasury certificates and Treasury notes maturing up to and including June 15, 1935 declined from $1/32$ to $13/32$ for the week, while prices for the Treasury notes maturing in 1936 and 1937 and the Liberty Loan and Treasury bonds advanced from $1/32$ to $15/32$ with the exception of the prices for the First 4 $1/4\%$ Liberty Loan bonds and 3 $1/8\%$ and 3% Treasury bonds, which declined from $1/32$ to $7/32$. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices (exclusive of the issues of Treasury certificates and notes maturing up to and including March 15, 1933 which showed no yield at current prices) was about 0.74% as compared with 0.78% at the close of the previous period and the average selling price for the Liberty Loan bonds was 102.59 and of Treasury bonds 101.64 as compared with the previous week's average closing price of 102.54 and 101.49 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 1/4% | Treasury Notes due Dec. 15, 1932 | 100 9/32 | -13/32 | - - - |
| 3 5/4% | Certs. of Ind. " Feb. 1, 1933 | 100 26/32 | - 4/32 | - - - |
| 3 3/4% | " " " Mar. 15, 1933 | 101 2/32 | - 6/32 | - - - |
| 2 % | " " " May 2, 1933 | 100 24/32 | - 4/32 | 0.11% |
| 1 1/2% | " " " June 15, 1933 | 100 25/32 | - 2/32 | 0.11% |
| 1 1/4% | " " " Sept. 15, 1933 | 100 24/32 | - 2/32 | 0.27% |
| 3 % | Treasury Notes " May 2, 1934 | 103 5/32 | - 1/32 | 0.77% |
| 2 1/8% | " " " Aug. 1, 1934 | 101 25/32 | - 1/32 | 1.03% |
| 3 % | " " " June 15, 1935 | 102 24/32 | - 1/32 | 1.88% |
| 3 1/4% | " " " Aug. 1, 1936 | 102 16/32 | + 3/32 | 2.53% |
| 3 % | " " " Apr. 15, 1937 | 101 8/32 | + 6/32 | 2.69% |
| 3 1/4% | " " " Sept. 15, 1937 | 102 | + 6/32 | 2.80% |

Treasury Bills - all maturities - 0.20% discount bid - 0.05% 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 | 102 | + 6/32 | Treasury 4 1/4s 1947-52 | 108 15/32 | +15/32 |
| 1st 4 1/4s | 102 6/32 | - 2/32 | " 4 s 1944-54 | 104 15/32 | +14/32 |
| 4th 4 1/4s | 103 19/32 | + 1/32 | " 3 3/4s 1946-56 | 102 14/32 | + 5/32 |
| | | | " 3 5/8s 1943-47 | 100 30/32 | + 3/32 |
| | | | " 3 3/8s 1940-43 | 101 14/32 | + 7/32 |
| | | | " 3 3/8s 1941-43 | 101 9/32 | + 3/32 |
| | | | " 3 1/8s 1946-49 | 97 26/32 | - 1/32 |
| | | | " 3 s 1951-55 | 96 9/32 | - 7/32 |

Bankers Dealers' offerings of unendorsed bankers acceptances were at the following rates at the close of the current statement week: 3/8 per cent for 30s, 60s and 90s; 1/2 per cent for 120s and 3/4 per cent for 180-day bills. This represents a reduction of 1/8 per cent on all maturities from the previous week's offering rates.

Reports week ended Dec. 7 Boston reported that although there was a small increase in the supply of bills in its district during the past week, there was practically no demand. Dealers forwarded offerings to other cities. In line with dealers in other cities, the local acceptance rates were reduced 1/8 to 1/2 per cent bid, 3/8 per cent asked for 90-day bills. In New York the volume of bills handled by dealers during the week while not large, showed a moderate increase over last week's total. On December 5 dealers reduced their quoted rates by 1/8 per cent on all maturities to 1/2 per cent bid up to 90 days, 3/8 per cent asked, 4 months 5/8 per cent bid, 1/2 per cent asked, 5 and 6 months 7/8 per cent bid, 3/4 per cent asked. This reduction brought rates to a new low level in the American bill market. Following this reduction in rates, there was some increase in the supply of bills, the bulk of which came from one of the large local banks which put out a block of between 15 and 20 millions. The demand continued good and at the close of the week dealers' aggregate portfolios had only increased by 3 millions to 14 millions. Philadelphia reported that the lowering of the rate produced a few more bills with the demand more selective. Portfolios held at same low level.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Sale in the market of

| | |
|---|--|
| <p>\$2,000,000 - 3% T/N due May 2, 1934 <u>2,500,000</u> - Treas. Bills due Dec. 28, 1932</p> | <p>for \$2,000,000 - 3% T/N due June 15, 1935 <u>2,500,000</u> - 3 1/4% T/N due Dec. 15, 1932</p> |
| \$4,500,000 | \$4,500,000 |

(2) Sale on December 6, 1932 of \$2,500,000 United States Government Securities from Federal Reserve Bank of New York's participation to Federal Reserve Bank of Dallas' participation in the Account.

This sale to the Federal Reserve Bank of Dallas represented part of its shortage in the holdings in System Account.

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, December 7, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | | |
|---------------|-------------------------|-------|----------------------------|------------------------|
| Boston | \$ 95,978,500 | Dec. | 28, 1932 - Treasury Bills | \$ 58,600,000 |
| New York | 607,453,000 | Jan. | 11, 1933 - " " | 54,100,000 |
| Philadelphia | 135,919,000 | " | 18, 1933 - " " | 46,208,000 |
| Cleveland | 178,282,000 | " | 25, 1933 - " " | 42,000,000 |
| Richmond | 47,132,500 | Feb. | 8, 1933 - " " | 36,000,000 |
| Atlanta | 46,560,000 | " | 15, 1933 - " " | 38,600,000 |
| Chicago | 199,195,000 | " | 23, 1933 - " " | 49,950,000 |
| St. Louis | 65,655,500 | Mar. | 1, 1933 - " " | 30,000,000 |
| Minneapolis | 47,087,000 | Dec. | 15, 1932 - 3 1/4% T/N | 97,084,000 |
| Kansas City | 57,180,500 | Feb. | 1, 1933 - 3 3/4% C/I | 13,775,000 |
| Dallas | 35,721,000 | Mar. | 15, 1933 - 3 3/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May | 2, 1933 - 2 % " | 124,987,500 |
| | | June | 15, 1933 - 1 1/2% " | 115,975,000 |
| | | Sept. | 15, 1933 - 1 1/4% " | 165,483,000 |
| | | May | 2, 1934 - 3 % T/N | 76,225,000 |
| | | Aug. | 1, 1934 - 2 1/8% " | 102,452,000 |
| | | June | 15, 1935 - 3 % " | 78,527,000 |
| | | " | 15, 1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " | 15, 1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. | 15, 1933/38-4 1/4% 4th " | 281,591,000 |
| 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 DECEMBER 1 TO DECEMBER 7, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales</u> | <u>Adjustments in Participations</u> |
|---------------|--------------------|--------------------|--------------------------------------|
| Boston | \$ 263,500 | \$ 263,500 | \$ 0 |
| New York | 1,674,000 | 1,674,000 | 2,500,000- |
| Philadelphia | 373,500 | 373,500 | 0 |
| Cleveland | 489,500 | 489,500 | 0 |
| Richmond | 129,500 | 129,500 | 0 |
| Atlanta | 128,000 | 128,000 | 0 |
| Chicago | 546,500 | 546,500 | 0 |
| St. Louis | 180,000 | 180,000 | 0 |
| Minneapolis | 129,500 | 129,500 | 0 |
| Kansas City | 156,500 | 156,500 | 0 |
| Dallas | 91,000 | 91,000 | 2,500,000+ |
| San Francisco | 338,500 | 338,500 | 0 |
| Totals | \$4,500,000 | \$4,500,000 | \$2,500,000 Adj. |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|---------------|--------------------|------------------|--------------------|------------------|
| New York | \$2,750,000 | Misc. Gov't Sec. | \$2,750,000 | Misc. Gov't Sec. |
| Atlanta | 129,200 | " " " | 146,150 | " " " |
| Minneapolis | 897,250 | " " " | 970,500 | " " " |
| Totals | \$3,776,450 | | \$3,866,650 | |

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Nov. 30 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Dec. 7 | Other Holdings Close Dec. 7/32 | |
|---------------|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|--------------------|-----------------------------------|-----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$0 | \$ 0 | \$ 0 | 0 | \$ 2,261 |
| New York | 201 | 0 | 0 | 47 | 0 | 154 | 0 | 9,742 |
| Phila. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,065 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,995 |
| Richmond | 910 | 0 | 0 | 0 | 150 | 760 | 0 | 1,186 |
| Atlanta | 2,648 | 293 R. | 0 | 0 | 294 | 2,647 | 0 | 1,098 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,987 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 974 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 612 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 860 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 830 |
| San Fran. | 469 | 34 R. | 0 | 0 | 3 | 500 | 0 | 2,046 |
| Totals | \$4,228 | \$327 | 0 | \$47 | \$447 | \$4,061 | 0 | \$29,656 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED DECEMBER 7, 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>Totals</u> |
|---------------|------------------------|-------------------------|-------------------------|--------------------------|---------------|
| Atlanta | \$ 27 | \$247 | \$ 19 | 0 | \$293 |
| San Francisco | 6 | 28 | 0 | 0 | 34 |
| Totals | \$ 33 | \$275 | \$ 19 | 0 | \$327 |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 7, 1932
 (000 Omitted)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Totals</u> |
|---------------|------------------------------|---|---|
| Purchased | \$8,277 | \$ 327 | \$8,604 |
| Sold | 8,366 | 0 | 8,366 |
| Matured | 0 | 494 | 494 |
| | | \$ 167- | \$ 256- |
| | | 996-(Net Change 1-day holdover & other bills) | 996-(Net Change 1-day holdover & other bills) |
| Totals | \$ 89- | \$1,163- | \$1,252- |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED DECEMBER 7, 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 | \$107,892 | \$68,000 | \$162,859 | \$180,550 | \$317,274 | \$1,014,122 | \$1,850,677 |
| Bills Purchased | 2,738 | 4,559 | 2,258 | 24,162 | 0 | 0 | 33,717 |
| Totals | \$110,630 | \$72,559 | \$165,097 | \$204,712 | \$317,274 | \$1,014,122 | \$1,884,394 |

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Mr. Thompson
Mr. Rice
Mr. Thompson

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DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

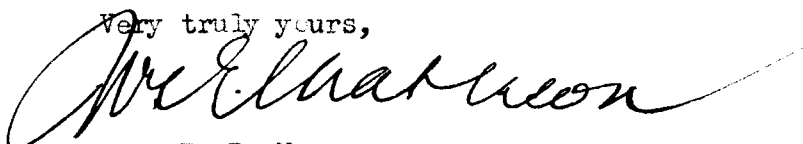
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December 2, 1932.

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 November 24, 1932 to November 30,
1932 inclusive, together with data received from Federal
Reserve banks.

Very truly yours,

W. B. Matteson
Assistant Deputy Governor

Encl.

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*7/11/32
H ✓*

DIVISION OF BANK OPERATIONS
RECEIVED
DEC-3 1932

FEDERAL RESERVE BANK
OF NEW YORK

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December 2, 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 November 24, 1932 to November 30,
1932 inclusive, 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
File: 132.1
File No.

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FEDERAL RESERVE BANK
OF NEW YORK

For information
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Hooper ✓
Mr. Miller ✓

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

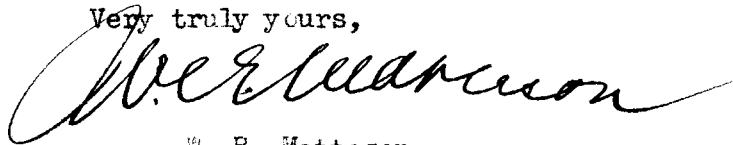
CONFIDENTIAL

December 2, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from November 24, 1932 to November 30, 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 NOVEMBER 30, 1932

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

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| Dec. 2 | \$1,888,227 | \$ 717,021 | \$ 0 | \$419,675 | \$ 3,732 | \$ 717,567 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 23 | 2,198,265 | 1,850,749 | 0 | 34,646 | 0 | 307,520 |
| " 30 | 2,200,030 | 1,850,766 | 0 | 34,880 | 0 | 308,973 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED NOVEMBER 30, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|--------|------------------|----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Nov. 30 | Change | Nov. 30 | Change | Nov. 30 | Change |
| Boston | \$ 96,713 | \$ 0 | \$ 0 | \$ 0 | \$ 14,139 | \$ 618+ |
| New York | 735,792 | 0 | 201 | 1- | 61,577 | 1,887- |
| Philadelphia | 139,269 | 0 | 0 | 0 | 50,355 | 763+ |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,365 | 3,134+ |
| Richmond | 47,132 | 1- | 910 | 191+ | 18,181 | 225+ |
| Atlanta | 46,597 | 5- | 2,648 | 120+ | 22,583 | 1,775+ |
| Chicago | 262,210 | 0 | 0 | 0 | 18,549 | 990+ |
| St. Louis | 66,156 | 0 | 0 | 0 | 7,532 | 386- |
| Minneapolis | 54,698 | 23+ | 0 | 0 | 12,728 | 384+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 13,901 | 54+ |
| Dallas | 43,221 | 0 | 0 | 0 | 7,202 | 414- |
| San Francisco | 123,444 | 0 | 469 | 3- | 51,861 | 3,803- |
| N. Y. holdovers and other bills | | | 30,652 | 73- | | |
| Totals | \$1,850,766 | \$17+ | \$34,880 | \$234+ | \$308,973 | \$1,453+ |

COMMENT ON CHANGES WEEK ENDED NOVEMBER 30, 1932

Total earning assets of the System increased \$1,765,000 during the current statement week. The principal changes by classification consisted of increases of \$234,000 in outright holdings of bankers acceptances and \$1,453,000 in bills discounted.

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2

Money
Market

Excess reserves in the possession of all member banks in the country showed no marked variation during the past statement week, and are estimated to have averaged about \$502,000,000 for the period, as compared with \$491,000,000 in the previous week. On Wednesday, November 30, the surplus reserves were \$495,000,000, a net increase of \$7,000,000 for the week. This increase was the net result of a further rise of \$18,000,000 in the country's monetary gold stock, a small decrease in foreign bank deposits at the Reserve Banks, and minor issues of new National Bank notes, which somewhat exceeded an increase of \$13,000,000 in the amount of currency outstanding and some increase in total reserve requirements.

The New York City banks held an average amount of \$284,000,000 of excess reserves, the same as in the previous week. The net change for the period from Wednesday to Wednesday was a decline of \$6,000,000 to \$278,000,000 on November 30. The principal uses of reserve funds during the week were an increase in the amount of currency outstanding in the Second Reserve District, representing chiefly a one-day earmarking of \$15,000,000 of gold certificates on November 30 for a New York City bank for Canadian account, also an increase of \$14,000,000 in the reserve requirements of the New York City banks, and a moderate net withdrawal of funds from this market by the Treasury. Against this absorption of funds, there were releases of gold from foreign earmarkings, gold imports, a moderate inflow of funds from other parts of the country, and a small decrease in foreign bank deposits at the Reserve Banks.

Little change continued to occur in money rates in the New York market. On the approach of the month-end, however, call money was available in the outside market only at $\frac{3}{4}$ of one per cent, whereas in the previous week money was offered at both $\frac{1}{2}$ and $\frac{3}{4}$ of one per cent. The Stock Exchange call rate, of course, was unchanged at 1 per cent, as were time money rates, federal funds, bills, commercial paper, and United States Government securities.

Government
Security
Market

The market for United States Government securities was less active this week than last and the demand for government issues was less vigorous. Prices for Treasury certificates and notes showed fractional gains of from $\frac{1}{32}$ to $\frac{3}{32}$ nds for the week, and Treasury bills were quoted 0.20% discount bid, 0.05% asked, as compared with the previous week's quotations of 0.25% discount bid, 0.10% asked. Prices for Liberty Loan and Treasury bonds showed fractional irregular changes. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices (exclusive of the Treasury certificates and notes maturing up to May 2, 1933, which continued to show no yield at current prices) was about 0.78% as compared with 0.81% at the close of the previous period and the average selling price for the Liberty Loan bonds was 102.54 and of Treasury bonds 101.49 as compared with the previous week's average closing prices of 102.55 and 101.45 respectively.

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

| Issue | Price | Net Change | Approx. Yield |
|---|-----------|------------|---------------|
| 3 1/4% Treasury Notes due Dec. 15, 1932 | 100 22/32 | +1/32 | - - - |
| 3 3/4% Cert. of Ind. " Feb. 1, 1933 | 100 30/32 | +1/32 | - - - |
| 3 3/4% " " " " Mar. 15, 1933 | 101 8/32 | -1/32 | - - - |
| 2 % " " " " May 2, 1933 | 100 28/32 | - - - | - - - |
| 1 1/2% " " " " June 15, 1933 | 100 25/32 | -1/32 | 0.04% |
| 1 1/4% " " " " Sept. 15, 1933 | 100 26/32 | - - - | 0.21% |
| 3 % Treasury Notes " May 2, 1934 | 103 4/32 | +1/52 | 0.78% |
| 2 1/8% " " " " Aug. 1, 1934 | 101 26/32 | +3/32 | 1.02% |
| 3 % " " " " June 15, 1935 | 102 25/32 | +2/52 | 1.87% |
| 3 1/4% " " " " Aug. 1, 1936 | 102 13/32 | +1/32 | 2.56% |
| 3 % " " " " Apr. 15, 1937 | 101 2/32 | +1/32 | 2.74% |
| 3 1/4% " " " " Sept. 15, 1937 | 101 26/32 | +1/52 | 2.84% |

Treasury Bills - all maturities - 0.20% discount bid - 0.05% 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

| Issue | Price | Net Change | Issue | Price | Net Change |
|------------|-----------|------------|-------------------------|-----------|------------|
| 1st 3 1/2s | 101 26/32 | -1/32 | Treasury 4 1/4s 1947-52 | 108 | +4/32 |
| 1st 4 1/4s | 102 8/32 | -2/32 | " 4 s 1944-54 | 104 1/32 | - - - |
| 4th 4 1/4s | 103 18/32 | +2/32 | " 3 3/4s 1946-56 | 102 9/32 | +2/32 |
| | | | " 3 3/8s 1943-47 | 100 27/32 | +3/32 |
| | | | " 3 3/8s 1940-43 | 101 7/32 | -1/32 |
| | | | " 3 3/8s 1941-43 | 101 6/32 | +5/32 |
| | | | " 3 1/8s 1946-49 | 97 27/32 | -1/32 |
| | | | " 3 s 1951-55 | 96 16/32 | -4/32 |

Bankers
 Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports
 week
 ended
 Nov. 30

Boston reported that there was little activity in its local bill market during the past period. The supply of bills continued small with the demand comparatively good. In New York the volume of bills handled by dealers during the week decreased moderately as compared with the past two weeks. Aggregate portfolios increased approximately \$4,700,000 due to a purchase on November 29 by one dealer of a substantial amount of bills from the New York Agency of a large Canadian bank whose fiscal year ended November 30, and who disposed of the bills for statement purposes. Indorsed bills continued extremely scarce and the Reserve bank was unable to complete orders for the accounts of foreign correspondents. Some dealers are continually endeavoring to obtain bills accepted by certain of the choice names at a rate 1/8 lower than the quoted market rates, being willing to buy such names as they can sell readily at correspondingly lower rates. Official published quotations, however, remain unchanged. Philadelphia reported that its acceptance market was a little more active. There was some increase reported in the supply of new bills with the demand continuing excellent for prime names.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales consummated during the current statement week under Treasury authorization.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Redemption of November 30, 1932, Treasury Bills and replacements by purchases in the market

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|--|--|
| \$45,587,000 - maturing Treasury Bills | \$ 6,587,000 - 3 1/4% T/N due Dec. 15, 1932 |
| | 9,000,000 - Treas. Bills due Feb. 15, 1933 |
| | 30,000,000 - Treas. Bills due Mar. 1, 1933 |
| \$45,587,000 | \$45,587,000 |

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, November 30, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | |
|---------------|-----------------|-------------------------------|-----------------|
| Boston | \$ 95,978,500 | Dec. 28, 1932-Treasury Bills | \$ 61,100,000 |
| New York | 609,953,000 | Jan. 11, 1933- " " | 54,100,000 |
| Philadelphia | 135,919,000 | " 18, 1933- " " | 46,208,000 |
| Cleveland | 178,282,000 | " 25, 1933- " " | 42,000,000 |
| Richmond | 47,132,500 | Feb. 8, 1933- " " | 36,000,000 |
| Atlanta | 46,560,000 | " 15, 1933- " " | 38,600,000 |
| Chicago | 199,195,000 | " 23, 1933- " " | 49,950,000 |
| St. Louis | 65,655,500 | Mar. 1, 1933- " " | 30,000,000 |
| Minneapolis | 47,087,000 | Dec. 15, 1932- 3 1/4% T/N | 94,584,000 |
| Kansas City | 57,180,500 | Feb. 1, 1933- 3 3/4% C/I | 13,775,000 |
| Dallas | 33,221,000 | Mar. 15, 1933- 3 3/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May 2, 1933- 2 % " | 124,987,500 |
| | | June 15, 1933- 1 1/2% " | 115,975,000 |
| | | Sept. 15, 1933- 1 1/4% " | 165,483,000 |
| | | May 2, 1934- 3 % T/N | 78,225,000 |
| | | Aug. 1, 1934- 2 1/8% " | 102,452,000 |
| | | June 15, 1935- 3 % " | 76,527,000 |
| | | " 15, 1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " 15, 1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. 15, 1933/38-4 1/4% 4th " | 281,591,000 |
| 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 NOVEMBER 24 TO NOVEMBER 30, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> |
|---------------|---------------------|---------------------------------|
| Boston | \$ 2,832,500 | \$ 2,832,500 |
| New York | 18,000,500 | 18,000,500 |
| Philadelphia | 4,011,000 | 4,011,000 |
| Cleveland | 5,261,500 | 5,261,500 |
| Richmond | 1,391,000 | 1,391,000 |
| Atlanta | 1,374,000 | 1,374,000 |
| Chicago | 5,878,500 | 5,878,500 |
| St. Louis | 1,937,500 | 1,937,500 |
| Minneapolis | 1,389,500 | 1,389,500 |
| Kansas City | 1,687,500 | 1,687,500 |
| Dallas | 980,500 | 980,500 |
| San Francisco | 3,643,000 | 3,643,000 |
| Totals | \$48,387,000 | \$48,387,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemption and Sales</u> | <u>Issue</u> |
|---------------|---------------------|---------------------|---------------------------------|--|
| New York | \$12,413,000 | Misc. Gov't Sec. | \$ 9,000,000 | Misc. Gov't Sec, Nov. 30/32 Tr. Bills |
| Atlanta | 66,400 | " " " | 71,600 | Misc. Gov't Sec. |
| Chicago | 20,000,000* | Mar. 1/33 Tr. Bills | 20,000,000 | Nov. 30/32 Tr. Bills |
| Minneapolis | 756,600 | Misc. Gov't Sec. | 733,500 | Misc. Gov't Sec. |
| Totals | \$33,236,000 | | \$33,218,100 | |

*Purchased in New York market.

BANKERS ACCEPTANCES
(000 Omitted)

| | Holdings Nov. 23 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Nov. 30 | Other Holdings Close Nov. 30/32 | |
|---------------|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|---------------------|------------------------------------|-----------------|
| | | | | Held in N.Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,338 |
| New York | 202 | 0 | 0 | 1 | 0 | 201 | 0 | 10,061 |
| Phila. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,169 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,096 |
| Richmond | 719 | 191 R. | 0 | 0 | 0 | 910 | 0 | 1,227 |
| Atlanta | 2,528 | 400 " | 0 | 0 | 280 | 2,648 | 0 | 1,134 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,122 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,008 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 889 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 858 |
| San Fran. | 472 | 0 | 0 | 0 | 3 | 469 | 0 | 2,116 |
| Totals | \$3,921 | \$591 | 0 | \$1 | \$283 | \$4,228 | 0 | \$30,652 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED NOVEMBER 30, 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> |
|----------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Richmond | \$ 0 | \$ 0 | \$191 | 0 | \$191 |
| Atlanta | <u>152</u> | <u>222</u> | <u>26</u> | <u>0</u> | <u>400</u> |
| Totals | <u>\$152</u> | <u>\$222</u> | <u>\$217</u> | <u>0</u> | <u>\$591</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 30, 1932
(000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|-----------|--|---|---|
| Purchased | \$81,625 | \$591 | \$82,214 |
| Sold | 12,606 | 0 | 12,606 |
| Matured | 69,000 | <u>284</u> | <u>69,284</u> |
| | | \$307+ | \$ 524+ |
| | | 73--(Net Change 1-day holdover & other bills) | 73--(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 17+</u> | <u>\$254+</u> | <u>\$ 251+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 30, 1932
(000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Total</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$105,402 | \$70,500 | \$149,064 | \$144,325 | \$367,271 | \$1,014,204 | \$1,850,766 |
| Bills Purchased | <u>11,276</u> | <u>7,850</u> | <u>7,319</u> | <u>8,435</u> | <u>0</u> | <u>0</u> | <u>34,880</u> |
| Totals | <u>\$116,678</u> | <u>\$78,350</u> | <u>\$156,383</u> | <u>\$152,760</u> | <u>\$367,271</u> | <u>\$1,014,204</u> | <u>\$1,885,646</u> |

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Mr. Thompson
Mr. Riefler
Mr. Thompson

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NOV 25 1932
DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 26, 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 November 17, 1932 to November 23, 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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DIVISION RECEIVED
NOV 23 1932

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 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 November 17, 1932 to November 23, 1932
inclusive, 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
File No. *File 132.1*

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CONFIDENTIALREPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED NOVEMBER 23, 1932Holdings of Earning Assets of Federal Reserve Banks from November 25, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,522 |
| Nov. 16 | 2,197,999 | 1,850,754 | 0 | 34,524 | 0 | 307,172 |
| " 25 | 2,198,265 | 1,850,749 | 0 | 34,646 | 0 | 307,520 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED NOVEMBER 23, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Balance Nov. 23 | Net Change | Balance Nov. 23 | Net Change | Balance Nov. 23 | Net Change |
| Boston | \$ 96,713 | \$ 0 | \$ 0 | \$ 0 | \$ 13,521 | \$ 930+ |
| New York | 735,792 | 0 | 202 | 0 | 63,464 | 3,561+ |
| Philadelphia | 139,269 | 0 | 0 | 0 | 49,592 | 2,077+ |
| Cleveland | 178,282 | 0 | 0 | 0 | 27,231 | 162- |
| Richmond | 47,133 | 0 | 719 | 0 | 17,956 | 632- |
| Atlanta | 46,602 | 5+ | 2,528 | 77+ | 20,808 | 101+ |
| Chicago | 262,210 | 0 | 0 | 0 | 17,559 | 156+ |
| St. Louis | 66,156 | 0 | 0 | 0 | 7,918 | 931- |
| Minneapolis | 54,675 | 10+ | 0 | 0 | 12,344 | 298+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 13,847 | 1,595- |
| Dallas | 43,221 | 0 | 0 | 0 | 7,616 | 522- |
| San Francisco | 123,444 | 0 | 472 | 100+ | 55,664 | 2,933- |
| N. Y. holdovers and other bills | | | 30,725 | 55- | | |
| Totals | \$1,850,749 | \$15+ | \$34,646 | \$122+ | \$307,520 | \$ 348+ |

COMMENT ON CHANGES WEEK ENDED NOVEMBER 23, 1932

Total earning assets of the System increased \$266,000 during the current statement week. The principal changes by classification consisted of increases in outright holdings of bankers acceptances and bills discounted of \$122,000 and \$348,000 respectively, and a decrease of \$219,000 in holdings of other assets.

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| DECLASSIFIED Authority <u>E.O. 10501</u> |
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Money
Market

Excess reserves of all member banks in the country are estimated to have averaged about \$491,000,000 during the statement week ended November 23, as compared with an average surplus of \$468,000,000 in the previous week. On November 23, however, the excess of \$488,000,000 was \$9,000,000 smaller than on the previous Wednesday. This change reflects entirely an increase in the reserve requirements of the New York City banks, as the elements of the supply of and demand for reserve funds balanced for the period. An increase of \$36,000,000 in the monetary gold stock of the United States and further slight issues of National Bank notes resulted in gains which were absorbed by an increase of \$19,000,000 in foreign bank deposits at the Reserve Banks (representing part of the proceeds of gold released from earmark for foreign account), and by a decrease in the amount of Federal Reserve float, an increase of \$6,000,000 in money in circulation, and a small increase in Treasury balances at the Reserve Banks.

In New York City, excess reserves of the banks likewise averaged more than in the previous week, and the surplus of \$284,000,000 on the 23rd was slightly larger than on November 16. This increase came about as a result of gold imports, releases of gold from earmark, and an inflow of funds to New York from other parts of the country, all of which exceeded a net loss in Treasury operations, net withdrawals of currency from the Reserve Bank, and an increase in the reserve requirements of the New York City banks. The week's increase in money in circulation reflected a withdrawal by a New York City bank of gold certificates which are to be held under earmark by this City bank for foreign account until after the end of the month.

There was virtually no change in money rates in the New York market during the past week. Yields on short-term United States Government securities declined slightly, while call loans on Stock Exchange collateral were placed in the outside market at 1/2 and 3/4 per cent, compared with 1/2 per cent in the previous week. Other quotations were exactly the same as in the preceding period.

Government
Security
Market

In the market for United States Government securities there was a very good demand for the short-term issues and a moderate demand for the long-term Treasury bonds. Prices for most of the short-term issues of Treasury certificates and notes and the Liberty Loan bonds advanced from 1/32 to 10/32nds for the week, while prices for Treasury bonds showed little change. At the close of the current reporting period the average yield on short-term issues at dealers' offering prices (exclusive of the Treasury certificates and notes maturing up to May 2, 1935, which showed no yield at current prices) was about 0.81% unchanged from last week and the average selling price for the Liberty Loan bonds was 102.55 and of Treasury bonds 101.45 as compared with the previous week's average closing prices of 102.46 and 101.47 respectively.

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

| <u>Issue</u> | | <u>Price</u> | <u>Net Change</u> | <u>Approx. Yield</u> |
|--------------|----------------------------------|--------------|-------------------|----------------------|
| 3 1/4% | Treasury Notes due Dec. 15, 1932 | 100 21/32 | - 1/32 | - - - |
| 3 3/4% | Cert. of Ind. " Feb. 1, 1933 | 100 29/32 | - - - | - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 9/32 | - 1/32 | - - - |
| 2 % | " " " " May 2, 1933 | 100 28/32 | + 1/32 | - - - |
| 1 1/2% | " " " " June 15, 1933 | 100 26/32 | + 1/32 | 0.04% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 26/32 | + 1/32 | 0.22% |
| 3 % | Treasury Notes " May 2, 1934 | 103 3/32 | + 2/32 | 0.81% |
| 2 1/8% | " " " " Aug. 1, 1934 | 101 23/32 | + 5/32 | 1.08% |
| 3 % | " " " " June 15, 1935 | 102 23/32 | + 5/32 | 1.90% |
| 3 1/4% | " " " " Aug. 1, 1936 | 102 12/32 | +10/32 | 2.57% |
| 3 % | " " " " Apr. 15, 1937 | 101 1/32 | + 6/32 | 2.74% |
| 3 1/4% | " " " " Sept. 15, 1937 | 101 25/32 | + 6/32 | 2.85% |

Treasury Bills - all maturities ~ 0.25% discount bid - 0.10% 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 | 101 27/32 | +3/32 | Treasury 4 1/4s 1947-52 | 107 28/32 | -6/32 |
| 1st 4 1/4s | 102 10/32 | +3/32 | " 4 s 1944-54 | 104 1/32 | - - - |
| 4th 4 1/4s | 103 16/32 | +3/32 | " 3 3/4s 1946-56 | 102 7/32 | - - - |
| | | | " 3 3/8s 1943-47 | 100 24/32 | - - - |
| | | | " 3 3/8s 1940-43 | 101 8/32 | +5/32 |
| | | | " 3 3/8s 1941-43 | 101 1/32 | -2/32 |
| | | | " 3 1/8s 1946-49 | 97 28/32 | -1/32 |
| | | | " 3 s 1951-55 | 96 20/32 | +1/32 |

Bankers Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports week ended Nov. 23

Boston reported that there was very little change in local bill market conditions during the past week. The demand continued good from the larger institutions, while the supply, although still small, showed a slight increase. In New York the bill market showed no change from the condition that has existed for the past two months. New bills coming into the market were just as scarce and dealers had no difficulty in disposing of their purchases; on two or three days during the week the New York Reserve bank was unable to procure bills in sufficient volume to take care of the requirements of foreign clients, with the result that a portion of their funds was temporarily uninvested. Philadelphia reported that the demand for bills continued with no available supply, banks holding the few bills that were being made.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

A sale of \$200,000 - 4 1/4% Fourth Liberty Loan bonds was made for account of the Alien Property Custodian under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Redemption of November 23, 1932 Treasury Bills and replacements by purchases in the market:

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|--|---|
| \$38,677,000 - maturing Treasury Bills | \$36,750,000 - Treas. Bills due Feb. 23, 1933 |
| | 1,927,000 - 3% T/N " June 15, 1935 |
| \$38,677,000 | \$38,677,000 |

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

| <u>Sold</u> | <u>Purchased</u> |
|---|---|
| \$13,200,000 - 3 1/4% T/N due Dec. 15, 1932 | \$13,200,000 - Treasury Bills due Feb. 23, 1933 |

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, November 23, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | |
|---------------|-----------------|-------------------------------|-----------------|
| Boston | \$ 95,978,500 | Nov. 30, 1932-Treasury Bills | \$ 45,587,000 |
| New York | 609,953,000 | Dec. 28, 1932- " " | 61,100,000 |
| Philadelphia | 135,919,000 | Jan. 11, 1933- " " | 54,100,000 |
| Cleveland | 178,282,000 | " 18, 1933- " " | 46,208,000 |
| Richmond | 47,132,500 | " 25, 1933- " " | 42,000,000 |
| Atlanta | 46,560,000 | Feb. 8, 1933- " " | 36,000,000 |
| Chicago | 199,195,000 | " 15, 1933- " " | 29,600,000 |
| St. Louis | 65,655,500 | " 23, 1933- " " | 49,950,000 |
| Minneapolis | 47,037,000 | Dec. 15, 1932- 3 1/4% T/N | 87,997,000 |
| Kansas City | 57,180,500 | Feb. 1, 1935- 3 5/4% C/I | 13,775,000 |
| Dallas | 33,221,000 | Mar. 15, 1933- 3 5/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May 2, 1933- 2 % " | 124,987,500 |
| | | June 15, 1933- 1 1/2% " | 115,975,000 |
| | | Sept. 15, 1933- 1 1/4% " | 165,483,000 |
| | | May 2, 1934- 3 % T/N | 78,225,000 |
| | | Aug. 1, 1934- 2 1/8% " | 102,452,000 |
| | | June 15, 1935- 3 % " | 76,527,000 |
| | | " 15, 1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " 15, 1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. 15, 1933/38-4 1/4% 4th " | 281,591,000 |
| 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 NOVEMBER 17 TO NOVEMBER 23, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> |
|---------------|------------------|-----------------------------|
| Boston | \$ 3,037,000 | \$ 3,037,000 |
| New York | 19,299,000 | 19,299,000 |
| Philadelphia | 4,300,500 | 4,300,500 |
| Cleveland | 5,641,000 | 5,641,000 |
| Richmond | 1,491,500 | 1,491,500 |
| Atlanta | 1,473,000 | 1,473,000 |
| Chicago | 6,302,500 | 6,302,500 |
| St. Louis | 2,077,000 | 2,077,000 |
| Minneapolis | 1,490,000 | 1,490,000 |
| Kansas City | 1,809,000 | 1,809,000 |
| Dallas | 1,051,000 | 1,051,000 |
| San Francisco | 3,905,500 | 3,905,500 |
| Totals | \$51,877,000 | \$51,877,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

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

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemption and Sales</u> | <u>Issue</u> |
|-------------|------------------|------------------|-----------------------------|----------------------|
| New York | \$16,573,000 | Misc. Gov't Sec. | \$12,573,000 | Nov. 23/32 Tr. Bills |
| | 0 | - | 4,000,000 | 4 1/4% 4th L/L |
| Atlanta | 56,350 | Misc. Gov't Sec. | 51,600 | Misc. Gov't Sec. |
| Minneapolis | 666,050 | " " " | 655,600 | " " " |
| Totals | \$17,295,400 | | \$17,280,200 | |

BANKERS ACCEPTANCES
(000 Omitted)

| | Holdings Nov. 16 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Nov. 23 | Other Holdings Close Nov. 23/32 | |
|--|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|---------------------|------------------------------------|----------------|
| | | | | Held N.Y. | Held Else- where | | Con- tracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | 0 | \$ 0 | \$ 0 | 0 | \$ 2,338 |
| New York | 202 | 0 | 0 | 0 | 0 | 202 | 0 | 10,133 |
| Phila. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,169 |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,097 |
| Richmond | 719 | 0 | 0 | 0 | 0 | 719 | 0 | 1,226 |
| Atlanta | 2,451 | 149 R. | 0 | 0 | 72 | 2,528 | 0 | 1,135 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,122 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,008 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 889 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 858 |
| San Fran. | 372 | 102 R. | 0 | 0 | 2 | 472 | 0 | 2,116 |
| | \$3,744 | \$251 | 0 | 0 | \$74 | \$3,921 | 0 | \$30,725 |
| Bills held over night by New York for distribution to other Fed. Res. Bks. - 0 | | | | | | | | |
| Total | | | | | | | -\$30,725 | |

NOTE: R. indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED NOVEMBER 23, 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> |
|---------------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Atlanta | \$72 | \$ 53 | \$24 | 0 | \$149 |
| San Francisco | <u>2</u> | <u>100</u> | <u>0</u> | <u>0</u> | <u>102</u> |
| Totals | <u>\$74</u> | <u>\$153</u> | <u>\$24</u> | <u>0</u> | <u>\$251</u> |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 23, 1932
 (000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Total</u> |
|-----------|--|--|--|
| Purchased | \$69,172 | \$251 | \$69,423 |
| Sold | 17,907 | 0 | 17,907 |
| Matured | 51,250 | 74 | 51,324 |
| | | <u>\$177+</u> | <u>\$ 192+</u> |
| | | 55-(Net Change 1-day holdover and other bills) | 55-(Net Change 1-day holdover and other bills) |
| Totals | <u>\$ 15+</u> | <u>\$122+</u> | <u>\$ 137+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 23, 1932
 (000 Omitted)

| | <u>Within</u> <u>15 days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Total</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$69,000 | \$ 96,392 | \$177,564 | \$127,375 | \$367,220 | \$1,013,198 | \$1,850,749 |
| Bills Purchased | <u>9,047</u> | <u>9,283</u> | <u>8,500</u> | <u>8,016</u> | <u>0</u> | <u>0</u> | <u>34,646</u> |
| Totals | <u>\$78,047</u> | <u>\$105,675</u> | <u>\$185,864</u> | <u>\$135,391</u> | <u>\$367,220</u> | <u>\$1,013,198</u> | <u>\$1,885,395</u> |

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✓ Mr. Chapman
Mr. Riefler ✓
Mr. Thompson

**FEDERAL RESERVE BANK
OF NEW YORK**

RECEIVED
NOV 19 1932
DIVISION OF RESEARCH
AND STATISTICS.

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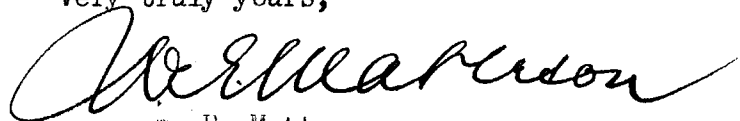
November 18, 1932.

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 November 10, 1932 to November 16, 1932 inclu-
sive, together with data received from Federal Reserve banks.

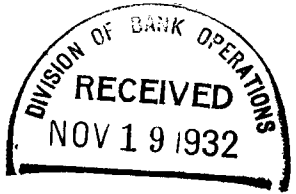
Very truly yours,



W. B. Matteson
Assistant Deputy Governor

Encl.

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FEDERAL RESERVE BANK
OF NEW YORK

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November 18, 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 November 10, 1932 to November 16, 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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FOR REGULATION

Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Voge ✓
Mr. Miller ✓

FEDERAL RESERVE BANK
OF NEW YORK

Mr.
Mr.
Please note - Initial
Return to ~~Secretary~~
File

CONFIDENTIAL

November 18, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from November 10, 1932 to November 16, 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 NOVEMBER 16, 1932

Holdings of Earning Assets of Federal Reserve Banks from November 18, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|-----------|---------------------|-----------|---------------------|
| | | Outright | Sales | Outright | Sales | |
| | | Purchases | Contracts | Purchases | Contracts | |
| -1931 | | | | | | |
| Nov. 18 | \$1,956,146 | \$ 727,059 | \$ 0 | \$533,212 | \$ 805 | \$ 562,041 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 9 | 2,201,079 | 1,850,697 | 0 | 34,002 | 0 | 310,953 |
| " 16 | 2,197,999 | 1,850,734 | 0 | 34,524 | 0 | 307,172 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED NOVEMBER 16, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|----------------|------------------|-----------------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Nov. 16 | Change | Nov. 16 | Change | Nov. 16 | Change |
| Boston | \$ 96,713 | \$ 14- | \$ 0 | \$ 0 | \$ 12,591 | \$ 515+ |
| New York | 735,792 | 2,500- | 202 | 0 | 59,903 | 1,425+ |
| Philadelphia | 139,269 | 0 | 0 | 42- | 47,515 | 25+ |
| Cleveland | 178,282 | 0 | 0 | 0 | 27,393 | 336+ |
| Richmond | 47,133 | 0 | 719 | 125- | 18,588 | 427- |
| Atlanta | 46,597 | 17+ | 2,451 | 518+ | 20,707 | 67+ |
| Chicago | 262,210 | 0 | 0 | 0 | 17,403 | 227- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,849 | 57+ |
| Minneapolis | 54,665 | 34+ | 0 | 0 | 12,046 | 149- |
| Kansas City | 57,252 | 0 | 0 | 0 | 15,442 | 1,109- |
| Dallas | 43,221 | 2,500+ | 0 | 0 | 8,138 | 108- |
| San Francisco | 123,444 | 0 | 372 | 151+ | 58,597 | 4,186- |
| N. Y. holdovers and other bills | | | 30,780 | 20+ | | |
| Totals | \$1,850,734 | \$ 37+ | \$34,524 | \$ 522+ | \$307,172 | \$3,781- |

COMMENT ON CHANGES WEEK ENDED NOVEMBER 16, 1932

Total earning assets of the System showed a decline of \$3,080,000 for the current statement week. The principal changes by classification consisted of increases of \$522,000 and \$142,000 in outright holdings of bankers acceptances and holdings of other securities respectively, and a decrease of \$3,781,000 in bills discounted.

| |
|--|
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2

Money
Market

Money market transactions during the week ended Wednesday, November 16, resulted in a net increase of \$46,000,000 in the estimated excess reserves of all member banks in the country. Gains to bank reserves arose from a return of \$22,000,000 of money from circulation following the Election Day holiday, and from an increase of \$14,000,000 in the monetary gold stock of the United States, a decline in the Treasury balances maintained at the Reserve Banks, an increase in Federal Reserve float, and small additional issues of National bank notes. Only a small part of these funds was absorbed in an increase in the reserve requirements of the member banks and in a minor reduction in member bank borrowings. For the week as a whole, the average excess of bank reserves amounted to approximately \$468,000,000, as compared with \$451,000,000 in the preceding week.

Excess member bank reserves in New York City showed an increase of \$50,000,000 during the week, the surplus of \$278,000,000 being the largest since the end of October, as was the case with the surplus in all member banks of the country. The gain to the New York money market reflected principally an inflow of funds from other parts of the country, following an outflow in the two preceding weeks. Smaller gains occurred through gold imports, releases of gold from earmark for foreign account, and a decrease in currency circulation, against which there was some loss through Treasury transactions in the New York market.

Money rates in the New York market were little changed during the past week. Call loans outside of the Stock Exchange were arranged at 1/2 per cent, as compared with a range of 1/2 to 3/4 per cent in the previous week. The prevailing range for prime commercial paper remained at 1 1/2 - 1 3/4 per cent, but the majority of sales this week were at 1 1/2 per cent. In fact, some transactions in 4 to 6 month paper of high grade borrowers were reported at 1 1/4 per cent, and short paper was sold as low as 1 per cent.

Government
Security
Market

During the forepart of the current statement week the market for United States Government securities continued inactive with a slightly weak undertone and prices recorded further small losses. This condition was reversed during the latter part of the statement week when activity increased in volume each day and prices advanced, in most cases showing net gains for the week of from 1/32 to 12/32nds. The 4 1/4% Treasury bonds of 1947-52 registered a net gain of one full point while the 3 3/8% Treasury bonds of 1941-43 and a few of the short-term issues showed small fractional losses. At the close of the current reporting period the average yield on the short-term issues, at dealers' offering prices (exclusive of the issues of Treasury notes and certificates of indebtedness maturing up to March 15, 1933, which showed no yield at current prices) was about 0.81% as compared with 0.82% at the close of the previous period, and the average selling price for the Liberty Loan bonds was 102.46 and of Treasury bonds 101.47 as compared with the previous week's average closing prices of 102.24 and 101.23 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 1/4% | Treasury Notes due Dec. 15, 1932 | 100 22/32 | + 1/32 | - - - - |
| 3 3/4% | Cert. of Ind. " Feb. 1, 1933 | 100 29/32 | + 3/32 | - - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 10/32 | - - - | - - - - |
| 2 % | " " " " May 2, 1933 | 100 27/32 | - - - | 0.15% |
| 1 1/2% | " " " " June 15, 1933 | 100 25/32 | + 1/32 | 0.14% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 25/32 | + 1/32 | 0.30% |
| 3 % | Treasury Notes " May 2, 1934 | 103 1/32 | + 1/32 | 0.90% |
| 2 1/8% | " " " " Aug. 1, 1934 | 101 18/32 | - 4/32 | 1.19% |
| 3 % | " " " " June 15, 1935 | 102 18/32 | - 1/32 | 1.97% |
| 3 1/4% | " " " " Aug. 1, 1936 | 102 2/32 | - 4/32 | 2.66% |
| 3 % | " " " " Apr. 15, 1937 | 100 27/32 | + 3/32 | 2.79% |
| 3 1/4% | " " " " Sept. 15, 1937 | 101 19/32 | + 5/32 | 2.89% |

Treasury Bills - all maturities - 0.25% discount bid - 0.10% 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 | 101 24/32 | +12/32 | Treasury 4 1/4s 1947-52 | 108 2/32 | +1. |
| 1st 4 1/4s | 102 7/32 | + 3/32 | " 4s 1944-54 | 104 1/32 | + 3/32 |
| 4th 4 1/4s | 103 13/32 | + 6/32 | " 3 3/4s 1946-56 | 102 7/32 | + 9/32 |
| | | | " 3 3/8s 1943-47 | 100 24/32 | - - - |
| | | | " 3 3/8s 1940-43 | 101 3/32 | + 2/32 |
| | | | " 3 3/8s 1941-43 | 101 3/32 | - 1/32 |
| | | | " 3 1/8s 1946-49 | 97 29/32 | + 7/32 |
| | | | " 3s 1951-55 | 96 19/32 | + 10/32 |

Bankers Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week; 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports week ended Nov. 16

Boston reported that the supply of bills in its district during the past week was inadequate to meet the local demand which continued comparatively good. To complete orders, local dealers were obliged to import bills from their offices in other cities. In New York dealers' transactions in bankers acceptances were somewhat larger. There were available a few important blocks of new bills which, with investment funds in plentiful supply, were immediately absorbed by the market, so that dealers' portfolios still continued at the low level of \$6,000,000. Philadelphia reported that there was a good demand for bills in its district with the supply limited. The very few new bills made were held by the banks.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

A sale of \$300,000 Fourth 4 1/4% Liberty Loan bonds was made for account of the Alien Property Custodian under Treasury authorization during the current statement week.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

No new purchases of United States Government securities were made for System Account during the current statement week. Transactions consummated in the System Account during the week consisted of

(1) Redemption of November 16, 1932, Treasury Bills and replacements by purchases in the market:

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|--|--|
| \$59,500,000 - maturing Treasury bills | \$4,000,000 - Treas. Bills due Jan. 18, 1933 |
| | 10,000,000 - " " " " 25, 1933 |
| | 2,500,000 - " " " " Feb. 8, 1933 |
| | 29,600,000 - " " " " 15, 1933 |
| | 6,000,000 - 3 1/4% T/N " Dec. 15, 1932 |
| | 2,400,000 - 1 1/2% C/I " June 15, 1933 |
| | 2,000,000 - 1 1/4% " " Sept. 15, 1933 |
| | 3,000,000 - 3 % T/N " May 2, 1934 |
| \$59,500,000 | \$59,500,000 |

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

| <u>Sold</u> | <u>Purchased</u> |
|--|---|
| \$6,000,000 - 3 1/4% T/N due Dec. 15, 1932 | \$ 5,000,000 - Treas. Bills due Jan. 25, 1933 |
| | 1,000,000 - 2% C/I " May 2, 1933 |

(3) Sale on November 12, 1932, of \$2,500,000 United States Government securities from Federal Reserve Bank of New York's participation to Federal Reserve Bank of Dallas' participation in the Account.

This sale to the Federal Reserve Bank of Dallas represented part of its shortage in the holdings in System Account.

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, November 16, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKSRECAPITULATION OF HOLDINGS BY MATURITIES

| | | | | |
|---------------|------------------------|--------------------|-----------------|------------------------|
| Boston | \$ 95,978,500 | Nov. 23, 1932 | -- Treas. Bills | \$ 38,677,000 |
| New York | 609,953,000 | " 30, 1932 | - " " | 45,587,000 |
| Philadelphia | 135,919,000 | Dec. 28, 1932 | - " " | 61,100,000 |
| Cleveland | 178,232,000 | Jan. 11, 1933 | - " " | 54,100,000 |
| Richmond | 47,132,500 | " 18, 1933 | - " " | 46,208,000 |
| Atlanta | 46,560,000 | " 25, 1933 | - " " | 42,000,000 |
| Chicago | 199,195,000 | Feb. 8, 1933 | - " " | 36,000,000 |
| St. Louis | 65,655,500 | " 15, 1933 | - " " | 29,600,000 |
| Minneapolis | 47,087,000 | Dec. 15, 1932 | - 3 1/4% T/N | 101,197,000 |
| Kansas City | 57,180,500 | Feb. 1, 1933 | - 3 3/4% C/I | 13,775,000 |
| Dallas | 33,221,000 | Mar. 15, 1933 | - 3 3/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May 2, 1933 | - 2 % " | 124,987,500 |
| | | June 15, 1933 | - 1 1/2% " | 115,975,000 |
| | | Sept. 15, 1933 | - 1 1/4% " | 165,483,000 |
| | | May 2, 1934 | - 3 % T/N | 78,225,000 |
| | | Aug. 1, 1934 | - 2 1/8% " | 102,452,000 |
| | | June 15, 1935 | - 3 % " | 74,600,000 |
| | | " 15, 1932/47-3 | 1/2% 1st L/L | 25,025,000 |
| | | " 15, 1932/47-4 | 1/4% 1st " | 29,000,000 |
| | | Oct. 15, 1933/38-4 | 1/4% 4th " | 281,591,000 |
| 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 NOVEMBER 10 TO NOVEMBER 16, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> | <u>Adjustments in Participations</u> |
|---------------|---------------------|---------------------------------|--|
| Boston | \$ 3,834,000 | \$ 3,834,000 | \$ 0 |
| New York | 24,374,500 | 24,374,500 | 2,500,000- |
| Philadelphia | 5,430,000 | 5,430,000 | 0 |
| Cleveland | 7,121,500 | 7,121,500 | 0 |
| Richmond | 1,882,500 | 1,882,500 | 0 |
| Atlanta | 1,860,000 | 1,860,000 | 0 |
| Chicago | 7,957,500 | 7,957,500 | 0 |
| St. Louis | 2,623,000 | 2,623,000 | 0 |
| Minneapolis | 1,881,000 | 1,881,000 | 0 |
| Kansas City | 2,285,000 | 2,285,000 | 0 |
| Dallas | 1,319,500 | 1,319,500 | 2,500,000+ |
| San Francisco | 4,931,500 | 4,931,500 | 0 |
| | <u>\$65,500,000</u> | <u>\$65,500,000</u> | <u>\$2,500,000 Adj.</u> |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change from
Previous Week

None

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemption and Sales</u> | <u>Issue</u> |
|-------------|---------------------|------------------|---------------------------------|----------------------|
| Boston | \$ 0 | - | \$ 14,200 | 4th 4 1/4% L/L Bds. |
| New York | 14,000,000 | Misc. Gov't Sec. | 4,000,000 | 1st 4 1/4% L/L Bds. |
| | 0 | - | 10,000,000 | Nov. 16/32 Tr. Bills |
| Atlanta | 57,650 | Misc. Gov't Sec. | 40,500 | Misc. Gov't Sec. |
| Minneapolis | 483,850 | " " " | 450,750 | " " " |
| Totals | <u>\$14,541,500</u> | | <u>\$14,505,450</u> | |

BANKERS ACCEPTANCES

(000 Omitted)

| | <u>Holdings</u> | | <u>By Allot- ment from New York</u> | <u>Maturities and Sales</u> | | <u>Holdings Nov. 16</u> | <u>Other Holdings Close Nov. 16/32</u> | |
|---|-----------------|-------------------------------|---|---------------------------------|------------------------|-----------------------------|--|------------------------|
| | <u>Nov. 9</u> | <u>Purchased Own Mkt.</u> | | <u>Held in N.Y.</u> | <u>Else- where</u> | | <u>Con- tracts</u> | <u>Other Bills</u> |
| Boston | \$ 0 | \$ 0 | 0 | 0 | \$ 0 | \$ 0 | 0 | \$ 2,338 |
| New York | 202 | 0 | 0 | 0 | 0 | 202 | 0 | 10,164 |
| Phila. | 42 | 0 | 0 | 0 | 42 | 0 | 0 | 3,169 |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,097 |
| Richmond | 844 | 131R. | 0 | 0 | 256 | 719 | 0 | 1,226 |
| Atlanta | 1,933 | 682" | 0 | 0 | 164 | 2,451 | 0 | 1,134 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,122 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,008 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 889 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 858 |
| San Fran. | 221 | 168" | 0 | 0 | 17 | 372 | 0 | 2,116 |
| | <u>\$3,242</u> | <u>\$981</u> | <u>0</u> | <u>0</u> | <u>\$479</u> | <u>\$3,744</u> | <u>0</u> | <u>\$30,755</u> |
| Bills held over night by New York for distribution to other Fed. Res. Bks.- | | | | | | | | 25 |
| Total - - - - - | | | | | | | | <u>\$30,780</u> |

NOTE: R. Indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED NOVEMBER 16, 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> |
|---------------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Richmond | \$ 0 | \$ 0 | \$131* | 0 | \$131 |
| Atlanta | 389 | 257 | 36 | 0 | 682 |
| San Francisco | <u>3</u> | <u>153</u> | <u>12</u> | <u>0</u> | <u>168</u> |
| Totals | <u>\$392</u> | <u>\$410</u> | <u>\$179</u> | <u>0</u> | <u>\$981</u> |

*Purchased at 1 1/4%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 16, 1932
(000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Total</u> |
|---------------|--|---|---|
| Purchased | \$80,042 | \$981 | \$81,023 |
| Sold | 10,505 | 0 | 10,505 |
| Matured | 69,500 | <u>479</u> | <u>69,979</u> |
| | | \$502+ | \$ 539+ |
| | | 20+ (Net Change 1-day holdover and other bills) | 20+ (Net Change 1-day holdover and other bills) |
| Totals | <u>\$ 37+</u> | <u>\$522+</u> | <u>\$ 559+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 16, 1932
(000 omitted)

| | <u>Within</u> <u>15 days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Total</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$120,250 | \$109,607 | \$127,356 | \$147,983 | \$346,869 | \$998,669 | \$1,850,734 |
| Bills Purchased | <u>6,186</u> | <u>11,388</u> | <u>9,179</u> | <u>7,771</u> | <u>0</u> | <u>0</u> | <u>34,524</u> |
| Totals | <u>\$126,436</u> | <u>\$120,995</u> | <u>\$136,535</u> | <u>\$155,754</u> | <u>\$346,869</u> | <u>\$998,669</u> | <u>\$1,885,258</u> |

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg

FEDERAL RESERVE BANK
OF NEW YORK

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DIVISION OF RESEARCH
AND STATISTICS

CONFIDENTIAL

November 11, 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 November 3, 1932 to November 9, 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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Authority E.O. 10501



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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

November 11, 1932.

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

Dear Mr. Smead:

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for the period from November 3, 1932 to November 9, 1932
inclusive, together with data received from Federal Reserve
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W. B. Matteson
Assistant Deputy Governor

Encl.

Division of Bank Operations
File No. 132.1

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Authority E.O. 10501

FEDERAL RESERVE BANK
OF NEW YORK

[Handwritten signatures and scribbles]
For CIRCULATION
Gov. Meyer ✓
Mr. Hamlin ✓
Mr. James ✓
Mr. Megee ✓
Mr. Miller ✓
Mr.
Mr.
Please note - initial and
November 11, 1932. *[Handwritten initials]*

CONFIDENTIAL

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from November 3, 1932 to November 9, 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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CONFIDENTIAL
 REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED NOVEMBER 9, 1932

Holdings of Earning Assets of Federal Reserve Banks from November 11, 1931 to Date
 (000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Nov. 11 | \$2,039,578 | \$ 727,063 | \$ 400 | \$596,752 | \$ 0 | \$ 685,764 |
| " 25 | 1,925,509 | 727,101 | 0 | 479,225 | 575 | 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 | 62,231 | 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 | 525,590 |
| Aug. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 53,203 | 401 | 359,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 522,322 |
| Nov. 2 | 2,216,505 | 1,850,783 | 0 | 34,055 | 0 | 526,044 |
| " 9 | 2,201,079 | 1,850,697 | 0 | 34,002 | 0 | 510,953 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED NOVEMBER 9, 1932
 (000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|--------|------------------|-----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Nov. 9 | Change | Nov. 9 | Change | Nov. 9 | Change |
| Boston | \$ 96,727 | \$ 0 | \$ 0 | \$ 0 | \$ 12,076 | \$ 293- |
| New York | 738,292 | 0 | 202 | 0 | 58,478 | 6,036- |
| Philadelphia | 139,269 | 0 | 42 | 0 | 47,490 | 385- |
| Cleveland | 178,282 | 0 | 0 | 0 | 27,057 | 3,089- |
| Richmond | 47,133 | 0 | 844 | 125- | 19,015 | 677- |
| Atlanta | 46,580 | 1- | 1,933 | 39+ | 20,640 | 296- |
| Chicago | 262,210 | 100- | 0 | 0 | 17,630 | 617- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,792 | 560- |
| Minneapolis | 54,631 | 15+ | 0 | 0 | 12,195 | 226+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 16,551 | 253+ |
| Dallas | 40,721 | 0 | 0 | 0 | 8,246 | 338- |
| San Francisco | 123,444 | 0 | 221 | 62- | 62,783 | 3,484- |
| N. Y. holdovers and other bills | | | 30,760 | 97+ | | |
| Totals | \$1,850,697 | \$ 86- | \$54,002 | \$ 51- | \$510,953 | \$15,091- |

COMMENT ON CHANGES WEEK ENDED NOVEMBER 9, 1932

Total earning assets of the System declined \$15,226,000 during the current statement week. The principal change was a decrease of \$15,091,000 in bills discounted.

| |
|--|
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Money
Market

During the statement week ended November 9, the estimated excess reserves of all member banks in the country were reduced \$40,000,000 further to \$451,000,000. The average excess for the week, \$451,000,000, was \$49,000,000 less than in the previous period. An increase in currency circulation over the Election Day holiday accounted for \$35,000,000 of the decline in excess reserves. Other factors reducing member bank reserve balances were the retirement of \$15,000,000 of member bank borrowings and a reduction of \$11,000,000 in Federal Reserve float, but these were largely offset by additional issues of National bank notes, a small increase in the monetary gold stock, a decrease in Treasury and miscellaneous deposits at the Reserve Banks, and a small decline in the reserve requirements of the New York City banks.

The surplus reserves of the New York City banks were reduced an additional \$38,000,000 in the week ended November 9, the excess on Wednesday amounting to \$228,000,000. As far as the New York market was concerned, the decrease in bank reserves reflected chiefly withdrawals of Government funds from depositaries and the proceeds of Treasury bills sold which considerably exceeded disbursements for maturing Treasury bills held in this market and other payments. Most of these funds were transferred to other districts by the Treasury and disbursed there. In addition, the New York market lost some funds through commercial and banking transfers to other centers, while comparatively small increases in bank reserves resulted from gold imports and a reduction in miscellaneous deposits at the Reserve Bank.

Call money continued to be quoted at 1 per cent on the Stock Exchange but was freely available at 1/2 and 3/4 per cent in the outside market. On November 10, a comparatively large amount of call money was loaned in the outside market at 1/2 per cent. Quotations for 90 day and 4 month loans were reduced about 1/4 per cent during the week with activity at a standstill. Loans up to 90 day maturity are now quoted at 1/2 per cent flat, 4 month money at 3/4 per cent flat, and 5 and 6 month money at 1 per cent. The prevailing rate for prime commercial paper became established at 1 1/2 - 1 3/4 per cent during the week, and in fact some short paper of the highest grade borrowers began to move at 1 1/4 and even 1 per cent. Yields on short term United States Government securities, on the other hand, moved slightly higher.

Government
Security
Market

The volume of trading in the United States Government securities market continued light with the supply generally in excess of the demand. The undertone was weak and prices of practically all issues of certificates, notes and bonds showed recessions ranging from 1/32 to 16/32nds. At the close of the current statement week the average yield on the short-term issues, at dealers' offering prices, exclusive of the issues of Treasury notes and certificates maturing up to March 15, 1933, (which showed very little or no yield at current prices) was about 0.82% as compared with 0.78% at the close of the previous period, and the average selling prices for the Liberty Loan bonds was 102.24 and of Treasury bonds 101.23 as compared with the previous week's average closing prices of 102.46 and 101.36 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 1/4% | Treasury Notes due | Dec. 15, 1932 | 100 21/32 | - 5/32 | - - - |
| 3 3/4% | Cert. of Ind. | " Feb. 1, 1933 | 100 26/32 | -10/32 | 0.10% |
| 3 5/4% | " " " | " Mar. 15, 1933 | 101 10/32 | - 7/32 | - - - |
| 2 % | " " " | " May 2, 1933 | 100 27/32 | - 4/32 | 0.22% |
| 1 1/2% | " " " | " June 15, 1933 | 100 24/32 | - 2/32 | 0.23% |
| 1 1/4% | " " " | " Sept. 15, 1933 | 100 24/32 | - 3/32 | 0.36% |
| 3 % | Treasury Notes | " May 2, 1934 | 103 | - 3/32 | 0.95% |
| 2 1/8% | " " | " Aug. 1, 1934 | 101 22/32 | - 4/32 | 1.13% |
| 3 % | " " | " June 15, 1935 | 102 19/32 | - 8/32 | 1.96% |
| 3 1/4% | " " | " Aug. 1, 1936 | 102 6/32 | - 9/32 | 2.62% |
| 5 % | " " | " Apr. 15, 1937 | 100 24/32 | -12/32 | 2.82% |
| 3 1/4% | " " | " Sept. 15, 1937 | 101 14/32 | -14/32 | 2.93% |

Treasury Bills - all maturities - 0.35% discount bid, 0.10% 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 | 101 12/32 | - 7/32 | Treasury 4 1/4s 1947-52 | 107 2/32 | - - - |
| 1st 4 1/4s | 102 4/32 | - 5/32 | " 4 s 1944-54 | 103 30/32 | - 3/32 |
| 4th 4 1/4s | 103 7/32 | - 9/32 | " 3 3/4s 1946-56 | 101 30/32 | -16/32 |
| | | | " 3 5/8s 1943-47 | 100 24/32 | + 1/32 |
| | | | " 3 5/8s 1940-43 | 101 1/32 | - 6/32 |
| | | | " 3 5/8s 1941-43 | 101 4/32 | - - - |
| | | | " 3 1/8s 1946-49 | 97 22/32 | - 7/32 |
| | | | " 3 s 1951-55 | 96 9/32 | - 4/32 |

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports
week
ended
Nov. 9

Boston reported that both the supply and demand for bills continued small in its district during the past week. As a whole, bills moved freely with short maturities in best demand. In New York there was a moderate increase in the volume of bills handled by dealers this week as compared with the past five weeks. This increase was due in a large measure to two or three of the dealers buying from a local corporation sizeable amounts of cotton bills at 1/8 below their quoted rates or 1/2 per cent and selling them immediately to local banks at 3/8 per cent. Dealers' portfolios continued extremely low and the Reserve bank, due to lack of bills, was unable to complete its purchases for foreign correspondents during the week. Philadelphia reported that the supply of bills in its market was inadequate to meet a moderate demand.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

No purchases of United States Government securities were made for System Account during the current statement week. Transactions consummated in the System Account during the week consisted of

Redemption of November 9, 1932 Treasury bills and replacement by purchases in the market:

| | |
|--|--|
| <p style="text-align: center;"><u>Redeemed</u></p> <p>\$33,500,000 - maturing Treasury Bills</p> | <p style="text-align: center;"><u>Purchased in the market</u></p> <p>\$33,500,000 - Treasury Bills due February 8, 1933</p> |
|--|--|

This transaction 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, November 9, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | |
|---------------|---------------|
| Boston | \$ 95,978,500 |
| New York | 612,453,000 |
| 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 | 30,721,000 |
| San Francisco | 123,443,500 |

| | |
|-------------------------------|---------------|
| Nov. 16, 1932-Treasury Bills | \$ 59,500,000 |
| " 23, 1932- " " | 38,677,000 |
| " 30, 1932- " " | 45,587,000 |
| Dec. 28, 1932- " " | 61,100,000 |
| Jan. 11, 1933- " " | 54,100,000 |
| " 18, 1933- " " | 42,208,000 |
| " 25, 1933- " " | 27,000,000 |
| Feb. 8, 1933- " " | 33,500,000 |
| Dec. 15, 1932- 3 1/4% T/N | 101,197,000 |
| Feb. 1, 1933- 3 3/4% C/I | 13,775,000 |
| Mar. 15, 1933- 3 3/4% " | 174,025,000 |
| May 2, 1933- 2 % " | 123,987,500 |
| June 15, 1933- 1 1/2% " | 113,575,000 |
| Sept. 15, 1933- 1 1/4% " | 163,483,000 |
| May 2, 1934- 3 - % T/N | 75,225,000 |
| Aug. 1, 1934- 2 1/8% " | 102,452,000 |
| June 15, 1935- 3 % " | 74,600,000 |
| " 15, 1932/47-3 1/2% 1st L/L | 25,025,000 |
| " 15, 1932/47-4 1/4% 1st " | 29,000,000 |
| Oct. 15, 1933/38-4 1/4% 4th " | 281,591,000 |

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 NOVEMBER 3 TO NOVEMBER 9, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemptions</u> |
|---------------|---------------------|---------------------|
| Boston | \$ 1,961,000 | \$ 1,961,000 |
| New York | 12,513,500 | 12,513,500 |
| Philadelphia | 2,777,000 | 2,777,000 |
| Cleveland | 3,642,500 | 3,642,500 |
| Richmond | 963,000 | 963,000 |
| Atlanta | 951,500 | 951,500 |
| Chicago | 4,070,000 | 4,070,000 |
| St. Louis | 1,341,500 | 1,341,500 |
| Minneapolis | 962,000 | 962,000 |
| Kansas City | 1,168,500 | 1,168,500 |
| Dallas | 627,500 | 627,500 |
| San Francisco | 2,522,000 | 2,522,000 |
| Totals | \$33,500,000 | \$33,500,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | <u>Net Change From Previous Week</u> |
|------|--|
| None | 0 |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales and Redemptions</u> | <u>Issue</u> |
|---------------|--------------------|--------------------|----------------------------------|--------------------|
| New York | \$6,000,000 | Feb. 8/33 Tr.Bills | \$6,000,000 | Nov. 9/32 Tr.Bills |
| Atlanta | 87,700 | Misc. Govt. Sec. | 88,800 | Misc. Govt. Sec. |
| Chicago | 0 | - | 100,000 | Nov. 9/32 Tr.Bills |
| Minneapolis | 502,550 | Misc. Govt. Sec. | 487,900 | Misc. Govt. Sec. |
| Totals | \$6,590,250 | | \$6,676,700 | |

BANKERS ACCEPTANCES
(000 Omitted)

| | <u>Holdings Nov. 2</u> | <u>Purchased Own Mkt.</u> | <u>By Allot- ment from New York</u> | <u>Maturities and Sales</u> | | <u>Holdings Nov. 9</u> | <u>Other Holdings Close Nov. 9, 1932</u> | |
|-----------|----------------------------|-------------------------------|---|---------------------------------|------------------------|----------------------------|--|------------------------|
| | | | | <u>Held in N.Y.</u> | <u>Else- where</u> | | <u>Sales Contracts</u> | <u>Other Bills</u> |
| Boston | \$ 0 | \$ 0 | 0 | 0 | \$ 0 | 0 | \$ 2,338 | |
| New York | 202 | 0 | 0 | 0 | 0 | 202 | 10,160 | |
| Phila. | 42 | 0 | 0 | 0 | 0 | 42 | 3,169 | |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 3,097 | |
| Richmond | 969 | 0 | 0 | 0 | 125 | 844 | 1,226 | |
| Atlanta | 1,894 | 96 R. | 0 | 0 | 57 | 1,933 | 1,134 | |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 4,122 | |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 1,008 | |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 634 | |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 889 | |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 858 | |
| San Fran. | 283 | 0 | 0 | 0 | 62 | 221 | 2,116 | |
| | \$3,390 | \$96 | 0 | 0 | \$244 | \$3,242 | 0 | \$30,751 |

Bills held over night by New York for distribution to other Fed. Res. Bks. - 9
Total - - - - \$30,760

NOTE: R. indicates RETAINED in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED NOVEMBER 9, 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> |
|---------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Atlanta | \$71 | \$15 | \$10 | 0 | \$96 |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 9, 1932
 (000 Omitted)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u> |
|-----------|------------------------------|----------------------------|--------------------|
| Purchased | \$40,090 | \$ 96 | \$40,186 |
| Sold | 576 | 0 | 576 |
| Matured | 39,600 | 244 | 39,844 |
| | | \$148- | \$ 234- |
| | | 97+ (Net Change | 97+ (Net Change |
| | | 1-day holdover | 1-day holdover |
| | | and other bills) | and other bills) |
| Totals | <u>\$ 86-</u> | <u>\$ 51-</u> | <u>\$ 137-</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 9, 1932
 (000 Omitted)

| | <u>Within</u> <u>15 days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Total</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$120,750 | \$69,000 | \$178,194 | \$139,839 | \$355,771 | \$987,143 | \$1,850,697 |
| Bills Purchased | 5,957 | 8,517 | 8,698 | 10,830 | 0 | 0 | 34,002 |
| Totals | <u>\$126,707</u> | <u>\$77,517</u> | <u>\$186,892</u> | <u>\$150,669</u> | <u>\$355,771</u> | <u>\$987,143</u> | <u>\$1,884,699</u> |

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Mr. Thompson
Mr. [unclear]
Mr. Thompson

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AND STATISTICS

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November 4, 1932.

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for the period from October 27, 1932 to November 2, 1932
inclusive, together with data received from Federal Reserve
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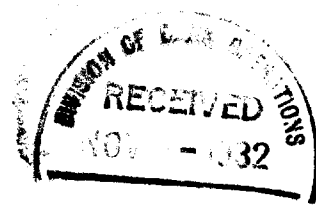
Very truly yours,

W. B. Matteson
Assistant Deputy Governor

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W. B. M.
H. V.



FEDERAL RESERVE BANK
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Division of Bank Operations
File No. 132.1

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FEDERAL RESERVE BANK
OF NEW YORK

Gov. Meyer ✓
Mr. Hamilton *abst*
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓

Mr.
Mr.
Please note - Initial and
Return to Secretary
File

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Honorable Eugene Meyer, Governor,
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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED NOVEMBER 2, 1932

Holdings of Earning Assets of Federal Reserve Banks from November 4, 1931 to Date
 (000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| Nov. 4 | \$2,105,027 | \$ 727,076 | \$ 500 | \$636,509 | \$ 5,524 | \$705,224 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |
| Nov. 2 | 2,216,305 | 1,850,783 | 0 | 34,053 | 0 | 326,044 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED NOVEMBER 2, 1932
 (000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|------------------|-----------------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Nov. 2 | Change | Nov. 2 | Change | Nov. 2 | Change |
| Boston | \$ 96,727 | \$ 0 | \$ 0 | \$ 0 | \$ 12,369 | \$ 614- |
| New York | 738,292 | 0 | 202 | 0 | 64,514 | 1,881+ |
| Philadelphia | 139,269 | 0 | 42 | 1- | 47,875 | 489- |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,146 | 3,316+ |
| Richmond | 47,133 | 1+ | 969 | 57- | 19,692 | 388+ |
| Atlanta | 46,581 | 66- | 1,894 | 423+ | 20,936 | 587+ |
| Chicago | 262,310 | 0 | 0 | 0 | 18,247 | 177+ |
| St. Louis | 66,156 | 0 | 0 | 0 | 9,152 | 823+ |
| Minneapolis | 54,616 | 101- | 0 | 0 | 11,969 | 306- |
| Kansas City | 57,252 | 0 | 0 | 0 | 16,293 | 207- |
| Dallas | 40,721 | 0 | 0 | 0 | 8,584 | 783- |
| San Francisco | 123,444 | 0 | 283 | 7- | 66,267 | 1,051- |
| N. Y. holdovers and other bills | | | 30,663 | 0 | | |
| Totals | \$1,850,783 | \$166- | \$34,053 | \$358+ | \$326,044 | \$3,722+ |

COMMENT ON CHANGES WEEK ENDED NOVEMBER 2, 1932

Total earning assets of the System increased \$3,914,000 during the current statement week. The principal change was an increase of \$3,722,000 in bills discounted.

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2

Money
Market

Excess reserves of all member banks in the country are estimated to have averaged approximately \$500,000,000 during the past statement week, an increase of about \$21,000,000 over the average for the preceding period. There was, however, a decrease between October 26, and November 2, of \$39,000,000 in the actual amount of excess reserves in the possession of the banks. The drop from \$530,000,000 to \$491,000,000 represented chiefly the usual month-end currency requirements which resulted in an increase of \$32,000,000 in money in circulation. Other transactions, including an increase in miscellaneous deposits at the Reserve Banks and a rise in the reserve requirements of the banks, were largely offset by an increase of \$9,000,000 in the monetary gold stock, a slight rise in member bank discounts, and new issues of National bank notes.

In New York City, there was a net reduction in excess reserves of the banks from \$319,000,000 on Wednesday, October 26, to \$226,000,000 on November 2. The net decrease of \$53,000,000 for the week reflected month-end currency withdrawals from the Reserve Bank, a net loss to the New York market through Treasury transactions, a moderate outflow of funds to other parts of the country, and an increase in miscellaneous deposits at the Reserve Bank. These charges to member bank reserve accounts and a further increase in reserve requirements were only slightly offset by the gain of gold during the week.

Call loans against stock exchange collateral were arranged in the outside market at as low as 1/2 per cent beginning on Monday, October 31. Previously the lowest rate quoted had been 3/4 per cent for Stock Exchange collateral loans, although some loans had been made against United States Government securities at 1/2 per cent. The official call money rate was unchanged at 1 per cent, the level established October 13, and time money quotations were virtually unchanged. Open market commercial paper rates were slightly easier in that more high grade paper moved at 1 1/2 per cent, with other names priced at 1 3/4 - 2 per cent. Yields on short-term Government securities receded slightly, following last week's small rise.

Government
Security
Market

The volume of trading in the government securities market continued light with the best demand for the two to five year Treasury notes and the Fourth 4 1/4s. There was a decrease in the demand for issues of Treasury certificates and notes maturing December 15 of this year and early next year (which showed very little or no yield at current prices) and, except for a small demand for the 3 3/8% and 3 1/8% Treasury bonds, there was very little demand for the long-term Treasury bonds. Prices for Treasury certificates and Treasury notes maturing up to May 2, 1933, and the First 3 1/2% and First 4 1/4% Liberty Loan bonds showed losses for the week of from 1/32 to 6/32nds, while prices for the later maturities of Treasury certificates and Treasury notes, and most of the issues of Treasury bonds, showed gains of from 1/32 to 6/32nds. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices, exclusive of the issues of Treasury certificates and notes maturing up to March 15, 1933, (which continued to show no yield at current prices) was about 0.78% as compared with 0.82% at the close of the previous period, and the average selling price for the Liberty Loan bonds was 102.46 and of Treasury bonds 101.36 as compared with the previous week's average closing prices of 102.43 and 101.30 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 | 1/4% Treasury Notes due Dec. 15, 1932 | 100 26/32 | -5/32 | - - - |
| 3 | 3/4% Cert. of Ind. " Feb. 1, 1933 | 101 4/32 | -6/32 | - - - |
| 3 | 3/4% " " " " Mar. 15, 1933 | 101 17/32 | -5/32 | - - - |
| 2 | % " " " " May 2, 1933 | 100 31/32 | -1/32 | 0.04% |
| 1 | 1/2% " " " " June 15, 1933 | 100 26/32 | +1/32 | 0.17% |
| 1 | 1/4% " " " " Sept. 15, 1933 | 100 27/32 | +2/32 | 0.27% |
| 3 | % Treasury Notes " May 2, 1934 | 103 3/32 | +5/32 | 0.91% |
| 2 | 1/8% " " " Aug. 1, 1934 | 101 26/32 | +6/32 | 1.06% |
| 3 | % " " " June 15, 1935 | 102 27/32 | +5/32 | 1.88% |
| 3 | 1/4% " " " Aug. 1, 1936 | 102 15/32 | +5/32 | 2.55% |
| 3 | % " " " Apr. 15, 1937 | 101 4/32 | +6/32 | 2.73% |
| 3 | 1/4% " " " Sept. 15, 1937 | 101 28/32 | +5/32 | 2.83% |

Treasury Bills - all maturities - 0.25% discount bid, 0.10% asked

Closing Sale Prices on the New York Stock Exchange at the Close
of the Current Statement Week and Net Change 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 19/32 | -1/32 | Treasury 4 1/4s 1947-52 | 107 2/32 | +2/32 |
| 1st 4 1/4s | 102 9/32 | -1/32 | " 4 s 1944-54 | 104 1/32 | +5/32 |
| 4th 4 1/4s | 103 16/32 | +5/32 | " 3 3/4s 1946-56 | 102 14/32 | +1/32 |
| | | | " 3 3/8s 1943-47 | 100 23/32 | +2/32 |
| | | | " 3 3/8s 1940-43 | 101 7/32 | +2/32 |
| | | | " 3 3/8s 1941-43 | 101 4/32 | - - - |
| | | | " 3 1/8s 1946-49 | 97 29/32 | - - - |
| | | | " 3 s 1951-55 | 96 13/32 | +5/32 |

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports
week
ended
Nov. 2

Boston reported that both the supply and demand of bills in its district was small during the past week. As a whole short maturities were in best demand. In New York the supply of bills in the market continued very small. The demand was good and dealers experienced little difficulty in moving what bills came into their hands. Aggregate portfolios remained very low. Some transactions of very choice names were reported to have been made at 1/8 below the market on both the bid and asked side but most of the dealers feel that a further reduction in rates will not result in any increase in the supply of bills and have not as yet made any reduction. Philadelphia reported that there was very little change in its acceptance market. There were practically no offerings with the demand small.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

No purchases of United States Government securities were made for System Account during the current statement week. Transactions consummated in the System Account during the week consisted of

Sale in the market of

\$1,000,000 - 5 1/4% Treas. notes due Dec. 15, 1932 for \$1,000,000 - 1 1/4% Cert. of Ind. due Sept. 15, 1933

This transaction 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, November 2, 1932, were as follows:

PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | |
|---------------|------------------------|---------------------------------|------------------------|
| Boston | \$ 95,978,500 | Nov. 9, 1932 - Treasury Bills | \$ 53,500,000 |
| New York | 612,453,000 | " 16, 1932 - " " | 59,500,000 |
| Philadelphia | 135,919,000 | " 23, 1932 - " " | 38,677,000 |
| Cleveland | 178,282,000 | " 30, 1932 - " " | 45,587,000 |
| Richmond | 47,132,500 | Dec. 28, 1932 - " " | 61,100,000 |
| Atlanta | 46,560,000 | Jan. 11, 1933 - " " | 54,100,000 |
| Chicago | 199,195,000 | " 18, 1933 - " " | 42,208,000 |
| St. Louis | 65,655,500 | " 25, 1933 - " " | 27,000,000 |
| Minneapolis | 47,087,000 | Dec. 15, 1932 - 3 1/4% T/N | 101,197,000 |
| Kansas City | 57,180,500 | Feb. 1, 1933 - 3 3/4% C/I | 15,775,000 |
| Dallas | 30,721,000 | Mar. 15, 1933 - 3 3/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May 2, 1933 - 2 % " | 123,987,500 |
| | | June 15, 1933 - 1 1/2% " | 113,575,000 |
| | | Sept. 15, 1933 - 1 1/4% " | 163,483,000 |
| | | May 2, 1934 - 3 % T/N | 75,225,000 |
| | | Aug. 1, 1934 - 2 1/8% " | 102,452,000 |
| | | June 15, 1935 - 3 % " | 74,300,000 |
| | | June 15, 1932/47-1st 3 1/2% L/L | 25,025,000 |
| | | " 15, 1932/47-1st 4 1/4% " | 29,000,000 |
| | | Oct. 15, 1933/38-4th 4 1/4% " | 281,591,000 |
| 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 OCTOBER 27 TO NOVEMBER 2, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales</u> |
|---------------|--------------------|--------------------|
| Boston | \$ 58,500 | \$ 58,500 |
| New York | 373,500 | 373,500 |
| Philadelphia | 83,000 | 83,000 |
| Cleveland | 108,500 | 108,500 |
| Richmond | 28,500 | 28,500 |
| Atlanta | 28,500 | 28,500 |
| Chicago | 121,500 | 121,500 |
| St. Louis | 40,000 | 40,000 |
| Minneapolis | 28,500 | 28,500 |
| Kansas City | 35,000 | 35,000 |
| Dallas | 19,000 | 19,000 |
| San Francisco | 75,500 | 75,500 |
| Totals | <u>\$1,000,000</u> | <u>\$1,000,000</u> |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | <u>Net Change From Previous Week</u> |
|------|--|
| None | 0 |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|-------------|--------------------|------------------|--------------------|------------------|
| Atlanta | \$ 114,650 | Misc. Gov't Sec. | \$ 181,000 | Misc. Gov't Sec. |
| Minneapolis | 1,469,550 | " " " | 1,570,700 | " " " |
| Totals | <u>\$1,584,200</u> | | <u>\$1,751,700</u> | |

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Oct. 26 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Nov. 2 | Other Holdings Close Nov. 2/32 | |
|-----------|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|--------------------|-----------------------------------|-----------------|
| | | | | Held in N.Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | 0 | \$ 0 | \$ 0 | 0 | \$ 2,338 |
| New York | 202 | 0 | 0 | 0 | 0 | 202 | 0 | 10,072 |
| Phila. | 43 | 0 | 0 | 0 | 1 | 42 | 0 | 3,169 |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,096 |
| Richmond | 1,026 | 67 R. | 0 | 0 | 124 | 969 | 0 | 1,226 |
| Atlanta | 1,471 | 466 " | 0 | 0 | 43 | 1,894 | 0 | 1,135 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,122 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,008 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 889 |
| Dallas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 858 |
| San Fran. | 290 | 0 | 0 | 0 | 7 | 285 | 0 | 2,116 |
| Totals | <u>\$3,032</u> | <u>\$533</u> | <u>0</u> | <u>0</u> | <u>\$175</u> | <u>\$3,390</u> | <u>0</u> | <u>\$30,663</u> |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES OF BILLS PURCHASED WEEK ENDED NOVEMBER 2, 1932
(000 Omitted)

| | <u>1-30 days</u> 1% | <u>31-60 days</u> 1% | <u>61-90 days</u> 1 1/2% | <u>Over 90-days</u> - | <u>Total</u> |
|----------|------------------------|-------------------------|-----------------------------|--------------------------|--------------|
| Richmond | \$ 0 | \$ 0 | \$ 67 | 0 | \$ 67 |
| Atlanta | <u>132</u> | <u>288</u> | <u>46*</u> | <u>0</u> | <u>466</u> |
| Totals | <u>\$132</u> | <u>\$288</u> | <u>\$113</u> | <u>0</u> | <u>\$533</u> |

*Purchased at 1%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 2, 1932
(000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|-----------|--|---|---|
| Purchased | \$2,584 | \$533 | \$3,117 |
| Sold | 2,750 | 0 | 2,750 |
| Matured | 0 | <u>175</u> | <u>175</u> |
| | | <u>\$358+</u> | <u>\$ 192+</u> |
| | | 0 (Net Change 1-day holdover & other bills) | 0 (Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 166-</u> | <u>\$358+</u> | <u>\$ 192+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED NOVEMBER 2, 1932
(000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Total</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$109,100 | \$120,250 | \$178,192 | \$126,064 | \$330,044 | \$987,133 | \$1,850,783 |
| Bills Purchased | <u>5,142</u> | <u>5,516</u> | <u>11,893</u> | <u>11,502</u> | <u>0</u> | <u>0</u> | <u>34,053</u> |
| Totals | <u>\$114,242</u> | <u>\$125,766</u> | <u>\$190,085</u> | <u>\$137,566</u> | <u>\$330,044</u> | <u>\$987,133</u> | <u>\$1,884,836</u> |

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H ✓

DIVISION RECEIVED
OCT 29 1932

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 28, 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 October 20, 1932 to October 26, 1932 inclusive,
together with data received from Federal Reserve banks.

Very truly yours,

Handwritten signature: W. B. Matteson

W. B. Matteson
Assistant Deputy Governor

Encl.

Division of Bank Operations
File No. 137.1

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Mr. Thompson
Mr. Roper
Mr. Thompson

RECEIVED
OCT 29 1932
DIVISION OF RESEARCH AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 28, 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 October 20, 1932 to October 26, 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
Gov. Meyer ✓
Mr. Hamilton ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller ✓
Mr.
Mr.
Please note - Initials
Return to Secretary

CONFIDENTIAL

October 28, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from October 20, 1932 to October 26, 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 OCTOBER 26, 1932

Holdings of Earning Assets of Federal Reserve Banks from October 28, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 19 | 2,203,558 | 1,850,999 | 0 | 33,583 | 0 | 313,539 |
| " 26 | 2,212,391 | 1,850,949 | 0 | 33,695 | 0 | 322,322 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED OCTOBER 26, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Balance Oct. 26 | Net Change | Balance Oct. 26 | Net Change | Balance Oct. 26 | Net Change |
| Boston | \$ 96,727 | \$24,500- | \$ 0 | \$ 0 | \$ 12,983 | \$ 362+ |
| New York | 738,292 | 24,500+ | 202 | 5- | 62,633 | 2,334+ |
| Philadelphia | 139,269 | 0 | 43 | 0 | 48,364 | 471- |
| Cleveland | 178,282 | 0 | 0 | 0 | 26,830 | 3,473- |
| Richmond | 47,132 | 1- | 1,026 | 103+ | 19,304 | 153+ |
| Atlanta | 46,647 | 32+ | 1,471 | 135+ | 20,349 | 454+ |
| Chicago | 262,310 | 0 | 0 | 0 | 18,070 | 51- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,329 | 614- |
| Minneapolis | 54,717 | 81- | 0 | 0 | 12,275 | 236+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 16,500 | 221+ |
| Dallas | 40,721 | 0 | 0 | 1- | 9,367 | 404- |
| San Francisco | 123,444 | 0 | 290 | 0 | 67,318 | 10,036+ |
| N. Y. holdovers and other bills | | | 30,663 | 120- | | |
| Totals | \$1,850,949 | \$ 50- | \$33,695 | \$112+ | \$322,322 | \$ 8,783+ |

COMMENT ON CHANGES WEEK ENDED OCTOBER 26, 1932

Total earning assets of the System showed an increase of \$8,833,000 for the current statement week. The principal changes by classification consisted of increases of \$112,000 in outright purchases of bankers acceptances and \$8,783,000 in bills discounted.

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2

Money
Market

A further increase of \$30,000,000 in the country's monetary gold stock, a return flow of an additional \$37,000,000 of currency from circulation, and smaller gains of funds through new issues of National bank notes, a decrease in the National Credit Corporation account at the Reserve Banks, and an increase in member bank borrowings, together caused a large rise in the reserve balances of the member banks during the week ended October 26. As these gains were only slightly offset by an increase in the reserve requirements of the banks and by a reduction in Federal Reserve float, the excess reserves of all member banks in the country are estimated to have increased from \$455,000,000 on October 19 to \$530,000,000 on October 26. The surplus of reserves during the past week averaged about \$479,000,000 as compared with \$412,000,000 in the preceding week.

Excess reserves of the New York City banks increased \$85,000,000 during the past week, from \$234,000,000 on the 19th to \$319,000,000 on the 26th, somewhat exceeding the increase for all member banks. The immediate reasons for the rise in reserve balances of the New York banks during the week were a sizable inflow of funds from other parts of the country, releases of gold from foreign earmark, gold imports, a reduction in the National Credit Corporation account at the Reserve Banks, and deposits of currency at the Reserve Bank. The aggregate of these transactions considerably exceeded a net withdrawal of funds from this market by the Treasury and a continued rise in the reserve requirements of the New York City banks.

Changes in money rates during the past week were of minor importance. Stock Exchange collateral time loans maturing within four months were reduced somewhat as to nominal quotations during the course of the week. Thirty and 60 day money became 1 1/2 per cent asked, 90 day loans 1/2 per cent bid, 3/4 per cent asked, and 4 months loans 3/4 per cent bid, 1 per cent asked. This was a decline of about 1/4 per cent. Commercial paper dealers also reported a tendency toward somewhat lower levels, with some prime names moving at 1 1/2 per cent, but this did not materialize into a definite change from the previous prevailing rate of 1 3/4 - 2 per cent. Yields on short-term United States Government securities, on the other hand, tended slightly higher.

Government
Security
Market

The market for United States Government securities reflected a weaker tendency during the greater part of the current statement week. The demand, which had been good for the short-term issues for some time past, fell off somewhat and although offerings were not very heavy, prices for these issues declined from 3/32 to 11/32 for the week. There continued to be very little demand for the long-term Treasury bonds and prices for these and the Liberty Loan bonds, with the exception of two issues of 3 3/8% Treasury bonds (which showed gains of 1/32 and 3/32nds), recorded losses for the week ranging from 3/32 to 22/32nds. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices, exclusive of the issues of Treasury notes and certificates of indebtedness maturing up to and including March 15, 1933, (which showed no yield at current prices) was about 0.82% as compared with 0.80% at the close of the previous period and the average selling price for the Liberty Loan bonds was 102.43 and of Treasury bonds 101.30 as compared with the previous week's average closing prices of 102.61 and 101.53 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

| <u>Issue</u> | <u>Price</u> | <u>Net Change</u> | <u>Approx. Yield</u> |
|---|--------------|-------------------|----------------------|
| 3 1/4% Treasury Notes due Dec. 15, 1932 | 100 29/32 | - 4/32 | - - - |
| 3 3/4% Cert. of Ind. " Feb. 1, 1933 | 101 10/32 | - 3/32 | - - - |
| 3 3/4% " " " Mar. 15, 1933 | 101 22/32 | - 3/32 | - - - |
| 2 % " " " May 2, 1933 | 101 | - 3/32 | 0.06% |
| 1 1/2% " " " June 15, 1933 | 100 25/32 | - 3/32 | 0.26% |
| 1 1/4% " " " Sept. 15, 1933 | 100 25/32 | - 4/32 | 0.36% |
| 3 % Treasury Notes " May 2, 1934 | 103 | - 4/32 | 1.00% |
| 2 1/8% " " " Aug. 1, 1934 | 101 20/32 | - 6/32 | 1.19% |
| 3 % " " " June 15, 1935 | 102 22/32 | - 5/32 | 1.95% |
| 3 1/4% " " " Aug. 1, 1936 | 102 10/32 | - 9/32 | 2.60% |
| 3 % " " " Apr. 15, 1937 | 100 30/32 | -11/32 | 2.78% |
| 3 1/4% " " " Sept. 15, 1937 | 101 23/32 | - 7/32 | 2.87% |

Treasury Bills - all maturities - 0.25% discount bid, 0.10% 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 | 101 20/32 | -3/32 | Treasury 4 1/4s 1947-52 | 107 | -22/32 |
| 1st 4 1/4s | 102 10/32 | -7/32 | " 4 s 1944-54 | 103 28/32 | -16/32 |
| 4th 4 1/4s | 103 11/32 | -8/32 | " 3 3/4s 1946-56 | 102 13/32 | - 6/32 |
| | | | " 3 3/8s 1943-47 | 100 21/32 | - 4/32 |
| | | | " 3 3/8s 1940-43 | 101 5/32 | + 3/32 |
| | | | " 3 3/8s 1941-43 | 101 4/32 | + 1/32 |
| | | | " 3 1/8s 1946-49 | 97 29/32 | - 5/32 |
| | | | " 3 s 1951-55 | 96 8/32 | -10/32 |

Bankers
 Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s, 5/8 per cent for 120s and 7/8 per cent for 180-day bills.

Reports
 week
 ended
 Oct. 26

Boston reported that the supply of bills in its local district continued small. Dealers were obliged to import \$1,966,000 from their offices in other cities to meet the demand which was chiefly for short maturities. In New York the supply of bills fell off considerably this week as compared with last week. The demand continued good and exceeded the supply considerably. Dealers' aggregate portfolios declined again to the extremely low figure of \$5,500,000. Most dealers reported they would have little difficulty in moving substantial amounts of the better known names if they were able to obtain them. Philadelphia reported that its acceptance market continued very quiet with the supply of bills still unaffected by the lowering of rates. The demand was fair and selective.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

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

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

No purchases of United States Government securities were made for System Account during the current statement week. Transactions consummated in the System Account during the week were as follows:

| | |
|---|--|
| (1) <u>Redemption of October 26, 1932 Treasury bills and replacement by purchases in the market</u> | |
| <u>Redeemed</u> | <u>Purchases in the market</u> |
| \$55,000,000 - maturing Treasury bills | \$27,000,000 - Treasury Bills due Jan. 25, 1933 |
| | 5,100,000 - 1 1/4% C/I due Sept. 15, 1933 |
| | 5,900,000 - 2 1/8% T/N due Aug. 1, 1934 |
| | 17,000,000 - 3 1/4% T/N due Dec. 15, 1932* |
| \$55,000,000 | \$55,000,000 |

*Purchased temporarily until such time as satisfactory permanent replacement can be made.

| | |
|---|--|
| (2) <u>Exchanges in the market</u> | |
| \$ 4,897,000 - 3 1/4% T/N due Aug. 1, 1936 | for \$11,108,000 - Treasury bills due Jan. 18, 1933 |
| 6,211,500 - 3 1/4% T/N due Sept. 15, 1937 | 500 - 1 1/4% C/I due Sept. 15, 1933 |
| \$11,108,500 | \$11,108,500 |

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, October 26, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | | | |
|---------------|-----------------|-------|-----------------|------------------|-----------------|
| Boston | \$ 95,978,500 | Nov. | 9, 1932 | - Treasury Bills | \$ 33,500,000 |
| New York | 612,453,000 | " | 16, 1932 | - " " | 59,500,000 |
| Philadelphia | 135,919,000 | " | 23, 1932 | - " " | 38,677,000 |
| Cleveland | 178,282,000 | " | 30, 1932 | - " " | 45,587,000 |
| Richmond | 47,132,500 | Dec. | 28, 1932 | - " " | 61,100,000 |
| Atlanta | 46,560,000 | Jan. | 11, 1933 | - " " | 54,100,000 |
| Chicago | 199,195,000 | " | 18, 1933 | - " " | 42,208,000 |
| St. Louis | 65,655,500 | " | 25, 1933 | - " " | 27,000,000 |
| Minneapolis | 47,087,000 | Dec. | 15, 1932 | - 3 1/4% T/N | 102,197,000 |
| Kansas City | 57,180,500 | Feb. | 1, 1933 | - 3 3/4% C/I | 13,775,000 |
| Dallas | 30,721,000 | Mar. | 15, 1933 | - 3 3/4% " | 174,025,000 |
| San Francisco | 123,443,500 | May. | 2, 1933 | - 2 % " | 123,987,500 |
| | | June | 15, 1933 | - 1 1/2% " | 113,575,000 |
| | | Sept. | 15, 1933 | - 1 1/4% " | 162,483,000 |
| | | May | 2, 1934 | - 3 % T/N | 75,225,000 |
| | | Aug. | 1, 1934 | - 2 1/8% " | 102,452,000 |
| | | June | 15, 1935 | - 3 % " | 74,600,000 |
| | | June | 15, 1932/47-1st | 3 1/2% L/L | 25,025,000 |
| | | " | 15, 1932/47-1st | 4 1/4% " | 29,000,000 |
| | | Oct. | 15, 1933/38-4th | 4 1/4% " | 281,591,000 |
| Totals | \$1,639,607,500 | | | | \$1,639,607,500 |

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SUMMIZED STATEMENT OF ACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM OCTOBER 20 TO OCTOBER 26, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> |
|---------------|---------------------|---------------------------------|
| Boston | \$ 3,869,500 | \$ 3,869,500 |
| New York | 24,694,000 | 24,694,000 |
| Philadelphia | 5,480,000 | 5,480,000 |
| Cleveland | 7,188,500 | 7,188,500 |
| Richmond | 1,900,500 | 1,900,500 |
| Atlanta | 1,878,000 | 1,878,000 |
| Chicago | 8,031,000 | 8,031,000 |
| St. Louis | 2,647,000 | 2,647,000 |
| Minneapolis | 1,898,500 | 1,898,500 |
| Kansas City | 2,305,500 | 2,305,500 |
| Dallas | 1,238,500 | 1,238,500 |
| San Francisco | 4,977,500 | 4,977,500 |
| Totals | \$66,108,500 | \$66,108,500 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

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

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|---------------|---------------------|------------------|---------------------|------------------|
| Boston | \$ 0 | - | \$24,500,000* | Misc. Gov't Sec. |
| New York | 24,500,000* | Misc. Gov't Sec. | 0 | - |
| Atlanta | 334,300 | " " " | 301,650 | Misc. Gov't Sec. |
| Minneapolis | 493,900 | " " " | 574,900 | " " " |
| Totals | \$25,328,200 | | \$25,376,550 | |

*Represents repurchase of securities sold to the F.R.B. Boston from New York's portfolio during June and July, 1932, due to low reserve position of New York at that time.

BANKERS ACCEPTANCES
(000 Omitted)

| | Holdings Oct.19 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Oct.26 | Other Holdings Close Oct. 26/32 | |
|---------------|--------------------|-----------------------|------------------------------------|-------------------------|------------------------|--------------------|------------------------------------|-----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$0 | \$ 0 | \$ 0 | 0 | \$ 2,353 |
| New York | 207 | 0 | 0 | 5 | 0 | 202 | 0 | 9,950 |
| Phila. | 43 | 0 | 0 | 0 | 0 | 43 | 0 | 3,189 |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,116 |
| Richmond | 923 | 168 R. | 0 | 0 | 65 | 1,026 | 0 | 1,234 |
| Atlanta | 1,336 | 171 " | 0 | 0 | 36 | 1,471 | 0 | 1,141 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,149 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 895 |
| Dallas | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 864 |
| San Fran. | 290 | 0 | 0 | 0 | 0 | 290 | 0 | 2,129 |
| Totals | \$2,800 | \$339 | 0 | \$ 5 | \$102 | \$3,032 | 0 | \$30,663 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED OCTOBER 26, 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>Totals</u> |
|----------|------------------------|-------------------------|-------------------------|--------------------------|---------------|
| Richmond | \$ 0 | \$ 0 | \$168* | 0 | \$168 |
| Atlanta | <u>66</u> | <u>74</u> | <u>31</u> | <u>0</u> | <u>171</u> |
| Totals | <u>\$66</u> | <u>\$74</u> | <u>\$199</u> | <u>0</u> | <u>\$339</u> |

*Purchased at 1 1/2%.

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED OCTOBER 26, 1932
 (000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|-----------|--|---|---|
| Purchased | \$91,436 | \$339 | \$91,775 |
| Sold | 36,486 | 0 | 36,486 |
| Matured | 55,000 | 107 | 55,107 |
| | | <u>\$232+</u> | <u>\$ 182+</u> |
| | | 120-(Net Change 1-day holdover & other bills) | 120-(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 50-</u> | <u>\$112+</u> | <u>\$ 62+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES WEEK ENDED OCTOBER 26, 1932
 (000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Totals</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$39,600 | \$120,750 | \$179,592 | \$167,664 | \$233,057 | \$1,110,286 | \$1,850,949 |
| Bills Purchased | <u>5,857</u> | <u>5,689</u> | <u>11,575</u> | <u>10,574</u> | <u>0</u> | <u>0</u> | <u>33,695</u> |
| Totals | <u>\$45,457</u> | <u>\$126,439</u> | <u>\$191,167</u> | <u>\$178,238</u> | <u>\$233,057</u> | <u>\$1,110,286</u> | <u>\$1,884,644</u> |

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1932

✓
✓
✓

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 21, 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 October 13, 1932 to October 19, 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. 137.1

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Mr. Riffe ✓
Mr. Thompson
Mr. Thompson

RECEIVED
OCT 22 1932
DIVISION OF RESEARCH AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 21, 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 October 13, 1932 to October 19, 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 CIRCULAR 111 P
Gov. Meyer +
Mr. Hamilton
Mr. James
Mr. Magee
Mr. Miller
.....
Mr.
Mr.
Please note - initial and
Return to Secretary's Office

CONFIDENTIAL

October 21, 1932.

Dear Governor Meyer:—

Enclosed is a report of open market operations
for the period from October 13, 1932 to October 19, 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 OCTOBER 19, 1932

Holdings of Earning Assets of Federal Reserve Banks from October 21, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Oct. 21 | \$2,224,398 | \$ 727,004 | \$ 0 | \$765,911 | \$ 3,155 | \$ 698,311 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 12 | 2,217,263 | 1,850,896 | 0 | 33,278 | 0 | 327,667 |
| " 19 | 2,203,558 | 1,850,999 | 0 | 33,583 | 0 | 313,539 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED OCTOBER 19, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Balance Oct. 19 | Net Change | Balance Oct. 19 | Net Change | Balance Oct. 19 | Net Change |
| Boston | \$ 121,227 | \$ 0 | \$ 0 | \$ 0 | \$ 12,721 | \$ 289- |
| New York | 713,792 | 2,500- | 207 | 71+ | 60,299 | 3,180- |
| Philadelphia | 139,269 | 0 | 43 | 5- | 48,835 | 118+ |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,303 | 1,420- |
| Richmond | 47,133 | 0 | 923 | 0 | 19,151 | 339- |
| Atlanta | 46,615 | 77- | 1,336 | 388+ | 19,895 | 790+ |
| Chicago | 262,310 | 0 | 0 | 0 | 18,121 | 3,565- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,943 | 97+ |
| Minneapolis | 54,798 | 180+ | 0 | 0 | 12,039 | 1,079+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 16,279 | 454- |
| Dallas | 40,721 | 2,500+ | 1 | 0 | 9,771 | 852- |
| San Francisco | 123,444 | 0 | 290 | 7- | 57,282 | 6,113- |
| N. Y. holdovers and other bills | | | 30,783 | 0 | | |
| Totals | \$1,850,999 | \$ 103+ | \$33,583 | \$305+ | \$313,539 | \$14,128- |

COMMENT ON CHANGES WEEK ENDED OCTOBER 19, 1932

Total earning assets of the System showed a decrease of \$13,705,000 for the current statement week. The principal changes by classification consisted of an increase of \$305,000 in outright purchases of bankers acceptances, and a decrease of \$14,128,000 in bills discounted.

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2

Money
Market

Excess reserves of all member banks in the country ended the statement week at an estimated amount of \$455,000,000, as compared with the temporarily lower figure of \$381,000,000 on October 12 and with \$430,000,000 on October 7. The average amount of excess reserves held by the member banks during the past week was \$412,000,000; in the previous week the average surplus was \$401,000,000 and two weeks ago was \$393,000,000.

The net change of \$74,000,000 in excess reserves from Wednesday to Wednesday was the result of a reduction of \$30,000,000 in currency circulation, a net payment of Treasury funds into the market, an increase of \$19,000,000 in the monetary gold stock of the country, and additional issues of National bank notes. Furthermore, a drop of \$24,000,000 occurred in other deposits at the Reserve Banks, representing a reduction in the item "Amounts due to other Reserve Banks" which was unusually large on October 12, due to collections effected by the Reserve Banks that were open for business on the holiday; these funds were passed along on October 13 to the Reserve Banks that observed the holiday, and through them to the member banks. As partial offsets to the above mentioned gains of funds to the national money market were a further repayment of \$14,000,000 of member bank borrowings, a decrease in Federal Reserve float, and an increase in reserve requirements of the banks.

There was a continued inflow of commercial and banking funds into the New York market from other centers during the week, a gain which was supplemented by releases of gold from earmark and gold imports, and by deposits of currency at the Reserve Bank. These gains considerably exceeded a net withdrawal of funds from this market by the Treasury and a further rise in the required reserves of the New York City banks, with the result that the surplus of reserves held by the New York banks had risen from \$196,000,000 to \$234,000,000 by the end of the week.

Following the reductions in various money rates reported last week, the only changes during the past week were a decline in the outside market rate for call loans to $\frac{3}{4}$ of one per cent and a further slight easing in yields on short-term Government securities. Call loans against Government securities were arranged as low as $\frac{1}{2}$ per cent during the week.

Government
Security
Market

The market for United States Government securities was moderately active this week with most of the activity continuing to take place in the short-term issues. The demand continued good for the latter, especially for the issues maturing in from two to five years. Prices for all of the short-term issues made gains for the week of from $\frac{1}{32}$ to $\frac{22}{32}$ with the largest gains recorded for the two, three and four year maturities. Notwithstanding the fact that prices for the long-term Treasury bonds in almost all cases showed net gains for the week ranging from $\frac{2}{32}$ to $\frac{17}{32}$, the demand for these issues continued light, dealers reporting that the recovery in prices was due to the technical position of the market rather than to any marked increase in the demand. At the close of the current reporting period the average yield on short-term issues at dealers' offering prices, excluding the issues maturing up to and including May 2, 1933 (which showed no yield at current prices) was about 0.80% as compared with 0.86% at the close of the previous period and the average selling prices for the Liberty Loan bonds was 102.61 and for Treasury bonds 101.53 as compared with the previous week's average closing prices of 102.60 and 101.28 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 1/4% Treasury Notes due Dec. 15, 1932 | 101 1/32 | + 1/32 | - - - - |
| 3 3/4% Cert. of Ind. " Feb. 1, 1933 | 101 13/32 | + 3/32 | - - - - |
| 3 3/4% " " " " Mar. 15, 1933 | 101 25/32 | + 3/32 | - - - - |
| 2 % " " " " May 2, 1933 | 101 3/32 | + 2/32 | - - - - |
| 1 1/2% " " " " June 15, 1933 | 100 28/32 | + 1/32 | 0.15% |
| 1 1/4% " " " " Sept. 15, 1933 | 100 29/32 | + 7/32 | 0.24% |
| 3 % Treasury Notes " May 2, 1934 | 103 4/32 | + 6/32 | 0.94% |
| 2 1/8% " " " " Aug. 1, 1934 | 101 26/32 | +22/32 | 1.09% |
| 3 % " " " " June 15, 1935 | 102 27/32 | +19/32 | 1.89% |
| 3 1/4% " " " " Aug. 1, 1936 | 102 19/32 | +15/32 | 2.52% |
| 3 % " " " " Apr. 15, 1937 | 101 9/32 | + 9/32 | 2.69% |
| 3 1/4% " " " " Sept. 15, 1937 | 101 30/32 | + 8/32 | 2.82% |

Treasury Bills - all maturities up to and including Jan. 11, 1933 - 0.25% discount bid, 0.05% asked
" " - maturing Jan. 18, 1933 - 0.25% " " 0.10% "

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 23/32 | +4/32 | Treasury 4 1/4s 1947-52 | 107 22/32 | - 2/32 |
| 1st 4 1/4s | 102 17/32 | -3/32 | " 4s 1944-54 | 104 12/32 | + 2/32 |
| 4th 4 1/4s | 103 19/32 | - - - | " 3 3/4s 1946-56 | 102 19/32 | +11/32 |
| | | | " 3 3/8s 1943-47 | 100 25/32 | + 6/32 |
| | | | " 3 3/8s 1940-43 | 101 2/32 | + 8/32 |
| | | | " 3 3/8s 1941-43 | 101 3/32 | + 6/32 |
| | | | " 3 1/8s 1946-49 | 98 2/32 | +17/32 |
| | | | " 3s 1951-55 | 96 18/32 | +15/32 |

Bankers
Acceptances

Dealers' offerings of unendorsed bankers acceptances were at the following rates during the current statement week: 1/2 per cent for 30s, 60s and 90s; 5/8 per cent for 120s and 7/8 per cent for 180-day bills. This represents a reduction of 1/4 per cent from the previous week's offering rates.

Reports
week
ended
Oct. 19

Boston reported that the demand for bills in its district slackened somewhat since the lowering of dealers' rates to 1/2 per cent for 90-day bills. The supply continued small and was sufficient to take care of the local demand. In New York the reduction in dealers' bill rates last Thursday of 1/4 per cent resulted in the demand being narrowed somewhat. Dealers found that some of the banks and corporations which had been willing to buy at 3/4 per cent were not interested at 1/2 per cent. Dealers' total sales, however, continued in about the same volume as the past two weeks. Their purchases were slightly larger and exceeded sales moderately. Aggregate portfolios increased by about \$4,300,000 to \$9,700,000. Philadelphia reported that its acceptance market was without change. The lowering of rates did not result in any increase in the supply of bills. The demand was very light.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of United States Government securities consummated 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 Governments for 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) Redemption of October 19, 1932 Treasury bills and replacement by purchases in the market

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|--|---|
| \$31,100,000 - maturing Treasury bills | \$31,100,000 - Treasury bills due Jan. 18, 1933 |

(2) Sales in the market at advantageous rates and replacement with shorter maturities

| | |
|--|--|
| \$24,250,000 - 3 1/4% T/N due Aug. 1, 1936 14,250,000 - 3 1/4% T/N due Sept. 15, 1937 600,000*- 3% T/N due Apr. 15, 1937 <hr style="width: 100%;"/> \$39,100,000 | for \$ 3,000,000 - Treasury bills due Nov. 9, 1932 7,000,000 - Treasury bills due Dec. 28, 1932 28,500,000 - Treasury bills due Jan. 11, 1933 600,000*- Treasury bills due Jan. 11, 1933 <hr style="width: 100%;"/> \$39,100,000 |
|--|--|

*Exchanged in Chicago market

(3) Exchange subscription entered by Federal Reserve Bank of Chicago to new Treasury offering dated October 6, 1932.

| | |
|---|---|
| \$600,000 - 3 1/8% C/I due Oct. 15, 1932 | for \$600,000 - 3% T/N due Apr. 15, 1937 |
|---|---|

(4) Sale of \$2,500,000 - United States Governments from Federal Reserve Bank of New York's participation to Federal Reserve Bank of Dallas' participation in the Account.

This sale to the Federal Reserve Bank of Dallas represented part of their shortage in the holdings in System Account.

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, October 19, 1932, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS

| | |
|---------------|---------------|
| Boston | \$ 95,978,500 |
| New York | 612,453,000 |
| 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 | 30,721,000 |
| San Francisco | 123,443,500 |

Totals \$1,639,607,500

RECAPITULATION OF HOLDINGS BY MATURITIES

| | |
|--------------------------------|--------------------|
| Oct. 26,1932-Treasury Bills | \$ 55,000,000 |
| Nov. 9,1932- " " | 33,500,000 |
| Nov. 16,1932- " " | 59,500,000 |
| Nov. 23,1932- " " | 38,677,000 |
| Nov. 30,1932- " " | 45,587,000 |
| Dec. 28,1932- " " | 61,100,000 |
| Jan. 11,1933- " " | 54,100,000 |
| Jan. 18,1933- " " | 31,100,000 |
| Dec. 15,1932- 3 1/4% T/N | 85,197,000 |
| Feb. 1,1933- 3 3/4% C/I | 13,775,000 |
| Mar. 15,1933- 3 3/4% " | 174,025,000 |
| May 2,1933- 2 % " | 123,987,500 |
| June 15,1933- 1 1/2% " | 113,575,000 |
| Sept.15,1933- 1 1/4% " | 157,382,500 |
| May 2,1934- 3 % T/N | 75,225,000 |
| Aug. 1,1934- 2 1/8% " | 96,552,000 |
| June 15,1935- 3 % " | 74,600,000 |
| Aug. 1,1936- 3 1/4% " | 4,897,000 |
| Sept.15,1937- 3 1/4% " | 6,211,500 |
| June 15,1932/47-3 1/2% 1st L/L | 25,025,000 |
| June 15,1932/47-4 1/4% 1st " | 29,000,000 |
| Oct. 15,1933/38-4 1/4% 4th " | <u>281,591,000</u> |

\$1,639,607,500

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**SUMMATED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM OCTOBER 13 TO OCTOBER 19, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> | <u>Adjustments in Participations</u> |
|---------------|---------------------|---------------------------------|--|
| Boston | \$ 4,145,000 | \$ 4,145,000 | \$ 0 |
| New York | 26,474,500 | 26,474,500 | 2,500,000- |
| Philadelphia | 5,869,500 | 5,869,500 | 0 |
| Cleveland | 7,698,500 | 7,698,500 | 0 |
| Richmond | 2,035,500 | 2,035,500 | 0 |
| Atlanta | 2,010,500 | 2,010,500 | 0 |
| Chicago | 8,601,500 | 8,601,500 | 0 |
| St. Louis | 2,835,000 | 2,835,000 | 0 |
| Minneapolis | 2,033,000 | 2,033,000 | 0 |
| Kansas City | 2,468,500 | 2,468,500 | 0 |
| Dallas | 1,298,500 | 1,298,500 | 2,500,000+ |
| San Francisco | 5,330,000 | 5,330,000 | 0 |
| Totals | \$70,800,000 | \$70,800,000 | \$2,500,000 Adj. |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change from
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemption and Sales</u> | <u>Issue</u> |
|---------------|--------------------|---------------------|---------------------------------|------------------|
| Atlanta | \$ 623,450 | Misc. Gov't Sec. | \$ 700,700 | Misc. Gov't Sec. |
| Chicago | 2,756,000* | Apr. 15/37 T/N | 2,756,000* | Oct. 15/32 C/I |
| | 2,756,000 | Jan. 11/33 Tr.Bills | 2,756,000 | Apr. 15/37 T/N |
| Minneapolis | 910,800 | Misc. Gov't Sec. | 731,650 | Misc. Gov't Sec. |
| Totals | \$7,046,250 | | \$6,944,350 | |

*By exchange subscription

BANKERS ACCEPTANCES

(000 Omitted)

| | <u>Holdings</u> | | | <u>Maturities and Sales</u> | | <u>Other Holdings Close Oct. 19/32</u> | | |
|---------------|-----------------|-------------------------------|---|---------------------------------|---------------------------------|--|------------------------|------------------------|
| | <u>Oct. 12</u> | <u>Purchased Own Mkt.</u> | <u>By Allot- ment from New York</u> | <u>Held in N.Y.</u> | <u>Held Else- where</u> | <u>Holdings Oct. 19</u> | <u>Con- tracts</u> | <u>Other Bills</u> |
| Boston | \$ 0 | \$ 0 | 0 | \$0 | \$ 0 | \$ 0 | 0 | \$ 2,353 |
| New York | 278 | 0 | 0 | 71 | 0 | 207 | 0 | 10,070 |
| Phila. | 48 | 0 | 0 | 0 | 5 | 43 | 0 | 3,189 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,116 |
| Richmond | 923 | 0 | 0 | 0 | 0 | 923 | 0 | 1,234 |
| Atlanta | 948 | 468 R. | 0 | 0 | 80 | 1,336 | 0 | 1,141 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,149 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 895 |
| Dallas | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 364 |
| San Fran. | 297 | 10 " | 0 | 0 | 17 | 290 | 0 | 2,129 |
| Totals | \$2,495 | \$478 | 0 | \$71 | \$102 | \$2,800 | 0 | \$30,783 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED OCTOBER 19, 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> |
|---------------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Atlanta | \$28 | \$146 | \$294 | 0 | \$468 |
| San Francisco | 0 | 10* | 0 | 0 | 10 |
| Totals | <u>\$28</u> | <u>\$156</u> | <u>\$294</u> | <u>0</u> | <u>\$478</u> |

*Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES WEEK ENDED OCTOBER 19, 1932
(000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|-----------|--|---|---|
| Purchased | \$80,347 | \$478 | \$80,825 |
| Sold | 76,888 | 0 | 76,888 |
| Matured | 3,356 | 173 | 3,529 |
| | | <u>\$305+</u> | <u>\$ 408+</u> |
| | | 0 (Net Change 1-day holdover & other bills) | 0 (Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 103+</u> | <u>\$305+</u> | <u>\$ 408+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES WEEK ENDED OCTOBER 19, 1932
(000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Totals</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$55,000 | \$109,100 | \$213,842 | \$125,456 | \$237,158 | \$1,110,443 | \$1,850,999 |
| Bills Purchased | 6,105 | 4,118 | 7,405 | 15,955 | 0 | 0 | 33,583 |
| Totals | <u>\$61,105</u> | <u>\$113,218</u> | <u>\$221,247</u> | <u>\$141,411</u> | <u>\$237,158</u> | <u>\$1,110,443</u> | <u>\$1,884,562</u> |

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Mr. Kiebler
Mr. Thompson

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OCT 15 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 14, 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 October 6, 1932 to October 12, 1932 inclusive,
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

Handwritten marks:
✓
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DIVISION OF BANK OPERATIONS
RECEIVED
OCT 15 1932

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 14, 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 October 6, 1932 to October 12, 1932 inclusive,
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
File No. 137.1

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For [unclear]
Gov. Meyer ✓
Mr. Boardman ✓
Mr. James ✓
Mr. Ladd ✓
Mr. Miller ✓
Mr. [unclear]
Mr. [unclear]
Please note - [unclear]
Return to [unclear]

FEDERAL RESERVE BANK
OF NEW YORK

1 1932

CONFIDENTIAL

October 14, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from October 6, 1932 to October 12, 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 OCTOBER 12, 1932

Holdings of Earning Assets of Federal Reserve Banks from October 14, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931 | | | | | | |
| Oct. 14 | \$2,104,443 | \$ 727,431 | \$ 0 | \$716,426 | \$13,931 | \$ 627,579 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 5 | 2,223,922 | 1,850,835 | 483 | 33,266 | 0 | 333,427 |
| " 12 | 2,217,263 | 1,850,896 | 0 | 33,278 | 0 | 327,667 |

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED OCTOBER 12, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|--------|------------------|----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Oct. 12 | Change | Oct. 12 | Change | Oct. 12 | Change |
| Boston | \$ 121,227 | \$ 0 | \$ 0 | \$ 0 | \$ 12,910 | \$1,205- |
| New York | 716,292 | 0 | 278 | 27- | 63,479 | 4,827- |
| Philadelphia | 139,269 | 0 | 48 | 18- | 43,717 | 676- |
| Cleveland | 178,282 | 0 | 0 | 0 | 31,723 | 1,095+ |
| Richmond | 47,133 | 0 | 923 | 12+ | 19,490 | 2,082- |
| Atlanta | 46,692 | 87+ | 948 | 192+ | 19,105 | 1,300+ |
| Chicago | 262,310 | 0 | 0 | 0 | 21,686 | 794- |
| St. Louis | 66,156 | 0 | 0 | 0 | 8,846 | 266- |
| Minneapolis | 54,618 | 26- | 0 | 0 | 10,960 | 257+ |
| Kansas City | 57,252 | 0 | 0 | 0 | 16,733 | 447- |
| Dallas | 38,221 | 0 | 1 | 0 | 10,623 | 47- |
| San Francisco | 123,444 | 0 | 297 | 82- | 63,395 | 1,932+ |
| N. Y. holdovers and other bills | | | 30,783 | 65- | | |
| Totals | \$1,850,896 | \$ 61+ | \$33,278 | \$ 12+ | \$327,667 | \$5,760- |

COMMENT ON CHANGES WEEK ENDED OCTOBER 12, 1932

Total earning assets of the System showed a decline of \$6,659,000 for the current statement week. The principal changes by classification consisted of the following reductions: \$483,000 in government securities held under sales contract, \$489,000 in holdings of other assets and \$5,760,000 in bills discounted.

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Money
Market

Excess reserves of all member banks in the country are estimated to have averaged slightly over \$400,000,000 during the past statement week, as compared with \$393,000,000 in the previous week. Reserve balances on October 12, however, showed a surplus of \$381,000,000, a drop of nearly \$50,000,000 from the preceding Wednesday, reflecting principally a net withdrawal of about \$20,000,000 from the national money market by the Treasury and a net increase of \$25,000,000 in other deposits at the Reserve Banks, which include "amounts due to other Federal Reserve Banks." The latter was due to the fact that some of the Reserve Banks were open for business on the Columbus Day holiday and effected check collections, but the funds from these collections were not passed along through the Reserve Banks to the member banks in those districts which observed the holiday, and consequently total member bank balances showed a decline which will be reversed on Thursday, the 13th.

The volume of money in circulation had little net effect on member bank reserve balances, since a rise of only \$2,000,000 occurred during the week. This factor, a further small reduction in member bank borrowings, and a rise in reserve requirements of the New York City banks were entirely offset by a continued gain in the monetary gold stock of the country and by new issues of National bank notes.

In New York City, excess reserves of the banks dropped from \$238,000,000 on October 5 to \$201,000,000 on the 11th, the 12th being observed as a holiday. For this period, the principal loss of funds was through Treasury transactions, including an excess of payments for the October 11 Treasury bill issue over Treasury disbursements for that part of the maturing issue held in this District. The large loss of funds in Treasury transactions, together with a further rise in reserve requirements of the City banks, was only partly counterbalanced by a return flow of commercial and banking funds to New York from other parts of the country, and by a continued gain of gold through imports and releases from earmark.

The establishment of a 1 3/4 - 2 per cent offering range for prime commercial paper and a slight easing in yields on short-term Government securities during the week were followed by reductions in rates in other divisions of the money market on Thursday, October 13. On this day, the Stock Exchange call loan renewal rate was announced at 1 per cent for the first time since May 1931, following a long period when the official rate was held at 2 per cent while loans were being made in the outside market at 1 per cent. Time money rates also dropped on the 13th to 3/4 per cent bid, 1 per cent asked for 60 and 90 day loans, and to 1 per cent bid, 1 1/4 per cent asked for 4 to 6 month maturities. Bill rates, moreover, were reduced 1/4 per cent for all maturities, the current offering rate for 90 day bills being 1/2 per cent.

Government
Security
Market

The market for United States Government securities was considerably more active this week than last with most of the activity taking place in the short-term issues. The demand was very good for practically all of the latter but there was very little demand for the long-term Treasury bonds. Prices of the short-term Treasury certificates and notes and the First 3 1/2 per cent Liberty Loan bonds showed fractional gains for the week, while prices of the First and Fourth 4 1/4 per cent Liberty Loan bonds showed little or no change and prices of the Treasury bonds in almost all cases showed fractional losses. During the week a new issue of Treasury bills was sold at a new average

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low rate of 0.19 per cent discount and a new issue of four and one-half year 3 per cent Treasury notes, which was greatly oversubscribed, sold in the market on a "when issued" basis at a 1 point premium. Although the yield on the other issues of Treasury certificates and Treasury notes continued to decline, due to the inclusion of the issue of new 3 per cent Treasury notes, the average yield on the short-term issue at dealers' offering prices at the close of the period was about 0.86% as compared with 0.75% at the close of the previous week, excluding the issues of Treasury certificates and notes maturing up to and including March 15, 1933, (which showed no yield at the market prices). At the close of the period the average selling prices for the Liberty Loan bonds was 102.60 and for the Treasury bonds 101.28, as compared with the previous week's average closing prices of 102.55 and 101.64 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 |
|--------|----------------------------------|-----------|------------|---------------|
| 3 1/4% | Treasury Notes due Dec. 15, 1932 | 101 | + 2/32 | - - - - |
| 3 3/4% | Cert. of Ind. " Feb. 1, 1933 | 101 10/32 | - - - | - - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 22/32 | + 2/32 | - - - - |
| 2 % | " " " " May 2, 1933 | 101 1/32 | + 2/32 | 0.13% |
| 1 1/2% | " " " " June 15, 1933 | 100 27/32 | + 2/32 | 0.24% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 22/32 | + 4/32 | 0.50% |
| 3 % | Treasury Notes " May 2, 1934 | 102 30/32 | + 2/32 | 0.08% |
| 2 1/8% | " " " Aug. 1, 1934 | 101 4/32 | + 4/32 | 1.48% |
| 3 % | " " " June 15, 1935 | 102 8/32 | +12/32 | 2.12% |
| 3 1/4% | " " " Aug. 1, 1936 | 102 4/32 | +10/32 | 2.65% |
| 3 % | " " " Apr. 15, 1937 (W.L.) | 101 | - - - | 2.76% |
| 3 1/4% | " " " Sept. 15, 1937 | 101 22/32 | + 6/32 | 2.87% |

Treasury Bills - all maturities - 0.30% discount bid, 0.10% 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

| Issue | Price | Net Change | Issue | Price | Net Change |
|------------|-----------|------------|-------------------------|-----------|------------|
| 1st 3 1/2s | 101 19/32 | +6/32 | Treasury 4 1/4s 1947-52 | 107 24/32 | -18/32 |
| 1st 4 1/4s | 102 20/32 | - - - | " 4s 1944-54 | 104 10/32 | -18/32 |
| 4th 4 1/4s | 103 19/32 | -1/32 | " 3 3/4s 1946-56 | 102 8/32 | -11/32 |
| | | | " 3 3/8s 1943-47 | 100 19/32 | - 6/32 |
| | | | " 3 3/8s 1940-43 | 100 26/32 | - 7/32 |
| | | | " 3 3/8s 1941-43 | 100 29/32 | + 3/32 |
| | | | " 3 1/8s 1946-49 | 97 17/32 | -19/32 |
| | | | " 3s 1951-55 | 96 3/32 | -15/32 |

Bankers Acceptances

Dealers' offerings of unendorsed bankers acceptances continued at the following rates during the current 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 Oct. 12

Boston reported that the demand for bills in its local market continued good. The supply, however, was still inadequate and dealers were obliged to import \$5,618,000 from their offices in other cities. In New York the bill market was extremely dull during the week with dealers unable to buy enough bills to meet the demand which continued good. Dealers' aggregate portfolios declined by approximately \$4,900,000 to the extremely low figure of \$5,500,000.

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Early on the afternoon of October 13, dealers in an effort to obtain some bills, reduced their rates by 1/4 per cent on all maturities. Their rates then for both endorsed and unendorsed bills were: 1 to 90 days 5/8 bid, 1/2 asked; 4 months 3/4 bid, 5/8 asked; 5 and 6 months 1 per cent bid, 7/8 asked. These reductions bring rates to the lowest levels ever quoted for dollar acceptances. Philadelphia reported that the acceptance market in its district was quiet. The demand for bills far exceeded the supply which continued at a minimum. Chicago reported that there was very little activity in its bill market.

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of a sale of \$200,000 - Fourth 4 1/4% Liberty Loan bonds for account Alien Property Custodian, Account No. 8.

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 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) Redemption of October 11, 1932 Treasury Bills and replacement by purchases in the market

| <u>Redeemed</u> | <u>Purchased in the market</u> |
|--------------------------------------|---|
| \$20,822,000-maturing Treasury Bills | \$20,822,000-Treasury bills due Jan. 11, 1933 |

(2) Exchanges in the market

| | | |
|--|-----|--|
| \$38,461,500 - 3 1/8% C/I due Oct. 15, 1932 | for | \$ 1,000,000 - Treasury Bills due Oct. 11, 1932 |
| 1,000,000 - 3 3/4% C/I due Mar. 15, 1933 | | 6,000,000 - Treasury Bills due Nov. 9, 1932 |
| 500,000 - 2 1/8% T/N due Aug. 1, 1934 | | 15,000,000 - Treasury Bills due Nov. 16, 1932 |
| 500,000 - 3 % T/N due June 15, 1935 | | 14,000,000 - Treasury Bills due Nov. 30, 1932 |
| 1,178,000 - 3 1/4% T/N due Aug. 1, 1936 | | 5,000,000 - Treasury Bills due Dec. 28, 1932 |
| 4,538,500 - 3 1/4% T/N due Sept. 15, 1937 | | 4,178,000 - Treasury Bills due Jan. 11, 1933 |
| | | 1,000,000 - 2 1/8% T/N due Aug. 1, 1934 |
| \$46,178,000 | | \$46,178,000 |

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, October 12, 1933, were as follows:

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PARTICIPATIONS BY FEDERAL RESERVE BANKS RECAPITULATION OF HOLDINGS BY MATURITIES

| | | | |
|---------------|-----------------|---------------------------------|-----------------|
| Boston | \$ 95,978,500 | Oct. 19, 1932 - Treasury Bills | \$ 31,100,000 |
| New York | 614,953,000 | " 26, 1932 - " " | 55,000,000 |
| Philadelphia | 135,919,000 | Nov. 9, 1932 - " " | 30,500,000 |
| Cleveland | 178,282,000 | " 16, 1932 - " " | 59,500,000 |
| Richmond | 47,132,500 | " 23, 1932 - " " | 38,677,000 |
| Atlanta | 46,560,000 | " 30, 1932 - " " | 45,587,000 |
| Chicago | 199,195,000 | Dec. 28, 1932 - " " | 54,100,000 |
| St. Louis | 65,655,500 | Jan. 11, 1933 - " " | 25,000,000 |
| Minneapolis | 47,087,000 | Oct. 15, 1932 - 3 1/8% C/I | 600,000 |
| Kansas City | 57,180,500 | Dec. 15, 1932 - 3 1/4% T/N | 85,197,000 |
| Dallas | 28,221,000 | Feb. 1, 1933 - 3 3/4% C/I | 13,775,000 |
| San Francisco | 123,443,500 | Mar. 15, 1933 - 3 3/4% " | 174,025,000 |
| | | May 2, 1933 - 2 % " | 123,987,500 |
| | | June 15, 1933 - 1 1/2% " | 113,575,000 |
| | | Sept. 15, 1933 - 1 1/4% " | 157,382,500 |
| | | May 2, 1934 - 3 % T/N | 75,225,000 |
| | | Aug. 1, 1934 - 2 1/8% " | 96,552,000 |
| | | June 15, 1935 - 3 % " | 74,600,000 |
| | | Aug. 1, 1936 - 3 1/4% " | 29,147,000 |
| | | Sept. 15, 1937 - 3 1/4% " | 20,461,500 |
| | | June 15, 1932/47-3 1/2% 1st L/L | 25,025,000 |
| | | " 15, 1932/47-4 1/4% 1st " | 29,000,000 |
| | | Oct. 15, 1933/38-4 1/4% 4th " | 281,591,000 |
| Totals | \$1,639,607,500 | | \$1,639,607,500 |
| | \$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 OCTOBER 6 TO OCTOBER 12, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | Purchases | Sales |
|---------------|--------------|--------------|
| Boston | \$ 3,922,000 | \$ 3,922,000 |
| New York | 25,129,000 | 25,129,000 |
| Philadelphia | 5,554,000 | 5,554,000 |
| Cleveland | 7,285,500 | 7,285,500 |
| Richmond | 1,926,000 | 1,926,000 |
| Atlanta | 1,903,000 | 1,903,000 |
| Chicago | 8,140,000 | 8,140,000 |
| St. Louis | 2,683,000 | 2,683,000 |
| Minneapolis | 1,924,000 | 1,924,000 |
| Kansas City | 2,336,500 | 2,336,500 |
| Dallas | 1,153,000 | 1,153,000 |
| San Francisco | 5,044,000 | 5,044,000 |
| Totals | \$67,000,000 | \$67,000,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | Net Change from Previous Week |
|---------|----------------------------------|
| N O N E | |
| Atlanta | \$432,550- |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | Purchases | Issue | Sales | Issue |
|-------------|-------------|------------------|-------------|------------------|
| New York | \$ 538,500 | Misc. Gov't Sec. | \$ 538,500 | Misc. Gov't Sec. |
| Atlanta | 247,800 | " " " | 160,850 | " " " |
| Chicago | 7,500,000 | " " " | 7,500,000 | 10/15/32 C/I |
| Minneapolis | 588,250 | " " " | 614,050 | Misc. Gov't Sec. |
| Totals | \$8,874,550 | | \$8,813,400 | |

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Oct. 5 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Oct. 12 | Other Holdings Close Oct. 12/32 | |
|-----------|--------------------|-----------------------|------------------------------------|-------------------------|------------------------|---------------------|------------------------------------|----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,353 |
| New York | 305 | 0 | 0 | 27 | 0 | 278 | 0 | 10,069 |
| Phila. | 66 | 0 | 0 | 0 | 18 | 48 | 0 | 3,189 |
| Cleveland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,116 |
| Richmond | 911 | 52 R. | 0 | 0 | 40 | 923 | 0 | 1,234 |
| Atlanta | 756 | 230 " | 0 | 0 | 38 | 948 | 0 | 1,141 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,149 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 635 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 895 |
| Dallas | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 864 |
| San Fran. | 379 | 15 " | 0 | 0 | 97 | 297 | 0 | 2,129 |
| Totals | \$2,418 | \$297 | 0 | \$27 | \$193 | \$2,495 | 0 | \$30,783 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED OCTOBER 12, 1932
(000 Omitted)

| | <u>1-30 days</u> 1% | <u>31-60 days</u> 1% | <u>61-90 days</u> 1 1/2% | <u>Over 90-days</u> - | <u>Total</u> |
|---------------|------------------------|-------------------------|-----------------------------|--------------------------|--------------|
| Richmond | \$ 0 | \$ 0 | \$ 52 | 0 | \$ 52 |
| Atlanta | 22 | 49 | 159* | 0 | 230 |
| San Francisco | 0 | 0 | 15** | 0 | 15 |
| Totals | <u>\$22</u> | <u>\$49</u> | <u>\$226</u> | <u>0</u> | <u>\$297</u> |

*Purchased at 1%

**Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED OCTOBER 12, 1932
(000 Omitted)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u> |
|-----------|------------------------------|--|--|
| Purchased | \$75,874 | \$297 | \$76,171 |
| Sold | 54,991 | 0 | 54,991 |
| Matured | 20,822 | 220 | 21,042 |
| | | \$ 77+ | \$ 138+ |
| | | 65-(Net Change 1-day holdover & other bills) | 65-(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 61+</u> | <u>\$ 12+</u> | <u>\$ 73+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED OCTOBER 12, 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 | \$89,456 | \$36,600 | \$189,750 | \$155,192 | \$231,058 | \$1,148,840 | \$1,850,896 |
| Bills Purchased | 5,142 | 9,766 | 8,085 | 10,285 | 0 | 0 | 33,278 |
| Totals | <u>\$94,598</u> | <u>\$46,366</u> | <u>\$197,835</u> | <u>\$165,477</u> | <u>\$231,058</u> | <u>\$1,148,840</u> | <u>\$1,884,174</u> |

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*Mr. Riefler ✓
Mr. Thompson*

RECEIVED
OCT -8 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

October 7, 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 September 29, 1932 to October 5, 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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Handwritten initials and checkmarks.

FEDERAL RESERVE BANK
OF NEW YORK

DIVISION OF BANK OPERATIONS
RECEIVED
OCT - 8 1932

CONFIDENTIAL

October 7, 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 September 29, 1932 to October 5, 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
File No. 132.1

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Mr. Meyer
Mr. Board

For CIRCULATION 6

Gov. Meyer
Mr. Hamlin
Mr. James *about*
Mr. Magee
Mr. Miller *about*
Mr. Pelt

FEDERAL RESERVE BANK
OF NEW YORK

Mr.
Mr.
Please note - initial and
return to Secretary's Office

CONFIDENTIAL

October 7, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations
for the period from September 29, 1932 to October 5, 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 OCTOBER 5, 1932

Holdings of Earning Assets of Federal Reserve Banks from October 7, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Oct. 7 | \$1,801,217 | \$ 738,345 | \$ 0 | \$541,771 | \$39,585 | \$ 463,393 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 |
| Oct. 5 | 2,223,922 | 1,850,835 | 483 | 33,266 | 0 | 333,427 |

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

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED OCTOBER 5, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------|---------------------|--------|------------------|----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Oct. 5 | Change | Oct. 5 | Change | Oct. 5 | Change |
| Boston | \$ 121,227 | \$ 1- | \$ 0 | \$ 0 | \$14,115 | \$1,343- |
| New York | 716,292 | 2,500- | 305 | 96- | 68,306 | 2,530- |
| Philadelphia | 139,269 | 50- | 66 | 6- | 49,393 | 3,650- |
| Cleveland | 178,282 | 0 | 0 | 0 | 30,628 | 2,371+ |
| Richmond | 47,133 | 0 | 911 | 40- | 21,572 | 1,371- |
| Atlanta | 46,605 | 55- | 756 | 134+ | 17,805 | 907+ |
| Chicago | 262,310 | 0 | 0 | 0 | 22,480 | 2,345- |
| St. Louis | 66,156 | 0 | 0 | 0 | 9,112 | 534- |
| Minneapolis | 54,644 | 84- | 0 | 0 | 10,703 | 340- |
| Kansas City | 57,252 | 0 | 0 | 0 | 17,180 | 322- |
| Dallas | 38,221 | 2,500+ | 1 | 1- | 10,670 | 944- |
| San Francisco | 123,444 | 0 | 379 | 77+ | 61,463 | 3,881+ |
| N. Y. holdovers and other bills | | | 30,848 | 5- | | |
| Totals | \$1,850,835 | \$ 190- | \$33,266 | \$ 63+ | \$33,427 | \$6,220- |

COMMENT ON CHANGES WEEK ENDED OCTOBER 5, 1932

Total earning assets of the System showed a decline of \$7,884,000 for the current statement week. The principal changes by classification consisted of an increase in holdings of other assets amounting to \$1,039,000 and decreases of \$6,220,000 in bills discounted and \$2,576,000 in investments held under sales contracts, i. e., \$2,175,000 in government securities and \$401,000 in bankers acceptances.

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2

Money
Market

Excess reserves of all member banks in the country are estimated to have averaged about \$393,000,000 during the past week, or approximately the same average surplus as in the preceding week. Beginning the period at \$427,000,000, the excess of reserves dipped to about \$370,000,000 at the turn of the month, reflecting currency requirements for the week-end and month-end, which coincided, but by the close of business Wednesday, October 5, the surplus had risen to \$430,000,000. For the week as a whole, net disbursements of about \$40,000,000 by the Treasury, a further increase of \$16,000,000 in the monetary gold stock, and additional issues of National bank notes slightly exceeded an increase of \$44,000,000 in the amount of money in circulation, a rise in reserve requirements of the member banks, and the repayment of a small amount of member bank indebtedness.

In New York City, the excess reserves of the principal banks declined \$21,000,000, from \$259,000,000 on September 28 to \$238,000,000 on October 5. There was a moderate net outflow of funds to other parts of the country for the period, although in the closing two days the movement turned in favor of the New York market. Other losses occurred through increased currency requirements in this district and the required reserves of the New York banks showed an increase for the period. These factors were only partly offset by funds placed in the market through the release of gold from earmark and gold imports and by a net disbursement of funds by the Treasury.

No material change occurred in the general level of money rates during the past week, although slight variations were reported in several markets. Time money rates were adjusted to 1 per cent bid, 1 1/4 per cent asked for 60 and 90 days, as compared with 1 per cent flat a week ago, with the 4 to 6 month maturities unchanged at 1 1/4 per cent flat. This change was nominal, since the actual volume of loans placed continued very light. Open market commercial paper rates, conversely, showed a downward tendency, with some dealers reporting sales of the highest grade material at 1 1/2 and 1 3/4 per cent and with the prevailing quotation for the usual grade of open market paper moving toward 1 3/4 - 2 per cent, as compared with 2 - 2 1/4 per cent previously. Call money, yields on United States Government's of short-term, bankers acceptances, and federal funds were steady.

Government
Security
Market

The market for United States Government securities was less active this week than last, reflecting a tendency to await the announcement of the new Treasury financing. The prices for the short-term issues at the end of the current reporting period showed slight fractional recessions for the issues of Treasury certificates and Treasury notes maturing December 15 and up to next May and the First 4 1/4s and Fourth 4 1/4s, while the prices of the First 3 1/2% Liberty Loan bonds and the Treasury certificates maturing next June and September and the Treasury notes maturing in August 1936 were unchanged, while prices for the Treasury certificates maturing October 15 and the other issues of Treasury notes showed gains of 1/32 to 7/32. Prices for Treasury bonds also showed irregular fractional changes. Aside from the issues of Treasury certificates and notes maturing up to and including February 1, 1933, which show no yield at current market prices, the average yield on the short-term issues at dealers' offering prices at the close of the period was about 0.63% as compared with 0.64% at the close of the previous week, and the average selling prices for the Liberty Loan bonds was 102.55 and for the Treasury bonds 101.64 as compared with the previous week's average closing prices of 102.59 and 101.64 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 Oct. 15, 1932 | 100 16/32 (Bid) | - - - - | - - - - |
| 3 1/4% | Treasury Notes " Dec. 15, 1932 | 100 30/32 | -1/32 | - - - - |
| 3 3/4% | Cert. of Ind. " Feb. 1, 1933 | 101 10/32 | -4/32 | - - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 20/32 | -4/32 | 0.05% |
| 2 % | " " " " May 2, 1933 | 100 31/32 | -3/32 | 0.30% |
| 1 1/2% | " " " " June 15, 1933 | 100 25/32 | - - - - | 0.36% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 18/32 | - - - - | 0.65% |
| 3 % | Treasury Notes " May 2, 1934 | 102 28/32 | +7/32 | 1.19% |
| 2 1/8% | " " " Aug. 1, 1934 | 101 | +5/32 | 1.55% |
| 3 % | " " " June 15, 1935 | 101 28/32 | +3/32 | 2.28% |
| 3 1/4% | " " " Aug. 1, 1936 | 101 26/32 | - - - - | 2.74% |
| 3 1/4% | " " " Sept. 15, 1937 | 101 16/32 | +1/32 | 2.92% |

Treasury Bills - all maturities - 0.30% discount bid, 0.10% 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 | 101 13/32 | - - - | Treasury 4 1/4s 1947-52 | 108 10/32 | - 6/32 |
| 1st 4 1/4s | 102 20/32 | -3/32 | " 4s 1944-54 | 104 28/32 | + 6/32 |
| 4th 4 1/4s | 103 20/32 | -1/32 | " 3 3/4s 1946-56 | 102 19/32 | + 2/32 |
| | | | " 3 3/8s 1943-47 | 100 25/32 | + 5/32 |
| | | | " 3 3/8s 1940-43 | 101 1/32 | + 5/32 |
| | | | " 3 3/8s 1941-43 | 100 26/32 | - - - - |
| | | | " 3 1/8s 1946-49 | 98 4/32 | - 2/32 |
| | | | " 3s 1951-55 | 96 18/32 | -10/32 |

Bankers
 Acceptances

Dealers' offerings of unendorsed 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
 October 5

Boston reported that accepting banks continued to hold their bills and as a whole the local supply was inadequate to meet the local demand, necessitating dealers importing bills from their offices in other cities. In New York the bill market was extremely dull, the volume of bills handled by dealers being the smallest for any week since the week ended June 22. Dealers' aggregate portfolios continued very low with quoted rates unchanged. Whatever new credits local banks may be arranging apparently do not yet reflect any seasonal increase in the total volume of bills outstanding. Philadelphia reported that there was no change in its acceptance market from the previous week. The demand continued fair with the supply of new bills at a minimum. Chicago reported that there was no improvement during the past week in its bill market.

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4

OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

There were no purchases or sales of United States Government securities consummated 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:

| | |
|---|---|
| \$15,000,000-3 1/8% C/I due Oct. 15, 1932 | for \$10,000,000-Treas. Bills due Nov. 30, 1932 |
| 1,000,000-3 1/4% T/N " Dec. 15, 1932 | 7,000,000- " " " Dec. 28, 1932 |
| 500,000-3 % " " May 2, 1934 | 1,000,000-1 1/2% C/I " June 15, 1933 |
| 3,000,000-3 % " " June 15, 1935 | 1,500,000-1 1/4% " " Sept. 15, 1933 |
| 11,500,000-3 1/2% 1st L/L Bds | 5,000,000-4 1/4% 1st L/L Bds |
| | 6,500,000-4 1/4% 4th " " |
| \$31,000,000 | \$31,000,000 |

(2) Sale of \$2,500,000 United States Government securities from Federal Reserve Bank of New York's participation to the Federal Reserve Bank of Dallas' participation in the Account. This sale to the latter bank represented part of their shortage in the holdings in System Account.

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, October 5, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> |
|--|---|
| Boston \$ 95,978,500 | Oct. 11, 1932 - Treasury Bills \$ 19,822,000 |
| New York 614,953,000 | " 19, 1932 - " " 31,100,000 |
| Philadelphia 135,919,000 | " 26, 1932 - " " 55,000,000 |
| Cleveland 178,282,000 | Nov. 9, 1932 - " " 24,500,000 |
| Richmond 47,132,500 | " 16, 1932 - " " 44,500,000 |
| Atlanta 46,560,000 | " 23, 1932 - " " 38,677,000 |
| Chicago 199,195,000 | " 30, 1932 - " " 31,587,000 |
| St. Louis 65,655,500 | Dec. 28, 1932 - " " 49,100,000 |
| Minneapolis 47,087,000 | Oct. 15, 1932 - 3 1/8% C/I 39,061,500 |
| Kansas City 57,180,500 | Dec. 15, 1932 - 3 1/4% T/N 85,197,000 |
| Dallas 28,221,000 | Feb. 1, 1933 - 3 3/4% C/I 13,775,000 |
| San Francisco 123,443,500 | Mar. 15, 1933 - 3 3/4% " 175,025,000 |
| | May 2, 1933 - 2 % " 123,987,500 |
| | June 15, 1933 - 1 1/2% " 113,575,000 |
| | Sept. 15, 1933 - 1 1/4% " 157,382,500 |
| | May 2, 1934 - 3 % T/N 75,225,000 |
| | Aug. 1, 1934 - 2 1/8% " 96,052,000 |
| | June 15, 1935 - 3 % " 75,100,000 |
| | Aug. 1, 1936 - 3 1/4% " 30,325,000 |
| | Sept. 15, 1937 - 3 1/4% " 25,000,000 |
| | June 15, 1932/47-3 1/2% 1st L/L 25,025,000 |
| | " 15, 1932/47-4 1/4% " 29,000,000 |
| | Oct. 15, 1933/38-4 1/4% 4th " 281,591,000 |
| 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 SEPTEMBER 29 TO OCTOBER 5, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales</u> | <u>Adjustments in Participations</u> |
|---------------|---------------------|---------------------|--------------------------------------|
| Boston | \$ 1,814,500 | \$ 1,814,500 | \$ 0 |
| New York | 11,674,500 | 11,674,500 | 2,500,000- |
| Philadelphia | 2,570,000 | 2,570,000 | 0 |
| Cleveland | 3,371,000 | 3,371,000 | 0 |
| Richmond | 891,500 | 891,500 | 0 |
| Atlanta | 880,000 | 880,000 | 0 |
| Chicago | 3,766,000 | 3,766,000 | 0 |
| St. Louis | 1,240,500 | 1,240,500 | 0 |
| Minneapolis | 890,500 | 890,500 | 0 |
| Kansas City | 1,081,000 | 1,081,000 | 0 |
| Dallas | 486,500 | 486,500 | 2,500,000+ |
| San Francisco | 2,334,000 | 2,334,000 | 0 |
| Totals | <u>\$31,000,000</u> | <u>\$31,000,000</u> | <u>\$2,500,000 Adj.</u> |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | | <u>Net Change from Previous Week</u> |
|-----------|-----------|--------------------------------------|
| Cleveland | None | \$2,000,000- |
| Atlanta | \$482,550 | 175,000- |
| Total | | <u>\$2,175,000-</u> |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|--------------|--------------------|---------------------|--------------------|-------------------|
| New York | \$1,500,000 | 4th L/L 4 1/4% Bds. | \$1,500,000 | 1st L/L 3 1/2% Bd |
| Philadelphia | 0 | - | 50,000 | Sept. 15/37 T/N |
| Atlanta | 168,550 | Misc. Gov't Sec. | 224,500 | Misc. Gov't Sec. |
| Minneapolis | 617,350 | " " " | 701,100 | " " " |
| Totals | <u>\$2,285,900</u> | | <u>\$2,475,600</u> | |

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Sept. 28 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Oct. 5 | Other Holdings Close Oct. 5/32 | |
|-----------|----------------------|-----------------------|------------------------------------|-------------------------|------------------------|--------------------|-----------------------------------|-----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,353 |
| New York | 401 | 0 | 0 | 96 | 0 | 305 | 0 | 10,135 |
| Phila. | 72 | 0 | 0 | 0 | 6 | 66 | 0 | 3,189 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,116 |
| Richmond | 951 | 0 | 0 | 0 | 40 | 911 | 0 | 1,234 |
| Atlanta | 622 | 150 R | 0 | 0 | 16 | 756 | 0 | 1,141 |
| Chicago | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,149 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 895 |
| Dallas | 2 | 1 " | 0 | 0 | 2 | 1 | 0 | 864 |
| San Fran. | 302 | 106 " | 0 | 0 | 31 | 379 | 0 | 2,129 |
| Totals | <u>\$2,350</u> | <u>\$259</u> | <u>0</u> | <u>\$96</u> | <u>\$95</u> | <u>\$2,418</u> | <u>0</u> | <u>\$30,848</u> |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED OCTOBER 5, 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> 3 1/2% | <u>Total</u> |
|---------------|------------------------|-------------------------|-------------------------|-------------------------------|--------------|
| Atlanta | \$24 | \$3 | \$123 | \$ 0 | \$150 |
| Dallas | 1 | 0 | 0 | 0 | 1 |
| San Francisco | 0 | 0 | 54* | 54 | 108 |
| Totals | <u>\$25</u> | <u>\$3</u> | <u>\$177</u> | <u>\$54</u> | <u>\$259</u> |

* Purchased at 3 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDED OCTOBER 5, 1932
 (000 Omitted)

(Excluding Sales Contracts)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Total</u> |
|---------------|--|--------------------------------------|------------------|
| Purchased | \$33,286 | \$259 | \$33,545 |
| Sold | 33,476 | 0 | 33,476 |
| Matured | 0 | 191 | 191 |
| | | \$ 68+ | \$ 122- |
| | | 5- (Net Change | 5- (Net Change |
| | | 1-day holdover | 1-day holdover |
| | | and other bills) | and other bills) |
| Totals | <u>\$ 190-</u> | <u>\$ 63+</u> | <u>\$ 127-</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS
ACCEPTANCES WEEK ENDED OCTOBER 5, 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 | \$100,723 | \$55,000 | \$191,350 | \$150,192 | \$204,557 | \$1,149,496 | \$1,851,318 |
| Bills Purchased | 3,800 | 5,357 | 5,962 | 18,063 | 84 | 0 | 33,266 |
| Totals | <u>\$104,523</u> | <u>\$60,357</u> | <u>\$197,312</u> | <u>\$168,255</u> | <u>\$204,641</u> | <u>\$1,149,496</u> | <u>\$1,884,584</u> |

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Mr. Ruggles
Mr. Thompson

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OCT - 1 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

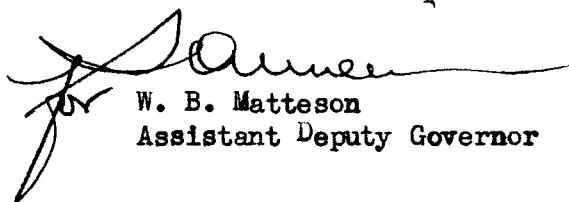
September 30, 1932.

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 September 22, 1932 to September 28, 1932 in-
clusive, together with data received from Federal Reserve
banks.

Very truly yours,


W. B. Matteson
Assistant Deputy Governor

Encl.

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OF NEW YORK

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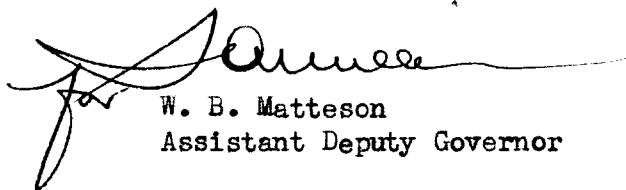
September 30, 1932.

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 September 22, 1932 to September 28, 1932 inclusive, together with data received from Federal Reserve banks.

Very truly yours,


W. B. Matteson
Assistant Deputy Governor

Encl.

FILE NO. 132.1

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FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK
OF NEW YORK

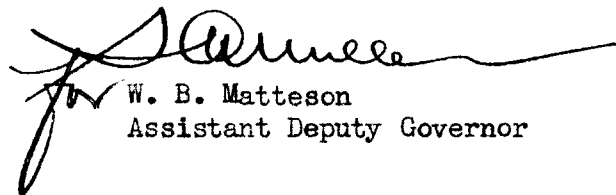
CONFIDENTIAL

September 30, 1932

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from September 22, 1932 to September 28, 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. Berlin ✓
- Mr. James ✓
- Mr. Kogee ✓
- Mr. Miller
- ~~Mr. Pate~~
- Mr. Harrison ✓
- Mr.

Please note - initial and return to Secretary's Office

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED SEPTEMBER 28, 1932

Holdings of Earning Assets of Federal Reserve Banks from September 30, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|-----------|-----------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales | | Outright Purchases | Sales Contracts | DISCOUNTED |
| | | | Contracts | | | | |
| -1931- | | | | | | | |
| 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 | |
| Sept. 21 | 2,248,623 | 1,851,112 | 434 | 33,652 | 0 | 359,023 | |
| " 28 | 2,231,806 | 1,851,025 | 2,658 | 33,203 | 401 | 339,647 | |

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

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 28, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|--------|---------------------|--------|------------------|-----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Sept. 28 | Change | Sept. 28 | Change | Sept. 28 | Change |
| Boston | \$ 121,228 | \$ 0 | \$ 0 | \$ 0 | \$ 15,458 | \$ 699- |
| New York | 718,792 | 0 | 401 | 126- | 70,836 | 5,901- |
| Philadelphia | 139,319 | 56- | 72 | 0 | 53,043 | 1,292- |
| Cleveland | 178,282 | 0 | 0 | 0 | 28,257 | 243+ |
| Richmond | 47,133 | 0 | 951 | 274- | 22,943 | 728+ |
| Atlanta | 46,660 | 9- | 622 | 184+ | 16,898 | 5,683- |
| Chicago | 262,310 | 0 | 0 | 130- | 24,825 | 2,433- |
| St. Louis | 66,156 | 0 | 0 | 0 | 9,646 | 646- |
| Minneapolis | 54,728 | 22- | 0 | 0 | 11,043 | 1,357- |
| Kansas City | 57,252 | 0 | 0 | 0 | 17,502 | 476- |
| Dallas | 35,721 | 0 | 2 | 1- | 11,614 | 449- |
| San Francisco | 123,444 | 0 | 302 | 95- | 57,582 | 1,411- |
| N. Y. holdovers and other bills | | | 30,853 | 7- | | |
| Totals | \$1,851,025 | \$87- | \$35,203 | \$449- | \$339,647 | \$19,376- |

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 28, 1932

Total earning assets of the System showed a decline of \$16,817,000 for the current statement week. The principal changes by classification consisted of an increase of \$2,625,000 in investments held under sales contracts (\$2,224,000 in government securities and \$401,000 in bankers acceptances), and decreases of \$449,000 in outright holdings of bankers acceptances and \$19,376,000 in bills discounted.

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Money
Market

During the past statement week, a further substantial unseasonal return flow of currency to the Reserve Banks, a continued gain of gold to the monetary stock, additional issues of National bank notes, and a reduction in Treasury balances at the Reserve Banks served to increase member bank reserve balances by a large amount. These gains to the national money market were absorbed only in part by a reduction of \$19,000,000 in member bank borrowings to a new low for the past year of \$340,000,000, and by some increase in reserve requirements, so that the excess reserves held by all member banks in the country were increased by a net amount of \$50,000,000 to \$427,000,000 on Wednesday, September 28. The surplus reserves of the member banks during the past week averaged \$393,000,000, as compared with \$336,000,000 in the preceding week.

Excess reserves of the New York City banks during this week rose \$40,000,000 - from \$219,000,000 on the 21st to \$259,000,000 on the 28th. As far as the New York market was concerned, the increase was due in largest measure to an inflow of funds from other parts of the country, a gain which was supplemented by payments arising from gold released from earmark and from imports of gold, as well as by currency deposits at the Reserve Bank. As a partial offset to these gains, there was some increase in the reserve requirements of the New York City banks and a net loss to the market in Treasury operations, representing chiefly an excess of Treasury bill sales in the New York market over Treasury bill maturities there.

Time money rates against stock exchange collateral were reduced to 1 per cent flat for maturities up to 90 days and to 1 1/4 per cent flat for the longer dates up to 6 months. Some actual loans were arranged at these rates. Yields on short-term Government securities also continued to decline gradually. Meanwhile, call money showed no variation at rates of 2 per cent on the Exchange and 1 per cent in the outside market, and bills and commercial paper also were steady in rate.

Government
Security
Market

The market for the short-term issues of United States Government securities including the Liberty Loan bonds, continued strong with the demand in excess of the supply. With the exception of the price of the Treasury certificates maturing October 15, which was unchanged from the previous week, and the First 3 1/2% Liberty Loan bonds, which was 1/32 lower, prices of the short-term issues advanced from 1/32 to 15/32 for the week. Trading in long-term Treasury bonds was very quiet but toward the close of the period there were some indications of bonds being offered, especially the premium bonds which had been in good demand during the past few weeks. Prices for the Treasury bonds in most cases showed recessions of from 1/32 to 8/32 for the week. At the close of the current reporting period the average yield on short-term issues at dealers' offering prices was approximately 0.65% as compared with 0.73% at the close of the previous week, and the average selling price for the Liberty Loan bonds was 102.59 and for the Treasury bonds 101.64 as compared with the previous week's average closing prices of 102.54 and 101.71 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

| <u>Issue</u> | <u>Price</u> | <u>Net</u> <u>Change</u> | <u>Approx.</u> <u>Yield</u> |
|--|--------------|-----------------------------|--------------------------------|
| 3 1/8% Cert. of Ind. due Oct. 15, 1932 | 100 17/32 | - - - - | - - - - |
| 3 1/4% Treasury Notes " Dec. 15, 1932 | 100 31/32 | + 1/32 | - - - - |
| 3 3/4% Cert. of Ind. " Feb. 1, 1933 | 101 14/32 | + 1/32 | - - - - |
| 3 3/4% " " " " Mar. 15, 1933 | 101 24/32 | + 1/32 | - - - - |
| 2 % " " " " May 2, 1933 | 101 2/32 | + 1/32 | 0.20% |
| 1 1/2% " " " " June 15, 1933 | 100 25/32 | + 1/32 | 0.40% |
| 1 1/4% " " " " Sept. 15, 1933 | 100 18/32 | + 1/32 | 0.66% |
| 3 % Treasury Notes " May 2, 1934 | 102 21/32 | + 9/32 | 1.31% |
| 2 1/8% " " " Aug. 1, 1934 | 100 27/32 | + 4/32 | 1.65% |
| 3 % " " " June 15, 1935 | 101 25/32 | + 9/32 | 2.32% |
| 3 1/4% " " " Aug. 1, 1936 | 101 26/32 | +13/32 | 2.74% |
| 3 1/4% " " " Sept. 15, 1937 | 101 15/32 | +15/32 | 2.92% |

Treasury Bills - all maturities - 0.30% discount bid, 0.10% 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</u> <u>Change</u> | <u>Issue</u> | <u>Price</u> | <u>Net</u> <u>Change</u> |
|--------------|--------------|-----------------------------|-------------------------|--------------|-----------------------------|
| 1st 3 1/2s | 101 13/32 | -1/32 | Treasury 4 1/4s 1947-52 | 108 16/32 | -3/32 |
| 1st 4 1/4s | 102 23/32 | +1/32 | " 4s 1944-54 | 104 22/32 | -4/32 |
| 4th 4 1/4s | 103 21/32 | +5/32 | " 3 3/4s 1946-56 | 102 17/32 | -1/32 |
| | | | " 3 3/8s 1943-47 | 100 20/32 | -2/32 |
| | | | " 3 3/8s 1940-43 | 100 28/32 | +1/32 |
| | | | " 3 3/8s 1941-43 | 100 26/32 | - - - |
| | | | " 3 1/8s 1946-49 | 98 6/32 | -1/32 |
| | | | " 3s 1951-55 | 96 28/32 | -4/32 |

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
Sept. 28

Boston reported that with accepting banks holding excess funds and therefore releasing few bills, the local supply of bills remained very small. The demand, although not exceedingly large was considerably greater than the supply making it difficult for dealers to fill orders. In New York the bill market was moderately more active this week than last. The demand continued good and came principally from local banks, some of which were willing to sell their own bills in order to obtain others. Some sizable sales were also made to local non-banking corporations. Dealers' sales exceeded their purchases by about \$4,500,000 and aggregate portfolios were again reduced to the extremely low figure of \$6,600,000. Philadelphia reported that there was little interest shown in the acceptance market during the past week. The amount of new bills was small with only a fair demand. Chicago reported that the bill market in its district was very inactive during the past week.

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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

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

(1) Redemption on September 28, 1932 and replacement by purchases in the market

| | |
|--|---|
| <u>Redeemed</u> | <u>Purchased in the market</u> |
| \$28,050,000 - maturing Treasury Bills | \$28,050,000 - Treas. Bills due Dec. 28, 1932 |

(2) Exchanges in the market at advantageous rates:

| | |
|---|--|
| \$21,050,000-3 1/8% C/I due Oct. 15, 1932 | for \$2,000,000-Treas. Bills due Nov. 16, 1932 |
| - 5,000,000-3 1/4% T/N " Dec. 15, 1932 | 2,500,000- " " " " 30, 1932 |
| 2,500,000-3 1/4% " " Aug. 1, 1936 | 14,050,000- " " " Dec. 28, 1932 |
| 2,000,000-3 1/2% 1st L/L Bds | 10,000,000-1 1/4% C/I " Sept. 15, 1933 |
| | 1,000,000-4 1/4% 1st L/L Bds. |
| | 1,000,000-4 1/4% 4th " " |
| \$30,550,000 | \$30,550,000 |

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, September 28, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> |
|--|---|
| Boston \$ 95,978,500 | Oct. 11, 1932 - Treas. Bills \$ 19,822,000 |
| New York 617,453,000 | " 19, 1932 - " " 31,100,000 |
| Philadelphia 135,919,000 | " 26, 1932 - " " 55,000,000 |
| Cleveland 178,282,000 | Nov. 9, 1932 - " " 24,500,000 |
| Richmond 47,132,500 | " 16, 1932 - " " 44,500,000 |
| Atlanta 46,560,000 | " 23, 1932 - " " 38,677,000 |
| Chicago 199,195,000 | " 30, 1932 - " " 21,587,000 |
| St. Louis 65,655,500 | Dec. 28, 1932 - " " 42,100,000 |
| Minneapolis 47,087,000 | Oct. 15, 1932 - 3 1/8% C/I 54,061,500 |
| Kansas City 57,180,500 | Dec. 15, 1932 - 3 1/4% T/N 86,197,000 |
| Dallas 25,721,000 | Feb. 1, 1933 - 3 3/4% C/I 13,775,000 |
| San Francisco 123,443,500 | Mar. 15, 1933 - 3 3/4% " 175,025,000 |
| | May 2, 1933 - 2 % " 123,987,500 |
| | June 15, 1933 - 1 1/2% " 112,575,000 |
| | Sept. 15, 1933 - 1 1/4% " 155,832,500 |
| | May 2, 1934 - 3 % T/N 75,725,000 |
| | Aug. 1, 1934 - 2 1/8% " 96,052,000 |
| | June 15, 1935 - 3 % " 78,100,000 |
| | Aug. 1, 1936 - 3 1/4% " 30,325,000 |
| | Sept. 15, 1937 - 3 1/4% " 25,000,000 |
| | June 15, 1932/47-3 1/2% 1st L/L 36,525,000 |
| | " 15, 1932/47-4 1/4% 1st " 24,000,000 |
| | Oct. 15, 1933/38-4 1/4% 4th " 275,091,000 |
| Totals \$1,639,607,500 | \$1,639,607,500 |

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5

ITEMIZED STATEMENT OF TRANSACTIONS IN GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES
AFFECTING THE INVESTMENT ACCOUNT OF ALL FEDERAL RESERVE BANKS
FROM SEPTEMBER 22 TO SEPTEMBER 28, 1932, INCLUSIVE

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales and Redemption</u> |
|---------------|---------------------|-----------------------------|
| Boston | \$ 3,430,500 | \$ 3,430,500 |
| New York | 22,067,500 | 22,067,500 |
| Philadelphia | 4,858,500 | 4,858,500 |
| Cleveland | 6,371,500 | 6,371,500 |
| Richmond | 1,684,500 | 1,684,500 |
| Atlanta | 1,664,000 | 1,664,000 |
| Chicago | 7,119,500 | 7,119,500 |
| St. Louis | 2,346,500 | 2,346,500 |
| Minneapolis | 1,683,000 | 1,683,000 |
| Kansas City | 2,043,000 | 2,043,000 |
| Dallas | 919,500 | 919,500 |
| San Francisco | 4,412,000 | 4,412,000 |
| Totals | <u>\$58,600,000</u> | <u>\$58,600,000</u> |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | <u>Net Change From Previous Week</u> |
|-----------|--------------------------------------|
| Cleveland | \$2,000,000+ |
| Atlanta | 223,500+ |
| Totals | <u>\$2,223,500+</u> |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemption and Sales</u> | <u>Issue</u> |
|--------------|---------------------|---------------------------|-----------------------------|-----------------------|
| New York | \$ 3,000,000 | 1st & 4th 4 1/4% L/L Bds. | \$ 3,000,000 | 1st L/L 3 1/2% Bds. |
| Philadelphia | 0 | - | 55,800 | Misc. Treas. Bds. |
| Atlanta | 410,050 | Misc. Gov't Sec. | 418,350 | " Gov't Sec. |
| Chicago | 7,500,000 | Dec. 28/32 Tr. Bills | 7,500,000 | Sept. 28/32 Tr. Bills |
| Minneapolis | 761,000 | Misc. Gov't Sec. | 783,350 | Misc. Gov't Sec. |
| Totals | <u>\$11,671,050</u> | | <u>\$11,757,500</u> | |

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Sept. 21 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Sept. 28 | Other Holdings Close Sept. 28/32 | |
|-----------|----------------------|-----------------------|------------------------------------|-------------------------|------------------------|----------------------|-------------------------------------|-----------------|
| | | | | Held in N. Y. | Held Else- where | | Sales Contracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,352 |
| New York | 527 | 202 R. | 0 | 328 | 0 | 401 | 0 | 10,150 |
| Phila. | 72 | 0 | 0 | 0 | 0 | 72 | 0 | 3,188 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,114 |
| Rich. | 1,225 | 156 " | 0 | 0 | 430 | 951 | 0 | 1,233 |
| Atlanta | 438 | 209 " | 0 | 0 | 25 | 622 | 0 | 1,141 |
| Chicago | 130 | 0 | 0 | 0 | 130 | 0 | 0 | 4,147 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 894 |
| Dallas | 3 | 0 | 0 | 1 | 0 | 2 | 0 | 863 |
| San Fran. | 397 | 27 " | 0 | 92 | 30 | 302 | 401 | 2,128 |
| Totals | <u>\$2,792</u> | <u>\$594</u> | <u>0</u> | <u>\$421</u> | <u>\$615</u> | <u>\$2,350</u> | <u>\$401</u> | <u>\$30,853</u> |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED SEPTEMBER 28, 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 | \$ 1 | \$ 1 | \$200 | 0 | \$202 |
| Richmond | 0 | 5* | 151* | 0 | 156 |
| Atlanta | 9 | 61 | 139 | 0 | 209 |
| San Francisco | 9 | 12 | 6 | 0 | 27 |
| Totals | <u>\$19</u> | <u>\$79</u> | <u>\$496</u> | <u>0</u> | <u>\$594</u> |

*Purchased at 1 1/2%

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED SEPTEMBER 28, 1932
(000 Omitted)

(Excluding Sales Contracts)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u> |
|-----------|------------------------------|--|--|
| Purchased | \$70,271 | \$ 594 | \$70,865 |
| Sold | 34,808 | 0 | 34,808 |
| Matured | 35,550 | 1,036 | 36,586 |
| | | <u>\$ 442-</u> | <u>\$ 529-</u> |
| | | 7- (Net Change 1-day holdover and other bills) | 7- (Net Change 1-day holdover and other bills) |
| Totals | <u>\$ 87-</u> | <u>\$ 449-</u> | <u>\$ 536-</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED SEPTEMBER 28, 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 | \$22,480 | \$150,418 | \$136,350 | \$139,592 | \$254,160 | \$1,150,683 | \$1,853,683 |
| Bills Purchased | 2,267 | 1,644 | 1,792 | 27,871 | 30 | 0 | 33,604 |
| Totals | <u>\$24,747</u> | <u>\$152,062</u> | <u>\$138,142</u> | <u>\$167,463</u> | <u>\$254,190</u> | <u>\$1,150,683</u> | <u>\$1,837,387</u> |

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*Mr. Dickler ✓
Mr. Thompson*

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SEP 24 1932
DIVISION OF RESEARCH
AND STATISTICS.

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

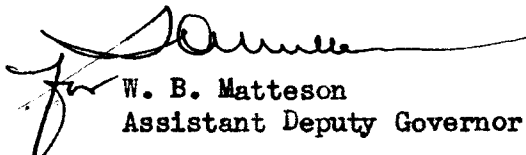
September 23, 1932.

Dr. E. L. 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 September 15, 1932 to September 21,
1932 inclusive, together with data received from Federal
Reserve banks.

Very truly yours,


W. B. Matteson
Assistant Deputy Governor

Encl.

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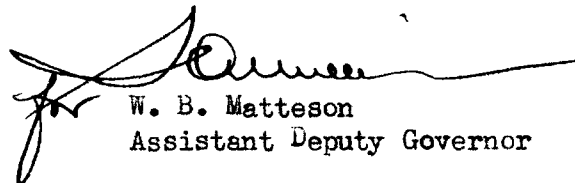
September 23, 1932.

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 September 15, 1932 to September 21, 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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September 23, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from September 15, 1932 to September 21, 1932 inclusive, together with data received from Federal Reserve banks.

Very truly yours,

W. B. Matteson
for W. B. Matteson
Assistant Deputy Governor

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

Encl.

For CIRCULATION
Gov. Meyer *absent*
Mr. Hamlin ✓
Mr. James ✓
Mr. Magee ✓
Mr. Miller *absent*
~~Mr. Pote~~
Mr. Harrison ✓
Mr.
Please note - initial and
Return to Secretary's Office
File

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED SEPTEMBER 21, 1932

Holdings of Earning Assets of Federal Reserve Banks from September 23, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Sept. 23 | \$1,305,806 | \$ 737,985 | \$ 0 | \$ 233,546 | \$ 9,643 | \$ 309,827 |
| " 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 | 153,871 | 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 14 | 2,292,012 | 1,850,927 | 0 | 33,726 | 0 | 401,933 |
| " 21 | 2,248,623 | 1,851,112 | 434 | 33,652 | 0 | 359,023 |

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

CHANGES IN EARNING ASSET HOLDINGS (EXCLUSIVE OF SALES CONTRACTS)
DURING WEEK ENDED SEPTEMBER 21, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------|---------------------|--------|------------------|-----------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Sept. 21 | Change | Sept. 21 | Change | Sept. 21 | Change |
| Boston | \$ 121,228 | \$ 0 | \$ 0 | \$ 0 | \$ 16,157 | \$ 453+ |
| New York | 718,792 | 5,000- | 527 | 388- | 76,737 | 4,709- |
| Philadelphia | 139,375 | 50+ | 72 | 5- | 54,335 | 2,425- |
| Cleveland | 178,282 | 0 | 0 | 0 | 28,014 | 3,164- |
| Richmond | 47,133 | 0 | 1,225 | 37- | 22,215 | 1,907- |
| Atlanta | 46,669 | 64+ | 438 | 369+ | 22,581 | 10,864- |
| Chicago | 262,310 | 0 | 130 | 15- | 27,258 | 1,934- |
| St. Louis | 66,156 | 0 | 0 | 0 | 10,292 | 604- |
| Minneapolis | 54,750 | 86+ | 0 | 0 | 12,400 | 65+ |
| Kansas City | 57,252 | 15- | 0 | 0 | 17,978 | 836- |
| Dallas | 35,721 | 5,000+ | 3 | 0 | 12,063 | 2,359- |
| San Francisco | 123,444 | 0 | 397 | 1- | 58,993 | 14,626- |
| N. Y. holdovers and other bills | | | 30,860 | 3+ | | |
| Totals | \$1,851,112 | \$ 185+ | \$33,652 | \$ 74- | \$359,023 | \$42,910- |

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 21, 1932

Total earning assets of the System showed a decline of \$43,389,000 for the current statement week. The principal changes by classification consisted of increases of \$185,000 and \$434,000 in outright holdings of government securities and government securities held under sales contracts respectively, and decreases of \$42,910,000 in bills discounted and \$1,024,000 in holdings of other assets.

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Money
Market

Beginning the week at \$400,000,000, the estimated excess reserves of all member banks in the country were reduced to about \$300,000,000 in the course of the next two days, as a result of quarterly income tax collections, which caused the Treasury balance at the Reserve Banks to rise from \$18,000,000 to \$72,000,000, and of week-end currency withdrawals and the repayment of member bank indebtedness. Subsequently, the reserves of the member banks increased and by Wednesday, the 21st, the excess amounted to \$377,000,000, or a net decrease of \$23,000,000 for the statement week. The restoration of excess reserves to a level approaching that of the previous Wednesday was due primarily to a continued increase in the monetary gold stock and a considerable return flow of currency from circulation.

For the week as a whole the principal factors contributing to the moderate net decrease in excess reserves of all member banks were a rise of \$51,000,000 in Treasury balances at the Reserve Banks and a decrease in member bank borrowings by \$43,000,000 to \$359,000,000, a new low level since September 1931. These factors somewhat exceeded a rise of \$37,000,000 in the monetary gold stock, a reduction of \$26,000,000 in the amount of money in circulation (again more than the usual seasonal change); the issuance of additional National bank notes, and some decline in reserve requirements accompanying a decrease in deposits of the New York City banks from their mid-September peak. There would have been a considerably larger decline in excess reserves for the week had not the Treasury used part of its increasing balances at the Reserve Banks in the purchase and retirement of \$25,000,000 of Government securities. The average excess reserves held by the member banks for the week amounted to \$336,000,000, a decline of \$7,000,000 from the previous week.

In New York City, the reserve balances of the large banks were reduced by a net amount of \$29,000,000, while reserve requirements declined \$10,000,000, the resulting change in surplus reserves being a drop for the week of \$19,000,000 to \$225,000,000. The money market lost rather heavily through an outflow of funds to other parts of the country, representing an excess of payments to other districts for Government securities sold in New York over a favorable balance of commercial transfers and check settlements, and a smaller loss occurred in Treasury operations. These losses were only partly offset by payments to the market of the proceeds of gold released from foreign earmark and of imported gold, and by a net deposit of currency at the Reserve Bank.

In the last few days the rate for call loans in the outside market has again been 1 per cent, after fluctuating between 1 1/4 and 1 1/2 per cent earlier in the week. This represents a return to the level that prevailed for several months prior to the August month-end. Nominal rates for time loans on Thursday at 1 per cent bid, 1 1/4 per cent asked for 60 days and 1 1/4 per cent flat for 90 days were slightly lower than a week ago, while quotations of 1 1/4 per cent bid, 1 1/2 per cent asked for the longer dates up to 6 months were unchanged. Yields on short-term Government securities moved slightly lower, but other rates, including Stock Exchange call money, commercial paper, and bills, held steady.

Government
Security
Market

The market for United States Government securities developed considerable strength during the past week, the demand being especially good for the short-term issues of Treasury certificates and notes and the Liberty Loan bonds. Offerings were scarce and with the exception of the February and March 15, 1933, maturities, prices of the Treasury certificates and Treasury notes advanced from 1/32 to 14/32nds, and prices of Liberty Loan bonds advanced from 9/32 to 18/32nds. There were

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also some indications during the week of buying of long-term Treasury bonds by banks and corporations with the supply somewhat less than the demand, and prices of these issues advanced from 3/32 to 26/32nds. At the close of the reporting period, the average yield on short-term issues, at dealers' offering prices, was approximately 0.73% as compared with 0.80% at the close of the previous week, and the average selling price for the Liberty Loan bonds was 102.54 and for the Treasury bonds 101.71, as compared with the previous week's average closing prices of 102.16 and 101.39 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 |
|--------|---------------------------------|-----------|------------|---------------|
| 3 1/8% | Cert. of Ind. due Oct. 15, 1932 | 100 17/32 | + 1/32 | - - - - |
| 3 1/4% | Treasury Notes " Dec. 15, 1932 | 100 30/32 | + 2/32 | - - - - |
| 3 3/4% | Cert. of Ind. " Feb. 1, 1933 | 101 13/32 | - 1/32 | - - - - |
| 3 3/4% | " " " " Mar. 15, 1933 | 101 23/32 | - 2/32 | 0.15% |
| 2 % | " " " " May 2, 1933 | 101 1/32 | + 1/32 | 0.30% |
| 1 1/2% | " " " " June 15, 1933 | 100 24/32 | + 5/32 | 0.47% |
| 1 1/4% | " " " " Sept. 15, 1933 | 100 17/32 | + 7/32 | 0.70% |
| 3 % | Treasury Notes " May 2, 1934 | 102 12/32 | +10/32 | 1.50% |
| 2 1/8% | " " " " Aug. 1, 1934 | 100 23/32 | + 8/32 | 1.72% |
| 3 % | " " " " June 15, 1935 | 101 16/32 | +11/32 | 2.42% |
| 3 1/4% | " " " " Aug. 1, 1936 | 101 13/32 | +11/32 | 2.85% |
| 3 1/4% | " " " " Sept. 15, 1937 | 101 | +14/32 | 3.03% |

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

| Issue | Price | Net Change | Issue | Price | Net Change |
|------------|-----------|------------|-------------------------|-----------|------------|
| 1st 3 1/2s | 101 14/32 | +10/32 | Treasury 4 1/4s 1947-52 | 108 24/32 | +26/32 |
| 1st 4 1/4s | 102 22/32 | +18/32 | " 4s 1944-54 | 104 26/32 | +16/32 |
| 4th 4 1/4s | 103 16/32 | + 9/32 | " 3 3/4s 1946-56 | 102 18/32 | +11/32 |
| | | | " 3 3/8s 1943-47 | 100 22/32 | + 6/32 |
| | | | " 3 3/8s 1940-43 | 100 27/32 | + 6/32 |
| | | | " 3 3/8s 1941-43 | 100 26/32 | + 8/32 |
| | | | " 3 1/8s 1946-49 | 98 7/32 | + 3/32 |
| | | | " 3s 1951-55 | 97 | + 6/32 |

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
Sept. 21

Boston reported that there was a fair demand for bills in its district. The supply, however, continued inadequate to meet the demand making it necessary for dealers to import bills from their offices in other cities. Thirty and sixty day maturities were in best demand. In New York the volume of bills handled by dealers during the week was considerably less than for the past four weeks. The demand, however, continued good and dealers experienced little difficulty in moving the bills that came into their hands. Portfolios continued at the low figure of \$11,000,000. Philadelphia reported that its acceptance market showed little change. Offerings were rather thin with a decreased demand. Chicago reported that the bill market in its district continued dull during the past week.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Purchase and retirement of \$25,000,000 October 11 United States Treasury Bills. This purchase was made in view of the large Treasury balances at the reserve banks.

SYSTEM SPECIAL INVESTMENT ACCOUNT - GOVERNMENT SECURITIES

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

(1) Exchanges by subscription to new Treasury issues dated September 15, 1932, pursuant to Treasury offering dated September 6, 1932

| | |
|---|-----------------------------------|
| \$ 22,273,000-1 1/8% C/I due Sept.15,1932 for \$ 83,882,500-1 1/4% C/I due Sept.15,1933 | |
| 86,609,500-3 % " " " 15,1932 | 25,000,000-3 1/4% T/N " " 15,1937 |
| \$108,882,500 | \$108,882,500 |

Of these exchange subscriptions \$13,780,000 was entered by the Federal Reserve Bank of Chicago (for \$13,780,000 maturing certificates held by them in safekeeping for System Account) and the balance of \$95,102,500 was entered by the Federal Reserve Bank of New York.

(2) 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> |
|--|---|
| \$ 1,000,000-1 1/8% C/I due Sept.15,1932 | \$33,500,000-1 1/4% C/I due Sept.15,1933 |
| 14,000,000-3 3/4% " " Mar. 15,1933 | |
| 18,500,000-3 1/8% " " Oct. 15,1932 | |
| \$33,500,000 | \$33,500,000 |

| <u>(3) Sale to Treasury</u> | <u>Replaced by purchases in the market</u> |
|---|--|
| \$25,000,000 - Treas. Bills due Oct.11,1932 | \$12,000,000-1 1/4% C/I due Sept.15,1933 |
| | 9,000,000-3 3/4% " " Mar. 15,1933 |
| | 2,000,000-2 1/8% T/N " Aug. 1,1934 |
| | 2,000,000-3 1/4% " " " 1,1936 |
| \$25,000,000 | \$25,000,000 |

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

| | |
|---|------------------------------------|
| \$ 5,000,000-3 1/8% C/I due Oct.15,1932 for \$10,000,000-3 3/4% C/I due Mar.15,1933 | |
| 5,000,000-3 1/2% 1st L/L Bds | 16,500,000-1 1/4% " " Sept.15,1933 |
| 21,500,000-3 1/4% T/N due Dec.15,1932 | 5,000,000-4 1/4% 4th L/L Bds |
| \$31,500,000 | \$31,500,000 |

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- (5) Sale of \$5,000,000 United States Governments from Federal Reserve Bank of New York's participation to Federal Reserve Bank of Dallas' participation in the Account, due to the improved reserve position of the latter bank. This sale to the Federal Reserve Bank of Dallas represented part of their shortage in the holdings in System Account.

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, September 21, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> | |
|--|-----------------|---|-----------------|
| Boston | \$ 95,978,500 | Sept. 28, 1932 - Treas. Bills | \$ 28,050,000 |
| New York | 617,453,000 | Oct. 11, 1932 - " " | 19,822,000 |
| Philadelphia | 135,919,000 | " 19, 1932 - " " | 31,100,000 |
| Cleveland | 178,282,000 | " 26, 1932 - " " | 55,000,000 |
| Richmond | 47,132,500 | Nov. 9, 1932 - " " | 24,500,000 |
| Atlanta | 46,560,000 | " 16, 1932 - " " | 42,500,000 |
| Chicago | 199,195,000 | " 23, 1932 - " " | 38,677,000 |
| St. Louis | 65,655,500 | " 30, 1932 - " " | 19,087,000 |
| Minneapolis | 47,087,000 | Oct. 15, 1932 - 3 1/8% C/I | 75,111,500 |
| Kansas City | 57,180,500 | Dec. 15, 1932 - 3 1/4% T/N | 91,197,000 |
| Dallas | 25,721,000 | Feb. 1, 1933 - 3 3/4% C/I | 13,775,000 |
| San Francisco | 123,443,500 | Mar. 15, 1933 - 3 3/4% " | 175,025,000 |
| | | May 2, 1933 - 2 % " | 123,987,500 |
| | | June 15, 1933 - 1 1/2% " | 112,575,000 |
| | | Sept. 15, 1933 - 1 1/4% " | 145,882,500 |
| | | May 2, 1934 - 3 % T/N | 75,725,000 |
| | | Aug. 1, 1934 - 2 1/8% " | 96,052,000 |
| | | June 15, 1935 - 3 % " | 78,100,000 |
| | | Aug. 1, 1936 - 3 1/4% " | 32,825,000 |
| | | Sept. 15, 1937 - 3 1/4% " | 25,000,000 |
| | | June 15, 1932/47-3 1/2% 1st L/L | 38,525,000 |
| | | " 15, 1932/47-4 1/4% 1st " | 23,000,000 |
| | | Oct. 15, 1933/38-4 1/4% 4th " | 274,091,000 |
| 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 SEPTEMBER 15 TO SEPTEMBER 21, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Redemption and Sales</u> | <u>Adjustments in Participations</u> |
|---------------|----------------------|-----------------------------|--------------------------------------|
| Boston | \$ 11,642,500 | \$ 11,642,500 | \$ 0 |
| New York | 75,387,000 | 75,387,000 | 5,000,000- |
| Philadelphia | 16,487,000 | 16,487,000 | 0 |
| Cleveland | 21,626,000 | 21,626,000 | 0 |
| Richmond | 5,717,500 | 5,717,500 | 0 |
| Atlanta | 5,648,000 | 5,648,000 | 0 |
| Chicago | 24,162,000 | 24,162,000 | 0 |
| St. Louis | 7,963,000 | 7,963,000 | 0 |
| Minneapolis | 5,711,500 | 5,711,500 | 0 |
| Kansas City | 6,935,500 | 6,935,500 | 0 |
| Dallas | 2,630,000 | 2,630,000 | 5,000,000+ |
| San Francisco | 14,972,500 | 14,972,500 | 0 |
| Totals | \$198,882,500 | \$198,882,500 | \$5,000,000 Adj. |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | <u>Net Change From Previous Week</u> |
|---------|--------------------------------------|
| Atlanta | \$434,050+ |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Redemptions & Sales</u> | <u>Issue</u> |
|---------------|---------------------|------------------|--------------------------------|-----------------------------|
| Boston | *\$8,500,000 | Sept. 15/33 C/I | *\$8,500,000 | - 9/15/32 - 1 1/8% C/I |
| New York | * 6,184,000 | " 15/33 " | * 6,184,000 | - 9/15/32 - 3% & 1 1/8% C/I |
| Philadelphia | 120,000 | " 15/37 T/N | 70,000 | - 9/15/37 T/N |
| Atlanta | 688,300 | Misc. Gov't Sec. | 623,750 | Misc. Gov't Sec. |
| Chicago | *11,259,000 | Sept. 15/33 C/I | *11,259,000 | - 9/15/32 - 3% C/I |
| Minneapolis | 810,600 | Misc. Gov't Sec. | 689,300 | Misc. Gov't Sec. |
| | | | 35,000 | - 9/15/32 - 1 1/8% C/I |
| Kansas City | 0 | - | 15,000 | - 9/15/32 - 1 1/8% " |
| Totals | \$27,561,900 | | \$27,376,050 | |

*Exchange by subscription to Treasury offering dated Sept. 6/32.

BANKERS ACCEPTANCES

(000 Omitted)

| | <u>Holdings Sept. 14</u> | <u>Purchased Own Mkt.</u> | <u>By Allotment from New York</u> | <u>Maturities and Sales Held in N. Y.</u> | <u>Held Elsewhere</u> | <u>Holdings Sept. 21</u> | <u>Other Holdings Close Sept. 21/32</u> | <u>Other Bills</u> |
|---------------|--------------------------|---------------------------|-----------------------------------|---|-----------------------|--------------------------|---|--------------------|
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,352 |
| New York | 915 | 0 | 0 | 388 | 0 | 527 | 0 | 10,157 |
| Phila. | 77 | 0 | 0 | 0 | 5 | 72 | 0 | 3,188 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,114 |
| Rich. | 1,262 | 0 | 0 | 0 | 37 | 1,225 | 0 | 1,233 |
| Atlanta | 69 | 418 R | 0 | 14 | 35 | 438 | 0 | 1,141 |
| Chicago | 145 | 0 | 0 | 0 | 15 | 130 | 0 | 4,147 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 894 |
| Dallas | 3 | 0 | 0 | 0 | 0 | 3 | 0 | 863 |
| San Fran. | 398 | 0 | 0 | 0 | 1 | 397 | 0 | 2,128 |
| Totals | \$2,869 | \$418 | 0 | \$402 | \$93 | \$2,792 | 0 | \$30,860 |

NOTE: R. indicates Retained in above statement.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED SEPTEMBER 21, 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> |
|---------|------------------------|-------------------------|-------------------------|--------------------------|--------------|
| Atlanta | \$129 | \$ 46 | \$243 | 0 | \$418 |

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES DURING WEEK ENDED SEPTEMBER 21, 1932
(000 Omitted)

(Excluding Sales Contracts)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Total</u> |
|------------|------------------------------|---|---|
| Purchased | \$ 91,618 | \$418 | \$92,036 |
| Sold | 91,382 | 0 | 91,382 |
| Matured | 50 | 495 | 545 |
| *Exchanged | 134,825 | 0 | 0 |
| | | <u>\$ 77-</u> | <u>\$ 109+</u> |
| | | 3+(Net Change 1-day holdover & other bills) | 3+(Net Change 1-day holdover & other bills) |
| Totals | <u>\$ 186+</u> | <u>\$ 74-</u> | <u>\$ 112+</u> |

*Represents 3% and 1 1/8% C/I due 9/15/32 entered for exchange under Treasury offering dated September 6, 1932.

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND BANKERS ACCEPTANCES WEEK ENDED SEPTEMBER 21, 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 | \$28,484 | \$128,034 | \$138,100 | \$181,044 | \$200,557 | \$1,175,327 | \$1,851,546 |
| Bills Purchased | 4,806 | 928 | 1,063 | 26,825 | 30 | 0 | 33,652 |
| Totals | <u>\$33,290</u> | <u>\$128,962</u> | <u>\$139,163</u> | <u>\$207,869</u> | <u>\$200,587</u> | <u>\$1,175,327</u> | <u>\$1,885,198</u> |

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Mr. Thompson

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DIVISION OF RESEARCH
AND STATISTICS

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 16, 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 September 8, 1932 to September 14,
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

CONFIDENTIAL

September 16, 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 September 8, 1932 to September 14, 1932
inclusive 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
File No. 132.1

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The Merrill

FEDERAL RESERVE BANK
OF NEW YORK

FOR CIRCULATION
Mr. Tolson ✓
Mr. Clegg ✓
Mr. Glavin ✓
Mr. Ladd ✓
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Tracy ✓
Mr. Egan ✓
Mr. Gurnea ✓
Mr. Harbo ✓
Mr. Hendon ✓
Mr. Jones ✓
Mr. Quinn ✓
Mr. Nease ✓
Mr. Gandy ✓
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Return to ~~Secretary's Office~~
File

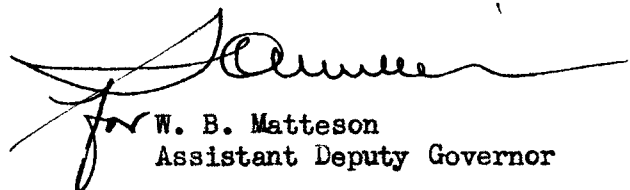
CONFIDENTIAL

September 16, 1932.

Dear Governor Meyer:

Enclosed is a report of open market operations for the period from September 8, 1932 to September 14, 1932 inclusive, together with data received from Federal Reserve banks.

Very truly yours,


for 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 SEPTEMBER 14, 1932

Holdings of Earning Assets of Federal Reserve Banks from September 16, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS |
|----------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | DISCOUNTED |
| -1931- | | | | | | |
| Sept. 16 | \$1,238,564* | \$ 742,458* | \$ 0 | \$194,880 | \$22,890 | \$262,994 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 7 | 2,310,650 | 1,850,923 | 0 | 33,585 | 0 | 420,428 |
| " 14 | 2,292,012 | 1,850,927 | 0 | 33,726 | 0 | 401,933 |

*Includes \$14,000,000 special one-day Treasury certificate of indebtedness issued to Federal Reserve Bank of New York.

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

CHANGES IN EARNING ASSET HOLDINGS DURING WEEK ENDED SEPTEMBER 14, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|---------------------|---------------|
| | Balance Sept. 14 | Net Change | Balance Sept. 14 | Net Change | Balance Sept. 14 | Net Change |
| Boston | \$ 121,228 | \$ 0 | \$ 0 | \$ 0 | \$ 15,704 | \$ 485- |
| New York | 723,792 | 12,500+ | 915 | 165+ | 81,446 | 9,087- |
| Philadelphia | 139,325 | 0 | 77 | 0 | 56,760 | 2,630- |
| Cleveland | 178,282 | 0 | 0 | 0 | 31,178 | 2,623- |
| Richmond | 47,133 | 0 | 1,262 | 107+ | 24,122 | 309- |
| Atlanta | 46,605 | 9- | 69 | 0 | 33,445 | 2,183+ |
| Chicago | 262,310 | 12,500- | 145 | 6- | 29,192 | 1,240- |
| St. Louis | 66,156 | 0 | 0 | 0 | 10,896 | 175- |
| Minneapolis | 54,664 | 13+ | 0 | 0 | 12,335 | 836- |
| Kansas City | 57,267 | 0 | 0 | 0 | 18,814 | 713- |
| Dallas | 30,721 | 0 | 3 | 1- | 14,422 | 463- |
| San Francisco | 123,444 | 0 | 398 | 131- | 73,619 | 2,117- |
| N. Y. holdovers and other bills | | | 30,857 | 7+ | | |
| Totals | \$1,850,927 | \$ 4+ | \$33,726 | \$141+ | \$401,933 | \$18,495- |

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 14, 1932

Total earning assets of the System showed a decline of \$18,638,000 for the current statement week. The principal changes by classification consisted of an increase of \$141,000 in outright holdings of bankers acceptances and decreases of \$18,495,000 in bills discounted and \$288,000 in holdings of other assets.

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Money
Market

The excess reserves of all member banks in the United States are estimated to have averaged approximately \$343,000,000 for the statement week just closed, or an increase of \$41,000,000 over the previous week's average surplus. On Wednesday, September 14, the excess amounted to \$400,000,000, as compared with \$321,000,000 on the 8th. This increase of \$79,000,000 in excess reserves for the week was the result of a reduction of \$57,000,000 in the amount of money in circulation, an increase of \$23,000,000 in the monetary gold stock of the United States, a drop of \$29,000,000 in the Treasury balances at the Reserve Banks, and of additional issues of new National bank notes. These factors considerably exceeded the repayment of \$19,000,000 of member bank borrowings at the Reserve Banks to a total of \$402,000,000, and a substantial rise in the reserve requirements of the banks, which accompanied a mounting up of deposits in New York City banks prior to the mid-September tax date.

As a result of the close balance of Treasury disbursements and receipts on the quarterly tax date, September 15, no overdraft by the Treasury will be necessary. Consequently, income tax collections over the next week will cause the Treasury credit balances at the Reserve Banks to mount and this will tend to reduce the excess reserves of all member banks in the forthcoming week.

In New York City, excess reserves of the banks rose nearly \$100,000,000 from \$147,000,000 on September 7 to \$244,000,000 on the 14th. As far as this market was concerned, about two-thirds of the increase in excess reserves was due to an inflow of funds from other parts of the country, and in addition most of the increase in the gold stock was reflected directly in the reserve balances of the New York City banks. Other gains occurred as a result of replacement security purchases made in this market for another Reserve Bank, and as a result of currency deposits at the New York Reserve Bank and of net Treasury and foreign account disbursements. The aggregate of these gains of funds considerably exceeded the increase of \$22,000,000 that occurred in the reserve requirements of the New York City banks, accompanying a rise of \$150,000,000 in their deposits.

During the course of the week, as high as 1 3/4 per cent was paid in the outside market for call loans, but this was a temporary circumstance occurring only on Friday afternoon, September 9, following which the rate declined to 1 1/2 per cent. This rate, however, is 1/2 per cent above the level that prevailed just prior to the end of August. Meanwhile, the call rate continued at 2 per cent on the Stock Exchange. Time money rates on Thursday were unchanged from a week ago at 1 1/4 per cent flat for 60 days and 1 1/2 per cent bid, 1 1/2 per cent asked for 3 to 6 month maturities. On one day, however, some 60 day loans were arranged at 1 per cent, as well as at 1 1/4 per cent, while the trading rate for 90 day money was 1 1/4 per cent and for 5 and 6 month money 1 1/2 per cent. No change occurred in the rates for commercial paper, bills, and federal funds, and yields on short-term Government securities likewise were steady.

Government
Security
Market

The market for United States Government securities as a whole continued to show a good undertone. Following the allotment on Saturday of the new Treasury issues the market dipped slightly due to a substantial volume of selling of the new issues, principally by dealers. However, offerings were gradually absorbed and the market turned quite strong at the close of the statement week, especially for the new issues. Dealers reported that the large New York City banks were the principal buyers. At the end of the period the new 1 1/4% certificates were offered at a premium of 10/32 and the new 3 1/4% notes at 18/32, while the other short-term issues showed very slight irregular changes. Prices of the First 4 1/4% Liberty Loan bonds showed no change for the week, while the First 3 1/2s and Fourth 4 1/4s and the long-term Treasury bonds showed small fractional

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gains except the 3 3/8% Treasury bonds of 1940-43 and 1941-43, which showed small losses of 1/32 and 4/32 respectively. At the close of the current reporting period the average yield on the short-term issues at dealers' offering prices was approximately 0.80% (0.66% excluding the two new Treasury issues) as compared with 0.63% at the close of the previous week, and the average selling price for the Liberty Loan bonds was 102.16 and for Treasury bonds 101.39 as compared with the previous week's average closing prices of 102.06 and 101.32 respectively.

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 Oct. 15, 1932 | 100 16/32 | + 2/32 | - - - - |
| 3 1/4% Treasury Notes " Dec. 15, 1932 | 100 28/32 | - - - - | - - - - |
| 3 3/4% Cert. of Ind. " Feb. 1, 1933 | 101 14/32 | - - - - | - - - - |
| 3 3/4% " " " Mar. 15, 1933 | 101 25/32 | - 2/32 | 0.22% |
| 2 % " " " May 2, 1933 | 101 | - - - - | 0.40% |
| 1 1/2% " " " June 15, 1933 | 100 19/32 | - 1/32 | 0.69% |
| 1 1/4% " " " Sept. 15, 1933 | 100 10/32 | +10/32 | 0.92% |
| 3 % Treasury Notes " May 2, 1934 | 102 2/32 | + 2/32 | 1.71% |
| 2 1/8% " " " Aug. 1, 1934 | 100 15/32 | + 1/32 | 1.86% |
| 3 % " " " June 15, 1935 | 101 5/32 | + 1/32 | 2.56% |
| 3 1/4% " " " Aug. 1, 1936 | 101 2/32 | - 2/32 | 2.95% |
| 3 1/4% " " " Sept. 15, 1937 | 100 18/32 | +18/32 | 3.12% |

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 | 101 4/32 | +6/32 | Treasury 4 1/4s 1947-52 | 107 30/32 | +7/32 |
| 1st 4 1/4s | 102 4/32 | - - - | " 4 s 1944-54 | 104 10/32 | +4/32 |
| 4th 4 1/4s | 103 7/32 | +3/32 | " 3 3/4s 1946-56 | 102 7/32 | +2/32 |
| | | | " 3 3/8s 1943-47 | 100 16/32 | +1/32 |
| | | | " 3 3/8s 1940-43 | 100 21/32 | -1/32 |
| | | | " 3 3/8s 1941-43 | 100 18/32 | -4/32 |
| | | | " 3 1/8s 1946-49 | 98 4/32 | +6/32 |
| | | | " 3 s 1951-55 | 96 26/32 | +3/32 |

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 Sept. 14

Boston reported that both the supply and demand for bills showed an increase in its district during the past period. Sales which increased over \$9,000,000 were confined to a few large transactions. The demand was best for 30 to 60-day bills. In New York the volume of bills handled by dealers during the week increased moderately as compared with the past two weeks. Dealers' purchases exceeded their sales slightly and aggregate portfolios increased by approximately \$1,400,000 to \$10,400,000. The greater proportion of the business was done the last two days of the period and chiefly with local institutions, although one dealer did send a substantial amount to their out-of-town offices. Philadelphia reported that its acceptance market was only moderately active. Offerings continued light and the demand was strong for prime names only. Chicago reported that very few bills were offered in its market and dealers had no trouble in disposing of best names.

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OPERATIONS FOR ACCOUNT OF UNITED STATES TREASURY

Transactions consummated under Treasury authorization during the current statement week consisted of a purchase of \$350,000 - 3 1/4% Treasury notes due August 1, 1936, 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:

| | |
|--|------------------|
| <u>Sold</u> | <u>Purchased</u> |
| \$7,000,000 - First 3 1/2% L/L Bds. for \$7,000,000 - Fourth 4 1/4% L/L Bds. | |

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

| | |
|---|---|
| <u>Sold</u> | <u>Purchased</u> |
| \$2,500,000 - 1 1/8% C/I due Sept. 15, 1932 | \$8,500,000 - 3 1/8% C/I due Oct. 15, 1932. |
| 6,000,000 - 3 % " " " 15, 1932 | |
| \$8,500,000 | \$8,500,000 |

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, September 14, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> |
|--|---|
| Boston \$ 95,978,500 | Sept. 28, 1932 - Treas. Bills \$ 28,050,000 |
| New York 622,453,000 | Oct. 11, 1932 - " " 44,822,000 |
| Philadelphia 135,919,000 | " 19, 1932 - " " 31,100,000 |
| Cleveland 178,282,000 | " 26, 1932 - " " 55,000,000 |
| Richmond 47,132,500 | Nov. 9, 1932 - " " 24,500,000 |
| Atlanta 46,560,000 | " 16, 1932 - " " 42,500,000 |
| Chicago 199,195,000 | " 23, 1932 - " " 38,677,000 |
| St. Louis 65,655,500 | " 30, 1932 - " " 19,087,000 |
| Minneapolis 47,087,000 | Sept. 15, 1932 - 1 1/8% C/I 23,273,000 |
| Kansas City 57,180,500 | " 15, 1932 - 3 % " 86,609,500 |
| Dallas 20,721,000 | Oct. 15, 1932 - 3 1/8% " 98,611,500 |
| San Francisco 123,443,500 | 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% " 94,052,000 |
| | 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 43,525,000 |
| | " 15, 1932/47-4 1/4% 1st " 23,000,000 |
| | Oct. 15, 1933/38-4 1/4% 4th " 269,091,000 |
| 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 SEPTEMBER 8 TO SEPTEMBER 14, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | Purchases | Sales |
|---------------|--------------|--------------|
| Boston | \$ 907,000 | \$ 907,000 |
| New York | 5,883,500 | 5,883,500 |
| Philadelphia | 1,285,500 | 1,285,500 |
| Cleveland | 1,685,000 | 1,685,000 |
| Richmond | 446,000 | 446,000 |
| Atlanta | 441,000 | 441,000 |
| Chicago | 1,883,000 | 1,883,000 |
| St. Louis | 620,500 | 620,500 |
| Minneapolis | 445,000 | 445,000 |
| Kansas City | 540,000 | 540,000 |
| Dallas | 196,500 | 196,500 |
| San Francisco | 1,167,000 | 1,167,000 |
| Totals | \$15,500,000 | \$15,500,000 |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

Net Change From
Previous Week

N O N E

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | Purchases | Issue | Sales | Issue |
|-------------|------------------|----------------------|----------------|-----------------------|
| New York | (a) \$13,500,000 | Misc. Gov't Sec. | \$ 1,000,000- | 2 1/8% C/I due 8/1/34 |
| Atlanta | 140,350 | " " " | 149,900 | Misc. Gov't Sec. |
| Chicago | (c) 20,000,000 | Nov. 30/32 Tr. Bills | (b) 32,500,000 | " " " |
| Minneapolis | 525,400 | Misc. Gov't Sec. | 512,350 | " " " |
| Totals | \$34,165,750 | | \$34,162,250 | |

(a) Includes repurchase from F.R.B. Chicago of \$12,500,000 which were acquired temporarily by that bank in June and July, owing to low reserve position of New York at that time.

(b) Of this amount \$12,500,000 represents securities resold to F.R.B. New York.

(c) Purchased in N. Y. market

BANKERS ACCEPTANCES

(000 Omitted)

| | Holdings Sept. 7 | Purchased Own Mkt. | By Allot- ment from New York | Maturities and Sales | | Holdings Sept. 14 | Other Holdings Close Sept. 14/32 | |
|-----------|---------------------|-----------------------|------------------------------------|-------------------------|------------------------|----------------------|-------------------------------------|----------------|
| | | | | Held in N. Y. | Held Else- where | | Con- tracts | Other Bills |
| Boston | \$ 0 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 2,352 |
| New York | 750 | 978*R. | 0 | 813 | 0 | 915 | 0 | 10,154 |
| Phila. | 77 | 0 | 0 | 0 | 0 | 77 | 0 | 3,188 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,114 |
| Richmond | 1,155 | 200 " | 0 | 21 | 72 | 1,262 | 0 | 1,233 |
| Atlanta | 69 | 0 | 0 | 0 | 0 | 69 | 0 | 1,141 |
| Chicago | 151 | 0 | 0 | 0 | 6 | 145 | 0 | 4,147 |
| St. Louis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009 |
| Minn. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kan. City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 894 |
| Dallas | 4 | 0 | 0 | 0 | 1 | 3 | 0 | 863 |
| San Fran. | 529 | 94 " | 0 | 0 | 225 | 398 | 0 | 2,128 |
| Totals | \$2,735 | \$1,272 | 0 | \$834 | \$304 | \$2,869 | 0 | \$30,857 |

NOTE: R. indicates Retained in above statement.

*Bought from foreign correspondent.

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MATURITIES AND RATES ON BILLS PURCHASED WEEK ENDED SEPTEMBER 14, 1932
(000 Omitted)

| | <u>1-30 days</u> 1% | <u>31-60 days</u> 1 1/2% | <u>61-90 days</u> 1 1/2% | <u>Over 90--days</u> - | <u>Totals</u> |
|---------------|------------------------|-----------------------------|-----------------------------|---------------------------|----------------|
| New York | \$978 | \$ 0 | \$ 0 | 0 | \$978 |
| Richmond | 0 | 50 | 150 | 0 | 200 |
| San Francisco | 15* | 49** | 30*** | 0 | 94 |
| Totals | <u>\$993</u> | <u>\$ 99</u> | <u>\$180</u> | <u>0</u> | <u>\$1,272</u> |

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

RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES
AND BANKERS ACCEPTANCES DURING WEEK ENDED SEPTEMBER 14, 1932
(000 Omitted)

| | <u>Government</u> <u>Securities</u> | <u>Bankers</u> <u>Acceptances</u> | <u>Totals</u> |
|---------------|--|--|--|
| Purchased | \$49,666 | \$1,272 | \$50,938 |
| Sold | 49,662 | 0 | 49,662 |
| Matured | 0 | 1,138 | 1,138 |
| | | \$ 134+ | \$ 138+ |
| | | 7+ (Net Change 1-day holdover and other bills) | 7+ (Net Change 1-day holdover and other bills) |
| Totals | <u>\$ 4+</u> | <u>\$ 141+</u> | <u>\$ 145+</u> |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES WEEK ENDED SEPTEMBER 14, 1932
(000 Omitted)

| | <u>Within</u> <u>15-days</u> | <u>16-30</u> <u>days</u> | <u>31-60</u> <u>days</u> | <u>61-90</u> <u>days</u> | <u>91 days-</u> <u>6 months</u> | <u>Over 6</u> <u>months</u> | <u>Totals</u> |
|------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|--------------------------------|--------------------|
| Gov't Securities | \$160,925 | \$44,822 | \$217,312 | \$134,250 | \$134,568 | \$1,159,050 | \$1,850,927 |
| Bills Purchased | 4,622 | 1,757 | 904 | 26,413 | 30 | 0 | 33,726 |
| Totals | <u>\$165,547</u> | <u>\$46,579</u> | <u>\$218,216</u> | <u>\$160,663</u> | <u>\$134,598</u> | <u>\$1,159,050</u> | <u>\$1,884,653</u> |

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FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

September 9, 1952

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 September 1 to September 7, 1952 in-
clusive, 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
File No. 132.1

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Mr. Thompson

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SEP 10 1932
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AND STATISTICS.

FEDERAL RESERVE BANK
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September 9, 1932

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Director, Division of Research & Statistics,
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for the period from September 1 to September 7, 1932 in-
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W. B. Matteson
Assistant Deputy Governor

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REPORT OF OPEN MARKET OPERATIONS FOR WEEK ENDED SEPTEMBER 7, 1932

Holdings of Earning Assets of Federal Reserve Banks from September 9, 1931 to Date
(000 Omitted)

| | TOTAL EARNING ASSETS | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED |
|---------|----------------------------|-----------------------|--------------------|-----------------------|--------------------|---------------------|
| | | Outright Purchases | Sales Contracts | Outright Purchases | Sales Contracts | |
| -1931- | | | | | | |
| Sept. 9 | \$1,192,352 | \$ 728,065 | \$ 0 | \$196,983 | \$ 800 | \$ 260,232 |
| " 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. 31 | 2,324,484 | 1,851,315 | 400 | 34,098 | 0 | 432,756 |
| Sept. 7 | 2,310,650 | 1,850,923 | 0 | 33,585 | 0 | 420,428 |

*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 SEPTEMBER 7, 1932
(000 Omitted)

| | GOVERNMENT SECURITIES | | BANKERS ACCEPTANCES | | BILLS DISCOUNTED | |
|------------------------------------|-----------------------|---------------|---------------------|---------------|------------------|------------------|
| | Balance | Net | Balance | Net | Balance | Net |
| | Sept. 7 | Change | Sept. 7 | Change | Sept. 7 | Change |
| Boston | \$ 121,228 | \$ 0 | \$ 0 | \$ 0 | \$ 16,189 | \$ 1,265- |
| New York | 711,292 | 0 | 750 | 102- | 90,533 | 57+ |
| Philadelphia | 139,325 | 0 | 77 | 1- | 59,390 | 3,548- |
| Cleveland | 178,282 | 0 | 0 | 0 | 33,801 | 254+ |
| Richmond | 47,133 | 0 | 1,155 | 258- | 24,431 | 1,743- |
| Atlanta | 46,614 | 331- | 69 | 1- | 31,262 | 2,069- |
| Chicago | 274,810 | 0 | 151 | 146- | 30,432 | 844- |
| St. Louis | 66,156 | 0 | 0 | 3- | 11,071 | 548- |
| Minneapolis | 54,651 | 61- | 0 | 0 | 13,171 | 358- |
| Kansas City | 57,267 | 0 | 0 | 0 | 19,527 | 905- |
| Dallas | 30,721 | 0 | 4 | 13- | 14,885 | 863- |
| San Francisco | 123,444 | 0 | 529 | 5- | 75,736 | 496- |
| N. Y. holdovers and other bills | | | 30,850 | 16+ | | |
| Totals | \$1,850,923 | \$392- | \$33,585 | \$513- | \$420,428 | \$12,328- |

COMMENT ON CHANGES WEEK ENDED SEPTEMBER 7, 1932

Total earning assets of the System showed a decrease of \$13,834,000 for the current statement week. The changes by classification consisted of the following decreases: \$392,000 in outright holdings of government securities, \$400,000 in government securities held under sales contracts, \$513,000 in outright holdings of bankers acceptances and \$12,328,000 in bills discounted.

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Money
Market

For all member banks in the country, excess reserves are estimated to have averaged about \$302,000,000 during the past statement week, or somewhat less than in the previous week. This was due largely to the outflow of currency over the Labor Day holiday. The net increase of \$54,000,000 in currency circulation for the week ended September 7, however, was less than was to be expected on the basis of seasonal factors alone. Wednesday's excess reserves were slightly smaller than on the previous Wednesday, as the loss through currency withdrawals for the week and the repayment of \$13,000,000 of member bank borrowings were not entirely offset by a further increase of \$19,000,000 in the United States monetary gold stock, a reduction in Treasury balances at the Reserve Banks, and further issues of National Bank Notes.

The New York City banks held materially smaller excess reserves at the close of the week than on the previous Wednesday. Their reserve balances dropped \$34,000,000, which together with a net increase of \$3,000,000 in reserve requirements, reduced the surplus reserves from \$184,000,000 to \$147,000,000. The principal element in the loss of reserves was a substantial outflow of funds to other parts of the country. This factor and small losses through net currency withdrawals and net receipts of funds in New York by the Treasury considerably exceeded the funds put in the market by releases of gold from earmark, gold imports, and other foreign account transactions.

Following the advance in the rate paid for call loans in the outside market from 1 to 1 1/2 per cent at the turn of the month, the quotation declined to 1 1/4 per cent on September 2 and remained at that level until the 8th when the rate again was given as 1 1/2 per cent. The official Stock Exchange call money rate held at 2 per cent throughout the week. In time money, the quotation for 60 day loans was reduced to 1 1/4 per cent flat with some trading reported, while longer maturities held at 1 1/4 per cent bid, 1 1/2 per cent asked. Ninety day loans were arranged at 1 1/2 per cent. No change occurred in the previously quoted rates for bills, commercial paper, and federal funds, and yields on short term Government securities showed only minor fluctuations.

Government
Security
Market

With the announcement of the new Treasury financing, the whole government security market developed some strength. There were fractional changes in the prices for the short term government issues during the week. The First 4 1/4% Liberty Loan bonds, however, developed considerable strength, advancing about 3/4 of a point for the period. This was probably due to the expectation that this issue would not be called on September 15 for payment on December 15, 1932. The prices for the long-term Treasury bonds advanced from 1/32 to 8/32nds. At the close of the current reporting period the average yield on the short term issues, at dealers' offering prices, was approximately unchanged from the previous week, namely, 0.63%, and the average selling price for the Liberty Loan bonds was 102.06 and for Treasury bonds 101.32 as compared with the previous week's average closing price of 101.81 and 101.16 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 | Oct. 15, 1932 | | 100 14/32 | -1/32 | - - - - |
| 3 1/4% | Treasury Notes | " Dec. 15, 1932 | | 100 28/32 | -1/32 | - - - - |
| 3 3/4% | Cert. of Ind. | " Feb. 1, 1933 | | 101 14/32 | -2/32 | 0.10% |
| 3 3/4% | " " " | " Mar. 15, 1933 | | 101 27/32 | - - - | 0.17% |
| 2 % | " " " | " May 2, 1933 | | 101 | +1/32 | 0.45% |
| 1 1/2% | " " " | " June 15, 1933 | | 100 20/32 | +1/32 | 0.67% |
| 3 % | Treasury Notes | " May 2, 1934 | | 102 | - - - | 1.76% |
| 2 1/8% | " " " | " Aug. 1, 1934 | | 100 14/32 | -1/32 | 1.88% |
| 3 % | " " " | " June 15, 1935 | | 101 4/32 | +2/32 | 2.57% |
| 3 1/4% | " " " | " Aug. 1, 1936 | | 101 4/32 | +2/32 | 2.94% |

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 30/32 | + 3/32 | Treasury 4 1/4s 1947-52 | 107 23/32 | + 5/32 |
| 1st 4 1/4s | 102 4/32 | +23/32 | " 4s 1944-54 | 104 6/32 | + 8/32 |
| 4th 4 1/4s | 103 4/32 | - 2/32 | " 3 3/4s 1946-56 | 102 5/32 | + 3/32 |
| | | | " 3 3/8s 1943-47 | 100 15/32 | + 1/32 |
| | | | " 3 3/8s 1940-43 | 100 22/32 | + 7/32 |
| | | | " 3 3/8s 1941-43 | 100 22/32 | + 6/32 |
| | | | " 3 1/8s 1946-49 | 97 30/32 | + 4/32 |
| | | | " 3s 1951-55 | 96 23/32 | + 6/32 |

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 Sept. 7

Boston reported that both the supply and demand for bills decreased somewhat in its district during the past week. The demand, which was chiefly for short maturities necessitated dealers obtaining bills from their offices in other cities to fill orders. In New York bankers acceptances continued in good demand with very few offered. On the 7th, dealers experienced their largest day for the week when some of the large banks sold sizeable amounts of their own bills in substitution of which they purchased bills of other institutions. The net change in dealers' portfolios for the week was an increase of \$3,000,000 to present holdings of approximately \$9,000,000. Philadelphia reported that its acceptance market was unchanged. There were not sufficient bills on hand or coming out to take care of a good demand. Chicago reported that its bill market continued very dull. Dallas reported that the demand for bills was small 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 consummated 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:

\$2,500,000 - First 3 1/2% L/L Bds. for \$2,500,000 - Fourth 4 1/4% L/L Bds.

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

| <u>Sold</u> | <u>Purchased</u> |
|--|---|
| \$22,550,000 - 3% C/I due Sept. 15, 1932 | \$ 8,550,000 - Tr. Bills due Sept. 28, 1932 |
| | 10,000,000 - " " " Nov. 9, 1932 |
| | 4,000,000 - 2 1/8% T/N " Aug. 1, 1934 |
| \$22,550,000 | \$22,550,000 |

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, September 7, 1932, were as follows:

| <u>PARTICIPATIONS BY FEDERAL RESERVE BANKS</u> | <u>RECAPITULATION OF HOLDINGS BY MATURITIES</u> |
|--|---|
| Boston \$ 95,978,500 | Sept. 28, 1932 - Treas. Bills \$ 28,050,000 |
| New York 622,453,000 | Oct. 11, 1932 - " " 44,822,000 |
| Philadelphia 135,919,000 | " 19, 1932 - " " 31,100,000 |
| Cleveland 178,282,000 | " 26, 1932 - " " 55,000,000 |
| Richmond 47,132,500 | Nov. 9, 1932 - " " 24,500,000 |
| Atlanta 46,560,000 | " 16, 1932 - " " 42,500,000 |
| Chicago 199,195,000 | " 23, 1932 - " " 38,677,000 |
| St. Louis 65,655,500 | " 30, 1932 - " " 19,087,000 |
| Minneapolis 47,087,000 | Sept. 15, 1932 - 1 1/8% C/I 25,773,000 |
| Kansas City 57,180,500 | " 15, 1932 - 3 % " 92,609,500 |
| Dallas 20,721,000 | Oct. 15, 1932 - 3 1/8% " 90,111,500 |
| San Francisco 123,443,500 | 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% " 94,052,000 |
| | 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 48,525,000 |
| | " 15, 1932/47-4 1/4% 1st " 23,000,000 |
| | Oct. 15, 1933/38-4 1/4% 4th L/L 264,091,000 |
| 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 SEPTEMBER 1 TO SEPTEMBER 7, 1932, INCLUSIVE**

GOVERNMENT SECURITIES - SYSTEM INVESTMENT ACCOUNT

| | <u>Purchases</u> | <u>Sales</u> |
|---------------|---------------------|---------------------|
| Boston | \$ 1,467,000 | \$ 1,467,000 |
| New York | 9,510,000 | 9,510,000 |
| Philadelphia | 2,076,500 | 2,076,500 |
| Cleveland | 2,723,500 | 2,723,500 |
| Richmond | 720,000 | 720,000 |
| Atlanta | 712,000 | 712,000 |
| Chicago | 3,042,000 | 3,042,000 |
| St. Louis | 1,003,500 | 1,003,500 |
| Minneapolis | 719,500 | 719,500 |
| Kansas City | 873,500 | 873,500 |
| Dallas | 316,500 | 316,500 |
| San Francisco | <u>1,886,000</u> | <u>1,886,000</u> |
| Totals | <u>\$25,050,000</u> | <u>\$25,050,000</u> |

HOLDINGS IN GOVERNMENT SECURITIES - SALES CONTRACTS

| | <u>Net Change From Previous Week</u> |
|---------|--|
| N O N E | |
| Chicago | \$400,000-- |

OTHER TRANSACTIONS IN GOVERNMENT SECURITIES

| | <u>Purchases</u> | <u>Issue</u> | <u>Sales</u> | <u>Issue</u> |
|---------------|------------------|------------------|--------------------|------------------|
| Atlanta | \$202,600 | Misc. Gov't Sec. | \$ 533,500 | Misc. Gov't Sec. |
| Minneapolis | <u>604,600</u> | " " " | <u>665,250</u> | " " " |
| Totals | <u>\$807,200</u> | | <u>\$1,198,750</u> | |

BANKERS ACCEPTANCES
 (000 Omitted)

| | <u>Holdings Aug. 31</u> | <u>Purchased Own Mkt.</u> | <u>By Allot- ment from New York</u> | <u>Maturities and Sales</u> | | <u>Holdings Sept. 7</u> | <u>Other Holdings Close Sept. 7/32</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 | \$ 2,352 |
| New York | 852 | 0 | 0 | 102 | 0 | 750 | 0 | 10,147 |
| Phila. | 78 | 0 | 0 | 0 | 1 | 77 | 0 | 3,188 |
| Cleve. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,114 |
| Richmond | 1,413 | 0 | 0 | 0 | 258 | 1,155 | 0 | 1,233 |
| Atlanta | 70 | 0 | 0 | 0 | 1 | 69 | 0 | 1,141 |
| Chicago | 297 | 0 | 0 | 0 | 146 | 151 | 0 | 4,147 |
| St. Louis | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 1,009 |
| Minneapolis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 634 |
| Kansas City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 894 |
| Dallas | 17 | 0 | 0 | 0 | 13 | 4 | 0 | 863 |
| San Fran. | <u>534</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>5</u> | <u>529</u> | <u>0</u> | <u>2,128</u> |
| Totals | <u>\$3,264</u> | <u>0</u> | <u>0</u> | <u>\$105</u> | <u>\$424</u> | <u>\$2,735</u> | <u>0</u> | <u>\$30,850</u> |

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RECAPITULATION OF PURCHASES AND SALES OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES DURING WEEK ENDED SEPTEMBER 7, 1932
(000 Omitted)

| | <u>Government Securities</u> | <u>Bankers Acceptances</u> | <u>Totals</u> |
|---------------|----------------------------------|---|---|
| Purchased | \$25,857 | \$ 0 | \$25,857 |
| Sold | 26,249 | 0 | 26,249 |
| Matured | 0 | 529 | 529 |
| | | \$529- | \$ 921- |
| | | 16+ (Net Change 1-day holdover and other bills) | 16+ (Net Change 1-day holdover and other bills) |
| | | | |
| Totals | \$ 392- | \$513- | \$ 905- |

MATURITY DISTRIBUTION OF HOLDINGS OF GOVERNMENT SECURITIES AND
BANKERS ACCEPTANCES WEEK ENDED SEPTEMBER 7, 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 | \$141,341 | \$28,050 | \$223,033 | \$165,850 | \$134,567 | \$1,158,082 | \$1,850,923 |
| Bills Purchased | 2,681 | 4,237 | 983 | 25,684 | 0 | 0 | 33,585 |
| | | | | | | | |
| Totals | \$144,022 | \$32,287 | \$224,016 | \$191,534 | \$134,567 | \$1,158,082 | \$1,824,508 |