

Office Correspondence

FEDERAL RESERVE
BOARD

Date March 16, 1932

To Mr. Morrill

Subject: Allotment of United States Government securities in Special Investment Account

From Mr. Smead

2-8495

On February 29, 1932, just before the System began increasing its holding of securities in the Special Investment Account, the participation of the Federal Reserve Bank of Atlanta amounted to \$12,478,000, and there has been no change in Atlanta's participation since that date. This \$12,478,000 does not include \$7,000,000 sold from its participation to other Federal reserve banks in October and December last year.

The \$70,000,000 of United States securities purchased for the Special Investment Account since February 29 have been allotted as follows:

New York	\$56,052,000
Philadelphia	5,425,000
Cleveland	4,673,000
Kansas City	3,850,000
Total	70,000,000

It has been the practice to vary, from time to time, the percentage participation of the various Federal reserve banks in the System Account, depending on their expenses, dividends, charge-offs, etc. The following percentages, based on the ratio that each bank's expenses, dividends and charge-offs for the year 1931 bore to the total of such items for the System, were set up for use during the first six months of 1932, with the intention of adjusting them each month thereafter, based on the actual and estimated figures available at the end of each month during the last half of the year:

Boston	7-1/4 per cent	Chicago	12-3/4 per cent
New York	27 "	St. Louis	4-1/4 "
Philadelphia	7-3/4 "	Minneapolis	3 "
Cleveland	10-1/2 "	Kansas City	5-1/2 "
Richmond	5 "	Dallas	3-3/4 "
Atlanta	4-3/4 "	San Francisco	8-1/2 "
		Total	100 "

The \$70,000,000 of securities recently purchased for System Account have not been allotted on the basis of these percentages.

The actual participation of each Federal reserve bank in the Special Investment Account as of last night, and its quota of such securities based on the above percentages, is as follows:

Federal Reserve Bank	Actual participation	Participation based on allotment ratios
Boston	\$55,404,000	\$46,169,160
New York	209,560,000	171,940,320
Philadelphia	57,074,000	49,353,240
Cleveland	72,989,500	66,865,680
Richmond	19,080,500	31,840,800
Atlanta	12,478,000	30,248,760
Chicago	85,362,000	81,194,040
St. Louis	27,286,500	27,064,680
Minneapolis	20,003,000	19,104,480
Kansas City	22,474,000	35,024,880
Dallas	17,363,500	23,880,600
San Francisco	37,741,000	54,129,360
Total	636,816,000	636,816,000