

copy

May 31, 1923

My dear Mr. Case:

This will acknowledge receipt of your letter of May 25 in re the report of the Open Market Investment Committee for the Federal Reserve System.

You are advised that the report has been presented to and considered by the Board. The Board notes with some surprise that in the resolution of May 23, 1923, the committee limits the sale of government security holdings of the various Federal Reserve banks to \$50,000,000, which is pro-rates among them. The limitation of the sale of these securities to the above amount is not in accordance with the policy of the Board. The Board sees no reason why there should be any limitation.

Your attention is being directed to the Board's determination that these government securities should be disposed of as rapidly as possible until all are out of the banks. At the earliest opportunity it is desired that you bring this to the attention of the Open Market Investment Committee and the various banks in order that this policy of the Board may be carried out in its entirety.

You will also advise promptly of the sales of the government holdings of the various banks and to what extent each of the banks contributed. It appears to the Board that the time is propitious for the disposition of all these securities, and the Board trusts that you will immediately take action to dispose of the governments, having due regard, of course, to market conditions.

Kindly let the Board be advised at your earliest convenience.

Very truly yours,

(Signed) D. R. Crissinger,

Governor.

J. H. Case, Esq.,
Deputy Governor,
Federal Reserve Bank,
New York, N. Y.

[See ans 6/11/23
See ans 6/1/23]

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