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AND FISCAL AGENT

ADDRESS REPLY TO  
X-795 FEDERAL RESERVE BOARD

DIVISION OF REPORTS AND STATISTICS  
MJ-AAM

March 12, 1918

Dear Sir:

Some of the Federal Reserve banks in reporting to the Board purchases of Liberty bonds and U. S. certificates of indebtedness under so-called repurchase agreements (the selling bank obligating itself to repurchase these securities within 15 days) have been classing such transactions as 15-day advances upon members' collateral notes, instead of purchases of Government securities.

In order to insure uniform treatment of such transactions by all the banks it is requested that the purchase of such bonds or certificates be reported to the Board on Schedules of Investments Purchased, Form S-2, and that these investments be carried on Form 34 under the following, or similar heading: "U. S. Bonds, repurchase agreement", "U. S. Certificates of Indebtedness, repurchase agreement", and that in the Friday night telegrams to the Board the bonds so held be designated by code word "BUCK" and certificates of indebtedness so held by code word "BOON".

It is also requested that commercial paper of the several maturities when taken by the Federal Reserve banks under an agreement with the rediscounting bank that the paper will be taken up within 15 days, shall be reported on Schedules B.D. 4 and that the words "Repurchase agreement" follow the name of the rediscounting member bank. This will insure their proper classification by our Statistical Division. At present it is difficult in some cases to determine whether the transactions represent member banks' collateral notes or paper discounted under a repurchase agreement.

Very truly yours,

Assistant Secretary.

Mr.  
Federal Reserve Agent,