

FEDERAL RESERVE BOARD

WASHINGTON

X-3317

February 2, 1922.

SUBJECT: Temporary Advances to Dealers Against Victory Notes.

Dear Sir:

You are requested to advise your Executive Committee that until further notice the Federal Reserve Board will not object to any arrangements which your Bank may desire to make for temporary advances to dealers against Victory Notes on the same basis as advances have heretofore been made against Treasury Notes and Certificates. Victory Notes are now so near their maturity that they may be treated as short-time obligations. Your Bank cannot, of course, make loans direct to dealers on the security of Victory Notes, but under its open market powers may purchase them or carry them for dealers under agreements by them to repurchase at stated times.

Very truly yours,

G o v e r n o r .

CHAIRMEN ALL F. R. BANKS.