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FEDERAL RESERVE BOARD

WASHINGTON

X-3365

March 22, 1922.

SUBJECT: Purchase and Sale of Government Securities by Federal Reserve Banks Outside of their own Districts.

Dear Sir:

Paragraph (b) of Section 14 of the Federal Reserve Act, which authorizes Federal Reserve Banks to buy and sell bonds and notes of the United States, etc., provides that such purchases and sales are "to be made in accordance with rules and regulations prescribed by the Federal Reserve Board".

By virtue of the authority vested in it and in accordance with a request received from the Treasury Department, which is desirous that all transactions in Government securities be made through the Federal Reserve Banks, the Board has ruled that whenever any Federal Reserve Bank desires to buy or sell bonds, notes, or certificates of the United States, or any other Government securities, outside of its own district, it shall transmit its order for the purchase or sale of such securities to the Federal Reserve Bank of the district in which such purchase or sale is to be effected.

Very truly yours,

G o v e r n o r .

GOVERNORS AND AGENTS ALL F. R. BANKS