

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDJuly 12, 1924.
X-4111

SUBJECT: Code words for use between the Federal Reserve Bank of New York and other Federal Reserve Banks in connection with certain telegraphic transactions in U. S. Government Securities.

Dear Sir:

In order to reduce the phraseology in telegrams between Federal Reserve Banks in connection with certain transactions in U. S. Government Securities for account of the Treasury and the Open Market Investment Committee of the Federal Reserve System, it has been suggested that additional code words be supplied from the Federal Reserve Telegraphic Code.

The Board has approved this suggestion, and effective July 21st, the following code words will be used between the Federal Reserve Bank of New York and other Federal Reserve Banks, covering the transactions referred to:

"MIXEDLY" Treasury has authorized under date of (date) the purchase of (amount and issue) Government securities at not exceeding (price) for account of (account) which will have precedence over all orders for this issue placed through Committee except outstanding Treasury orders. Please wire condition market in your district for this issue or issues advising amount and price of any offerings made.

"MIXING" Reference exchange of wires regarding Treasury's authorization to purchase Governments you are authorized to purchase (amount and issue) Government securities at (price) wiring details to Under Secretary of the Treasury and to us on day purchase is made. Charge General Account Treasurer United States, cancel securities and forward to Washington on date of settlement in usual manner.

"MIXTURE" Reference exchange of wires regarding Treasury's authorization to purchase Governments for (account) you are authorized to purchase (amount and issue) Government securities at (price)

advising us as purchases are made. Hold securities in safe-keeping uncanceled subject to order of Secretary of Treasury for this account and charge New York bank with detailed wire advice.

"MIZZEN" Reference exchange of wires regarding Treasury's authorization to purchase Governments for (account) you are authorized to purchase (amount and issue) Government securities at (price) advising us as purchases are made. Hold securities uncanceled in safe-keeping subject to the order of Secretary of Treasury for this account and charge Treasurer's account in usual manner.

"MIZZENMAST" United States Treasury order (account) dated (date) has been completed. Please consider all authorizations thereunder cancelled and confirm by wire total amount purchased by you.

"MIZZLING" The new ratio of apportioning Government securities and bills purchased by the System based on the estimated deficiency of earnings for the year as revised on the last day of the previous month gives your bank ____% ratio subject to further revision monthly as changes occur in earning assets. Earnings and transactions will be apportioned this month on the new ratio. As purchases Governments since first of month aggregating \$_____ have been temporarily distributed on previous ____% ratio an adjustment of \$_____ Treasury notes and \$_____ certificates is necessary. Entries covering adjustment of Government securities will be given under separate wire while bankers acceptances will be adjusted through your participation in future purchases.

"MOANED" Referring action Committee at meeting May 29, 1924, authorizing temporary sales Government securities from Special Account to neutralize abnormal money conditions during quarterly tax periods under suitable plan for repurchase for Special Account, in handling these transactions the same procedure as outlined our wire June 14, 1924, will be followed. We therefore credit you today \$_____ your participation in \$_____ Government securities sold under repurchase agreement from Special Investment Account to member banks today.

"MOANFUL" Referring temporary sales to member banks under repurchase agreement of Government securities held in System Account, have repurchased \$_____ for system today. We charge you \$_____ your participation. Please credit us.

"MOANFULLY" Referring temporary sales to member banks under repurchase agreement of Government securities held in System Account of which \$_____ have been repurchased for System Account thus completing transaction, we credit you today \$_____ your share net earnings representing accrued earnings less cost at rate of ____% per annum during the time securities were held by member banks.

"MOANING" Have arranged with Treasury for subscription by reserve banks to new issue to replace maturing issues held in Special Investment Account. Will you therefore place subscription for \$_____ representing your proportion of new securities, advising Treasury that payment will be made by \$_____ maturing certificates and \$_____ maturing notes. Please wire us amount of your allotment on this exchange subscription, also serial numbers to be used by New York bank in forwarding to Washington maturing Governments held in Special

Account. Upon advice from Washington of allotment please request them to instruct us to make allotment delivery new issue through C P D for your account which securities are to be held in Special Account. Please charge Treasurer direct and credit New York for maturing par amounts and credit Treasurer and charge New York for new issue..

The code words indicated should be inserted in the Federal Reserve Telegraphic Code at the end of page 153, following the code word "MIXABLE".

Very truly yours,

J. C. Noell,
Assistant Secretary.

TO GOVERNORS OF ALL F. R. BANKS.