

TO: Chairman Landis

FROM: Paul P. Gourrich, Director, Research Division.

DATE: April 21, 1936

RE: Treasury reports on international security transactions

We have just received from the Treasury, copies of the reports on security transactions (a) executed in the United States for account of foreigners, (b) executed abroad for American account, and (c) executed for foreign arbitrage accounts which have been submitted weekly since about two years by brokerage houses, investment bankers and commercial banks to the Federal Reserve Bank of their district, where they are totalled and transmitted to the Division of Research and Statistics of the Treasury. We have received copies of the weekly reports covering the entire United States for the weeks from August 28, 1935 to March 18, 1936 and, in addition, copies of the aggregate reports from brokers and banks in the New York Federal Reserve District for the weeks from December 5, 1935 to April 8, 1936. We will continue to receive both reports regularly hereafter. The report summarizing individual reports from banks and brokers in the New York Federal Reserve District is compiled in the Treasury at the end of each week covering the figures for the week ending Wednesday. The figures are, therefore, only 3 to 10 days late when compiled in the Treasury and should be available to us one to two days later. The report covering the entire United States is compiled only one to two weeks after that for the New York Federal Reserve District, chiefly on account of delay in receiving reports from the Pacific Coast. The reports from the New York Federal Reserve District, however, cover such a large percentage of all transactions that they are perfectly sufficient for our purposes.

It is evident from the contents of the reports which may be visualized from the attached photostatic copies of the blank forms that the Secretary of the Treasury is furnished with all of the data he appears to desire. The only shortcoming of the reports might be that even the transactions reported from New York are 3 to 10 days old when tabulated in the Treasury. There might, therefore, be some point in supplementing these very detailed and comprehensive reports of the Treasury with brief reports to be submitted daily by about one dozen of the leading New York houses which handle the great majority of international security transactions. These firms should report only the total approximate dollar value of American securities bought and sold during the day for foreign account, or even if this presents serious difficulties, only the number

of shares bought and sold. The data could reach Washington early the next morning and the summary figures could be available before noon. If still higher speed of transmission is regarded as necessary, the data might be given to our New York office shortly after the market closes, aggregated there, and teletyped to Washington late in the afternoon.

A report analyzing the figures contained in the reports received from the Treasury is in preparation. I shall be in New York from tomorrow until the end of the week and could, therefore, do some preparatory work if you think that the matter is urgent enough.

Attach.