

**FEDERAL RESERVE BANK OF CHICAGO**  
DISTRICT No. 7

Chicago, February 10th, 1915.

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:

Communications received from time to time, indicate that in the minds of the officers of some member banks, the procedure observed in the matter of rediscounting with the Federal Reserve Bank is attended with undue formality.

Bearing on this subject in a general way, you are respectfully requested to carefully peruse the contents of Circulars Nos. 3 and 4, Series of 1915, with the accompanying regulations, recently issued from Washington. These are intended to supersede Circular No. 13, dated November 10th, 1914. It will be observed therefrom that paper eligible for rediscount is now more clearly defined. Moreover, that the method of certifying eligibility has been modified and simplified.

Our current rates for rediscounting are as follows:-

Paper maturing within 60 days - - - - -	4%
Paper maturing within 90 days - - - - -	4½%
Paper maturing within 6 months, given for agricultural or live-stock purposes - - -	5%

As indicated in former bulletins, this bank is receiving and accepting for rediscount paper given for agricultural, live-stock, commercial and industrial purposes, the only classes not eligible, being those, the proceeds of which have gone into fixed investments, such as lands, buildings, etc., and paper which is given for carrying investments of a speculative character.

All applications for the rediscounting privilege are promptly acted upon, usually the day of receipt. The only formality attending is that the applying bank execute a form application and furnish information with respect to the paper offered, sufficient to permit of intelligent consideration.

Incidentally, we beg to state that the directors and the officers of this institution are doing their best to secure the ends for which it was organized under the law. And we should not feel our duties wisely performed, did we not eliminate superfluous formalities. To assist us in this purpose, kindly give us your ideas at any time.

Very respectfully,

JAMES B. McDOUGAL

Governor.