



FEDERAL RESERVE BANK
OF DALLAS

Circular No. 2
Series of 1921

January 13th, 1921.

TELEGRAPHIC ADVICE OF OFFERINGS ACCEPTED

TO THE MEMBER BANK ADDRESSED:

With the volume of rediscounts that are handled by this bank, where mails are delayed, it is at times impossible to get all offerings before our Executive Committee on day of receipt. Where this cannot be done, offerings are handled, as far as possible, in the order in which they are received. Subsequently, when they have been approved and are credited, discount is calculated from day of receipt and member banks' reserve balances improved for the time intervening so that they may not suffer by the delay.

In order that banks may be informed as soon as possible of the fate of their offerings, and as an additional service, it has been decided that, effective at once, telegraphic advice will be sent them, at this bank's expense, of the approximate face amount of accepted notes placed to their credit. Discount will be calculated and debited on the next business day and the customary detailed advices of discount will be forwarded by our Loan Department. The telegrams referred to will not show the exact amount credited in dollars and cents, but, instead, will give the amount as nearly as possible in even hundreds, and the mail advices will show the exact figures.

As a matter of privacy, and in order to expedite the forwarding of these telegrams, a set of code words has been devised which are intended to cover the phrases most frequently used in telegrams from this bank in connection with offerings. No provision has been made for amounts, which will be wired open. The word "Fedco" will be used as an introduction to all messages wired under his cipher indicating that the code referred to is being used.

It is believed that this service will be of benefit to our member banks, as mail advices are often delayed. **THE SUGGESTION IS, THEREFORE, MADE THAT THIS CODE BE CAREFULLY PRESERVED** for use in translating messages from this bank relative to paper submitted for rediscount.

It is further suggested that no member bank charge the account of the Federal Reserve Bank on its books with the amount of any offering forwarded for consideration until these wire advices have been received, and preferably not until final detailed advices have been received by mail. The reserve balance of a member bank consists only of its collected balance on the books of the Federal Reserve Bank, and the showing of its own records cannot be considered as indicating the true status of its reserve account with any reasonable degree of safety.

Envelopes containing **rediscount** offerings should be marked conspicuously "FOR ATTENTION CREDIT DEPARTMENT", and in this manner they will be delivered direct to proper department. If member banks will bear this in mind it will often result in a considerable saving of time. Member banks' collateral notes, (Bills Payable), should be addressed to the Loan & Discount Department.

Yours very truly,


Governor.

ABASH Your rediscount offering of (Date)
 ABDUCE Has been approved in full
 ABEAM Has been approved in part
 ABED We are today crediting your account \$.....
 ABIDE Notes accepted and today placed to your credit, aggregate, approximately, \$.....
 ABORT Notes rejected and returned, accompanied by letter giving reasons for non-acceptance, aggregate, approximately, \$.....
 ABRADE Balance of offering has been returned, with letter giving reasons for non-acceptance.
 ABRIDGE Notes aggregating, approximately, \$..... have been approved by our Executive Committee, but are being held for further advice from you as to necessity for rediscounting.
 ABROACH Your bills payable secured by eligible paper
 ABRUPT Your bills payable secured by U. S. Government obligations
 ABSCESS You have apparently failed to provide for your bills payable maturing (Date) for \$..... Please advise by wire at once.
 ABCIND You have apparently failed to provide for your rediscounts maturing (Date) aggregating, approximately, \$..... Please advise by wire at once.
 ABSONANT You hold our trust receipts for (Certificates) (Bonds) offered as collateral to your note for \$..... It will be necessary to return to us before note can be credited.
 ABSTERGE Your note for \$..... received today is unsigned. Please forward new note.
 ACADEMY Your note received today is made payable (Date or number of days). Maturity limited by law to fifteen days. Wire authority to change date to (Date or number of days).
 ACARUS Body and figures of your note dated..... do not agree. Wire authority to change amount to \$.....
 ACCEDE Bonds offered as collateral to your note in registered form. Resolution of your board of directors and power of attorney naming an officer of this bank as agent to execute assignment will be required before note can be credited. We are forwarding necessary blanks by this mail.
 ACCOST Note sent to cover your obligation for \$.....incorrectly dated. Wire authority to change date to (.....) to correspond with maturity of old note.
 ACE Wire authority to reduce your bills payable to \$..... in order to agree with available collateral held.
 ACID We have made transfers requested by you, charging your account to cover.
 CABAS Application form accompanying not signed, therefore, certificate excess liability required of member State banks under Section Nine Federal Reserve Act not afforded. Upon receipt of telegram from you over authorized signature giving substance of certificate incorporated in heading of our application form, offering will be considered. (This applies to State Bank members only).

(Suggested reply to above)

"We hereby certify that none of borrowers whose notes submitted our offering (date) are liable to this bank in excess of 10 per cent our capital and surplus and that no one will be permitted to become liable in excess that limit while their obligations are under discount with Federal Reserve Bank.

First State Bank, Blank, Texas,
 John Doe, Cashier."

