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(Enclosure?)

FEDERAL RESERVE BANK
OF NEW YORK

NEW YORK, June 13, 1917.

SPECIAL DISCOUNT RATES

TO THE CASHIER,

SIR:

Referring to our circular No. 64 of May 22, 1917, a separate form of application has been designed for use in applying for rediscount at the special rate of $3\frac{1}{2}\%$ established for paper secured by obligations of the United States Government. Six forms of such application are enclosed herewith and additional copies will be supplied on request. These forms may also be used in making application for direct loans secured by United States bonds or certificates of indebtedness, as well as for rediscounts requested for the benefit of other institutions, which may include other member banks and, beginning June 15, 1917, and until further notice nonmember banks, i. e. State banks, trust companies and savings banks.

The paper offered for rediscount must in all cases bear the indorsement of the member bank and have a maturity at time of discount of not more than ninety days, and be secured by Liberty Loan bonds of the United States or interim receipts therefor or United States certificates of indebtedness.

That there may be no unnecessary delay in passing upon applications for rediscounts or advances, member banks that have not already filed resolutions authorizing borrowing and re-discounting are requested to file the same at once. Proper forms of resolution in duplicate are enclosed herewith. One copy duly executed should be returned to this bank.

ONE DAY ADVANCES

For the purpose of minimizing or preventing any undue strain upon the resources of the member banks caused by the large transfers of funds incidental to the Government financing which is now in progress, the Federal Reserve Bank of New York has also established special re-discount rates for periods of one day, to be fixed by the officers of the bank from time to time, at not less than 2% nor more than 4%, for advances made to member banks in connection with transactions involving the fiscal operations of the Government. Such advances will be made for one day only, upon the promissory notes of member banks secured by eligible paper or United States

Government obligations.

The rates of discount of this bank, effective from this date until further notice, are, therefore, as follows:

- For notes, drafts and bills of exchange, including promissory notes secured by eligible paper or bonds, notes or certificates of indebtedness of the United States, having a maturity at time of discount of not more than 15 days.....3%
- For notes, drafts and bills of exchange, having a maturity at time of discount of more than 15 days and not more than 90 days.....4%
- For agricultural paper having a maturity at time of discount of more than 90 days and not more than six months.....5%

SPECIAL RATES

- For notes, drafts and bills of exchange issued or drawn for the purpose of buying or carrying bonds, notes or certificates of indebtedness of the United States, and secured thereby, having a maturity at time of discount of not more than 90 days.....3½%
- For trade acceptances having a maturity at time of discount of not more than 90 days.....3½%
- For one day promissory notes of member banks required in connection with transactions involving the fiscal operations of the Government, secured by eligible paper or bonds, notes or certificates of indebtedness of the United States.....2% to 4%

Respectfully,

BENJ. STRONG,

Governor.

