

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 6063]  
November 19, 1967]

DISCOUNT RATES

*To All Member Banks, and Others Concerned,  
in the Second Federal Reserve District:*

With the approval of the Board of Governors of the Federal Reserve System, the directors of this Bank today increased the Bank's discount rate from 4 to 4½ per cent, effective Monday, November 20, 1967.

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System:

In the light of the action of the British Government to change the parity of the pound, the Federal Reserve System announced today that it had taken actions to assure the continued orderly functioning of U. S. financial markets and to maintain the availability of reserves to the banking system on terms and conditions that will foster sustainable economic growth at home and a sound international position for the dollar.

The Board of Governors unanimously approved actions by the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco, increasing the discount rates at those Banks to 4½ per cent, from 4 per cent, effective Monday, November 20, 1967. In addition, the Board affirmed that borrowing by member banks for purposes of making adjustments to market pressures is an appropriate use of the discount mechanism.

At the same time, the Federal Reserve Board expressed its confidence in the basic economic and financial strength of the United States and pledged to do its full share in maintaining the soundness of the dollar, both domestically and internationally.

Enclosed is a copy of this Bank's Operating Circular No. 13, regarding discount rates. Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,  
*President.*

FEDERAL RESERVE BANK  
OF NEW YORK

[ Operating Circular No. 13 ]  
[ Revised November 20, 1967 ]

DISCOUNT RATES

*To All Member Banks, and Others Concerned,  
in the Second Federal Reserve District:*

1. This Bank has established the following new rates, effective November 20, 1967:

A rate of 4½ per cent per annum on advances to, and discounts for, member banks under sections 13 and 13a of the Federal Reserve Act.

A rate of 5 per cent per annum on advances to member banks under section 10(b) of the Federal Reserve Act.

A rate of 6 per cent per annum on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 of the Federal Reserve Act.

Shown below is the schedule of rates now in effect at this Bank on advances and discounts made under the Federal Reserve Act.

2. This circular supersedes our Operating Circular No. 13, Revised April 7, 1967.

ALFRED HAYES,  
*President.*

Rate Schedule, Effective November 20, 1967

	<i>Per Cent Per Annum</i>
<i>Advances to and discounts for member banks:</i>	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act .....	4½
(b) Advances under section 10(b) of the Federal Reserve Act	5
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act secured by direct obligations of the United States .....	6