

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 7140]  
May 10, 1973]

DISCOUNT RATES

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

The directors of this Bank, with the approval of the Board of Governors of the Federal Reserve System, have increased the Bank's discount rate to 6 percent from  $5\frac{3}{4}$  percent, effective Friday, May 11.

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

The Board of Governors of the Federal Reserve System today approved actions by the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas and San Francisco increasing the discount rates of those Banks from  $5\frac{3}{4}$  percent to 6 percent, effective Friday, May 11.

The action was in recognition of increases that have already taken place in other short-term interest rates and is intended to bring the discount rate into better alignment with short-term rates generally.

The discount rate is the rate charged member banks for borrowings from their district Federal Reserve Banks.

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 May 11, 1973

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 May 11, 1973:

A rate of 6 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 6½ per cent per annum on advances to member banks under section 10(b) of the Federal Reserve Act.

A rate of 8 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 May 4, 1973.

ALFRED HAYES,  
President.

Rate Schedule, Effective May 11, 1973

	<i>Per Cent Per Annum</i>
<b>Advances to and discounts for member banks:</b>	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act .....	6
(b) Advances under section 10(b) of the Federal Reserve Act	6½
<b>Advances to individuals, partnerships, and corporations other than member banks:</b>	
Advances under last paragraph of section 13 of the Federal Reserve Act .....	8