

**FEDERAL RESERVE BANK
OF NEW YORK**

Circular No. 7519
December 6, 1974

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 reduced the Bank's discount rate to 7 3/4 percent from 8 percent, effective Monday, December 9, 1974.

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 New York and Philadelphia reducing the discount rate of those banks from 8 percent to 7 3/4 percent, effective Monday, December 9.

The action was taken in view of the recent slackening in the demand for credit and in recognition of the lower level of market interest rates that has developed since last summer.

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

The new rate schedule for this Bank, effective December 9, 1974, is as follows:

	<i>Percent 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, and under section 10(b) of the Act if secured by mortgages on one-family to four-family residences	7 3/4
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule	8 1/4
(c) Advances for prolonged periods and in significant amounts under section 10(b) of the Federal Reserve Act	9 1/2
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act	10

A copy of this Bank's Operating Circular No. 13, regarding discount rates, will be sent to you on December 9.

ALFRED HAYES,
President.