FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. **8606**
July 20, 1979]

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 10 percent from 9 ½ percent, effective today, July 20, 1979.

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

> The Federal Reserve Board today announced an increase in the discount rate from 9 ½ percent to 10 percent, effective immediately. Action was taken as a further step to strengthen the dollar on the foreign exchange markets, and in view of the recent rapid rate of expansion in the monetary aggregates, and to bring the discount rate into alignment with short-term interest rates generally.
>
> In making the change, the Board acted on requests from the directors of all 12 Federal Reserve Banks. The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks.

Enclosed is a copy of this Bank's Operating Circular No. 13, regarding discount rates.

PAUL A. VOLCKER,
President.

FEDERAL RESERVE BANK OF NEW YORK

[**Operating Circular No. 13** Revised July 20, 1979]

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 July 20, 1979:

A rate of 10 percent per annum on advances to, and discounts for, member banks under sections 13 and 13a of the Federal Reserve Act, and on advances under section 10(b) of the Act if secured by mortgage loans on one-family to four-family residences.

A rate of 10½ percent per annum on advances to member banks under section 10(b) of the Federal Reserve Act, except as otherwise indicated herein.

A rate of 11 percent per annum on advances to member banks for prolonged periods and in significant amounts under section 10(b) of the Federal Reserve Act, except advances secured by mortgage loans on one-family to four-family residences.

A rate of 13 percent 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 on the reverse side 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 November 1, 1978.

PAUL A. VOLCKER,
President.

[Enc. Cir. No. 8606]

(OVER)

Rate Schedule, Effective July 20, 1979

	Percent Per Annum
Advances to and discounts for member banks:	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act, and advances under section 10(b) of the Act if secured by mortgage loans on one-family to four-family residences	10
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule	10½
(c) Advances for prolonged periods and in significant amounts under section 10(b) of the Federal Reserve Act, except advances secured by mortgage loans on one-family to four-family residences	11
Advances to individuals, partnerships, and corporations other than member banks:	
Advances under last paragraph of section 13 of the Federal Reserve Act	13