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NOTICE FOR THE PRESS.

June 24, 1915.

The Federal Reserve Board today announced a new departure with regard to discount rates, approving a rate of 3% for loans of 10 days maturity at the Federal Reserve Banks of New York, Philadelphia, San Francisco and St. Louis.

The matter of establishing such a rate has been before the Board for some time past, and has received very careful investigation. It was discussed at the recent Conference of Governors in Chicago, and the general idea of such a rate was approved. In the opinion of the Board the introduction of the plan just at the beginning of the crop-moving season may result in extending material assistance to banks which desire special accommodation for very short periods. The short term rate is believed likely to be an effective substitute for call loans based on collateral, and is in line with the policy of the Board heretofore established of progressively decreasing the rate of discount as the maturity of the paper presented is shortened, and as its liquidity correspondingly increases. The new plan will, it is thought be particularly useful to banks that are members of the Clearing System and desire from time to time to obtain short term accommodation for the maintenance of their balances with the reserve banks.