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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

February 14, 1917.

Dear Sir:

A Committee of the Federal Reserve Board has recently been engaged in reviewing the discount rates now in effect at Federal reserve banks, and finds that there is a considerable lack of uniformity among them, while in some cases the policy followed by one bank is slightly opposed to that of others. A summary of the situation shows that there are in effect at the present time thirteen different discount rates, as follows:

1. Collateral notes, 1 to 15 days,
2. Paper maturing within ten days,
3. " " " 15 days,
4. " " between 11 and 30 days,
5. " " " 16 " 30 "
6. " " " 31 " 60 "
7. " " " 61 " 90 "
8. Agricultural paper within 90 days,
9. Trade acceptances between 1 and 30 days,
10. " " " 31 " 60 "
11. " " " 61 " 90 "
12. Commodity paper within 90 days,
13. Bankers' acceptances.

The Committee has recommended that an attempt be made to simplify these rates by suggesting to the various banks the adoption in lieu thereof of the following seven standard quotations.

1. Paper maturing within 15 days,
(including collateral notes),
2. Paper maturing from 16 to 30 days,
3. " " " 31 to 90 days,
4. Trade acceptances 30 to 90 days,
5. Commodity paper within 30 to 90 days,
6. Agricultural paper 90 to 180 days,
7. Bankers' acceptances 30 to 90 days.

Will you give this matter your careful consideration and report as soon as possible your views with respect to this proposal?

Very truly yours,

Governor.