

PRESS STATEMENT.

Member banks of the Federal reserve system have received from the Federal reserve banks of their districts, copy for a series of advertisements intended to run through the year. Included among this series is one which sets forth the facilities of the Federal reserve system, for enabling the farmer to carry his crop until a fair price can be realized for it.

When Governor Harding, of the Federal Reserve Board, was asked about this advertising to-day, he said:

"The advertising matter was not prepared by the Board, but was drafted and sent out from the several Federal reserve banks, to their member banks, for the use of the latter should these banks care to place advertisements in local newspapers as a matter of business policy. As the advertising is intended to meet the needs of banks throughout the country, 'copy' for all parts of the country is included, and 'copy' suitable for different seasons of the year is likewise included. It is necessarily left to the judgment of the member banks whether and when to use the various advertisements. The Board, as is well known, has authorized a so-called 'commodity rate' designed to assist farmers in borrowing money upon their crops during the past two years. There has been no change in this policy, although the rate is higher now than at the beginning; as a matter of fact, very little in the way of rediscounts based upon this rate has been asked for. The Federal reserve banks, as is well known, do not deal directly with the individual, but with the member banks, and the judgment of the latter necessarily governs the conditions under which funds are advanced. The Federal Reserve Act is clear and positive in its attitude adverse to speculation and the Board has consistently adhered to this point of view in its policy and regulations.

"The effort to make capital out of the proposed advertising is not warranted by any of the facts in the case, as the advertisements referred to are not intended for use under unsuitable conditions any more than are the rates of discount established by the Board."

April 24, 1917.