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AND FISCAL AGENT

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

Dear Sir:

This letter is being sent to a limited number of bank officers.

In order to ascertain the present position of the trade acceptance as an element in the commercial paper of the country, the Federal Reserve Board would consider it a favor if you would reply briefly to the following questions, answers to which are desired for its information:

- (1) How many and what proportion of your jobbing and manufacturing customers are now requesting those to whom they sell goods to sign trade acceptances?
- (2) How many of those included under (1) are also giving trade acceptances to those of whom they buy?
- (3) How many or what proportion of those included under (1) and (2) are in the habit of discounting trade acceptances with you?
- (4) What rates, if any, were in effect by your bank on July 2, 1917, for the discount of trade acceptances?
- (5) Is your rate for such trade acceptances lower than the rate you would charge in discounting the direct note of the concern offering you such acceptances? If so, how much lower?
- (6) Would you grant a greater aggregate line of accommodation to the concern offering you trade acceptances than you would to the same concern on its own direct obligation accompanied by a satisfactory statement of condition? If so, how much larger (in percentages)?
- (7) What can be done by the Board or by others to encourage the use of the trade acceptance?

Enclosed is a copy of the Board's Regulations for 1917 on page 6 of which will be found the definition now in force with regard to trade acceptances.

Very truly yours,

Secretary.