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Questionnaire re Bankers' Acceptances, Etc.,

(1) Is the establishment of dollar exchange in world markets an essential benefit to American commerce and the American people?

State reasons - pro or con.

(2) Is an open discount market essential to the establishment of dollar exchange in world markets?

State reasons - pro or con.

(3) Is a liberal open market policy by Federal Reserve Banks essential to the development of an open discount market in America?

State reasons - pro or con.

(4) Does bankers acceptance credit, as permitted under the Federal Reserve Act, sufficiently provide for establishment of dollar exchange in world markets? If not, in what way and to what extent are the provisions of the Act deficient?

(5) Does bankers acceptance credit, as permitted under the Federal Reserve Act, tend to inflation of:

(a) Credit ?
(b) Bank loans in United States.?

Please state argument.

(6) Is the use of bankers acceptance dollar credit a benefit to American import and export trade, either or both?

In what ways is it beneficial?

(7) Is the use of bankers acceptance credit beneficial in domestic trade?

(a) In domestic transportation?
(b) On warehoused staples?

(8) Are American bankers acceptance credits, as permitted under the Federal Reserve Act, ordinarily self-liquidating within the periods for which bills are drawn thereunder?

Does this vary as to classes of credits?

As to import transactions?

Export transactions?

Domestic transportation transactions?

Warehoused staples secured credits?

(9) In your opinion does correct banking practice require continuing security during the life of the credit for bankers acceptance credits granted against warehoused staples?

(10) Is the use of bankers acceptance credit abused and if so in what ways and to what extent?

(11) If abuses exist, how may they best be corrected?

(12) Is an open discount market for bankers dollar acceptances essential to the maintenance or further development of American foreign trade?

If so, why?

Is it essential or desirable as the medium for realization on bills drawn in domestic transactions?

If so, why?

(13) Is an open discount market an essential of the American system of banking?

If so, why?

(13a) What is the relation of an open discount market to the international flow of credit?

(14) Is the bankers acceptance better adapted to negotiation in open market or to private discount at the drawer's or borrower's bank?

Please state argument.

(15) Should the acceptor discount or buy his own acceptance from the drawer or other holder in due course?

If so, under what circumstances and why?

(16) If an acceptor acquires his own acceptance before maturity, should he resell it or consider it retired?

(17) Should banks indorse bills:

(a) Sold from their own portfolio?
(b) Received for discount and credit of correspondent?

Please state argument.

(18) Should banks indorse merely for profit?

(19) Should acceptors exchange accommodation indorsements or their own acceptances for purpose of effecting rediscount or better terms of rediscount?

(20) Should there be any limits on indorsements in the cases suggested in questions 17, 18 and 19? If so, what limits?

(21) Should there be a difference in the case of bills that when bought have already a bank's or a banker's indorsement.

(22) Will the open market effectively limit the liabilities of acceptors and indorsers on paper offered in the open market?

(23) What should be the policy of Federal Reserve Banks in open market purchases of bankers acceptances?

(24) Should Federal Reserve Banks consider indorsement of a member bank on bills bought as rediscounts for the member bank?

(a) If bought in open market?
(b) If bought from the member bank?

(25) If considered as rediscounts, would member banks purchase bankers acceptances for investment and rediscount them on occasion at Federal Reserve Banks?

If not, why not?

(26) Why do banks buy bankers acceptances in the open market?

(27) Should Federal Reserve Banks ever buy unindorsed bills?

(28) Should they ever buy from, or discount for, an acceptor, his own acceptance?

(a) Without other indorsement?
(b) With other indorsement?

Please state argument.

(29) Should they buy long maturities, short maturities, or both?

(30) Should they ever, merely as a matter of policy, decline to buy prime indorsed bills at some rate?

(31) What would be the effect in the open market if, as a matter of policy, Federal Reserve Banks did discontinue open market purchases?

(32) What difference, if any, should Federal Reserve Banks maintain between rediscount rates and purchase rates on prime bankers acceptances?

(33) Are different rediscount rates (as distinguished from purchase rates) desirable for bankers acceptances and promissory notes?

If so, what is the proper basis for difference?

(34) How, and to what extent, are the policies and practices of the Federal Reserve Banks felt as an influence in the open market?

(a) On general conditions?
(b) As towards specific paper or classes of paper?

(35) Are they uniform at all Federal Reserve Banks? and if not, should they be?

(36) Has the open market developed in breadth and stability?

If so, to what comparative extent?

Please discuss fully.

(37) What are the principal causes for the slow development of an acceptance market?

(38) What, if anything, further is needed for its development?

(a) To what extent do acceptances facilitate the flow of credit between different sections of the U.S.?

(b) If the Federal Reserve Banks adopted a narrower or more restricted policy toward open market purchases of bankers' acceptances than at present, would this have a tendency to impede the flow of funds when needed from creditor to debtor sections?

(39) Should an export or import bill bear specific details of the transaction upon its face?

(a) The desirability
(b) The probability.