

EX OFFICIO MEMBERS

DAVID F. HOUSTON
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

W. P. G. HARDING, GOVERNOR
ALBERT STRAUSS, VICE GOVERNOR
ADOLPH C. MILLER
CHARLES S. HAMLIN
HENRY A. MOEHLERPAH

W. T. CHAPMAN, SECRETARY
R. G. EMERSON, ASSISTANT SECRETARY
W. M. IMLAY, FISCAL AGENT

June 30, 1920.
St. 1259

SUBJECT: Prepayments for Paper under
Rediscount with another
Federal Reserve Bank.

Dear Sir:

The Board has been experiencing considerable difficulty recently in securing correct figures for use in the compilation of the daily statements of condition of Federal Reserve Banks, and for publication in its weekly press statements, because of a lack of synchronization of entries on the books of the Federal Reserve Banks in cases where paper under rediscount with another Federal Reserve Bank is rebated or otherwise taken up before maturity.

With a view to the elimination of these difficulties and the unnecessary work and confusion incident to reconciling the Banks' figures, may we request that in the future, each Federal Reserve Bank rediscounting paper with another Federal Reserve Bank see to it that advises of all rebates are dispatched so as to reach the discounting Bank in ample time to enable it to make the necessary entries on its books before they are finally closed for the day. It is believed that if the Reserve Banks will exercise due care in this matter, the Board will experience very little, if any, difficulty in obtaining correct figures.

In case, however, telegraphic advice of the rebate of paper is received by a discounting Reserve Bank after its books have

- 2 -

St.1259

been closed for the day it will be necessary for such bank to make proper notation on its books that prepayment for the rebated paper was received as of the previous day and to revise its Form 34 by reducing the amount of discounted paper on hand and by increasing the amount of its deferred debits (uncollected items). The memorandum item "Bills discounted for other Federal Reserve Banks" will likewise have to be reduced by the amount of the paper so rebated.

Changes made as indicated above after the daily "Tend" or Friday night Form 34 telegrams have been filed should be brought to the attention of the Board promptly by supplementary telegram.

Very truly yours,

Assistant Secretary.

(Copy of this letter sent to Chairman of each F. R. Bank)