

FEDERAL RESERVE BOARD
WASHINGTON

December 3, 1920.

X-2078

Subject: Code words to be used in
rediscount transactions.

Dear Sir:

There is submitted herewith a new list of code words and phrases to be used in rediscount transactions between Federal Reserve Banks, superseding the code words suggested in the Board's letters of July 10, 1919, X-1613; July 24, 1919, X-1628; and August 23, 1919, X-1657.

It is requested that the new code words be made effective as of December 15, 1920.

Very truly yours,

Enclosure.

Assistant to Governor.

To Chairmen of all F.R. Banks.

Copy to Governors.

CODE MESSAGES TO BE USED IN REDISCOUNT TRANSACTIONS
BETWEEN FEDERAL RESERVE BANKS.

(a) To be sent by the bank wishing to rediscount to the Board:

CODE WORD:

CENTER Please arrange for this bank to rediscount (date)
(amount-A.B.A. code) (kind of paper--see code
words given below) maturing (11 to 15) days.
Gold Settlement Fund direct transfer in payment.

(b) To be sent by the Board to the rediscounting bank:

TEMPER. . . . Board has requested (Chicago) to rediscount for your
Bank (date) (amount-A.B.A. code) (kind of paper - see
code words given below) maturing (11 to 15) days
rate (7) per cent. Gold Settlement Fund direct transfer
in payment. Please arrange details direct.

TEMPLE Board has requested (Chicago) to rediscount for your
Bank today as of (date) (amount-A.B.A. code) (kind
of paper-see code words given below) maturing (11 to 15)
days, rate (7) per cent. Gold Settlement Fund direct
transfer in payment this morning, with all entries as
of (date). Please arrange details direct.

(c) To be sent by the Board to the discounting bank:

TANNER Board requests your Bank to discount for (Dallas)
(date) (amount-A.B.A. code) (kind of paper-see
code words given below) maturing (11 to 15) days,
rate (7) per cent. Gold Settlement Fund direct
transfer. Please arrange details direct.

TANGENT Board requests your Bank to discount for (Dallas)
today as of (date) (amount-A.B.A. code) (kind of
paper - see code words given below) maturing
(11 to 15) days, rate (7) per cent. Gold Settlement
Fund direct transfer in payment this morning, with
all entries as of (date). Please arrange details
direct.

(d) To be sent by the discounting bank to the rediscounting bank:

HAMMER In accordance with request of the Federal Reserve Board we
shall be pleased to discount for your Bank (date) (amount-
A.B.A. code) (kind of paper-see code words given below)
maturing (11 to 15) days, rate (7) per cent. Please deposit
paper with Federal Reserve Agent of your Bank for account
Federal Reserve Agent of this Bank and have him wire our
Agent acknowledging receipt of bills and collateral. Wire
amount of unearned discount credited, also advise separately
for each kind of paper total amount maturing within fifteen
days, thirty days, sixty days, ninety days and over ninety
days. Also please forward schedules. Gold Settlement Fund
direct transfer will be made in payment.

HAMLETIn accordance with request of the Federal Reserve Board we shall be pleased to discount for your Bank today as of (date) (amount-A.B.A. code) (kind of paper - see code words given below) maturing (11 to 15) days, rate (7) per cent. Please deposit paper with Federal Reserve Agent of your Bank for account Federal Reserve Agent of this Bank and have him wire our Agent acknowledging receipt of bills and collateral. Wire amount of unearned discount credited; also advise separately for each kind of paper total amount maturing within fifteen days, thirty days, sixty days, ninety days, and over ninety days. Also please forward schedules. Gold Settlement Fund direct transfer will be made this morning in payment, with all entries as of (date)

(e) To be sent by the Agent of the rediscounting bank to the Agent of the discounting bank:

PAMPERI have received from the Federal Reserve Bank of (Dallas), properly endorsed by it, (amount-A.B.A. code) (kind of paper-see code words given below) maturing (11 to 15) days, rate (7) per cent and am holding same in trust for you for account of Federal Reserve Bank of (Chicago) which Bank is discounting above paper as of (date). Detail figures and schedules will follow.

(f) To be sent by discounting bank to Board:

HANGERIn accordance with Board's request we will discount for (Dallas) as of (date) (amount-A.B.A. code) (kind of paper-see code words given below) maturing (11 to 15) days, rate (7) per cent. We are arranging details direct with (Dallas). Gold Settlement Fund direct transfer will be made today in payment, with all entries as of (date).

(g) To be sent by rediscounting bank to discounting bank:

REAPERIn accordance with your wire (date) we have delivered to the Federal Reserve Agent of this Bank to be held in trust for the Federal Reserve Agent of your Bank for the account of your Bank (amount-A.B.A. code) (kind of paper-see code words given below) maturing (11 to 15) days. Please make direct transfer of (amount-A.B.A. code) (date) through Gold Settlement Fund in payment. We credit your account in Gold Fund clearing (date) (amount-A.B.A. code) discount at (7) per cent for (10) days on (amount-A.B.A. code) (kind of paper-see code words given below) and (amount-A.B.A. code) discount at (7) per cent for (10) days on (amount-A.B.A. code) (kind of paper-see code words given below); total credit for discount (amount-A.B.A. code). Schedule of bills pledged with our Agent will be mailed (date).

(h) To be sent by rediscounting bank to discounting bank in renewal transactions:

RECASTIn accordance with your wire of (date) we have delivered to the Federal Reserve Agent of this Bank to be held in trust for the Federal Reserve Agent of your Bank for the account of your Bank

(amount-A.B.A. code) (kind of paper-see code words given below) maturing (11 to 15) days. We have received from the Federal Reserve Agent of this Bank paper lodged with him (10) days ago in equivalent amount. We are paying you for today's maturities through the Gold Settlement Fund by direct transfer today and request that you make direct transfer to us of (amount-A.B.A. code) covering new transaction. We credit your account in Gold Fund clearing (date) (amount-A.B.A. code) discount at (7) per cent for (10) days on (amount-A.B.A. code) (kind of paper-see code words given below) and (amount-A.B.A. code) discount at (7) per cent for (10) days on (amount-A.B.A. code) (kind of paper-see code words given below); total credit for discount (amount-A.B.A. code). Schedule of bills pledged with our Agent being mailed.

- (i) To be sent by rediscounting bank to discounting bank in making advance payments:

RESORT We are paying your Bank today by direct transfer through the Gold Settlement Fund on account of proceeds of advance payment for our rediscount with your bank due (date) as follows:

Rate (7) per cent

(<u>Name</u>) or (<u>No</u>)	Amt.	(<u>A.B.A. Code</u>)	Disc.	(<u>amt. A.B.A.code</u>)	Proceeds	(<u>A.B.A.code</u>)
(<u>Name</u>) or (<u>No</u>)	Amt.	(<u>A.B.A. Code</u>)	Disc.	(<u>amt. A.B.A.code</u>)	Proceeds	(<u>A.B.A.code</u>)

- (j) Designations of kinds of paper:

CERTIFICATES member bank promissory notes secured by Treasury certificates of indebtedness.

LIBERTIES member bank promissory notes secured by Liberty bonds.

VICTORIES member bank promissory notes secured by Victory notes.

COMMERCIAL commercial paper secured or unsecured.