

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-6262

March 12, 1929.

SUBJECT: Topic for Governors' Conference.

Dear Sir:

There is enclosed herewith copy of a letter which the Board has today forwarded to Mr. H.F. Strater, Secretary of the Governors' Conference, advising that it would like to have discussed at the conference to be held on April 1-3, 1929, the question of the advisability of establishing a higher rate of discount on member bank collateral notes secured by Government obligations than is maintained for discounting eligible paper.

As the time is limited, advice of the placing of this topic on the program of the conference is being forwarded to you direct, and it would be appreciated by the Board if you would come prepared to present your views.

Very truly yours,

R. A. Young,
Governor.

TO GOVERNORS OF ALL F. R. BANKS.

Enclosure.

COPY

X-6262-a

March 12, 1929.

Dear Mr. Strater:

The Governor of one of the Federal reserve banks has had some correspondence with the Federal Reserve Board as to the desirability of establishing a higher rate of discount on member bank collateral notes secured by Government obligations than is maintained for discounting eligible paper.

If I remember correctly, this question has been discussed by the Governors, at least informally, but the present situation has developed so many unusual angles that some very strong arguments are presented in support of the proposal, in view of which the Board wishes to place the topic on the program for the next Governors' Conference.

Inasmuch as the time is limited, I am today sending a copy of this letter to the Governors of the various Federal reserve banks.

Yours very truly,

(S) R. A. Young,
Governor.

Mr. H. F. Strater, Secretary,
Governors' Conference,
Federal Reserve Bank,
Cleveland, Ohio.