

March 18, 1954

Internal Memorandum

Philadelphia

Interview with Mr. McCreedy and others in regard to the Philadelphia Federal Reserve Bank

Mr. McCreedy is a serious literal man who has been in the Philadelphia Bank since March 1918. He said that the bank showed a steady growth to World War I (this would have been a three year matter). Then time was mostly spent in fiscal agency work for the Treasury. Things leveled off in Philadelphia after the War. The height of discounting came in November 1920 and December 1920. Then bank business went down-hill from 1921 to 1924, then up, then down in 1930, up in 1932, and down in 1933.

The Bank moved to its present building on January 2nd, 1934. The net earnings of the Bank from 1914 to 1915, that is its first year, are recorded as minus \$31,000. The President's annual report to the Board of Directors for 1947 has details on the annual earnings of the Bank every year from 1914 to 1947.

Out of 800 banks in the Philadelphia District (this is the smallest of the Districts) 640 are member banks. As in Boston, the size of these banks is such, that 85% of the commercial bank deposits are in the Federal Reserve System.

The distinguishing feature of this District is the diversity of manufacture which the Bank serves and a corresponding tendency to smooth off demands so that there is not the great rush of demand at one period and slump in demand at another period. There are few special functions for the Philadelphia Bank. It has no commodity credit work. The other special feature of the District is the anthracite mining. The demand for coal is going down and the banks which serve the anthracite area are also shrinking. Strong efforts are being made to get manufacturers in to take the places of the anthracite mining industry. There is at the present time, some decline in manufacturing employment. Department store figures are also down a bit but there is no evidence of any serious depression (compare this with Boston where things are

far better than the general feeling seems to suggest).

In November 1919, Mr. McCreedy (his name is William G.) wrote an article called "A Retrospection" which was published in the Bank's House Organ. The name of this is the Three C Book, Volume I, No. 5, Page 6-7.

Mr. McCreedy said that in 1914 the bank had 31 Officers and employees. In 1915 it had 45 and that by 1918 the staff had mushroomed.

I saw both the Head of files and the Head of the library. Both of these ladies are of considerable age and very close to retirement. The filing system of the Philadelphia Bank sounds rather like that of the Boston Bank. It is theoretically centralized but actually files are kept in various departments.

The library is a good one and has been kind enough to list certain historical books for us which may be of use.

It will be necessary to return to Philadelphia to see both Dr. Karl Bopp and Mr. Alfred Williams who is the President of the Bank. This particular visit was not very well arranged and too much was left to Philadelphia. I should also have seen Mr. James Davis.

Several people are in the Bank who have been there from early days. Mr. J. Frank Rehfuß went in 1917. He is an expert in financial and business conditions and does the monthly business review and annual report. The head of files is Miss Peoples. The head of the library is Miss Hartmann.

The bank began at 408 Chestnut Street in the old Worcester National Bank building. Mr. McCreedy came in as a statistical clerk. He had graduated from college in June and he came in October. Mr. Moore in the Audit department is also an old employee.

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