


Office Correspondence

FEDERAL RESERVE
BOARDDate September 17, 1934To Mr. Eccles

Subject: _____

From Mr. Goldenweiser 

16-852

In regard to your inquiry about the policy of the Federal Reserve banks in lending on United States Government obligations and obligations guaranteed by the Government, the latest information available at the Board indicates that all of the Reserve banks, with the exception of Philadelphia and Cleveland, have a definite policy of lending on Government obligations at par. In Philadelphia and Cleveland, the policy has been to lend at par or market, whichever is lower.

The banks have not adopted any policy in regard to obligations guaranteed by the Government, since the occasion for such loans has not arisen, in view of the very small volume of borrowings in recent years.

There has been no policy of publicity in this matter.