

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 1820]
[February 16, 1938]

**DISCOUNTS, PURCHASES, LOANS AND COMMITMENTS BY FEDERAL RESERVE
BANKS TO PROVIDE WORKING CAPITAL FOR ESTABLISHED
INDUSTRIAL OR COMMERCIAL BUSINESSES.**

*To all Banks, Financing Institutions and others concerned
in the Second Federal Reserve District:*

Under date of July 6, 1934, this bank issued its Circular No. 1397 describing the character of loans which can be made under the terms of Section 13b of the Federal Reserve Act, as amended, and outlining the procedure to be followed in making applications for such loans. Supplementary circulars were issued in January 1935 (No. 1501) and January 1936 (No. 1633), summarizing the operations and experience of this bank in providing working capital for established industrial or commercial businesses.

From the date of the enactment of Section 13b of the Federal Reserve Act, approved June 19, 1934, to and including February 9, 1938, the Federal Reserve Bank of New York has approved 481 advances and commitments aggregating \$34,342,073. Of this number, 145 aggregating \$9,717,304 were withdrawn by the applicants, in many cases because they subsequently succeeded in financing their requirements through the usual credit sources. The actual advances and commitments of this bank have numbered 335 and totalled \$24,523,969. Loans representing approximately 34 percent of this total have been repaid in full, the remaining loans have been substantially reduced, and the balance of such loans and commitments now outstanding is \$9,696,400.

The legal power to make advances and commitments under Section 13b of the Federal Reserve Act is a continuing one, and the Federal Reserve Bank of New York desires to assist business and industry wherever possible, by the exercise of such power. The purpose of this circular is to remind you of the facilities of the Federal Reserve Bank of New York in this field of credit, and to ask for your continued cooperation in bringing these facilities to the attention of those who might be interested. If you know of any established industrial or commercial businesses in this district, which are in need of working capital and which cannot obtain such capital from the usual sources but could, nevertheless, in your opinion, be given financial assistance on a reasonable and sound basis, we shall be glad to discuss with you or with them the possibility of their obtaining accommodation under Section 13b of the Federal Reserve Act.

GEORGE L. HARRISON,
President.