

FOR THE PRESS

IMMEDIATE RELEASE

March 19, 1934.

The President today sent the following letter to Senator Fletcher, Chairman of the Senate Banking and Currency Committee, and to Representative Steagall, Chairman of the House Committee on Banking and Currency:

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"May I suggest to your Committee legislation to create twelve Credit Banks for Industry.

"I have been deeply concerned with the situation in our small industries. In numberless cases their working capital has been lost or seriously depleted. This condition should be remedied.

"We have afforded much aid in the recovery of agriculture, commerce, our larger industries and our financial institutions, and our improved condition nationally furnishes full justification for these efforts. We must continue in behalf of the medium size man in industry and commerce.

"With this purpose in mind I have discussed with the Treasury, the Federal Reserve Board, and the Reconstruction Finance Corporation a comprehensive study of the situation in the smaller industries and the presentation of a plan which would show their condition and furnish relief for it.

"A nationwide survey has been made by them. Information has been obtained from 4958 banks and 1066 Chambers of Commerce covering three points: first, the probable amount of working capital required now by smaller industries; second, the number of employees who would be retained by these industries if working capital is afforded them; and third, the number of new employees that can be taken on by them through such supply of working capital.

"Estimates based on this survey indicate that approximately \$700,000,000 of such working capital is required; that such working capital may continue in employment some 346,000 employees and may furnish new employment to some 378,000 men and women.

"While these estimates in their nature cannot be definite and must be considered as estimates only, they indicate the urgent need of these small industries for working capital.

"The Administration will be glad to furnish you such information and assistance as you may desire in order to set up the machinery to supply this need.

"The details will be presented to you, but I desire to call attention to two prominent features: first, the matter of caring for the small or medium size industrialist; second, the control of the proposed banks by directorates a majority of which will themselves be industrialists.

"I will appreciate early consideration by your Committee and by the Congress, as I feel that the situation disclosed calls for immediate relief and that such situations as can be relieved through the medium of working capital should have our earnest support.

Very sincerely yours,

FRANKLIN D. ROOSEVELT."

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