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STATEMENT FOR THE PRESS

For immediate releaseFederal Reserve Board
June 26, 1934.

On June 25 and 26 the Federal Reserve Board held conferences with the Chairmen and Governors of the Federal Reserve Banks. At these conferences there was full discussion of credit conditions throughout the country. Special consideration was given to the new powers granted to the Federal Reserve System by the Securities Exchange Act and the amendment to the Federal Reserve Act authorizing the reserve banks to make loans for the purpose of providing working capital to industry.

Reports were made of progress in the study of Stock Exchange operation and of regulations to be adopted relating to marginal requirements for loans made for the purpose of purchasing or carrying securities. Since the power of the Board relative to margins does not become effective until October 1 regulations covering this matter will not be published for several weeks.

Particular attention was devoted at the conferences to loans to supply working capital for industry. Each reserve bank reported that progress had been made in setting up an organization to make such loans and in selecting an advisory committee of industrialists to help in this work. The reserve banks reported that

they are now ready to receive applications for working capital loans from industrial concerns.

The total amount of such loans authorized by Congress is approximately \$280,000,000 and it was expected that the needs of small enterprises would be given primary consideration in making such loans.

A regulation of the Board covering loans for industrial purposes was approved by the conference and will be promptly published.

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