

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-9115

February 6, 1935.

During an informal meeting of the Governors of the Federal reserve banks with the Federal Reserve Board on February 5, I stated to the Governors that it would be helpful to the Federal Reserve Board if the Federal reserve banks would frankly point out any features of the relations between the Federal Reserve Board and the Federal reserve banks and member banks that in their opinion are unsatisfactory or subject to criticism, with special reference to any regulations or rulings or procedure of the Board. If in any respect the actions of the Board or its staff seem bureaucratic or impractical or unduly rigid, the Board desires to be fully advised so that it may take any measures that seem desirable to correct and improve the situation.


In addition, I suggested a number of subjects which it seemed to me it would be desirable for the directors and officers of the Federal reserve banks to discuss. There are inclosed two copies of a revised list of these subjects, which the Board would like to have considered in the manner suggested, and to be advised

-2-

X-9115

as to the views of your bank within thirty days, treating each subject separately. Upon receipt of the replies from the Federal reserve banks they will be analyzed and studied and an endeavor will be made as promptly as possible to advise you as to any conclusions that the Board may reach regarding them.

Very truly yours,



M. S. Eccles,  
Governor.

Inclosures.

TO ALL CHAIRMEN.

X-9115-a

The following is a list of certain subjects which were brought to the attention of the Governors on February 5 by Governor Eccles with the suggestion that these subjects be discussed by the directors and officers of the Federal reserve banks and that the Board be advised as to their views within thirty days, treating each subject separately:

1. General credit situation
  - (a) Are commercial banks doing everything in their power to improve the situation?
  - (b) If not, what steps can be taken by the Federal reserve banks or otherwise to bring about an improvement?
2. Interest rates
  - (a) On time and savings deposits of member banks.
  - (b) On loans of member banks and on industrial advances and commitments by Federal reserve banks.
3. Matters affecting admission of nonmember banks to Federal reserve system.
  - (a) Earnings of nonmember banks from exchange collection charges.
  - (b) Present conditions of membership.
  - (c) Advisability of extension of membership to banks outside the States and the District of Columbia.
4. Need for continuance of assistance of Reconstruction Finance Corporation in connection with rehabilitation of capital structures of banks.
5. Adequacy of reimbursement of Federal reserve banks by Treasury and other governmental agencies for various services rendered and for space used in Federal reserve bank buildings.
6. Regulation fixing margin requirements for loans by banks upon equity securities for the purpose of purchasing or carrying securities registered on national securities exchanges.

-2-

X-9115-a

- (a) Circumstances under which regulation should be issued.
  - (b) Whether regulation should permit borrower to obtain from bank more than he could obtain from broker under Regulation T.
7. Economic and statistical divisions of Federal reserve banks.
- (a) Usefulness to directors and officers.
  - (b) Value of Federal reserve bank monthly reviews.
8. Establishment of career system for personnel of Federal reserve banks.
9. Criticisms of existing regulations or rulings or procedure of the Federal Reserve Board, with specific recommendations as to changes which would correct any unsatisfactory features of the relations between the Board or its staff and the Federal reserve banks or member banks.