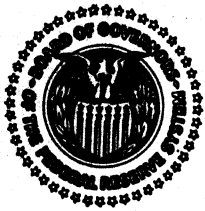


BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 29, 1937.

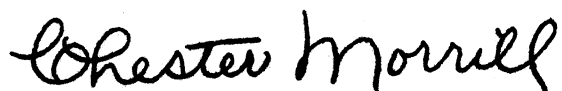
Dear Sir:

It appears that since the Reconstruction Finance Corporation, in accordance with its program, may not grant any further commitments to make industrial advances and may not make any more industrial advances, except under commitments heretofore granted, the Federal Reserve banks may receive a much larger number of requests for industrial advances or commitments to make such advances than has been the case in the recent past. The Board hopes that sympathetic consideration will be given to such applications as are received and that advances will be made where the banks can consistently do so under the provisions of the law and the Board's regulations.

Mr. Szymczak has already talked with an official of your bank over the telephone and acquainted him with the Board's position in this matter; he has also been in touch with Washington officials of the Reconstruction Finance Corporation and he requested the representative of your bank with whom he talked to get in touch with the local Reconstruction Finance Corporation agency with a view of working out a procedure by which all worthy applicants will be referred to the Federal Reserve bank.

For obvious reasons the Board does not think it desirable at this time to conduct a campaign on this subject, but it hopes that particular pains will be taken to guard against the public getting the impression that the Federal Reserve System has also discontinued making industrial advances. In this connection you may think it desirable to talk with representative bankers in your district from time to time with respect to the facilities in this field which the Federal Reserve banks have to offer.

Very truly yours,



Chester Morrill,  
Secretary.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS