

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date May 4, 1945.

To Chairman Eccles

Subject: \_\_\_\_\_

From Mr. Carpenter

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In accordance with your request there are attached two copies of the statement of the proposed action by the Board of Governors on margin requirements. This statement has been approved by Messrs. Parry and Morrill.

Enclosures 2.

A handwritten signature in dark ink, appearing to be 'AR' or similar initials, written in a cursive style.

The Board of Governors is prepared to increase from 50 per cent to 70 per cent the margin requirements now prescribed in its Regulations T and U, upon being advised that such action would be in harmony with the stabilization program of the Government.

This action would include a requirement not now in the regulations that when there is a sale of securities from an undermargined account the proceeds of the sale shall be used to the extent necessary to margin the remaining securities in the account on a 70 per cent basis.