

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, March 10, 1941, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on March 7, 1941, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on March 8, 1941, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated March 6, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reasons stated in the memorandum, Guy E. Greer be appointed for an indefinite temporary period--probably about one year--as a senior economist in the Division with salary at the rate of \$6,000 per annum, effective as of the date upon which he enters upon

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the performance of his duties after having passed satisfactorily
the usual physical examination.

Approved unanimously.

Letter to Mr. Hill, Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

"Consideration has been given to your letter of February 11, 1941, and enclosures, relating to the question whether a director of a member bank may serve as a director of Wellington Fund, Inc., an investment trust, in view of provisions of section 32 of the Banking Act of 1933. The specific question is whether Wellington Fund, Inc. is so actively engaged in issuing its own shares as to be 'primarily engaged' in the issue or distribution of securities within the meaning of the statute.

"It is understood that Wellington Fund, Inc. was incorporated in 1928. During the five years ending June 30, 1936, it issued 62,062 shares of its stock, and on the latter date a total of 88,059 of such shares was outstanding. Between that date and June 30, 1940, 283,359 more shares were sold, and at the end of 1940 the total number of shares outstanding was 403,093.

"The shares are sold through independent organizations with the result that Wellington Fund, Inc. does not derive any direct profit from such sales. However, you and your counsel are of the opinion that since Wellington Fund, Inc. is actively engaged in the issue and distribution of its shares, the interlocking relationship is prohibited by section 32.

"On the basis of the information submitted, the Board agrees with this conclusion."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

Chairman.

Chester Morris
Secretary.