

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, August 1, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. McKee
Mr. Evans

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 meeting of the Board of Governors of the Federal Reserve System held on July 31, 1944, were approved unanimously.

Memorandum dated July 26, 1944, from Mr. Leonard, Director of the Division of Personnel Administration, submitting a letter dated July 24 from President Williams of the Federal Reserve Bank of Philadelphia to Governor Szymczak in which he advised that the directors of the Philadelphia Bank wished to make Mr. Bopp, Director of Research, which is a nonofficial position at the Philadelphia Bank, an officer with the same title, and to increase his salary from \$7,000 to \$8,500 per year. Since Mr. Williams' letter requested an indication of the Board's approval of the plan, the memorandum recommended that Mr. Williams be advised informally that the Board would approve a salary

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at the rate of \$8,500 per annum for Mr. Bopp as an officer of the Bank if the directors took appropriate action to make him an officer of the Bank and fix his salary at that figure.

Approved unanimously.

Letter to Mr. McRae, Chief Examiner for the Federal Reserve Bank of Boston, reading as follows:

"This is with further reference to your letter of May 9, 1944, concerning the application of Regulation T to certain activities of F. S. Moseley & Company in arranging loans on securities. Since a ruling of either kind, favorable or unfavorable, may raise questions concerning an amendment of the regulation, it would be helpful if you could ascertain for us what it would mean to the firm to discontinue the activities which would no longer be permitted if the Board should determine that the persons for whom arrangements were effected in the circumstances specified in your letter were 'customers' of the firm within the meaning of Regulation T. The question is how much business would actually be lost by the firm if it received an unfavorable ruling.

"In this connection, consideration should be given to the fact that the only type of business that would be definitely prohibited would be the arranging of loans on unregistered securities. Others could be made in accordance with the terms of Regulations T or U. Furthermore, F. S. Moseley & Company cannot expect, even with a favorable ruling, to have any more business in unregistered securities of the type conducted with the dealer in Rochester, New York, since such a dealer is himself prohibited by Regulation T from arranging such credit and could not, without violating the regulation, refer his customer to F. S. Moseley & Company."

Approved unanimously.

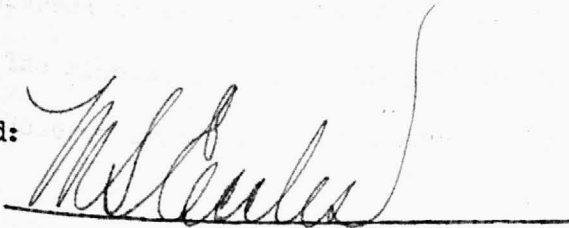
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Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.