



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

197

R-919

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 24, 1941

Dear Sir:

From the Board's point of view, the recent three-day System conference on Regulation W served a very useful purpose. In particular, the Board wishes to express its appreciation of the opportunity afforded for members of the Board and its staff to become better acquainted with the men in attendance from the Reserve Banks and to obtain the views of the Reserve Banks on the various matters discussed. The cooperation of the Federal Reserve Bank representatives facilitated the discussion of a long program of topics and resulted in giving the Board and its staff much valuable information and counsel.

As to some of these matters, such as the Statement of Borrower and the Statement of Necessity, you will have already received by telegraph, or will soon receive, requests for further comment. A letter is now in preparation concerning data to be tabulated by the Reserve Banks from the registration statements. It is intended that System committees shall soon be appointed on the following: enforcement; relations with national trade associations; participation of branches; and the collection and organization of facts and figures. You will also be receiving shortly for comment studied suggestions, developed in the light of the conference discussion, for Amendment No. 3--on which action before the end of December is contemplated.

Among the suggestions made at the conference, there were several relating to the possibility of reconsideration of the Board's interpretations of Regulation W in the light of the experience and views of the Reserve Banks. Since the discussion on this point may have left a confusing impression, the Board wishes to state that it will continue its present practice, consulting beforehand with one or more Reserve Banks when deemed necessary or appropriate, but that after any interpretation has been issued the Board will amplify or modify the interpretation whenever good reason for doing so may appear. Consequently, criticisms and suggestions from the Reserve Banks will be in order at any time, either

shortly after an interpretation has been issued or at any later time. They are in fact desired, and in case any given interpretation should turn out to be wrong in any important particular the Board will not hesitate to correct it by issuing a subsequent interpretation.

It is contemplated that other System conferences on Regulation W will be held from time to time, of which it is hoped that the next will be within sixty days or ninety days.

Very truly yours,



Chester Morrill,  
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS