

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-507

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

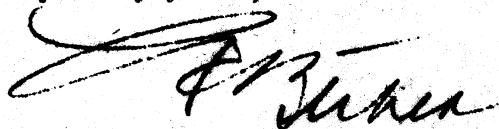
June 6, 1942

Dear Sir:

The following is an excerpt from a letter sent today to a Federal Reserve Bank regarding Regulation W:

"With respect to the meaning of the phrase 'materials and services' in Group C, the Board said in its telegram of January 30, S-437-b, that the phrase should be interpreted as meaning materials and/or services. However, since the amendment of the Regulation, this statement must be modified to the extent that it would make Group C refer to services alone. The phrase should be interpreted to mean materials, and any delivery, installation, or other services rendered in connection therewith. It seems probable that this is the meaning which has been given to the phrase in practice, and it is in harmony with other parts of the Regulation, particularly section 2(j)."

Very truly yours,



L. P. Bethea,
Assistant Secretary.



TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS