

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-543

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

August 20, 1942



Dear Sir:

Since September 1935, member firms of the New York Stock Exchange that carry margin accounts for customers have been filing with the Federal Reserve Banks monthly reports of their ledger balances on Form F.R. 240. In view of the inactivity that has existed in the stock market for some time, the Board has now determined to permit the filing of semiannual instead of monthly reports by all of these firms with the exception of the 15 firms having the largest amount of customers' debit balances.

Will you please send to the Board as soon as possible the names of reporting firms (if any) in your district that had customers' debit balances (Item 5 of Form F.R. 240) exceeding \$5,000,000 on June 30, 1942, with their figures for this item. Out of such firms, the Board will determine which are the 15 reporting the highest amounts, which will continue for the present to file monthly reports.

Please request semiannual reports, therefore, as of December 31, 1942 and each June 30 and December 31 thereafter, from all firms which are now reporting to you monthly on Form F.R. 240 but which reported customers' debit balances of less than \$5,000,000 as of June 30. It will not be necessary for you to obtain any further monthly reports from these firms for the present. As to any firms in your district with customers' debit balances exceeding \$5,000,000, the Board will notify you which firms are to continue reporting monthly and which are to report semiannually.

All of the reporting firms that do not carry margin accounts for customers, or which are not members of the New York Stock Exchange but only of outside exchanges, are already reporting at semiannual instead of monthly intervals, and the present action of the Board will not affect these firms.



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The Board has also authorized two minor changes in Form F.R. 240 as follows:

- (1) The instruction as to the date when the report must be filed, may be changed to read as follows:

"This report is to be sent to the Federal Reserve Bank of \_\_\_\_\_ as soon as possible after the end-of-month date to which it relates, and should reach the Federal Reserve Bank in any event (except by special arrangement) not later than the 10th full business day of the following month."

- (2) The question "Is firm otherwise extending any credit to customers?" may be deleted.

It is suggested that you continue to use the present forms until your supply is exhausted, but that these changes be incorporated in any new supply printed in the future.

Very truly yours,



L. P. Bethea,  
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS