

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Chairman Eccles

Office Correspondence

Date November 28, 1945.

To Board of Governors

Subject: Extension of Second War Powers Act

From Mr. Cherry

In the Committee Report (House Report No. 1282) on the bill to extend the Second War Powers Act, the following statement is made with respect to the purchase by Federal Reserve Banks of Government obligations:

"This title permits sale of Government obligations to the Federal Reserve System up to \$5,000,000,000. This affords the Treasury an opportunity for short-term financing at emergency periods and should be continued during the immediate future when considerable financial fluctuations are threatened, pending consideration by the Congress whether some permanent legislation along these lines is warranted. The committee respectfully recommends that the appropriate legislative committees should give study to permanent legislation of this character."

MCC