

The meeting of the executive committee of the Federal Open Market Committee was reconvened in the offices of the Board of Governors of the Federal Reserve System in Washington on Thursday, May 4, 1944, at 5:30 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Sproul, Vice Chairman  
Mr. McKee  
Mr. Draper  
Mr. Leach

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Wyatt, General Counsel  
Mr. Rouse, Manager of the System  
Open Market Account  
Messrs. Piser and Kennedy, Chief  
and Assistant Chief, respectively,  
of the Government Securities Sec-  
tion, Division of Research and  
Statistics of the Board of Gov-  
ernors

There was unanimous agreement that, on the basis of what could be foreseen at this time, any situation that would arise between now and another meeting of the executive committee could be met by a renewal of the outstanding direction to the Federal Reserve Bank of New York to execute transactions for the System account.

Thereupon, upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York, until otherwise directed by the executive committee,

(1) To make such purchases, sales, or exchanges (including replacement of maturing securities and allowing maturities to run off without replacement) for the System account, either in the open market or directly from, to, or with the Treasury, as may be necessary in

5/4/44

-2-

the practical administration of the account, or for the purpose of maintaining about the present general level of prices and yields of Government securities, or of maintaining an adequate supply of funds in the market; provided (a) that the total amount of securities in the account at the close of May 4, 1944, shall not be increased or decreased by more than \$750,000,000 exclusive of bills purchased outright in the market on a discount basis at the rate of 3/8 per cent per annum and bills redeemed at maturity, and special short-term certificates of indebtedness purchased for the temporary accommodation of the Treasury pursuant to paragraph (2) of this direction, and (b) that this paragraph shall not limit the amount of Treasury bills purchased pursuant to the directions of the Federal Open Market Committee issued under dates of June 28, 1943, and March 1, 1944, or the redemption of such bills;

(2) To purchase direct from the Treasury for the System open market account such amounts of special short-term certificates of indebtedness as may be necessary from time to time for the temporary accommodation of the Treasury; provided that the total amount of such certificates held in the account at any one time shall not exceed \$750,000,000; and

(3) Upon approval by a majority of the members of the executive committee, which may be obtained by telephone, telegraph, or mail, to make such other purchases, sales, or exchanges for the account as may be found to be desirable within the limits of the authority granted to the executive committee by the Federal Open Market Committee.

In taking this action, it was understood that the limitations contained in the direction included commitments for purchases or sales of securities for the System account.

Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

W. C. C. C.  
Chairman.