

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 Monday, December 11, 1944, at 3:30 p.m.

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

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. 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 Section,
Division of Research and Statistics
of the Board of Governors

The decision having been reached at the meeting of the Federal Open Market Committee, which had just been concluded, that no change should be made in existing open market policies, the members of the executive committee were in agreement that the direction to the Federal Reserve Bank of New York to execute transactions for the System account should be renewed in the same form as the direction issued at the last meeting of the committee, and that the Bank should be advised that in carrying out the direction there was to be no change in the policy which had been followed in the recent past with respect to the purchase of Treasury certificates for System account.

Thereupon, upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve

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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 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 this date 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 direction of the Federal Open Market Committee issued under date of 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 (1) that the limitations contained in the direction included commitments for

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purchases or sales of securities for the System account; and (2) that in carrying out the direction there was to be no change in the policy which had been followed in the recent past with respect to the purchase of Treasury certificates for System account.

Thereupon the meeting adjourned.

Robert Morie
Secretary.

Approved:

W. C. ...
Chairman.