

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date December 10, 1947

To Chairman Eccles

Subject: January 1 refunding

From Thomas L. Smith *T.L.S.*

When Mr. Bartelt made routine inquiry to make sure that there had been no change in the Committee's views, I told him that the Committee considered it settled that one-year 1 1/8 per cent certificates would be offered in full exchange for the maturing January 1, 1948 issue; and that the System still intends to turn in its holdings for cash if, as expected, there are sufficient funds, but that that point did not have to be covered today.

I then let Mr. Rouse know what I had told Bartelt. He reminded me that the instruction of the full committee was for retirement of System holdings through the next quarter to the extent justified by the money market condition, and that, after first asking for mandatory instruction from the full committee for full retirement of System holdings, you had agreed to this modification.

We have until a few days after the opening of the books, probably around the 19th, to make final decision.