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FROM _____

REMARKS:

Meeting of the Executive Committee of the
Open Market held 7/28/44

CHAIRMAN'S OFFICE



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date July 31, 1944

To Chairman Eccles

Subject: _____

From Mr. Carpenter

This memorandum is written for the purpose of placing before you the action of the executive committee of the Federal Open Market Committee and the Board of Governors with respect to the question of a report on the Thomas bill, S. 1892, which would provide in effect that United States obligations owned by banks, insurance companies, or institutions receiving deposits shall be deemed, for the purposes of Federal law or regulation, to have a value equal to par regardless of the market value thereof and would require Federal Reserve Banks to purchase such obligations or accept them for credit at not less than par.

At the meeting of the executive committee on July 28, 1944, it was agreed unanimously to suggest to the Board of Governors that the Treasury be informed that the Board believes that it would be better not to make a report on the Thomas bill unless and until it becomes clear that the bill is to be given active consideration in hearings or otherwise, that in that event it was hoped that the Treasury and the Board could submit reports which would be in agreement, and that, if the Treasury should decide to make a report before it appeared that the bill was to be given active consideration, the Board would like to have an opportunity to discuss the Treasury draft of report before it was sent.

At its meeting on July 29 the Board decided to proceed in accordance with this suggestion, and it was understood that you would call Under Secretary Bell on the telephone and advise him accordingly.

8/1/44

advised
Mrs. Carpenter
8/2/44 -

Talked to Bell and he will get in touch with me before sending report to Congress if Treasury decides to send report. *m.s. E.*