



TREASURY DEPARTMENT  
FISCAL SERVICE  
WASHINGTON 25

February 1, 1951

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TO THE SECRETARY:

The following quotation is from the Dow Jones ticker just received:

"Federal Reserve - Govt. Bonds

"Washn - A P - The Federal Reserve Board has pledged its support to President Truman - to maintain the stability of Government securities as long as the emergency lasts -

"White House Press Secretary Joseph Short announced this today saying there have been reports of differences of opinion between the Treasury and the Federal Reserve Board

"This is to quiet those rumors - Short said

"Members of the Federal Reserve Board conferred with Mr. Truman yesterday - Secretary of the Treasury Snyder did not attend the meeting.

"Add - Reserve - Govt. Bonds -

"Wash - AP - A Treasury spokesman said The White House announcement means the market for Government securities will be stabilized at present levels and that these levels will be maintained during the present emergency."

The reaction from the above-mentioned statement was generally good. Restricted bonds, generally, recovered and are now up about 1/32. June 2 $\frac{1}{2}$ s are now quoted at par 22, same as the Vic's of December 1967-72.

As of 2:15 PM, the market tone was firm. There was no insurance selling. Some short maturities of bank eligible bonds were being offered for sale, but nothing very large. Earlier there was some demand for cash bills, which has since dried up.

It is reported that there is some doubt in the market as to what is meant by the word "stabilization" and the level at which stabilization would be accomplished. It seems to me that this latter should be taken care of through last paragraph quoted above.

*of the ticker*

*ETB*