

A meeting of the executive committee of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington on Monday, June 28, 1943, at 9:10 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Sproul, Vice Chairman
Mr. Ransom
Mr. Evans
Mr. Paddock

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Goldenweiser, Economist
Messrs. John H. Williams, Bryan, and
Wheeler, Associate Economists
Mr. Wyatt, General Counsel
Mr. Dreibelbis, Assistant General Counsel
Mr. Clayton, Assistant to the Chairman
of the Board of Governors
Messrs. Piser and Kennedy, Chief and
Assistant Chief, respectively, of the
Government Securities Section, Divi-
sion of Research and Statistics of
the Board of Governors
Mr. Miller, Assistant Vice President of
the Federal Reserve Bank of New York
(in the absence of Mr. Rouse, Manager
of the System Account, who had re-
mained in New York in connection with
the Treasury financing that had just
been announced)
Mr. Berntson, Clerk in the Office of the
Secretary of the Board of Governors

Messrs. Szymczak, McKee, Draper, Fleming,
McLarin, and Day, members of the Federal
Open Market Committee

Messrs. Leach, Young, and Peyton, alternate
members of the Federal Open Market Committee

Messrs. Alfred H. Williams, Leedy, and Gilbert,
Presidents of the Federal Reserve Banks of
Philadelphia, Kansas City, and Dallas, re-
spectively

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Messrs. Hitt and Powell, First Vice Presidents of the Federal Reserve Banks of St. Louis and Minneapolis, respectively

Messrs. Sienkiewicz and Edmiston, Vice Presidents of the Federal Reserve Banks of Philadelphia and St. Louis, respectively

Mr. Dolley, Economic Adviser of the Federal Reserve Bank of Dallas

Upon motion duly made and seconded, and by unanimous vote, the minutes of the meeting of the executive committee of the Federal Open Market Committee held on May 15, 1943, were approved.

Upon motion duly made and seconded, and by unanimous vote, the actions taken by the members of the executive committee on May 29 and June 4, 1943, in increasing to \$500,000,000 and \$1,000,000,000, respectively, the limitations on the authority of the New York Bank to increase or decrease the amount of securities held in the System account and to purchase for the System account short-term certificates of indebtedness for the temporary accommodation of the Treasury, were approved, ratified, and confirmed.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the System account during the period May 17 to June 26, 1943, inclusive, as reported daily by the Federal Reserve Bank of New York to the members of the executive committee, were approved, ratified, and confirmed.

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Thereupon the meeting recessed to reconvene following the meeting of the Federal Open Market Committee.

Chester Morris
Secretary.

Approved: W. A. Rorer
Chairman.

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, June 28, 1943, at 5:15 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Sproul, Vice Chairman
Mr. Ransom
Mr. Evans
Mr. Paddock

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Wyatt, General Counsel
Messrs. Piser and Kennedy, Chief and Assistant Chief, respectively, of the Government Securities Section, Division of Research and Statistics of the Board of Governors
Mr. Miller, Assistant Vice President of the Federal Reserve Bank of New York

The statement was made that in the period between the present and the next Treasury financing campaign the Treasury would draw down the funds held in war loan accounts which would increase substantially the required reserves of member banks, and that, while it was expected that the bulk of additional reserve funds needed by the banks would be supplied by sales of bills to the Reserve Banks under the repurchase option, the New York Bank should have increased authority to meet this situation as well as any unforeseen contingency that might arise.

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

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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 June 28, 1943, shall not be increased or decreased by more than \$500,000,000 (exclusive of 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 March 2 and June 28, 1943, 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 \$500,000,000; 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.

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Thereupon the meeting adjourned.

Robert Morier
Secretary.

Approved: W. S. Cullen
Chairman.