

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 Wednesday, February 28, 1945, at 9:30 a.m.

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

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Goldenweiser, Economist
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

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 De-
cember 11, 1944, were approved.

Following the meeting of the Federal Open Market Committee on December 11, 1944, market pressure on outstanding issues of Treasury certificates of indebtedness continued, resulting in large purchases of certificates for the System account. Late in December it appeared that the pressure on the certificate market would continue until the end of the year and, in order that the Federal Reserve Bank of New York might have the necessary authority to meet the situation, the members of the executive committee on December 28, 1944, approved an increase

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from \$750 million to \$1 billion in the limitation on the authority granted to the Federal Reserve Bank of New York to execute transactions in the System account as contained in the direction issued at the meeting of the executive committee on December 11, 1944.

Upon motion duly made and seconded, and by unanimous vote, the action of the members of the executive committee in granting additional authority to the Federal Reserve Bank of New York was approved, ratified, and confirmed.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the System account during the period from December 11, 1944, to February 27, 1945, inclusive, as reported to the members of the executive committee, were approved, ratified, and confirmed.

Reference was made again to certain questions raised by Chairman Eccles in his letter of September 11, 1944, to Mr. Sproul, and at the meeting of the executive committee on September 21, 1944, with respect to brokers and dealers in Government securities. These questions were discussed in a memorandum addressed to the Board of Governors by Mr. Piser under date of February 8, 1945, and copies were handed to Messrs. Sproul, Leach, and Rouse at this meeting.

Mr. McKee suggested that inasmuch as these were matters which would be of concern to the executive committee as it would be constituted following the meeting of the Federal Open Market Committee on March 1, 1945, a discussion thereof be deferred until the meeting of the executive committee following the meeting of the full Committee

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tomorrow. No objection was offered to this suggestion.

Thereupon the meeting adjourned.

Chester Morice
Secretary.

Approved:

W. Steeles
Chairman.