

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, March 2, 1942, at 4:30 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Sproul, Vice Chairman
Mr. Szymczak
Mr. Draper
Mr. Alfred H. Williams

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. Goldenweiser, Economist
Mr. Rouse, Manager of the System Open Market Account
Mr. Piser, Chief, Government Securities Section, Division of Research and Statistics of the Board of Governors
Messrs. C. S. Young, Leedy, and Gilbert, members of the Federal Open Market Committee

Messrs. Paddock and Day, alternate members of the Federal Open Market Committee

Mr. Leach, President of the Federal Reserve Bank of Richmond

Upon motion duly made and seconded, and by unanimous vote, Mr. Sproul was re-elected Vice Chairman of the executive committee of the Federal Open Market Committee to serve until the election of his successor at the first meeting of the Federal Open Market Committee after March 1, 1943.

Mr. Sproul stated that there had been no change in the situation since the last meeting of the executive committee that would require a change in the authority of the Federal Reserve Bank of New York to execute transactions in the System open market account and that a renewal of the resolution adopted at the previous meeting would be adequate

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to meet any situation that could reasonably be anticipated at this time, it being understood that if additional authority were needed it could be granted by the members of the executive committee under the authority of the last paragraph of the resolution.

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 shifts of securities in the account (which may be accomplished when desirable through replacement of maturing securities) as may be necessary in the practical administration of the account or for the purpose of exercising an influence toward maintaining orderly market conditions, up to an aggregate of \$200,000,000 of purchases and a like amount of sales or redemptions;

(2) To make such outright purchases or sales for the System account as may be necessary for the purpose of exercising an influence toward maintaining orderly market conditions, provided that the total amount of securities in the account be not increased or decreased through operations under this paragraph by more than \$200,000,000; 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 shifts or such purchases or sales (which would include authority to allow maturities to run off without replacement) 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.

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Thereupon the meeting adjourned.

Oliver Brown
Secretary.

Approved: W. L. Lewis
Chairman.