

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, March 20, 1940, at 10:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. McKee  
Mr. Draper

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Wyatt, General Counsel  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Dreibelbis, Assistant General Counsel  
Mr. Rouse, Manager of the System Open Market Account  
Mr. Thurston, Special Assistant to the Chairman of the Board of Governors

Messrs. Szymczak, Ransom, Davis, Sinclair, Parker, Schaller and Day, Members of the Federal Open Market Committee

Messrs. Young, Fleming, Martin and Peyton, Alternate Members of the Federal Open Market Committee

Messrs. Hamilton and Gilbert, Presidents of the Federal Reserve Banks of Kansas City and Dallas, respectively

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 December 13, 1939, were approved.

Before this meeting there had been distributed to the members of the Federal Open Market Committee a report prepared at the Federal Reserve Bank of New York covering operations in the System Open Market

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Account during the period from December 13, 1939, to March 16, 1940, inclusive, and Mr. Rouse discussed the important points of this report. He also stated that there had been no transactions in the System account since the period covered by the report.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the System account for the period since that covered by similar action at the meeting of the executive committee on December 13, 1939, to and including March 19, 1940, were approved, ratified and confirmed.

The meeting then recessed, to reconvene following the meeting of the Federal Open Market Committee.

Chester Morice  
Secretary.

Approved:

W. H. Rouse  
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 Wednesday, March 20, 1940, at 3:45 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. Szymczak  
Mr. Davis  
Mr. Sinclair

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Wyatt, General Counsel  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Rouse, Manager of the System Open Market Account  
Mr. Thurston, Special Assistant to the Chairman of the Board of Governors  
Mr. Piser, Senior Economist in the Division of Research and Statistics of the Board of Governors

Upon motion duly made and seconded, and by unanimous vote, Mr. Harrison was elected Vice Chairman of the executive committee of the Federal Open Market Committee to serve until the first meeting of the Federal Open Market Committee after March 1, 1941.

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,

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up to an aggregate of \$200,000,000 of purchases and a like amount of sales or redemptions, provided that in making such shifts the total amount of bonds held in the account be not increased nor decreased by more than \$100,000,000;

(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 \$100,000,000; 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.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. C. C.  
Chairman.