

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 com-  
mittee of the Federal Open Market Committee  
to serve until the election of his successor  
at the first meeting of the Federal Open Mar-  
ket Committee after March 1, 1943.

Mr. Sproul stated that there had been no change in the situa-  
tion 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 re-  
newal 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.