

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 Tuesday, June 10, 1941, at 10:00 a.m.

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

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

Messrs. Szymczak, Draper, Fleming, Davis,  
and Peyton, Members of the Federal Open  
Market Committee

Messrs. Roy A. Young, Sinclair, C. S. Young,  
and Gilbert, Alternate Members of the  
Federal Open Market Committee

Messrs. McLarin and Day, Presidents of the  
Federal Reserve Banks of Atlanta and San  
Francisco, respectively, and Mr. Leedy,  
First Vice President of the Federal Re-  
serve Bank of Kansas City

Mr. Clayton, Assistant to the Chairman of the  
Board of Governors

Mr. Sienkiewicz, Secretary of the Conference  
of Presidents

Mr. Alfred H. Williams, Class C Director  
(President-elect) of the Federal Reserve  
Bank of Philadelphia

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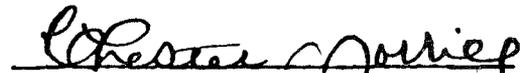
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Upon motion duly made and seconded, and by unanimous vote, the minutes of the meeting of the executive committee of the Federal Open Market Committee held on March 17, 1941, were approved.

Upon motion duly made and seconded and by unanimous vote, the transactions in the System open market account during the period from March 17 to June 9, 1941, both dates inclusive, were approved, ratified, and confirmed.

Reference was made to the consideration which had been given by the members of the executive committee, and members of the staff, of the Federal Open Market Committee since the last meeting of the executive committee to the question of suggestions as to changes in Treasury financing procedure and it was decided to defer further discussion of this matter until the meeting of the full Committee.

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

  
Secretary.

Approved:

  
Chairman.

The meeting of the executive committee of the Federal Open Market Committee was reconvened in the offices of the Board of Governors in Washington on Tuesday, June 10, 1941, at 5:55 p.m.

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

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. Piser, Senior Economist in the Division of Research and Statistics of the Board of Governors

There was agreement that there had been no change in the situation that would call for a revision of the instructions issued to the Federal Reserve Bank of New York at the meeting of the executive committee on March 17, 1941, with respect to the execution of transactions for the System open market account, and Messrs. Sproul and Rouse expressed the opinion that from an operating standpoint the renewal of the existing authority was all that was required at this time.

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

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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, provided that in making such shifts the total amount of bonds held in the account be not increased or 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 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.

Chesler Morie  
Secretary.

Approved:

W. C. C. C.  
Chairman.