

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 Saturday, September 27, 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. John H. 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

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

Messrs. Roy A. Young, Alfred H. Williams, C. S. Young, Gilbert, and Leedy, alternate members of the Federal Open Market Committee

Messrs. McLarin and Day, Presidents of the Federal Reserve Banks of Atlanta and San Francisco, respectively

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

Mr. Sienkiewicz, Secretary of the Presidents' Conference

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 June 10, 1941, were approved.

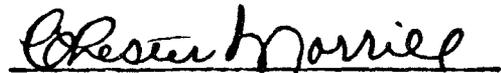
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Mr. Rouse stated that there had been no transactions of any kind in the System account since the last meeting of the executive committee and that, therefore, no action by the executive committee was needed to ratify transactions in the account.

Reference was made to the problem of Treasury financing which at the last meeting of the Federal Open Market Committee was referred back to the executive committee for further study, and it was suggested that this was a matter that would be discussed by the full Committee in the light of the action which had been taken by the Board of Governors with respect to increasing reserve requirements of member banks.

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 of the Federal Reserve System in Washington on Saturday, September 27, 1941, at 5:40 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. John H. 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

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

Messrs. Roy A. Young, Alfred H. Williams, C. S. Young, Gilbert, and Leedy, alternate members of the Federal Open Market Committee

Messrs. McLarin and Day, Presidents of the Federal Reserve Banks of Atlanta and San Francisco, respectively

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

Mr. Sienkiewicz, Secretary of the Presidents' Conference

The only matter before the executive committee was the question

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of renewal of the instructions to be issued to the Federal Reserve Bank of New York relating to the execution of transactions for the System open market account, and there was unanimous agreement that there was no reason for changing the existing instructions to the Bank.

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, 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 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.

Chester Murrie
Secretary.

Approved:

W. S. ...
Chairman.