

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, August 3, 1942, at 10:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Alfred H. Williams
Mr. Gilbert (alternate for Mr. Sproul)

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. Thurston, Special Assistant to the Chairman of the Board of Governors
Mr. Piser, Chief, Government Securities Section, Division of Research and Statistics of the Board of Governors
Mr. Berntson, Clerk in the Office of the Secretary of the Board of Governors

Messrs. McKee, Ransom, Evans, Young, and Leedy,
members of the Federal Open Market Committee

Inasmuch as all members of the executive committee had not had an opportunity to review the minutes of the meeting of the committee held on July 22, 1942, action with respect to approval of the minutes was deferred until the next meeting of the committee.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the System account during the period from July 22 to August 1, 1942, inclusive, as reported daily by the Federal

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Reserve Bank of New York to the members of the executive committee, were approved, ratified, and confirmed.

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

Chester Morie
Secretary.

Approved [Signature]
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 Monday, August 3, 1942, at 6:30 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Alfred H. Williams
Mr. Gilbert (alternate for Mr. Sproul)

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. John H. Williams, Associate Economist
Mr. Wyatt, General Counsel
Mr. Dreibelbis, Assistant General Counsel
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

Mr. Leedy, member of the Federal Open Market Committee

The direction issued to the Federal Reserve Bank of New York at the meeting of the executive committee on June 22, 1942, was read, and, upon motion duly made and seconded, and by unanimous vote, it was decided that the authority to the Bank to execute transactions for the System account should be renewed in the same form. Thereupon, upon motion duly made and seconded, the following telegram to the Federal Reserve Bank of New York was approved by unanimous vote:

"At the meeting of the executive committee of the Federal Open Market Committee on August 3 the committee directed the Federal Reserve Bank of New York, until otherwise directed by the executive committee,

"(1) To make such purchases, sales, or exchanges (including replacement of maturing securities and allowing maturities to run off without replacement) for the System account, either in the open market or directly from, to, or

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"with the Treasury, as may be necessary in the practical administration of the account or for the purpose of maintaining about the present general level of prices and yields of Government securities, of maintaining an adequate supply of funds in the market, or of granting temporary accommodation to the Treasury; provided (a) that the total amount of securities in the account at the close of August 3, 1942, shall not be increased or decreased by more than \$200,000,000 (exclusive of special short-term certificates of indebtedness purchased for the temporary accommodation of the Treasury), (b) that the amount of such short-term certificates in the account at any one time shall not exceed \$300,000,000, and (c) that this paragraph shall not limit the amount of Treasury bills purchased pursuant to the direction of the Federal Open Market Committee issued under date of April 30, 1942, or the redemption of such bills; and

"(2) 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 purchases, sales, or exchanges 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.

Robert Morise
Secretary.

Approved:

W. H. Steeles
Chairman.