

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, March 17, 1941, at 5:00 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

Upon motion duly made and seconded, and by unanimous vote, Mr. Sproul was elected Vice Chairman of the executive committee of the Federal Open Market Committee to serve until the election of his successor at the first meeting of the Federal Open Market Committee after March 1, 1942.

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

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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.

In connection with the assignment that had been given to the executive committee by the full Committee of developing a draft of a program of Treasury financing, Chairman Eccles stated that some preliminary work had been done by members of the Board's staff and that he would suggest that Mr. Goldenweiser be requested, with the assistance of such members of the Board's staff and the staff of the Federal Reserve Bank of New York as may be necessary, to study the matter with the understanding that when he has material or questions which he desires to submit to the members of the executive committee the members of the committee will be called together to discuss the problem further.

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Upon motion duly made and seconded,  
Chairman Eccles' suggestion was approved  
unanimously.

Thereupon the meeting adjourned.

Roberta Morrie  
Secretary.

Approved:

W. Eccles  
Chairman.