
Twenty-Sixth

ANNUAL REPORT

of the

BOARD OF GOVERNORS *of the*

FEDERAL RESERVE SYSTEM



COVERING OPERATIONS FOR
THE YEAR

1939

This action was taken in the light of the unsettled conditions existing in our markets at the time which had resulted from the war in Europe and it was agreed that the executive committee should be given more flexible authority to execute transactions in the System account for the purpose of exercising an influence toward maintaining orderly market conditions.

MEETING ON DECEMBER 13, 1939

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Fleming, Mr. Leach, Mr. Martin, Mr. Hamilton.

Authority to Effect Transactions in the System Open Market Account.

Upon motion duly made and seconded, the following resolution was adopted by unanimous vote:

"That the executive committee be directed until otherwise directed by the Federal Open Market Committee to arrange for such transactions for the System open market account (including purchases, sales, exchanges, replacement of maturing securities, and letting maturities run off without replacement) as in its judgment from time to time may be necessary for the purpose of exercising an influence toward maintaining orderly market conditions; provided that the aggregate amount of securities held in the account at the close of this date shall not be increased nor decreased by more than \$500,000,000."

This action resulted in the renewal of the authority granted to the executive committee at the meeting of the Federal Open Market Committee on September 18, 1939, and was taken for substantially the same reasons as prompted the granting of the earlier authority.