



*Twenty-Seventh*

# ANNUAL REPORT

*of the*

**BOARD OF GOVERNORS *of the*  
FEDERAL RESERVE SYSTEM**



**COVERING OPERATIONS FOR  
THE YEAR**

# 1940



**RECORD OF POLICY ACTIONS—FEDERAL OPEN MARKET COMMITTEE**

MEETING ON MARCH 20, 1940

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Parker, Mr. Schaller, Mr. Day.

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 resolution was in the same form as the resolution adopted at the two preceding meetings of the Federal Open Market Committee. As on the two previous occasions, the action was taken in the light of continued unsettled conditions in our markets resulting from the war in Europe and the unanimous opinion of the members of the Committee that because of these conditions the executive committee should continue to have flexible authority to execute transactions in the System open market account for the purpose of exercising an influence toward maintaining orderly market conditions.

MEETING ON MAY 28, 1940

Members present: Mr. Eccles, Chairman; Mr. Harrison, Vice Chairman; Mr. Szymczak, Mr. McKee, Mr. Ransom, Mr. Davis, Mr. Draper, Mr. Sinclair, Mr. Schaller, Mr. Day, Mr. Leach (alternate for Mr. Parker).

Upon motion duly made and seconded, the following resolution, which was in the same form as the resolution adopted at the meeting of the Federal Open Market Committee on March 20, 1940, was adopted by unanimous vote:

“That the executive committee be directed until otherwise directed by the Federal Open Market Committee to arrange for such trans-