

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 Friday, November 20, 1936, at 4:40 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Szymczak  
Mr. Ransom  
Mr. Harrison  
Mr. Fleming

Mr. Morrill, Secretary  
Mr. Wyatt, General Counsel  
Mr. Burgess, Manager of the System  
Open Market Account  
Mr. Carpenter, Assistant Secretary of  
the Board of Governors

Attention was directed to the fact that, as the Federal Open Market Committee had approved the recommendation of the executive committee with respect to the readjustment of the participations of the Federal reserve banks in the System Open Market Account as of January 1, 1937, it would be necessary for the executive committee to direct the Federal Reserve Bank of New York to make the readjustment.

Accordingly, upon motion duly made and seconded and by unanimous vote, the Committee directed the Federal Reserve Bank of New York to make a readjustment as of January 1, 1937, in the participations of the Federal reserve banks in the System Open Market Account, using the same plan as that followed in making the readjustment on October 1, 1936; it being understood that before it is actually made the proposed readjustment will be submitted to all Federal reserve banks and the Board for any comments that they may desire to make.

In view of the authority granted by the Federal Open Market Committee to the executive committee with respect to the administration

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of the System Open Market Account, consideration was also given to the question what instructions should be given to the Federal Reserve Bank of New York. In this connection, Mr. Burgess called attention to the System holdings of \$92,000,000 of Treasury notes maturing on December 15, 1936, and \$85,000,000 of Treasury notes maturing on February 15, 1937.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York, until the next meeting of the executive committee, superseding all previous authorizations, (1) to replace maturing securities in the System Open Market Account by purchases of like amounts of bills or of notes maturing within two years, (2) to make such shifts of securities in the account as may be necessary in the proper administration of the account, up to an aggregate of \$50,000,000, into other Government securities having maturities within a range of one year from those of the securities sold, (3) to make such other shifts of securities in the account as may be necessary in the proper administration of the account, up to an aggregate of \$50,000,000, into other Government securities having maturities which are not within a range of one year from those of the securities sold; provided that the amount of bonds in the account having maturities in excess of five years be not reduced below \$300,000,000, (4) upon approval by a majority of the members of the executive committee, which might be obtained by telephone, telegraph or mail, to make such other shifts as might be found to be desirable and advisable within the limits of the authority granted to the executive committee by the Federal Open Market Committee, and (5) to permit such fluctuations, up to a limit at any one time of \$25,000,000, in the amount of holdings of Government securities in the System Open Market Account between weekly statement dates as may be desirable for the practical administration of the account in making shifts

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between and replacement of securities pursuant to the authority granted by the executive committee.

Thereupon the meeting adjourned.

Chesnut Price  
Secretary.

Approved:

W. H. Lewis  
Chairman.