

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 April 4, 1937, at 6:35 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Harrison, Vice Chairman
Mr. Broderick
Mr. McKee
Mr. Sinclair

Messrs. Martin and Peyton, Members of
the Federal Open Market Committee

Mr. Morrill, Secretary
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Wyatt, General Counsel
Mr. Burgess, Manager of the System Open
Market Account
Mr. Carpenter, Assistant Secretary of
the Board of Governors
Mr. Thurston, Special Assistant to the
Chairman of the Board of Governors

Upon motion by Mr. Broderick which was duly seconded, and by unanimous vote, Mr. Harrison was elected vice chairman of the executive committee of the Federal Open Market Committee to serve until March 1, 1938.

It was suggested that the authority previously granted by the executive committee to the Federal Reserve Bank of New York to replace maturing securities, to make shifts of securities in the System open market account and to permit fluctuations in the account between statement dates, be renewed and that, in accordance with the resolution adopted by the Federal Open Market Committee directing the purchase of not less than \$25,000,000 of securities during the week beginning

4/4/37

-2-

April 5, 1937, the executive committee direct the New York bank to purchase \$25,000,000 of Government securities during the week.

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 (which may be accomplished when desirable through replacement of maturing securities) of securities in the account as may be necessary in the proper administration of the account, up to an aggregate of \$100,000,000, into other Government securities having maturities which are not within a range of one year from those of the securities sold, (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, (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 between and replacement of securities pursuant to the authority granted by the executive committee, and (6) to purchase during the week beginning April 5, 1937, Government securities in the aggregate amount of \$25,000,000.

The above action was taken with the understanding that the executive committee would remain in Washington and would reconvene tomorrow to consider, in the light of then existing conditions, what additional instructions should be given to the New York bank to conduct

4/4/37

-5-

transactions in the System open market account.

Thereupon a recess was agreed upon with the understanding that the meeting would be reconvened on April 5, 1937, at 10:15 a.m.

Robert Moriep
Secretary.

Approved:

M. Seales
Chairman.