

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 Wednesday, May 5, 1937, at 2:55 p. m.

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

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

Mr. Morrill, Secretary
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Wyatt, General Counsel
Mr. Carpenter, Assistant Secretary of the
Board of Governors

It was stated that the meeting of the executive committee had been reconvened for the purpose of granting authority to the Federal Reserve Bank of New York to execute transactions in the System open market account and there ensued a discussion of the extent to which such authority should be given.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York, until the adjournment of the next meeting of the executive committee and superseding all previous directions and 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 (which may be accomplished when desirable through replacement of maturing securities) as may be necessary or desirable in the administration of the account, up to an aggregate of \$100,000,000, (3) to permit such fluctua-

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tions, 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 necessary or desirable in the administration of the account, and (4) 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 (including authority to allow maturities to run off) for the System account as may be found to be desirable and advisable within the limits of the authority granted to the executive committee by the Federal Open Market Committee.

Thereupon the meeting adjourned.

Approved:


Chairman.


Secretary.