

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 Wednesday, June 2, 1937, at 12:20 p. m.

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

Mr. Morrill, Secretary
Mr. Wyatt, General Counsel
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Burgess, Manager of System Open Market Account
Mr. Carpenter, Assistant Secretary of the Board of Governors of the Federal Reserve System
Mr. Piser, Senior Economist, Division of Research and Statistics of the Board of Governors of the Federal Reserve System

Mr. Burgess reviewed briefly the transactions in the System open market account since the meeting of the executive committee of the Federal Open Market Committee on May 3, 1937.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the account since the period covered by similar action taken by the executive committee at its meeting on May 3, 1937, were approved, ratified and confirmed.

Attention was directed to the fact that the resolution adopted by the executive committee at its meeting on May 5 in regard to transactions in the System open market account would be effective only until the adjournment of this meeting of the executive committee, and that therefore it was necessary for the committee to adopt a new resolution.

6/2/37

-2-

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 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 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.

Walter Morie
Secretary.

Approved:

W. S. ...
Chairman.