

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 Tuesday, June 15, 1937, at 3:30 p.m.

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

Messrs. Ransom, Davis and Szymczak, Members
of the Federal Open Market Committee

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

Mr. Burgess reported on conditions in the Government securities market since the meeting of the executive committee on June 9, 1937, and reviewed the transactions which had been conducted in the System open market account since that date.

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 June 9, 1937, up to and including June 14, 1937, were approved, ratified and confirmed.

It was agreed that in order that the Federal Reserve Bank of New York might have the necessary authority to execute transactions in the System open market account during the period before another meeting of the executive committee the authority granted at the meeting of the committee on June 9, 1937, should be renewed.

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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 Treasury bills or Treasury 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 in the practical administration of the account, up to an aggregate of \$100,000,000 of purchases and a like amount of sales or redemptions;

(3) To increase or decrease temporarily the amount of securities in the account between weekly statement dates by not more than \$25,000,000 when necessary in making replacements or shifts pursuant to the above provisions of this resolution, provided that the amount of securities in the account as of any weekly statement date shall not be changed from that of the preceding weekly statement date except in accordance with the following clause of this resolution; 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 (which would include authority to allow maturities to run off without replacement) for the account as may be found to be desirable within the limits of the authority granted to the executive committee by the Federal Open Market Committee.

Chairman Eccles stated that the Secretary of the Treasury had requested that his meeting with the members of the executive committee, which had been set for the morning of June 16 for the purpose of discussing the Treasury bill program, be deferred until a date to be fixed later.

There followed a discussion of the Treasury bill market and the factors which it was felt should be considered in connection with the

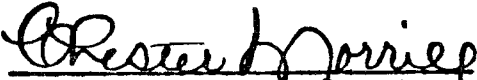
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future Treasury bill program.

Mr. Goldenweiser reported briefly on the progress being made in assembling material for the executive committee to consider in connection with the preparation of the report requested by the Federal Open Market Committee on a plan for purchases of Treasury bills by the Federal reserve banks. In this connection he distributed among the members of the Federal Open Market Committee present copies of a draft of a tentative outline of study of the plan and requested that the members review the outline and advise him of any suggestions that they might desire to make regarding it.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.