

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, November 9, 1937, at 11:15 a. m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. McKee  
Mr. Szymczak (alternate for Mr. Ransom)  
Mr. Sinclair

Mr. Morrill, Secretary  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Burgess, Manager of the System Open  
Market Account

The committee considered the advisability of instituting purchases of additional securities for the System open market account under the resolution adopted by the Federal Open Market Committee at its meeting on September 11-12, 1937, which authorized the executive committee to increase by not exceeding \$300,000,000 the amount of securities held in the account.

At the conclusion of the discussion, upon motion duly made and seconded and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York to increase, during the next two weeks, the amount of Government securities held in the System open market account by \$50,000,000; the securities acquired to have maturities not to exceed five years. This action was taken with the understanding that the Federal Reserve Bank of New York would purchase such securities at such times and in such amounts, beginning immediately, as conditions permit without disturbing the market.

It was also understood that a meeting of the Federal Open Market Committee would be called to convene in Washington on Tuesday, November 16, 1937, for the consideration of possible further steps for dealing with developments in business and credit conditions.

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Upon motion duly made and seconded and by unanimous vote, the minutes of the meeting of the executive committee held on September 11-12, 1937, were approved.

Upon motion duly made and seconded and by unanimous vote, the transactions in the System open market account since the period covered by similar action taken by the executive committee at its meeting on September 11-12, 1937, up to and including November 8, 1937, were approved, ratified and confirmed.

It was agreed that the usual authority to replace maturing securities and to make shifts of securities in the account should be renewed.

Thereupon, 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 directions and authorizations given at previous meetings,

(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 other 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

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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.

Thereupon the meeting adjourned.

Robert Morris  
Secretary.

Approved:

W. C. C. C.  
Chairman.