

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 Tuesday, March 1, 1938, at 1:00 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. Szymczak  
Mr. Davis  
Mr. Sinclair

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary of the  
Federal Open Market Committee  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Wyatt, General Counsel  
Mr. Burgess, Manager of the System Open  
Market Account

Upon motion duly made and seconded, and by unanimous vote, Mr. Harrison was elected Vice Chairman of the executive committee of the Federal Open Market Committee to serve until the election of his successor at the first meeting of the committee after February 28, 1939.

Reference was made to the fact that approximately \$87,000,000 of notes in the account which will mature on March 15, 1938, will have to be replaced by new securities, and it was agreed that the authority usually granted to the Federal Reserve Bank of New York to make shifts of securities in the System open market account, pending further action by the executive committee, should be increased at this time.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York

3/1/38

-2-

until otherwise directed by the executive committee,

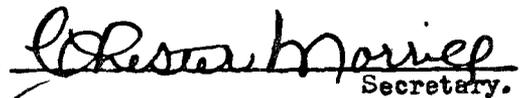
(1) To replace maturing securities in the System open market account by purchases of like amounts of Treasury bills or Treasury notes maturing within two years;

(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 \$200,000,000 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.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.