

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 Friday, April 22, 1938, at 1:20 p.m.

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

Messrs. McKee, Ransom, Draper, Newton,  
Schaller and Peyton, Members of the  
Federal Open Market Committee

Mr. Morrill, Secretary  
Mr. Wyatt, General Counsel  
Mr. Goldenweiser, Economist  
Mr. Dreibelbis, Assistant General Counsel  
Mr. Thurston, Special Assistant to the  
Chairman of the Board of Governors of  
the Federal Reserve System

It was agreed that the authority granted to the Federal Reserve Bank of New York to replace maturing securities and to make shifts of securities in the system open market account pending further action by the executive committee should be renewed at this time subject to the limitations laid down in the resolutions adopted by the Federal Open Market Committee at its meeting today.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York 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, provided such purchases can be made without paying a premium above a no-yield basis;

(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

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of \$200,000,000 of purchases and a like amount of sales or redemptions, provided that the total amount of bonds held in the account be not reduced;

(3) To increase or decrease temporarily the amount of securities in the account between weekly statement dates by not more than \$50,000,000 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 pursuant to the other provisions 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.