

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 Monday, September 18, 1939, at 9:00 a.m.

PRESENT: Mr. Harrison, Vice Chairman
Mr. Ransom (alternate for Chairman Eccles)
Mr. McKee
Mr. Draper
Mr. Leach

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

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary of
the Federal Open Market Committee
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Sproul, Manager of the System Open
Market Account
Mr. Thurston, Special Assistant to the
Chairman of the Board of Governors
Mr. Piser, Senior Economist in the
Division of Research and Statistics
of the Board of Governors

Upon motion duly made and seconded,
and by unanimous vote, the minutes of the
meeting of the executive committee of the
Federal Open Market Committee held on
June 20-21, 1939, were approved.

It was stated that on September 6 and again on September 11, the members of the executive committee authorized the Secretary to advise the New York bank by wire that the members of the executive committee approved an increase in the authority of the Federal Reserve Bank of New York to make outright purchases of securities for the System open market account under paragraph number 4 of the resolution adopted at the meeting of the executive committee on June 21,

9/18/39

-2-

by \$250,000,000, so that the authority granted to the bank to purchase securities was increased to an aggregate of \$750,000,000.

Upon motion duly made and seconded, and by unanimous vote, the action of the members of the executive committee in granting the additional authority to the Federal Reserve Bank of New York as above stated was approved, ratified and confirmed.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the System Open Market Account for the period since that covered by similar action at the meeting of the executive committee on June 20, 1939, to and including September 16, 1939, and including the purchases by the Federal Reserve Bank of New York of obligations guaranteed by the United States Government, were approved, ratified and confirmed.

After discussions of conditions in the market for Government securities, the meeting was recessed, with the understanding that it would be reconvened following the meeting of the Federal Open Market Committee.

Ernest Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.