

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Friday, May 12, 1933, at 4:30 p.m.

PRESENT: Mr. Miller, Presiding  
Mr. Hamlin  
Mr. James  
Mr. O'Connor, Comptroller of the Currency

Mr. Morrill, Secretary  
Mr. McClelland, Assistant Secretary  
Mr. Harrison, Assistant to the Governor

ALSO PRESENT: Mr. E. R. Black, Governor designate of the Federal Reserve Board.

There was submitted for the consideration of the Committee a draft of a proposed telegram to Governor Harrison, as Chairman of the Open Market Policy Conference, in regard to the resolution adopted by the conference on April 22, 1933, which authorized the executive committee of the conference, subject to the approval of the Federal Reserve Board, to make purchases of Government securities up to a total of \$1,000,000,000.

The Secretary reported that he had just learned that the Secretary of the Treasury had left Washington for New York and would not return until early next week. In the discussion which ensued Mr. Miller and Mr. Black stated that the matter had been discussed with the Secretary of the Treasury and that he had stated that he favored action by the Board authorizing the executive committee of the Open Market Policy Conference to proceed with the proposed purchases of Government securities. After further discussion, and amendment of the proposed telegram, upon motion by Mr. Hamlin, the Secretary was directed to send the telegram to Governor Harrison, in the following form:

"The Federal Reserve Board has given careful consideration to the resolutions adopted at the meeting on April 22, 1933, of the Open Market Policy Conference,

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"and has requested me to advise you that it authorizes the executive committee of the conference to proceed with its proposed purchases of United States Government securities up to an aggregate of \$1,000,000,000. In granting this authority the Board will expect to be kept informed currently by the executive committee of its program of purchases and as to any developments in the situation which may affect the application of the program. The Board will have the whole matter of open market policy under constant review, and will advise the committee of changes to be made in the program in order more fully to adjust it to the requirements of the national situation."

Thereupon the meeting adjourned.

Robert Morill  
Secretary.

Approved:

A. C. Miller  
Chairman, Executive Committee.