

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, February 28, 1938, at 3:30 p.m.

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

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

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

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 December 13, 1937, were approved.

Reference was made to the actions of the members of the executive committee on January 17 and 28, and February 9, 1938, in increasing on each of those dates the authority of the Federal Reserve Bank of New York to make shifts of securities in the System Open Market Account by an amount not to exceed \$50,000,000 of purchases and a like amount of sales or redemptions, which resulted in an increase to \$250,000,000 in the aggregate of the authority granted to the Federal Reserve Bank of New York by

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the executive committee to make such shifts in the System account. It was pointed out that since the last meeting of the executive committee a total of \$212,406,000 of shifts had been made in the account pursuant to the policy of making such shifts as were necessary in the practical administration of the account, and that the additional authority granted by the members of the executive committee was for the purpose of authorizing these shifts.

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

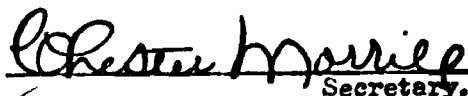
Mr. Burgess reviewed briefly the transactions which had been effected in the System Open Market Account since the meeting of the executive committee on December 13, 1937, and up to the close of business February 28, 1938.

Upon motion duly made and seconded, and by unanimous vote, the transactions in the account during the period covered by Mr. Burgess' review were approved, ratified and confirmed.

Thereupon the meeting recessed with the understanding that another session would be held on March 1 following the session of the full Committee on that date.

Approved:


Chairman.


Secretary.

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

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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.