

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, November 6, 1939, at 10:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. McKee  
Mr. Draper  
Mr. Leach

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

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Goldenweiser, Economist  
Mr. Piser, Senior Economist in the  
Division of Research and Statistics  
of the Board of Governors

Mr. Rouse, Assistant Vice President of  
the Federal Reserve Bank of New York

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  
September 18-19, 1939, were approved.

Mr. Rouse submitted and reviewed briefly a report of the transactions which had been effected in the System account since the previous meeting of the executive committee and there was a brief discussion of the report.

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 ac-  
tion at the meeting of the executive com-  
mittee on September 18, to and including  
November 4, 1939, were approved, ratified  
and confirmed.

11/6/39

-2-

There ensued a discussion of the instructions to be given to the Federal Reserve Bank of New York to execute transactions in the System open market account and of the procedure to be followed by the New York bank in carrying out the instructions.

At the conclusion of the discussion, 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 allow Treasury bills in the System open market account to mature without replacement;

(2) To make such 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, provided that in making such shifts the total amount of bonds held in the account be not increased or decreased by more than \$100,000,000;

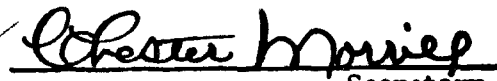
(3) To make such outright purchases or sales for the System account as may be necessary for the purpose of exercising an influence toward maintaining orderly market conditions, provided that the total amount of securities in the account be not increased or decreased through operations under this paragraph by more than \$100,000,000; 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.

Approved:

  
Chairman.

  
Secretary.