

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, May 3, 1937, at 2:45 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. Broderick  
Mr. McKee  
Mr. Sinclair

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

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

The minutes of the meetings of the executive committee on March 13, 15 and 22-23, 1937, were presented and discussed.

Upon motion duly made and seconded and by unanimous vote, action on the minutes was deferred until the session of the meeting of the executive committee to be held on May 4.

Reference was made to transactions in the System open market account since the last meeting of the Federal Open Market Committee on April 3-4, 1937, and Mr. Harrison reviewed briefly the transactions which had been effected in the account since the submission by the New York bank of the last weekly report as of April 28, 1937.

Upon motion duly made and seconded and by unanimous vote, the transactions in the account since the period covered by similar action taken by the full Committee at its meeting on April 3-4, 1937, were approved, ratified and confirmed.

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There followed a general discussion of operations in the System open market account, at the conclusion of which the meeting was recessed to reconvene again on Tuesday, May 4, 1957.

Robert Hoise  
Secretary.

Approved:

W. C. ...  
Chairman.

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, May 4, 1937, at 10:40

a. m.

PRESENT: Mr. Harrison, Vice Chairman  
Mr. Broderick  
Mr. McKee  
Mr. Sinclair

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

Mr. Morrill, Secretary  
Mr. Wyatt, General Counsel  
Mr. Dreibelbis, Assistant General Counsel  
Mr. Williams, Associate Economist  
Mr. Carpenter, Assistant Secretary of the  
Board of Governors  
Mr. Thurston, Special Assistant to the  
Chairman of the Board of Governors

Further discussion was had of the minutes of the meetings of the executive committee of the Federal Open Market Committee on March 13, 15 and 22-23, 1937.

Upon motion duly made and seconded and by unanimous vote, the minutes were approved.

Thereupon the meeting recessed to reconvene following the meeting of the full Committee.

  
Secretary.

Approved:

  
Vice Chairman.

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 Wednesday, May 5, 1937, at 2:55 p. m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. Broderick  
Mr. McKee  
Mr. Sinclair

Messrs. Martin and Day, Members of the  
Federal Open Market Committee

Mr. Morrill, Secretary  
Mr. Goldenweiser, Economist  
Mr. Williams, Associate Economist  
Mr. Wyatt, General Counsel  
Mr. Carpenter, Assistant Secretary of the  
Board of Governors

It was stated that the meeting of the executive committee had been reconvened for the purpose of granting authority to the Federal Reserve Bank of New York to execute transactions in the System open market account and there ensued a discussion of the extent to which such authority should be given.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York, until the adjournment of the next meeting of the executive committee and superseding all previous directions and authorizations, (1) to replace maturing securities in the System open market account by purchases of like amounts of bills or of notes maturing within two years, (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 or desirable in the administration of the account, up to an aggregate of \$100,000,000, (3) to permit such fluctua-

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tions, up to a limit at any one time of \$25,000,000, in the amount of holdings of Government securities in the System open market account between weekly statement dates as may be necessary or desirable in the administration of the account, 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 (including authority to allow maturities to run off) for the System account as may be found to be desirable and advisable within the limits of the authority granted to the executive committee by the Federal Open Market Committee.

Thereupon the meeting adjourned.

Approved:

  
Chairman.

  
Secretary.