

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 Wednesday, August 18, 1937, at 10:30 a.m.

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

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

Mr. Morrill, Secretary  
Mr. Wyatt, General Counsel  
Mr. Dreibelbis, Assistant General Counsel  
Mr. Carpenter, Assistant Secretary of the  
Board of Governors of the Federal  
Reserve System  
Mr. Thurston, Special Assistant to the  
Chairman of the Board of Governors of  
the Federal Reserve System  
Mr. Piser, Senior Economist in the Division  
of Research and Statistics 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 July 6, 1937, were approved.

Mr. Harrison outlined briefly, for the information of the committee, the transactions which had been effected by the Federal Reserve Bank of New York in the System open market account since August 11, 1937, the date of the most recent weekly report sent by the bank to the members of the Federal Open Market Committee.

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 executive committee at its meeting on July 6, 1937, up to and including August 17, 1937, were approved, ratified and confirmed.

Mr. Harrison stated that, under the authority granted by the executive committee at its meeting on July 6, 1937, the Federal Reserve Bank of New York had replaced maturing securities in the System open market account with other securities maturing within two years, and, in addition, had made shifts of securities in the account totaling \$38,703,000. There ensued a discussion of the authority to be granted to the New York bank with respect to further transactions in the account and of the actions that might be taken to meet changes in the reserve position of member banks and in credit conditions generally.

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 Treasury bills or Treasury 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 in the practical administration of the account, up to an aggregate of \$100,000,000 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

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be desirable within the limits of the authority granted to the executive committee by the Federal Open Market Committee

In anticipation of a conference of the members of the executive committee with the Secretary of the Treasury, to be held early in September, 1937, in connection with September 15 financing, there was a discussion of various phases of the Treasury financing program.

At the conclusion of the discussion the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. ...  
Chairman.