

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 Friday, April 29, 1938, at 1:20 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. Wyatt, General Counsel
Mr. Dreibelbis, Assistant General Counsel
Mr. Burgess, Manager of the System Open
Market Account

It was agreed that, in view of the discussions and action taken at the meeting of the Federal Open Market Committee just prior to this meeting, the authority granted to the Federal Reserve Bank of New York to effect transactions in the system open market account should be in the same form as the authority granted to the bank at the meeting of the executive committee on April 22, 1936.

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 replace maturing securities in the system open market account by purchases of like amounts of Treasury bills or Treasury notes maturing within two years, provided such purchases can be made without paying a premium above a no-yield basis;

(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, provided that the total amount of bonds held in the account be not reduced;

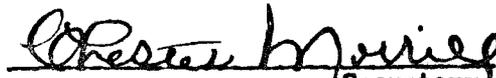
4/29/38

-2-

(3) To increase or decrease temporarily the amount of securities in the account between weekly statement dates by not more than \$50,000,000 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 pursuant to the other provisions 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.