

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 25, 1936, at 6:25 p. m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Broderick (as alternate for Mr. Ransom)
Mr. Harrison
Mr. Fleming

Mr. Morrill, Secretary
Mr. Wyatt, General Counsel
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Burgess, Manager of the System
Open Market Account

The question of renewing the authority which had been granted by the executive committee to the Federal Reserve Bank of New York at the meeting of the executive committee on March 19 was taken up for consideration. In view of the fact that it had been found necessary since that meeting to increase from \$25,000,000 to \$35,000,000 the authority granted to the Federal Reserve Bank of New York to make shifts in maturities of securities in the account into other Government securities, and in order to provide adequate flexibility without the necessity of calling upon the Committee for additional authority, it was suggested that in taking action at this time this amount be increased to \$50,000,000.

Upon motion duly made and seconded and by unanimous vote, the executive committee granted authority to the Federal Reserve Bank of New York until the next meeting of the Federal Open Market Committee (1) to replace maturing securities in the System open market account by the purchase of like amounts of bills or of notes maturing within two years, (2) to make shifts, up to an aggregate of \$50,000,000, of securities in the account into other Government securities having maturities within a range of one year from

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those of the securities sold, (3) upon approval by a majority of the members of the executive committee, which might be obtained by telephone, telegraph or mail, to make such other shifts as might be found to be desirable and advisable within the limits of the authority granted to the executive committee by the Federal Open Market Committee and (4) until June 15, 1936, to effect, with the approval of a majority of the members of the executive committee, which might be obtained by telephone, telegraph or mail, such reallocations of securities between the Federal reserve banks as may be advisable in accordance with the practice which it has followed under the formula and authority of the Federal Open Market Committee as constituted prior to March 1, 1936.

Thereupon the meeting adjourned.

Chester Howell
Secretary.

Approved:

W. C. C. C.
Chairman.