

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 Tuesday, January 26, 1937, at 5:30 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Ransom
Mr. Harrison
Mr. Fleming

Mr. Morrill, Secretary
Mr. Goldenweiser, Economist
Mr. Williams, Associate Economist
Mr. Dreibelbis, Assistant General Counsel
Mr. Burgess, Manager of the System Open
Market Account
Mr. Carpenter, Assistant Secretary of the
Board of Governors

It was agreed that, in view of the action taken by the Federal Open Market Committee just prior to this meeting, the executive committee should direct the Federal Reserve Bank of New York to make a quarterly readjustment of the participations of the Federal reserve banks in the System open market account as of April 1, 1937.

Upon motion duly made and seconded, and by unanimous vote, the committee directed the Federal Reserve Bank of New York to make a readjustment as of April 1, 1937, in the participations of the Federal reserve banks in the System open market account, using the same plan as that followed in making the readjustment as of January 1, 1937, it being understood that before it is actually made the proposed readjustment will be submitted to all Federal reserve banks and the Board for any comments that they may desire to make.

In connection with the instructions to be given to the Federal Reserve Bank of New York with respect to transactions in the System open market account, Mr. Burgess expressed the opinion, which was concurred in by the members of the committee, that a renewal of the authority granted

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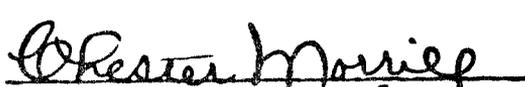
to the Federal Reserve Bank of New York at the meeting of the executive committee on December 21, 1936, would be adequate at least for the time being.

Upon motion duly made and seconded, and by unanimous vote, the executive committee directed the Federal Reserve Bank of New York, until the next meeting of the executive committee, superseding all previous 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 as may be necessary in the proper administration of the account, up to an aggregate of \$50,000,000, into other Government securities having maturities within a range of one year from those of the securities sold, (3) to make such other shifts (which may be accomplished when desirable through replacement of maturing securities) of securities in the account as may be necessary in the proper administration of the account, up to an aggregate of \$50,000,000, into other Government securities having maturities which are not within a range of one year from those of the securities sold, (4) 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 (5) to permit such fluctuations, 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 desirable for the practical administration of the account in making shifts between and replacement of securities pursuant to the authority granted by the executive committee.

Thereupon the meeting adjourned.

Approved:


Chairman.


Secretary.