

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 11:45 a.m.

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

Messrs. Broderick, McKee, Davis, Schaller,  
Hamilton and McKinney, Members of the  
Federal Open Market Committee

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  
Mr. Thurston, Special Assistant to the  
Chairman of the Board of Governors

There was presented a draft of the minutes of the meeting of the executive committee of the Federal Open Market Committee held in Washington on December 21, 1936, and in that connection consideration was given to a suggested change in the minutes as set forth in a letter addressed to the Secretary of the Committee by President Harrison on January 19, 1937, and agreement was reached upon a revised draft.

At the conclusion of a discussion upon motion duly made and seconded, the minutes were approved unanimously.

Mr. Burgess left the meeting at this point to attend a conference at the Treasury.

It was then stated that, pursuant to the instructions issued by the executive committee, a readjustment as of January 1, 1937, in the

1/26/37

-2-

participations of the Federal reserve banks in the System Open Market Account had been made, using the same plan as that followed in making the readjustment on October 1, 1936.

Upon motion duly made and seconded and by unanimous vote, the quarterly readjustment as of January 1, 1937, of the participations of the Federal reserve banks in the account was approved, ratified and confirmed.

The Secretary stated that on January 18, 1937, upon advise that the Federal Reserve Bank of New York had exhausted most of its authority to make shifts in the System open market account, the members of the executive committee authorized the Federal Reserve Bank of New York, until the next meeting of the executive committee, (1) to make such shifts of securities in the system open market account as might be necessary in the proper administration of the account, up to an aggregate of \$25,000,000, into other Government securities having maturities within a range of one year from those of the securities sold, and (2) to make such other shifts (which might be accomplished when desirable through replacement of maturing securities) of securities in the account as might be necessary in the proper administration of the account, up to an aggregate of \$25,000,000, into other Government securities having maturities which were not within a range of one year from those of the securities sold; this authority being in addition to the authority granted to the New York bank at the meeting of the executive committee on December 21, 1936.

Upon motion duly made and seconded, it was voted unanimously to approve, ratify and confirm the action of the members of the executive committee in granting to the Federal Reserve Bank of New York the additional authority referred to.

1/26/37

-3-


In connection with a reference to the transactions in the System open market account since the last meeting of the executive committee, it was stated that under date of January 21, 1937, Mr. Burgess had sent to all of the members of the Federal Open Market Committee a summary report of the open market operations since the last meeting of the Federal Open Market Committee on November 20, 1936, which had been reported in detail in the regular weekly reports.

Upon motion duly made and seconded, it was voted unanimously to approve, ratify and confirm the transactions covered by the weekly reports submitted by Mr. Burgess since the meeting of the executive committee on December 21, 1936.

Thereupon the meeting adjourned.

Approved:

  
Chairman.

  
Secretary.