

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, April 26, 1957, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman  
Mr. Harrison, Vice Chairman  
Mr. Broderick  
Mr. McKee  
Mr. Sinclair

Mr. Davis, Member of the Federal Open Market Committee

Mr. Morrill, Secretary  
Mr. Wyatt, General Counsel  
Mr. Goldenweiser, Economist  
Mr. Dreibelbis, Assistant General Counsel  
Mr. Carpenter, Assistant Secretary of the Board of Governors  
Mr. Piser, Senior Economist in the Division of Research and Statistics of the Board of Governors

Mr. Harrison reviewed briefly the actions taken by the Federal Reserve Bank of New York on Friday and Saturday of last week, under the authority granted to the New York bank by the executive committee, and the instructions which he had given to the bank to be followed today in the absence of further instructions from the executive committee.

Chairman Eccles talked over the telephone to Mr. Sproul, First Vice President of the Federal Reserve Bank of New York, who reported the condition of the Government securities market, including the market for Treasury bills.

The telephone conversation with Mr. Sproul was followed by a discussion of possible trends in the Government securities market and the question of the authority to be granted at this meeting to the New York

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bank to execute transactions in the market for the System account.

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 bills or of 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 or desirable in the administration of the account, up to an aggregate of \$100,000,000, (3) to make purchases and sales in the market of Government securities for the System account, provided that the securities held in the account be not increased as of any weekly statement date to an amount exceeding \$2,600,000,000, and provided further that the amount of securities held in the account be not reduced as of any weekly statement date below the amount of securities held in the account as of the last preceding weekly statement date, 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, purchases, or sales for the System account as may be found to be desirable and advisable within the limits of the authority granted to the executive committee by the Federal Open Market Committee.

Thereupon the meeting adjourned.

Walter H. White  
Secretary.

Approved:

W. H. White  
Chairman.