

A special meeting of the Federal Reserve Board was held in the office of the Board on Saturday, December 18th, at 11:45 a.m.

PRESENT: The Chairman
The Governor
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Hoxton, Secretary.

Reading of the minutes was omitted.

The Governor submitted a proposed resolution regarding the removal of restrictions upon exchange transactions with Russia.

After discussion, the resolution as amended, was adopted, as follows:

WHEREAS the Department of State on July 7, 1920, made the following announcement:

"The restrictions which have heretofore stood in the way of trade and communication with Soviet Russia were today removed by action of the Department of State. Such of these restrictions, however, as pertain to the shipment of materials susceptible of immediate use for war purposes will, for the present at least, be maintained.

"Political recognition, present or future, of any Russian authority exercising or claiming to exercise governmental functions, is neither granted nor implied by this action. It should be emphasized, moreover, that individuals or corporations availing themselves of the present opportunity to trade with Russia will do so on their own responsibility and at their own risk. The assistance which the United States can normally extend to its citizens who engage in trade or travel in some foreign country whose government is recognized by the United States can not be looked for in the present case, since there is no official or representative Russian authority with which this Government can maintain those relations usually subsisting between nations.

"The action which the United States is now taking in no wise constitutes a recognition of the validity of industrial or commercial concession granted by any existing Russian authority. American citizens availing themselves of the present relaxation of restrictions are warned against the risks incident to the acceptance of commodities or other values, the title to which may later be brought into question.

"The situation which at present prevails, relative to travel from or to Russia, will be unaffected by the removal of trade restrictions. Passports for Russia can not be issued, nor will any change be made in the visa regulations now in force.

"Since it is not desirable at this time to undertake negotiations with the Soviet Postal authorities, the Post Office Department will be unable to accept mail from or to Soviet Russia. There has never been any parcel post convention between the United States and Russia and this mode of forwarding goods is, therefore, unavailable."

"AND WHEREAS all restrictions upon the exportation of coin, bullion or currency from the United States, and all restrictions upon transfers of credit and exchange transactions, were removed by the proclamation of the President dated June 26, 1919, except that said proclamation continued in force and effect, to the extent deemed advisable by the Secretary of the Treasury and the Federal Reserve Board, all restrictions upon the exportation of coin, bullion and currency to that part of Russia under the control of the so-called Bolshevik Government, and upon dealings or exchange transactions in Russian rubles, and upon transfers of credit and exchange transactions with that part of Russia under the control of the so-called Bolshevik Government, and upon transfers of credit or exchange transactions with territories in respect of which such transactions were then permitted only through the American Relief Administration.

AND WHEREAS, on June 30, 1919, all restrictions upon transfers of credit or exchange transactions with territories in respect of which such transactions had theretofore been permitted only through the American Relief Administration were removed by the Secretary of the Treasury and the Federal Reserve Board.

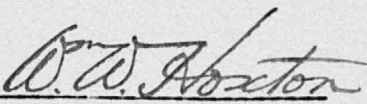
AND WHEREAS, the Department of State has advised the Secretary of the Treasury and the Federal Reserve Board that in order to give force and effect to its action as set forth in its announcement of July 7, 1920, hereinabove referred to, all restrictions upon the exportation of coin, bullion and currency to that part of Russia under the control of the so-called Bolshevik Government, and upon dealings or exchange transactions in Russian rubles, and upon transfers of credit or exchange transactions with that part of Russia under the control of the so-called Bolshevik Government should now be removed.

NOW THEREFORE, BE IT RESOLVED by the Federal Reserve Board, the Secretary of the Treasury being present and voting in the affirmative, that all rules and regulations restricting the exportation of coin, bullion and currency to that part of Russia under the control of the so-called Bolshevik Government, or restricting dealings or exchange transactions in Russian rubles, or restricting transfers of credit or exchange transactions with that part of Russia under the control of the so-called Bolshevik Government, are hereby suspended for the time being, and that the Federal Reserve Board join with the Secretary of the Treasury in an announcement to this effect.

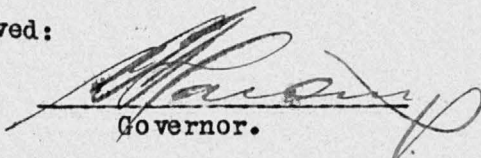
Application dated December 17th, from the Railway Loan Advisory Committee, requesting the Board's approval of a form of loan to be made, in the amount of \$9,630,000, to the New York, New Haven & Hartford Railroad Company, under Section 210 of the Transportation Act, 1920, as amended.

Approved. Mr. Hamlin desired to be recorded as not voting.

At 1 p.m. the meeting adjourned.


Secretary

Approved:


Governor.