

A meeting of the Federal Reserve Board was held in the office of the Governor on Friday, May 13, 1921, at 3:40 p.m.

PRESENT: Governor Harding  
Mr. Platt  
Mr. Hamlin  
Mr. Miller  
Mr. Mitchell  
Mr. Crissinger  
Mr. Hoxton, Secretary.

PRESENT ALSO:  
Mr. Logan, General Counsel.

Reading of the minutes was omitted.

Governor Harding stated that he had received the opinion of the General Counsel furnished in accordance with the action of the meeting of the Board on May 12th, with respect to the memorandum prepared by the Governor of the Federal Reserve Bank of New York, covering a proposed acceptance credit to be extended by certain banks in New York City to certain banks in Argentine, for the purpose of furnishing dollar exchange.

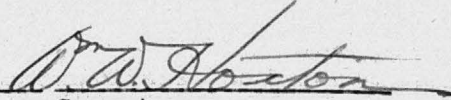
After full discussion, Governor Harding was authorized to advise Governor Strong that the Federal Reserve Board, in connection with this transaction, does not contemplate suspending the authority already granted to accept drafts drawn for the purpose of furnishing dollar exchange, nor does it contemplate any revocation with respect to the foreign countries which have heretofore been designated.

Letter from the Secretary of the Treasury, submitting proposed amendment to the Federal Reserve Act whereby, under the supervision of the Federal Reserve Board, the Federal reserve

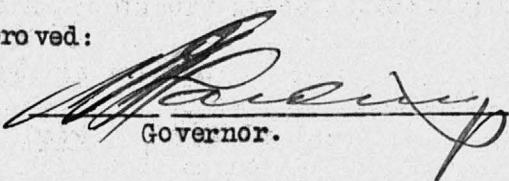
banks shall scrutinize and pass upon all securities offered for sale in their respective Federal reserve districts.

It was the sense of the Board that, while the purpose of the law is praiseworthy, the Federal Reserve System should not be called upon to assume the responsibility of its observance and enforcement.

At 4:20 p.m. the meeting adjourned.

  
Secretary.

Approved:

  
Governor.