MEMORANDUM OF CONFERENCE

According to prearrangement a conference was held today, April 30th, 1923, in the office of the Federal Reserve Board at 11:30 a.m. to 5:15 p.m. with a short recess for luncheon. The subject discussed was the proposed establishment of an agency at Havana, Cuba, by the Federal Reserve Bank of Boston. There were present:

Mr. Platt, Presiding Officer
Mr. Hamlin
Mr. Miller
Mr. Crissinger
Mr. H. M. Dawes
Governor Harding
Deputy Governor Case
Governor Norris
Governor Wellborn
Mr. McCord
Mr. Hoxton, Secretary
Mr. Wyatt, General Counsel

Governor Harding presented to the Board the reasons why, in his judgment, the application of the Federal Reserve Bank of Boston should be approved.

Governor Wellborn stated that the Federal Reserve Bank of Atlanta is not applying for an agency in Cuba, but that he could not see what more is needed in Havana than the furnishing of a supply of currency to the Island which the Federal Reserve Bank of Atlanta is now doing through the Jacksonville Branch.

Mr. Case of New York doubted the advisability of the Federal Reserve System's going into international banking as a commercial proposition, stated his opinion that the initiative should come from the government of the Republic of Cuba with the indorsement of the Treasury and State Department of the United States and expressed the thought that the agency might be given a trial, and
that a limit should be set upon the duration of the said trial. Mr. Case also stated that a limit should be placed upon the amount of currency to be carried by the Havana Agency and observed that the establishment of the agency would permit the branches of the National City Bank of New York and the First National Bank of Boston to decrease the reserve carried by them from 60% to 10%.

Mr. Miller expressed his view that the purpose in establishing the agency is to keep Cuba supplied with currency and that the buying and selling of cable transfers and bills are apparently only incidental and undertaken with a view to compensate for the cost of supplying currency. Mr. Miller further expressed the opinion that no unissued Federal Reserve notes should ever be placed outside of the United States.

Governor Norris stated that the Federal Reserve Bank of Philadelphia does not want to establish an agency, but thought it advisable; first, that the agency be approved in the interest of the Federal Reserve System; second, that the agency should be established as an agency of a single Federal Reserve bank (avoiding conflict of management and division of responsibility) but with Federal Reserve System participation; third, that such participation should offered, including a provision for the allotment of Federal Reserve notes; and fourth, to enable the Boards of Directors of the various banks to determine whether they want to participate that there should be a plain statement made of just what business is to be done by the agency and how.