

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, January 16, 1930, at 3:00 p.m.

PRESENT: Governor Young  
 Mr. Platt  
 Mr. James  
 Mr. Cunningham  
 Mr. McClelland, Asst. Secretary  
 PRESENT ALSO: Mr. Wyatt, General Counsel  
 Mr. Vest, Assistant Counsel  
 Mr. Smead, Chief, Division of Bank  
 Operations.

The Governor reported rumors which have come to him in confidence regarding the possibility of a moratorium in Cuba, and stated that upon investigation he learned of an increase in the amount of currency held at the Havana Agency, which was explained to him by the Atlanta bank, however, as being the regular increase needed to take care of seasonal requirements. He stated that without referring to the rumors of a moratorium, he asked the Deputy Governor of the Atlanta bank to secure a report on conditions in Cuba from the Manager of the Havana Agency, who stated that nothing unusual seemed to exist.

He stated that he then wrote to Deputy Governor Taylor of the Atlanta bank regarding the rumors of a moratorium and that Deputy Governor Taylor phoned him this afternoon that simultaneously with receipt of this letter he received advice from the Manager of the Havana Agency that clearing-house banks in Havana have inquired regarding the possibility of exchanging \$4,000,000 of Cuban gold coin bearing the Philadelphia Mint mark for cable transfers. The Governor stated that the mechanics of the operation probably will be that the clearing-house banks will sell cable transfers for currency; exchange this currency for Cuban gold coin and then buy cable transfers with the gold.

The Governor stated that he was submitting the matter to the Board

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because of the fact that this gold coin, if acquired by the Havana Agency, probably could not be imported into this country except upon payment of the regular Cuban tax of one-fourth of one per cent.

During the discussion, Mr. Wyatt, the Board's Counsel, advised that the Board's resolutions outlining the powers of the Havana Agency seem to contemplate the sale of cable transfers for United States currency only.

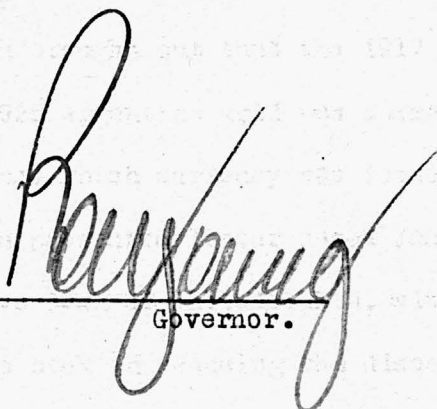
The Governor stated that he thought before authorizing acceptance of the Cuban coin by the Agency, more information should be secured regarding the circumstances surrounding the transaction.

The Secretary of the Treasury joined the meeting at this point and took the Chair.

After some further discussion, upon motion by Mr. Platt, it was voted that the Governor be authorized to advise the Atlanta bank that until further notice it may sell cable transfers or exchange notes for Cuban gold coin.

The meeting adjourned at 4:00 p.m.

Approved:

  
Governor.  
Assistant Secretary.