

At a meeting of the Federal Reserve Board on December 22, 1933, the following were present: Governor Black, Mr. Harlin, Mr. Miller, Mr. James, Mr. Thomas and Mr. Szymczak.

This meeting was held for the purpose of consultation by the members of the Board after the conference with Governors of the Federal reserve banks held earlier today.

The Board considered fully the opinions of Mr. Baker and Mr. Wyatt in connection with the question involved in having the title to the gold of the System vested in the Treasury Department in order that the Government might automatically obtain the profit upon this gold if, as and when devaluation takes place.

After a full discussion of this matter the Board expressed itself as follows:

"In event, first, the President should write the Board with respect to the plan embracing action under the Thomas Amendment and the placing of title of the gold holdings of the Federal Reserve System in the Treasury so that profits on that gold would accrue to the Government if, as and when devaluation is effected; and, second, if the Secretary of the Treasury should requisition the gold holdings of the Federal Reserve System under Section 11 (n) of the Federal Reserve Act and should offer gold certificates in payment of such gold holdings, then the Federal Reserve Board feels:

"(1) That it should express its strong conviction that appropriate legislation by Congress should be had covering this question of profits upon the gold holdings of the Federal Reserve System, although it is of opinion that this profit, being the result of the monetary policy of the Government, should ultimately go to the Government.

"(2) That neither the Federal Reserve Banks nor the Federal Reserve Agents can enter into voluntary agreement covering the transfer of the title in this gold to the Government because of their responsibility as officers and directors of the Reserve Bank and of their trusteeship in connection

12/22/33

"with their duties as such, and

"(3) That if demand is made by the Secretary of the Treasury under Section 11 (n) of the Federal Reserve Act for the gold holdings of the Federal Reserve System, then the Federal Reserve Banks and the Federal Reserve Agents should yield possession of the gold to the Treasury or its representatives and receive any gold certificates tendered to them, but only under protest fully preserving all legal rights."

Thereupon the meeting adjourned.

*E. R. M. C.*

Governor.