

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

C'D IN RECORDS SECTION

JUN 26 1958 *rh*

111.2-14 *AT*

OFFICE OF THE  
CHAIRMAN OF THE BOARD AND  
FEDERAL RESERVE AGENT *[Signature]*

December 27, 1933

VIA AIRMAIL  
Special Delivery

Hon. Eugene R. Black  
Governor, Federal Reserve Board  
Washington, D. C.

Dear Governor:

As per your request by telephone today, I am enclosing, herewith, copy of the resolution adopted by our Board of Directors at its special meeting this afternoon, the conclusion of which I gave you over the telephone.

Very truly yours,

*[Signature]*  
Chairman

EMS HH

P. S. As per your later telegram, <sup>(12-27-33)</sup> we have arranged for our board to continue in session over tomorrow. It is probable that we will not be able to get the full board together before 2:00 p. m.

The resolution referred to above was passed before receipt of your telegram asking us to remain in session over tomorrow.

*[Signature]*  
*Director #1*  
FOR FILES  
M.E. Pilger

Copy of Resolution adopted by the Board of Directors of the Federal Reserve Bank of Chicago, at a special meeting held at 2:00 p. m. on December 27, 1933, all members of the Board being present.

WHEREAS, the Federal Reserve Board has indicated that in order to secure title to the gold in the possession of Federal Reserve Banks the Secretary of the Treasury, under the authority vested in him by Section 11 (n) of the Federal Reserve Act contemplates requesting all Federal Reserve Banks to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion and gold certificates now owned by such banks so that the Government may get the benefit of any profit resulting from any reduction in the gold content of the dollar; and

WHEREAS, the Federal Reserve Board has suggested to the Federal Reserve Banks that they consider the propriety of voluntarily complying with any such request which may be made to them by the Secretary of the Treasury; and

WHEREAS, in pursuance of this suggestion, the Directors have carefully read and considered the opinion of the Honorable Newton D. Baker, Special Counsel for the Federal Reserve Board, and have conferred with Counsel for this Bank, and it appears that there is grave doubt as to the legal authority of this Bank to comply with any such request which may be made by the Secretary of the Treasury,

RESOLVED, that the Chairman of the Board of Directors of this Bank be and he is hereby authorized and directed to promptly inform the Federal Reserve Board that, after having conferred with Counsel and having fully considered the matter, the Directors are unanimously of the opinion that because of the grave doubt as to the legal authority of Federal Reserve Banks to pay and deliver to the Treasurer of the United States all gold coin, gold bullion and gold certificates now owned by them, this Bank should decline to voluntarily comply with any request received from the Secretary of the Treasury so to do.