

TELEGRAM  
FEDERAL RESERVE BOARD  
WASHINGTON

X-1820

Referring to Board's notice of December 6, in connection with the release by the Treasury of standard silver dollars to American banks operating their own branches in the Orient, for the purpose of so regulating the Oriental exchanges as to protect our subsidiary coinage from export, it has become necessary for the Federal Reserve Bank of New York, in order to permit these transactions to be carried through, to purchase under its open market operations, bills drawn to finance the export of this silver. The said bills will bear the names of the following three institutions as drawers, acceptors and endorsers, and will be met at their maturity through dollar telegraphic transfers purchased in China at the time of the shipment of the silver, but payable only on arrival of the silver in the Orient; Asia Banking Corporation, International Banking Corporation, Park Union Foreign Banking Corporation. They are therefore export bills bearing three first-class names, the payment of which is assured through the purchase of dollar telegraphic transfers at the time of the creation of the bills. Inasmuch as these transactions are undertaken at the request of the Federal Reserve Board for the purpose of protecting from export the subsidiary coinage of the entire country, the Board suggests that Federal Reserve Banks each take their proportion of the said bills. Your proportion would amount to approximately                      per cent., and on receipt of notice that you will cooperate, Board will arrange allotment to you from time to time of your proportion of bills. The bills may reach a total of \$40,000,000 before the bills first drawn mature. The chances are, however, that the operation will begin to turn itself before that total is reached.

HARDING  
GOVERNOR.

Copy of telegram to be sent to all F.R. Banks except New York