

FEDERAL RESERVE BOARD
STATEMENT FOR THE PRESS.

X-3710

FOR IMMEDIATE
RELEASE.

The Federal Reserve Board today sent the following telegram to the Chairman of the Board of Directors of the Federal Reserve Bank, Atlanta.

"Board has received a number of telegrams asking postponement of the hearing on proposed Cuban agency scheduled for Monday next. You are advised that the Board sees no occasion for postponement of hearing. This hearing was called by the Board at the request of certain commercial banks for the purpose of getting further and fuller information with respect to certain questions in connection with proposed agency, more particularly for the purpose of determining whether such an agency might result in unfair competition with member banks dealing in Cuban exchange and, in the event that an agency should be authorized, what should be the precise scope of its operations in purchasing, collecting and selling exchange. Several telegrams have been received by me from your district, from which it appears the signers are suffering from a misapprehension as to the purpose of the hearing and from the fear that your bank may be deprived of the benefits which have accrued to it from supplying a large volume of Federal Reserve notes for circulation in Cuba. I can assure you that whatever is done the Board will recognize the equity your bank now has in the situation because of the substantial volume of notes it has supplied to Cuba. This is also recognized by Governor Harding in his amended plan for an agency and full provision will be made in case any agency is authorized to insure that your bank shall be given facilities the same as those existing for the redemption of its unfit notes in Cuba and the placing into circulation of new and fit notes, as may be required. I trust that this information will allay any misgivings as to the purpose and outcome of the hearing to be held next Monday."

May 4, 1923.