

## LEGAL TENDER AND FRACTIONAL SILVER COINAGE

*Exchange of notes at Washington May 28 and June 6, 1931, modifying agreement of June 20, 1904, as modified  
Entered into force June 6, 1931*

Department of State files

*The Secretary of State to the Panamanian Minister*

MAY 28, 1931

SIR:

I have the honor to refer to the Legation's Aide-Memoire of April 8, 1931, and its Note Verbale of May 4, 1931, regarding the desire of the Government of Panama to coin 200,000 silver one-balboa pieces under the terms of the Monetary Agreement of June 20, 1904,<sup>1</sup> between the United States and the Republic of Panama, as modified by the exchange of Notes between the Department and the Legation, dated respectively March 26 and April 2, 1930.<sup>2</sup>

The present Monetary Agreement and its amendments cover the coinage of fractional silver currency only. This Government will, however, agree to the modification of the Agreement of 1904 and 1930 to include the coinage of silver pieces of the denomination of one balboa to a total value of 200,000 balboas as requested by you, provided the terms of the agreement are complied with in all other particulars. Upon the receipt of a Note confirming this agreement on behalf of the Government of Panama, the Government of the United States would consider the Monetary Agreement of 1904 and 1930 as being appropriately modified and would be prepared to undertake the desired coinage at the Philadelphia mint.

The Treasury Department informs this Department that the cost of the coinage of 200,000 balboas would be at the rate of \$11.00 per thousand pieces. This coinage, using the dollar as a basis of calculation, would require 154,687.50 fine ounces of silver. The cost mentioned includes working dies and copper for alloy and is based on a comparatively small number of pieces. The cost of containers for shipment would be in addition to the coinage cost.

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<sup>1</sup> *Ante*, p. 681.

<sup>2</sup> *Ante*, p. 731.