

STRONG PAPERS, Norman to Strong, 1923 – 1924 (List redone 5/2004, to include all materials)

1923

February 3 (w/ Prospectus of the Austrian Gov't Guaranteed Sterling Treasury Bills, February 24, 1923)
[March 6] – (may have been on earlier list by mistake; Feb. 3rd letter is stamped "Acknowledged March 6")
March 27
April 9
April 28 C
May 2 (to Case)
October 8
November 13
December 3

1924

January 7, w/ memorandum re: establishing a discount & issue "Gold Bank" in Germany
January 30
(February 4)
May 16C
(May 17)
May 27 C
June 16
June 19
[August 25 (from Lubbock), with resolution of London Conference, and Manchester Guarding section, August 19, 1924]
(September 17)
(September 17)
September 20, with letter to Woodward (dated September 17)
October 16
November 15
November 30

Strong Papers Key:

[] = At earlier date, item was listed as present but no original or copy is now in Papers
() = At earlier date, item was not on list but original is in Papers and was copied if no copy existed

06/01/04

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September 20

September 17 (to Mr. Woodward)

October 16

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STRONG PAPERS Norman to Strong, 1923 - 1924

1923

Feb. 23, with prospectus of Austrian bills, Feb. 24, 1923

Mar. 6

Mar. 27

Apr. 9

Apr. 28 C

May 2 (to Case)

Oct. 23

Nov. 13

Dec. 3

1924

Jan. 7, with memo on Gold Discount Bank

Jan. 30

May 16 C

May 27 C

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June 19

Aug. 25 (from Lubbock), with resolution of London Conference, and Manchester
Guarding section, Aug. 19, 1924 *in Lubbock file -*

Sept. 20, with letter to Woodward

Oct. 16

Nov. 15

Nov. 30

Bank of England

London, E.C. 2

23rd February, 1923.

ACKNOWLEDGED
MAR 6 1923

B. S.

My dear Strong,

I am forwarding to you two copies of the Prospectus of the Austrian Government Guaranteed Sterling Treasury Bills as evidence of the practical co-operation among Central Banks.

Yours sincerely,

Hiseman

Benjamin Strong, Esq.

Austrian Government Guaranteed Sterling Treasury Bills.

Issue of £1,800,000 at 12 months' date.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised by the Austrian Government to receive applications for the above-mentioned Bills, which will be issued at the fixed price of £93 per cent.

Arrangements have been or are being made for similar issues of Bills and/or Bonds, ranking *pari passu* with this issue, to take place in Belgium, France, Holland, Sweden and Switzerland, in the respective currencies of these Countries, the issues to be for such amounts as will in conjunction with this issue be sufficient to raise sums approximately equivalent in the aggregate to £3,500,000. The Austrian Government may not dispose of any funds derived from these issues except by authorisation of the Commissioner-General nominated by the Council of the League of Nations. The issues will be free from all Taxes, Dues or Charges, present or future, levied by the Austrian State.

These issues, together with other existing short-term liabilities of the Austrian State amounting to about £3,500,000, are in anticipation of, and will be repaid out of the proceeds of, a Guaranteed long-term Loan sufficient to produce a sum not exceeding 650,000,000 gold crowns (approximately £27,000,000), the issue of which is contemplated under the Protocols approved by the Council of the League of Nations on the 4th October, 1922.

To secure the due payment of these issues, as well as of the existing short-term liabilities referred to and of the service of the contemplated long-term Loan, the gross receipts of the Customs Duties and Tobacco Monopoly of the Austrian State are being and will be paid into a special account under the sole control of the Commissioner-General, who in his discretion will duly make provision therefrom for such payment as well as for current needs of the Austrian State.

Due payment of the Bills will be guaranteed by the undermentioned States, to the extent in each case of the proportion stated below, by the deposit, with the National Bank of Switzerland, of their own Treasury Bills of like maturity:—

Great Britain to the extent of	24½	per cent.	
France	”	”	24½
Italy	”	”	24½
Czechoslovakia	”	”	24½
Belgium	”	”	2
TOTAL	100

Holders of Bills of this issue will be offered an option to convert their holdings into the proposed Guaranteed long-term Loan on terms to be arranged when the issue of such Loan takes place.

The Austrian Government reserve to themselves the right, subject to 30 days' previous notice by advertisement in the London "Times," to repay this issue at any time under discount at the rate of 4 per cent. per annum in respect of the unexpired term of the currency of the Bills. In the event of such notice being given, discount at the said rate as from the expiration of the notice will be deducted from the face value of all Bills whenever presented. Holders of Bills may register at the Bank of England an address to which a copy of any such notice will be forwarded by registered post.

The Bills of this issue will be in amounts of £500, £1,000, and £5,000, and will be payable at the Bank of England; they will be dated the 1st March, 1923, and, if not previously repaid under the provisions of the preceding paragraph, will be payable 12 months after date, without days of grace, viz., on the 1st March, 1924.

Applications, which must be made on the printed forms obtainable at the Bank of England and at the Bank's Branches, must in every case be accompanied by payment in full of the amount due (viz., £93 per cent.) in respect of the Bills applied for, and must be lodged at the Chief Cashier's Office, Bank of England, not later than 3 p.m. on Wednesday, the 28th instant.

In case of partial allotment the sum overpaid will be refunded by cheque.

This issue is made at the request of the League of Nations and of His Majesty's Government.

BANK OF ENGLAND,

24th February, 1923.

Copy of handwritten letter

Hermitage Hotel, Nice, France, March 27, 1923

Dear Old Man.

Of course your letter was bad reading: it isnt what I wanted to hear either for my sake or for your own. I want help on your side & one of these days may want it badly & suddenly: None can give it but you; it will be years before anyone can & hard years too. Then its miserable for you to have to go West: the need to go rather than the going: but I understand that nohow else can you get real Rest & real Quiet.

Of course you were too lighthearted about your cough, down in Washington but thats an old tag now & I will not rake it up. I did not speak to Ben about you till he spoke to me: then I wrote him a letter, advising him to stay on in London. He is doing so for the present but I think intends to go home early this summer: I dont know why & I dont know what you wish, Personally I dont think he has absorbed enough of London to ensure his permanent good. You know he has had the grippe -slightly & is (to my delight) coming here, (into the next room) in 3 days for a couple of weeks: that will put him right for sure. I saw "Waddy" in Paris last week; debt-collecting as usual but without much success. I got along well with Robineau - but politics make his position uncommon difficult & until his Govts position is balanced, he can get no real independence. Goodness only knows how & when this Rthr muddle is to end: I am not at all happy about it- There remain a number of details to be settled between our Treasuries before the debt is really put away (on paper!). I will write again in a day or two. God bless you

NM

Hermitage Hotel.

Nice. France.



THORPE LODGE,
CAMPDEN HILL. W.8.

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Copy of handwritten letter

Hermitage: Nice, 9, April 1923

My dear Ben.

I said I would write & tell you about young Ben: he has been here for about ten days & is so well that it would do you good to see him. If there was anything wrong back of his nose it has entirely cleared up: he eats & sleeps like a pig & enjoys all the chaff with which Mr. Stansfeld & I manage to provide for him. So you can make your mind easy about him. Personally I wish he were staying longer in London for it takes time to settle down first & then more time to get into the feel of the place & draw from it permanent impressions & experience: But that is his affair: he is determined to go home next month so that's the end of it. I shall be here another week, making three in all.

Things seem to be going smoothly in London: money is abundant: stock markets strong trade rather bad & our floating debt greatly reduced. I am both sorry & surprised that the \$ Exchange is weak rather than strong, especially as commodity prices hardly rise at all. At the end of next month I hope we may be able to issue the Long-term Loan for Austria, throughout Europe as well as in London. I am very anxious that Morgans should then do the same in NY & think they are willing to help: if they wont or cant then Speyer & Wallgarten will likely do so, as both have approached us .

If we can thus set up Austria, we must tackle Hungary next, so as to establish one by one the new parts of Old Austria. & then perhaps the Balkan Countries. Only by thus making the various parts economically sound & independent shall we reach what I believe to be the ultimate solution for Eastern Europe viz an Economic federation to include half a dozen countries on or near the Danube free of customs barriers &c. Roumania will present difficulties, because she despises all the Ex-Enemy Countries & is too proud (or insolent) to make any sacrifice for the general good. Italy too because she claims a special position & special privileges (of domination) in those parts. But while the active cooperation of Roumania is essential, only "live & let live" is needed from Italy

The black spot of Europe & the world continues to be on the Rhine: there you have all the conditions of war except that one side is unarmed. How long can Germany continue thus? If Poincaré is to last another year (till the next elections in France) where will German industry go? Her export trade & her necessary imports? We may yet see Relief Credits to prevent starvation between Harvests!

I wish to know the future course of money & commodity prices in N.Y. I guess London has been buying - or buying back- Securities owing to the difference in money rates & this may be affecting the exchange: but we cannot expect call money in N.Y. to be twice the rate in London for an indefinite period? Apart from that the prospects of trade are so poor that I see no real (local) need for higher rates in London.

I hate to think of you, banished, alone, in Colorado. But like a wise man you have tackled this trouble bravely & early & the sooner I look to see you back in harness. ~~There~~, we need you or shall do: there must be many ups & downs ahead of us & though everything at the moment seems easy, the greater part of the world is waiting to be set on its feet again before the war will really be over.

as ever NM

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 M.F.

Translation of cablegram

London, England.
April 28, 1923.

Federal Reserve Bank,
New York, N. Y.

No. 2 CONFIDENTIAL FOR GOVERNOR:

First - Recent easy money and low rates are due mainly to our loan to Reichsbank against gold deposits and these are likely to increase. I do not see how these loans can be repaid except by eventual sale of gold and it would seem that Germany is thus using up her liquid assets in order to allow her industries to continue work as long as possible in spite of restrictions from Ruhr occupations.

Second - Present easy conditions are hardly justified taking into consideration high rate on your side as well as weak sterling exchange so that sooner or later we may have to bring our rate nearer yours.

Third - We are hoping for issue Austrian long term loan 5 or 6 weeks in most European capital but there are many difficulties of detail to be adjusted. As regards New York the advice and cooperation of J. P. Morgan & Co. has been sought and it is of vital importance that adequate issues be made on your side.

Bank of England.

COPY

CONFIDENTIAL

BANK OF ENGLAND

LONDON, E.C.2

2nd May, 1923.

Dear Mr. Deputy Governor:

I write to acknowledge the receipt of your confidential letter of the 23rd April. We perfectly understand that nobody nowadays can do more than guess at the future of the Exchange Market, and any remarks on this subject are obviously accepted with reserve.

Allow me to take this opportunity of explaining somewhat my cable of the 28th April. The Reichsbank have already borrowed certain moneys in Switzerland and Holland on the security of gold. We are similarly committed to them to the extent of, say, \$25,000,000, against gold in our keeping worth perhaps half as much again. I see no prospect of repayment except through the sale of their gold, and of this they have plenty left in Berlin.

But we cannot go on indefinitely lending increasing sums to the Reichsbank, even on the security of gold; for the effect of so doing is not healthy for the market. Its effect may, of course, be counteracted by our borrowing here, which in itself presents no difficulties but is apt to affect money rates rather suddenly. It might, therefore, be worth consideration whether, if the borrowing goes far enough, we should not re-borrow some of the money farther afield - perhaps in New York. How would this strike you? The Reichsbank are paying 3% interest, which is our Bank Rate, and must, as I have said, contemplate the probability of repayment by sale of the gold, and in that event its natural home will sooner or later be in your vaults.

Please consider this: but for the present as no more than a possibility which as yet has had no consideration here.

Incidentally, I may say that the New York-London Exchange has lately been rather disappointing - it seems to suggest the need for a closer approximation of

our respective rates. We do not wish to make any change yet awhile but must not be blind to future requirements.

I hope you have good and increasingly good reports of Governor Strong; and may I tell you that a few days ago your son was so kind as to make himself acquainted with me. I am planning to get in touch with him again.

With very kind regards,

Believe me,

Yours sincerely,

(Signed) M. C. Norman.

J. H. Case, Esq.

(Copy of handwritten letter)

8 October 1923, Bank of England

Personal

My dear B.S.

I have certainly been a wretched & ungenerous correspondent of late, for which I can make no apology. It was useless to write to you about business & probably bad for you too: & I had no time to write & gossip with you.

So I have silently watched your progress these months past & now, from the news Peacock brought last week from Jay I know you will just be turning your great nose eastwards in a couple of weeks time.

You may be sure you will be welcome in N.Y. & your being there will be welcome here. So long as you are away the physical gulf becomes a psychological gulf between here & there.. & there is no bridge. This is not intentional-but it just grows: you know it as well as I do.

These months past have seen the Center of Europe worsen right along & although the outsides have somewhat seemed to increase their equilibrium, Europe as a whole has gone backward: this I think is in general a true picture. Trade has not improved because it can only really improve as a whole (& world trade is poor just as Europe's trade is): added to which Nationalism - sometimes called Patriotism- has been active. Look at the spirit of Italy against Greece; at the hatred of her neighbours toward Hungary; of France against Germany & so on to Bulgaria & Turkey. In spite of all this, equilibrium has more or less been reached (as I said) by the Czechs & Austrians & is nearer to the Poles & Roumanians than it was.

Gradually I think you will see improvement in Eastern Europe but for the Center no hope is in sight so far as my poor eyes carry. This country is in Europe - but is becoming less & less of it. I think we should have done more good had we formally divorced ourselves a year or more ago; for nothing has been done of late by the allies to which we either did not object or only unwillingly agreed.

During the winter I hope some plans may be worked out for Hungary which will be feasible the plans are easy, but the agreement of France & the Little Entente is still remote, ' without it no money can be raised. Austria has started on an even keel: if she has the grit to stay there, all will be well.

When you back into harness just you look around & see if you cant join hands with us (Bank I mean) in some of our ventures.!!'What about Germany? or Greece? or Hungary? all central-bank business pure & simple which is already started: or Albania & Dantzic which are to follow? I am sure you would like to take a hand but I fear you cant. America as a country is less & less disposed to take a hand & so I guess will continue till after the Presidential Election. It is Jack Morgan personally whom we have to thank for the fact that Austria got money in N.Y. ||

And besides the next election there is, I know, another reason against you & we joining hands & that is the Fatherhood of the League in all these non-rationalistic & almost altruistic ventures.

I saw Mr. Mellon several times when he was over here & the only point about him that I did not like was the way he talked about your (F.R.B.) Rate as it was his!.'

Which reminds me again that relatively our two rates are still wrong: I suppose they

Copy of handwritten letter, Norman to Strong, Oct. 8, 1923 (continued)

always will be: or rather they will be till we recover the Gold Standard. We can have & perhaps deserve nothing but troubles until we are again anchored to Gold. How & when can we do it? I wish you would write me about this: or perhaps you will come here & spend Christmas as you did on the way home from the East.

Tell me something about Ben & Phil & K: They cant all three have vanished & yet I dont hear a word; which is rather suspicious because of some matrimonial remours which were picked up on my wireless set! They of course would explain everything or rather remove the need for any explanation!!

Anyhow, my dear Ben, I hope to heaven you are well for good & all. I have told you dozens of times that we cant get along without you & you need to be in the East & not in the West. I want your help, from your international mind: its not common in the FRB in Washington or elsewhere.

This Bank will begin to disappear for rebuilding in 1924: Our party has lately suffered one loss & that was Babington-Smith who died strangely & almost suddenly a couple of weeks ago.

Wrotter has gone to Poland to help them construct a proper Bank. Lubbock reigns with me (I hope happily) & would, if he knew, be sending you his love. I am yr affy MN

Personal

8 October 1923.

Bank of England

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I am yr affy.
dier.

CONFIDENTIAL **ACKNOWLEDGED**

NOV 24 1923

R S Bank of England,
London, E.C.2

13th November, 1923.

My dear Strong,

You give no sign of life! Where are you?
How are you? What are you doing and going to do?

Here we are suffering not only from European but from home politics: to the former we are growing accustomed: the latter we resent as being gratuitous. The course of our suffering is marked by the dollar and I fear it is not yet run. The Swiss franc is at a premium and the Bank Rates in Sweden and Norway have risen to $5\frac{1}{2}\%$ and 7% , respectively.

These increases I cannot at present explain: the exchange fall is due to politics pure and simple, or rather to the uncertainty as to what politics are going to bring. I think the fears are overdone but there they are: one has to reckon with them as finance is so largely psychological. Our first scare was Inflation - no reason for it except the chance and misinterpreted remarks of a careless Minister; remarks as promptly withdrawn as the policy of inflation was denied. But some harm was done and the results are more easily scotched than killed.

Then a couple of weeks ago came the deliberate idea of Protection, (because of Unemployment), which in itself might have done us little harm. But to translate Protection into practice we must have a General Election, because of a statement made last year that the present Government would not alter the

fiscal

fiscal policy of this country. Thus you get the prospect of a General Election with its bone of contention nominally in Protection as a cure for Unemployment. The latter evil, to my mind, is likely in any case to remain uncured for a long time, if not to prove incurable. But practically the alternative to a Conservative Government seems to be Labour (Socialism) or the Extreme Left - whatever it happens to be called - and with this, as a cure for the bogey of Unemployment, you have the worse bogey of Confiscation or Capital Levy, &c.

The mere idea of these bogeys brings about our present sufferings: depreciation in Securities through sales, largely by foreigners: depreciation in exchange, favouring of course your dollar: instability of London: general unsettlement and cold feet.

To-day I have nothing to tell you. I wish you could come here. Is there anything we can do? At least write and hold out your old hand. It must be about a month ago that I sent you a welcome for your home-coming from the West.

With warmest regards,

Yours most sincerely,

W. H. C. Roman.

Benjamin Strong, Esq.

PRIVATE

Bank of England,
London, E.C. 2

3rd December, 1923.

My dear Strong,

Your letter of the 23rd November has arrived this morning: none was ever more welcome and so I hasten to answer it without more ado.

I am glad you can speak well of the two new members of the Federal Reserve Board and I note that you are uncertain whether Mr. Mellon's tax-reduction proposals will kill bonus legislation. This is an important point. Equally important from our point of view is your expectation of easy money rates for a time. There has been a good deal of talk here about your official rate being soon reduced, but I note your doubts on this point. Please keep me informed.

It is not easy for me to explain to you the origin of our Inflation scare. Undoubtedly it was political rather than financial and for that reason the more difficult to allay. Historically speaking it began by a casual statement on the part of Barlow, one of our Ministers, towards the end of October, to the effect that consideration would be given to every conceivable method of meeting the difficulty and hardships of unemployment, even to the extent of considering the provision of funds on a large scale for more or less artificial works. This remark, harmless enough in its intention, was pounced upon by opponents of the present Government

as a sure sign of coming inflation and its effects were wide and immediate: thus a considerable amount of harm was done in the way of unsettling people's minds, both at home and abroad, and of affecting the exchanges before a definite and categorical statement was made by the Prime Minister himself on the 25th October in the following terms:-

"But let me just say, in passing, there is one weapon, about which suggestions have been made in some quarters, which the Government is not going to use. You will no doubt have seen, as I have, suggestions for creating out of nothing artificial money to finance this, that and the other. It is not in that way that the problem of unemployment is to be tackled. There is no truth whatever in any stories that you may hear from any quarter that any Government of which I am a member will depart from what is understood in this country to be sound financial policy. It is well that this should be understood clearly at home and abroad, as great harm is being done to British credit, on which so much depends, by loose talk about inflation. People are about as accurate when they talk about inflation and deflation as they are in the use of inverted commas. We are not in present circumstances, any more than we have been for many months, pursuing a policy of active deflation, and we certainly do not propose to proceed in the direction of inflation. No such project has ever been considered.

"I hope this will lay the ghost."

The effect of this scare was, as I have said, to lead to unsettlement at home and abroad. It was followed unfortunately by an unexpected dissolution a week or ten days later, leading to a General Election, the result of which, as you know, will be determined four days hence. The prospects or fears of this General Election are what have really done so much harm. We found ourselves a couple of weeks ago with three parties in the field: the Conservatives on the Right, advocating Protection within strict limits, mainly as a cure for unemployment: the Liberals in the Centre, advocating Free Trade

above and beyond all else and the Labour Party on the Left, advocating Free Trade as an incident but socialistic schemes in the main (these schemes being earmarked to what has come to be looked upon as the key stone of the policy, viz., a Capital Levy). It is, in my opinion, the uncertainty of the results of this General Election and the possibility of Socialistic legislation which accounts for the great uneasiness which has prevailed here for the last two or three weeks, the great fall in our exchange, the heavy selling, especially by foreigners, of sterling securities and the general unwillingness to enter into commitments in sterling. This is as true a picture as I can give you in a few lines of what has happened in the last few weeks.

There was, as you surmise, some uncertainty as to the position of Mr. McKenna, but he is only one among many and at heart I believe him to be ^{much} more orthodox than ~~many~~ ^{any} of the others. But some people cannot avoid the limelight: yet it is difficult for them to enjoy it unless they give their audiences and the Public a spice of apparent heterodoxy!

I do not for a moment believe that the result of the coming Election will be socialistic legislation. What it will be I do not pretend to know: more likely marking time rather than a definite change in the fiscal policy in one direction or the other.

The rise in the Swedish Bank Rate was simply on the threat to their exchange position. The rise in our rate last July has effected nothing definite during the last few weeks, because, as you know, our troubles have been due to politics which have

engendered

engendered fear and not to an intrinsically weak position or any special demand here for cotton or other exports from your country. While it is true that the climax in the Entente has doubtless frightened people I think, as I have already said, that our domestic and political position is infinitely more to blame than the European situation. On the other hand, I am convinced that the rise in our rate was justified and necessary when it came in July for two reasons: partly because it steadied what might have been an acute bull position on the Stock Exchange and partly because it steadied or even improved the Dollar exchange and enabled us, well in advance, to make provision for the service of our indebtedness to Washington.

This answers your rambling sort of letter in a still more rambling manner. To-day it is not possible without the gift of prophesy to read the future clearly. Not only are we waiting to know what our own Election will bring forth but we are also waiting with some anxiety to know whether the two Committees which the Reparation Commission now propose to set up will indeed see the light of day.

Believe me,

Yours most sincerely,

W. S. Vroman.

Benjamin Strong, Esq.

CONFIDENTIAL

Bank of England,
London, E.C. 2

7th January, 1924.

My dear Strong,

From the point of view of a break-up you know, of course, how precarious the position of Germany has been. Added to this it seemed a few weeks ago that a separate Issue Bank would be started by the French and Belgians for the Rhineland. This would have been a definite and perhaps permanent step towards separation. As things are now, I doubt however if the Bank will be formed. It has always been strenuously opposed on the proposed lines from Berlin and has been disliked in Amsterdam as well as in London.

Nevertheless the economic situation in the whole of Germany is very grave. There is a great lack of working capital, there has been flight from the mark and there is increasing unemployment.

None the less we are disposed to believe that there is now a chance, and probably the last chance, of preventing a complete collapse. The new President of the Reichsbank has been here for several days. He seems to know the whole situation from A to Z and to have, temporarily, more control of it than I should have believed possible: he is acting more resolutely than his predecessor, Havenstein. We are in agreement with him that the best chance of doing any good would be by means of a Gold Bank.

Foreign

Foreign support would be essential, and as it cannot be had from the Publics, it must come from the Central Banks: to some extent I think this can be arranged in Europe.

The President is on his way back to Berlin to see what can be done, having met Vissering yesterday in Amsterdam. It will be a good many days before anything definite can be settled. At present, therefore, there is no scheme but merely an idea of a scheme: this I enclose. If some such scheme comes to be put into effect, it would be a grand thing from every point of view if you could co-operate. That is why I am writing to-day. When you receive this we can exchange cables if you are at all attracted by the idea of such co-operation.

For the present you must please keep this entirely to yourself: or rather let me put it another way, there is only one person in America to whom you can mention the subject and that is Jack Morgan.

Believe me,

Yours most sincerely,

W. H. C. Woodman

Benjamin Strong, Esq.

CONFIDENTIAL. 1) 1/2

MEMORANDUM.

It is proposed to establish a Discount and Issue "Gold Bank" in Germany which would temporarily be separate from, but be operated and absolutely controlled by, the Reichsbank. The initial capital to be, say, the equivalent of £15,000,000 (? in Gold Marks), of which £5,000,000 (? Preference Shares) to be subscribed forthwith by the Reichsbank.

The remaining £10,000,000 to be subscribed by German Nationals and others. (It is hoped that payment for these Shares and for the Notes to be issued by the "Gold Bank" would be made mainly from the large amounts of foreign currency now held abroad by Germans or hoarded in Germany.)

Existing "Gold Banks" in Germany to be absorbed as quickly as possible.

The "Gold Bank" and its Notes to be based on sterling and its Reserves to be held outside Germany.

In the event of the "Gold Bank" being established, the Bank of England, in conjunction with such other Central Banks as may be willing to participate, propose to lend up to £5,000,000, as and when required, to the Reichsbank, for a period

1/7/24

period ending, say, the 31st March, 1926, or 1927. The security for such loan to be the (? Preference) Shares of the "Gold Bank" subscribed by the Reichsbank as above stated.

Representation on the Directorate of the "Gold Bank" to be secured to the Bank of England and other participating Central Banks - as representative of International shareholders and interests.

P.T.O.

Participation by the Bank of England in the advance of

£5,000,000 to be governed by the following conditions:-

- (1) The Reichsbank to make all possible efforts to secure the regular balancing of the Budget from Taxation.
- (2) The Reichsbank to resist any further inflation of Credit or Currency.
- (3) The Reichsbank to support and further the payment of Reparations by Germany.
- (4) The Reichsbank to avoid other external indebtedness and guarantees.
- (5) The Reichsbank to retain unencumbered its unpledged gold and other assets.
- (6) The Reichsbank to control and manage the "Gold Bank" and the Renten Bank.
- (7) All questions regarding the establishment and administration of the "Gold Bank" to be approved.
- (8) The Reichsbank and the "Gold Bank" to deal solely with and through the Bank of England in Great Britain.

5th January, 1924.

CONFIDENTIAL.

*Answer 3/3/24
B.S.*

Bank of England,
London, E.C. 2

30th January, 1924.

My dear Strong,

I did not at once answer your letter of the 4th January because a week or so later you were leaving for Florida and I doubt not that you are at this moment playing golf at Palm Beach. I hope and pray it is doing you all the good in the world.

[copy in Strong's book?]

Your letter, however, was received and has been burnt as it contains nothing that need be kept for reference. I do not think that you need worry about answering any points in Keynes's book. For the moment Mr. Keynes seems to have rather overdone himself, a fact which perhaps comes from his trying to combine the position of financial mentor to this and other countries with that of a high-class speculator (by which I mean one whose sole object is to buy stocks when they are cheap and sell them when they are dear).

I rather agree with the feeling you mention that European affairs must turn for the better because they cannot get much worse. I could tell you a lot about all this if we could only come face to face. In fact, at Christmas time I had gone so far as to draft a cable suggesting that I should hop on to a steamer and spend a week with you and come back; but affairs at home and abroad intervened before the cable could become anything but a draft and I only mention it to show how urgent it

is

is that we should meet.

I think, indeed, that you would find it difficult to advance your rates during this election year, and because you cannot be sure of advancing them it looks to me as if you would not wish to take the risk of reducing them. As to our own position in this matter, I cannot give you any useful forecast. The Bank Rate in France, Holland, Norway and Denmark has recently been increased once, if not twice. The position in Sweden is so comfortable that they hardly want their rate where it is at $5\frac{1}{2}\%$. The result of all this is that the Swiss and ourselves remain alone at 4% ; now more nearly effective here than it has been for months. With a great demand for long money: with a certain livening of trade: with exchange on the downward and prices on the upward trend, I see a higher rather than a lower rate.

I am very glad indeed to read what Dr. Miller and Dr. Coakley say about you. They give a more completely clean bill than I have heard for years, so that you cannot urge health as a reason for winding up your own work after you have put your Bank into the new building; nor can I see that any of your family reasons should tempt you to give up the Bank. I know that all three of the family contemplate matrimony, and I have reason to believe that you have smiled on the first two and threatened to bring up your heavy artillery if the third shows any sign of translating fancy into fact. So I am asking myself why you should abandon the work for which you are uniquely and internationally

fitted

fitted at a moment when your health is exceptionally good and when your family all wish to set up for themselves. I can see one reason, but I cannot weigh it. I do not know enough about the present inwardness of the ~~present~~ Reserve System to do so, but I see signs from one or two quarters of politics reigning over finance in the System, a fact which, I suppose, has induced Harding to play with the idea of doing some work in Hungary. If you give way to temptation and take to travelling or lecturing or writing, then, as it looks to me, intimacy between our two Banks goes overboard for the present; without yourself it cannot be maintained because the sole understanding presence will be missing.

As to myself, I can only say that I am safe here for another fifteen months.

I should have been very glad to sit on the Committee of the Reparation Commission if it had been possible to be in two places at the same time, but clearly no one could devote several months to hard and continuous work on that subject and at the same time mind his own business. It looks to me as if that Committee will be finding themselves in great difficulties. I have not seen the Committee at all, but I have been twice in Paris within the last couple of weeks and from my talks with Kindersley and others it is clear that there are as many different angles of vision as there are members on that Committee. As I wrote to you on the 7th January, our wish here is to enable

Germany

CONFIDENTIAL.

Page 4.

Benjamin Strong, Esq.

30th January, 1924.

Germany at once to stabilise her position; that is, to provide her at once with some sort of a currency which will take care of her foreign transactions and provide foreign valuta for her trade, thus taking the strain off the Reichsmark and the Rentenmark. If something of this kind is not done pretty soon, I am afraid the Rentenmark will start to depreciate. This we believe can be avoided by the setting up of a Note Bank and we are prepared to enable the Reichsbank to start such a Note Bank; so, in principle, is Vissering and one or two other Central Banks I expect. The Committee, on the other hand, have so far refused their blessing or moral support to a scheme of this nature which was put before them by the new President of the Reichsbank. Your people on the Committee I fancy wanted to keep the whole German position fluid until they have dealt with it comprehensively and if it worsens between now and then, that perhaps won't prevent their dealing with it. The Belgians have a plan of their own by which they want to combine the functions of a Note Bank and of a Caisse de la Dette, and nothing but that will please them. The French are entirely unwilling that any Note Bank should be started which would tend to mobilize the remaining liquid assets of Germany outside of Germany and therefore beyond the reach of the Reparation Commission and yet would make them available for German Trade. So there is a very confused "kettle of fish" and when the Committee come to leave Berlin - about the time this letter should reach you - I think we may have to go ahead with

the

the Reichsbank in spite of the Committee, if we cannot obtain their goodwill, to the immediate establishment of a Note Bank.

We should one and all like nothing better than that you should send a couple of your young men to pay us a visit. The sooner you do it the better, and I will have a letter written to 15, Nassau Street which will raise the question definitely from this end.

We are undergoing a very interesting experience of Labour Government. After the bark had frightened all our respectable friends nearly to death, the bite does not seem to be as bad as was expected. I think this is partly because, although the present Government represents the Labour Party, they do not represent a sudden socialism or revolution or anything unconstitutional, and partly because they have not a majority in the House of Commons and are therefore, as has been said, in the position of a wild elephant conducted by a tame elephant on either side. All the same we here in the City have suffered fearfully from forebodings of Labour or Socialism, or whatever you would wish to call it. I confess to you that the mere idea of a Capital Levy, for instance, has lost to London a deal of international business which has belonged here for a generation or two. I confess, too, that the mere hint of inflation (wrongly given last fall) and the mere fears of socialistic legislation have depreciated our exchange beyond what we deserve. Moreover, you must remember that Sterling is

very

very much the exchange of Europe, so far as the Dollar is concerned, and that the whole of Europe has not only been using its funds from London but through London as well in order to escape the dangers of depreciation.

// My present idea is to sit here for the next month or two, then to step on to the boat and to spend a week with you at Easter anywhere you say. If you will come and spend it with me on this side of the Atlantic, so much the better. But, if you are willing, I do not intend another quarter to pass without seeing you face to face and asking you how in the name of Heaven the Federal System and the United States Treasury are going to use their Gold Reserves?

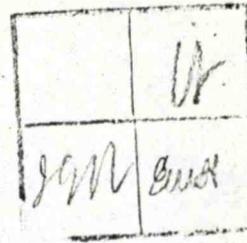
With warmest regards,

Yours most sincerely,

W. H. C. Brown

Benjamin Strong, Esq.

PERSONAL.



129

*

4th February, 1924.

My dear Strong,

My colleague, Robert Wallace, has arranged to go to New York by the "Berengaria", sailing on the 6th instant, with the intention of spending ten days there. I have told him that he must not fail to call upon you, and in case you are away I daresay you will arrange for him to be received on your behalf.

Mr. Wallace has been one of our Directors for the last five years and his Uncle was previously a Director and Governor nearly twenty years ago. He is a member of an eminent East Indian House with large interests especially in Bombay and Siam.

With kindest regards,

Yours most sincerely,

(SIGNED) M. NORMAN

Benjamin Strong, Esq.

TRANSLATION OF CABLEGRAM

England London

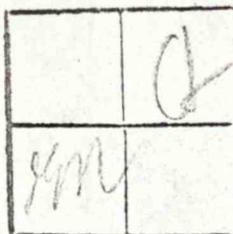
May 16, 1924

Federal Reserve Bank,
New York, N. Y.

#80 STRICTLY CONFIDENTIAL FOR GOVERNOR; Your #39// #1 I understand that with the exception of approximately \$10,000,000. all sums required for payments on June 15th have either been invested until that date or will not be paid to J. P. Morgan & Company until near that date. But while questions must eventually be decided from stand point of our Treasury you are at liberty to consult J. P. Morgan & Company as suggested regarding payments due next month #2 Perhaps simplest ways of avoiding such disturbances as you fear on June 15th and December 15th would be for your treasury to allow liberal discounts on prepayments of interest during months immediately prededing each interest date// #3 Greatly rejoice to learn of your recovery #4 Could you assist towards the recontruction of Hungary or Austria by suggesting names of suitable persons for vacant position of adviser to New Central Banks in Budapest or Vienna

Norman

PERSONAL.



17th May, 1924.

My dear Strong,

I am now writing as arranged when you were here with reference to your letter of the 6th March on the subject of the balance maintained on the Federal Reserve Bank's account here.

Of the present balance of some £165,000 I would propose that £100,000 should be made productive; I suggest, as an experiment, that one-half of that sum should be invested in Commercial Bills and the other £50,000 be employed for short periods at interest under the Bank of England's guarantee. You are, I think, aware of our procedure in the latter case under which the interest earned is a little below the weekly Treasury Bill "tap" rate. As regards the purchase of Bills we shall operate as far as practicable in accordance with your wishes, but of course Commercial Bills remain less abundant than formerly and it may well be impracticable to obtain Bills, e. g., with American drawers or endorsers. Perhaps you will let me know whether this proposal will be satisfactory.

We do not purchase bills for the Bank of France and seldom, indeed, for other Banks: and I do not

think

PERSONAL

Page 2.

Benjamin Strong, Esq.

17th May, 1924.

think I can give you advice that would be of much assistance to you in approaching M. Robineau on this point.

I think that it is quite time the Bank of England opened an account in New York and for that purpose I propose to transfer to our credit with you very shortly a sum of \$250,000; which we may add to later.

Believe me,

Yours most sincerely,

(SIGNED) M. NORMAN.

Benjamin Strong Esq.

TRANSLATION OF CABLE INCOMING

London, England.

May 27, 1924.

Federal Reserve Bank,

New York, N. Y.

STRICTLY CONFIDENTIAL FOR GOVERNOR:

No. 84 Your number 43. Personally I should favor appointment of an American as Reparation Agent and I think Kindersley would probably take the same view but I am doubtful if Logan would find general support either here or in America. YAEBS

Bank of England.

Last word mutilated:

[Strongy Files
24/1/1924 1923/24]

CONFIDENTIAL

ACKNOWLEDGED

JUL 3 1924

11 8

Bank of England,
London, E.C. 2

16th June, 1924.

My dear Strong,

I was especially glad to receive your letter of the 3rd instant because it gives so good a report by Dr. Miller about yourself and describes the occurrences in Paris as simply an accident.

2. Letters between us are comparatively of little value because conditions are changing so quickly and we must come more and more to rely upon the cable. Anything therefore which I now write will probably be wrong by the time it reaches you. I know your views on the stabilisation of German Currency. I am not sure that I entirely agree with them because I am not sure that, at any rate up to the present time, the European currencies were not better stabilised on Sterling than on Gold: a case in point has been Austria. But as conditions are changing, I think it is very likely that Germany will not be a case in point. Anyhow, the Dawes Plan apparently stipulates for a Gold valued currency and your view is therefore to prevail.

3. All this is linked with your remarks at the top of page 2. What is to be the position of Sterling and what are we proposing to do? The reduction in your rate to $3\frac{1}{2}\%$ may, at first sight, lead one to believe that our rate ought to remain at 4%. I do not think so. I want to get our rate up, but it is necessary

to

to find an excuse for raising it and at this moment no excuse is very apparent. I want, as I say, to get our rate up with yours down because I want to see our exchange improve as a definite step towards our attaining gold parity. There is no need for great hurry in our reaching gold parity, but there is great need for hurry in having a policy which is clear to everybody and which is definite and final. In one way or another we must somehow try and work towards that end during the next few months. This, I am sure you will agree, is in line with the discussions we had when you were in London.

4. The remarks above on the subject of a gold valued currency are somewhat pertinent in the case of Hungary at the present moment. Hungary, as you know, is undergoing reconstruction on lines more or less similar to those of Austria under a plan of the League of Nations. To carry through the plan a foreign loan is necessary of the equivalent of £12 millions Sterling. It was expected, until a week or two ago, that one third of this sum would be found on the Continent, one third in London and one third in New York. It now seems that nothing may be forthcoming from New York: a third is therefore left in the air and rather than let the reconstruction scheme fail we, (the Bank), may have to find this £4,000,000. Is it necessary under those conditions that Hungary should start off with a Gold currency? If so she must transfer the proceeds of her foreign loan to New York in

order

order to avoid the risk of exchange. Is she not justified in basing her currency on Sterling and hoping, as I confidently do, that over a few months or years Sterling will attain parity with Gold and her currency at the same time will become^a/Gold valued currency?

5. Now as regards the Transfer or Reparations Agent in Berlin, (my cable of 27th May), I have since ascertained according to the best views of all the Nations concerned that everyone wants an American but no one wants Logan. Logan, I may say incidentally, has been doing a good deal of wire pulling in Paris and also in Berlin which looks as if he wished to obtain the appointment. I do not really think his name would be altogether satisfactory (as is very important) to those who will probably issue the German Loan in New York or here. At the moment I am not ready with another definite name. I am in communication, on behalf of the Reparation Commission, with J.P.M., and many names of course have been suggested, such as Cravath, Gilbert, Hines (I do not know who he is), Norman Davis, and so forth: but it is too early now to attempt to decide. The Agent, whoever he is to be, ought to be appointed pretty soon and by common consent: and he ought soon to get to work on the cadre of the organisation necessary in Germany to carry out the Dawes Plan.

6. As regards the Adviser in Austria and Hungary, the choice is almost more difficult because the position is obscure, the country remote and the screw (perhaps \$10,000) unattractive.

Norman

Norman Davis seemed to me the best name you mentioned, but nobody believes that he would consider for one moment going either to Budapest or to Vienna. For the time being the position is being temporarily held by an Englishman and a Dutchman, respectively. But permanent appointments ought to be made as soon as possible as the Central Bank in Austria has already suffered greatly during the last few months from having no Adviser, and therefore no adequate and independent support for its President against the greed of the Viennese Bankers and the glamour of the Austrian speculators.

7. Shepard Morgan was here for half an hour last week but has now gone back to his secluded castle in Savoy: Mr. Saunders called, too, in a hurry to get home for the democratic convention, and Mr. Case, I am glad to say, is to be here during the next few days.

Believe me,

Yours most sincerely,

W. C. Williams

Benjamin Strong, Esq.

ACKNOWLEDGED

JUL 3 1924

R S

Bank of England,
London, E.C. 2

19th June, 1924.

My dear Strong,

I am grateful to you for your letter of the 4th June on the subject of the Houblon tankard. It is very good of you to have taken so much trouble in the matter; but I have not sent you a cable (as you suggested) because I confess I cannot take any step which might be interpreted as an indication of willingness to ask the New York Clearing House Association to hand over to us an object of great interest and value.

We much regret and are greatly to blame that when the Houblon family parted with the tankard it was not acquired by the Bank of England; but I should feel that I was acting ungraciously if I were to suggest in any way that we grudged the possession of it to the Clearing House Association.

Believe me,

Yours most sincerely,

Diroman

Benjamin Strong, Esq.

~~*~~

17th September, 1924.

My dear Strong,

For a long time past I have been having letters at intervals from Mr. Henry A. Forster and I used to acknowledge them without comment. Lately they have been coming more frequently, and I begin to think that Mr. Forster must be light in the head.

I enclose three letters recently received from him. Perhaps you could make some enquiries about him and tell me how to treat him.

With kindest regards,

Yours most sincerely,

(SIGNED) M. NORMAN.

Benjamin Strong, Esq.



17th September, 1924.

My dear Strong,

I am sorry that there has been so long a ⁽⁸²⁶⁾ delay in acting upon your letter of the 15th July last, but as you know I have been away from the Bank since the end of July though owing to the London Conference my holiday did not start until some time later.

I have, however, to-day put into effect the arrangement which I discussed with you in the Spring. You will accordingly receive for our credit a sum of \$250,000 while on the other hand I am employing at interest, under the Bank's guarantee, £50,000 from the balance on your account here and a further sum of approximately £50,000 has been invested in prime commercial Bills also, under the guarantee of the Bank of England.

An official letter is being written to you on the subject by the Chief Cashier and cable advice has also been despatched to you.

Believe me,

Yours sincerely,

(SIGNED) M. NORMAN

Benjamin Strong, Esq.

ACKNOWLEDGED

OCT 28 1924

R 2

Bank of England,
London, E.C. 2

20th September, 1924.

My dear Ben,

I came back here two or three days ago after having spent a month more or less in Savoy and a month more or less at the Conference. It is indeed my intention, as it has been for a long time, to write to you about a good many things which are in my mind; but the trouble is how to find the time.

Meanwhile I have written you one letter about your account in London and now I write again because I have just opened your letter of the 11th to Lubbock (Lubbock I must tell you has just gone away for some weeks and it is not worth while for your letter to be forwarded to him). I am not really familiar with the intrigue he has been having with you about the Houblon Tankard but I think your enquiry about a replica is answered by the enclosed copy of a letter to Mr. Woodward. It is a letter I signed but no more.

With kindest regards,

Yours very sincerely,

Dissonant

Benjamin Strong, Esq.

Taken care of
by J.H.C.

COPY
PERSONAL

17th September, 1924.

Dear Mr. Woodward,

I have to acknowledge the receipt of your letter of the 5th September with regard to the Houblon Tankard.

You tell me that the Tankard has been presented by the New York Clearing House Association to the Bank of England and that it is being forwarded to us. When it arrives it will be formally accepted at the ensuing meeting of the Court of Directors, but it will be difficult for them to express adequately their sense of the great generosity of your Association in making them such a splendid gift. It will be deeply gratifying to us to possess an object so closely connected with the earliest years of our Institution and your gift will always stand as a link of friendship and gratitude between the Bank of England and your Association.

As soon as it arrives, we shall at once proceed to obtain a replica, which we shall have the pleasure of forwarding to you.

Believe me to be,

Sincerely yours,

(Signed) M. NORMAN.

William Woodward, Esq.

CONFIDENTIAL .

personal.

(VI)

Bank of England,
London, E.C. 2

ACKNOWLEDGED

NOV 4 1924

16th October, 1924 .

R S

My dear Strong,

Lubbock has been hunting me for some days to write to you about the gold standard, as mentioned in your letter to him of the 10th September . He is right to insist on my doing so - I ought to have written long ago .

As a matter of fact our sudden and unexpected political upheaval has come at the very moment when we had planned and expected to obtain an official decision about future gold policy, including of course the immediate or ultimate amalgamation of the Bank and Currency Note Issues . The subject has not been overlooked these last few months when for the first time it has become a practical question . But you know how controversial a subject it is - how it is everybody's business - and how secretly it must be treated; so much so that not a word can be breathed until some decision has been reached . That decision, as I have said, should have been reached by this time; that is, along with the coming into effect of the Dawes Report . As things are, I cannot say how or when our next Government will decide - we must "wait and see" .

As a matter of fact, I can only suppose that the decision will be to declare a free market here either at the end of 1925 or at the end of a somewhat later year, say,

1927 .

CONFIDENTIAL

Page 2

Benjamin Strong, Esq.

16th October, 1924.

1927. The former is the end of the period fixed by the present Law: any other date, such as the latter, would need fresh legislation. Undoubtedly an announcement ought to be made at an early date, and not less, one would suppose, than twelve months before the termination of the period fixed by the present Law.

I rather imagine that the course of the Dollar Exchange is halting by reason of the uncertainty of our policy and will eventually be helped by the announcement of an official decision. I think, too, that it would be neither necessary nor wise for us to take any strong measures in the meantime.

I agree with what you write about the price levels in our two countries, though frankly I do not understand their course: it would not be sufficient to wait for exchange parity to be reached merely through the price levels coming together. Indeed, if while we were waiting your prices were to rise (especially wheat, cotton and the like) I do not believe we could ever prevent ours from following. I agree, too, that consideration of this subject by means of a chart needs more than the usual lines based on prices and facts: it needs, as you say, a line to represent the psychology of the people generally, which means people in China and Peru as well as in New York and London. Perhaps, looking backward, you think that we have been remiss in not stimulating that

psychology

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Benjamin Strong, Esq.

16th October, 1924.

psychology in our favour, as could have been done by showing publicly that we had confidence in the Exchange and in the return to gold. But it would have been difficult, and perhaps dangerous, to have proclaimed such confidence at any particular moment. There have always been some here to whom the idea of gold was repugnant because they favoured, or pretended to favour, some new-fangled scheme: there have been public speakers, notably one, Barlow, a year ago who were liable to torpedo confidence at any time: there have been many who feared a crisis if prices were deliberately forced down and margins on loans eliminated.

Lastly, there has been the position of Germany - uncertain until the Dawes Plan was an accomplished fact and now possibly liable to be as much a danger as a help to sterling, though on balance I do not think so. Therefore, on the whole, my feeling is that [however wearisome the pace has been, we have been wise so far to hurry slowly.]

I agree entirely that we shall need some sort of an understanding between us as to the future gold policy. I think you are helping to this end if you keep your rates as low as possible and lend freely to the rest of the world as your Market is now doing. At the moment, I do not think that we can do anything more than hold our rates where they are and reduce our loans to the rest of the world to a minimum. If a demand for credit should spring up, we might later have to raise our rates which would be all the the good; and if your Market had

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had not been lending abroad, we might have had to raise them already, but that did not seem to be necessary and does not seem to be so to-day.

So, for the moment, you must continue with easy money and foreign loans and we must hold on tight until we know as a result of the decision described above what the policy of this country is to be. Thereafter, without delay, we must get together and devise a plan which will probably need to include some sort of credit operation for steadying or holding the rate of exchange when we get into the 80's.

With warmest regards,

Yours most sincerely,

W. S. Woodman.

Benjamin Strong, Esq.

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Bank of England,
London, E.C. 2

15th November, 1924.

My dear Strong,

NOV 26 1924

I seem to remember Pierre Jay having told me that you were making a connection with the Banking Office of the Ministry of Finance in Prague and I think you were going to take over an advance that had already been made to that Office by an American Bank. For this reason I wish to keep you informed of rumours as well as of facts - hence my cable (No.30) of the 12th November.

Czech emissaries have lately been in Paris as well as in London. The Czech Government are in urgent need of money: they are said to have internal maturities between now and the end of the year which they cannot easily renew and which they cannot satisfactorily meet: they could only offer internal security. Personally, I doubt if at the present time they will find any foreign lenders.

The Bank are now, and for some time have been, lending the Banking Office from £1/£1,500,000 which is secured on gold. I have declined to do any other business with them until an independent Central Bank shall have been established. This the representatives of the Government have repeatedly promised to do, but have never done: in point of fact their financial knowledge is pretty sound and their financial intentions

are

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are good, but politics dominate the situation and nothing else receives attention!

I think their troubles are likely to be worse before they are better!

With kindest regards,

Yours very sincerely,

W. H. C. Williams.

Benjamin Strong, Esq.

Copy of handwritten letter

Thorpe Lodge, 30, Nov., 1924

My dear Ben.

Of course I ought to have written to you much more often than I have done. In particular I ought to have told you about the question of future Governors, which has been perplexing, because their duties have so greatly changed since the system (of which they are a part) grew up. Lubbock is a loyal & good fellow & by next April will have done the 2 ye ars which, by tradition, is all that could be asked of him. He would have enjoyed & welcomed the dignity of being Governor but he has not the training as things are - nor at his age can he acquire it. So he is to be succeeded, practically speaking, by the next on the List-Anderson-who, like Lubbock, does not seem to have the training. But he is a masterful & strong man, who becomes Deputy Govr. more as a duty than as a pleasure. Thus, as you know, it comes about that I continue for anothe r year from next April: perhaps it will turn out to be for another 2 years - I dont know.

We are still holding on to the traditional 2 year Governorship, to which I am considered to be an exception. Collectively we hope to return to our tradition as soon as world-conditions will allow us to dispense with me. I hope things may work out that way: anything else would involve all sorts of difficulties within & without, as you know very well from your understanding of our conditions.

I write this in answer to your cheering letter of the 18th. I could not have written on the subject from the Bank & for weeks past I have been too pressed & too weary to write at home. My work has been very heavy, owing chiefly to Germany & Europe, whose problems are everlasting.

I rather hope to see you a month or so hence & am waiting for a cable from you. There are many questions for us to discuss face to face for they cannot be answered, at this stage by writing letters. I have been rather held up the last 6 weeks by "pins & needles" in my right arm: some trouble with the nerve, it seems, which endless houzs of treatment has not yet put right. I cannot at present write much or easily.

God bless you, my friend. I wish the Ocean were not so wide.

Ever yours

MN

Personal.

WJ

RECEIVED BY
GOVERNOR'S SECY
30 Nov 1924



DEC 10 1924

HORPE LODGE,
CAMPDEN HILL. W. S.

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H. V.