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September, 1955  
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Internal Memorandum

Owen D. Young Papers

Box 265

Letter of October 6, 1927 addressed to Benjamin Strong regarding the Dawes Plan and the *value* of it. "When the Dawes Plan was established, Germany was a vacuum so far as liquid capital was concerned. All had been swept away including a large part of all her consumable goods; even food and clothing, the last to disappear, were exhausted to a large degree. After the Plan was adopted and the basis for credit established, it was natural that credit movements should pass to this low pressure area. They had done so. They will be used, however, in the reverse order of their exhaustion, that is, the most important things will be done first."

This letter is highly important ~~in any consideration, rather~~ in any attempt to understand the basis on which the Dawes Plan was established. The original must exist in Mr. Strong's files in New York.

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