

Kent - Strong Papers, 1919

(Property of Mr. Warner Kent, c/o Ingalls and Snyder, 100 Broadway, New York. To be returned at his request; or at the end of this project to be sent to the Library at Princeton for incorporation with other papers of Mr. Fred I. Kent.)

These papers relate to the purchase in 1919 by the Federal Reserve Bank of New York of German gold from the Grain Corporation so that this Hoover group could in turn buy food and feed it to Germans then suffering post-war starvation. Mr. Kent acted for and advised Mr. Strong in this long and complex exchange negotiation. Some of these papers are duplicated in the file on German Gold in the Federal Reserve Bank of New York, where more of this story can be traced.

Mildred Adams

45 bd pf Washington DC July 10, 1919 6.20 p

N Y

Translation of cablegram from National Bank of Belgium ----

To Federal Reserve Bank, Washington

"TRANSLATION" In accordance with instructions received from Hoover we inform you that lot consists of twenty nine thousand bags of twenty mark gold pieces Stop We weighed at first nine hundred bags they are above the tolerance i.e. 7.925 grams per piece or 3 kilos, 9625 grams per bag of 500 pieces, that is, ten thousand marks Stop Twenty other bags taken at random give weight in accordance with inscriptions on label Stop From forty bags we have taken a hundred and twenty pieces to weigh individually; thirteen pieces fall below the extreme limit of light weight, being 7917; 79185; 7924; 7901; 7922; 7919; 7916; 7905; 7921; 7923; 7914; 7922; 7921. Stop The gold has the appearance of coming probably out of circulation. Assuming an average weight of 7.9451 grams fourteen million, five hundred thousand pieces equal 115203 kilos, 950 grams, or at a fineness of 900, a pure gold weight of 103,683 kilos, 555 grams, or 3,333,501.7 ounces, that is at the rate of \$20,671,834.62 per ounce Troy fine, \$68,909,595.8

Lepreux,

Vice-Governor National Bank of Belgium"

633p July 10, 1919.

(The following cable received At American Legation, The Hague, Aug. 10)

New York 303 139/138 WESTUN

BENJAMIN STRONG,

American Embassy, The Hague

Cable Number seven. Ninth.

1. Referring to our No. 6, Rathbone states over wire Blackett presented proposal outlined your cable No. 4 to Treasury Department who felt we should not participate an operation resulting in considerable profit to the Indian Government by reason of our gold being taken at a discount in India. Rathbone further states that Treasury Department has submitted (tygna for tygna) alternative proposition to Blackett from whom nothing has yet been heard.

2. Following cable received from Nederlandsche Bank Quote Fifth lot approximating equal amount gold marks completed gross weight kilograms 7946 grams 8 troy ounces 255,469, 3989 German weight 7945, 998-1/2 difference grams 9-1/2 Coins genuine Are weighing sixth lot Unquote

3. Replying your Nos. 6 and 8 Grain Corporation has given satisfactory obligation fully covering any deficiency for gold in both Belgium and Holland and Formula having been fully complied with we have made advances to Grain Corporation of 63,396,827 dollars 50 cents against gold held in Brussels and 21,861,226 dollars 50 cents against first five lots held in Amsterdam.

4. Your number 9 received. Chubb advises if 10,000,000 dollars shipped on one conveyance it will be (igdvo for lidvo) necessary to use New York as well as London market in which case limit of New York market would be about 3,000,000 dollars. However if shipments could be limited to four or five million dollars in one conveyance whole amount probably could be placed here as this market could then have London market available for reinsurance if later ~~xxxx~~ plan adopted policy covering all shipments could be issued (horts?) here and prompt cable advice of each shipment could be given ^{expeditiously} office Chubb & Son.

FEDERAL RESERVE BANK

CABLEGRAM

Amsterdam, August 10, 1919.

FEDERAL RESERVE BANK Newyork

Cable number twelve Sorry have used your test words Will hereafter use mine Referring to your number six

Price of rupees to our importers is now fixed by price paid for gold by Indian government plus cost of shipping gold from United States to India stop Proposal is for us to offer rupees to our importers for account Indian government at that rate or slightly less against shipments of gold by or for account of Indian government stop There can therefore be no question of profit for Indian government involved and the British embargo has no bearing on matter unless we should take the ground that the price at which Indian government buys gold on arrival at any time is too low stop If Federal Reserve Bank sells the rupees it or the Indian government ships the gold stop If Bank does not supply rupees it must then supply gold for our banks to ship as at present stop If price fixed by Indian government is too high other banks would ship and not buy our rupees stop As Indian rupee is a silver coin the price paid by Indian government for gold will likely fluctuate with sterling price of silver stop I understand they are now paying twelve rupees four annas six pies for gold but propose to discontinue fixed rate and pay equivalent of sterling value of silver which fluctuates with market price of silver stop Should Indian government fix unsatisfactory price we could discontinue arrangement stop Under proposed plan our importers would have advantage of immediate cable rate for rupees instead of uncertain value pending sale of gold on arrival in India stop Cannot see any object in our attempting to require Indian government to maintain arbitrary price for gold irrespective of silver fluctuation which might derange entire Indian currency situation and hamper our trade with India stop In any event so long as we expect to maintain gold market we are not interested in what profit is made on gold exports by anyone and I

urge that we agree to the plan at once with right to discontinue and not
attempt both to have a free market and not to have a free market at one
and the same time stop Reply to Paris stop

STRONG

Hotel Ritz, Paris,

August 16, 1919.

PERSONAL

My dear Dr. Vissering:

Much to my regret it seems desirable that I should accompany an official party to Constantinople and I find myself with only time to send you the enclosed official letter with these very warm thanks for your many courtesies to me while in Amsterdam, which I deeply appreciate.

It was great pleasure to visit you and become personally acquainted and to find such great harmony in our views.

Your cooperation with the Bank of England and with Mr. Kent in arranging this gold matter is very greatly appreciated, and I can assure you that the Federal Reserve Bank of New York will reciprocate by every means in its power.

Very sincerely yours,

Dr. G. Vissering,
The Nederlandsche Bank,
Amsterdam, Holland.

Hotel Ritz, Paris,

August 16, 1919.

Dear Dr. Vissering:

Quite unexpectedly I am called to Constantinople, the trip seemingly taking about four weeks. In the meantime I have asked Mr. Kent to call at the Bank of England and effect detailed arrangements in regard to the shipment of the gold which we discussed.

In order that the necessary payments may promptly proceed I am going to ask if you will be good enough to observe the following plan:

1. Complete the exact count and examination of ten lots of 20,000,000 marks each, as is now being done, and report the results by the present method to the Federal Reserve Bank of New York.
2. Examine the remaining 240,000,000 marks by the method which we discussed, to wit, weigh the small bags without opening them, allowing for the weight of the bags and reporting the result as accurately as can be estimated to the Federal Reserve Bank of New York by the same method as is now being pursued in reporting the results of the accurate counting and weighing of the first ten lots. The cables should be both direct in code and through the American Legation for purposes of check.

The Bank of England has been good enough to handle the shipment of the gold to London and Mr. F. I. Kent, who accompanied me to Amsterdam, is leaving tomorrow for London and there will discuss the arrangement of details with the Bank of England. I am furnishing him with the necessary letter of authority to handle the matter in my absence and am giving him a copy of this letter. A cable just received from New York indicates that not over \$4,000,000 in any one shipment can be covered by insurance payable in dollars. Of course, all the gold should be insured, and the Bank of England is being asked to accommodate their plans to this limitation if it proves to be final.

It is our present intention to ship a total of 240,000,000 marks to London and I shall await my return and further advices from the Federal Reserve Bank as to the disposition of the remaining 200,000,000 marks, being the amount accurately examined.

With many thanks for your courtesy and looking forward to a further visit with you on my return from Constantinople, I beg to remain,

Sincerely yours,

Dr. G. Vissering,
Nederlandsche Bank,
Amsterdam, Holland.

Hotel Ritz, Paris,

August 16, 1919.

Dear Monsieur Van der Rest:

Unfortunately I am called unexpectedly to make a hurried trip to Constantinople, and meantime am writing to advise you that the Bank of England has been good enough to undertake the arrangements for handling the gold shipments from Brussels to London.

It is our intention at the present time to ship a total of 200,000,000 marks and I would greatly appreciate your cooperating with the Bank of England in effecting the shipment by the safest possible means.

They will give the necessary directions exactly as they did with their own shipment.

As to the 90,000,000 marks to remain for the present with the National Bank of Belgium, I am writing to ask if you will be good enough to have this accurately counted and weighed so that we may have an exact determination of its value for purposes of settlement of our accounts with Mr. Hoover.

The arrangement of insurance in all details will be undertaken by the Bank of England, and meantime I am asking Mr. F. I. Kent, who accompanied me to Brussels, to confer with the Bank of England and particularly in regard to insurance.

A cable from New York indicates that not over \$4,000,000 may be insured, payable in dollars, in any one shipment, and, unless these advices are modified, that will be the limit of the amount which can be sent at any one time by any one conveyance.

Mr. Kent has been furnished with a copy of this letter and with necessary instructions in regard to any action required in my absence.

With many thanks for your courtesy, I beg to remain,

Sincerely yours,

B.S.

Monsieur Leon Van der Rest,
Governor of the Banque Nationale de Belgique,
Brussels, Belgium.

CABLEGRAM:

Paris, August 16th, 1919.

Federal Reserve Bank,

New York.

Number fourteen At urgent request American Mission have agreed leave tomorrow for Constantinople with special government mission to that district stop State Department will advise you regarding same stop Only urgency of request influenced my acceptance stop Can complete my part of work and be in Paris inside four weeks but preferable if arrangements at office permit that I remain with party returning about October 1st stop Estimate by prompt return can reach New York before November first longer trip by December first stop Cable me at once both care Steamship DeKalb Gibraltar and care of Stansv Constantinople advising your views of returning as soon as possible or of completing trip stop Gold situation arranged as follows One Bank of England agrees to make all arrangements and handle transport both Brussels and Amsterdam exactly as they moved their own from same places. Two Kent proceeding London and will advise you details fully Three Am arranging to move amount from Brussels as suggested my cables as rapidly as insurance and transportation can be effected Four Have arranged Nederlandsche Bank to verify a total of ten lots and continue reporting by present method stop You should continue payments until ten lots completed stop Have arranged that value of balance shall be determined roughly by weighing unopened small bags with allowance for weight of bags which should be accurate within at least one half per cent stop Nederlandsche Bank will report results by cable by same method as at present upon receipt of which you should make payments to Grain Corporation up to ninety two per cent as with first ten lots stop Five Am figuring moving

amount of which value roughly estimated at Amsterdam at once and on my return will make recommendation for leaving some portion of accurately estimated amount at Amsterdam for the present Six Continue mail care Morgan Grenfell Seven Last cable received from you number eight stop Please cable Mr. Kent in same code using his check words beginning number one care American Embassy London by same method as to me in all matters regarding gold Eight If this trip seriously inconveniences Bank do not hesitate to advise stop If satisfactory that I proceed either wholly or in part cable address will be care Admiral Bristol whose cable address is Stansy Constantinople until otherwise advised Nine Believe no harm will result in competition program but if you prefer earlier decision do not hesitate owing to my absence Ten Mr. Vaughn accompanies me stop Notify Miss Orlick and mother at Woods Hole

STRONG.

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER
TO _____

Hotel Ritz, Paris,

August 16, 1919.

Gentlemen:

Owing to my proposed absence of a few weeks, I find it necessary to entrust to Mr. Kent, who will present this letter, all arrangements in regard to the shipping of gold to the Bank of England.

It is of course understood that the Bank of England is to actually take charge of the shipments, and I do not wish in any way to alter the arrangement in that regard.

Nevertheless, Mr. Kent will be in communication with the Federal Reserve Bank of New York, of which he is still acting as Deputy Governor, and I would greatly appreciate your enabling him to facilitate in every way the carrying out of the arrangements covered by my written instructions to you of this date.

Mr. Kent has his own code and check words to the Federal Reserve Bank to enable him to conduct cable correspondence exactly as I have done and he is likewise thoroughly familiar with the details of the transaction.

Faithfully yours,

W. H. Strong

La Banque Nationale de Belgique,
Brussels, Belgium.

BS/V

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 16, 1919.

Gentlemen:

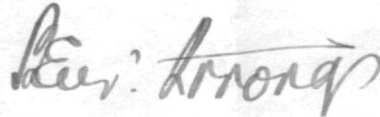
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It is of course understood that the Bank of England is to actually take charge of the shipments, and I do not wish in any way to alter the arrangement in that regard.

Nevertheless, Mr. Kent will be in communication with the Federal Reserve Bank of New York, of which he is still acting as Deputy Governor, and I would greatly appreciate your enabling him to facilitate in every way the carrying out of the arrangements covered by my written instructions to you of this date.

Mr. Kent has his own code and check words to the Federal Bank to enable him to conduct cable correspondence exactly as I have done and he is likewise thoroughly familiar with the details of the transaction.

Faithfully yours,



The Nederlandsche Bank,
Amsterdam, Holland.

BS/V

Hotel Ritz, Paris.

August 17, 1919.

Gentlemen:

Since writing you yesterday in regard to retaining mail and telegrams, I find it will be necessary for me to ask you to open all telegrams and cables received during my absence and repeat them to Mr. Fred I. Kent, for the present care of the American Embassy, 4 Grosvenor Gardens, London, England. The cost of repeating messages I will defray on my return from Constantinople, and in case of change of address Mr. Kent will telegraph you further directions.

Thanking you, I am,

Very truly yours,

Messrs. Morgan, Harjes & Company,
Place Vendome, Paris.

BS/V

0205

ms

C. or B.	Charges to pay
Reed. from } <i>208</i>	s. d.
.....	
By <i>758</i>	

POST OFFICE TELEGRAPHS



This form must accompany any inquiry respecting this Telegram.

No. of Telegram	Office Stamp
Sent.....M	
To.....	
By.....	

Prefix	Handed in at	Office of Origin and Service Instructions	Words	Received here at
<i>lc</i>	<i>2045</i>	<i>Paris 18th</i>	<i>32</i>	<i>2:31</i>

*Rush Fred J. Kent care American Embas
4 Grosvenor Gardens Lan*

*Have abandoned Constantinople trip
stop am sending important telegram
care Embassy tonight stop. Please inform
Norman and Grenfell and Embassy
Strong*

COPY OF TELEGRAM RECEIVED FROM GOVERNOR STRONG 18th AUGUST 1919.

"Replying your telegram regarding insurance I am just
"advised by Federal Reserve Bank that Chubb quote rate about seven
"and one half cents per hundred dollars covering all risks from
"Brussels to London. No rate yet arranged from Amsterdam. Also
"advised if entire amount placed in America none elsewhere probably
"possible to insure seven million five hundred thousand dollars
"one conveyance and possibly might increase to ten million dollars
"one conveyance. They cannot now guarantee this amount but request
"advice if business is likely to eventuate and will then advise rate
"definitely. Am cabling New York there will be ten or more ship-
"ments of maximum amount and to quote definite rate both Brussels
"and Amsterdam direct to you. Kindly advise Kent".



POST OFFICE TELEGRAPHS.

Office Stamp.

If the accuracy of this Telegram be doubted, a part, or the whole, can be repeated under special conditions, particulars of which can be obtained on application at the Office from which it was delivered.

This form must accompany any inquiry made respecting this Telegram.

Office of Origin and Service Instructions.

{Charges}



DE PARIS 21898 28 18 20H35 =

RUSH FRED I KENT CLARIDGES HOTEL 242-00

LONDON = HAVE ABANDONED CONSTANTINOPL

TRIP STOP AM SENDING IMPORTANT

TELEGRAM CARE EMBASSY TONIGHT STOP

PLEASE INFORM NORMAN AND GRENFELL

AND EMBASSY = STRONG :

COPY

Federal Reserve Bank of New York,

Hotel Ritz, Paris,

August 19, 1919.

Dear Sir,

I am just in receipt of confirmations of cables passing between us, dated the 12th August, over the signature of your Deputy Chief Cashier, and beg now to confirm the receipt of the telegrams mentioned, together with the following;

1. August 12. Your telegram of 8th received stop Will be happy to arrange shipments both Amsterdam and Brussels stop have cabled New York respecting business (insurance?).

2. August 14. Learn from New York insurance can be arranged terms unknown to Bank but understood cabled you direct.

3. August 15. We are ready to send to take delivery at both centres as soon as authorized. We await terms upon which to insure with Chubb.

I now beg to confirm the advice sent to you with Mr. F.I. Kent that I have abandoned for the present my intention of visiting Constantinople, but will greatly appreciate Mr. Kent's assistance in arranging the details of the gold shipments while he is in London.

I also beg to confirm sending you to-day the following telegram:

"Replying your telegram regarding insurance I am just advised by Federal Reserve Bank that Chubb quote rate about seven and one half cents per hundred dollars covering all risks from Brussels to London stop No rate yet arranged from Amsterdam stop Also advised if entire amount placed in America none elsewhere probably possible to insure seven million five hundred thousand dollars one conveyance and possibly might increase to ten million dollars one conveyance stop They cannot now guarantee this amount but request advice if business is likely to eventuate and will then advise rate definitely stop Am cabling New York there will be ten or more shipments of maximum amount and to quote definite rate both Brussels and Amsterdam direct to you stop Kindly advise Kent".

The amount of gold to be included in the present shipments consists of approximately 200,000,000 marks out of a total of 290,000,000 marks now held by the National Bank of Belgium and approximately 240,000,000 marks out of a total of

440,000,000 marks

440,000,000 marks held by the Nederlandsche Bank.

The gold held in Brussels, I am advised, is entirely German coin. The gold held in Amsterdam is reported to consist of the following: "320,999,999 marks, 1,554,500 sovereigns, 18,300,000 Austrian crowns 5,500,000 roubles, 1799 bars fine weight 21,837 kilograms, or a total of 440,000,000 gold marks value".

The 200,000,000 marks to be left for the present in Amsterdam will consist entirely of German gold coin and the gold to be shipped is to include the balance of the marks and the other coin and bars.

I am just advised by the United States Treasury Department that it may be necessary to make a payment on behalf of the United States government of approximately \$10,000,000 to the Bank of Spain in Madrid, and should other arrangements for making this payment prove impossible within the limited time at our disposal, would the Bank of England be willing to set aside out of the gold to be held for our account an amount of approximately \$10,000,000, earmarking it for account of the Bank of Spain pending the completion of other arrangements?

I shall endeavour to make a direct shipment to Madrid out of the balance of the gold held in Amsterdam or Brussels, but, failing that, would greatly appreciate being able to conduct the transaction through your good institution.

May I also ask that you be good enough to show this letter to Mr. Kent, who will be glad to do what he can to facilitate the arrangements.

Again thanking you for your many courtesies, I beg to remain.

Very truly yours,

(Sd.) BENJAMIN STRONG,

Governor.

The Governor the Bank of England,
London, England.

BS/V

Bank of England

19 Aug 1919

Dear Mr Kent,

Just before I left the
Bank a telegram came
from Governor Strong on the
subject of insurance rates.

If you care to ring me
up I will give you the

~~THE BATH CLUB,
16, BERKELEY STREET, W.I.~~

purpose of it by telephone,
my number is London Wall
6671 and I shall be there
at 10 o'clock but if I do not
hear from you I will post
you a copy which should
reach you by mid-day.

Believe me

Yours very truly

C. Paine



EMBASSY OF THE
UNITED STATES OF AMERICA

With the Ambassador's
Compliments.

LONDON, August 19, 1919.

AUGUST 19th. FROM AMERICAN EMBASSY PARIS, dated AUGUST 18th.

For Fred I. Kent from Strong.

"Have just received the following telegram from Treasury:

'It may be necessary or desirable to ship gold to Spain in case of final settlement of peseta credits opened for the Treasury through New York banks. Treasury is making inquiry through the Department of State as to whether Bank of Spain would if requested be willing to accept gold earmarked in Paris, London or New York with the proper allowance for shipment charges thence to Spain. The French Government has expressed willingness to furnish up to \$10,000,000 in Napoleons in return for German gold delivered in Paris accepting German gold on the basis of 999.4 of fineness. Can you ascertain and cable (1) cost of shipping German gold from Belgium to Paris; (2) same thing from Amsterdam to Paris; (3) cost of shipping Napoleons from Paris to Madrid; (4) cost of shipping gold from London to Madrid; (5) earliest possible date upon which Napoleons shipped from Paris to Madrid against German gold shipped from Belgium or Amsterdam to Paris can be depended on to reach Madrid." Have replied stating that impossible to arrange shipments in time for August 29th. and September 2nd. maturities. Have suggested the advisability of allowing shipments to London to proceed as arranged and endeavour to have Bank of Spain accept gold earmarked by the Bank of England. As an alternative suggested earmarking Amsterdam. Having abandoned trip East shall obtain data requested paragraphs 1, 2, 3 and 5. Please get data 4 wiring me Ritz and include necessary information regarding insurance."

Bank of England

20th August, 1919.

Dear Mr. Kent,

I enclose a copy of the telegram from Governor Strong which I told you last night had arrived.

Yours sincerely,

Or Paice

Fred I. Kent, Esq.



India Office,
Whitehall, S.W.1.

20th August, 1919.

Dear Mr. Kent,

I promised to let you know whether the Bank of Montreal undertakes the business of selling Rupee credits for us in New York. It has now consented to do so.

Yours sincerely,

David Ashkan

F. I. Kent, Esq.,

For Leffingwell from Strong . T eight August 20th

Your two cables 18th received stop Believe suggestions to British and French in every way desirable stop Unquestionably next most important matter is arranging credits for food shipments this fall stop France Belgium and Germany undoubtedly face considerable shortage after present crop and meat supplies are consumed stop Regarding rupees I entirely agree matter must be handled by Treasury and have so advised Bank stop Had fully considered Spanish situation in this connection but regard Indian conditions as justifying free direct gold shipments so long as price fixed by Indian government for rupees is satisfactory as already stated in my cables to Bank stop Hope you succeed in negotiating satisfactory arrangements stop Please send copy to Bank

STRONG

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 21, 1919.

Dear Fred:

I am enclosing confirmation of a telegram just sent you and regret the delay in your receipt of mine of last week, which I do not understand. You can see the difficulty of taking care of the peseta situation and I am yet without final advices as to whether they are relying upon a gold shipment. Probably the cable will come today or tomorrow.

I have sent two cables to the Treasury Department and one telegram to the National Bank of Belgium on this subject, copies of which I enclose, but I am not sure whether they fully appreciate in Washington the importance of the point in regard to the currency in which insurance shall be payable in case of loss. As a practical matter, for the sake of the value of the insurance, to avoid delays, etc., unless it can be written in New York it should certainly be taken out in English companies, and I presume we would be limited to payment in sterling.

The Bank of France is prepared to ship napoleons promptly on receiving orders from the Ministry of Finance, but they hesitate at receiving the shipment earmarked in Brussels, as I have suggested, because it will show in their statement as gold held abroad, with the corresponding reduction of gold held in the Bank.

When I have replies to my cables to Leffingwell I shall know whether to press the point or not.

Keep me posted by telegraph of anything new. Many thanks for your help. Probably you can get over here pretty soon.

Sincerely yours,

Fred I. Kent, Esq.,
Claridge's Hotel,
London.

Reu. Strong



EMBASSY OF THE
UNITED STATES OF AMERICA

London, August 21, 1919.

Dear Mr. Kent:-

I hasten to enclose, for your information,
copies of the telegrams which the Embassy trans-
mitted on yesterday.

Yours sincerely,

Curtis C. Williams, Jr.

Fred I. Kent. Esq.,
Room 516.
Claridge's Hotel,
Brook Street, W.1.

Cablegram to be forwarded
Federal Reserve Bank New York
through State Department
Washington Quote

B Cablegram number two.

Referring my cablegram number
~~subscript one~~ one. When covering insurance
one percent should be added
to total value of gold and
should be distributed over each
shipment ~~to cover~~ to cover
incidental expenses boxing
packing shipping etcetera ^{P two} ~~P two~~
Bank of England now expects
make three shipments weekly
from Amsterdam and two
shipments weekly from Brussels
P three ~~ten million dollar~~ maximum
advisable to endeavor to insure in
each shipment ten million
dollars. **P** four Under insurance
arrangement of Bank of England
they ~~are~~ are not required to
declare each shipment as
made but their statement in
writing ~~is~~ after shipment has
been made and delivered is
effective **P** five ~~of~~ If Federal
Reserve Bank can arrange
insurance so that cable notice
of each shipment is unnecessary

but that all shipments made
~~up to the 5th~~ are
covered as and when shipped with
notice to follow ~~by~~ it would
be ~~safe~~ safer and
while cable advice could be sent
just the same ~~but~~
any oversight on the part of
anyone concerned would
not cancel the insurance
I do believe ~~that~~ such
arrangement of sufficient
importance to warrant
your insistence upon it
~~if possible~~ and as it is
only a matter of integrity
on your part can see no
reason why it should be
refused.

AAK

BLUE

OUT 15.
August 20, 1919.

TO American Embassy, Paris.
FROM American Embassy, London.
DATED August 20, 6 p.m.
NO. 644.

FOR BENJAMIN STRONG, RITZ HOTEL, FROM KENT.

"Bank of England recently had occasion to ship gold to Spain and rate was three eighths of one percent but insurance was in sterling. Norman does not believe they can get insurance in dollars but am finding out and will wire tomorrow. Total pesetas outstanding one hundred fifty five million and would suggest you telephone Hare at General Pershing's headquarters and ascertain whether he is making progress with Urquijo of Madrid in selling supplies to Spain as it might help out Treasury to know exact situation."

MR. WILLIAMS.

TO Department of State, Washington.
FROM American Embassy, London.
DATED August 20, 6 p.m.
NO. 2848.

IMPORTANT.

FOR FEDERAL RESERVE BANK, NEW YORK, FROM KENT.

"Cablegram No. 2.

Referring to my cablegram No. 1.

Paragraph 1. When covering insurance one percent should be added to total value of gold and should be distributed over each shipment to cover incidental expenses such as boxing, packing and shipping.

Paragraph 2. Bank of England now expects to make three shipments weekly from Amsterdam and two shipments weekly from Brussels.

Paragraph 3. Maximum advisable to endeavor to insure in each shipment ten million dollars.

Paragraph 4. Under insurance arrangement of Bank of England they are not required to declare each shipment as made but their statement in writing after shipment has been made and delivered is effective.

Paragraph 5. If Federal Reserve Bank can arrange insurance so that cable notice of each shipment is unnecessary but that all shipments made are covered as and when shipped with notice to follow, it would be safer, and while cable advices could be sent just the same, any oversight on the part of anyone concerned would not cancel the insurance.

Paragraph 6. Believe such arrangement of sufficient importance to warrant your insistence upon it if possible and as it is only a matter of integrity on your part, can see no reason why it should be refused."

MR. WILLIAMS.



POST OFFICE TELEGRAPHS.

Office Stamp.

If the accuracy of this Telegram be doubted, a part, or the whole, can be repeated under special conditions, particulars of which can be obtained on application at the Office from which it was delivered.

This form must accompany any inquiry made respecting this Telegram.



Office of Origin and Service Instructions.

Charges

PARIS E481 E3 22 13H20=

FRED I KENT CLARIDGE S HOTEL LONDON

= YOURS AUGUST TWENTIETH RECEIVED STOP
 SUGGEST SENDING DIRECT CABLE TO
 LEFFINGWELL TREASURY GIVING ESTIMATED
 COST OF SHIPMENT LONDON TO SPAIN
 INCLUDING INSURANCE FREIGHT AND ALL
 OTHER EXPENSE REPEATING MESSAGE TO ME
 PARIS STOP HARE ABSENT HIS OFFICE
 STATES NO DEFINITE PROGRESS YET IN
 SPAIN JUSTIFYING EXPECTATION OF CREDIT
 BUT PROSPECT HOPEFUL FOR ULTIMATELY
 MAKING SALES = STRONG =



POST OFFICE TELEGRAPHS.

Office Stamp.

If the accuracy of this Telegram be doubted, a part, or the whole, can be repeated under special conditions, particulars of which may be obtained on application at the Office from which it was delivered.

This form must accompany any inquiry made respecting this Telegram.



Office of Origin and Service Instructions,

Charges }

to pay }

7 30 AM

Received here at

M.

PARIS 31281 42 21 10H=

FRED I KENT CLARIDGES HOTEL LONDON =

TÉLÉGRAM RECEIVED STOP I MUCH

APPRECIATE YOUR PROMPT ASSISTANCE STOP

HAVE TELEGRAPHED BANK OF ENGLAND GIVING

LAST ADVICES REGARDING INSURANCE STOP

NOTHING FURTHER CAN BE DONE REGARDING

RUPEES AS NEGOTIATIONS ARE UNDER WAY

IN WASHINGTON = STRONG =

Claridges' Hotel,
Brook Street,
London, W. 1.
22nd August 1919.

Dear Ben,

Your letter of the 21st instant received this morning, together with the enclosures. Last night late I received your telegram requesting me to cable Leffingwell, which I have done, enclosing copy herewith. Nothing has yet come from New York shewing that insurance has been effected. Consequently the whole matter stands exactly as it was.

Mrs. Kent and I are remaining in London over the week-end as I did not feel warranted in leaving with the possibility of cables coming in to-day that might have to be answered or advice of which might have to go to Amsterdam and Brussels. If the cable arrives on Monday it will not delay the Bank of England representatives, however, as they do not expect to be able to get off any shipments until possibly the Tuesday or Wednesday Steamers, whatever days they may sail.

Sincerely Yours,

Governor Benjamin Strong,
Hotel Ritz,
PARIS.

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 23, 1919.

Dear Fred:

I just have your letter of August 21 and thank you for looking up the information about the shipment. Please note the following:

1. I have telegraphed asking that you reply direct to the Treasury giving the estimated cost, which I presume you have done.

2. Arrangements were not to be made for the shipment, but I was simply asked to ascertain what the cost of the shipment would be in case it had to be made. You say in your letter, "Subsequent programme not yet arranged but there are generally about two steamers a month in this service." I do not want to ship gold from London if it can be avoided, preferring to make the shipment, of course, from Brussels.

3. I do not quite make out how you figure $1/2$ plus $1/20$ per cent. The calculation contained in your letter is as follows:

"Freight $3/8\%$ (on not less than £200,000)	
(to port only),	£1,125
Insurance $1/8\%$ (to Madrid),	375
Packing charges, 60 boxes @ 4/- each,	12
Fees,	1
	<u>1</u>
	<u>£1,513</u>

Say $1/2 + 1/20\%$

which I understand means that £1513 would be the cost of shipping £200,000, which is to say that a little more than $3/4$ of 1 per cent. would cover the cost.

From this I would deduct that the cost of shipping £2,000,000 would be a little over £15,000, and this strikes me as being pretty high.

Also, I notice that you mention having advised the Federal Reserve Bank by cable. Should not that cable have gone to Leffingwell, as the inquiry came from the Treasury? I am sorry to bother you with all of these details, but the question was from the Treasury and was purely hypothetical, I presume to ascertain what the cost of gold shipments was as against the cost of pesetas.

Of course one important thing to bear in mind is that insurance and freight can be paid by check, which means that it will cost the rate quoted, figuring the pound as worth \$4.10 or \$4.15, or thereabouts, as of course we would not figure on paying the insurance in gold but by check.

Won't you write me clearing up these points, and, in case I receive any further cables indicating the imminence of the movement of the gold, I will telegraph you more specific advices.

Thanks for the advices about the India Council matter. I still do not agree with our people at home, but let it go at that. I hope you get over here pretty soon.

Sincerely yours,

Wm. Strong

Fred I. Kent, Esq.,
Claridge's Hotel, London

BS/V

P.S. I am enclosing herewith copies of letters to Dr. Vissering, Monsieur Van der Rest and the Governor of the Bank of England with reference to a possible change in the amounts of gold shipments from Brussels and Amsterdam respectively; also copy of Bank cable No. 12 received in a badly mutilated condition after the writing of this letter and reply thereto my No. 18.

BS

CABLEGRAM (transmitted through Embassy)

Paris, August 23, 1919.

For Federal Reserve Bank
Number 18 August 23.

1. Probably entire value of gold in Brussels and Amsterdam will be expended by Germans for food stop Am shipping three hundred and sixty million marks from Amsterdam to Bank of England and recommend leaving eighty million marks for present for safekeeping with Nederlandsche Bank stop They will only charge for actual disbursements on understanding we will refund compensation we have charged them for gold we hold for their account or charge us exact equivalent amount to balance account thereafter each earmarking for the other without charge stop These arrangements subject to Bank's approval which please telegraph promptly if satisfactory

2. Your number twelve received badly mutilated am having repeated stop Shipments of two hundred million marks from Brussels commence Monday stop If Treasury requires gold in Spain for peseta payments due after September I should be advised probable amount at once in order to reduce shipments from Brussels which is most convenient for shipment to Paris or Madrid

STRONG

Claridge's Hotel,
Brook Street,
LONDON, W.,

England, 25th August 1919.

Mr. Benjamin Strong,
The Ritz Hotel,
PARIS, France.

Dear Ben,

It seems to me that in figuring the cost of shipping gold from London to New York it should be on the basis of the ordinary market, and not on any special rate that the Bank of England might be able to obtain covering some particular transaction. This being true, I got the regular rates for shipping gold in the market today, which I am telegraphing you to-night. These rates are $\frac{3}{8}$ of 1% for freight and $\frac{3}{4}$ per Mille insurance.

The insurance companies state that their present feeling is that without question they would be willing to make the insurance read in Dollars, although the rate might be fractionally higher if Exchange should go much worse. They also stated that the rate of $\frac{3}{4}$ per Mille might be shaded in case of an actual transaction, particularly if the amount was large. It seems to me, therefore, fair to take these two rates as ~~being~~ a basis, particularly in view of the fact that you contemplate making a return, if shipment is not made, whereas you would have no means of recovery should you be obliged to ship at a higher cost.

The incidental expenses would probably be about one-twentieth per Mille. A fair rate therefore might be $\frac{3}{8}$ of 1% for freight and one per Mille for insurance, and incidental expenses. Will telegraph you the Bank of England rates as soon as received.

Sincerely yours,

*x later raised to 1% as
telegraphed you - can so
believe $\frac{3}{8}$ % + 1 % would
cover an actual transaction -*

TELEGRAM

Paris, August 26, 1919.

FRED I. KENT,

Claridge's Hotel, London

Your letter twenty second received stop Am advised by Bank that Treasury will pay off peseta bills maturing September second and renew bills maturing September twenty ninth stop Have telegraphed New York asking whether we should make any provision for later maturities and if so how much stop In meantime suggest proceeding with shipments as stated my letter August twenty third to Cokayne stop I understand figure eight nine nine point four meant simply coin value of gold allowing for alloy rather than fine value

STRONG

FEDERAL RESERVE BANK
OF NEW YORK

Hotel Ritz, Paris,

August 26, 1919.

Dear Fred:

I telegraphed you this morning in reply to your letter of the 22d instant, as per enclosed confirmation, which I hope is clear. By now you have doubtless received the copy of the garbled cable in regard to the peseta payment.

Gen. McCoy has written asking that you arrange to work up everything bearing on the Turkish-Armenian situation that you are able to reach in London and arrange to have the Imperial Ottoman Bank people in Constantinople and any other reliable financial people like the English head of the Bank of Turkey, give them sympathetic help and information. Could you start something along this line pending my return to London.

I do not like to leave Paris until I am certain that everything is cleaned up about the gold. Otherwise I feel that I am about through here.

Sincerely yours,



Fred I. Kent, Esq.,
Claridge's Hotel,
London.

P. S. Enclosed herewith is copy translation of letter just received from Governor Van der Rest.

BS/V

1-HNS.

BLUE 2965

Washington

Dated August 27th, 1919.

Rec'd 9:40 A. M. 28th.

Ammission,

Paris.

2965, August 27th, 3 P. M.

From Rathbone

For Strong, c/o Morgan Harjes and Company,

Embassies 1315. August 23rd, 7 P. M. Your No. 18 paragraph two.

Treasury does not expect to require gold in Spain for peseta payments.

LANSING

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 27, 1919.

Dear Fred:

Thanks for your two notes of the 25th and your two telegrams about shipping costs, insurance, etc. One of them I think was somewhat garbled and I am having it repeated.

As apparently no shipment must be made in order to pay the peseta credits, it seems as though it would be possible for me to leave Paris the last of this week, stopping for a couple of days in Amsterdam, and then direct to London, and, as Stettinius tells me you will be there until the 10th, I shall hope to join you there before that date. Meantime Mr. Hare has been laid up with a slight attack of blood poisoning and I have not been able to see him.

As soon as I get sufficient figures I want to give Mr. Hoover an estimate of how he will make out in his gold settlement with the Germans, and would greatly appreciate your sending me the figure, the best you can make, as to just how much we shall pay to Mr. Hoover when we know all the factors. You understand it is proposed to deduct from the payment a sum sufficient to pay all the costs of moving all the gold from Amsterdam and Brussels to London and then from London to New York, including charges for melting up the coin and reducing it to fine bars of known value. If you could make some sort of an estimate, even though rough, and send it to me at once, I would appreciate it.

Sincerely yours,

Res. Strong

Fred I. Kent, Esq.,
Claridge's Hotel,
London.

BS/V

Claridge's Hotel,
Brook Street,
LONDON, W., England,
28th August 1919.

Mr. Benjamin Strong,
Ritz Hotel,
PARIS.

Dear Ben,

Your letter of the 26th instant with enclosures received this morning, August 28th. You need give the Turkish-Armenian matter no thought whatever, as I have done everything necessary and will be in position to make a final report to General Harbord as arranged in a few days. I am thoroughly convinced that nothing would have been gained by going to Constantinople, as I can get more real light on the situation here than would be possible there. Will send the report direct to General Harbord as requested, as I imagine that he desires to have it in Constantinople to work into the balance of his own report. The Imperial Ottoman Bank have been working upon the matter for several days, and I expect to see them this afternoon.

As there is absolutely nothing further that I can do at the Bank of England in connection with the Gold at the moment, except to advise them of any changes that it may be possible to make in regard to the amount covered under any one shipment, including the question of train service covered in my cablegram to New York copy of which I had repeated to you through the Embassy, in Paris, I will leave for the Valley of Rocks Hotel, Lynton, North Devon tomorrow morning. Should any telegrams or cables come for me while there they will be forwarded without practical loss of time, and if necessary I will come back to London immediately.

Shall see Mr. Norman this afternoon the last thing and make certain that I am correct in my judgment as to the advisability of my being out of London for a few days. Of course, if I were not within easy call by telegraph I would not consider doing so, under any circumstances. The Federal Reserve Bank is cabling a short repetition of the cables to me direct to the Bank of England, so that the Bank would be advised promptly in any event. The instructions to the Bank of England stand

Mr. Benjamin Strong, PARIS.

SHEET 2.

28/8/1919.

positively and clear, and will only be changed as
proper authority is received from New York.

Sincerely yours,

Claridge's Hotel,
Brook Street,
LONDON, W.,

28th August 1919.

M. C. Norman, Esq., D.S.O.,

Bank of England, London, E.C.

Dear Mr. Norman,

As advised you, I expect to leave Friday morning for Lynton, where I hope to be able to stay till September 6th. From there I will be obliged to go to Liverpool for one day, and will be in London again Tuesday morning, September 9th, and you can reach me at Claridge's Hotel should it be necessary.

In the meantime, if anything should develop that in your opinion would seem to require my presence in London, if you will telegraph to me care of the Valley of Rocks Hotel, Lynton, North Devon, I shall take the first train back.

I have left my address with the London Joint City & Midland Bank, with the American Embassy and with Claridge's Hotel, so that if any mail or cablegrams come for me at any of those places they will be forwarded immediately, which should result in no delay of ~~the~~ moment should any instructions of a new nature arrive from New York.

Enclosed herewith is copy of cablegram which I sent to the Federal Reserve Bank of New York, which includes an exact statement of the procedure under which you are working. In case the Federal Reserve Bank of New York is able to cover the matter as suggested in paragraph No . 7 they will undoubtedly cable you direct at the same time as they cable me, in which case it will be in order for you to act upon their cablegram when received.

I will telegraph you immediately should I receive any cablegram.

Assuring you of my appreciation of your many courtesies,

I am,
Cordially yours,

Claridge's Hotel,
Brook Street,
LONDON, W.,
28th August 1919.

Mr. Curtis C. Williams, Junr.,
American Embassy,
4, Grosvenor Gardens, LONDON, W.

Dear Mr. Williams,

Your letter of August 27th enclosing copy of cablegram which you were kind enough to send to America through the Paris Embassy received and in order.

The Federal Reserve Bank will very probably send another cablegram to me through the Embassy some time during the next few days; but as I am leaving for Lynton tomorrow, where I shall be until Saturday September 6th, will have to ask you if you will be so kind as to forward the cable to me c/o the Valley of Rocks Hotel, Lynton, North Devon. It will be in order for you to send the cable by mail, as it may reach me as promptly as by wire; and in anticipation of its arrival I have so arranged matters that a telegram upon receipt will place everything in order.

Thanking you for your attention in the matter, and assuring you of my appreciation of your many courtesies,

I am,

Cordially yours,

Claridge's Hotel,
Brook Street,
LONDON, W.,

28th August 1919.

Dr. G. Vissering,
President,
De Nederlandsche Bank,
AMSTERDAM, Holland.

My dear Dr. Vissering,

As I promised you in Amsterdam on the evening of the most pleasant little party which you and your friends were kind enough to give to us, I take pleasure in enclosing herewith copy of statement on the American Credit Organisation. As I told you, this was the hurried dictation of a morning which I had to forward to America by special steamer, so that certain matters which I accented to you are not covered in as much detail as might have been advisable.

For instance, I am thoroughly convinced that the matter covered on page 12 would undoubtedly prove to be the best way to make distribution of credits allowed. With the organisation in force it was my idea that it should have sufficient elasticity so that such different conditions as might exist in each country could be met by the managers. In fact, there is no detail of the situation whatever that, with the American organisation in force along the lines suggested, could not be shaped to cover any local conditions that might exist. Since seeing you I have been over the matter with a number of ~~xxxx~~ Foreign Exchange bankers as well as others in Brussels, Paris, and London, and they all agree that the plan from the European side is workable, and is the only feasible one which has come before them.

The question as to the ability of the American interests to organise at their end is, in my opinion, the only really difficult one; and from what I can gather from conditions in America at present no organisation of any kind can be brought together just at the moment. The reason for this lies in the fact that America does not yet appreciate the real conditions which exist in Europe, and that this lack of knowledge, strange as it may seem, extends to exporters to the same extent as to other classes of business men. Apparently, therefore, it is going to be necessary to let things ~~xxxx~~ develop a little further until the pressure is absolutely

28/8/1919.

felt in the United States, after which it may be possible to quickly bring something together that will meet the requirements.

The fact that there is a large group of bankers ready to take up the matter at the first favourable moment, and that they have been studying the needs for some time and should consequently be able to act promptly when opportunity offers, is what leads me to hope that something positive can be developed quickly when the pressure of the European situation is so great that it will override interfering politics.

It is my belief that our Treasury Department is as anxious to see the matter worked out as the business interests, and that it will co-operate in so far as is possible when the right time comes.

Assuring you of my appreciation of the great courtesy extended to me by you and the other members of your staff, and with sincere regards,

I am,

Cordially yours,

Hotel Ritz, Paris,

August 29, 1919.

Dear Sir:

A cablegram just received from the Federal Reserve Bank will make it necessary for us to ship the entire amount of gold, that is, approximately 440,000,000 marks now held by the Nederlandsche Bank, to London, and while I regret the necessity of imposing this additional trouble upon your good institution, an inevitable change in our plans makes it necessary.

It also may be necessary to ship the entire amount now held by the Banque Nationale de Belgique, concerning which I shall telegraph you probably from Brussels early next week.

Letters to this effect are being sent to the Nederlandsche Bank and the Banque Nationale de Belgique, but it will doubtless be necessary that they also receive instructions direct from you.

I am just advised by the Bank that Messrs. Chubb & Sons seem to have been disturbed by reports which they had received from this side indicating that some insurance might be placed direct in London. I have cabled to New York that this doubtless arose from inquiries as to rates for shipments to Paris or Madrid, and that no insurance will be placed in London. This limits the value to be covered in any one shipment, plus the cost of shipment, to \$6,500,000.

I am sending Mr. Kent a copy of this letter and will greatly appreciate your further assistance in carrying out our plans.

Very truly yours,

Montagu Norman, Esq., Deputy Governor,
The Bank of England,
London.

BS/V

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 28, 1919.

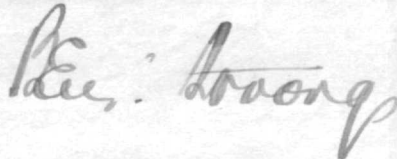
Dear Fred:

Thank you for your letters of the 25th and 26th and your telegram of the 26th. I will try and make up some figures for Mr. Hoover based upon these estimates, but still need something to indicate what the cost will amount to from Amsterdam and Brussels to London. I am glad you feel able to take a little loaf.

My understanding now is that no shipment will be required for Spain at present, and I do not see how we can delay proceeding with moving the amounts as I have written you.

With best regards to Mrs. Kent and yourself,

Sincerely yours,



Fred I. Kent, Esq.,
Claridge's Hotel,
London.

BS/V

P.S. Enclosed herewith is copy of cablegram just received from Washington regarding the peseta situation.

Hotel Ritz, Paris,

August 29, 1919.

My dear Monsieur Van der Rest:

A cable just received from the Federal Reserve Bank of New York indicates that it may be necessary to ship all the gold now held by your good institution for our account.

I shall not know until reaching Brussels, which will probably be Wednesday of next week, the 3d September, when I shall expect to have received a further cable from my Bank.

Should any cables or mail addressed to me in your care arrive before I reach Brussels, may I ask you to be good enough to hold them until my arrival.

Faithfully yours,

Monsieur Leon Van der Rest, Gouverneur,
La Banque Nationale de Belgique,
Brussels.

BS/V

Claridge's Hotel,
Brook Street,
LONDON, W.,

29th August 1919.

Mr. Benjamin Strong,
RITZ Hotel,
PARIS,
France.

Dear Ben,

Your letter of the 27th received this morning, Friday. It is quite impossible yet to make any estimate that would be helpful to Mr. Hoover for the reason that the experience of the Bank of England in moving its own Gold can hardly be used to estimate the shipments for the Federal Reserve Bank. This is partly due to the fact that the amounts covered by insurance on one conveyance are much smaller than those under which the Bank made shipments. The time involved will therefore be much longer and the incidental expenses also, all of which will be covered in the bill which the Bank will have to render after the operations are closed. This being true I believe that it would hardly be possible for the Bank to make any estimate that would be a satisfactory one upon which to base a settlement.

Upon my return to London September 9th I will take this matter up, as sufficient movement will then have occurred to make it possible to make a fair estimate. We will also know before that time whether the shipments can come forward more rapidly than under present conditions.

Saw Mr. Norman yesterday afternoon and left him a copy of the cablegram which I sent to the Federal Reserve Bank of New York through the Embassy, and which I had repeated to you in Paris, which, after reading, he said he would use as his bible for it covered every phase of the situation. Also left the letter with him authorising him to act upon any telegram received by the bank direct from the Federal Reserve Bank of New York, which might give positive authority to make larger shipments.

Called Mr. Paice, the Cashier of the bank, on the telephone and asked him if, as far as he could see, everything was in order; and if it would be alright in his opinion for me to go on to Lynton for a few days. He stated that, with the copy of the cablegram which I had given him, they were in a position to move forward without any delay or any further instructions, and therefore Inam going on to Lynton to-day. Both Mr. Norman and Mr. Paice know that I will come back at a moment's notice if necessary.

Sincerely yours,

Hotel Ritz, Paris,

August 29, 1919.

My dear Dr. Vissering:

A cable just received from the Federal Reserve Bank of New York advises of a change in the program in regard to the handling of our gold, which will make it necessary to ship the entire amount now held by your institution to London. This I regret, but I feel obliged to carry out these instructions unless they should be altered before my arrival in Amsterdam about Wednesday or Thursday of next week.

Advice of this change of program is being sent to the Bank of England with a request that their representatives be notified.

I am also advised that the total amount which may be insured in any one conveyance is \$6,500,000, this amount to include the value of the gold plus one per cent. allowance for cost of shipment.

I am planning to leave here on Tuesday, spend one day in Brussels, and then proceed to Amsterdam, where I shall hope to spend two days, but I very much fear that it will not be possible for me to make the trip in Holland which I had contemplated.

There are many matters which I am anxious to discuss with you, and, if we are quite free the latter part of next week, we will I hope have opportunity for a further visit.

With kindest regards and thanking you for your courtesy in handling the gold in our behalf, I beg to remain,

Faithfully yours,

Dr. G. Vissering, President,
De Nederlandsche Bank,
Amsterdam, Holland.

BS/V

CABLEGRAM (forwarded through Embassy)

Paris, August 29, 1919.

FEDERAL RESERVE BANK

New York

Number nineteen. August 20th

1. Your number fourteen received stop Am instructing that all Amsterdam gold be shipped to London stop Paragraph of Rathbone's cable which you quote contemplated leaving all gold in Belgium stop Present plan contemplates leaving ninety million marks Belgium stop Please cable promptly care National Bank of Belgium if Board intends entire amount there to be shipped also stop I do not agree with Board's conclusions but have insufficient time to explain situation fully by cable and get replies
2. Will discuss exchange of gold with Bank of England when I reach London
3. No insurance will be placed over here and rumors reaching Chubb probably originated in inquiries regarding insurance rates to Spain
4. Am endeavoring to leave for Brussels and Amsterdam Tuesday
5. Please repeat to Brussels your cable number twelve badly mutilated

STRONG

FEDERAL RESERVE BANK
OF NEW YORK

IN REPLY PLEASE REFER

TO _____

Hotel Ritz, Paris,

August 29, 1919.

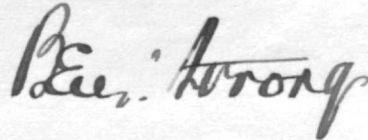
Dear Fred:

I am enclosing copy of a cable just received from the Bank, copy of my answer and of letters addressed to Norman, Van der Rest and Vissering, all of which explain themselves.

I now plan to leave Paris Tuesday, stopping one day in Brussels, two days in Amsterdam, and reaching London the end of next week, say around the 6th.

I hope you had a good rest.

Yours sincerely,



Fred I. Kent, Esq.,
Claridge's Hotel,
London.

BS/V



EMBASSY OF THE
UNITED STATES OF AMERICA

London, September 1, 1919.

Dear Mr. Kent:-

I hasten to enclose, for your information, a copy of the telegram which the Embassy transmitted on to-day.

Yours sincerely,

Curtis C. Williams, Jr.

Fred I. Kent, Esq.,
Valley of Rocks Hotel,
Lynton,
DEVON.

Enclosure: Telegram no. 2942.

DCP

Out 3
September 1, 1919

BLUE

ORIGINAL

TO Department of State
FROM American Embassy, London
DATED September 1, 2 p.m.
NO. 2942

IMPORTANT:

To Federal Reserve Bank of New York from Kent:

"Cablegram 4. Referring your cablegram 2.

Note amount individual shipments increased to
6500,000. No insurance being placed except through you.
Inquiries made to ascertain probable cost shipments London
to New York to enable settlement with Hoover undoubtedly basis
of rumor which reached Chubb."

MR. WILLIAMS

Bank of England

1st September, 1919.

Dear Mr. Kent,

Thank you for your letter of the 30th ultimo quoting the cablegram which you have received, upon the strength of which we have directed an increase to Marks 27,000,000 in the authorised shipments from Brussels and Amsterdam.

Yours sincerely

Hilborn.

Fred I. Kent, Esq.



EMBASSY OF THE
UNITED STATES OF AMERICA

London, September 4, 1919

Dear Mr. Kent:-

I hasten to transmit herewith, for your information, a copy of a telegram which has been received from the Secretary of State in Washington, containing a message for you.

Yours sincerely,

Curtis C. Williams, Jr.

Fred I. Kent, Esq.,
Valley of Rocks Hotel,
Lynton,
DEVON.

Enclosure, As above stated.

In 8
September 4, 1919.

ORIGINAL

TO American Embassy, London,
FROM Department of State, signed 'LANSING'.
DATED September 3, 3 p. m.
REC'D September 4, 8.32 a. m.
NO. 5914

Deliver the following message to Fred I. Kent,
care of Bank of England, London, from Federal Reserve
Bank of New York:

"LECV A WHACK RAMUM.

Replying your Number 3.

(1) Procedure as outlined by you as to
notification of shipments is satisfactory.

(2) We have arranged with Chubb to cover
total insurance of \$136,000,000, and it is understood
and agreed that in cases where shipments by two vessels
arrive at port in England and both or part of both
these shipments should go forward by one train or other
land conveyance to destination in London, the warranty
as to limit of liability is waived as regards these
ships which are so conveyed by land to London."

Bank of England

6th September 1919.

Dear Mr. Kent,

Norman has gone away for a bit of holiday, but I have opened your letter to him of yesterday and have taken note of its contents.

I hope you too are enjoying a little rest.

Yours sincerely,

D. V. C. Kayne

Fred I. Kent, Esq.



EMBASSY OF THE
UNITED STATES OF AMERICA

London, September 8, 1919.

Dear Mr. Kent:-

I hasten to transmit herewith, for your information, a copy of a telegram which has been received from the Acting Secretary of State in Washington, containing a message for you.

Yours sincerely,

Curtis C. Williams, Jr.

Fred I. Kent, Esq.,
Valley of Rocks Hotel,
Lynton,
DEVON.

Enclosure:- as above stated.

Extra copy

ORIGINAL

TO American Embassy, London.
FROM Department of State, signed "Phillips Acting."
DATED September 6, 2 p.m.
REC'D September 7, 10.36 a.m.
NO. 5932

Deliver following message to Fred I. Kent
care of Bank of England London, from Federal Reserve Bank
of New York:

" LEEZT WAGON RANEK. Chubb has succeeded
in increasing insurance from \$ 6,500,000 to \$ 7,500,000
effective on and after September 19."

FEDERAL RESERVE BANK
OF NEW YORK

London, September 15, 1919.

Dear Fred:

Thanks for helping figure out this gold matter and for many other things which I greatly appreciate. Enclosed is a draft for 2,000 francs to square up the loan, which I entirely overlooked. I want you, if you will, to send me to New York a memorandum of expenses which should be borne by the Bank in connection with your trip, on which so much of your time has really been given to our affairs rather than your own. Also, I am most anxious to have those pictures, - two prints for myself and one for Mr. Vaughan, making three altogether, and I hope you can have them developed and sent to me at New York, as I know they will be useful in discussing the trip. You can have them developed and printed very well at the Gaumont establishment, in a side street off the Place de l'Opera.

I have a telegram from Warburg asking if you will not write him c/o Hope & Company, Amsterdam, and stating that he expects to be in Amsterdam October 9th, then in London from the 10th to the 15th of October. He is most anxious to see you and talk matters over, and I wrote that I would convey this word.

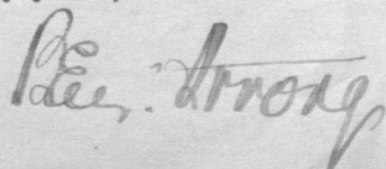
In order that you may be up to date I shall probably effect an exchange of £608,000 in sovereigns with the Bank of England, delivering sovereigns which we have in Amsterdam and accepting sovereigns or bars at the Bank of England. When the details are worked out I will send you a memorandum. I am enclosing copy of a statement handed me today by the Bank of England, the mint weights and fine gold shown at the top being the figures given in Tate's Cambist, and the resulting figure being the calculation of loss on 715,000,000 marks, allowing that the coin averages as the first parcel of 58,000,000 marks averages, or a total of £122,248. This I gather includes both remedy and abrasion and is apparently already allowed for, at least by the Nederlandsche Bank, in the method of weighing adopted.

I am feeling disappointed in being obliged to leave without a further visit with you.

Won't you please write me at New York, letting me know how things are going.

With warmest regards to Mrs. Kent and yourself,

Sincerely yours,



Fred I. Kent, Esq.,
5 Rue Scribe, Paris.

FEDERAL RESERVE BANK
OF NEW YORK

London, September 17, 1919.

Dear Fred:

Yours of the 15th is just received, and I see as yet no reason to make any change in the figures which you prepared, although I doubt if the shrinkage allowance of £123,000 is realized as the result of actually melting the coin, at any rate, so far as the 440,000,000 marks coming from Holland is concerned. It is safer, however, to allow it to stand for the present.

There seems to be considerable delay at the assay offices in getting returns and I fear it will be a long process having all the coin melted and its real fineness ascertained.

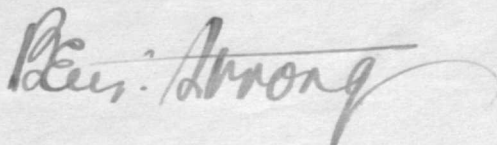
I am planning to sail Friday on the Baltic unless I am able to switch over to the Mauretania sailing Saturday, but I shall leave word at the Bank of England that in case anything arises necessitating your presence in London not to hesitate to call on you, and I am certainly most grateful to you for your good help.

Won't you write me at New York from time to time, if you have opportunity, just how things are developing and how they look to you, particularly anything that you discover as to Germany. Should you get in contact with Warburg, do not hesitate to send me a report and, if possible, deliver your letter to the Embassy to come forward in the pouch. Also, as you know, I am relying on your submitting an account of your expenses which we should pay. I will not hesitate to communicate with you if anything turns up after I get home.

With best regards,

Sincerely yours,

Fred I. Kent, Esq.,
5 Rue Scribe, Paris.



BS/V

FEDERAL RESERVE BANK
OF NEW YORK

Ritz Hotel, London,

September 17, 1919.

IN REPLY PLEASE REFER
TO _____

Dear Fred:

I have just received two copies of the enclosed memorandum from Doctor Vissering, who desires that I should send one to you. So far, I have not had time to read it.

He expresses great regret that I was unable to meet Warburg in Amsterdam, and it occurs to me that you may feel that it is worth while to make another trip there, by arrangement, to meet Warburg. I shall greatly value anything in the way of information that you are able to send me if you do have such a meeting.

My friend Mr. Montague Norman is back in London and I find that he has developed quite a liking for our "Lucky Strike" cigarettes, which, it seems, quite impossible to get in London. They have some at the Crillon Hotel and I wonder if you would be good enough to get a carton of them and send them to him, if possible, by some one who is coming to London or, if not, by post if it is safe to entrust tobacco to that agency. I will reimburse you for the cost at the first opportunity.

Handwritten note:
has carton
12/9/19

17/9/19.

The gold movement is proceeding most satisfactorily
and I am sure will give you no further trouble.

Once more thanks for your splendid help.

With warmest regards to yourself and Mrs. Kent,

Sincerely yours,

Ray: Brown

Fred I. Kent, Esq.,
5, Rue Scribe,
Paris, France.

BS/PE
Enc.

FEDERAL RESERVE BANK
OF NEW YORK

London, September 19, 1919.

Dear Fred:

It just occurs to me, before sailing tomorrow on the Mauretania, to ask if you can possibly arrange to get up some really good material for General Harbord in connection with his Armenian-Turkish investigation. He will be coming back some time next month and will be most anxious to get something on the financial and economic situation, the relations of the various banks of Europe to Turkish and Armenian affairs, the trade of the country, etc., etc. When I was in Paris I met a very interesting man connected with one of the Ottoman banks, at Mr. Simon's house at dinner. Possibly you would be good enough to call on Mr. Simon at the Societe Generale and tell him that I mentioned this gentleman to you as a possible source of information in regard to affairs in Turkey, and see if you cannot arrange a meeting. This man, I think, is of English descent, at any rate he speaks English perfectly and seems to have a wide knowledge of matters in the East.

I have transferred from the Baltic to the Mauretania and leave early tomorrow morning.

Sincerely yours,

Paul Strong

Fred I. Kent, Esq.,
5 Rue Scribe, Paris.

BS/V

COPY OF TELEGRAM

RECEIVED

Received October 2, 4 pm.

698 PARAPHRASE.

LONDON

October 1, 1919

AEMBASSY

PARIS.

698. October 1, 3 pm. Following for Mr. F.I. Kent, Federal Reserve Bank, New York, from the Deputy Governor Bank of England. Thank you for message. Amsterdam and Brussels were instructed on the twenty-sixth ultimo to discontinue shipments and the information was cabled to Federal Reserve Bank. There is no shipment in transit now.

DAVIS.

JGT.EL.

COPY OF TELEGRAM

RECEIVED Received October 3 9.30am

9164

WASHINGTON October 2 1919

AMEMBASSY

PARIS

9164. October 2 4pm. Please deliver the following message to Kent, from Strong, Federal Reserve Bank, New-York.

"Replying your cable September 29th. Bank of England cabled us September 27 that owing to railway strike all shipments of gold from Continent had been canceled for the present including roulers (?) sailing September 27 and we are leaving it to judgment Bank of England with regard to gold caught in transit.

PHILLIPS Acting.

GWR/MLB

COPY OF TELEGRAM Received 9:30 am.

RECEIVED October 3, 1919.

43 Paraphrase.

Brussels.

October 2, 1919.

AMEMBASSY

PARIS

43 October 2, 12 am.

In reference to your wire number 64 for Kent from Van der Rest, Governor Banque Nationale de Belgique.

" All shipments stopped last Saturday as a result of an agreement reached with the representatives of the Bank of England. The last shipment left the twentythird ultimo. The remaining amount to be shipped is of seventy-two million gold marks."

Armour.

GWR•MLB•EL

AMSTERDAM, 3rd October 1919

F. I. Kent Esq.

Vice President of the Bankers Trust Company,

c/o American Embassy,

P a r i s .

Dear Sir,

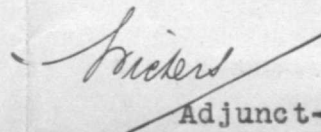
We beg to acknowledge having received through the Legation of the United States of America, The Hague, your telegram concerning the goldshipments to the Bank of England in connection with the British Railroad strike, to which we replied by wire, as follows:

" Answering your cable Representatives received on twentyninth September telegram from Bank of England to stop further goldshipments. Last shipment 25 September from here arrived at Bank of England "

As requested by you we despatched our message to the American Embassy , and also to the American Consul, here. However, the Consul informed us that he could not comply with our wishes, as the forwarding of cables for others is contrary to his instructions.-

Yours truly,

De Nederlandsche Bank,
Voor den Directeur-Secretaris,



Adjunct-Secretaris.-

FEDERAL RESERVE BANK
OF NEW YORK

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

FE/WAS/M

October 10, 1919.

We have today telegraphed you as follows:

~~Kent 5 Rue Scribe Paris France~~

Bank England cabled ninth resuming gold shipments soon as possible

Strong

**Signification des principales indications éventuelles
pouvant figurer en tête de l'adresse.**

D..... = Urgent.	XPx.... = Exprès payé.
AR.... = Remettre contre recu.	NUIT... = Remettre même pendant la nuit.
PC.... = Accusé de réception.	JOUR... = Remettre seulement pendant le jour.
RP.... = Réponse payée.	OUVERT = Remettre ouvert.
TC.... = Télégramme collationné.	
MP.... = Remettre en mains propres.	

Indications de service.

N° _____

Dans les télégrammes imprimés en caractères romains par l'appareil télégraphique, le premier nombre qui figure après le nom du lieu d'origine est un numéro d'ordre, le second indique le nombre de mois taxés, les autres désignent la date et l'heure de dépôt.

Dans le service inférieur et dans les relations avec certains pays étrangers, l'heure de dépôt est indiquée au moyen des chiffres de 0 à 24.

Timbre
à date.



L'Etat n'est soumis à aucune responsabilité à raison du service de la correspondance privée par la voie télégraphique. (Loi du 29 novembre 1850, art. 6.)

ORIGINE.	NUMÉRO.	NOMBRE DE MOIS.	DATE.	HEURE DE DÉPÔT.	MENTIONS DE SERVICE.

NEWYORK 453/11 15 = V WEST UN =

= BANK ENGLAND CABLED NINTH RESUMING GOLD SHIPMENTS SOON AS
POSSIBLE = STRONG



1/24 sp. bleu 737.

N° 701. (A. n. c.)

Taxe perçue _____
 Nombre de mots _____
 Avec (s) *Neuville de France*
 pour *Paris*
 de *New York*
 Télégr. n.° (s) *M 8 III* du

11 FRS.
 67
 12
 R. D. G. G. I. E. M.

KEN
 171



Kent J Scribe
 Attaché de Presse
 le 12. 10. 19
 aux
 Messieurs
 Messieurs

voir autres

Signification des principales indications éventuelles
pouvant figurer en tête de l'adresse.

N° _____

Indications de service

- | | |
|------------------------------------|---|
| D..... = Urgent. | XPx..... = Exprès payé. |
| AR... = Remettre contre reçu. | NUIT... = Remettre même pendant la nuit. |
| PC... = Accusé de réception. | JOUR... = Remettre seulement pendant le jour. |
| RP... = Réponse payée. | OUVERT = Remettre ouvert. |
| TC... = Télégramme collationné. | |
| MP... = Remettre en mains propres. | |

Timbre
à date



L'État n'est soumis à aucune responsabilité à raison du service de la correspondance privé par la voie télégraphique (Loi du 29 novembre 1850, art. 6).

VOIE WESTERN UNION

751
~~B 7 546/12~~ NEWYORK 10

KENT FIVE RUE SCRIBE PARIS

WOODIN AT HOTEL MAURICE

PROSSER



Signification des principales indications éventuelles
pouvant figurer en tête de l'adresse.

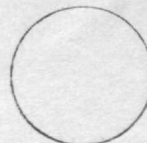
N° _____

Indications de service

111

D..... = Urgent.	XPx..... = Exprès payé.
AR... = Remettre contre reçu.	NUIT... = Remettre même pendant la nuit.
PC... = Accusé de réception.	JOUR... = Remettre seulement pendant le jour.
RP... = Réponse payée.	OUVERT = Remettre ouvert.
TC... = Télégramme collationné.	
MP... = Remettre en mains propres.	

Timbre
à date



L'État n'est soumis à aucune responsabilité à raison du service de la correspondance privée par la voie télégraphique (Loi du 29 novembre 1890, art. 6).

18 "ANGLO"



~~Z A 136/11~~ NEWYORK 48

KENT FIVE RUE SCRIBE PARIS

DR F H PIRSCHLAND VICE PRESIDENT AND GENERAL MANAGER METAL

AND TERMIT CORPORATION ARRIVES ROTTERDAM IN FEW DAYS STOP HE DESIRES
TO SEE YOU AND HE IS BEING CABLED TO CALL AT FIVE RUE SCRIBE STOP GIVE
DUE CONSIDERATION TO HIS REPRESENTATIONS

PROSSER



CONFIRMATION

FRED I KENT

CREDIT ANVERSOIS

BRUXELLES

FOLLOWING CABLES RECEIVED QUOTE NEWYORK BANK ENGLAND CABLED
NINTH RESUMING GOLD SHIPMENTS SOON AS POSSIBLE SIGNED STRONG
QUOTE NEWYORK WOODIN AT HOTEL MAURICE SIGNED PROSSER QUOTE
DR F H PIRSCHLAND VICE PRESIDENT AND GENERAL MANAGER METAL
AND TERMIT CORPORATION ARRIVES ROTTERDAM IN FEW DAYS STOP HE
DESIRES TO SEE YOU AND HE IS BEING CABLED TO CALL AT FIVE
RUE SCRIBE STOP GIVE DUE CONSIDERATION TO HIS REPRESENTATIONS
SIGNED PROSSER

LORD

Mr. Bertram Lord
5 rue Scribe, Paris.

13 Octobre 1919.

FEDERAL RESERVE BANK
OF NEW YORK

Private

October 15, 1919.

Dear Fred:

I am delighted to have your letters of September 22d, and 25th, and October 3d, and to know that you will have some satisfactory data for General Harbord on his return from the East.

The exchange situation, while a little better at the moment, I fear has got to go through a period of agony before it is really righted, but that's just a guess. Our exports are today running at the rate of four billion dollars per annum in excess of our imports, and when the remnant of our Government's credit is exhausted I am frank to say I don't see how payment can be made for any such movement of goods.

About Dr. Vissering's plan, and every other plan that so far I have examined, I fear there is one fatal, fundamental error and that is that they are all short-cuts to prosperity by way of inflation, and certainly the world has had enough of that for the moment.

Things here are very much mixed up at the moment because of the bitter controversy in the Senate over the ratification of the treaty and the unfortunate illness of the President, leaving the propagandists of the treaty and league idea without their natural leader, but I am hopeful that some day we will see the treaty ratified, even though there may be some reservations which will be a little difficult for our friends abroad to accept with complacency. Please consider this quite between ourselves.

I went over the long cable in regard to the question of the formula for bookkeeping, etc., for the Reparations Commission, and, frankly, I don't like the plan because it appears to measure the value of the gold mark absolutely by the depreciation in mark exchange, and, applying that formula to the value of goods delivered by Germany for immediate credit on the Reparations' account would not, I be-

lieve, be a true reflection of the purchasing power of the mark in the domestic market. However, it is a very complicated situation faced by the commission, and I hope that discussion, after Mr. Rathbone's arrival, will clear it up.

Don't worry too much about the strikes over here. We are having our epidemic, just as they are abroad, but they will be nothing more than the usual strike, and I doubt if as much disorder as has accompanied those of past years will be prevalent, and, in the end, most of the men will get more pay, and I am rather inclined to think that most of them are entitled to it.

I am rushed just now catching up with back work, but will try and write you again, and a little more fully and satisfactorily, before long.

Again a thousand thanks for your splendid help when I was abroad.

Faithfully yours,



F. I. Kent, Esq.,
5 Rue Scribe,
Paris, France.

BS.MSB

FIFTEEN NASSAU STREET
NEW YORK

December 1, 1919.

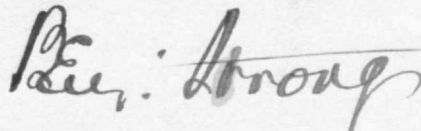
Dear Fred:

I have your various letters dated October 21, 22, November 7 and 10, all of which I have read with great care and interest. I am greatly pressed for time just now and will defer writing you fully in regard to the proposed system of accounting in the reparation organization. The Embassy bills will be promptly paid. In regard to the meeting at Amsterdam, however, I feel some real concern lest we be developing a situation already difficult, either for yourself personally or for the Government. It would appear, if you or any American signed the report, that certain of our citizens were endeavoring to influence or bring pressure upon the Government through the instrumentality of the organization of the League of Nations. Representations of that character should first be presented to our own Government by private citizens. Furthermore, the report contains some references to the method of treatment of foreign debtors which are wholly out of line with what we know to be the present official attitude of our Government and some sort of embarrassment is certain to result from anyone occupying so near an official position as yourself signing such a report. But, what impressed me as unfortunate and I think I should write you this frankly, was your letter of November 10 to Dr. Vissering, the effect of which has put everybody on notice, that you are proposing to put the matter up to the Government for a decision. It might be that our Government might not like to be asked to make such a decision at the time. In fact, I think it would have been wiser to ask for an opinion from the Government privately before indicating to others that we were asking for such an opinion. I am writing this very

frankly because I know that you want my opinion and that you are accustomed to getting it frankly when you want it.

In one of your letters you said that you understood that I was in sympathy with the idea of a bankers conference. The only conference which I discussed was a proposal that the Governors of the central banks should meet at some time to discuss matters of mutual interest. Such a meeting was urged upon me by Mr. Gunther, Charge' de Affaires, at the Hague, who it seems sent a dispatch to Washington recommending that such a conference be arranged. Confidentially, his dispatch was referred to me by the Mission in Paris and I urged there as I had already with Dr. Vissering, that no such conference was desirable under present conditions because it would be interpreted as an effort on the part of the central banks to deal with the foreign exchange problem which is too vast a problem even for the central banks to undertake to solve and it might in fact give rise to distrust and uneasiness. Such a conference would be of great benefit to the whole world just as soon as governments are spending no more than their income. Until that time arrives continued expansion of credit and inflation of currency is likely to occur and under such conditions I do not want to see the Federal Reserve banks involved in a discussion, the only result of which can be to place burdens upon them which they should not now assume.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "F. I. Kent".

Fred I. Kent, Esq.,
c/o Bankers Trust Company,
5 Rue Scribe,
Paris, France.

BS:MMCC

FIFTEEN NASSAU STREET
NEW YORK

December 1, 1919.

Dear Fred:

It has been quite out of the question for me to write you fully in regard to reparation accounting methods, and, in the meantime, the position of the treaty in the Senate is such that we may be wasting our time in corresponding on this subject.

The arguments you advanced for the plan you propose are logical and convincing, and I am perfectly satisfied that it is the only plan in which accuracy and uniformity, with the minimum of investigation work and expense, can be produced.

My chief objection to the plan, which may be entirely eliminated in the course of a few months or a year, was the possibility of injustice in assuming that depreciation in exchange was a measure of the domestic buying power of a local currency. In other words, the relation of prices between any two countries, when applied to restitution in kind or in services, might, and probably would require a good deal of correction after careful study and investigation of local conditions, prices, wages, etc., in each country affected by the accounting. Where Germany has entered into an obligation to pay so many marks which are described in the treaty as "gold marks of the existing German standard" it seems to me that no question can arise, but where a method of putting a price upon an article must be arranged, then to arbitrarily accept the respective exchange rates with the one gold standard country might be most unfair. Let me illustrate by such a case as this: Suppose marks are quoted in New York at two cents, or, roughly, one-twelfth of gold par and Francs are quoted at ten cents, or, roughly, one-half of gold par. In order to credit Germany against the delivery of some specific article, one would assume that the cost of that article in Germany would be, roughly, six times what it would be in France -- and I do not believe that that is the case or can be regarded as a fair measure!

You must have been having exceedingly interesting and busy times and I surely hope that it has all been well worth while.

How about those pictures? Have they been located, and are you going to be able to send me some prints? I would like to have three copies of each.

My best regards to you and Mrs. Kent.

Sincerely yours,

Pat. Brown

Fred I. Kent, Esq.,
5 Rue Scribe,
Paris, France.

BS.MSB

FIFTEEN NASSAU STREET
NEW YORK

PRIVATE AND CONFIDENTIAL:

December 1, 1919.

Dear Fred:

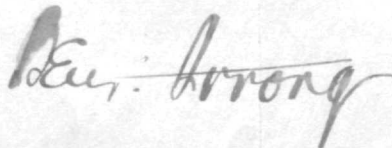
I am sending you two letters today, neither of which, I fear, will prove very satisfactory to you.

I am exceedingly anxious that you do not push ahead too fast in connection with Dr. Vissering's plans, or those other bankers'. I have great respect for Dr. Vissering and for his intentions and purposes, but, personally, I regard all of these plans for creating something out of nothing as fundamentally unsound in many particulars and highly dangerous from an inflationary standpoint. The report which you sent me contains some admirable recitals, but, when it comes down to the proposed treatment of the situation, it is exceedingly indefinite in certain important particulars and rather takes for granted a willingness to organize the financial forces of the world to look after Germany's situation at the moment, without regard to the interests of the nations with which we were associated in the war.

Nothing that has developed since my return changes my own view that the instrument to be employed in this country for furnishing food credits is the Grain Corporation, and the one for furnishing raw material credits is the War Finance Corporation. I would like to see a plan worked out by which the interested neutral nations would cooperate in a large way, and even that should not be difficult with a little ingenuity. I hope you keep in close touch with Rathbone on all of these matters, as he, of course, will be fully informed of everything that is going on here.

With many thanks for your very interesting letters, I am,

Sincerely yours,



Fred I. Kent, Esq.,
5 Rue Scribe,
Paris, France.

BS.MSB

FEDERAL RESERVE BANK
OF NEW YORK

December 22, 1919.

Dear Fred:

I am just now replying to yours of November 18th, which was not mailed until December 2d and reached me only a few days ago.

Just as soon as I saw the correspondence relating to your meeting in Amsterdam, I felt certain that embarrassment would arise, as I immediately wrote you. It was inevitable that developments in the International situation, with which you were not at that time fully acquainted, made such a proposal as the Amsterdam meeting developed quite out of the question from our standpoint, and I feared that Keynes, who has great energy, and, I fear, sometimes unsound views, or at least impractical views, might have stamped the meeting into a course which would prove personally embarrassing to you.

At any rate, if meetings of bankers are to be held, I hope they will be either for the purpose of arranging banking business on the one hand, or, on the other hand, if they reach into matters having to do with the Governments concerned, that they shall first sound their own respective Governments to see what the official attitude may be. No other course is sound, or diplomatic or safe.

Let me say that this again is one of those cases where I can use the expression frankly used with you, where we must deal with things as they are, and not as we would like to have them. In this particular matter, all of the Governments and our own administration are suffering some embarrassment because of the failure to ratify the treaty, and so long as that condition exists, it is necessary that we be peculiarly cautious in going ahead with plans.

I am going away for a rest and to cut off from business for a time, and will be at Castle Hotsprings, Arizona. But my personal mail will be forwarded, and I am sure you will not hesitate to write me of anything of importance.

With best regards and wishing you and Mrs Kent a very Merry Christmas
and Happy New Year, I am,

Sincerely yours,

Paul Strong

F. I. Kent, Esq.,
5 Rue Scribe,
Paris, France.

BS.MSB

AMERICAN MISSION, Paris

S S S Washington 121 102/100 1/52/50

WYWO Legri for Ginn from Rathbone Treasury

QQTl Following is for Benjamin Strong quote Two

1. Have received the following cable dated Quth from Netherlands Bank quote First lot approximately 20,000,000 gold marks completed gross kilograms 7943 grams 906 ounces 255402.3 coins are genuine are weighing second lot quote This was confirmed by State Department

2. The following cable dated 195* OHTTWG Netherlands Bank quote your cable 16 gold Germany said to contain 320,999,999 marks 1,550,500 sovereigns 18,300,000 Austrian crowns 5,500,000 roubles 1,799 barrels fine weight 21,837 (moahg not moahcX kilograms total 440,000,000 gold marks We can roughly weigh total in 30 with margin 1/2³ (obwos for obwoh) our responsibility stop pending your instructions we continue accurately weighing gold coins as heretofore and will telegraph result every lot approximating value 20,000,000 marks unquote

3. Have not replied to this cable but hold it in abeyance awaiting instructions from you.

4. Your cables 2 and 3 received (iwep) in plain English we understand you would use Bentley's code and test word.

5. Duplicate of this cable sent to London Federal Reserve Bank unquote

LANSING

(DRAFT.)

C A B L E .

Replying seriatim:

1. Are we to understand that 600,000,000 marks gold is our charge excluding British?
2. Federal Reserve Bank will purchase gold outright.
3. We agree with your conclusions.
4. Federal Reserve Bank hopes to conclude purchase and preliminary payment promptly and before June 30th, leaving any details requiring further adjustment to Strong, who sails Baltic early July.
5. Federal Reserve Bank will accept preliminary examination and report as to quantity, quality, and value of 410,000,000 marks gold by Nederlandsche Bank in Amsterdam without supervision by their own representative pending final determination of values at Bank of England. Gold will be taken at rate of 20.67183462 dollars per fine troy ounce of pure gold less at least _____% of value as ascertained by Nederlandsche Bank to cover all costs of delivering the gold at London and from London to New York of every nature including packing, freight, insurance, abrasion, melting and assay charges. Percentage stated thought considerably in excess of probable ultimate cost which will be determined accurately when possible. Will likewise accept examination of National Bank of Belgium in Brussels as to quantity, quality, and value of 190,000,000 gold marks with same percentage allowance for costs as above pending exact determination. Best estimate of all costs and allowances at present obtainable reduce value of ^{full weight gold} mark delivered New York to between 23.40 and 23.50 but uncertainty in cost of insurance and freight makes necessary temporarily to allow wide margin.
6. Payment to Grain Corporation of approximately \$130,000,000 will be made by Federal Reserve Bank upon exact compliance with following conditions:

*Winston Churchill
is a
to
the*

(a) Delivery to you, to be held for account Federal Reserve Bank, of explicit written direction by proper officers of Grain Corporation, or Food Administration, or Hoover, or whomever holds actual title to gold, for Federal Reserve Bank to make the payment to the Grain Corporation.

(b) Receipt by the Federal Reserve Bank of direct cables from Nederlandsche Bank and the National Bank of Belgium advising exact intrinsic value expressed in American currency at rate named of gold held subject to order of Federal Reserve Bank. This must show gold to value of substantially

(c) Receipt of confirmatory cables sent, in case of Nederlandsche Bank in Bentley's code with Federal Reserve Bank's private cipher check words through American minister to State Department, and, in case of National Bank of Belgium in State Department code through American minister to State Department.

(d) Receipt of cable advice from you that government of Holland, Belgium and Great Britain have given you necessary assurance that this gold may be exported from respective countries at pleasure of Federal Reserve Bank.

(e) Receipt of cable from you that conditions of this cablegram are definitely accepted by Germans and other parties concerned, and have been complied with.

This plan contemplates accepting deliveries in Holland and Belgium; expecting to ship Holland gold immediately to London, or on Strong's arrival, but, for the present, to leave Belgian gold with National Bank of Belgium. It is to be understood, however, that all gold is to be shipped if, and whenever Federal Reserve Bank so determines.

7. Federal Reserve Bank will accept preliminary examination and report as stated. Strong will determine whether and to what extent further report as to amount of gold should be obtained. He will also arrange for final payment and method of ultimate adjustment of costs of transportation on arrival.

-3-

8. No immediate intention to ship gold to America but bank intends moving Holland gold to London as promptly as possible after Strong's arrival, or before if it should be deemed advisable. Necessity for adequate insurance payable in dollars is obvious and may require time to arrange.

9. Strong desires immediate acknowledgment of receipt, and detailed reply promptly as possible, owing to early sailing.

10. We advise dropping plan for selling gold in Europe at least until we can estimate withdrawals on present movement since embargo lifted. Heavy applications for licenses have been received, but do not necessarily indicate volume of actual shipments.

11. All cables relating to transaction to be immediately confirmed to Federal Reserve Bank by mail and originals of all orders and directions to be mailed to Federal Reserve Bank, duplicate originals to be retained by you for delivery to Strong on arrival.

BS/MSB

HOTEL RITZ, PARIS, FRANCE.

Dear Sir:-

Permit me to express my great appreciation of your telegram just received advising that you will be happy to arrange shipments from both Amsterdam and Brussels and that you have cabled to New York respecting the business.

I presume that the cable to New York relates to insurance and regret to inform you that I already have advices that Messrs. Chubb & Sons hardly expect that insurance in dollars can be effected for more than four million dollars on any one shipment.

Owing to the necessity for my being absent for about four weeks, possibly somewhat longer, I have requested Mr. P. I. Kent to discuss with you the arrangement of the details for moving the amount of gold now to be shipped which will be for the present as follows:

From Brussels to London 200,000,000 Marks, leaving 90,000,000 Marks for the present with the National Bank of Belgium. These 200,000,000 Marks I hope you can arrange to ship for us by the same method which you pursued with your own shipments covering the insurance in dollars by cable to New York. Concerning this, Mr. Kent will discuss all details.

At Amsterdam I have arranged that they shall complete an exact count and weight of 200,000,000 German gold Marks, the shipment of which cannot well be arranged until my return in any event. This leaves 240,000,000 Marks not all German coin but in part bars, some rubles and some sovereigns as well possibly as another gold coin which I have arranged with the Nederlandsche Bank to weigh in the bags and report directly to New York, and it is this amount which I would like to have shipped to London as promptly as it can be arranged by the same method which you pursued with your own shipment and covering by insurance in dollars.

Mr. Kent who has a copy of this letter will also hand you the authorization furnished me by the Federal Reserve Bank covering my powers to deal with this matter which I intended to leave with you previously.

With many thanks for your assistance in this matter which is deeply appreciated, I beg to remain,

Faithfully yours,

B.S.

To the Governor of the Bank of England.

Bank of England figures

Estimated cost of melting and assaying Marks 715,000,000
German Gold Coin (£35,000,000).

Estimated loss of value of resulting bars compared with full weight coin at par of exchange	£123,000
Cost of melting @ $\frac{1}{4}$ d. per oz.	9,512
Cost of double assays @ $\frac{1}{9}$ each (17,875 bars)	3,128
Salaries, wages, overtime, &c. of Bank's Staff	960
Total charges	<u>£136,600</u>

= $\frac{7}{11}$ ^{s d} per cent.

24th July, 1919.

Mr Deane

Monsieur Kent. (télégramme parvenu au Crédit Anversois
à Anvers)

REPRESENTATIVE BANK OF ENGLAND RECEIVE TELEGRAM FROM THEIR
BANK READING SHIPMENTS MAY RECOMMENCE AT ONCE STOP DO YOU
AGREE WIRE

NEDERLANDSCHE BANK AMSTERDAM

GERMAN GOLD RECEIVED BY THE BANK OF ENGLAND

o/a THE FEDERAL RESERVE BANK OF NEW YORK

Received from Brussels Marks 290,000,000

all of which has been melted and assayed

and was found to contain

Fine ozs. 3,330,220.731

Exchanges

Received from National Bank of Belgium

in exchange for 680,000 sovs.

159,842.215

Received from Nederlandsche Bank

in exchange for 14,140,000 marks

162,318.937

Returned, being in excess of the total

required, marks equivalent to, say

106.300

Received from Amsterdam (less exchange referred
to above)

21,837 Kilos Bar Gold

701,991.850

874,481 Sovs. taken over by the Bank
of England in exchange for

205,675.960

305,860,000 marks

estimated at

3,512,350.000

18,300,000 Austrian Crowns

" "

179,100.000

5,500,000 Russian Roubles

" "

136,300.000

Total

8,387,905.993

EW Harvey

Chief Cashier.

Bank of England,

10th December 1919.



Lot	NEDERLANDSCHE BANK WEIGHT			GERMAN WEIGHT		
	Kilograms	Grams	Troy Ounces	Kilograms	Grams	Difference Grams
1st	7943	906	255,492.3 (5)			
2nd	7945	565-1/2	255,455.672	7945	570.6	5.1
3rd	7945	705-1/2	255,460.175	7945	775-1/2	68.
4th	7945	317	255,447.6827	7945	234.8	82.2
5th	7946	8	255,469.8989	7945	998-1/2	9.1/2
6th	7945	903	255,466.5231	7946	93.6	190.6
7th	7945	2725	255,446.252	7945	413.8	141.3
8th	7945	93-1/2	255,440.497	7945.3103		216.8
9th	7944.902		255,434.3402	7945.1245		222-1/2
10th	7944.212		255,412.1562	7944	63	149

ADVANCES MADE BY FEDERAL RESERVE BANK TO GRAIN CORPORATION

Against gold in Brussels.....	\$63,396,897.47	
" Lots 1 to 6 inclusive, in Amsterdam.....	26,234,103.78	
" Lot 7, in Amsterdam.....	4,372,285.02	
" Lot 8, " "	4,372,182.32	
" Lot 9, " "	1,624,601.41	(part only)
	<u>\$100,000,000.00</u>	

ADVANCES MADE BY FEDERAL RESERVE BANK TO GUARANTY TRUST COMPANY
FOR CREDIT OF COMMISSION FOR RELIEF OF BELGIUM

Against Lot 9 (balance of advance).....	\$2,747,478.21	in Amsterdam
" " 10.....	4,371,703.06	

Value of gold already determined by Nederlandsche Bank and National Bank of Belgium

\$116,433,892.68

Advances made by Federal Reserve Bank to Grain Corporation

\$100,000,000.00

Gold remaining Nederlandsche Bank.

* Marks	120,000,000	Kilos	47,585,994.50	28,463,927.80
* Roubles	5,500,000	"	4,713,698.	2,819,534.63
* Kronen	18,300,000	"	6,193,893.50	3,704,924.93
* L	1,554,500	"	12,413,607.	7,562,799.74
* Bars	1,799	"	21,837,340.40	14,513,525.27

Advances made by Federal Reserve Bank to Guaranty Trust Co. for credit of Commission for relief of Belgium

7,119,181.27

Estimated costs

Amsterdam	40,000.
Brussels	27,000.
Freight and shipping to London	150,000.
Insurance to London	132,000.
Reducing to bars	+ 680,000.
Insurance, freight and sundry costs London to New York	862,493.02
Remedy 4 per mille ave.	+ 623,994.42

Balance awaiting settlement

63,863,936.34

Total value of gold

\$173,498,605.05

\$173,498,605.05

* Marks	9/10 fine
* Roubles	9/10 fine
* Kronen	9/10 fine
* L	11/12 fine
* bars	pure

Marks	120.000.000 @ 2382 =	285.54.000	Kilo 47.585.994.50 =	28.463.927.80
Roubles	5.500.000 @ 51456 =	2.830.080.	" 4.713.698. =	2.819.534.63
Runes	18.300.000 @ 20262 =	3.707.946.	" 6.193.893.50 =	3.704.924.93
		<u>35,022,026</u>	<u>58,453,586,00</u>	<u>34,588,387,36</u>

£	1.554.500 @ 48656	7.565.067.50	12.413.607.00 ^x	7.562.799.74
---	-------------------	--------------	----------------------------	--------------

<u>42,587,093.52</u>
<u>14,513,525.27</u>
57,100,618.79
21,974,232.50

Barre	1799.	21837.340.40 ^x	14.513.525.27
-------	-------	---------------------------	---------------

57,064,712.37

116,433,892.68

\$ 173,498,605.05

Previously paid $\$ 107,119,181.27$ representing 92% of -

730,000,000 marks @ 2382 = $\$ 173,886,000.00$

less costs shipping to NY $\frac{1}{2}\%$

862,493.02

\$ 172,636,112.03

5/10 from

"/10 from

" " " " London

Bank of England

Mint weight of Mks.	20,000	=	Oz.	256.077
do.	"	1,000	=	12.80375
Fine gold in	"	1,000	=	11.523375

A parcel of Mks. 58,000,000 contained Oz. Fine 666,017.391

	"	1,000		11.483059
loss per Mks.	1,000	=		.040316
	"	715,000,000	=	" 28,825.94
			Oz. Std.	31,446.48
			=	5122,248

Value of gold already determined by Nederlandsche Bank and National Bank of Belgium

\$116,433,892.68

Gold remaining in Nederlandsche Bank.

* Marks	120,000,000	kilos	47,585,994.50	28,463,927.80	✓
* Roubles	5,500,000	"	4,713,698.	2,819,534.63	✓
* Kronen	18,500,000	"	6,193,893.50	3,704,924.93	✓
* £	1,554,500	"	12,413,607.	7,562,799.74	✓
* Bars	1,799	"	21,837,340.40	14,513,525.27	
				<u>\$173,498,605.05</u>	

1 K = 8 864.62

Total value of gold,

\$173,498,605.05

* Marks	9/10 fine
* Roubles	9/10 fine
* Kronen	9/10 fine
* £	11/12 fine
* Bars	pure

Advances made by Federal Reserve Bank to Grain Corporation

\$100,000,000.00

Advances made by Federal Reserve Bank to Guaranty Trust Co. for credit of Commission for Relief of Belgium

7,119,181.27

Estimated costs

Amsterdam	40,000.
Brussels	27,000.
Freight and shipping to London	150,000.
Insurance to London	132,000.
Reducing to bars	680,000.
Insurance, freight and sundry costs London to New York, 1/2 of 1%	867,493.02
	<u>\$109,015,674.29</u>

Balance awaiting settlement

64,482,930.76
\$173,498,605.05

PARITIES OF EXCHANGE

	<u>London</u>	<u>Paris</u>	<u>Berlin</u>	<u>Amsterdam</u>
New York	4866534	5182677	9528524	4019595
London	-----	252215	2042945	121071
Paris	252215	-----	1234565	2083199
Berlin	2042945	810001	-----	1687394
A'dam	121071	2083199	1687394	-----

Buenos Aires:) Argentine gold peso - \$101.56. See letter
 Aires:) Banco Frances e I. (B.A.) 6-3-15.

Marks 120.000.000 @ .2382 = \$ 28584.000 Kilo 47585.994.50 = \$ 28463.927.80
 Roubles 5.500.000 @ .51456 = 2830.080 " 4713.698.00 = \$ 2.819.534.63
 Kroner 18.300.000 @ .2062 = 3707.946 " 6193.893.50 = \$ 3704.924.93

35022.026 " 58493556.00 = \$ 34,988,387.36

Sterling 1.554.500 @ .486616 7565.6675241241360700 = \$ 7562799.74

Bars 1799 14.51352527 " 2183734040 = \$ 1451352527

57.100,618.79

57.064,712.37

Payments made \$ 107119.181.27 representing 92% of \$ 116.433.492.68

Total value gold

\$ 173.498.605.05

Marks 730.000.000 @ .2382 = \$ 173,886,000.000-

Less cost shipping to New York $\frac{1}{2}\%$ \$ 62.493.02

172.636.112.03

Less cost shipping to London

x $\frac{9}{10}$ fine
 \$ $\frac{1}{10}$ "

Bank of England

DOELEN HOTEL.
AMSTERDAM.

.165 grain = 1 rupa
480

3 = 1 rupa
1 = 165 gr
480 = 109
109 = 1.08

1320
1650
17820
144

.37 1/3

342
322
160
144
160

16221
1022
60884
32242
162210
16610304

486656
3244
3244
1622
37306
15%

12327447
12327447
135601517
1221075
134944
1221075
1283667

333

30 = 1 rupa .39 1/3

393 K = 1 rupa
32
1 = 4.86656

480 . 1.6221
480 . 4.86656
165 - 393
33 - 131
11 - 131
1441

16610304
1441
2000
1441
7593
7205
3850
2792
9950

12 rupa = 1 annus
16 annus = 1 rupa
12 - 4 - 6 -
12 1/4 1/32
12 9/32

384
393
32

48665 15208
166 393
160
66

32 48665 45624
32 136872
48624
393 5576744

97330
145995
1557280
1179
3782
3537

3.9625
36
4.32

2458
2858
1000
786
2140
486656
48665
2432
413659

123.27447 ru 12

30 = 1 rupa

15 = 123.27447 gr full

12 = 11

9 = 10

25.125 = 1

39 = 1072

480 = 480 gr

165 ru = 1 rupa

393 ru = 1 rupa

32
12 = 4.86656

25125
108
101000
250250
2713500
135675
4070250

30 = 1 rupa

K = 1 rupa

1 = 4.86656

480 . 1.6221

480 . 4.86656

165 - 393

33 - 131

11 - 131

1441

For Leffingwell from Kent

~~To the~~ cost shipping gold London to
 Madrid ~~and~~ follows freight London to
 Spanish port three eighths percent from Port
 to Madrid unknown stop insurance in
 Sterling London to Madrid one eighth percent
 may be fractionally higher payable in
 dollars stop incidental expenses about twentieth
 per mille stop next steamer Liverpool to
 Vigo sails August twenty nine later steamer
 undetermined

Benjamin Strong
Hotel Ritz Paris

Freight London New York three eight
percent insurance one permille could
be shaded to cover incidentals stop
Outside rates will telegraph Banks rates
tomorrow stop Embassy delivered insurance
cable from New York six o'clock ~~stop~~ ^{agreed} will
~~arrange~~ release shipments at Bank to-
morrow ^{stop} Letter received everything in order
writing -

Hess

486 656

7565

500
20

6083

7.1685

10.000

3.0415

51843

3 39625
7

1216

6235

1.525

463641 2463 255215

25613 178 155529

107686

1390923

211058

3

463641

32324 1105

2790.

181896

292750 7.965

18205

7370 311

7282

7565

2.75

118952369 33

7565

7965 pr.

480 = 31.1

1.5434 23.855 39825

7925.175

311
1690
1555
1350
1240
1060
955
9270

15.434 pr = 1 gram

516.0684 3.9625 pr 75

7965

79.

77140

7965

24800

1991

15434

794509

93660

92600

105600

129560

143472

14880

29,000
580,000.

23.82
4.764
1,191
4.752.05
58

145
238 ✓
11910
9528

14.500

3801672
2376045
27562122
13781061

2382
34539
69078
6872
68906

311
103683555
933
1038
1053
1205
933
2725

3333
2382
25
21338
4764

25,000-
10,000-
290,000,000

31103456

61078
172
68906

103683555
93310488
103730470
104201520
108583320
155028320
3 155517480
2 51084000
1 31103456
1 195805040
1 186120976
1 131840640

333350164

41979) 1000000 238214
F 3958
160420
125937
344530
335132
85550
83558
60220
152410

2790 / 664.6144

382130

440
123

558
1066

715

492

837

1191065

492

2291

238213

541

2232

1667491

486656

594

170.222.295

123

558

364

850

837

130

1459968

973312

486656

598.586.880

541.200.

57.386.880

170.222.295

3905

664.7720960

510.666885

054075

136.600

486656

664772096

510666885

1541052110

1532000655

905145500

2919936

2919936

1459968

486656

664.772096.

486656

35.000.000

13660000

105

316

315

100

2433280

1459968

170.325.60

39

100

240

84

11

95

72

238

216

39

Benjamin Stamp
Ritz Hotel
Paris France

Freight London to Spanish
Port 3/8 % from Port to
Madrid unknown.

Insurance from London
to Madrid 1/8 %.

Incidental expenses about
1/20 %.

Next steamer Liverpool
& Vigo sails August 29.

Yours

7/20/18

715.000.000 -

(£ 35.000.000)

95	
240	
950	3.96
720	
230	
2160	
1400	
1440	
20.100.	

Est. low base from full weights 123.000.

Cost melting 1/4d per oz 9572

" double average 1/9 each (17875 bars) 3128

Sol. wages overhead 960

136.600

= 5/7 1/11^d 90

Bank of England - are sending - their
representatives - Wednesday - to - both
Amsterdam - and - Brussels - to - arrange
for shipment - gold - as follows - one -
from - Brussels - 200 - million - gold -
marks - two - from - Amsterdam -
equivalent of 240 million - gold - marks -
parts of - which - consists of - other
coin - and - bar - three in - both -
cases - no shipments - exceeding - 16
million - marks - or - 4,000,000 - dollars -
each - unless you - can arrange -
insurance for - shipments of - larger -
lots - four - in - both - cases - no
shipments - can be made - until we -
receive - advice from - you - that you
have - effected - insurance against all risks
covering - total amount - in each
case - from - door - to - door - bank - to -
~~bank~~ bank - together with - final
instructions - gross amount - covered
in each - shipment - and - to whom
advice - must be - sent five Bank of
England - will be ready to - ship by

CLARIDGE'S HOTEL,
BROOK STREET, W.1.

Next Monday - and - must have
prompt - reply - through - American
Embassy - London - six expected
about - two - or - three - shipment
weekly -

CLARIDGE'S HOTEL,
BROOK STREET, W.1.

Redeserve
New York
layne abase

Bank of England
~~are~~ sending
their representatives
Wednesday
to
both

Amsterdam
~~at~~ and
Brussels
to arrange
gold

to
arrange for shipment
gold
as follows
one
from
Brussels

avyze
rahgo
peavb
vymic
umpet
bamyo
Amsterdam
alark
Brussels

anure
gydar
umpet
ritod
gydar
gidwe
layne
gowta
Brussels

CLARIDGE'S HOTEL,
BROOK STREET, W.1.

✓	livelp	200			
-	kejum	million		idvud	in
-	gydar	gold		bamyor	both
-	zyhuf	markes		bugad	cases
-	leakd	two	-	riupz	no shipments
-	gowta	from.		figye	exceeding
-	Amsterdam	Amsterdam		leave	16
-	biarp	equivalent of		number	
-	loaty	into		kejum	million
-	kejum	million		zyhuf	markes
-	gydar	gold		nipaf	or
-	zyhuf	markes		nymer	4,000,000
-	nylle	part of		epusd	dollars
-	wekpo	which		evkha	each
-	dewev	consists of		vaymt	unless you
-	nomrha	other		antde	can arrange
-	coin	coin		ilfad	insurance for
-	alavk	and		riwng	shipments of
-	awrim	bar		izhyk	larger
-	leeva	three	-	judyce	lots

3 leest four
 digga five
 idvud in
 bamyo both
 bygad cases
 riupz no shipments
 jukfe can be made
 venev until we
 asgo receive
 agijs advice from
 wremf you
 ukning that you
 hesyj have
 ezarij effected
 ilcof insurance
 against all
 risks
 duloc covering
 usofne total amount
 in each
 case

growta from
 ercbo door
 umpex to
 ercbo door
 CLARIDGE'S HOTEL,
 BANK STREET, W.1. to
 avpra bank
 umpex bank
 avpra bank
 umyuh together with
 iktue final instructions
 aktue gross amount
 dukiz covered
 evhie in each
 ritic shipment
 alawk and
 umvyz to whom
 aghir advices
 klujf must be
 rajky sent
 legza five
 avyze Bank of England
 osdsa will be ready to
 riolt ship by
 kikan next Monday
 alawk and
 okyto must have
 passa prompt
 reply

4

CLARIDGE'S HOTEL,
BROOK STREET, W.1.

prmbuk through

akoby american

egsko embassy

London London

lehug six

foont expected about

leakd two

nipaf or

leeva three

ritic shipments

vypye weekly