

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM**Office Correspondence**Date July 16, 1940.To Chairman EcclesSubject: Foreign Balances in FederalFrom Ronald RansomReserve Banks.

Attached is the memorandum from Mr. Walter S. Logan to Mr. Dreibelbis under date of July 15 regarding the accounts of de Nederlandsche Bank, Amsterdam, with the Federal Reserve Bank of New York, about which I spoke to you over the telephone this afternoon. It appears that we may have an important decision on this before long. We may also have an opportunity to use this as a specific question in connection with our request for legislation. Mr. Dreibelbis would like to talk with you about this before he communicates with Mr. Logan.

COPY

Mr. Ransom

July 15, 1940.

To: Mr. Dreibelbis

From: Walter S. Logan

Mr. Molekamp of the Netherlands Legation telephoned to our Foreign Department today and asked for information as to the amounts in each of the accounts of de Nederlandsche Bank, Amsterdam. The matter was referred to me and I said that I thought we should give the information requested, which was done over the telephone. The dollar account has only \$285.10 in it, but the gold account "B" has \$338,994,190.39 in it. Mr. Molekamp indicated that it was "their" intention to ask us to transfer this gold to an account in the name of the Royal Netherlands Government. If this is done it will raise the major question as to whether we should recognize and rely on the authority of the Netherlands Ambassador under the power of attorney given to him under the decree of May 24, 1940. (See our circular No. 2091 dated July 2, 1940, and enclosure, both attached.)

I should be glad to have you think about this, particularly in the light of the Spanish silver decision.

Atts.
(AM)