

AFTER FIVE DAYS, RETURN TO  
FEDERAL RESERVE BANK OF NEW YORK  
15 NASSAU STREET  
NEW YORK, N.Y.

The President

Javasche Bank

Batavia, Java, D. W. I.

FEDERAL RESERVE BANK  
OF NEW YORK

March 9, 1920.

S i r :

We take pleasure in introducing to you the bearer of this letter, Mr. Benjamin Strong, Governor of the Federal Reserve Bank of New York, his son, Mr. Benjamin Strong, Junior, and Mr. Basil Miles, formerly of our State Department.

Assuring you again of our deep appreciation of any courtesies which you may extend to Governor Strong and his party, we beg to remain,

Respectfully,



J. H. Case,  
Acting Governor.

The President,  
Javasche Bank,  
Batavia, Java.

March 9, 1920.

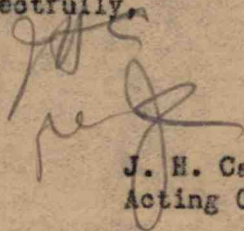
FILING DEPT.  
MAR 10  
FEDERAL RESERVE BANK

S i r :

Mr. Benjamin Strong, Governor of this bank, expects to leave in April of this year on a journey through the East, and is looking forward with much pleasure to the opportunity thus afforded him of visiting your institution. His son, Benjamin Strong, Junior, and Mr. Basil Miles, formerly of our State Department, will accompany Governor Strong, and we shall deeply appreciate any courtesies which you may extend to Governor Strong and his party.

With renewed expression of our esteem and regard, we beg to remain,

Respectfully,



J. H. Case,  
Acting Governor.

The President,  
Javasche Bank,  
Batavia, Java.

Summary of prices of household articles  
 Pre-war (1914) and Post-war (1920)  
 showing increase during the period

	Unit	1914	1920	Increase	%
<b>Household:-</b>					
Bread	lb.	-.12	-.20	-.08	75
Meat,					
Beefsteak	lb.	-.30	-.90	-.60	60
Sinnerhoss		1.80	1.50	-.30	66
Sugar	lb.	1.-	2.50	1.50	150
Soap	bar	-.40	-.70	-.30	75
Carbolic	bo. lb.	-.35	-.60	-.25	71
Milk	in	-.25	-.50	-.25	100
Salt	packs	-.12	-.25	-.13	100
Rice	gun ang	-.80	2.50	1.70	310
Onions		-.25	-.25	-.00	100
tomato & Worcester sauce	bo. lb.	-.65	1.-	-.35	50
soda water (with bottles)	"	-.25	-.50	-.25	100
Butter	lb.	-.90	1.50	-.60	66
Jams	in	-.30	-.60	-.30	100
Tinned Fruits	"	-.60	1.35	-.65	109
Vinegar	bo. lb.	-.85	1.50	-.65	76
Cream	in	-.75	1.50	-.75	100
Quaker Oats	packs	-.60	1.25	-.65	109
Eggs	each	-.03	-.09	-.06	157
Cooking Gas	me. re.	-.09	-.14	-.05	55
Washing	piece	-.05	-.10	-.05	100

All Tinned goods general increase of 75 %  
 Fresh Vegetables 100 % o 125 %  
 House Linen has advanced fully 100 %

House rents have increased to an alarming level - Pre-war a bungalow in a good locality with accommodation for two persons could be rented for P 90.- per month (\$ 90.- p. annum). For the same house nowadays a rental of from P 150.- o P 200.- p. month is demanded. House taxes which are based on 5 % on the annual rental plus 2 % on the value of the furniture are consequently correspondingly higher.

Servants wages - as a natural result of the high cost of living servants wages have advanced 25 % o 50 %.

Household furniture general increase of 75 % o 100 %.

Wines, Spirits & beer - Prices have been slightly reduced, but during the period of the war cost about 150 % o 200 % more than pre-war prices.

Cigarettes, Pipe Tobacco and Cigars - show a general increase of around about 80 %.

Woolen Mill suits - cost 1914 P 2.50 per suit now P 22/50 Increase 500 %.

Shirts, socks, underwear - Serge suits - Evening Dress - Raincoats - have advanced in price by 100 % o 125 %.

Footwear, boots and shoes and slippers at least 200 % increase.

Batavia, 22nd April 1920.  
 J. J. Mitchell.

# DE JAVASCHE BANK

OPGERICHT 1828  
TELEGRAM ADRES  
DELEGATIE

Batavia 24th April 1920.

No 93/10 G.Z.

Dear Mr. Strong,

We have just received a letter from Dr. G. Vissering, President of the Netherlands Bank at Amsterdam, Holland, in which he announced your intention to visit the Dutch East Indies during your trip to the Orient in the course of the next few months.

It gives us much pleasure to assure you of our most cordial welcome in this country, and of our desire to do anything we can to make your stay here as agreeable and profitable as possible. We sincerely hope that you will consent to make Batavia and the office of the Javasche Bank your headquarters and permit us to assist you in making the necessary arrangements for your traveling accomodation and visiting the places of interest as well as your meeting with our prominent officials and business people. In this connection we would greatly appreciate receiving your timely advice as to the probable date of your arrival and the number of the party, which will accompany you. We would suggest your cabling us to this effect as soon as you are more definitely fixed about the time and the position which the Dutch East Indies will take up in your itinerary.

The Honble Benjamin Strong

Governor of the Federal Reserve Bank of New York

care of the American Embassy at

T O K I O

J A P A N

The Honble Benjamin Strong.

# DE JAVASCHE BANK

OPGERICHT 1828  
TELEGRAM ADRES  
DELEGATIE

You would oblige us by disposing of our services, whenever you may be able to do so.

Looking forward to the pleasure of meeting you and with kind personal regards from the second writer, we remain,

Yours very truly

PRESIDENT en DIRECTEUREN van  
DE JAVASCHE BANK

*Hilingsma*  
*Hilingsma*  
*Hilingsma*

**DE JAVASCHE BANK**

*B.S.  
Far East*

ON RICHT 1828  
TELEGRAM ADRES  
DELEGATIE

No 93/13

BANK  
Batavia 8th May 1920.  
ANSWERED  
JUN 23 1920  
J.E.C.

Sir,

We thank you for your letter of March 9th, bringing us the welcome news of Governor Strong's intended visit to this country. We highly appreciate the opportunity thus offered us to come into a more personal contact with your esteemed institution.

Governor Strong and his party, we can assure you, will be most welcome visitors here and we shall be pleased to do anything we can to make their stay in the Dutch East Indies as agreeable for them as possible.

Having been advised about his Eastern trip by Dr.G.Vissering of the Netherlands Bank, we took the liberty to address Governor Strong: care of the American Embassy at Tokio, offering him our services for anything he might require in connection with his visit.

Expressing our satisfaction at having this opportunity of being of some assistance to your institution we remain with renewed regards

Yours respectfully

PRESIDENT & DIRECTEUREN van

DE JAVASCHE BANK:

*[Handwritten signature]*  
*[Handwritten signature]*

The ACTING GOVERNOR

Federal Reserve Bank of New York

NEW YORK.

THE BOMBAY JAVA TRADING CO. LTD.,  
BATAVIA.

2 Sept. 1920.

Dear Mr. Strong

In case you are interested  
in knowing something  
about the place you see I  
send you herewith the  
last Annual Report of  
our Keratarie Estate  
which you are to visit  
on Monday. It is only  
a very small Company  
but the Report will give



THE FEDERAL RESERVE BANK OF ST. LOUIS  
ST. LOUIS, MISSOURI

You have idea of Tea  
producing figures -

With kind regards

Yours sincerely

W. H. Chamberlain

1919 No. 12

---

THE KERTASARIE TEA COMPANY LIMITED



REPORT AND STATEMENT OF ACCOUNTS  
as at 31st December 1919

---

THE BOMBAY JAVA TRADING Co. Ltd.

*Agents.*

Printed by Albrecht & Co.  
Weltevreden.

# THE KERTASARIE TEA Co. Ltd.

---

Raad van Beheer

J. LIONEL-MARIE Esq., Paris

C. CANNE Esq., Java

---

The Twelfth Annual General Meeting of Shareholders of the Company will be held at the offices of The Bombay Java Trading Co. Ltd., Batavia, on Tuesday 22nd. June 1920 at 11 a.m.

**AGENDA:** Presentation of Annual Report by the Raad van Beheer.

Presentation and approval of Balance Sheet and Profit & Loss A/C. for the year ending 31st. December 1919.

Division of Profits in accordance with art. 12.  
Fixing of dividend.

Appointment of Auditor(s) for 1920.

THE BOMBAY JAVA TRADING CO. LTD:

*Agents.*

Batavia, 26th. May 1920.

BATAVIA 26th. May 1920.

To the shareholders of

THE KERTASARIE TEA COMPANY LIMITED.

Gentlemen,

We beg to submit herewith the audited Accounts as at 31st. December 1919.

**Buildings.** Small additions and the usual repairs were carried out. Two coolie houses with one room were built. The stable was pulled down.

**Factory.** Small repairs and the usual upkeep were attended to and the factory and contributory buildings are in good condition.

**Machinery.** The distribution of power in the factory was found not to be entirely satisfactory and to obviate expenditure on minor repairs to the shafting a set of flexible couplings have been ordered. An auxilliary engine will be installed to run the sawing plant as a separate unit. This will equalize the distribution of power and provide a reserve against possible mechanical breakdowns in the future.

The expenditure involved under this heading is taken up in the paragraph of this report which deals with the Estimate for 1920.

**New Tea Clearings.** The expenditure on the 1917 clearing of 105 bouws has been included with that on the areas in production although this area is not as yet producing tea.

5.16 bouws known as the 1919 clearings, have been planted up.

19 bouws known as the 1920 clearings, have been felled, cleared and burnt.

An extra piece, unmeasured at the close of the year has been felled for ultimate use as a nursery.

**Planted area.** is now 721 bouws.

**Crops.** The total Crop shows a satisfactory increase at 743,086 half-kilos: — an excess of 132,254 half-kilos on the 1918 Crop. This figure might have been somewhat higher had labour conditions in November and December, when big Crops started, been more favourable. The average production per bouw of the 586 bouws in bearing amounted to 1206 half-kilos: against 1016 in 1918 and 1383 in 1917.

The statement hereafter shows the returns from the various gardens:

Clearing	Area in Bouws	Wet Leaf in $\frac{1}{2}$ Kg.	Equivalent Dry Tea	EQUIVALENT TO DRY TEA		Remarks
				p. bw.	p. acre	
1908/09	190.—	1 412.020	322.924	1700	971	11 Bs. pruned Sept.
1909/10	140.—	471.256	107.775	769	439	34 " " July/Aug.
1910/11	156.5	735.931	168.305	1075	614	58 " " Sep/Dec.
1911/12	21.5	114.642	26.218	1219	697	2 " " Oct.
1912/13	47.3	265.401	60.696	1262	721	Nothing pruned.
1913/14	31.1	91.554	20.939	673	385	1. B. pruned Oct.
1915	1.—	—	—	—	—	Not in bearing.
1916/17	18.—	21,610	4,942	480	274	10. 3 Bs. pruned Oct.
1917/18	105.4	—	—	—	—	Not in bearing.
1919	5.16	—	—	—	—	" "
1911/12	5.—	—	—	—	—	Seed Garden.
<i>Total...</i>	720.96	3,112,414	711,799			
Bought Leaf		135,108	31,287			
<i>Grand Total...</i>		3,247,522	743,086			

**Cost & Selling price.** The „All In” cost worked out to 27.6 cents per  $\frac{1}{2}$  Kg. In view of the higher rate of wage now ruling this figure compares favourably with last year's cost price of 28 $\frac{1}{4}$  cents. The entire crop was sold on the Batavia market. For the first half year it was disposed of outright at 41 $\frac{1}{2}$  cent per  $\frac{1}{2}$  Kg: all grades,

for the second half year it was sold piecemeal at varying prices and the resultant average price for the year worked out at 47 $\frac{1}{2}$  cents per  $\frac{1}{2}$  Kg.

**Upkeep.** Garden Expenditure on 721 bouws was f 34,486.61 or f 47.83 per bouw.

**Rainfall** was 3042 mM. or 55 $\frac{1}{2}$  pCt. more than 1918 and 22 pCt. more than the average for the nine years from 1911 to date.

**Frost** was recorded on 10 occasions. i. e. 5 times in July, 3 in August, 2 in October — the lowest temperature registered was 28 Fahrenheit so that the damage was slight.

**Staff.** It is satisfactory to be able to state that Mr. G. Lambe returned safely from active service and resumed management in August, when Mr. Gant departed to Europe on a 6 months' holiday. The factory has benefited by the return of Mr. J. Jacquet who took over from Mr. Welfer in March, Mr. de Roo van Aldewereld and Mr. Harmsen complete the establishment.

**Debentures.** Of the sinking fund of f 27,000.— a sum of f 12,000.— was duly appropriated for the redemption of debentures in July 1919. The appropriation of the whole amount was delayed as requiring the sanction of yourselves by Extraordinary General Meeting. This meeting has since been held (6.2.20) when sanction was given for the allocation of a further sum up to f 33,000.—. This with the statutory amount of f 15,000.— already in reserve makes f 48,000.— in all and on completion of this redemption in July 1920 the balance of Debentures outstanding will be f 40,000.—.

#### Profit & Loss account.

The Gross Profit from Working A/C. is .... f 135,963.16  
To which must be added

Interest..... f 3,895.45

Carried from 1918..... „ 1,254.42

Overestimated 1918 Income Tax

(due for payment 1919) „ 189.73 „ 5,339.60

Carry forward.... f 141,302.76

## Less :

	Brought forward . . .	f 141,302.76
Debenture Interest & Charges	f	5,940.—
Depreciation of Buildings (10 %)	„	7,044.59
„ Machinery (15 „)	„	10,010.94
„ Motor Cars . . . . .	„	500.—
„ Estate Furniture „	„	500.—
Reserve for Income Tax 1919	„	10,000.—
(Payable 1920)		
Debenture Sinking Fund A/C..	„	33,000.—
	f	66,995.53
Net Profit	f	74,307.23

**Estimates for 1920.** In view of the satisfactory sale of the Crop for the year 1920 at 60 cts per  $\frac{1}{2}$  Kg the Estimates have been compiled on what at first sight may appear to be a somewhat lavish scale.

The increased cost of rice to the natives has however raised the standard of wages considerably, whilst the possession of sufficient funds makes this year a suitable one for bringing the factory equipment to a thorough state of efficiency

The estimate is divided into two parts, namely.

Capital Expenditure . . . . . f 44,372.—

Revenue Expenditure . . . . . „ 268,783.—

Capital Expenditure includes :

1 Clayton 35 H. P. Crude Oil Engine at f 8,500.— c.i.f. Priok. This provides the auxilliary power referred to under Machinery. In the event of the establishment of a Central Electric Power Station in the neighbourhood (a plan which is mooted by the neighbouring Estates) this engine may prove to be superfluous. It is not expected that the Central power scheme can come into operation for some considerable time however, and no doubt the engine can then be disposed of.

Two Jacksons Double Action Metallic Rapid Rollers at an all in cost of f 4,100.— apiece have been ordered to meet the requirements of the increased Crops.

One Perman's Auto Expressor costing f 2,940.— has been bought and is now (February) in course of erection. This machine is largely experimental and it is hoped that its installation will lead to an economy in the use of fuel at all times and improvement of withering conditions during the wet season.

A Road roller estimated to cost f 12,500.— is also included. The want of this machine has long been felt as without it the roads cannot be brought to a satisfactory condition. Its use should prove an economy in expenditure on roads, freight car tyres and serve to improve transport conditions generally.

**Revenue expenditure** calls for little comment except to point out again that the higher standard of wages increases the probable outlay under all headings.

The Export Tax at  $2\frac{1}{2}$  cts. per  $\frac{1}{2}$  Kg. made tea, is included in the total though it is not definitely settled that this season's tea will be subject to this charge.

The Crop estimated at 863,000  $\frac{1}{2}$  Kg. at the sale price of 60 cts. per  $\frac{1}{2}$  Kg. should produce f 517,800.— and the balance of income over revenue expenditure on this basis is f 249,017.—

## INVESTMENTS.

**Pengalengan patent chest factory.** Up to February 1920 75 % of the f 10,000.— subscribed to this undertaking had been paid.

**5 $\frac{1}{2}$  % Straits Settlements War Loan bonds \$ 40,000.—**

The interest accruing from this holding has been collected regularly. The low rate of exchange at first ruling between Batavia and Singapore makes the return, when converted into guilders, a small one.

**The Company's shares.** The Batavia Exchange at the close of the year under review valued these at 600 %.

**Directorate.** With deep regret we have to record the death of your Director and Gedelegeerde Mr. Harry Lambe in London on 9th. December 1919. As one of the original Shareholders and founders of the Company he had taken a deep interest in its welfare from the start. His knowledge was of material value to the Company and his death is a serious loss.

The vacancy thus caused in the Raad van Beheer is filled by Mr. C. Canne, elected by the Extraordinary General Meeting of Shareholders held here on 6th. February 1920.

**Proposed appropriation of profit.** The position of the Company is undoubtedly very sound and the immediate prospects are hopeful. Your Board of Directors however, after due consideration of the general economic conditions of the planting industry, do not feel justified in recommending a dividend larger than last year.

In fact, as indicated above, we have to face an increase in price in practically every item in our cost price; for rice the basic element of the cost of living in the East, Estates in our neighbourhood have had to pay as much as *f* 20.— per picol as compared with *f* 9.— in 1913, we may expect a further increase in the cost of food-stuffs, packing material, machinery, also in wages to the staff, transport and taxes. We have still to complete the redemption of the mortgage on the property and we have in contemplation considerable expenditure on Capital Account. For these reasons your Directors have decided to wait before recommending an increase in the amount set aside for distribution as dividend, until the financial position of the Company is perfectly secure and our cash reserves sufficient to meet any temporary difficulty which may arise such as frost, epidemic, serious fall in the sale price of tea etc.

They do not forget that the Company was placed in a difficult position in 1914 for lack of a small reserve of funds in cash. They consider it to be their duty to take such measures as will obviate the possibility as far as

possible of the Company being placed in a similar situation in the future.

Your Directors recommend that a dividend of 30 % on the "A" Shares and 24 % on the "B" Shares be declared, leaving the extra Reserve A/C. untouched at *f* 40,000.—.

If this recommendation is adopted the net profit for the year will be appropriated as follows:

Net Profit		<i>f</i> 74,307.23
Statutory Reserve Fund 5 %	<i>f</i> 3,715.36	
6% First Dividend on "A" shares	9,900.—	
Staff bonus on Working A/c	<i>f</i> 135,963.16	
Add interest	3,895.45	
	<u>139,858.61</u>	
Less Depreciation	18,055.53	
	<u>121,803.08</u>	
Debenture Interest Charges	5,940.—	
	<u>115,863.08</u>	
At 10 %	11,586.31	25,201.67
		<u>49,105.56</u>
1½ % Raad van Beheer		736.58
		<u>48,368.98</u>
24% Dividend on "A" & "B" Shares		43,920.—
		<u>To be carried forward...4,448.98</u>
"A" Share Coupon No 5 carrying <i>f</i> 36.—	} would be payable	
"B" " " " 3 " " 24.—		

from the day after the meeting (23rd. June 1920) at the offices of the Hongkong & Shanghai Banking Corporation, Batavia.

THE BOMBAY JAVA TRADING CO. LTD.

*Agents.*





## MACHINERY as at 31st. December 1919.

- 1 60 H. P. Marshall's Steam Engine.
- 1 80 H. P. Hornsby Suction Gas Engine with Generating plant
- 1 Pump, belt driven.
- 2 Davidson Tea Driers.
- 1 Empire. Tea Drier.
- 1 Jackson Square Roller.
- 6 Double Action Metallic Rollers
- 4 Sirocco Tea Cutters and Sorters.
- 1 Colombo Tea-sifter.
- 1 Jackson Rotary Ball-breaker,
- 2 Colombo Ball breakers.
- 1 Davidson Double Packer.
- 2 Pairs Sirocco Withering fans.
- 1 Pair Blackman " " "
- 1 Withering Machine.
- 1 Blackman Dust Fan.
- 1 Dynamo 226 Ampères with switchboard.
- 1 Circular Saw (large).
- 1 " " (small).
- 1 Planing Machine.
- 1 Tongue and Grooving Machine.
- 1 Main-Shaft with transmissions and extension to sawing Room
- 1 Southbend Lathe 21 inch X 12 feet with overhead transmission.
- 32 Lengths each 5 metres Iron Rails.
- 1 Iron Truck, for moving steam engine
- 1 3 inch Shaft, Dynamo Transmission.

**ANALYSIS OF COST.**  
**EXPENDITURE ON ESTATE AS PER**  
**WORKING ACCOUNT.**

Production for the year 743,086 half-kilos: dry Tea.

		Cost per 1/2 kilo.	
Salaries & Wages . . . . .	f 27,557.07	3.71	cents
General Expenditure. . . . .	" 28,266.27	3.84	"
Upkeep of Buildings . . . . .	" 3,462.56	.46	"
" " Machinery . . . . .	" 5,581.78	.75	"
Tea Cultivation . . . . .	" 34,486.61	4.64	"
" Manufacture . . . . .	" 98,339.80	13.23	"
Shade & Forest Trees . . . . .	" 3,006.44	.40	"
Tea Seed Gardens . . . . .	" 395.54	.05	"
Advances to Natives, amt. written off . . . . .	" 396.02	.05	"
Shop, theft	" 1,815.61	.24	"
Motor Car Running A/C., repairs etc. . . . .	" 1,681.12	.23	"
	<b>f 204,988.82</b>	<b>27.60</b>	"
Profit per 1/2 kilo . . . . .		<b>19.65</b>	"
Average gross sale Price (including chests) . . . . .		<b>47.25</b>	"

**COMPARISON OF SEASONS.**

Season.	Made Tea in Half-Kilo	Cost Price per Half-Kilo in cents.	Average Sale Price per Half- Kilo in cts.	RAIN- FALL	DIVIDENDS	
					A.	B.
1911	60,498	22.06	40.95	2,442 mM.	—	—
1912	295,318	24.33	41.27	2,502 "	6 %	—
1913	387,721	27.11	40.67	1,871 "	6 "	—
1914	254,025	40.40	41.85	2,193 "	—	—
1915	365,970	* 29.23	* 39.—	2,552 "	—	—
1916	787,346	* 19.82	* 46.—	3,165 "	26 %	20 %
1917	836,308	* 20.08	* 44.50	2,792 "	—	—
1918	610,832	28.25	34.09	1,956 "	30 %	24 %
1919	743,086	27.60	47.25	3,042 "	—	—

\* Exclusive of cases.

THE KERTASARIE TEA  
BALANCE SHEET

LIABILITIES		
<b>Capital.</b>		
1375 A shares of f 120.— each fully paid	165,000	—
180 C " " " 100.— " " "	18,000	—
		183,000
<b>Debentures.</b>		
300 Debentures of f 500.— each	150,000	—
Less 124 redeemed	62,000	—
		88,000
<b>Debenture Redemption Fund</b>		110,000
(Inclusive of Sinking Fund f 48000.—)		
<b>Debentures Redeemed but not presented for payment..</b>		6500
<b>Unclaimed Debenture Interest</b>		465
<b>Unclaimed Dividends</b>		43
<b>Development A/C</b>		48410
As per last Balance Sheet		—
<b>Reserve Fund.</b>		
As per last Balance Sheet	3234	19
Add 1918 Reserve	3024	32
		6258
<b>Extra Reserve Fund.</b>		
As per last Balance Sheet	100,000	—
Less as per minute General Meeting June 17th 1919	60,000	—
		40,000
<b>Premium on shares and Debentures</b>		4523
<b>Reserve for Income Tax</b>		10,000
<b>Sundry Creditors</b>		19117
<b>Profit &amp; Loss A/C.</b>		
As per last balance Sheet	3986	33
Add part Extra Reserve Fund 1917	60,000	—
	63986	33
Less additional reserve for Income ..		
Tax 1919 on 30% Dividend (overwinst).....	3500	—
	60,486	33
<b>Statutory Reserve A/C 5%..... f 3024.32</b>		
6% Dividend on „A“ shares..... „ 9900		
10% Staff Bonus ..... „ 771.48	13695	80
	46790	53
1½% Raad van Beheer	701	86
	46088	67
24% Dividend on „A“ and „B“ shares	43920	—
	2168	67
Less as per minute General Meeting		
June 17th 1919, making up 2 months for		
Staff Bonus	914	25
	1254	42
Balance 31st December, 1918	189	73
Overestimated for 1919 Income Tax.....	72863	08
Profit for the year ended 31st. Dec. 1919....		74307
		23
		f 590924
		71

COMPANY LIMITED  
31st December 1919

ASSETS.		
<b>Kertasarie Estate</b>		64195
<b>Tea Capital Account</b>		
As per last Balance Sheet	194393	60
Add expended during the year	5737	19
		200130
<b>Buildings</b>		
As per last Balance Sheet	68462	29
Expended during the year	1983	61
	70445	90
Less depreciation for the year 10%	7044	59
		63401
<b>Machinery</b>		
As per last Balance Sheet	61995	83
Expended during the year	4743	74
	66739	57
Less depreciation for the year 15%	10010	94
		56728
<b>Estate Furniture A/C</b>		
As per last Balance Sheet	2000	—
Less depreciation for the year	500	—
		1500
<b>Motor Car Capital A/C</b>		
As per last Balance Sheet	2000	—
Less depreciation for the year	500	—
		1500
<b>Stocks on hand</b>		28999
<b>Sundry Debtors and Advances to Natives</b>		
Debtors	46556	94
Advances	4051	16
		50608
<b>Suspense A/C</b>		508
<b>Investment A/C at cost</b>		
As per last Balance Sheet	54300	—
1st & 2nd Instalment at 25% on f 10,000.—		
Pengalengan Chest Factory	5000	—
		59300
<b>Cash in hand on the Estate</b>	2448	05
<b>Hongkong Bank Current A/C</b>	61095.66	
Add Dividend A/C f 43.20		
Debenture Int. Coup., 465.—	508.20	
	61603	86
		64051
		91
		590924
		71

To the Shareholders of the Kertasarie Tea Company Lim'ed

I have examined the above Balance Sheet with the books and other documents relating thereto, kept by the Company's Agents at Batavia, and have seen that the Manager's Monthly Reports have been correctly incorporated therein.

In my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as shown by the books of the Company and according to the best of my information and the explanations given to me.

Batavia, 20th Feb. 1920.

WILLIAM C. LLOYDS  
Chartered Accountant.

THE BOMBAY JAVA TRADING Co. LTD.

Agents

## The Kertasarie Tea Co Ltd.

*WORKING ACCOUNT for year ended 31st. December 1919.*

1919.				1919.			
December. 31 To. Salaries and Wages....	f	27657	07	December. 31 By. Tea sales.....	f	339520	18
" General Expenditure ..		28266	27	" " Seed Sales .....		925	—
" Upkeep of Buildings....		3462	56	" " in Stock on Estate			
" Upkeep of Machinery..		5581	78	6068 H. Ks Dust		606	80
" Tea Cultivation.....		34486	61				
" , Manufacture.....		98339	80				
" , Seed Gardens.....		395	54				
" Shade and Forest Trees		3006	44				
" Advances to Natives							
Amount written off.		396	02				
" Estate Shop a/c.							
Amount written off.							
(theft) .....		1815	01				
" Motor Car Running a/c							
" Repairs to Car etc.....		1681	12				
" Balance carried to.....							
" Profit and Loss a/c. ..							
	f	341051	98		f	341051	98

16

## The Kertasarie Tea Co. Ltd.

*PROFIT AND LOSS ACCOUNT for the year ended 31st December 1919.*

1919.				1919.			
December. 31 To Reserve for Income Tax	f	10000	—	December 31 By Balance from Working			
To Debentures Interest				Account. ....	f	135963	16
and Charges.....		5940	—	By Interest a/c. ....		3895	45
To Depreciation of Buildings.....		7044	59				
To " , Machinery..		10010	94				
" " " Motor Cars		500	—				
" " " Estate Furniture .....		500	—				
To Debenture Sinking							
Fund a/c .....		33000	—				
To Balance being Nett							
Profit .....							
	f	139858	61		f	139858	61

17

Batavia

KONINKLIJKE  
PAKETVAART MAATSCHAPPIJ  
AFD. SECRETARIE

WELTEVREDEN, September 4th 1920

Mr. Benjamin Strong  
Governor of the Federal Reserve Bank of New York  
B a t a v i a .

Dear Sir,

Herewith I have honour to inform you, that I made the following arrangement with Mr. Von Hemert of the Javasche Bank about your voyage to the Isle of Bali by steamers of our Company.-

On or about 16th inst. ss "van Overstraten" can take you and your party from Sourabaya to Boeleleng (Bali) where you will arrive the next morning.

Most probably the "van Overstraten" will leave on the 16th, at any rate not before that date and not later than the 17th.-

On 23nd inst daybreak we will have a steamer at Boeleleng to bring you and your party back to Sourabaya. Arrival at Sourabaya will be early enough to catch ss "Melchior Treub" leaving for Singapore on September 23rd.-

I instructed our Agent at Sourabaya to reserve accomodation for you and your friends on board of the mentioned vessels, please apply on arrival at Sourabaya to our agents for further information.

We herewith beg to offer to you and your party a free passage for your Bali-trip and returnvoyage to Singapore.-

I am,

Dear Sir,

Yours obediently,  
*E. G. Wesselink*  
E. G. Wesselink.

Mr. Strong en gezelschap.

GOUVERNEMENTS POST-, TELEGRAAF- EN TELEFOONDIENTS.

Bij elk verzoek om inlichting betreffende dit telegram moet dit formulier worden overgelegd.

Bersama-sama tiap-tiap permintaän akan keterangan dari perkara soerat rawat itoe maka formulier itoe misti dioendjoekkan djoega.

Ontv. onder lokaalnr. _____ den _____ 19 _____ ten u. _____ m. _____ v.m. _____ n.m. _____ door _____	Voorcontrole toestelnr. en paraaf. _____ <i>Strong passenger</i> <i>Steamship Melchior</i> Kantoor te <b>SEMARANG.</b>	Nacontrole paraaf. _____ Door _____ ar _____ den _____ 19 _____ ten _____ m. _____ v.m. _____ n.m. _____ door _____
--	---	---

De Staat of de bijzondere telegraafondernemingen zijn niet verantwoordelijk voor het goed overkomen van telegrammen in het algemeen of binnen den bepaalden tijd.

Telegram uit	Soort.	Nummer.	Woordental.	Datum.	Tijd van aanbieding.	Dienstaanwijzingen.
<i>Melchior</i>		<i>W W</i>	<i>W</i>	<i>23</i>	<i>66</i> u. _____ m. _____ v.m. _____ n.m. _____	

Woordentelling. *governor general will see you at batavia saturday morning between nine and ten van den berg*

Ter gelegenheid van den 63sten geboortedag van H. H.  
Goesti Kangdjeng Ratoe Madoeretno, heeft de Kratonfeest  
Commissie de eer den Heer Mr. Strong en gezelschap.

uit te noodigen tot het bijwonen van een avondfeest in den  
Kraton op den 11<sup>den</sup> September 1920, ten 8<sup>5</sup>/<sub>4</sub> uur.

De Kratonfeest Commissie.

Costuum rok, witte das.

### Bedojo dans (Gending Sinon)

Uitgevoerd door 9 bedojo's gewapend met pistolen. Deze dans is uitgevonden door E.H. den Coesochoenan de Lide.

### Wireng Wiropratomo (Gending Oego-oego en Langengito)

Een van de episodes uit de lakon Hirawan Balmo.

Deze dans is uitgevoerd door 4 danseurs. De dans wordt verdeeld in 2 soorten, de fijne dans (aloes) en de grove dans (kasar). De eene twee moet den dans verbeelden van Hirawan en Ongkowiedjojo zonen van Ardjoena. Deze hebben krissen, pijl en boog bij zich, om er mee te strijden. De andere twee moet den dans verbeelden van Gatoetkotjo en Ontoseno zonen van Bina en als wapen hebben deze bij zich knots (godho's)



HOLLAND (NETHERLANDS) EXCHANGE.

Money of Holland: Unit, 1 Gulden or Florin = 100 Cents

Conversion: Dollars into Gulden.

What amount in gulden and cents will \$101.08 buy at rate of 40.35 per gulden?

Operation: .4035) 101.0800 ) 250.50 gulden - Answer

$$\begin{array}{r}
 8070 \\
 20380 \\
 \hline
 20175 \\
 20500 \\
 \hline
 20175 \\
 \hline
 3250
 \end{array}$$

Explanation: Divide amount in dollars and cents by rate per single gulden.

(Another method of figuring Holland Exchange)

In the larger cities it is the practice to quote the rate for Holland exchange in cents and fractions of a cent, thus: 40 3-16 cents per gulden - and when such rates are not considered sufficiently close to secure the business they will be supplemented with fractional rates as in French and German exchange, thus: 40 3-16 minus 1-32 of 1 per cent, expressed 40 3-16-1-32.

-----  
Conversion: Dollars into Gulden.

What amount in gulden and cents will \$2,008.75 buy at rate of 40 3-16-1-32 of 1%?

Operation: .401875) 2008.750000 ( 4998.44 gulden

$$\begin{array}{r}
 1607500 \\
 4012500 \\
 \hline
 3616875 \\
 3956250 \\
 \hline
 3616875 \\
 3393750 \\
 \hline
 3215000 \\
 1787500 \\
 \hline
 1607500 \\
 1800000 \\
 \hline
 1607500 \\
 \hline
 192500
 \end{array}$$

1.56  
5000.00 gulden - Answer

1-32 of 1% of  
5000 gulden = gulden 1.56

Explanation: Divide the amount in dollars and cents by regular rate (40 3-16) not using the fraction 1-32. Find 1-32 of 1 per cent of amount in gulden and cents, adding same to total. Bear in mind that where fractions such as -1-32 or + 1-32 are used and you are converting dollars into gulden, the equivalent of the fraction in United States money converted into gulden must be added if MINUS and deducted if PLUS.

Note: Addition, subtraction, multiplication and percentage are computed in Dutch money as in United States money.



CHINESE EXCHANGE.

Money of China: Unit, 1 dollar = 100 Cents

Money of Hong Kong: Unit, 1 dollar = 100 cents

Conversion: United States Dollars into Hong Kong Dollars.

What amount in Hong Kong dollars and cents will \$210.71 buy at rate of 42.10 cents. (United States money) per dollar?

Operation:   .4210) 210.7100 ( 500.498  
                  21050  
                  21000  
                  16840  
                  41600  
                  37890  
                  37100  
                  33680

Answer - 500.50 Hong Kong Dollars

Explanation: Divide amount in dollars and cents by rate per dollar.

Note: Addition, subtraction, multiplication and percentage are computed in China and Hong Kong money as in United States money.

4 Strong's  
Letter  
to

Case

Sept 1920

50% COTTON

ENGLISH BOND

FOX RIVER

SOLO SEPT 12<sup>th</sup> 1920.

Dear Case.

A thousand thanks for your letter of July 2<sup>d</sup> and the fine budget of news, which made me feel quite up to date (though two months behind). I will a few comments on what you write me.

The China trip was impracticable for me, but I have picked up a lot of information of some interest and value. I will tell you the story on my return.

Mr. Williams is a good addition to our Board, and I am glad to learn of his election. All the changes in officers are excellent. Mr. Jay is conveying my good wishes to each. Also the bonus strikes me as just rights.

What was done regarding de Javasche Bank arrangement is entirely correct and to the interest of both institutions. I shall not send a long report on the bank's affairs, - a book I am bringing home gives the official data. In general however, it is the financial back bone of the Netherlands Indies, has an immense influence on both the business and Government affairs of the island and is regarded as very able and safely managed. There is great wealth here, mostly agricultural, and the

war differences have been felt here as elsewhere  
throughout the world. else only, unfavourable

Comment about the bank, is the discount  
rate. It has remained unchanged at  $\frac{1}{2}\%$   
for 11 years, a matter of pride out here, but  
I am sure too low. This goes to show,  
bills, loans and notes issue have all  
expanded very largely, and the living  
cost has risen I am told 118% over  
pre war level. Mr. Price, of the Bombay  
Java Trading Co, whose partner in London,  
Mr. Wallace, I know (he is a director in  
the Bank of England) gave me this data. He  
had the calculation made from the enclosed  
figures, giving each item its relative  
value in the family expense etc. and  
as he operates many large plantations,  
and employs thousands of coolies, I  
regard his estimate as fairly reliable.  
But the note expansion they tell me  
has only kept pace with the growth of  
production, trade and exports, and it  
seems to be the old story, repeated  
in Europe and America. Of the dos  
Chassis his tale, there is still much silver  
in circulation, but for a time it disappeared,  
and the Colonial Govt, through the bank,  
issued currency notes of smaller denom<sup>n</sup>  
and here again history repeats itself.

One of the best evidences of the courageous and able management of the bank was told me by a number of Dutch & English business men. When the war started and the foreign Exchange market was completely suspended, the big planters were in serious difficulty at once for pay rolls. With native labor a days delay would have disorganized the whole production of the islands, and no end of trouble might have arisen with the natives. Mr. Zelinga sent for the principal bankers, merchants & planters and informed them that all reliable employers of labor, particularly those responsible for producing the crops, would be immediately supplied with their requirements. No other action could have been taken, and no real crisis ever arose. I truly think he saved the Colonies from a disaster. But the 3 1/2% rate offers a great inducement for all the many firms and corporations employing European Capital, to draw on their credit out here at this low rate, rather than pay the high rates in London, Holland etc. and the Javasche Bank would have

a corresponding, lower lead to borrow. They run on 400% metal reserve, though the law recently amended allows 20% minimum. I am greatly impressed by the wonderful richness and wealth of the Country, and by the many evidences of real genius which the Dutch have shown in their organization, development and government of the Country. Skenedu, two days at the Palace, and having some long talks with the Governor General, as well as other government officials, I am amazed by the very high quality and character of the men in the Colonial Service. To sum it all up, the Java Bank is a good risk for their requirements. They have always had unimpaired credit with the Rothschilds, for many years and are well known at the Bank of England.

The cable regarding Gold held in London reached me O.K. and I hope my reply was clear. The B. of E. have shown us every consideration in the matter, - and as there might be a remote possibility some day of their needing some Gold "help", and as we can be the ones to grant it, I am



Since they will appreciate our informing  
them views before ordering in all shipped.  
Don't worry about the situation this  
fall. The Straits, if one wishes, will likely  
be in Dec. & early Jan., possibly soon,  
and it must be met, with discrimination.  
We must never forget that the test of  
the credit situation in the Colonies, will  
be the "inventory" accounts of our  
manufacturers & merchants. I hope our  
Credit department is studying that feature  
of our statements, and getting the data  
in readily understandable form. I was  
much impressed by the system at  
San Francisco, which we should  
study.

What you write regarding the C/S.  
situation is most gratifying. I hope our  
friends in Washington appreciate your  
good work.

Many thanks again for all the news,  
and the fair data with it. I often feel  
quite, loafing and travelling while you are  
all so busy, - but soon now I shall be  
back at the fair with you. Ours

Experiences would fill a book, and I shall  
recount them more fully in my future.

The climate here is gorgeous. It is warm,  
and often a hot sun, at midday, but  
nights usually comfortable, and in the  
interior, where it is high, one always  
needs covers at night, sometimes two  
blankets. White cotton, a sun helmet,  
two baths a day, and a nap after  
lunch, keeps one in prime condition,  
and I am feeling fit and fine, as do  
all the party.

... the best regards to all at the Pan  
Am to you.

Sincerely,

Bea Strong.

COPY

N.V. Hotel Slier

Solo - Java

Sept. 12th 1920

Dear Case,-

A thousand thanks for your letter of July 2d and the full budget of news, which made me feel quite up to date (though two months behind). First a few comments on what you write me.

The China trip was impracticable for me, but I have picked up a lot of information of some interest and value. Shall tell you the story on my return.

Mr. Williams is a good addition to our Board, and I am glad to learn of his election. All the changes in officers are excellent. Mr. Jay is conveying my good wishes to each. Also the bonus strikes me as just right.

What was done regarding de Javasche Bank arrangement is entirely correct and to the interest of both institutions. I shall not send a long report on the banks affairs, -a book I am bringing home gives the official data. In general however, it is the financial backbone of the Netherlands Indies, has an immense influence on both the business and Government affairs of the islands and is regarded as very able and safely managed. There is great wealth here, mostly agricultural, and the war influences have been felt here as elsewhere throughout the world. My only unfavourable comment about the bank, is their discount rate. It has remained unchanged at 3 1/2% for 11 years, a matter of pride out here, but I am sure too low. Their gold holdings, bills, loans and note issue have all expanded very largely, and the living cost has risen, I am told 118% over prewar level. Mr. Price of the Bombay Java Trading Co. whose partner in London, Mr. Wallace, I know (he is a director in the Bank of England) gave me this data. He had the calculation made from the enclosed figures, giving each item its relative value in the family expense a/c. and as he operates many large plantations and employs thousands of coolies, I regard his estimate as fairly reliable. But the note expansion they tell me has only kept pace with the growth of production, trade and exports, and it seems to be the old story, repeated in Europe and America, of the dog chasing his tail. There is still much silver in circulation, but for a time it disappeared, and the Colonial Gov't, through the bank, issued currency notes of small demon<sup>ns</sup>, and here again history repeats itself.

One of the best evidences of the courageous and able management of the bank was told me by a number of Dutch+ English business men. When the war started and the foreign exchange market was completely suspended, the big planters were in serious difficulty at once for pay rolls. With native labor a days delay would have disorganized the whole production of the islands, and no end of trouble might have arisen with the natives. Mr. Zeilinga sent for the principal bankers, merchants + planters and informed them that all reliable employers of labor, particularly those responsible for producing the crops, would be immediately supplied with their requirements. No wiser action could have been taken, and no real crisis ever arose. I truly think he saved the colonies from a disaster. But the 3 1/2% rate offers a great inducement for all the many firms and corporations employing European capital, to draw on their credit out here at this low rate, rather than pay the high rates in London, Holland etc. and the Javasche Bank will have a correspondingly heavy load to carry. They run on 40 % metal reserve, though the law recently amended allows 20% minimum. I am greatly impressed by the wonderful richness and wealth of the country and of the many evidences of real genius which the Dutch have shown in their organization, development and government of the country. Spending two days at the Palace, and having some long talks with the Governor General, as well as other government officials, I am amazed by the very high quality and character of the men in the Colonial Service. To sum it all up, the Java Bank is a good risk for their requirements. They have always had unlimited credit with the Rothschilds, for many years and are well known at the Bank of England.

The cable regarding gold held in London reached me o.k. and I hope my reply was clear. The B. of E. have shown us every consideration in the matter, - and as there might be a remote possibility some day of their needing some gold "help", and as we are the ones to grant it, I am sure they will appreciate our inquiring their views before ordering it all shipped.

Don't worry about the situation this fall. The strain, if one arises, will likely be in Decr + early Jany, possibly sooner, and it must be met, with discrimination. We must never forget that the test of the credit situation in the country, will be the "inventory" accounts of our manufacturers + merchants. I hope our credit department is studying that feature of our statements, and getting the data in readily understandable form. I was much impressed by the system at San Francisco, which we should study.

What you write regarding the C/I situation is most gratifying. I hope our friends in Washington appreciate your good work.

Many thanks again for all the news, and the fine data with it. I often feel guilty, loafing and travelling while you are all so busy, - but soon now I shall be back at the task with you. Our experiences would fill a book, and I shall reserve their recounting until my return.

The climate here is gorgeous. It is warm, and often a hot sun, at midday, but nights usually comfortable, and in the interior, where it is high, one always needs covers at night, sometimes two blankets. White clothes, a sun helmet, two baths a day, and a nap after lungh, keeps one in prime condition, and I am feeling fit and fine, as do all the party.

My best regards to all at the Bank and to you.

Sincerely

[signed] Benj. Strong