

STRONG PAPERS, Norman's memorandum re: central bank conference & Strong's revisions and draft letter of acceptance  
(List created 6/2004)

1. June 1922, typewritten draft of "Letter of Invitation to Governor or President" to Central and Reserve Banks' meetings to be held at the Bank of England
2. June 1922, typewritten draft of "Letter of Invitation to Governor or President" w/ Strong's handwritten notes re banks invited / attending
3. June 1922, typewritten draft "Agenda" for the Central and Reserve Banks' meetings to be held at the Bank of England w/ red typewritten revisions
4. June 1922, typewritten draft of "Letter of Invitation to Governor or President" w/ Strong's handwritten revisions
5. June 1922, typewritten draft of "Agenda" w/ Strong's handwritten revisions
6. 1922, typewritten draft of "Agenda" w/ Norman's (?) handwritten revisions
7. June 1922, typewritten draft of "Agenda" (earlier version)
8. Undated, typewritten "Part II" of "Agenda" w/ Strong's handwritten revisions
9. 13/June/1922, printed "Agenda" for Central and Reserve Banks' meetings at the Bank of England
10. Undated, draft of Strong's acceptance to the Central and Reserve Banks' meetings with Strong's handwritten revisions
11. Undated, Strong's proposed acceptance letter "For Mr. Jay, to be returned to B.S."
12. Undated, Strong's handwritten notes regarding debt, Germany to Belgium, etc.
13. Undated, Strong's handwritten notes re: stabilization, reparations, etc.

Strong Papers Key for years 1922, 1927, 1928:

06/15/04

- ( ) = Document is in Papers but prior to now had not been photocopied and included in research binders  
[ ] = At earlier date, item was listed as present but no original or copy is now in Papers  
{ } = Photocopy exists but original is missing

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STRONG PAPERS, Strong to Norman, 1922

Jan. 30	June 22
Feb. 2	June 27
Feb. 7	June 27
Feb. 7	June 27
Feb. 7	July 6
Feb. 7	July 6
Feb. 17	July 13
Feb. 17	July 14
Feb. 17	July 14 C
Feb. 17	July 18
Feb. 18	July 18
Feb. 18	July 27
Feb. 18	July 27
Feb. 18	Aug. 3, with clipping from N.Y. Times
Feb. 18	Aug. 24
Feb. 18	Sept. 7
Feb. 18	Sept. 15
Feb. 18	Oct. 2
Feb. 21	Oct. 16
Mar. 4	Oct. 18
Mar. 9	Oct. 25
Mar. 9	Nov. 3
Mar. 9	Nov. 10
Mar. 22	Nov. 15
Mar. 22	Dec. 1
Mar. 22	Dec. 21
Mar. 22	
Mar. 22	8) <u>Misc.</u>
Mar. 22	Conference of Central Banks by A. Lansburgh,
Mar. 22	sent to Strong by Wadsworth of Treas. Dept.
Mar. 22	Aug. 16, 1922
Mar. 22	
Mar. 22	Central Banks, information prepared by
Mar. 24 C	Foreign Information Service, Reports Div.,
Mar. 28	Statistics Dept.
Mar. 28	
Mar. 29 C	S. R. Resolution, 160, in House of Represen-
Mar. 30	tatives, Mar. 16, 1922
Mar. 30	
Mar. 30	Strong's handwritten notes on debts, etc.
Mar. 30	
Mar. 31	German Reparation Payments (table, 1920/50)
Apr. 3	
Apr. 3	Draft (with Strong's handwritten changes) of
Apr. 3	acceptance of invitation to attend meeting;
Apr. 10	letter of invitation, and Agenda.
Apr. 14	
Apr. 14	Similar documents sent by Strong to Jay
Apr. 14	
May 15	with memo on attendance at bank
	conference in London
May 19	Similar with changes in red ink.
June 1	
June 9	Draft of resolutions, with changes written in
June 12	red ink.
June 19	
June 21	

PRIVATE AND CONFIDENTIAL

Copy

Central Bank  
B. S. p

LETTER OF INVITATION TO GOVERNOR OR PRESIDENT

I am directed to enclose herewith a Report adopted  
by the International Conference of Genoa, on the recommendation  
of its Financial Commission, and in accordance with Article  
I have the honour to invite you to attend a Meeting at the  
Bank of England at                      o'clock on                      , the  
June, 1922.

It is suggested that this Meeting shall be followed by  
others during the week beginning on that date and that the  
Agenda shall be limited generally to the subjects mentioned in  
Articles                      and Articles                      of the enclosed  
Report and to the economic results of the inter-State indebtedness  
as now existing in consequence of the War.

I am to say that the proceedings at these Meetings will  
be non-political and confidential although it may doubtless be  
convenient to publish such formal conclusions as may be finally  
reached.

In view of the limited accommodation at the Bank of  
England, I am to ask that you will consider this invitation as  
personal to yourself or to such gentleman as may be chosen as  
your Substitute and that you or he (as the case may be) will be

in a position to pledge the Bank of

as

regards all subjects which may come up for discussion.

Requesting a reply at your early convenience,

I am

Federal Reserve Board for Governor of )  
Federal Reserve Bank of New York )

Bank of France  
National Bank of  
Belgium

Bank of Japan

Bank of Italy

South African Reserve Bank

Netherlands Bank

Imperial Bank of India

Bank of Sweden includes

National Bank of Egypt

( Bank of Norway  
(  
( Bank of Denmark

National Bank of  
Roumania

National Bank of  
Switzerland

Bank of Spain

Reichsbank

Bank of Portugal

Queries

Imperial Ottoman Bank

Bank of Finland

Bank of Poland

Bank of Ireland

National Bank of Greece

Commonwealth Bank

Banque Nationale de Bulgarie

(omit South America)

PRIVATE AND CONFIDENTIAL

LETTER OF INVITATION TO GOVERNOR OR PRESIDENT.

I am directed to enclose herewith a Report adopted by the International Conference of Genoa, on the recommendation of its Financial Commission, and in accordance with Article

I have the honour to invite you to attend a Meeting at the Bank of England at \_\_\_\_\_ o'clock on \_\_\_\_\_, the \_\_\_\_\_ June, 1922.

It is suggested that this Meeting shall be followed by others during the week beginning on that date and that the Agenda shall be limited generally to the subjects mentioned in Articles \_\_\_\_\_ and \_\_\_\_\_ of the enclosed Report and to the Economic relation of inter-State indebtedness now existing in consequence of the War, to the reestablishment of the former gold standards and of stable exchanges.

I am to say that the proceedings at these Meetings will be non-political and confidential although it may be convenient to publish such formal conclusions as may be finally reached.

In view of the limited accommodation at the Bank of England, I am to ask that you will consider this invitation as personal to yourself

or to such gentleman as may be chosen as your Substitute and that you  
 or he (as the case may be) will be in a position to state the views of  
 the Bank of \_\_\_\_\_ as regards the subjects to be discussed.

Requesting a reply at your early convenience,

I am,

- |   |                                |
|---|--------------------------------|
| ✓ Federal Reserve Board for Governor of ) | ✓ Bank of France               |
| Federal Reserve Bank of New York )        | ✓ National Bank of Belgium     |
| ✓ Bank of Japan                           | ✓ Bank of Italy                |
| ✓ South African Reserve Bank              | ✓ Netherlands Bank             |
| ✓ Imperial Bank of India                  | ✓ Bank of Sweden includes      |
| ✓ National Bank of Egypt                  | ✓ ( Bank of Norway             |
|   | ✓ ( Bank of Denmark            |
|   | ✓ National Bank of Roumania    |
|   | ✓ National Bank of Switzerland |
|   | ✓ Bank of Spain                |
|   | ✓ Reichsbank                   |
|   | ✓ Bank of Portugal             |

Queries

Imperial Ottoman Bank *do*

✓ Bank of Finland

Bank of Poland *do*

Bank of Ireland *do*

✓ National Bank of Greece

Commonwealth Bank *do*

✓ Banque Nationale de Bulgarie

In doubt

Bank of Estonia

Bank of Java

Banco do Brasil

Reserve Bank of Peru

Banco de la Nacion Argentina

A G E N D A

RESOLUTIONS proposed for adoption by the ~~Governors or Presidents of~~

Central and Reserve Banks represented at Meetings to be held at

the Bank of England.

June, 1922

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PART I.

Resolutions concerning Co-operation.

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The Central and Reserve Banks here represented approve the

following principles:

1. Autonomy and freedom from political control are desirable for all

Central and Reserve Banks.

2. Subject to conformity with the above clause a policy of continuous

cooperation is desirable among such Central and Reserve

Banks, wherever situated.

3. Without hampering their freedom, co-operation should include

confidential interchange of information and opinions among

such Banks with regard to such matters as rates of discount,

the stability of exchanges and the movement of gold.

4. Each **such** Bank should recognize the importance of international as well as national interests in the re-establishment of the world's economic and trade stability. ~~and that profits should not be controlling.~~
5. Each ~~Central~~ **such** Bank should ~~aim~~ **endeavor** to conduct its foreign banking operations exclusively with the respective Central or Reserve Banks of other countries.
6. Each **such** Bank should endeavor to extend adequate and proper banking facilities, without undue regard to profit, to ~~all~~ other Central and Reserve Banks: such facilities to include the custody of gold, monies and securities and the discounting of approved bills of exchange.
7. Each **such** Central Bank should take such steps as may be possible to ensure at all times the absolute right of withdrawal of all gold, monies and securities held on behalf of other Central **and Reserve** Banks.
8. Each **such** bank should endeavor to assist in the establishment of a **free market in forward exchange in its own country when no adequately organised market exists.**



PART II.

Resolutions concerning an International Monetary

Convention. ~~in accordance with the Report~~

~~of The International Conference at Genoa.~~

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The Central and Reserve Banks here represented agree to urge forthwith upon their respective Governments that an International Monetary Convention be summoned to consider and report upon the following programme for the economic reconstruction of the world, viz:

- (1) The Governments of the participating countries declare that the restoration of the pre-war gold basis is their ultimate object, where such basis does not now exist, and they agree to carry out, as rapidly as may be in their power, the following programme:
  - a. In order to gain effective control of its own currency, each Government must meet its annual expenditure without resorting to the creation of fiduciary money or bank credits for the purpose.
  - b. The next step will be, as soon as the economic circumstances permit, to determine and fix the gold value of the monetary unit. This will not necessarily be at the former gold par.
  - c. The gold value so fixed must then be made effective in a free exchange market.
  - d. The maintenance of the currency at its gold value must be assured by the provision of an adequate reserve of approved assets, not necessarily gold.

- (2) When progress permits, certain of the participating countries will establish a free market in gold and thus become gold centres.
- (3) A participating country, in addition to any gold reserve held at home, may maintain in any other participating country reserves of approved assets in the form of bank balances, bills, short-term securities or other suitable liquid resources (~~including gold~~).
- (4) The ordinary practice of a participating country will be to buy and sell exchange on other participating countries within a prescribed fraction of parity, in exchange for its own currency on demand.
- (5) The Convention will thus be based on a gold exchange standard. The condition of continuing membership will be the maintenance of the national currency unit at the prescribed value. Failure in this respect will entail suspension of ~~full-membership~~. **the right to hold the reserve balances of other participating countries.**
- (6) Each country will be responsible for ~~maintaining the~~ **the necessary legislative and other measures required to maintain the** international value of its currency at par, ~~but~~ **and** will be left entirely free to devise and apply the means, whether through regulation of credit by Central and Reserve Banks or otherwise.
- (7) Credit will be regulated, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold.
- It is not contemplated, however, that the discretion of the

Central and Reserve Banks should be fettered by any definite rules framed for this purpose, but that their collaboration will have been assured in matters outside the province of the participating countries.

But they record their deep conviction that such a Convention could not be summoned with due expectation of successful results until a complete and final settlement of all inter-Government debt questions arising out of the war shall have been reached between all the Governments concerned. They consider that then, and then only, can this programme succeed and the economic reconstruction of the world be attained.

LETTER OF INVITATION TO GOVERNOR OR PRESIDENT.

I am directed to enclose herewith a Report adopted by the International Conference of Genoa, on the recommendation of its Financial Commission, and in accordance with Article I have the honour to invite you to attend a Meeting at the Bank of England at \_\_\_\_\_ o'clock on \_\_\_\_\_, the June, 1922.

It is suggested that this Meeting shall be followed by others during the week beginning on that date and that the Agenda shall be limited generally to the subjects mentioned in Articles \_\_\_\_\_ and Articles \_\_\_\_\_ of the enclosed Report and to the *Economic relation* ~~(economic results)~~ of the inter-State indebtedness

*as now existing in consequence of the War to the reestablishment of the former gold standards and of stable exchange.*

I am to say that the proceedings at these Meetings will be non-political and confidential although it may doubtless be convenient to publish such formal conclusions as may be finally reached.

In view of the limited accommodation at the Bank of England, I am to ask that you will consider this invitation as personal to yourself or to such gentleman as may be chosen as

*your* Substitute and that you or he (as the case may be) will be

in a position to state the views of the Bank of \_\_\_\_\_ as regards the subjects to be discussed.

Requesting a reply at your early convenience.

I am,

Federal Reserve Board for Governor of

Federal Reserve Bank of New York

Bank of Japan

South African Reserve Bank

Imperial Bank of India

National Bank of Egypt

Bank of France

National Bank of Belgium

Bank of Italy

Netherlands Bank

Bank of Sweden includes

{ Bank of Norway

{ Bank of Denmark

National Bank of Roumania

National Bank of Switzerland

Bank of Spain

Reichsbank

Bank of Portugal

Queries

Imperial Ottoman Bank

Bank of Finland

Bank of Poland

Bank of Ireland

National Bank of Greece

Commonwealth Bank

Banque Nationale de Bulgarie

(omit South America)

A G E N D A .

RESOLUTIONS proposed for adoption by the Governors or Presidents

of Banks represented at Meetings to be held at the Bank of England.

June, 1922.

Part 1. Resolutions concerning Co-operation

The Banks here represented approve the following

principles:

1. Autonomy and freedom from political control are  
*and means*  
desirable for all Central Banks.

2. Subject to conformity with the above clause *a* the policy  
*such*  
of continuous co-operation is desirable among Central  
Banks, wherever situated,

3. Without hampering their freedom, co-operation should include  
confidential interchange of information and opinions among

*Such with regard to*  
Central Banks ~~(and) co-ordination of policy (with regard to)~~

*matters*  
such ~~(questions)~~ as Rates of Discount: the stability of

Exchanges and the movement of Gold.

4. Each ~~Central~~<sup>shores</sup> Bank recognises the importance of International <sup>well as</sup> as ~~compared with~~ National interests in the reestablishment of the world's ~~trade and economic~~ <sup>and trade</sup> stability, and that profits should not be controlled <sup>aim to</sup>.
5. Each Central Bank should <sup>aim to</sup> conduct its foreign Banking operations ~~gradually but~~ exclusively with the <sup>or Reserve</sup> respective Central Banks of other countries.
6. Each Central Bank should <sup>endeavour to</sup> extend adequate and proper Banking facilities, without undue regard to profit, <sup>and Reserve</sup> to all other Central Banks: such facilities to include the custody of gold, monies and securities and the discounting of approved Bills of Exchange.
7. Each Central Bank should take such steps as may be <sup>Ensure at all times</sup> possible to ~~ensure~~ the absolute right of withdrawal <sup>^</sup> of all gold, monies and securities held on behalf of other Central Banks.

Confidential

AGENDA.

Draft

*Central and Reserve*

RESOLUTIONS proposed for adoption by the ~~Governors or Presidents~~

☞ Banks represented at Meetings to be held at the Bank of England.

~~June~~, 1922.

Part 1.

Resolutions concerning Co-operation.

*Central and Reserve*

The Banks here represented approve the following

principles:

1. Autonomy and freedom from political control are desirable for all Central and Reserve Banks.
2. Subject to conformity with the above clause a policy of continuous co-operation is desirable among ~~such~~ *Central and Reserve* Banks, wherever situated,
3. Without hampering their freedom, co-operation should include confidential interchange of information and opinions among such Banks with regard to such matters as ~~Rates of Discount~~: the stability of ~~Exchanges~~ and the movement of ~~Gold~~



4. Each <sup>such</sup> Bank should recognise the importance of International as well as National interests in the reestablishment of the world's economic and trade stability; ~~and that profits should not be controlling.~~
5. Each ~~Central~~ <sup>such</sup> Bank should <sup>endeavor</sup> ~~aim~~ to conduct its foreign banking operations exclusively with the respective Central or Reserve Banks of other countries.
6. Each <sup>such</sup> Bank should endeavor to extend adequate and proper banking facilities, without undue regard to profit, to ~~all~~ other Central and Reserve Banks: such facilities to include the custody of gold, monies and securities and the discounting of approved bills of exchange.
7. Each <sup>such</sup> Central Bank should take such steps as may be possible to ensure at all times the absolute right of withdrawal of all gold, monies and securities held on behalf of other Central <sup>and Reserve</sup> Banks.

8. Each <sup>such</sup> bank should endeavor to assist in the establishment of a free market in forward exchange in its own country when no adequately organized market exists.

Part II.

Resolutions concerning an International Monetary  
Convention, ~~in accordance with the Report~~  
~~of The International Conference at Genoa.~~

---

The Central and Reserve Banks here represented agree to urge forthwith upon their respective Governments that an International Monetary Convention be summoned to consider and report upon the following programme for the ~~Economic Reconstruction~~ of the ~~World~~, viz:-

- (1) The Governments of the participating countries declare that the restoration of the pre-war gold basis is their ultimate object, where such basis does not now exist, and they agree to carry out, as rapidly as may be in their power, the following programme:-
  - a. In order to gain effective control of its own currency, each Government must meet its annual expenditure without resorting to the creation of fiduciary money or bank credits for the purpose.
  - b. The next step will be, as soon as the economic circumstances permit, to determine and fix the gold value of the monetary unit. This will not necessarily be at the former gold par.
  - c. The gold value so fixed must then be made effective in a free exchange market.
  - d. The maintenance of the currency at its gold value must be assured by the provision of an adequate reserve of approved assets, not necessarily gold.
- (2) When progress permits, certain of the participating countries will establish a free market in gold and thus become gold centres.
- (3) A participating country, in addition to any gold reserve held at home, may maintain in any other

participating country reserves of approved assets in the form of bank balances, bills, short-term securities or other suitable liquid resources. (~~including gold~~).

(4) The ordinary practice of a participating country will be to buy and sell exchange on other participating countries within a prescribed fraction of parity, in exchange for its own currency on demand.

(5) The Convention will thus be based on a gold exchange standard. The condition of continuing membership will be the maintenance of the national currency unit at the prescribed value. Failure in this respect will entail suspension of ~~full membership~~.

*the right to hold the reserve balances of other participating countries*  
(6) Each country will be responsible for ~~maintaining the~~ *the* international value of its currency at par, ~~but~~ *and* will be left entirely free to devise and apply the means, whether through regulation of credit by **C**entral and **R**eserve **B**anks or otherwise.

(7) Credit will be regulated, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold. It is not contemplated, however, that the discretion of the **C**entral <sup>and Reserve</sup> **B**anks should

be fettered by any definite rules framed for this purpose, *but that their collaboration will have been assured in matters outside the province of the participating countries.*

But they record their deep conviction that such a Convention ~~could~~

~~can~~ not be summoned with due expectation of successful results until a complete

and final settlement of all inter-Government debt questions arising out of

the war shall have been reached between all the Governments concerned.

They consider that then, and then only, can this programme succeed and

the economic reconstruction of the world be attained.

in a position to state the views of the Bank of

as

regards the subjects to be discussed.

Requesting a reply at your early convenience,

I am,

Federal Reserve Board for Governor of	)	Bank of France
	)	
Federal Reserve Bank of New York	)	National Bank of Belgium
Bank of Japan		Bank of Italy
South African Reserve Bank		Netherlands Bank
Imperial Bank of India		Bank of Sweden includes
National Bank of Egypt		( Bank of Norway
		(
		( Bank of Denmark
		National Bank of Roumania
		National Bank of Switzerland
		Bank of Spain
		Reichsbank
		Bank of Portugal

Queries

Imperial Ottoman Bank

Bank of Finland

Bank of Poland

Bank of Ireland

National Bank of Greece

Commonwealth Bank

Banque Nationale de Bulgarie

(omit South America)

A G E N D A .

RESOLUTIONS proposed for adoption by the Governors or Presidents  
of Central Banks at Meetings to be held at the Bank of England,

June, 1922

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Part I. Resolutions concerning Co-operation among  
Central Banks.

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The Central Banks here represented agree as  
follows

1. Autonomy and freedom from political control are  
desirable for all Central Banks.
2. No Bank which does not conform with the above Clause shall  
be entitled to be considered a Central Bank or to  
demand co-operation with other Central Banks.
3. The policy of continuous co-operation is desirable among  
Central Banks, wherever situated.
4. Co-operation shall include confidential interchange of  
opinions among Central Banks and co-ordination of  
policy with regard to such questions as Rates of  
Discount: the extension or restriction of Currency  
and Credit: the stability of Exchanges and the  
movement of Gold.

5. As a general rule the greater the Reserves (in Gold or its equivalent) of any Central Bank the lower should be its rate of discount in order that international credits may thus be facilitated.
6. Each Central Bank recognizes it as a duty at all times to consider without undue regard to profit the relative importance of International as compared with National interests.
7. Each Central Bank will endeavour to conduct its foreign Banking operations exclusively with the respective Central Banks of other countries.
8. Each Central Bank will conduct its foreign Banking operations on the lines of prudent finance without undue regard to profit.
9. Each Central Bank is prepared to extend adequate and proper Banking facilities, without undue regard to profit, to all other Central Banks: such facilities to include the custody of gold, monies and securities and the discounting of approved Bills of Exchange.
10. Each Central Bank undertakes to take such steps as may be required to secure the absolute guarantee of all gold,

monies

monies and securities held on behalf of other

Central Banks against the operation of any domestic

laws or regulations.

Part II. . Resolutions concerning an International Monetary  
Convention in accordance with the Report of  
the International Conference of Genoa

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The Central Banks here represented agree to urge  
forthwith upon their respective Governments that an  
International Monetary Convention be summoned to consider  
and report upon the following programme for the Economic  
Reconstruction of the World, viz:-

- (1) The Governments of the participating countries declare that the restoration of a gold standard is their ultimate object, and they agree to carry out, as rapidly as may be in their power, the following programme:-
  - a. In order to gain effective control of its own currency, each Government must meet its annual expenditure without resorting to the creation of fiduciary money or bank credits for the purpose.
  - b. The next step will be, as soon as the economic circumstances permit, to determine and fix the gold value of the monetary unit. This will not necessarily be at the former gold par.
  - c. The gold value so fixed must then be made effective in a free exchange market.
  - d. The maintenance of the currency at its gold value must be assured by the provision of an adequate reserve of approved assets, not necessarily gold.
- (2) When progress permits, certain of the participating countries will establish a free market in gold and thus become gold centres.
- (3) A participating country, in addition to any gold reserves held at home, may maintain in any other participating country reserves of approved assets in the form of bank balances, bills, short term securities or other suitable liquid resources.
- (4) The ordinary practice of a participating country will be to buy and sell exchange on other participating countries within a prescribed fraction of parity in exchange for its own currency on demand.

(5) The



- (5) The Convention will thus be based on a gold exchange standard. The condition of continuing membership will be the maintenance of the national currency unit at the prescribed value. Failure in this respect will entail suspension of full membership.
- (6) Each country will be responsible for maintaining the international value of its currency at par, but will be left entirely free to devise and apply the means, whether through regulation of credit by central banks or otherwise.
- (7) Credit will be regulated, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold. It is not contemplated, however, that the discretion of the central banks should be fettered by any definite rules framed for this purpose.

The Central Banks further suggest that the United States Government be requested to summon such a Convention at Washington at the earliest possible moment.

But they record their deep conviction that before such a Convention can assemble with due expectation of successful results it is essential that, in respect of inter-State Debts arising out of the war, a formal complete and final agreement shall have been reached between all the Governments concerned. They consider that then and then only can this programme succeed and the Economic Reconstruction of the World be attained.

Convention in accordance with the Report of  
The International Conference of Genoa.

Reserve  
The Central Banks here represented agree to urge

forthwith upon their respective Governments that an  
International Monetary Convention be summoned to consider  
and report upon the following programme for the Economic  
Reconstruction of the World, viz:-

(1) The Governments of the participating countries declare  
that the restoration of <sup>the former</sup> gold standard is their  
ultimate object, <sup>where such basis does not now exist</sup> and they agree to carry out, as  
rapidly as may be in their power, the following  
programme:-

- a. In order to gain effective control of its own currency, each Government must meet its annual expenditure without resorting to the creation of fiduciary money or bank credits for the purpose.
  - b. The next step will be, as soon as the economic circumstances permit, to determine and fix the gold value of the monetary unit. This will not necessarily be at the former gold par.
  - c. The gold value so fixed must then be made effective in a free exchange market.
  - d. The maintenance of the currency at its gold value must be assured by the provision of an adequate reserve of approved assets, not necessarily gold.
- (2) When progress permits, certain of the participating countries will establish a free market in gold and thus become gold centres.
- (3) A participating country, in addition to any gold reserves held at home, may maintain in any other participating country reserves of approved assets in the form of bank balances, bills, short term securities or other suitable liquid resources (including gold).

- (4) The ordinary practice of a participating country will be to buy and sell exchange on other participating countries within a prescribed fraction of parity in exchange for its own currency on demand.
- (5) The Convention will thus be based on a gold exchange standard. The condition of continuing membership will be the maintenance of the national currency unit at the prescribed value. Failure in this respect will entail suspension of full membership.
- (6) Each country will be responsible for maintaining the international value of its currency at par, but will be left entirely free to devise and apply the means, whether through regulation of credit by central banks <sup>7 Reserve</sup> or otherwise.
- (7) Credit will be regulated, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold. It is not contemplated, however, that the discretion of the central banks should be fettered by any definite rules framed for this purpose.

~~(8) Economy in use of gold.~~

~~The Central Banks further suggest that the United States Government be requested to summon such a Convention at Washington at the earliest possible moment.~~

But they record their deep conviction that ~~before~~ such a Convention <sup>could not be summoned</sup> ~~can assemble~~ with due expectation of successful results <sup>until</sup> ~~it is essential that~~, in respect of inter-State Debts <sup>Governments</sup> arising out of the war, a formal complete and final <sup>Settlement</sup> ~~agreement~~ shall have been reached between all the Governments concerned.

They consider that then and then only can this programme succeed and the Economic Reconstruction of the World be attained.

Central Bank,  
B.S. per

CONFIDENTIAL.

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AGENDA.

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BANK OF ENGLAND.

DRAFT

13-6-22.

CONFIDENTIAL.

## AGENDA.

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*RESOLUTIONS proposed for adoption by the  
Central and Reserve Banks represented at  
Meetings to be held at the Bank of England.*

1922.

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### PART I. Resolutions concerning Co-operation.

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The Central and Reserve Banks here represented approve the following principles :—

1. Autonomy and freedom from political control are desirable for all Central and Reserve Banks.
2. Subject to conformity with the above clause a policy of continuous co-operation is desirable among Central and Reserve Banks, wherever situated.
3. Without hampering their freedom, co-operation should include confidential interchange of information and opinions among such Banks with regard to such matters as rates of discount, the stability of exchanges and the movement of gold.

4. Each such Bank should recognise the importance of international as well as national interests in the re-establishment of the world's economic and trade stability.
5. Each such Bank should endeavour to conduct its foreign banking operations exclusively with the respective Central or Reserve Banks of other countries.
6. Each such Bank should endeavour to extend adequate and proper banking facilities, without undue regard to profit, to other Central and Reserve Banks: such facilities to include the custody of gold, monies and securities and the discounting of approved bills of exchange.
7. Each such Bank should take such steps as may be possible to ensure at all times the absolute right of withdrawal of all gold, monies and securities held on behalf of other Central and Reserve Banks.
8. Each such Bank should endeavour to assist in the establishment of a free market in forward exchange in its own country when no adequately organised market exists.

PART II. Resolutions concerning an International Monetary  
Convention.

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The Central and Reserve Banks here represented agree to urge forthwith upon their respective Governments that an International Monetary Convention be summoned to consider and report upon the following programme for the economic reconstruction of the world, viz :—

- (1) The Governments of the participating countries declare that the restoration of the pre-war gold basis is their ultimate object, where such basis does not now exist, and they agree to carry out, as rapidly as may be in their power, the following programme :
  - a. In order to gain effective control of its own currency, each Government must meet its annual expenditure without resorting to the creation of fiduciary money or credits for the purpose.
  - b. The next step will be, as soon as the economic circumstances permit, to determine and fix the gold value of the monetary unit. This will not necessarily be at the former gold par.

- c.* The gold value so fixed must then be made effective in a free exchange market.
- d.* The maintenance of the currency at its gold value must be assured by the provision of an adequate reserve of approved assets, not necessarily gold.
- (2) When progress permits, certain of the participating countries will establish a free market in gold and thus become gold centres.
- (3) A participating country, in addition to any gold reserves held at home, may maintain in any other participating country reserves of approved assets in the form of bank balances, bills, short-term securities or other suitable liquid resources.
- (4) The ordinary practice of a participating country will be to buy and sell exchange on other participating countries within a prescribed fraction of parity, in exchange for its own currency on demand.
- (5) The Convention will thus be based on a gold exchange standard. The condition of continuing membership will be the maintenance of the national currency



unit at the prescribed value. Failure in this respect will entail suspension of the right to hold the reserve balances of other participating countries.

(6) Each country will be responsible for the necessary legislative and other measures required to maintain the international value of its currency at par, and will be left entirely free to devise and apply the means, whether through regulation of credit by Central and Reserve Banks or otherwise.

(7) Credit will be regulated, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold. It is not contemplated, however, that the discretion of the Central and Reserve Banks should be fettered by any definite rules framed for this purpose, but that their collaboration will have been assured in matters outside the province of the participating countries.

But they record their deep conviction that such a Convention cannot be summoned with due expectation of

successful results until a complete and final settlement of all inter-Government debt questions arising out of the war shall have been reached between all the Governments concerned. They consider that then, and then only, can this programme succeed and the economic reconstruction of the world be attained.

For Mr. Tae, & to be returned to  
B.S.

Central B  
B.S. per

~~Very Confidential~~

Governor Strong will accept an invitation \* to a meeting of Central and Reserve Banks to be held in London in July or September in accordance with the request of the Genoa Conference for the following purposes:

1. To state the principles of and devise means for continuous cooperation between Central and Reserve Banks within the legal limits prescribed for the operation of each Central Bank or the Federal Reserve Banks.
2. To consider a recommendation to their respective Governments for calling an inter-National Monetary Convention

to approve the means suggested by the Genoa Conference for reestablishing the pre-war gold basis (where such basis does not now exist). This recommendation for a Monetary Convention may involve stating that it should not be held until the essential antecedent condition of complete and final settlement of all inter-government debt questions arising out of the war shall have been reached by the Governments concerned.

The invitation as now proposed is attached, and the above is subject to any

subsequent changes which may be made necessary, as, for example, by  
changes in the terms of the invitation.

Draft

#  
Governor Strong will accept an invitation to a meeting of Central and Reserve Banks to be held in London in July or September in accordance with the request of the Genoa Conference for the following purposes:

1. To state the principles and devise means for continuous cooperation between Central and Reserve Banks within the legal limits prescribed for the operation of each Central Bank or the Federal Reserve Banks.
2. To consider a recommendation to their respective Governments for calling an inter-National Monetary Convention <sup>to</sup> ~~to~~ approve <sup>the</sup> means suggested <sup>by the Genoa Conference</sup> for reestablishing the pre-war gold basis (where such basis does not now exist), <sup>this</sup> ~~which~~ recommendation for a Monetary Convention may involve stating that it should not be held until the essential antecedent condition of complete and final settlement of <sup>all</sup> ~~all~~ inter-government debt <sup>questions</sup> arising out of the war shall have been reached by the Governments concerned.

# The invitation as now proposed is attached, and the above is subject to any <sup>subsequent</sup> changes which may be made necessary <sup>as for example</sup> by changes in the terms of the invitation.

①

Debt. Ger. to Belg<sup>n</sup>

375,000,000

Belg<sup>n</sup> To Bank.

% Germany 260,000,000 }  
marks

% Belg<sup>n</sup> 24,000,000 }  
1<sup>st</sup> war loss by Germany }

Note Issue of bank,

379,000,000  
7.59

Per Capita - 1000 fcs = \$ 50

Price level. 510 - v.s. 100 previous

Portfolios - fcs. 1,430,000,000.

" Lombard. 230,000,000

} fcs. 1,660,000,000

Of the fcs 1,430,000,000, = \$ 540,000,000 is the

Comd Portfolio - \$ 230,000,000 the Lombard

Total 770,000,000

The difference of 880,000,000 is made

up of foreign  
balance out of port

(2)

The total of checks and other foreign

balances = (800) 30,000.000

Plus (880 @ \$<sup>F</sup> per 1) = 220,000.000  
for 800 = 250,000.000

or for 1,000,000,000 @ 20 per <sup>F</sup> 1.00

as to Reserves -

Gold (@ 20 per <sup>F</sup>) 1,400,000.000

Valuta 1,000,000.

Total 2,400,000.000

Say 32%

Budget. 1924

1924 deficit

1925 " 1,500,000,000

(3)

Revaluation -

1st Fed reserves @ 4:1 - There  
not debt can be reduced.

5.7000 to 4.5 because

1st Fed. red. 4 paper -

Amer. loan. \$ 150 m m

= fcs. 3,000,000,000

~~Now available 1,000,000,000~~

9

~~Reval. 1200.~~

~~5,200,000,000~~



Stabilization -

H. - proposals to recommend -

The Bank -

Reparations -

The German position -

Russia -

Poland -

Evaluation -

Budget - 1<sup>st</sup> - Janssen will balance  
More taxes if needed -

Trade balance -

Deficit diminishing but  
large -

For. Inv<sup>to</sup> income left abroad

(2)

Loan.

● Morgan & Guaranty

● How to handle -

How debt settlement wd  
affect monetary deal -

The budget balance -

Cause of delay -

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150 m loan - London & NY

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Cent. Bank Cooperation -

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French vs. Balgh &c,

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(3)

Gold Exch. Standard -

Need for Int. Ba. Cop ?

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Check -