

a) Block of Federal  
of Financial Agency

[From B Strong]

New York, January 3, 1919.

New York, le 3 janvier 1919.

Dear Mr. Strong:

I hereby express to you, in the name of the Agence Financiere du Gouvernement Francias aux Etats Unis, my most sincere congratulation on the nomination that has come to you in the Order of the Legion of Honor.

Personally, I am very happy that this distinction has come in recognition of the eminent services, that you yourself, and the establishment which you direct have rendered to the French Government during the war.

Accept, dear Mr. Strong, the assurances of my most profound regard.

J. FREDERICK BLOCH

Mr. Benjamin Strong,  
Governor, Federal Reserve Bank,  
New York, N. Y.

*J. Frederic Bloch*

Monsieur Benjamin Strong,  
Gouverneur,  
Federal Reserve Bank,  
New York.

FRANÇAIS  
ETATS-UNIS

NEW YORK  
—  
2 RECTOR STREET  
—  
TELEPHONE RECTOR 9776  
—

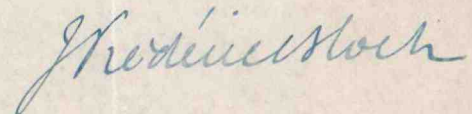
New York, le 3 janvier 1919.

Cher Monsieur Strong,

Je tiens à vous exprimer au nom de l'Agence Financière du Gouvernement Français aux Etats Unis mes plus sincères félicitations pour la nomination dont vous venez d'être l'objet dans l'Ordre de la Légion d'Honneur.

Je suis personnellement très heureux que cette distinction soit venue reconnaître les éminents services que vous-même et l'établissement que vous dirigez avez rendus au Gouvernement Français pendant la guerre.

Agréez, cher Monsieur Strong, les assurances de ma considération la plus distinguée.



Monsieur Benjamin Strong,  
Gouverneur,  
Federal Reserve Bank,  
New York.



[F. B. Slingsby]  
LIBRARY

MAY 10 1919

FEDERAL RESERVE BANK

May 9, 1919.

Dear Mr. Bloch:

It is quite impossible for me to express to you the pleasure which I have experienced in receiving the evidences of the honor done me by the French Government when I was made a Chevalier of the Legion d'Honneur. The diploma arrived this morning, and I am now writing to once more tell you how greatly honored and how greatly pleased I am.

May I ask whether it is desirable that I should send some acknowledgment to the officers of the Legion?

With warmest regards, believe me,

Faithfully yours,

J. Frederic Bloch, Esq.,  
Financial Agency of the French Government,  
2 Rector Street, New York.

BS/MSB



AGENCE FINANCIÈRE  
DU  
GOUVERNEMENT FRANÇAIS  
AUX ETATS-UNIS

*[From B Strong]*

NEW YORK  
2 RECTOR STREET  
TELEPHONE RECTOR 9776

LIBRARY

MAY 13 1919

May 10th. 1919.

FEDERAL RESERVE BANK

Mr. Benjamin Strong, Governor,  
Federal Reserve Bank,  
New York.

Dear Mr. Strong,

I have your letter of May 9th. Let me assure you of the great pleasure it has given me to present you with the insignia and diploma of the decoration awarded to you by the French Government. Nobody, I am sure, knows better than Casenave and myself how well deserved is this recognition of the great services rendered by you all through the war to France and to the Common Cause.

I do not think it necessary for you to send an acknowledgment to the Grande Chancellerie de la Légion d'Honneur, as the delivery has been made through the French High Commission and myself, and is quite in order.

Believe me always,

Sincerely yours,

*Frédéric Moch*

a - M. Casensue

French High Commission

1919



[From B. Sturgis]

LIBRARY

MAY 10 1919

FEDERAL RESERVE BANK

May 9, 1919.

Dear "George":

This is just a personal and unofficial, and very inadequate, note to tell you how perfectly delighted I am with the decoration which the French Government has given me, and how proud I am to have received it. Nothing could give me greater pleasure.

Some day, when this loan is all cleaned up, I want to give you and Bloch a party over at 1718 H Street, when we can celebrate this great event in proper family style. Meantime, I am yours to command.

Faithfully yours,

Maurice Casenave, Esq.,  
c/o French Ambassador,  
Washington, D. C.

BS/MSB

*Treason Cases  
Transferred*



June 7, 1919.

Mr. M. Casanave,  
Care French High Commission,  
65 Broadway, New York City.

Dear Casanave:

It now looks as though I will be able to sail for the other side the latter part of this month, but I am unable, as yet, to advise you of the date or boat.

If it is possible for you to facilitate my travel in France, in connection with examination of papers, luggage, etc., it will be greatly appreciated, and I would not ask this except from consideration of health.

Sincerely yours,

RO



LIBRARY

JUN 18 1919

FEDERAL RESERVE BANK

June 17, 1919.

Dear Casenave:

I have engaged passage to sail on the Baltic,  
July 1st, and have no doubt whatever now that I shall sail  
at that time.

Sincerely,

Maurice Casenave, Esq.,  
French High Commission,  
65 Broadway, New York.

BS/MSB



LIBRARY

JUL 1 1919

June 30, 1919.  
FEDERAL RESERVE BANK

Dear Casenave:

I am finally planning to sail on the Baltic on July 12th; will be in London for a short time and from there go to France, and if there is any way in which my trip to France can be facilitated, without delays in connection with having papers examined, etc., I would very greatly appreciate it.

I hope very much I can see you before sailing. Won't you let me know the next time you are in New York?

Faithfully yours,

*BA*

Maurice Casenave, Esq.,  
c/o French Ambassador,  
Washington, D. C.

BS/MSB



HAUT COMMISSARIAT  
DE LA  
REPUBLIQUE FRANÇAISE  
AUX  
ETATS-UNIS

SERVICES DE NEW YORK  
DIRECTION DES SERVICES  
ADMINISTRATIFS ET DU CONTROLE  
65 BROADWAY  
NEW YORK  
TELEPHONE BOWLING GREEN 7240

REPUBLIQUE FRANÇAISE  
COMMISSARIAT GENERAL  
DES AFFAIRES DE GUERRE FRANCO-AMERICAINES

NEW YORK. July 8th, 1919.

FILIBRARY *D.A.H.*  
JUL 10 1919

JUL 11 1919

FEDERAL RESERVE BANK

My dear Strong:-

I am pleased to enclose herewith two letters, one addressed to the Inspector of Customs of the Port of Boulogne, and the other to the Inspector of Customs, Gare du Nord, Paris, which I am confident will facilitate your trip to France.

I trust that you will find everything in order, and desire to offer my best wishes for a very pleasant voyage.

Yours faithfully,

*Caseuane*

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LIBRARY

JUL 11 1919

FEDERAL RESERVE BANK

July 10, 1919.

Dear Casenave:

I am in receipt of your letter of the 8th enclosing letters to the Inspector of Customs at Boulogne and Paris, respectively, and wish to assure you of my sincere appreciation of your courtesy and good wishes for the voyage.

Yours sincerely,

Mr. Maurice Casenave,  
Direction Generale des Services Francais aux Etats Unis,  
65 Broadway, New York.

V



c) A. C. C. C.

Ministry of Finance

1919-21

Ministère des Finances.

26. 8. 19

Direction  
du Mouvement général  
des Fonds.

Hotel Plaza

Cabinet  
du Directeur.

25 av<sup>e</sup> Montaigne  
8<sup>15</sup> PM

Cher Monsieur Shoug,

Notre délégué à Londres, M. Avenel,  
est ici jusqu'à jeudi. Je n'ai pu  
devenir soir pour dîner avec lui  
et avec M. Sereuil, notre sous-secrétaire  
d'Etat ? Ce serait l'occasion d'une  
conversation dont nous serions tous  
heureux.

Peut-être me répondre par un mot  
ou un coup de téléphone aux Finances.

Croyez-moi, je vous prie,

très sincèrement votre

Cuney

652-365-18



✓ Plaza

25 W 285

MINISTRY OF FINANCE  
Direction du Mouvement General des Fonds  
Office of the Director

26. 8. 19

Dear Mr. Strong,

Our delegate at London, M. Avenol, is here until Thursday. Will you be free tomorrow evening for dinner with him and with M. Sergent, our Under Secretary of State? It would be the opportunity for a conversation concerning which we would be careful.

Will you drop me a line or telephone me at the Finances.

Please believe me,

Very sincerely yours,

CELLIER



Hotel Ritz, Paris,

August 28, 1919.

Dear Monsieur Cellier:

I am just in receipt of advices that it will not be necessary to make the shipment of gold from Paris to Madrid, concerning which I have recently had some conversation with you. I wish to express to you my appreciation of your courtesy in this matter, and also how much I enjoyed the very pleasant evening at dinner with you last night.

With assurance of my esteem, I remain,

Sincerely yours,

Monsieur Alexandre Cellier,  
Inspecteur des Finances,  
Ministere des Finances,  
Palais du Louvre, Paris.

V

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13. 9. 49

Ministère des Finances.

Direction  
du Mouvement général  
des Fonds.

Cabinet  
du Directeur

Cher Monsieur Stong,

Je vous remercie de votre aimable  
lettre. Il m'a été très agréable d'avoir  
l'honneur de faire votre connaissance et,  
tout en regrettant que vos petites  
occupations ne soient pas plus  
souvent réunies en un seul point.

Très agréablement,  
l'expression de mes sentiments de haute  
civilité.

Very  
Clerk



Hotel Ritz, London,

September 8, 1919.

My dear Monsieur Celier:

I am writing to express the pleasure which it afforded me to meet you, and to thank you for your courtesies to me while I was in Paris.

I shall be returning to New York this month, and you may be sure that my best efforts will be given to assisting in the solution of the problems in which we are now all so much interested.

With kindest regards, believe me,

Sincerely yours,

Monsieur Alexandre Celier,  
Inspecteur des Finances,  
38, Boulevard des Invalides,  
Paris.

BS/V



October 17, 1919.

Dear Monsieur Celier:

It has just been brought to my attention by Mr. Stettinius that after I left Europe an article appeared in one of the London papers purporting to quote some statements which I was supposed to have made in regard to conditions in France, in which I am reported as expressing some rather unfavorable views resulting from my observations during my recent visit. I have also read an extract from "L'Europe Nouvelle" of the 18th and 19th of September on the subject of exchange.

I am very sure that you and your associates understand that I gave no interviews to the press, nor even permitted myself to indulge in expressions of that character, and, much less, in such a way that they might be given publicity. During my entire trip abroad, I saw but one representative of the press, whom I met at dinner at the house of a friend in London, when no discussion whatever occurred as to affairs in France, and, further, it was understood that nothing that was said would be given any publicity.

Personally, I consider that great harm has been done through public statements and newspaper interviews of a discouraging character, and I am glad to be able to say to you quite frankly that my visit to France resulted in giving me a much more hopeful view of the outlook than I had had before my visit.

It is hardly necessary for me to express to you in this letter the views which I hold in regard to present developments in Europe and in France, as we have already personally discussed them at great length. I have confidence that with wise guidance and leadership the people of France will be able to surmount present difficulties and be restored to prosperity and happiness, as they so well deserve after the terrible sacrifices of the war. This feeling



C 10.17.19

is due, in large part, to my belief that your government will find the means to adopt a vigorous and sound fiscal policy, provide adequate taxation, bring expenditures within the limitation of the budget, and again be able to devote the energies of your people to constructive production, toward which end you have my very best wishes.

We must, I presume, accustom ourselves to be victimized by unauthorized newspaper articles, but I greatly regret that I should have been made the subject of such an occurrence after enjoying the hospitality of your great country and receiving so many courtesies and attentions at your hands.

You will, I hope, consider this letter quite private, but I did not want this occurrence to pass unnoticed, nor without a complete disclaimer on my part, which would be more specific had I been given opportunity to see the article.

With every assurance of my esteem, I beg to remain,

Faithfully yours,

Monsieur Alexandre Celier,  
Inspecteur des Finances,  
38 Boulevard des Invalides,  
Paris, France.

BC.MSB



Ministère des Finances.

Direction  
du Mouvement général  
des Fonds.

Cabinet  
du Directeur.

16895

*Calver*

Cher Monsieur Strong,

Je suis extrêmement touché de la lettre que vous avez bien voulu m'écrire. En parlant à M. Stettinius de l'article paru à Londres et reproduit dans nos journaux, je lui avais dit expressément ma certitude que cet article ne reproduisait pas votre pensée. Je suis très heureux d'en recevoir de vous même la confirmation et je vous remercie d'avoir pris la peine de le faire. Il est trop certain que les indiscretions ou les excès de zèle de la presse sont souvent défavorables à une exacte connaissance de la situation.

Croyez bien que nous avons pris l'habitude de ne pas nous émouvoir : ce qui importe à nos yeux, c'est votre sentiment lui-même dont vous voulez bien me faire part une fois de plus.

J'espère beaucoup que le résultat des élections qui vont avoir lieu dans une huitaine de jours,

Monsieur B. STRONG,  
Gouverneur de la Fédéral Réserve  
Bank of New-York.

.....



permettra à notre Gouvernement d'engager sans plus de retard la politique financière énergique que vous voulez bien nous recommander; cette politique correspond au désir de tous les éléments sains de ce pays et je suis certain qu'elle sera appréciée comme il convient par nos amis d'Amérique à la sympathie et au concours desquels nous attachons tant de prix.

Veillez me croire, cher Monsieur STRONG,  
votre sincèrement dévoué./.

*Clay*

November 6, 1919.

Dear Mr. Strong:

I am extremely touched by the letter which you have been good enough to write me. In speaking to Mr. Stettinius about the article which appeared in London and was reproduced in our papers. I told him clearly of my certainty that this article did not reproduce your thoughts. I am very happy to have received from you the confirmation of this, and I thank you for having taken the pains to do it. It is quite true that these indiscretions, or excess of zeal of the press are often unfavorable to an exact knowledge of the situation.

Be assured that we have the habit of not being moved (swayed): the important thing in our eyes is your own sentiment, which you have been good enough to make known to me once again.

I sincerely hope that the elections which will take place in about eight days will permit our Government to engage, without further delay, in the energetic financial policy which you recommended to us; this policy corresponds to the desire of all the sane elements of the country, and I am sure it will be appreciated as it agrees with (is agreeable to) our American friends whose sympathy and cooperation we value so highly.

Believe me, my dear Mr. Strong,

Yours very sincerely,

*Alexandre Celier*



*Ministère des Finances.*

16 JANV 20

*Direction  
du Mouvement général  
des Fonds.*

*Cabinet  
du Conseiller d'Etat,  
Directeur.*

Cher Monsieur Strong,

Je suis peiné d'apprendre que votre état de santé vous oblige à quitter momentanément vos fonctions. J'espère que le repos que vous comptez prendre dans l'Ouest vous permettra de vous rétablir complètement et dans un court délai.

Je serai très heureux que votre voyage à Paris me fournisse ensuite l'occasion de vous revoir. Je m'emploierai bien volontiers à vous procurer des introductions auprès des autorités françaises de nos établissements du Pacifique et de nos possessions de l'Indo-Chine et de l'Inde. Je pense qu'il vaudra mieux faire ces démarches, lorsque les dates de votre déplacement seront fixées.

Avec mon meilleur souvenir, veuillez recevoir, cher Monsieur Strong, l'expression de mes sentiments hautement distingués./.

Monsieur B. STRONG  
Gouverneur de la Federal Reserve Bank  
de New-York

Fifteen Nassau Street-

NEW-YORK

Dear Mr. Strong,

[Translation]

[16/jun/20]

I am very much concerned to know that the state of your health has obliged you to leave your duties so suddenly. I hope that the rest which you count on taking in the West will completely restore <sup>you</sup> (your health) within a short time.

I shall be very happy if your trip to Paris will furnish me an occasion to see you again. I will willingly procure for you introductions to the French authorities of our establishments on the Pacific and our possessions in India-China and India. I think that it would be better to take these steps when the date of your



(Change of place) arrival have been  
fixed.

With kindest regards, receive,  
dear Mr. Strong, the expression of  
my highest esteem.

Paris, le 27 Février 1920.

Ministère des Finances.

Direction  
du Mouvement général  
des Fonds.

Cabinet  
du Conseiller d'Etat,  
Directeur.

Cher Monsieur Strong,

J'ai bien reçu votre lettre du 6 Février, Je m'empresse de vous faire parvenir, sous ce pli et, comme vous me l'avez recommandé, par les soins de l'Ambassadeur des Etats-Unis à Tokio, un mot d'introduction auprès de M. LONG Gouverneur Général de l'Indo-Chine. Je demande au Ministre des Colonies des lettres pour nos représentants en nouvelle Calédonie et à Tahiti. Dès qu'elles me seront parvenues je vous les enverrai à la même adresse, mais je n'ai pas voulu attendre pour faire ce premier envoi.

J'espère, Cher Monsieur Strong, que vous accomplirez un voyage agréable et intéressant et suis très heureux de penser que votre séjour en France au retour, me donnera l'occasion de vous voir.

Veillez me croire votre bien dévoué./.

à Monsieur STRONG,  
Gouverneur de la Fédérale  
réserve Bank de New-York  
aux bons soins de son Excellence  
Monsieur l'Ambassadeur des Etats-Unis  
à T O K I O ( J a p o n )

*Clair*



Ministère des Finances.

Direction  
du Mouvement général  
des Fonds.

Cabinet du Conseiller d'Etat.  
Directeur.

Cher Monsieur Strong,

Comme suite à ma lettre du 27 février, j'ai l'honneur de vous adresser des lettres d'introduction auprès du Gouverneur Général de l'Indo-Chine, des Gouverneurs de la Nouvelle Calédonie et des Etablissements français de l'Océanie, lettres qui m'ont été délivrées pour vous par le Ministre des Colonies.

J'espère qu'elles vous faciliteront votre voyage et saisis cette occasion de vous renouveler l'expression de mes sentiments les meilleurs. /.

Uing

Le 28 Décembre 1920

Ministère des Finances.

Direction  
du Mouvement général  
des Fonds.

Cabinet  
du Conseiller d'Etat,  
Directeur.

Cher Monsieur Strong,

Je vous remercie vivement des vœux que vous m'avez si aimablement envoyés pour 1921. Permettez-moi de vous adresser tous les miens. J'espère que la diversion produite par votre voyage vous aura permis de rétablir complètement votre santé et de retrouver les forces nécessaires pour reprendre la direction de votre si important établissement. Je suis heureux de penser que la France a un ami à la tête de la Federal Reserve Bank de New-York.

Vous avez bien voulu me demander quelques notes sur la situation financière. Je vous envoie ci-joint des indications très générales qui donnent les faits les plus caractéristiques et qui pourraient être complétées, le cas échéant, suivant votre désir.

Veillez me croire, cher Monsieur Strong,  
votre bien dévoué ./.

Ury



*Mr. Strong's Personal file*  
*Confidential*

MINISTRY OF FINANCE

DEPARTMENT OF GENERAL MANAGEMENT OF FUNDS

OFFICE OF COUNCILLOR OF STATE

WHO IS DIRECTOR

December 28, 1920.

Dear Mr. Strong:

Thank you very much for the wishes you have so kindly sent me for 1921, and permit me to send you mine. I hope the diversion caused by your journey has enabled you to recover your health completely and to gain again the strength needed to take up again the direction of your important establishment. I am glad to think that France has a friend at the head of the Federal Reserve Bank of New York.

You have been good enough to ask me for some notes on the financial situation. I enclose some very general statements which give the more characteristic facts and which might be filled out in case of need, according to your wishes.

Believe me, dear Mr. Strong,

Very sincerely yours,

(Signed) Célier



X<sup>en</sup> 1920.

N O T E

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Malgré les lourdes charges que lui a léguées la guerre et qui ont continué à peser sur elle, la France a pu marquer pendant l'année 1920 un premier et très significatif effort de relèvement financier. Les résultats en sont caractérisés par les principaux chiffres suivants :

I°- Le produit des impôts et revenus publics (abstraction faite de toute ressource d'emprunt) s'était élevé pendant les 11 premiers mois de 1919 à 9 milliards 870 millions. Les recouvrements effectués ont été, pour la période correspondante de l'année en cours, de 17.157 millions, faisant ressortir un accroissement de 7.287 millions soit près de 73 %. Il est bon d'indiquer que, dans la somme de 17.157 millions, le produit de la liquidation des stocks entre seulement pour 1.544 millions, les contributions fiscales proprement dites atteignant 15.613 millions. Comme les diverses créations ou augmentations d'impôts qui ont été votées par la Chambre au mois de juillet n'ont pu entrer en jeu que pendant les derniers mois de l'exercice ou même, dans certains cas, n'ont pas encore produit leur effet; les plus values ci-dessus rappelées ont pour principale origine le développement spontané de la matière imposable et une plus grande régularité de la perception. Les circonstances restant les mêmes, on doit logiquement escompter pour l'année 1921 un rendement beaucoup plus considérable

II°- Les ressources que le Trésor a dû se procurer pendant les onze premiers mois de 1919 pour combler l'écart entre les recettes budgétaires et les dépenses se sont montées à 35.798 millions



sur lesquels 1.656 millions seulement ont été obtenus par des emprunts consolidés, 34.142 millions ont été demandés à des opérations à court terme parmi lesquelles figurent 8.970 millions de prélèvements à la Banque de France ou à la Banque de l'Algérie.

Pour les onze premiers mois de 1920 les ressources d'emprunt qu'il a fallu constituer pour former l'appoint nécessaire à l'équilibre des charges, se sont montées à 29.350 millions seulement. Sur cette somme, la plus grosse partie soit 26.400 millions en nombre rond, a été procurée par des emprunts à long terme et un peu moins de 3 milliards par des opérations à court terme, l'appel à la Banque de France étant réduit à 770 millions. Encore convient-il d'ajouter qu'aussitôt que la centralisation des souscriptions au récent emprunt 6% sera terminée, le Trésor effectuera à la Banque de France un remboursement qui sera supérieur à cette somme de 770 millions, de sorte que le résultat d'ensemble de l'année se traduira certainement par une diminution nette des avances de cet établissement.

III\*) - Le résultat de cette politique de trésorerie a été d'enrayer d'une manière à peu près complète l'augmentation de la circulation fiduciaire qui avait été si rapide pendant les années précédentes. Le montant des billets de la Banque de France en circulation qui était de 37 milliards 274 millions au 26 décembre 1919 est de 37.444 millions au 23 décembre 1920, soit à un niveau sensiblement identique .

IV\*) - Cet ensemble de progrès est dû avant tout à l'énergie avec laquelle la France s'est remise au travail et au relèvement économique qui en a été la récompense. Ce développement est assez exactement mesuré par les progrès du commerce extérieur.

.....



Pendant les 11 premiers mois de 1919 les importations s'étaient élevées à 30.209 millions. Elles ont été pour la période correspondante de 1920, de 32.456 millions. Mais cette augmentation est tout entière imputable à l'accroissement des entrées des matières premières indispensables pour alimenter les industries et reconstituer les stocks des usines. En effet, les importations de matières premières se sont élevées de 3.279 millions d'une année à l'autre tandis que l'accroissement total des importations n'est que de 2.242 millions grâce à la diminution qui s'est produite sur les objets fabriqués.

Le développement des exportations a été beaucoup plus considérable. De 8.662 millions pour les onze premiers mois de 1919, elles sont passées à 20.773 millions pour les onze premiers mois de 1920, soit un accroissement de 12.111 millions qui est dû, à concurrence de 8.272 millions, aux exportations d'objets fabriqués et de colis postaux.

Pour les mois de juillet à octobre, la proportion des exportations aux importations a été de plus de 80 %, pourcentage d'autant plus remarquable qu'il n'a été atteint dans aucune des années qui ont précédé la guerre. Bien que les résultats du mois de novembre soient un peu moins satisfaisants, ces résultats continuent à marquer un progrès sensible sur la moyenne d'ensemble des onze mois, et un progrès plus considérable encore sur les mois correspondants de l'année dernière. En effet, les importations de novembre 1920 ont été de 2.672 millions contre 2.212 millions en 1919, soit une diminution de 140 millions. Au contraire les exportations ont passé de 929 millions à 1.883 millions soit un accroissement de 954 millions ou plus de 100 %.

.....



C'est cette amélioration de la balance commerciale qui a permis au Trésor de trouver les ressources de change nécessaires pour rembourser au cours de 1920 une partie appréciable des crédits qui lui ont été consentis à l'étranger. Cette amélioration constitue une base substantielle pour une amélioration ultérieure du change, amélioration qui ne peut guère manquer de se produire si les tendances actuelles se maintiennent lorsque les dettes contractées ~~par~~ au cours des années de guerre aurent été amorties ./.



NOTE

December 1920.

In spite of the heavy burdens imposed on her by the war, which have combined to weigh upon her, France has been able to exert during the year 1920 a first and very significant effect toward financial recuperation. The results are indicated by the following main figures:

1. The amount of taxes and public revenues (apart from anything drawn from loans) had risen in the two first months of 1919 to 9,870 millions. The sum taken in for the corresponding period of the current year has been 17,157 million francs, showing an increase of 7,287 millions, or nearly 73 per cent. It is well to point out that in this sum of 17,157 millions the product from the liquidation of stocks amounts to only 1,544 millions while the strictly fiscal contributions, properly called, come up to 15,613 millions. As the various creations or increases of taxes voted by the Chamber of Deputies in July could only be applied in the last months of the fiscal period, and in some cases even have given no results as yet, the increases reported above have arisen chiefly from the spontaneous development of the taxable material and from greater efficiency in collection. If conditions continue as they are, we must logically anticipate much larger returns for the year 1921.

2. The sums which the Treasury was obliged to obtain in the first eleven months of 1919 in order to make up the difference between the budget receipts and the expenses amounted to 35,798 millions of which only 1,656 millions were raised by consolidated loans, while 34,142 millions were procured by short term transactions, including 8,970 millions drawn from the Bank of France and the Bank of Algeria.

For the first eleven months of 1920, the sums which it became necessary to borrow in order to obtain the amount required to meet obligations was only 29,350 millions. Of this amount the greater part, say 26,300 millions in round numbers,



was obtained from long term loans and a little less than 3 billions from short term transactions, the call on the Bank of France being reduced to 770 millions. We should also add that as soon as the centralization of the subscriptions to the recent 6 per cent. loan have been completed, the Treasury will make a repayment to the Bank of France which will exceed this sum of 770 millions, so that the total results of the year will certainly show a net decrease in the amount of the sums advanced by that establishment.

The result of this Treasury policy has been the almost complete wiping out of the increase in fiduciary circulation which was so rapid in the preceding years. The amount of Bank of France notes in circulation, which was 37,224 millions on December 26, 1919, is 37,444 millions on December 23, 1920, that is to say, on practically the same level.

This combined progress is due above all to the energy with which France set to work again and to the economic recuperation which was the reward of this. This development is quite exactly measured by the improvement in foreign commerce.

In the first eleven months of 1919, imports had risen to 30,209 millions; for the corresponding period of 1920, they were 32,456 millions. But this increase is due almost wholly to the increase of the imports of raw materials that were needed to feed industries and replenish the stocks of the factories. In fact, the imports of raw materials increased by 3,279 millions from one year to the other, while the total increase of imports is only 2,242 millions, owing to the diminution in the imports of manufactured goods.

The development of exports has been much larger. From 8,662 millions for the first eleven months of 1919, they rose to 20,773 millions for the first eleven months of 1920; namely, an increase of 12,111 millions accounted for, to the extent of 8,272 millions by the exports of manufactured goods and by postal packages.

For the months from July to October the ratio of exports to imports was more than 80 per cent. a percentage all the more remarkable in that it had never

been attained in any of the years preceding the war. Though the returns for the month of November are a little less satisfactory they still show a marked improvement on the average of the eleven months and a still greater improvement on the corresponding month last year. In fact, the imports for November, 1920, were 2,672 millions as against 2,212 millions in 1919, or a decrease of 140 millions. On the other hand, the exports rose from 929 millions to 1,883 millions, making an increase of 954 millions or more than 100 per cent.

It is this improvement in the commercial balance that has enabled the Treasury to find the means of exchange needed to repay during 1920, an appreciable portion of the credits which were granted to it in foreign countries. This improvement constitutes a substantial basis for an overhead improvement in exchange, an improvement which cannot fail to come about if the present tendencies continue after the debts contracted during the war years have been extinguished.



VERMOREL  
GOUVERNEMENT GÉNÉRAL  
DE L'INDOCHINE

AGENCE ÉCONOMIQUE  
Avenue de l'Opéra, 41  
PARIS (2<sup>e</sup>)

TÉLÉPH. } CENTRAL 45-78  
          } LOUVRE 46-61

Adresse télégraphique :  
AGINDO-PARIS

N<sup>o</sup> 288

RÉPUBLIQUE FRANÇAISE

Liberté — Égalité — Fraternité

Paris, le 17 Janvier 19 21.

Monsieur,

J'ai l'honneur de vous accuser réception de la lettre que vous m'avez adressée de DELHI, le 10 Novembre dernier.

Je suis au regret que les exigences de votre voyage ne vous aient pas permis de visiter l'Indochine et je serais heureux de vous donner toutes les facilités qui vous permettraient cette visite au cas, où dans un prochain voyage, vous décideriez de vous arrêter en Indochine.

Veillez agréer, Monsieur, l'assurance de ma considération la plus distinguée

Long

Monsieur STRONG  
Gouverneur de la  
"FEDERAL RESERVE BANK"  
NEW YORK

Trip 1920

Translation

January 17, 1921.

Sir:

I have the honor of acknowledging your letter of November 10th addressed to me from Delhi.

I regret that the experiences of your trip have not permitted you to visit Indochine. In case you should decide to stop there on some future trip, I shall be happy to facilitate your visit in every way possible.

Assuring you sir, of my highest esteem, etc.



January 21, 1921.

Dear Monsieur Celier:

It was a great disappointment that I was unable to see more of you during my brief visit to Paris, but my obligations in New York necessitated an early return and I was obliged to shorten my stay both in Paris and London on that account. I have now received your kind letter of December 28, with the accompanying data, which I shall read and study with the greatest interest at once.

Of course you need no assurance from me of the sympathetic interest which we have in the progress now being made by your country in the restoration of the economic and social life of the nation. I earnestly wish that success will be prompt and complete.

With cordial regards, believe me,

Very sincerely yours,

BENJ. STRONG,  
Governor.

Monsieur Alexandre Celier,  
Inspecteur des Finances,  
38 Boulevard des Invalides,  
Paris, France.

BS:MSB.



January 27, 1921.

Dear Mr. Celier:

I have just gotten opportunity to read carefully the memorandum you were good enough to send me, in regard to the progress being made toward reconstruction and recovery in France. It is indeed a fine exhibition of the courage with which the people of France have taken hold of this great problem. I am very glad to have this statement and will take the opportunity of acquainting some of our bankers with these interesting facts.

You will, I hope, from time to time have opportunity and feel at liberty to write me on these matters. I would particularly value a statement of the general budget figures which, I understand, are divided now into three classes:

1. Normal
2. Post-war expenditures
3. Reconstruction and soldiers pensions and allowances.

Of course, you realize that I am not so much interested in details as I am in the comparison of how progress is being effected towards making up the deficit. I am glad to be able to advise you, in response to your courteous inquiry, that after a long visit with my doctor yesterday, he gave me a very good report indeed, and can see no reason why I should not continue my work at the bank.

With kindest regards, I beg to remain,

Very truly yours,

Alexandre Celier, Esq.,  
38 Boulevard des Invalides,  
Paris, France.



d) DeBully, Edward

Deputy High Commissioner

*From B Strong*

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If  of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

# WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT \_\_\_\_\_ 191 \_\_\_\_\_

NUMBER	RECEIVED BY	CHECK
A	CS	33 6EX

DATED \_\_\_\_\_ MC WASHINGTON DC VIA NEW YORK 2

TO \_\_\_\_\_ BENJ. STRONG ESQ, CLUNEDEN, LAKE GEORGE NY.

I TAKE PLEASURE IN NOTIFYING YOU THAT THE FRENCH  
GOVERNMENT HAVE CONFERRED UPON YOU THE TITLE OF CHEVALIER DE LA  
LEGION D'HONNEUR PLEASE ACCEPT MY HEARTY CONGRATULATIONS  
EDOARD DE BILLY, DEPUTY HIGH COMMISSIONER.

915 AM



[From B Strong]

FIFTEEN NASSAU STREET  
NEW YORK

His Excellency Edward de Billy,  
High Commissioner of France,  
Washington, D. C.

Your telegram advising of the high honor conferred upon me by your Government has been repeated to me here and affords me the utmost pleasure and satisfaction. May I accept this gracious act of the Government of France as evidencing their recognition of the great admiration and affection in which I have always held your noble Country and your Countrymen.

For this New Year, and thereafter may France enjoy peace, and prosperity and happiness which it is my hope that sacred bonds of friendship between your people and ours will hasten and make permanent. I am with grateful appreciation of your courtesy,

Faithfully,

(signed) Benj. Strong.

2) J. de Seeyes

Finance Commission

714

1920-1921



C O P Y

October 13th, 1920.

J. H. Case, Esq.,  
Acting Governor,  
Federal Reserve Bank of New York,  
New York City.

My dear Governor,

I am in receipt of a letter from the Bank of France, relative to that addressed by you to Mr. Georges Robineau under date of September 9th. The Bank requests to be informed concerning certain of the stipulations contained in your letter which have not been clearly understood, and I am taking the liberty of asking if you will not be good enough to put me in position to answer its inquiries.

1°- It is stated in paragraph No. 2 of your said letter that "all loss by abrasion will be borne by the Bank of France", and in paragraph No. 4 that gold "will be valued at its bullion value at the rate of \$20.6183462 per fine ounce". I am asked to ascertain whether these provisions would apply to American Eagles in case such coins were included in the gold earmarked by the Bank, or whether such coins would be valued according to their legal weight in fine gold. Will you please let me know what reply I am to make to this inquiry?

2°- The Bank of France would like to be assured that the authority of the Reserve Bank to accept deposits of earmarked gold is not limited to such only as are made "on or before October 15, 1920" but that the authority is general and intended to continue in force until cancelled, so that in case further deposits of the same nature are required to be made after the 15th of October for other purposes they may be earmarked by the Bank of France without fresh authority and upon mere telegraphic advice to the Reserve Bank that such deposits have been made in accordance with the terms of the present agreement. This question is of very great interest to the Bank and it would like very much to have it answered in the affirmative.

Awaiting your advice in the matter, and thanking you in advance for your courtesy, I am, my dear Governor,

Yours very sincerely,

(signed) J. de Suez



October 19, 1920.

Monsieur J. de Sieyes,  
Agence Financiere,  
Gouvernement Francais aux Etats-Unis,  
2 Rector Street, New York.

My dear Monsieur de Sieyes:

I have your letter of October 13 relative to inquiries made by the Bank of France concerning certain stipulations contained in our letter of September 9, 1920, to Monsieur Georges Robineau, Governor of the Bank of France, regarding earmarked gold.

In reply to your first inquiry, I beg to say that we would prefer to have all gold, whether coin or bullion, earmarked for our account with the Bank of France dealt with on a bullion basis at the rate of \$20.67183462 per fine ounce. However, with respect to any United States gold coin earmarked by the Bank of France for our account which shall be set aside at its bullion value at the rate of \$20.67183462 per fine ounce, it is understood that if we import such coin into the United States and realize on it a profit between the bullion value and the face value of the coin, such profit will be repaid by us to the Bank of France.

With regard to the second inquiry contained in your letter, the recent request of the Bank of France transmitted through you that we accept a deposit of earmarked gold with them was considered by our board of directors and the Federal Reserve Board in Washington only in the light of an emergency transaction undertaken to assist your country in the retirement of its share of the Anglo-French bonds and not as a continuing facility in force until canceled. While the agreement to earmark gold was thus limited, we shall be pleased to continue it in force for a period of three months, say until January 15, 1921. Meanwhile Governor Strong will have an opportunity while at the Bank of France in December to discuss our present limited reciprocal arrangement with the Bank of France with a view to establishing it for the future upon a wider and more explicit basis.

Trusting that this will be entirely satisfactory, and with kind regards, I am,

Cordially yours,

J. H. CASE  
Acting Governor.



AGENCE FINANCIÈRE  
DU  
GOUVERNEMENT FRANÇAIS  
AUX ETATS-UNIS

NEW YORK  
2 RECTOR STREET  
TELEPHONE RECTOR 9776

Fin. No. 97

New York, January 17, 1921.

Mr. B. Strong,  
Federal Reserve Bank,  
New York City.

Dear Mr. Governor,

I beg to enclose herewith a  
letter addressed to you which I have re-  
ceived with the official mail from Mr. Célier,  
Directeur du Mouvement Général des Fonds,

[see  
letter]

I am, my dear Mr. Governor,

Yours very truly,

J. de Sieyes

J. de Sieyes  
French Finance Commission  
2 Rector St  
NY

*F) G. Huey and  
Counsel General*

*1916, 1919*



59

January 25, 1916.

G. Gueyraud, Esq.,  
Counsel General for France,  
8 Stone Street, New York.

Dear Sir:

As it is quite inconvenient for me to call in person, I shall appreciate it if you will be kind enough to have the enclosed passport vised, which I am sending you by the bearer of this letter, Mr. W. B. Matteson.

Thanking you in anticipation of your kindness, I

am,

Yours very truly,

Governor.

WBM/JM



June 19, 1919.

LIBRARY

JUN 20 1919

FEDERAL RESERVE BANK

Dear Sir:

This letter, together with my passport and his own, will be presented to you by my secretary, Mr. Vaughan. I expect to visit France on official business of the Federal Reserve Bank at an early date, sailing from New York on or about the 1st of July, and shall appreciate it very much if you can accomplish the formalities of visaing these passports without requiring my personal presence, as the present pressure of business would make it very inconvenient for me to attend.

Very truly yours,

Governor.

Consul General of France,  
10 Bridge street, NewYork.



7) G. Hamberg

Friends Finance Com.

1916

AGENCE FINANCIÈRE  
DU  
GOUVERNEMENT FRANÇAIS  
AUX ETATS-UNIS

57  
NEW YORK  
2 RECTOR STREET  
TELEPHONE RECTOR 8560

D.A.V.  
FEB 1 - 1916

31 janvier 1916

Cher Monsieur Strong,

Je me fais un plaisir de vous remettre ci-joint  
trois lettres d'introduction très chaleureuses :

une pour M<sup>r</sup> Ribot,  
une pour M<sup>r</sup> Poincaré,  
une pour M<sup>r</sup> Sergent.

Pour le cas où je n'aurais pas la bonne fortune  
de vous serrer la main avant votre départ, j'y  
joins tous mes meilleurs vœux de bon voyage.

Votre tout dévoué

Octave Houbert



59

January 31st, 1916.

Dear Sir:

Will you kindly deliver to bearer letters of introduction for Mr. Strong which were referred to in the recent telephone conversation with your secretary?

Thanking you in advance, I beg to remain,

Very truly yours,

Secretary to Mr. Strong.

M. Homberg,  
Care The French Finance Commission,  
2 Rector Street, New York City.

VCM



59

February 1st, 1916.

Dear Mr. Homberg:

I am most appreciative indeed of your courtesy in sending the notes of introduction enclosed in your kind letter of the 31st ult.

It has been a privilege to enjoy the opportunity of meeting you and your associates in this country, and I feel much honored that you have given me the opportunity to become acquainted with the gentlemen to whom your letters are addressed.

With a great many thanks for your good wishes and hoping that I may have the pleasure of seeing you on my return, I beg to remain,

Faithfully yours,

M. Octave Homberg,  
French Financial Commission,  
2 Rector Street,  
New York City.

BS Jr/VCM



h) J. J. Jusserand  
French Ambassador to the US  
1917

March 7, 1917.

My dear Mr. Ambassador:

As you have doubtless seen by the newspapers, the Federal Reserve Bank of New York has recently been authorized by the Federal Reserve Board to appoint the Bank of France one of its agents and correspondents abroad. In accordance with this authorization we are engaged in some negotiations with the Bank of France in connection with this matter, and I am taking the liberty of enclosing herewith a letter addressed to M. Pallain, Governor of the Bank of France.

As we are very anxious to have this reach M. Pallain by the safest and speediest route possible, I am sending the communication to you in the hope that you will be able to forward it in the Embassy pouch. If, however, for any reason you feel that this method of transmittal is not advisable, please do not hesitate to advise me to this effect, in which case I will ask you to return the enclosure to me at your convenience.

If you do find yourself able to comply with this request, will you advise me by what ship the letter will go forward.

Hoping that this proposal will not put you to inconvenience and with warm personal regards, I am,

Very truly yours,

Secretary.

His Excellency J. J. Jusserand,  
Ambassador of France,  
Washington, D. C.

JEC/CEP  
Enc.



i) L. Louschek  
Ministère de  
Reconstruction

1919



Hotel Ritz, Paris,

September 1, 1919.

Dear Monsieur Loucheur:

It has become necessary for me to leave for Brussels tomorrow morning and I find my time so restricted that it has seemed necessary to ask you to cancel our luncheon engagement for today, much as I regret doing so.

Should I determine to prolong my visit abroad beyond the middle of September, as may be the case, I shall take the liberty on returning to Paris to renew the invitation for luncheon and sincerely hope that we may then have opportunity to discuss matters in which we are both greatly interested.

With assurance of my esteem, I beg to remain,

Sincerely yours,

Monsieur Louis Loucheur,  
Ministere de Reconstruction,  
Paris.

BS/V





MISC. 41

AFTER 5 DAYS, RETURN TO  
FEDERAL RESERVE BANK OF NEW YORK  
CORNER PINE & NASSAU STREETS  
NEW YORK CITY

Geny. Strong  
European Trip 1916  
Passport  
Kodach Pictures  
Letter of Introduction