

a. M. N. De Suñido  
president  
Banco de la Nación  
Argentina  
1917



Manuel M. De Iriondo, Esq.,  
President, Banco de la Nacion Argentina,  
Buenos Aires, Argentina.

*2 Apr 3, 1917*  
*[See Curtis letter*  
*to Strong Apr 3, 1917]*

My dear Sir:

Mr. Warburg has informed us of the interesting conversations which he had the pleasure of having with you during his stay at Buenos Aires, and since learning that it would be agreeable to you to have us undertake the initiative in establishing reciprocal relations, we have been waiting for an appropriate opportunity of giving ourselves the pleasure of entering into a correspondence with you for the purpose of establishing such relations between the Banco de la Nacion Argentina and the Federal Reserve Bank of New York.

As you are doubtless aware, Mr. Warburg is very much interested in having us prepare a basis for friendly and intimate relations between our respective institutions, and we have frequently conferred with him with a view to entering upon negotiations with you, which we trust may be the means of establishing such relations. A favorable opportunity to enter upon this correspondence, however, has necessarily been postponed awaiting the passage of certain amendments to the Federal Reserve Act, which amendments finally became law the latter part of last year.

As a result we are now fortunately in a position to enter upon negotiations with you for developing certain mutual banking relations which it is our pleasure to propose tentatively for your consideration, as follows:

- (1) The Federal Reserve Bank of New York to open a current account, without interest, with the Banco de la Nacion Argentina in pesos and the Banco de la Nacion Argentina to open a current account, without interest, with the Federal Reserve Bank of New York in dollars, both accounts to be subject to withdrawals either by check or by cable transfer.

- (2) Each institution to act for the other in receiving deposits of coin and bullion, in making purchases of coin and bullion and in making shipments of coin and bullion as circumstances may suggest. In this connec-



tion we would be pleased to be advised whether your views coincide with our own to the effect that our mutual interests would be best served by having an understanding that all balances between the two banks be settled in gold, if so desired by the creditor institution.

(3) The Banco de la Nacion Argentina to purchase for account of the Federal Reserve Bank of New York prime bills payable in the Argentine, such as it buys for its own account, for the purpose of employing at interest such funds as the Federal Reserve Bank of New York might desire temporarily to invest in the Argentine; and the Federal Reserve Bank of New York to purchase for account of the Banco de la Nacion Argentina in like manner prime American bills whenever the latter desired to make temporary investments in the United States.

(4) The Banco de la Nacion Argentina to purchase for account of the Federal Reserve Bank of New York in Argentina long bills payable in the United States, and the Federal Reserve Bank of New York to purchase for account of the Banco de la Nacion Argentina in the United States long bills payable in the Argentine, all of course drawn on responsible drawees. For this purpose forward rates of discount for bills "to arrive" to be quoted as may be required. The occasion for and amount of such purchases to be determined by the institution for which the bills are to be purchased.

The object of this suggestion is to provide a medium through which, whenever necessary, such bills may be dealt with promptly and effectively at fair and reasonable rates, taking care, however, that such operations shall not discourage the establishment of intimate banking connections between the commercial banks of your country and of ours, and the opening of branches of commercial banks of one country in the other, whose business it is our desire to foster.

Commenting upon the tentative proposals which we have made, we are



pleased to invite your attention to the following suggestions bearing on them in the order named above.

Paragraph No. (1). The Federal Reserve Bank of New York, would, no doubt, act in respect of these relationships not only for itself, but for such of the other eleven of our Federal reserve banks as might desire to join in the account. As the Federal reserve banks are not authorized by law to allow interest on balances and do not do so even on the account of the United States Government, or of their member banks, we have suggested that both accounts be free of interest at least at the outset. It is also suggested that the accounts be free of charges and commissions, except actual out-of-pocket expenses.

Paragraph No. (4). We enclose herewith a copy of the Federal Reserve Act and beg to invite your attention to sub-section (e) of section 14, which authorizes Federal reserve banks to purchase long bills payable in the United States in dollars through their foreign agencies or correspondents, so long as such bills are drawn for commercial purposes, bear the obligations of two or more responsible parties and have not more than ninety days to run, exclusive of days of grace. To the extent that such purchases might be made by one institution for the other, as well as those made under paragraph No. (3), we believe the bills should be indorsed without restriction by the institution making the purchase for account of the other so that the bank acting as purchasing agent for the other would be fully liable for their payment in case the acceptor fails to make payment at maturity.

We have endeavored above to outline in a tentative and preliminary way the possible scope of an arrangement for a close relationship between our respective institutions which we believe would be of value to the commerce and finance of the two countries in stabilizing rates of exchange and in promoting commercial and financial intercourse. In order further to promote these objects, we believe it to be highly desirable that there should be between us a

free exchange of views and information with respect to general financial conditions and of commercial and banking credits in the two countries.

In addition to the proposals above made, we are further pleased to inquire whether we might not be of considerable help to exporters of goods from the Argentine if we could make mutually satisfactory arrangements by which we could undertake to receive gold coin or bars for you and keep them earmarked and as your property. We have made such arrangements for another government bank to facilitate its merchants in exporting. We would undertake to safeguard this gold with the same care as our own, without being liable, however, for acts of superior force or consequences of fire or burglary.

Please understand that we shall be extremely gratified to receive your comments on the tentative proposals we have made above and would appreciate a very full and free expression of your views as to any additional activities which you think would be mutually advantageous to have included in the proposed arrangements, or to be developed at a later time.

We do not need to assure you of the very great interest which is felt in this country in all efforts to promote closer and more intimate relations in commercial and banking matters between your country and ours, and we hope that these preliminary suggestions may open the way to an arrangement which will be mutually profitable and satisfactory.

With assurances of our esteem and regard, and looking forward to the favor of an early reply, we beg to remain,

Faithfully yours,

*W. P. M. C.* Governor. [Tremont]



ENGLISH BOND  
FRASER & NEAVE  
FOR RASER

b. Dr. R. S. Mason  
1919

[former Ambassador to  
Argentina  
Letter to Treves 7/23/19]

Argentinean Ambassador  
to U.S. 1917/18  
[9/11/1918  
[Dr. Y. Treves] 1/12/1918  
1/3/1919, 2/23/1919]



1230  
Mason

# Palace Hotel.

Brussels, 1<sup>st</sup> August 4/1919

My dear Mr. Strong:

I have been hesitating about advising you on the Hotels here in Brussels because the "Astoria" which enjoys the reputation of being the most respectable one in town has such very bad service that I do not know whether it would prove to you very uncomfortable.

Anyway you may be sure that it will be impossible to find here any accommodation comparable to those of London or Paris.

I have



been advised that the "Metropole" which is indeed  
very central offers better  
accommodations and service  
than the "Astoria".

With my best wishes and  
kindest regards I remain  
Yours very sincerely

W. B. Craig

Governor

Hon. Benjamin Strong

2.



*Boislin*

Hotel Ritz, Paris,

August 21, 1919.

My dear Dr. Naon:

It is with great disappointment that I received your note of August 4, forwarded to me here from Brussels. I stopped a few days at the Astoria on my way through to Amsterdam and while there made inquiries for you both at that hotel and at the Palace, but learned that you had not yet arrived.

On my way back from Amsterdam I spent two nights at the Palace Hotel and inquired again but they said you were not registered at the Hotel.

You will gather from this letter that I tried both extremes in Brussels, but my particular disappointment is in not seeing you there as I had hoped.

Since our comfortable trip on the steamer I have been exceedingly busy rushing from one place to another and possibly may have the pleasure of meeting you in some of my journeys.

With warmest regards, I beg to remain,

Sincerely yours,

Dr. R. S. Naon,  
Palace Hotel,  
Brussels,

BS/V