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By Laura S. Turnbull

The Benjamin Strong
Collection
of International
Finance

IN THE
PRINCETON UNIVERSITY LIBRARY
1925-1951

AN INFORMAL HISTORY

FRASER
ST. LOUIS
FEDERAL RESERVE BANK

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By Laura S. Turnbull, *Curator*

PRINCETON, NEW JERSEY
PRINCETON UNIVERSITY LIBRARY

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INTRODUCTION

IN his annual report of December 1, 1951, to the Trustees of Princeton University, President Dodds remarked that fourteen projects in research had been initiated at the University during the year, a "new high" in research activity. It is interesting to note that when it was established in the Princeton University Library the Benjamin Strong Collection, a library of primary sources in the field of foreign public finance and central banking offering special facilities for study, was a forerunner of the present research technique of the University.

This short history—reviewing the first twenty-six years of the Benjamin Strong Collection of Foreign Public Finance, now the Benjamin Strong Collection of International Finance—was prepared at the request of Mr. Gardner Patterson, Director of the International Finance Section. It attempts to record how the idea of the collection arose and who planned it; the men whose gifts made it possible; how it was built up; the way it has been used by students, professors, and the public; its relation to the International Finance Section; and the special features which make it notable.

As the collection has had one curator during this time, continuity can at least be claimed for the story. Perhaps the reader will glimpse something of the fascination of being part of a project that was breaking new ground, and of assisting in the working out of an idea. Even twenty-six years of use cannot dull the shine of authentic coin.

BIBLIOGRAPHICAL NOTE

THE following sources have been used in the preparation of this paper: the annual reports of the Benjamin Strong Collection, 1929-1930 to 1934-1935 (especially the first report for 1929-1930); the annual reports of the Librarian of Princeton University, 1924-1925 to 1936-1937; the catalogue of the Graduate School of Princeton University for 1951-1952, which gives the most recent description of the International Finance Section and the Benjamin Strong Collection (pp. 66-67); *Interpretations of*

Federal Reserve Policy in the Speeches and Writings of Benjamin Strong, edited by W. Randolph Burgess, New York, Harper & Brothers, 1930 (especially the introduction by Mr. Burgess, pp. xi-xxvii); and a memorandum concerning Benjamin Strong enclosed in a letter from Mr. Benjamin Strong, Jr., February 25, 1952, to the author.

Quotation marks in the text indicate the use of material from these sources.

I

The Beginning of the Collection: Mr. Strong and His Plan

BENJAMIN STRONG, the first Governor of the Federal Reserve Bank of New York under the revolutionary banking reform instituted by President Wilson, was a man who thought deeply on questions of world finance. He combined with great executive power an interest in theory and frequently conferred with scholars who were working on financial problems.

Many of his friends recall Mr. Strong's habit of inviting to his house groups of people including both scholars and men of affairs. After dinner he would throw open the discussion by suggesting some question of current interest. So absorbing would the conversation become that often it closed with difficulty long after midnight.

One of his closest associates was Professor Edwin W. Kemmerer of Princeton University, the financial expert who was also adviser on currency and banking to so many foreign countries that he was popularly known as "the money doctor." It was the friendship of these two men that crystallized Mr. Strong's idea of a collection of original sources for the study of foreign public finance to be located in the Library of Princeton University.

BENJAMIN STRONG

"Benjamin Strong was born December 23, 1872 at Fishkill Landing, New York. He was educated in public schools there and in Montclair, New Jersey, completing only two years of high school, after which he entered the banking business at the age of sixteen. The major part of his early years was spent with the Bankers Trust Company, which he joined when it was established in 1903. He became president of that bank in 1912, leaving the position in 1914 when the Federal Reserve System was established and then was elected first Governor of the Federal Reserve Bank of New York, holding that position until his death in 1928.

"He came naturally by his banking interest, as his great-grandfather, Benjamin Strong (1770-1851), who had come to New York as a young man from Setauket, Long Island, where his family had lived since the middle 1600's, had served first as a clerk in the Treasury Department under Alexander Hamilton and then had his own private banking firm under the name of Benj. Strong & Co. He was one of the founders of the Bank for Savings, the first savings bank in New York, and of the Seamen's Bank for Savings, being the second president of that institution. His son, Oliver Smith Strong (1806-1874), and his grandson, Benjamin Strong (1834-1915), were also engaged in financial work in New York, although not directly affiliated with the banking business.

"Benjamin Strong was awarded an honorary Doctor of Laws degree by Princeton University in 1918. His maternal grandfather, the Reverend William Edward Schenck, D.D., of the Princeton Class of 1838, was for some years minister of the First Presbyterian Church of Princeton and a trustee of Princeton Theological Seminary. Two of his brothers, Dr. Oliver Smith Strong, Class of 1886, and Dr. Archibald McIntyre Strong, Class of 1904, were graduates of the University, as were his two sons, Philip Grandin Strong, Class of 1922, and Benjamin Strong, Class of 1919.

"Indefatigable in achieving his aims, during a large part of his most active career he was in bad health. In 1916 he was stricken with a severe case of tuberculosis of the lung, from which he suffered intermittently during the twelve years remaining to him. His death, however, resulted from a severe operation necessitated by a digestive condition."

In a resolution adopted by the Board of Governors of the Federal Reserve Bank of New York upon his death, written by Owen D. Young, occur the following paragraphs:

"In normal times, it would have been a great accomplishment to have organized a central bank of issue in the City of New York, to have selected competent persons to do its work, to have provided adequate equipment and a beautiful building for its use, to have taught it to function as a cooperative unit in an untried Federal banking system, and to have established its good will and service for the member banks in its district.

"But the times were not normal. After its organization, the new institution was immediately faced with national and international disturbances resulting from the Great War. After our own declaration of war, there were vast problems of financing, not only of our commerce and industry, but of our Government itself. After peace came the problems of deflation and readjustment, and after them the rehabilitation of the currencies of the world. In these activities, the Federal Reserve Bank of New York took an active and important part under the aggressive and inspiring leadership of Governor Strong.

"The good understanding of the central banks of the world and their good will toward each other have resulted in effective cooperation and have yielded practical results. It is not too much to say that Benjamin Strong was the father of that movement and its guiding spirit. Not until the history of finance during the war and after and the story of the reconstruction of the currencies of the world shall have been written can it be known what a significant part he played in this most important work."

Also in the London *Economist* of October 20, 1928, an appreciation of his work begins with these sentences:

"The death of Benjamin Strong will be felt as a keen personal loss by all those many people, in many lands, who were privileged to know something of his genius for friendship. The loss which has been suffered by the world will be felt, but perhaps never fully measured or appreciated, when the force of his personality fails us in the years to come."

Although a personal reminiscence may sound trivial after these words, I cannot resist describing my first impression of Mr. Strong, when I saw, not him, but his bank. As part of my initiation in the position at Princeton, he asked Miss Marguerite Burnett, the Librarian of the Federal Reserve Bank, to show me their library, accompany me through the great building, and take me to lunch in the bank restaurant. Mr. Strong was away and ill at the time, but I left with the feeling that I had met him, so completely had he impressed his personality on everything in the place. Instead of an efficient robot organization, the staff functioned with an esprit de corps which could only exist when a group of people was working for a man who had won its loyalty and in whose ideas it believed.

To give as nearly as possible a "documentary" report of Mr. Strong's plan for the collection and its progress, much of this present account consists of direct quotations from the reports of the Librarian of Princeton University, both his annual reports and those dealing directly with the collection.

"The primary emphasis," Mr. Gerould wrote, "was placed on official material, while secondary sources and important monographs on financial problems were included. . . . No restriction was made from a geographical point of view, for it was Mr. Strong's desire and hope that the collection would eventually embrace the financial history of every important country in the world. The material . . . should be gathered not only from an historical aspect but also with a view of keeping the collection current on new developments as they occurred and on new statistics and reports as they were published."

The financial commissions headed by Professor Kemmerer to the following countries give some idea of the demand for information and the range of documents received in the collection: Bolivia, Chile, China, Colombia, Ecuador, Guatemala, Mexico, Philippine Islands, Peru, Poland, and the Union of South Africa. He also served with General Dawes on his Commission for Germany, after World War I.

One important stipulation was made by Mr. Strong, that the collection should not be kept as a unit—enclosed within four walls—and "apart from the general collection of similar books, but that it should supplement and extend the Library's resources on the subjects concerned."

This was a wise and scholarly plan for which he has been blessed by scholars and librarians using the Strong material. But it has somewhat complicated the work of the curator and made any viewing of the collection as a whole impossible. In answer to the frequent question, "Where is the Benjamin Strong Collection?" one can only take the inquirer into the economics and history sections of the Library and say, "You will find the Benjamin Strong Collection all through these shelves." Key lists of the foreign government reports on finance, foreign trade, statistics, and central banks are kept in the office of the collec-

tion, together with such current reports, both United States and foreign, as are in demand.

A special book-plate, designed by the late Lansing C. Holden, Class of 1919, has been placed in the books acquired under the Strong committee, and identifies these books as a part of the collection.

II

The Financial Support

by Mr. Strong's Group, 1920-1934

As early as 1920, "Mr. Strong started his annual donations of funds to the Library for the acquisition of books and data recording the financial aspects of the first world war, and the efforts that were made toward rehabilitation. . . . In 1924 he increased his annual gifts to an amount that would permit the employment of a curator experienced in handling documents and with a knowledge of foreign languages, who would devote her time to the collection. . . .

"Mr. Strong died on October 16, 1928. During the year 1928-29, the funds for the collection were supplied by a group of friends, headed by Mr. J. Herbert Case, and consisting of Messrs. Russell C. Leffingwell, Paul M. Warburg, William H. Woodin, Clarence M. Woolley, and Owen D. Young, and by members of the Strong family.

"The importance and the positive value of the collection to the University had, by this time, so far demonstrated itself that it was felt that its scope should be enlarged so as to coordinate it with the work of the newly established International Finance Section of the Department of Economics." "The endowment of the International Finance Section, not completed until 1930, consisted of the Walker Foundation, established with a fund of \$500,000 in memory of James Theodore Walker, of the Class of 1927, by members of his family, and the Professorship of International Finance, provided by friends of the University.

"The Section had been organized to develop and carry out a program of research, conferences, and instruction in international finance. The results of studies in this field were published

by the Section in a series of monographs and essays." This was conducted under the general direction of Professor Kemmerer, who was shortly appointed first Director of the International Finance Section and also first Walker Professor of International Finance.

"With the money available it had been possible to make the collection reasonably complete in the documents issued since 1922, but little had been done to make it representative of the development in earlier years. Accordingly plans were considered for the expansion of the collection to meet the requirements of the new International Finance Section, without, however, deviating from its general scope as originally set down by Mr. Strong.

"Messrs. Paul M. Warburg, Gordon S. Rentschler, and Dean Mathey agreed to act as an advisory committee, with Mr. Warburg serving as chairman. The committee formed a group of Mr. Strong's friends who with the Strong family contributed during the year a total sum of \$14,500, and it was agreed that the support should be continued during a five year period. Those contributing to the Fund were Messrs. George F. Baker, Moreau Delano, John P. Grier, George L. Harrison, Thomas W. Lamont, Russell C. Leffingwell, Dean Mathey, Montagu C. Norman, Gordon S. Rentschler, Paul M. Warburg, Owen D. Young, and members of the family of Mr. Strong."

"In 1932 the advisory committee was re-constituted and consisted of Messrs. Boudinot Atterbury, Edwin W. Kemmerer, Dean Mathey, Gordon S. Rentschler, and Mr. Benjamin Strong, Jr."

Although the support of the collection was guaranteed only through the college year 1933-1934, when \$5,900 was received, such was its usefulness to students in the Department of Economics that it was carried on with a reduced budget for several years more. And we find in the annual report of the Librarian of June 30, 1937, that the contributions for the Benjamin Strong Collection of that fiscal year were \$4,200. After that date, except for occasional gifts, the collection was supported jointly by the University Library, which bought books and supplied the office and part-time clerical assistance, and by the International Finance Section, which paid the salary of the

curator, who also became officially Librarian of the International Finance Section.

CONTRIBUTORS TO THE
BENJAMIN STRONG FUND, 1917-1939*

Boudinot B. Atterbury '16
George F. Baker
J. Herbert Case
Andre deCoppet '15
William W. Cumberland, Ph.D. '16
Moreau Delano
Herbert L. Dillon '07
John Foster Dulles '08
William S. Gray, Jr. '19
John P. Grier
George L. Harrison
Edwin W. Kemmerer
Thomas W. Lamont
Russell C. Leffingwell
Dean Mathey '12
Montagu C. Norman
Frederick B. Rentschler '09
Gordon S. Rentschler '07
Harold R. Robinson '16
Kenneth H. Rockey '16
Martin Saxe '93
Benjamin Strong, LL.D. '18
Members of the Strong family
James P. Warburg
Paul M. Warburg
Paul M. Warburg estate
William H. Woodin
Clarence M. Woolley
Owen D. Young, LL.D. '26

The Controller's Office reports the total amount of gifts from the Benjamin Strong group, from 1917 to June 30, 1939, when the account was closed, as \$74,262.85.

* Compiled from the reports of the Benjamin Strong Collection and of the Librarian of Princeton University, and verified by the Office of the Controller.

III

Building the Collection

AMONG the most enthusiastic promoters of the collection was Dr. James Thayer Gerould, Librarian of Princeton University from 1920 to 1938, a man keenly interested in international affairs, and especially desirous of securing for the Library the documents from which history is written. I quote again from his special report on the Benjamin Strong Collection for 1929-1930, the year of great growth for the collection:

"With the opening of the University for the year 1929-1930, the Benjamin Strong Collection was . . . ready and able to put into effect the plans necessary to expand its usefulness to meet the new requirements of the University.

"In addition to providing financial support, the before-mentioned group offered, through extensive connections and friends abroad, to assist in the gathering of material for the development of the collection. This assistance was immediately availed of with eminently satisfactory results. With the aid of lists of desiderata prepared by Miss Turnbull, several members of the group, notably Mr. Warburg and Mr. Rentschler, were able to procure extremely valuable additions to the available data on a large number of countries. Up to the writing of this report a total of 2,484 volumes has been received through these sources. Much of the material was donated by friends in various countries, while the balance was purchased with the funds of the collection." (This list includes countries in Europe, South America, and the Far East, and the names of such men as M. Marcel van Zeeland, of the Bank for International Settlements at Basel; Governor Risto Ryti, of the Bank of Finland; Montagu C. Norman, Governor of the Bank of England; Dr. D. G. Bachmann, President of the Swiss National Bank; Dr. Vincente Lecuna, President of the Banco de Venezuela; and many others.)

In the summer of 1930 Mr. Gerould was authorized by the committee to go to Europe to seek further source material. I quote again from his 1929-1930 report: "Fruitful as these efforts were, it seemed wise to make an additional effort in the European countries to establish the files of those documents,

through a personal visit to the capitals where they are published, and to establish directly permanent agencies for a continuing search for and collection of data coming within the scope of the subject. As has already been mentioned, it has been possible to obtain with considerable success material relating to the years 1922 to date. Prior to 1922, however, it becomes increasingly difficult to gather the more important items. The method of publication and distribution is such that, except for current issues, these documents are, in most countries, exceedingly difficult to secure. . . .

"Taking with him carefully prepared lists of financial series, with memoranda of such parts of them as were already in the collection, Mr. Gerould visited successively the capitals of all the countries of Europe, except those of Albania, Lithuania, and Russia. He took with him a general letter of introduction to our diplomatic representatives abroad, very kindly provided by the Department of State at the request of Secretary Mellon, and a large number of personal letters supplied by those interested in the collection. Mr. Gerould was received most cordially both by Embassies and Legations as well as by Government officials he met. They evinced great interest in the aims of the collection and their cooperation was invaluable."

This trip of Mr. Gerould proved of very great usefulness, and many connections were made at that time which still continue today. The number of volumes received by October, 1930 as the immediate result of the summer trip was 1,795.

Perhaps the way in which the documents relating to the Dawes Plan have come to the collection illustrates better than many figures how our various resources are built up until they offer unique opportunities for study and research. From 1925, when the Dawes Plan began to function, Mr. Shepard Morgan of the Transfer Committee mailed us, currently, the printed reports of the Dawes Commission. Then at the time of the liquidation of the Office of Reparation Payments, in 1929, Mr. S. Parker Gilbert sent not only complete sets of the printed reports of the Agent General, the Commissioners and the Trustees, but files of the "Notes" and "Documents" of the Economic Service of the Transfer Committee, consisting of several hundred confidential studies on German economic and financial conditions. "The

collection already contained an extensive file of the papers gathered by Dr. Kemmerer while he was serving with the Dawes Commission, in substance, the material on the basis of which the Dawes report was written." (These papers have recently been released from all restrictions and are in bound volumes shelved as part of the Library.)

Since Professor Kemmerer's death in 1945 his papers had remained at his house, among them sixty boxes of unpublished memoranda and correspondence relating to the Dawes Plan and his other financial commissions. After the Library was moved into the new and commodious Firestone building, Mrs. Kemmerer and her son, Professor Donald L. Kemmerer '27, generously gave these papers to the collection, where they may be consulted by scholars.

Within easy access in the Firestone Library to the student who needs more background material are grouped the great files of government records: the British *Parliamentary Papers*, the French *Journal officiel*, the German *Stenographische Berichte*, with all the accompanying reports, minutes of evidence, and annexes, not to mention the United States *Congressional Record*, and the Committee and Commission *Reports* and *Hearings*. As the United States has become more and more involved in international affairs, its records are now all-important source material. This is one of the noticeable shifts in the focal point in world affairs from foreign countries to the United States; and it is, of course, reflected in the type of documents used in the collection.

This grouping of books by related subjects in the new building seems wonderful to Princeton librarians when they remember how the British *Parliamentary Papers*, a "must" for research in international affairs, was crowded out of the Pyne Library and moved first to the attic of Palmer Laboratory, where it was separated from the rest of the building by a steel screen with a locked door. We were permitted to dig out material requested by professors or students until the room next to the "cage" was used for target practice during World War II, when it was deemed too dangerous for us to venture there. Finally, the books were moved to the basement of 20 Nassau Street, a building then owned by the University. By this time we tried to train

the messengers to read the complicated numbering of the bound set, so that they could bring back the correct bulky volumes to the Library. To their credit, be it said, they had a high batting average, but one could never be *sure* that the right volume had come until it was examined. Plans for a new Library had been drawn and were being considered as far back as the early 1920's, but it was not until September, 1948 when the Firestone Library was opened for use. The Benjamin Strong Collection was among many other projects rejoicing at last in adequate quarters.

IV

The Honorary Curator of the Collection

THE collection was fortunate in having the late Harvey E. Fisk as Honorary Curator from its beginning. Mr. Fisk was for many years connected with the Bankers Trust Company of New York, after the firm of Harvey Fisk and Sons in Wall Street was dissolved. He was an expert on foreign public finance, especially for the period of the first World War, and the author of a series of books on foreign public finance published by the Bankers Trust Company, which were widely used. A microfilm of his unpublished manuscript *History of American Public Finance* is in the film collection of the Library. Mr. Fisk was also an ardent Princeton man, Class of 1877, and often came down for Princeton events or to spend the weekend with his sister, Miss Mary L. Fisk. Almost always he would devote some time to the development of the collection.

From his office in New York Mr. Fisk would send to the Library hard-to-come-by books and pamphlets, information about new material to be secured, and requests for information he needed in his own work. Mr. Fisk left his papers and manuscripts, containing a wealth of statistical material, to the Library at his death in 1944, when the collection did indeed lose a friend!

The Collection while Supported by the Strong Committee, 1928-1934

To grow and prosper such a project as this needs a constant interchange of information between the collection and the user. One of the most gratifying experiences of this period was the response of both professors and students using our resources in bringing to us their bibliographies and information which they had obtained in the course of their research. It was interesting to notice how soon the expressions of fear on the part of a few of the faculty, that we would be "doing the work" for the students, disappeared when they discovered that sources of information otherwise untapped were pointed out to men eager to do their own research.

As a matter of fact, this ability of students to handle source material has developed amazingly in the last quarter of a century. The policy of opening the book stacks to readers, begun by Mr. Gerould when he came as Librarian in 1920, was a great aid. But the intellectual enthusiasm stimulated from the time Woodrow Wilson was President of Princeton, by his fifty new preceptors, the development of the "four course plan," the reading periods, and the preparation for conferences in the School for Public and International Affairs—now the Woodrow Wilson School—have fostered this ability until it is one of the outstanding marks of a Princeton man.

To give some idea of the actual work of the collection during this period, we quote again from Mr. Gerould's first report on the Benjamin Strong Collection: "Such a collection as this, if it is to attain its maximum value, must be up to the minute in the information which it contains. In her efforts to make it so Miss Turnbull examines regularly the current issues of over one hundred financial periodicals in various languages, noting on cards important information which they contain, and writing for official reports and other significant publications that are mentioned. [One tangible result of this reading was the publication in 1928 of a volume in the Handbook Series of H. W. Wilson,

Selected Articles on Interallied Debts and Revision of the Debt Settlements, of which the curator was joint compiler with Mr. Gerould.] Lists of current publications of such governments as issue them are regularly examined as are also the current accessions of documentary material at the Library of the League of Nations.

"It is gratifying to be able to report that the use made of the collection during the past year has fully kept step with the strides taken in the development of the collection itself. As a large part of Miss Turnbull's time during the college year is given to the assistance and direction of students and members of the Faculty using the collection, it was found desirable to employ an assistant to aid in cataloguing, filing, etc.

"In many cases the information sought from the collection is incidental and involves no prolonged investigation or research. It is, of course, impossible to gauge the volume or estimate the exact extent of the assistance rendered in such cases, but it is sufficient to report that the value of such a service is inestimable to the University as a whole.

"The collection being concerned with the more specialized and intricate phases of banking and economic study, it is in advanced lines of work that it is of greatest value. Six members of the last graduating class found the material for their Senior theses in the collection. . . . The subjects covered were the Young Plan, the Soviet economic and financial situation, the Bank for International Settlements, the American protective tariff in its relation to foreign policy, and the diplomatic support of foreign investment.

"Professor Frank D. Graham has made extensive use of the collection in the preparation of his book on exchange, prices, and production under hyper-inflation, a study of German post-war experience with inflated currency which is now in press and will soon appear.

"In addition to this there are now underway, under the auspices of the International Finance Section, a number of studies for which the Benjamin Strong Collection is indispensable. These include Mr. George Luthringer's study of Philippine currency, Mr. A. J. Duncan's study of international trade of South Africa, and Mr. Henry Shepherd's study of the Belgian stabili-

zation procedure. Professor C. R. Whittlesey is now engaged upon a study of direct foreign investment and has completed a book now in press on government control of rubber production in the East Indies with the effect on public finances of British Malaya. Professor F. W. Fetter has ready for the press his book on Chilean monetary history, for the preliminary work on which he is much indebted to the Strong Collection. The work which is now being done by graduate students in the School of Public and International Affairs [now the Woodrow Wilson School] occasions considerable demands on the collection. The Strong Collection is an indispensable part of the very definite forward movement in the study of international affairs, which has been underway at the University for several years, but which is only now coming to its first fruition.

"It is difficult to describe, in any comprehensive way, the contents of such a collection as this. It means little to say that it contains recent budgets and financial reports of forty-three countries and the chief statistical publications of forty-nine, the reports of fifty-seven central banks and the major financial and statistical reports of seventy-one mandates and colonial governments; that we have the financial reports originating in the League of Nations and associated with it; that the leading financial publications are here, and along with it are hundreds of volumes of special reports, monographs and treatises. Any more detailed summary would be wearisome. The statement may be complete enough so that those who read this report and their friends may realize that, when financial data within the scope of the collection are needed, they may be found here."

VI

The Collection, 1935-1949

SUCH were the activities of the Benjamin Strong Collection for the next five years, until the summer of 1934, and, in general, so they have continued, with certain curtailments and a few important changes in the character of the work, until the appointment of the new Director of the International Finance

Section in the fall of 1949. When the depression, which was felt with increasing severity in 1933, made further financing of the collection by the Strong committee impossible, the International Finance Section and the University Library assumed the responsibility as the result of a joint agreement between Professor Kemmerer and Mr. Gerould. However, gifts from the Strong group were still received as late as 1937.

By this arrangement the International Finance Section paid the salary of the curator, who was then given the title of Librarian of the International Finance Section. The University Library provided the office and stack space, bought the books and new periodicals, and continued as before in checking in the periodical material, and in cataloguing and binding the books. Some of the time a part-time secretary was also provided by the Library instead of the former college-trained assistant. This, with the changing character of the work involving letters and much copying, made for increased efficiency—when we had a secretary. And we have had some very good ones!

When the move to the Firestone building was made in 1948, some of the difficulties of a collection functioning under two names were ironed out by changing the words "Foreign Public Finance" to "International Finance." This not only solved a "language difficulty" but better defined what, with changing world conditions and under new leadership in the Section, the collection had come to be. The name now reads: Benjamin Strong Collection of International Finance.

Professor Kemmerer, whose use of the collection had been constant, retired in 1937, and, although he still called on us for reference work, the direction of the International Finance Section was carried on under the joint planning of the late Professor Frank D. Graham, Walker Professor of International Finance, and Professor Stanley E. Howard, then Chairman of the Department of Economics. They began the publication by the Section of the pamphlet series *Essays in International Finance*. For this purpose they set up in our office a mailing list of economists and others to whom these essays would be of interest. The list now numbers about two thousand.

In 1938 Mr. Gerould was obliged to retire because of his health, and Mr. Lawrence Heyl, now Associate Librarian, be-

came Acting Librarian for two years. The collection owes a debt of gratitude to him for his efforts to keep the work progressing. Not only did he manage the financial side, which anyone who knows about library budgets will appreciate, but, being a convinced internationalist, he was also interested in the aims of the work. Having made a specialty of periodicals, he realized their value—especially of unbroken sets—and saw in facsimile and the microfilming of files ways of preserving and circulating hard-to-secure material. This for a collection such as ours was a great boon.

Dr. Julian P. Boyd became Librarian of Princeton University in 1940. Under his stimulating presence a librarian who had any ideas was encouraged to put them into print. One result for the collection was a series of *Benjamin Strong Collection Bulletins*, each containing a bibliography of current interest. These were mimeographed and issued irregularly. Beginning in 1943, ten numbers have appeared. Several of these Professor Graham had re-issued by the International Finance Section and sent to its mailing list, notably the one on the *Bretton Woods Conference*. This bulletin was also used by the Legislative Reference Service at the Library of Congress as the basis of their bibliography prepared for the San Francisco Conference. No. 9, on the *European Recovery Program*, was revised and enlarged at the joint request of the Woodrow Wilson School and of the Council on Foreign Relations. No. 10, on *Point IV*, was prepared for Professor Gardner Patterson to use in his classes. These have also been sent on request to many students outside the University.

VII

The Collection, 1949-1951

UNDER the expanded program of the International Finance Section two new series have been started. One of them, *Princeton Studies in International Finance*, includes work of persons outside the University, and in such cases, of course, little or no use is made of the Benjamin Strong Collection. The other, *Survey of United States International Finance*, is prepared an-

nally in the Section. The preparation of this work, each volume of which is of book length, demands extensive use of the facilities of the Benjamin Strong Collection.

The work of the *Survey* has resulted in the Library's receiving many new documents which enlarge and supplement the Benjamin Strong Collection. Important here are the reports and publications of the International Bank for Reconstruction and Development and the International Monetary Fund. The voluminous publications of the European Recovery Program, both from the Paris Office of the Organization for European Economic Cooperation and the Washington headquarters of the Economic Cooperation Administration, have been received. These are now being continued and expanded under the Mutual Security Agency.

The current United States publications from the Office of the President, the Department of State, and the Department of Commerce, and Hearings of the Senate and House having to do with foreign rehabilitation, foreign trade, military supplies, etc., have been secured for use in preparation of the *Survey* and for classroom work. Dr. Jack N. Behrman, Research Assistant of the Section, has written his doctoral dissertation on "Foreign Aid as a Technique in Attaining United States International Economic Objectives."

New central bank reports, such as that of Pakistan, are added to our practically complete file of central banks as they are published. The publications of United Nations Department of Economic Affairs, with its intricate setup of Economic Commissions to Europe, to Asia, and the Far East, are carefully examined as they appear and extra copies of important ones ordered for our use. The series on foreign budgets which they are publishing, begun in 1950, is most valuable for countries from which today it is difficult to secure information.

VIII

Treasures of the Collection

ONE of the unique features of the Benjamin Strong Collection is the 196-volume set of scrapbooks containing newspaper clippings of World War I from July 27, 1914 to March 20, 1920, presented to the Library by Mr. Strong. These are located with the history of the war and form a priceless record of firsthand sources for that period.

Also of great interest to historians of that period is a large collection of posters having to do with European Government loans in World War I, given by Mr. Strong. Bound photostats of the posters are in the Princeton Collection, while the originals are in our War Poster Collection and can be readily identified by the Strong number marked on each item.

A collection of emergency war currency—French, Austrian, Lettish, Finnish, etc.—brought together by Mr. Strong is a further source of information concerning these war years. This currency has also been photostated and the photostats are in the Princeton Collection; the currency itself is in the Rare Book Department of the Library.

A bronze bust of Benjamin Strong by the noted French sculptor Pierre de So  t  , done in 1927, the gift of the Strong family, may be seen in the office of the collection in the Firestone Library. I think it must be a good likeness, for everyone who knew him pauses contentedly beside it as if communing with a friend.

THE LIBRARY OF PRINCETON UNIVERSITY
E. C. RICHARDSON, LIBRARIAN

THE PLINY FISK STATISTICAL LIBRARY
FLORENCE L. HURD, DEPARTMENT LIBRARIAN

PRINCETON, NEW JERSEY

November 10, 1916.

B.A.V.
NOV 17 1916

Hon. Benjamin Strong, Jr.,
Governor of Federal Reserve Bank of New York,
Estes Park, Colo.

Dear Governor Strong:-

We the undersigned, professors in the Department of Economics and Social Institutions of Princeton University, wish to ask you to cooperate with us in securing for the Fisk Statistical and Finance Library of the University, copies of the annual reports, or semi-annual when issued, of certain of the leading banks of the world. We wish the reports, so far as available, for the period since 1910, and would like to have the Library placed upon the mailing lists for future reports.

As you know, the Fisk Statistical and Finance Library, now located at Princeton University, has been in process of accumulation for about thirty years, and the University authorities are endeavoring to make it the most complete research library in America for work in statistics and finance. Up to the present time our collection of material concerning foreign banks has been very limited. Recently there has been much call for such material by our own students and faculty, and by students and teachers from other Universities and by bankers and publicists, who come to Princeton to use the facilities of the Fisk Library.

In view of your wide acquaintance in Europe, and of your position as Governor of our largest Reserve Bank, it has occurred to us that you might be able to assist us in securing these reports. If you can do so, it will be a valuable service to a large number of American teachers and students in the field of finance.

Hon. Benjamin Strong, Jr.

-2-

THE LIBRARY OF PRINCETON UNIVERSITY
E. C. RICHARDSON, LIBRARIAN

THE PLINY FISK STATISTICAL LIBRARY
FLORENCE L. HURD, DEPARTMENT LIBRARIAN

PRINCETON, NEW JERSEY

The reports should be addressed to The Fisk
Statistical Library, Princeton University Library,
Princeton, N. J.

Appended is a list of the banks from which
we are desirous of securing reports.

With expressions of great respect and of
appreciation for your co-operation we are,

Cordially yours,

E. W. Kemmerer

Frank A. Fetter

John Bauer

W. M. Adriance

Arthur N. Young

Stanley E. Howard

Neil Carothers

David A. McCabe

Lowell Talbot

K/H

ARGENTINE

- (1) Banco de la Nacion Argentina, *B/a. Julian J. Solveyra, mgr*
- (2) Banco Espanol del Rio de la Plata. *B/a. Elias D. Aramburri gen. mgr.*

AUSTRIA-HUNGARY

- (1) Austro-Hungarian Bank. *Oesterreichisch-ungarischer Bank Dr. Alexander Popovics Vienna Governor*

AUSTRALIA

- (1) Australian Bank of Commerce, Ltd., Sydney, *Chas. Mc A. C. Shannon*
- (2) Bank of Australia, 4 Threadneedle St. London, *Richard Walter Lewis m.*
- (3) Commercial Bank of Australia, Ltd., Melbourne, *H. L. Heron, g. m.*
- (4) Bank of New South Wales. Sydney, N.S.W. *The seal mgr.*

CANADA

- (1) Bank of Montreal, *Sir Frederick Williams-Taylor, g. m. Montreal*
- (2) Canadian Bank of Commerce, *Sir Edmund Walker, Pt. Toronto*
- (3) Royal Bank of Canada, *E. L. Pease g. m. Montreal*
- (4) Merchants' Bank of Canada, *G. F. Hasbden, g. m. Montl.*
- (5) Imperial Bank of Canada. *E. Hay, g. m., Toronto*

CHILI

- (1) Banco de Chile. *A. Villanueva, man. Dir., Valparaiso, Chile*

DENMARK

- (1) Banque Nationale de Copenhague

EGYPT

- (1) National Bank of Egypt, *Cairo F. T. Rowlatt Governor*
- (2) Agricultural Bank of Egypt. *Cairo F. T. Rowlatt, Pt.*

FRANCE

- (1) Bank of France, *Paris, m. Pallain, Gov*
- (2) Banque ~~de France~~ de Paris et des Pays Bas, *Paris A. Turattini, g. m.*
- (3) Comptoir National ~~D'~~ Escompte de Paris, *Alexis Costant, directeur*
- (4) Credit Foncier, *de France - Paris*
- (5) Credit Lyonnaise, *Henri Botherod, Pt., Paris*

GERMANY

- (1) Berliner Kassenverein,
- (2) Deutsche Asiatische Bank, *Shanghai Heinz Tigge, mgr*
- (3) Deutsche Bank, *Berlin, Arthur von Gwinner ?*
- (4) Deutsche Ueberseeische Bank, *Berlin*
- (5) Dresdner Bank, *Dresden.*
- (6) Direction der Disconto-Gesellschaft, *Berlin Dr. A. Salomonsch*
- (7) Berliner Handels-Gesellschaft, *Berlin.*
- (8) Reichsbank. *Imperial Bank of Germany, Berlin*

GREAT BRITAIN

- (1) Bank of England, *Lord Walter Curcliffe, Gov.*
- Chartered* (2) Bank of India, Australia and China, *T. H. Whitehead, mgr London*
- (3) Bank of Liverpool, *James Hope Simpson, g. m.*
- (4) British Linen ~~Company~~ Bank *Edinburgh James Tuke, g. m.*
- (5) Hong Kong and Shanghai Banking Corporation.
- (6) London City & Midland Bank, Ltd., *Sir F. H. Golden, Bank Chairman*
- (7) Lloyds Bank, Ltd., *R. V. Vassar-Smith, Chairman*
- (8) Union of London & Smith's Bank, Ltd. *Sir Felix Schuster, Bart, 1900*
- (9) Ulster Bank of Ireland, *Belfast, J. Carr, man. Dir*
- (10) Royal Bank of Scotland. *Edinburgh, Adam Tait, g. m.*

- HOLLAND** *Nederlandsche Bank, Amsterdam, G. Vissering, Pt*
 (1) Bank of the Netherlands,
 (2) Rotterdamsche Bank *vereeniging, Rotterdam, J. J. m. Blaukenboezou*
Pt. Bd of Dir
- INDIA**
 (1) Bank of Bombay, *Bombay, Robt. Aitken, Sec & Treas*
 (2) Bank of Bengal, *Calcutta, N. H. y. Warren, Sec & T.*
 (3) Bank of Madras. *Madras, W. B. Hunter, Sec & Treas*
- INDO-CHINA**
 (1) Banque de l' Indo-Chine. (Saigon)
Paris, M. S. Simon, man-dir
- ITALY**
 (1) Bank of Italy, *Banca D' Italia, Rome, Pt*
 (2) Credito Italiano, *Milan Giuseppe Colombo, Pt*
 (3) Banca Commerciale Italiana, *Milan, Pt*
- JAPAN**
 (1) Bank of Japan, *Nippon Ginko, Tokio, Japan, Viscount*
 (2) Yokohama Specie Bank. *Yokohama, Gunnosuke Inouye, 400.*
Yatara Mishima
- JAVA**
 (1) Javasche Bank. *Batavia, Java, E. A. Zeilinger, Pt*
- MEXICO**
 (1) National Bank of Mexico, *Mexico, Pt*
- NORWAY**
 (1) Bank of Norway. *Norges Bank, Christiania, K. Bombhoff,*
man-dir
- RUSSIA**
 (1) Bank of Russia, *Banque de L'Etat, T. Shipof, Gov.*
 (2) Banque Internationale de Commerce de Petrograd, *Pt*
 (3) Russian Commercial and Industrial Bank, *Pt, (Morskaians)*
 (4) Russo-Chinese Bank. *Banque Russo-Asiatique, Pt*
S. K. Krouloff, Pt
- SPAIN**
 (1) Bank of Spain. *Madrid, His Exe Senor Don Lorenzo Dominguez*
Pascual
- SWEDEN**
 (1) Sveriges Riksbank. *Stockholm, H. V. Moll, Gov.*
900
- SWITZERLAND**
 (1) National Bank of Switzerland.
Banque Nationale Suisse, Zurich
Switzerland
H. Kundert, mgr

AUSTRIA

Vienna

Anglo-Austrian Bank
Weiner Bankverein
Allgemeine Oesterreichische Boden Credit-Anstalt
Oesterreichische Credit-Anstalt fur Handel und Gewerbe
Banque Industrielle de Boheme
Oesterreichische Ungarische Bank
Union Bank

BELGIUM

Brussels

Comptoir National d'Escompte de Paris
Banque de Paris et des Pays Bas
Credit Lyonnais
Banque de Bruxelles

BULGARIA

Sophia

Banque de Credit
Banque Nationale Bulgare

CYPRUS. (Island)

Larnaca

Imperial Ottoman Bank

CRETE. (Island)

Kanea

Banque de Athens

DENMARK

Copenhagen

Den Danske Landmandsbank
Kjobenhavns Handelsbank
Privatbanken i Kjobenhavn
Kjobenhavns Laane og Kiskontobank

FINLAND

Helsingfors

Finlands Bank
Privatbanken i Helsingfors
Forenings Banken i Finland

FRANCE

Paris

Credit Lyonnais
Comptoir National d'Escompte de Paris
London County & Westminster Bank Ltd.
Societe Generale
Banque de France
Banque des Pays du Nord
Banque de Paris et des Pays Bas
Banque National de Credit

GERMANY

Berlin

Bank für Handel und Industrie
Deutsche Bank
Dresdner Bank
Deutsch-Südamerikanische Bank
Direction der Disconto Gesellschaft
Commerze und Disconto Bank
Berlin Reichsbank

GREAT BRITAIN

ENGLAND AND WALES

London

Bank of England
Lloyds Bank
London City & Midland Bank Ltd.
London County & Westminster Bank, Ltd.
Union of London & Smiths Bank Ltd.
Netherlands Bank of South Africa
London Joint Stock Bank, Ltd.
Glyn, Mills, Currie & Co.
London & Provincial Bank
Manchester & Liverpool Banking Co.
Bank of New South Wales, Ltd.
National Bank of India, Ltd.
National Bank of New Zealand Ltd.
National Bank of Scotland Ltd.
National Bank of South Africa Ltd.
National Provincial Bank of England Ltd.
Parr's Bank Ltd.
Provincial Bank of Ireland, Ltd.
Royal Bank of Canada
Royal Bank of Australia, Ltd.
Russian & English Bank
Russo Asiatic Bank
Societe Generale De Credit Industriel et Commercial
Swiss Bankverein
Twentsche Bank
Union Bank of Australia Ltd.
Union Bank of Canada
Yokohama Specie Bank, Ltd.
London & River Plate Bank, Ltd.
Imperial Ottoman Bank
Clydesdale Bank, Ltd.

Liverpool

The Bank of Liverpool, Ltd.

SCOTLAND

Glasgow

Union Bank of Scotland
Royal Bank of Scotland
National Bank of Scotland, Ltd.
Bank of Scotland
Clydesdale Bank Ltd.
British Linen Bank

IRELANDDublin

The Bank of Ireland
Belfast Banking Company, Ltd.
The Northern Banking Company, Ltd.
The Ulster Bank

GREECEAthens

Banque National de Grece
The Bank of Athens
The Banque Commerciale de Grece
Ionian Bank, Ltd.

HOLLANDAmsterdam

Rotterdamsche Bankvereniging
Amsterdamsche Bank
Banque de Paris et Pays Bas
Incasso Bank
Surinaamsche Bank
Netherlandsche Bank
Hope & Co.

ITALYGenoa

Banca Commerciale Italiana
Banque d'Italia
Credito Italiano
Banco di Roma
Caisse de credit de Nice

ICELANDReykjavik

Landsbanki Islands

LUXEMBOURGLuxembourg

Societe Generale Alsacienne de Banque

MALTAMalta

Anglo Maltese Bank

NORWAYBergen

Bergens Privatbank
Bergens Kreditbank

Christiania

Christiania Bank og Kreditkasse
Andresens Bank
Centralbanken for Norge

ROUMANIABucharest

Bank of Roumania
Banque Commerciale Roumaine
Banque de Credit Roumaine

RUSSIAPetrograd

Banque de Commerce de Siberie
Russian Bank for Foreign Trade
Banque de Commerce de l'Azoff Don
Banque Internationale de Commerce de Petrograd
Russian and English Bank
Russo Asiatic Bank
Banque des Marchands de Moscow

Moscow

Banque de Commerce de Siberie
Russian Bank for Foreign Trade
Banque de Commerciale de Moscow
Banque de Moscow

Vladistock

Banque de Commerce de Siberie
Banque de l'Etat

SERVIABelgrade

Banque de Credit Serbe

SPAINBarcelona

Banco Espanol del Rio de la Plata
Banco Hispano Americano
Credit Lyonnais
Bank of Spain

Madrid

Banco Espanol del Rio de la Plata
Banco Hispano Americano
Credit Lyonnais
Banco Hipotecario de Espana
Bank of Spain
Banco de Castilla

SWEDENGoteborg

Goteborgs Handelsbank
Skandinaviska Kreditaktiebolaget
Bank Aktiebolaget Sodra Sverige

Malmoe

Skandinaviska Kreditaktiebolaget
Sydvenska Kredit Aktiebolaget
Bankaktiebolaget Sodra Sverige

Stockholm

Stockholms Handelsbank
Skandinaviska Kreditaktiebolaget
Stockholms Enskilda Bank

SWITZERLANDBasle

Banque Commerciale de Bale

Lausanne

Banque Cantonale Vaudoise

Zurich

Banque Federale
Societe de Credit Suisse
Zurcher Cantonalbank
Swiss Bankverein

TURKEY

Constantinople

Imperial Ottoman Bank
Bank of Athens
Banque de Salonique
National Bank of Turkey

PORTUGAL

Lisbon

Banco de Portugal
Credit Franco-Portugais
Banco Commercial de Lisboa
Banco Nacional Ultramarino

Oporto

Banco de Portugal
Banco Commercial de Porto

A S I A

CHINA

Hongkong

Chartered Bank of India, Australia & China, Ltd.
Hongkong and Shanghai Banking Corporation
Yokohama Specie Bank, Ltd.

Shanghai

Banque de Indo Chine
Bank of Canton

INDIA

Calcutta

Chartered Bank of India, Australia & China, Ltd.
National Bank of India, Ltd.
Mercantile Bank of India

Bombay

Bank of Bombay
Bank of Bengal

CEYLON

Colombo

National Bank of India Ltd.
Chartered Bank of India, Australia & China, Ltd.

JAPAN

Tokio

Mitsui Bank, Ltd.
Yokohama Specie Bank, Ltd.
Industrial Bank of Japan
Bank of Chosen
Bank of Taiwan

PHILIPPINE ISLANDS

Manila

Chartered Bank of India, Australia & China, Ltd.
Bank of the Philippine Islands
International Banking Corporation
Bank of Taiwan

PERSIA

Tabriz Imperial Bank of Persia

A F R I C A

ALGERIA

Algiers Credit Lyonnais

CANARY ISLANDS

Las Palmas Bank of British West Africa, Ltd.

CAPE PROVINCE

Cape Town National Bank of South Africa, Ltd.

EGYPT

Cairo Anglo Egyptian Bank

Alexandria Bank of Athens
Banque d'Orient
National Bank of Egypt

MOROCCO

Casablanca Banque d'Etat du Maroc

NATAL

Durban National Bank of South Africa, Ltd.

TRANSVAAL

Johannesburg National Bank of South Africa, Ltd.

TRIPOLI

Tripoli Societe Commerciale d'Oriente

TUNIS

Tunis Credit Lyonnais

MADAGASCAR

Ma junga Comptoir National d'Escompte de Paris

RHODES IA

Gwelo National Bank of South Africa, Ltd.

ZANZIBAR

Zanzibar

National Bank of South Africa, Ltd.

A U S T R A L I A

AUSTRALIA

Adelaide

National Bank of Australasia, Ltd.
Bank of New South Wales
Union Bank of Australia
Bank of Adelaide
English, Scottish & Australian Bank, Ltd.

Melbourne

Bank of New Zealand
Bank of Victoria
Commercial Bank of Australia

Sydney

Bank of New South Wales
Bank of Australasia
Bank of North Queensland, Ltd.
Union Bank of Australia, Ltd.

HAWAIIAN ISLANDS

Honolulu

First National Bank of Hawaii

BERMUDA

Hamilton

Bank of Bermuda, Ltd.

CUBA

Havana

N. Gelats & Co.
Banco Espanol de la Isle de Cuba
Banco National de Cuba
Royal Bank of Canada

BAHAMAS

Nassau

Royal Bank of Canada

BARBADOS

Bridgetown

Colonial Bank

HAYTI

Port-au-Prince

Banque Nationale de Hayti

JAMAICA

Kingston

Colonial Bank
Bank of Nova Scotia

PORTO RICOSan Juan

Royal Bank of Canada
American Colonial Bank

SAN DOMINGOSan Domingo

Banque National de Cuba
Royal Bank of Canada

TRINIDADPort of Spain

Colonial Bank
Royal Bank of Canada

COSTA RICASan Jose

Banco de Costa Rica
Banco International de Costa Rica

GUATEMALAGuatemala

Banco Americano de Guatemala
Banco de Guatemala

HONDURASTegucigalpa

Banco de Honduras

SAN SALVADORSan Salvador

Banco Salvadoreno

S O U T H A M E R I C AARGENTINE REPUBLICBuenos Aires

Banco de la Nacion Argentina
British Bank of South America Ltd.
Banco Germanico de la America del Sud
Banco Holandes de la America del Sud
London & Brazilian Bank, Ltd.
London & River Plate Bank
Anglo South American Bank

BOLIVIALa Paz

Banco Alemania Transatlantico
Banco de la Nacion Boliviano
Banco Nacional de Bolivia

BRAZILRio de Janeiro

Deutsche Sudamerikanische Bank
 Banque Francaise et Italienne pour l'Americque du Sud
 London & River Plate Bank
 Banco Nacional Ultramarino

Bahia

British Bank of South America Ltd.
 London & Brazilian Bank Ltd.
 Banco de Brasil

Sao Paulo

Banco Aleman Transatlantico
 Brazilianische Bank fur Deutschland
 Banque Francaise pour le Brazil

CHILESantiago

Anglo South American Bank
 Banco de Chile
 Deutsch Sudamerikanische Bank
 Banco Aleman Transatlantico

Valparaiso

Anglo South American Bank
 Banco de Chile
 Deutsch Sudamerikanische Bank
 Banco Espanol de Chile

COLOMBIABogota

Banco de Bogota

ECUADORGuayaquil

Banco del Ecuador
 Banco Comercial y Agricola
 Commercial Bank of Spanish America

PANAMAPanama

International Banking Corporation

PERULima

Banco del Peru y Londres
 Banco Alemania Transatlantico

URUGUAYMontevideo

Anglo South American Bank
 Banco de la Republica O'Del Uruguay
 Banco Italiano del Uruguay
 Banco Espanol del Rio de la Plata
 Banque Italo Belge
 British Bank of South America

VENEZUELACaracas

Banco Caracas
 Banco de Venezuela

PARAGUAYAsuncion

Banco Mercantil de Paraguay

BRITISH GUIANAGeorgetown

Colonial Bank

FRENCH GUIANACayenne

Banque de la Guyane Francaise

DUTCH GUIANAParamaribo

Surinaamsche Bank

BRITISH HONDURASBelize

Royal Bank of Canada

NICARAGUAManagua

Commercial Bank of Spanish America Ltd.

MEXICOMexico City

Banco Central Mexicano
 Banco de Londres y Mexico
 Banco Nacional de Mexico
~~Deutsch Sudamerikanische Bank~~
 Compania Bancaria de Paris y Mexico

Yale University
1928

YALE UNIVERSITY
NEW HAVEN · CONNECTICUT

Seymour

OFFICE OF THE PROVOST

July 20, 1928

Governor Benjamin Strong,
Federal Reserve Bank,
33 Liberty St., New York.

My dear Governor Strong:

I am infinitely obliged for your kind and most informative letter of July 3, replying to my request for comments on various papers of Colonel House which I had expected to publish. I am sorry to have bothered you during your absence from the United States.

Inasmuch as it is impossible for you to consult any papers, it seems to me wiser to omit from the published passages of Colonel House's Papers all reference to your conversations with him. It is quite possible that the context of the papers would be inadequately explained by me and might not do justice to your ideas and policies. I reached this conclusion after a conversation with Mr. Lamont and Mr. Leffingwell. They were both good enough to read over the passages in question and the background which I have presented.

In view of Colonel House's absence from this country and the fact that I am obliged to send my copy to the printer shortly, I believe that it will be best not to take advantage of your kind offer to let me use the ideas expressed in your personal letter to me.

I have another book in mind, and before preparing it for the press I should be very grateful if I might use some of the ideas in your letter. This of course would not be done until after consultation with Colonel House and yourself.

Believe me, with expressions of renewed gratitude and deep respect,

Faithfully yours,

Charles Seymour

Seymour

Evian-les-Bains,
July 3, 1928.

PERSONAL

My dear Professor Seymour:

Your letter of June 1st has remained unanswered because of my illness and absence from home.

You will understand that I have always refrained from giving any publicity to personal views upon the matters mentioned in Colonel House's memoranda, because I have no direct responsibility in these affairs, and conversations such as those recorded by Colonel House were doubtless the result of my connection with many financial matters of our Government during the war and were in every instance unsolicited by me.

To publish the memoranda in the bare terms therein expressed, it seems to me, would create a misapprehension as to their true meaning.

As to the one dated August 31, 1917, my recollection is very slight, and of course I am unable to consult any papers in order to refresh it. The amount of the loan mentioned in the first paragraph I believe is incorrect and as expressed would lead to misunderstanding by the public, because while the loans were negotiated, as I recall, by Morgan & Company, they were divided among many bankers and banking institutions, were secured by collateral, principally American securities of known value, and, as I recall, the disposition of the loan turned upon two points concerning which some difference of view existed. One was, whether it would prove feasible for the United States Government to advance funds to the British Government for the avowed purpose of repaying these prewar advances made to the British Government by J. P. Morgan & Company; the other was whether, if that was

done, the securities should be taken over by the United States Government and held as collateral to its advances.

Colonel House raised this question with me at one of our meetings, and I recall making some suggestion which evidently involved the use of funds then being advanced to the French Government, but the details have entirely escaped my memory. It is quite likely that I acted upon Colonel House's request as described in the first paragraph and reported fully to Secretary Mc Adoo. I do not recall the details of the conversation, however. I do recall that he was impressed with the need of disposing of the matter and received the suggestions which I made in a most friendly spirit. Most of my discussions of this and other debt questions were with Mr. Leffingwell, then Assistant Secretary of the Treasury in charge of finances, and he may be able to furnish you with details which have escaped my memory.

As to the second memorandum, dated September 30th, if published in exactly that form without elaboration I believe it would lead to a considerable misunderstanding as to the purport of my conversations with Colonel House, and in some respects it does not appear to accurately reflect my own views as expressed to him then, and which have not since materially changed. The circumstances were as follows.

Colonel House and I met in London in the Summer of 1919, as we happened to be stopping at the same hotel. He asked me to discuss the question of interallied debts and reparations, as he was engaged in exploring the subject for President Wilson and expected shortly to report to him. We had three or four meetings, during which views were freely exchanged, but I do not recall that Colonel House proposed any definite plan, the bare outline of

which is suggested by his memorandum, until the last meeting, at which
(Lord Grey)
Lord Grey was present. He/was about to sail for America as Ambassador.

The views I then expressed to Colonel House were roughly as follows:-

(1) That the Treaty of Versailles had left the whole question of reparations and debts in an unsettled and dangerous condition, so that they were likely to be a cause of contention, on the one hand between the creditor and the debtor nations, and on the other hand between the Allied Governments and our Government.

(2) That it would be most unfortunate and give rise to grievous complaint against the United States if Germany, through complete or partial default, escaped the payment of whatever sums might be defined as a result of the Treaty, while at the same time the United States endeavored to collect the full sum of the indebtedness owing to us by the Allied Governments. It would appear to leave us in a position of asserting a more aggressive attitude as to debts with our own Allies than we would be willing to assert as to Germany, because I apprehended that the United States would not be willing to take aggressive steps for collection such as the Allied Governments might be willing to undertake.

(3) That the question of debts and reparations should be dealt with as a business proposition, similar to the treatment of a corporation which had failed, where all the assets and liabilities were marshalled and settlements effected between the various creditors according to the equities of their claims.

My specific suggestion was that the first step should be to ascertain exactly the amounts owing by the Allied and associated Governments among themselves; that duplications of indebtedness should be eliminated by some

method which would involve our accepting obligations from one debtor nation in settlement or part settlement of obligations due by another debtor nation; that the obligations of the central powers should be exactly defined and distributed equitably among the creditor nations according to the size and priority of their various claims and with due regard to the necessities of each nation; that such a scheme of settlement would necessarily involve considerable concessions by us and some concessions probably by Great Britain.

At that time I was not prepared to express the view that the United States should accept these obligations in full settlement of its claims against the various creditor nations from whom they might be received. The subject was too complicated to dismiss in that simple fashion.

The object of the proposal was perfectly obvious in its effort to avoid the three difficulties mentioned above and to insure that failure on the part of Germany to meet reparation obligations would be shared alike pro rata by all the creditor nations. It was in the event of such failure by Germany and the other defeated powers that the need for concessions would arise and should be provided for in the plan.

At the last meeting with Lord Grey, which Colonel House asked me to attend, he had formulated the matter somewhat more definitely than I had orally expressed it to him, and of course his memorandum of September 30th expressed his recollection of the conversation very shortly after it occurred, so I would not care at this time, without opportunity certainly to refresh my memory at home, to question the accuracy of his recollection. The real point of the conversations rests in the sixth paragraph. I was at that time, and have been every since, interested in the strictly monetary problems involved in the restoration of Europe. There were three chief obstacles then present-

ing themselves which might indefinitely have deferred monetary stability. One was reparations and interallied debts, another was excessive floating debts by practically all the important nations of Europe, and the third was budget deficiencies.

My conversations with Colonel House appeared to present the opportunity to raise the first question, and I welcomed his invitation to discuss the matter, but was careful to point out that these were simply expressions of personal views and that I felt nothing could possibly be accomplished in developing them along this line unless President Wilson and Secretary Mc Adoo favored them and would lead in the creation of a public opinion which would give them general support. The conversations were of course strictly confidential.

In general, my views as to the treatment of the Allied debts, as well as of reparations, have not fundamentally changed, although the establishment of the Dawes Plan, the restoration of monetary stability in Europe and the balancing of national budgets leaves this question of reparations and debts as one of rather academic than practical interest to me. The methods adopted differ from those discussed with Colonel House in London and may prove to be better, but the results attained do not differ materially from what was then sought.

I must ask you to treat this letter as personal and confidential, but if after bringing it to Colonel House's attention you feel that some elaboration is justified in the text, I have no doubt that you and Colonel House will find means to do so which will be in general conformity with the expressions in this letter.

6.

Professor Seymour.

7/3/28.

Thanking you for having written me on the subject, I beg to
remain

Very sincerely yours,

Professor Charles Seymour,
Department of History,
Yale University,
New Haven, Conn.

BS:M

YALE UNIVERSITY
DEPARTMENT OF HISTORY
—
CHARLES SEYMOUR

NEW HAVEN, CONNECTICUT

June 1, 1928

Governor Benjamin Strong,
Federal Reserve Bank,
33 Liberty St., New York.

My dear Sir:

I am planning to bring out two further volumes of the "Intimate Papers of Colonel House," and hope to have them in the hands of the printer by early summer. Among his papers I find a memorandum and a letter referring to conversations with you. I should be very glad if you could find time to go through these excerpts from his papers, copies of which I enclose. I am extremely anxious that all inaccuracies should be eliminated from the book. If you have any comment or correction to make, I should be very happy to include it.

Believe me, with expressions of high respect,

Sincerely yours,

Charles Seymour

C O P Y (of Memoranda by Colonel House sent to Governor Strong with Professor Seymour's letter of June 1, 1928)

Aug. 25, 1917: We discussed international finances, especially foreign exchange. I made a suggestion by which the \$400,000,000 call loan, which the British have with Morgan & Company, and which is disturbing the international situation, could be met. I asked Strong to see Northcliffe, and the French representative, and then Mc Adoo, but to keep the negotiations entirely in his own hands.

Aug. 31, 1917: Governor Strong telephoned to report progress on my suggestion as to the liquidation of the four hundred million dollar call loan made by the British through Morgan & Company....The French Commission have accepted the justice of the plan and are willing to do their part provided it is understood that such payment to the British shall not militate against other loans which the French may find it necessary to make....

The French Commission are taking the matter up with their Government, and they will discuss it directly with the British Government, and matters should come to a head by the first of October. Meanwhile I have promised to give it some direction at Washington. Strong discussed it with Mc Adoo and while he was non-committal, Strong tells me...he will consent to the arrangement.... The modus operandi is largely a matter of bookkeeping and should be done as between the two Governments in the payment, or repayment of purchases made here.

(From House's letter to Wilson of Sept. 30, 1919)

Re: urgent question of readjustment of finances of Allied countries:

"I talked this matter over with Governor Strong...before I left London and there was no disagreement between us as to what ought finally to be done...

"The plan I have in mind and which Governor Strong approved is:

"(1) The shifting of the burden of debt from one country to another and leaving the Central Powers to go bankrupt if anyone indeed is to go.

"(2) The United States and Great Britain should fund the interest on the Allied debts for a period of from 3 to 5 years, and agree to defer capital payments for at least 5 years.

"(3) Great Britain to accept from France obligations of the Govt. of Serbia, Roumania, Greece, etc. held by France; the U.S. to accept from Great Britain and France the obligations of nations indebted to them, and all in accordance with a well worked out formula which will make for an equitable adjustment.

"(4) The United States and possibly Great Britain to accept some portion of the reparation bonds received from Germany in settlement of a certain percentage of the Allied debts remaining after the transfers have been made as suggested in paragraph 2.

"(5) When the reparations debts of the Central Powers are defined by the Reparations Commission for a practicable amount, then there should be a scaling of the German obligations between all the Allies and Associated nations.

"(6) The plan should contemplate some adjustment whereby foreign exchange should be stabilized..."