

OUTGOING CABLEGRAM

June 8, 1940

Bank of England

London

No. 688/40 CONFIDENTIAL FOR CATTERNS

Reference your 436/40 indicating that your government and yourselves desire to arrange for transfer of accounts now in your name with us to accounts in name of your government. We have now been requested and authorized by Secretary of Treasury to open and maintain accounts for British Government as requested by such government and we are prepared to do so under such authority. We suggest

- (1) That British Government cable the following to our government through American Embassy in London:
 - (a) Request and instructions that we open and maintain accounts in name of British Government and transfer thereto the gold and dollar balances now in designated accounts with us in name of Bank of England.
 - (b) Instructions as to who is authorized, in behalf of British Government, to give instructions to us regarding payments and withdrawals from, and otherwise in relation to, such accounts. Presumably these instructions would cover emergency authority referred to in your 517/40.

(c) Confirmation that such gold and dollar balances are the property of British Government.

- (2) That you cable to Federal Reserve Bank of New York your instructions to make transfers as in (1) (a).
- (3) That British Ambassador in Washington, by letter to Secretary of State, confirm all of foregoing, and certify the legality and validity thereof.

We are prepared upon receipt of request, instructions, and confirmations as indicated in (1) and (2) above to make the transfers to accounts in name of British Government, and to accept instructions given as authorized in behalf of British Government. Letter of British Ambassador referred to in (3) could follow in due course. Please advise British Government of terms and conditions on which we earmark gold and hold gold under earmark as set forth in our letters to you dated December 1, 1937, and April 11, 1940.

Sproul
Federal Reserve Bank of New York.

my Post

Cable Division