

ends: (Br.) in U.S. Banks.

572/27/40

12

DEPARTMENT OF STATE
WASHINGTON

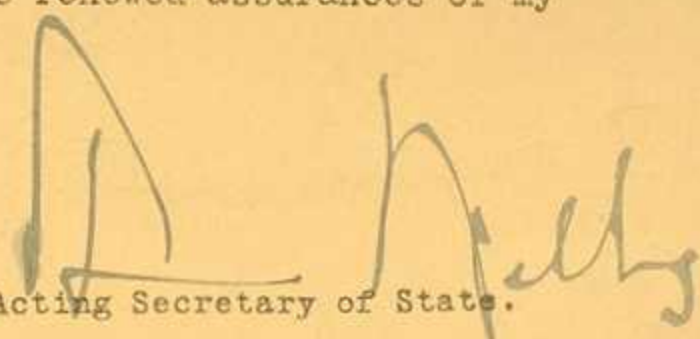
July 20, 1940

Excellency:

I have the honor to refer to my note of July 5,
-/18. 1940 transmitting the text of a British Foreign Office
note dated June 20, 1940 regarding the British Govern-
ment accounts with the Federal Reserve Bank of New York.
There is now enclosed an authenticated photostatic copy
of a copy of the note in question.

Accept, Excellency, the renewed assurances of my
highest consideration.

*Put in file
good
LHC*



Acting Secretary of State.

Enclosure:
As above.

His Excellency

The Right Honorable

The Marquess of Lothian, C.H.,

British Ambassador

841.51/1593

ENCLOSURE TO -/27.

United States of America



DEPARTMENT OF STATE

to whom these presents shall come, Greeting:

Certify That the document hereunto annexed is a true copy
of the files of this Department.

In testimony whereof, I, CORDELL HULL

Secretary of State, have hereunto caused the Seal of the Department of
State to be affixed and my name subscribed by the Director of Personnel
of the said Department, at the City of Washington, in the District of
Columbia, this eighteenth day of July, 1940.

Cordeall Hull
Secretary of State.

By Edward Yordley
Director of Personnel.



GREAT BRITAIN AND NORTHERN IRELAND,
LONDON, ENGLAND.
CONSULATE GENERAL OF THE UNITED STATES OF AMERICA. } SS:

I Mulford A. Colebrook

Vice Consul of the United States of America, residing at London, England,
duly commissioned and qualified, do hereby certify that the annexed copy of

British Foreign Office Note, June 20, 1940

(File W 8198/G)

is a true and faithful copy of the original this day exhibited to me, the same
having been carefully examined by me and compared with the said original
and found to agree therewith word for word and figure for figure.

IN WITNESS WHEREOF I have hereunto set my hand and official seal

this Third day of July, 1940 193--

Mulford A. Colebrook

Mulford A. Colebrook
Vice Consul of the United States
of America at London, England

Service No. 5873
NO FEE PRESCRIBED

W 8198/G
SECRET

FOREIGN OFFICE, S.W. 1.

June 20, 1940

Your Excellency,

I have the honour to state that discussions have recently been proceeding between His Majesty's Government in the United Kingdom and the Bank of England and His Majesty's Ambassador at Washington with a view to safeguarding His Majesty's Government's assets in the United States of America against the risk of possible attachment at the instance of enemy interests. Certain of these assets are at present held at the Federal Reserve Bank of New York in the name of the Bank of England and it is proposed that such assets should on the grounds of safety be transferred into the name of His Majesty's Government.

2. His Majesty's Government have now been advised by Lord Lothian that the United States Treasury have requested and authorised the Federal Reserve Bank of New York to open accounts in the name of His Britannic Majesty's Government. The Federal Reserve Bank have confirmed this authority to the Bank of England and have asked that the necessary requests and instructions should be telegraphed to the United States Government through Your Excellency. Accordingly I have the honour to request Your Excellency to be so good as to address to your Government for transmission to the Federal Reserve Bank of New York a cable embodying the following requests and instructions:-

(a)

His Excellency
The Honourable Joseph P. Kennedy,
etc., etc., etc.

(a) His Majesty's Government request the Federal Reserve Bank to open the following Accounts to receive dollar and gold balances now held on similarly designated Accounts in the name of the Bank of England -

Currency Accounts

His Britannic Majesty's Government Current Account "F"
do. Current Account "G"
do. Special Account "A"

Gold Account

His Britannic Majesty's Government No. 3 Account

(b) His Majesty's Government request the Federal Reserve Bank to accept on their behalf the instructions of the Bank of England in all matters relating to such accounts. These instructions will continue to have effect until notice of cancellation of authorities is given by His Majesty's Ambassador at Washington or by the Counsellor to the British Embassy at Washington for the time being in accordance with arrangements already known to the Federal Reserve Bank. In that event the emergency signing procedure will take effect in respect of all Accounts in name of His Majesty's Government with the exception of Special Account "A" which will continue to be operated by the same signatories as at present. The authority extended to His Majesty's Ambassador in Washington and to J.A.C. Osborne under the emergency signing procedure includes power to delegate authority to operate on the accounts in favour of any person or persons whom either may specify.

(c) His Majesty's Government certify that all gold and
dollar

dollar balances now or in future to be held for the above Accounts are the property of His Britannic Majesty's Government.

- (d) His Majesty's Government request the Federal Reserve Bank to continue to forward to Bank of England as heretofore all advices and statements of accounts, etc.

3. The Federal Reserve Bank have made a further request that His Majesty's Ambassador at Washington should by letter addressed to Mr. Hull confirm the foregoing and also certify the legality and authority thereof. In view of the fact that by virtue of this letter His Majesty's Government are themselves making these requests in connexion with their own assets, it is not clear what further confirmation or certificate of legality is required. I should be grateful to know that, if necessary, the United States Government would be prepared to confirm to the Federal Reserve Bank that the foregoing instructions emanate from His Majesty's Government.

I have the honour to be, with the highest consideration,

Your Excellency's obedient Servant,

(For the Secretary of State)

(Sgnd) N. B. Ronald