

Funds: (Be.) in U.S. Banks. 5/2/

572/28/40

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DEPARTMENT OF STATE
WASHINGTON

July 26, 1940

Excellency:

By request of the Secretary of the Treasury, I have the honor to transmit a copy of a letter dated July 15, 1940, and enclosures, from the Federal Reserve Bank of New York relative to accounts which it has opened on its books in the name of the British Government.

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



Acting Secretary of State

Enclosures:

Letter and enclosures from Federal Reserve Bank, July 15, 1940.

His Excellency

The Right Honorable

The Marquess of Lothian, C.H.,

British Ambassador.

I have spoken to Mr. Hugh Cummings, S.D. will have the FRB. letter transmitted to the F.O. through Am. Embassy in London. File. 30/7

Federal Reserve Bank of New York

July 15, 1940

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My dear Mr. Secretary:

The receipt is acknowledged of the letter of the Acting Secretary of the Treasury dated July 12, 1940, and of its enclosure, a photostatic copy of a letter dated July 12, 1940, addressed to the Treasury Department by the Secretary of State, relative to the opening and maintaining of accounts at this bank in the name of the British Government and transfers thereto of the dollar balances and gold from accounts in the name of the Bank of England.

In accordance with the instructions of the British Government as set forth in the letter of the Secretary of State, and in accordance with cable instructions previously received from the Bank of England in its cable No. 586/40, of June 20, 1940, we opened accounts on our books for and in the name of the British Government, and made transfers to such accounts, at the close of business on July 12, 1940, as follows:

We opened a dollar account designated His Britannic Majesty's Government Current Account F and credited \$2,909,765.12 thereto by transfer from the account designated Bank of England Account F, this amount being the balance in the latter account immediately prior to such transfer;

We opened a dollar account designated His Britannic Majesty's Government Current Account G and credited \$27,760,902.56 thereto by transfer from the account designated Bank of England Account G, this amount being the balance in the latter account immediately prior to such transfer;

We opened a dollar account designated His Britannic Majesty's Government Special Account A and credited \$21,146,171.98 thereto by transfer from the account designated Bank of England Account A, this amount being the balance in the latter account immediately prior to such transfer; and

We opened a gold account designated His Britannic Majesty's Government No. 3 Account and transferred thereto all the gold (said to contain 3,824,827.632 ounces fine gold) held immediately prior to such transfer in the account designated Bank of England No. 3 Account.

We enclose copies of the following:

- (1) Our cable to the Bank of England No. 845/40, dated July 12, 1940, advising of the opening of the accounts in the name of the British Government and of the transfers thereto as described above.

B.P.C.

- (2) Bank of England cable to us No. 586/40, dated June 20, 1940.
- (3) Our cable to the Bank of England No. 668/40, dated June 8, 1940.

We shall appreciate it if you will transmit copies of this letter and of its enclosures to the Secretary of State with the request that copies be furnished to the British Government.

Respectfully,

/s/ Allan Sproul.

Allan Sproul,
First Vice President.

Enclosures

Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

RECEIVED
TREASURY DEPARTMENT
7 PM 4 51
THE ASSISTANT
SECRETARY

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