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Copied to F.O. in P.L. 367 of Apr. 8
with p. 2 & p. 13.



DEPARTMENT OF STATE
WASHINGTON

January 3, 1941

Sir:

I have received from the American Embassy in London a telegram dated December 20, 1940, transmitting the following text of the note marked "Secret" and dated December 20, 1940, addressed to the American Embassy by the Foreign Office:

"With reference to the note number 2452 which the United States Ambassador was so good as to address to me on the 5th August, I have the honor to state that His Majesty's Government in the United Kingdom are desirous of opening a further account in their name at the Federal Reserve Bank of New York. The Federal Reserve Bank have suggested that His Majesty's Government should address their request to the Secretary of State of the United States, and I shall accordingly be obliged if you will be kind enough to forward to the Secretary of State of the United States for transmission to the Treasury Department of the United States and to the Federal Reserve Bank the following requests and instructions:

"(A)

Mr. N. M. Butler, C. V. O.,

British Chargé d'Affaires ad interim.

"(A) His Majesty's Government request the Federal Reserve Bank of New York to open an account to be entitled His Britannic Majesty's Government special account 'B'.

"(B) His Majesty's Government request the Federal Reserve Bank to accept on their behalf instructions of the Bank of England in all matters relating to this account.

"(C) His Majesty's Government take this opportunity to advise the Federal Reserve Bank of New York that the Bank of England is authorized to manage and operate any and all accounts in the name of His Majesty's Government with the Federal Reserve Bank of New York and in connection therewith to give all manner of orders, instructions and advices relating to such account, it being expressly understood that the persons from time to time authorized by the Bank of England to sign on their behalf cheques, drafts or other orders, instructions or advices drawn on or otherwise relating to such accounts need not be officers or employees of the Bank of England or persons in England.

"(D) His Majesty's Government also advise the Federal Reserve Bank that the Bank of England is authorized to request the opening of further accounts in the name of His Majesty's Government and to manage and operate such accounts in accordance with the instructions as outlined in paragraph (C) above.

"(E)

"(E) His Majesty's Government confirm that the understanding and agreement with regard to tested telegrams, cablegrams and radiograms contained in the following cables:

"Nos. 962 and 977, dated August 1 and August 3, 1940, from Federal Reserve Bank of New York to Bank of England.

"Nos. 814 and 825, dated August 2 and August 6, 1940, from Bank of England to Federal Reserve Bank of New York applies to any telegrams, radiograms and cablegrams relating to any account of His Majesty's Government with the Federal Reserve Bank of New York heretofore or hereafter established. This understanding and agreement is to the effect that: (1) the Federal Reserve Bank of New York is authorized and requested to accept and act upon any telegram, cablegram or radiogram, relating to any account in the name of His Majesty's Government, which is received by the Federal Reserve Bank of New York in the name of the Bank of England and which conforms to arrangements agreed upon between the Federal Reserve Bank of New York and the Bank of England with respect to the authentication of telegrams, cablegrams and radiograms by the use of test numbers; and (2) any such telegram, cablegram or radiogram will be binding upon the Bank of England and His Majesty's Government and will have the same force and effect in all respects as a letter signed in behalf of the Bank of England by its officers who are authorized to sign correspondence and documents containing instructions or other communications such

as

as are contained in the telegram, cablegram or radiogram.

"(F) His Majesty's Government confirm that all funds and other property which may be transferred, deposited or placed in any account in the name of His Majesty's Government with the Federal Reserve Bank of New York will be the funds and property of His Majesty's Government.

"(G) His Majesty's Government advise the Federal Reserve Bank that the authority extended to His Britannic Majesty's Ambassador in Washington and to Mr. J. A. C. Osborne under the 'emergency signing procedure' does not apply to special account 'B'.

"Further His Majesty's Government advise the Federal Reserve Bank that in respect of His Britannic Majesty's Government special account 'A' and special account 'B', (and any other accounts to which the emergency signing procedure might not apply), the signatories who have authority to sign on behalf of the Bank of England immediately prior to the time the emergency signing procedure becomes effective will thereafter have authority to sign on behalf of His Majesty's Government.

"The Federal Reserve Bank have requested that His Majesty's Government's communication to the Secretary of State of the United States should be authenticated by the Consul General of the United States in London and I shall accordingly be grateful if the counter-signature by the librarian and keeper of the papers at the Foreign Office of the signature

of

of this note may be duly authenticated by
or for the United States Consul General in
London before this note is transmitted to
the United States Government.

"I have the honour to be, with high
consideration, sir, your obedient servant,
(for the Secretary of State) N. B. Ronald,
certified at the Foreign Office for legalisa-
tion of the foregoing signature 'N. B. Ronald'
Stephen Gaselee, Librarian and Keeper of the
Papers for the Secretary of State for Foreign
Affairs. (seal) London".

Accept, Sir, the renewed assurances of my high
consideration.

For the Secretary of State:

